

Prime Minister

(1)

Agree to publication
of Cash Limits White
Paper on 29 July? *Yes*

15 July 1982

MUS 16/7



PRIME MINISTER

CASH LIMITS IN 1981-82

We are now ready to publish the usual White Paper showing provisional outturn of expenditure against cash limits, for 1981-82.

... A draft is attached, following the strictly factual low-key format of previous White Papers. I propose to publish it on Thursday 29 July, after Question Time.

2. Almost all cash limits were correctly observed in 1981-82. In aggregate there was as usual some underspending. Central Government voted cash limits were underspent in total by about £800 million, equivalent to 1.8%. This was rather more than in 1980-81 when it was 1.1% and compares with underspending on central government blocks of 0.7% in 1979-80, 1.5% in 1978-79 and 2.6% in both 1977-78 and 1976-77.

3. There were two cases in which cash limits were breached, though one was rather unusual (see paragraph 5 of page 1 of the draft.) This is a better performance than in 1980-81, when there were six. It is lower than in any year since the first two years cash limits were widely used; in 1976-77 and 1977-78. In part at least, it reflects the importance which, as a Government, we attach to cash limits.

4. I would like to take the opportunity of this minute to remind colleagues in charge of spending departments of our collective commitment to cash limits and of the importance of adhering strictly to the cash limits set for this year, and those which we shall shortly agree for next.

5. I am sending copies of this minute and of the White Paper to other members of the Cabinet, to the Chief Whip and to Sir Robert Armstrong.

L.B.

LEON BRITTAN