

From ADMIRAL SIR DAVID WILLIAMS GCB DL
VICE-CHAIRMAN



COMMONWEALTH WAR GRAVES COMMISSION
2 MARLOW ROAD
MAIDENHEAD BERKSHIRE SL6 7DX
Telephone: 0628 34221

Our ref: ACC 15/3

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON SW1P 3AG

NBPM

(31/5)

28 May 1986

PUBLIC EXPENDITURE SURVEY COMMITTEE - 1986 SURVEY
DEPARTMENT 013 COMMONWEALTH WAR GRAVES COMMISSION

I am writing in accordance with the guidelines for this year's Public Expenditure Survey to put forward a bid for additional resources made necessary by inescapable changes in economic assumptions. The extent of the bid is:

	1987-88 £000	1988-89 £000	1989-90 £000
Present baseline	11,898	12,164	12,468
Additional bid	567	613	628
Requested baseline	12,465	12,777	13,096

2. The increase for 1987-88 is made up as follows:

	£
Exchange rate deterioration	+ 423,000
Overseas inflation higher than provided	+ 249,000

Deferment of structural maintenance	+ 672,000
	- 105,000

	+ 567,000

Bids for subsequent years are those required to update the 1987-88 requested baseline by the PES standard factor of 2½% for each year.

3. This request for additional resources is made necessary solely by economic factors which are outside the Commission's control but which have substantial effect upon the two thirds of Commission expenditure which is incurred overseas.

4. We have rigorously examined our programme for the period under review, which is entirely one of basic care and maintenance, but we are unable to offer any off-setting savings beyond the deferment of structural maintenance mentioned above. The Commission fully appreciates the need for economy but would draw attention to its record of substantial staff reductions. With the pressures placed on resources by the very age of the cemeteries and memorials for which the Commission is responsible, scope for economies is very limited and all reasonable steps have already been taken. The request now put forward does no more than permit the Commission to continue with a reduced programme of essential maintenance which would barely enable it to keep up the standards to which all its member governments have committed their support.

5. I must add that the effects of exchange rate deterioration are already being felt and if rates remain broadly as at present we shall have to ask for a supplementary grant from member governments for the financial year 1986-87. On present indications, the share of this falling upon the British government will be of the order of £400,000 and it is on the assumption that such an amount will have been provided, if necessary, that the additional bid for the three following years has been compiled.

6. I am copying this letter to the Prime Minister and the Lord President of the Council, as requested in the guidelines; and also to the Defence Secretary as Chairman of the Commission.

(SGD.) D. WILLIAMS

Copied to

The Rt Hon Margaret Thatcher MP
Prime Minister and First Lord of the Treasury
10 Downing Street
London
SW1