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## CABINET OFFICE

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Mr J Edwards  
Finance Officer  
HM Treasury  
Room 1308  
Alencon Link  
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30 April 1990

*Dear Mr Edwards*

### 1992 ECONOMIC SUMMIT

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

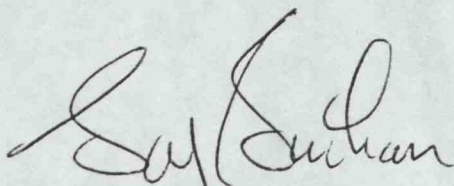
Mindful of the problems which arose over funding for the last Economic Summit hosted by the UK, and of the long lead time required for the arrangements, a provisional bid for funding was included in the 1988 PES bid for OMCS, but with no commitment to the OMCS taking the role of lead department. Responsibility 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.

I have discussed this with 10 Downing Street and we do not consider that OMCS is best placed to take responsibility for, or to administer, the funding for the 1992 Summit. 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. OMCS involvement arises because the Prime Minister's costs are borne on the OMCS Vote. No. 10 are obviously in close touch with those making the arrangements but in general the OMCS does not have the lead role. Without considerable input from FCO and Treasury we have no yardstick by which to assess the overall funding requirement nor do we have any direct control over decisions on spending to ensure that expenditure remains 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 one of the departments more actively involved in the arrangements.

I would welcome your views on this. A decision needs to be taken before the end of May if a bid for any additional provision is to be included in 1990 PES and arrangements made for the transfer of existing funds.

I have copied this letter to Mr Blatherwick and to Mr Kemp, Mr Wicks, Mr Chase, Miss Slocock and Miss Peirson for information.



J M E BUCHAN  
Senior Finance Officer  
Finance Division