



gov H. Act.
Prime Minister

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This proposal may be resisted, but it is consistent with the Government's own internal improvements in accountability

MAD
23/12/81

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Baroness Young
Chancellor of the Duchy of Lancaster
70 Whitehall
London SW1A 2AS

23 December 1981

Dear Baroness Young,

This letter is to tell you of, and seek your support for, a change which has become imperative concerning the financial arrangements for certain supplies to Parliament.

As you know, it is Government policy to end the "allied service" method of providing departments with certain goods and services, eg stationery and other office supplies, computers, accommodation. We have moved to the repayment basis whereby the department requiring the supplies pays the supplying department. The cost thus appears where it should, that is, on the Vote of the department requiring the supplies. This makes departments recognise their responsibility for the demands they make for these services and appreciate their cost. Derek Rayner has taken a close interest in this change as a stimulus to efficiency and economy.

For Government departments supplies by HM Stationery Office and by the Central Computer & Telecommunications Agency have been on the repayment system since 1 April 1980. But supplies to the two Houses of Parliament still remain on the old allied service basis. This is now a unique anomaly, and wrong in principle. It means that special arrangements have to be made to cover Parliament's requirements, and these arrangements are not in accord with proper principles of financial control. For example, the Controller of the Stationery Office has to be accounting officer for expenditure ordered by others over which he has no control. Indeed, to the extent that the Houses of Parliament are separate from Government, the case for them paying for their supplies out of their own Vote is if anything stronger than in the case of supplies to actual Government Departments.

Officials have discussed the matter, but so far the authorities of the two Houses of Parliament have resisted the change to repayment. They have argued that having to control their own expenditure would be an additional burden for the two Houses, which are not

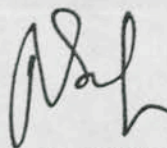
organised to do this sort of thing. Treasury officials believe that they exaggerate the burden, and would be happy to arrange for appropriate advice if necessary. In any event the main point is that, especially in view of our concern about the costs of Parliament, it is right that Parliament should become visibly responsible for what is supplied to it by Government agencies.

I am sure that the same change should now be made for supplies to the two Houses as is now in operation everywhere else, and that we must take effective action to this end. I have in mind that my Permanent Secretary should write on my behalf to the Clerk of the House of Commons and to the Clerk of the Parliaments, making clear that we are firmly of the view that a change of this kind is now necessary. But I write to you first, so as to be sure that the change proposed has your personal support, which I would like to be cited in the letter from my Permanent Secretary.

I am writing similarly to Francis Pym. ^{attached.}

Copies of this letter go to the Prime Minister and to Sir Robert Armstrong, and to Sir Derek Rayner.

yours sincerely

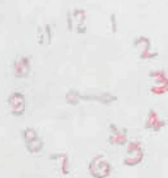


LEON BRITTAN

KP

(approved by the Chief Secretary
and signed in his absence)

23 DEC 1967



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PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

19 January 1982

Mr Lea,

You wrote to me on 23 December about the question of transferring Parliamentary costs in respect of supplies from HMSO and the Central Computer and Telecommunications Agency from Departmental to House Votes.

I fully agree that we should make a further attempt to try and persuade the Parliamentary authorities to come into line with Departmental practice in this matter.

So far as the Commons is concerned, however, the final decision will primarily rest with the House of Commons Commission rather than with the House authorities. When they last considered this matter the Commission agreed to defer a decision on the transfer of House printing costs from the HMSO Vote to the House Vote, but arranged for a re-examination of the position to take place "in time for any change to be implemented in 1982-83". I have not yet seen the outcome of this, and, if you agree, I would propose in the first instance to have this matter raised, if necessary, at an early meeting of the Commission, and find out how matters now stand. If it transpires that the proposed re-examination has now been completed, but the Government's view is still not accepted by the Commission, we could then consider how we might, if necessary, press the matter further and deal with the related question of Parliamentary computer costs.

I am sending a copy of this letter to the recipients of yours.

Francis Pym
Francis Pym

FRANCIS PYM

The Rt Hon Leon Brittan QC MP
Chief Secretary to the Treasury
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Parliament Street
London SW1P 3AG



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