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FROM: CHIEF SECRETARY
DATE: 29 July 1986

PRIME MINISTER

ENERGY EFFICIENCY GRANTS

Prime Minister
Agree that Peter Walker's proposal should be considered in the Survey, not separately?

I have seen Peter Walker's minutes to you of 14 and 22 July ^{at trap} *DR* 29/7. on his proposal for increased expenditure in connection with voluntary insulation projects for low income families.

Yes
no

2 I have not yet seen the details of what he is proposing, but I must register two points at this stage. First, in accordance with the usual rules, the Treasury must be allowed an opportunity to consider the proposals fully and to make our views known in the report that is put to you. Second, any proposals for increased expenditure will need to be considered in the context of this year's Survey. Given our recent Cabinet decision to contain planned expenditure within the existing ceilings, it will not be possible for me to contemplate any proposal for increased expenditure in this area without offsetting savings being provided. The report will need to deal with how the proposals translate into bids by the Departments concerned and where the offsetting savings by these Departments will come from.

3 I am copying this minute to Norman Fowler, Nicholas Ridley, David Young, Peter Walker, Malcolm Rifkind, Nicholas Edwards and Sir Robert Armstrong.

JOHN MacGREGOR

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CONDENSATOR