

03457

MISS C SLOCOCK

FROM: J M E BUCHAN
Date: 6 April 1990

cc Sir Robin Butler
Mr Kemp
Mr Davie

1992 ECONOMIC SUMMIT

The United Kingdom is to host the 1992 Economic Summit. Preparations for the summit are already underway and involve OMCS, Treasury and the FCO.

Mindful of the problems which arose and funding for the last Economic Summit hosted by us, and of the long lead time required on the arrangements a provisional bid for funding was included in the 1988 PES bid for OMCS, but with no commitment to being the lead department as responsibility for the Sherpa role had not then been assigned. The OMCS baseline includes running cost provision of £474,300 in 1990-91 and £2,350,000 in 1991-92. This provision is based purely on updated costs of the previous summit as we have had no means of assessing the costs of the 1992 Summit. The overall provision is almost certainly inadequate and will need to be increased in the 1990 PES round.

I am not convinced that OMCS is best placed to take responsibility for, or to administer, the funding for the 1992 Summit. OMCS involvement comes about because the Prime Minister's costs are borne on the OMCS Vote. However the Sherpa role was retained by Mr Wicks on his return to the Treasury and Treasury are the lead department on the subject of the Summit. FCO are involved in making the physical arrangements for the Conference and for ensuring that correct protocol is observed. No. 10 is obviously in close touch with those making the arrangements but in general the OMCS appears not to be taking a lead role. Without considerable input from FCO and Treasury we have no yardstick by which to assess the overall funding requirement nor would we have any direct control over spending to ensure that expenditure is within voted limits. A recent incident involving a requirement for funding for a Sherpa meeting, arranged by the FCO at the request of Mr Wicks but funded from the OMCS Vote, has highlighted the problems and delays inherent in "distant management" of the funding. These can only increase as the pace of the arrangements quickens. It would, I believe, be more efficient, and more in line with the principles of accountability, if responsibility for the funding was assumed by either of the departments actively involved in the arrangements, Treasury or FCO.

CS
I feel strong
Mr Powell
Any views?
OMCS R/4
dreams or PES
shd hold this. There
are for
able to administer
sums of this size
clearly some head
to put the 1992
sum. But it
ought to be
the decision
made. I don't
see it.
of power, but we need to be
clear that if we do
it so long
at 10 min, the
134 has
low
and
already.
do we
really
want to go
then this
also
Not really
No 10 may
use it
but not
this one
9.

well not?

decision on this needs to be taken before the end of April if a bid for any additional provision is to be included in 1990 PES. I am prepared to approach Treasury and FCO about transferring financial responsibility but would first welcome your views on whether there are any underlying reasons why OMCS should retain financial responsibility.

pp *TJ Gubb*

J M E BUCHAN
Finance Division