



PRIME MINISTER

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Agree to publication
of the White Paper?

MUS 26/11

Yes not

CASH LIMITS IN 1980-81

We are due to publish at the beginning of December the usual White Paper showing the provisional outturn of expenditure ... against cash limits in 1980-81. A draft is attached, following the factual, low-key format of previous White Papers. I send it to you and colleagues for information.

2. The vast majority of cash limits were once again correctly observed in 1980-81. In aggregate there was as usual some underspending. Central government voted cash limits were under-spent in total by about £450 million, equivalent to 1.1%. Underspending in 1979-80 is now thought to be slightly less than this, at 0.7%. It was 1.5% in 1978-79 and 2.6% in both 1977-78 and 1976-77.

3. There were six cases in which cash limits were breached. This is a better performance than in 1979-80, when there were 13. But it is still higher than in any year under our predecessors; the number of breaches was two in 1976-77, two in 1977-78 and four in 1978-79. To some extent this may reflect greater stringency in setting the limits. Nevertheless it sits ill with the importance which, as a Government, we attach to cash limits in controlling expenditure.

4. I therefore take this opportunity to remind colleagues in charge of spending departments of our collective commitment to cash limits, and to request their cooperation in securing an even better record both for the current year and in relation to the cash limits for next year soon to be settled.

5. My intention is to publish the White Paper one or two days after any statement the Chancellor or I may make about public expenditure in 1982-83.

6. I am sending copies of this minute and of the White Paper to other members of the Cabinet and to Sir Robert Armstrong.

L.B

LEON BRITTAN

26 November 1981