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The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
HM Treasury
Treasury Chambers
Parliament Street
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Prue Porter 2

JHS

24 February 1986

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Dear John

HANDLING OF THE 1986 PUBLIC EXPENDITURE SURVEY

I have a good deal of sympathy with your analysis of the way that the public expenditure planning round has been working. I think it right that any additional bids should be put forward by Ministers personally, and the timetable you suggest will give us more time to look critically at the analysis coming forward from our Departments.

I note that the additional bids will be put together by the Treasury to form the basis of the July Cabinet paper on public expenditure. It would help us all to prepare for that if a summary of the proposals you receive in May could be circulated to colleagues as soon as they have been assembled. And to provide some basis for a meaningful discussion on spending priorities, I hope the Treasury will find it possible to circulate information, in some detail, on the reasons for the additional bids which colleagues have found it necessary to put forward.

I am copying this to the Prime Minister, to Cabinet colleagues, the Minister of State (Privy Council Office) and Sir Robert Armstrong.

John MacGregor

Nicholas Ridley

NICHOLAS RIDLEY

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