

MR TURNBULL

PUBLIC EXPENDITURE REVIEWS: TERRITORIAL PROGRAMMES

The Treasury have undertaken an impressive piece of work which gives Ministers all the information they need.

The next phase is to move on to decisions. As the Chief Secretary's letter points out, the main problems lie in the assessment of needs in Scotland and Northern Ireland, and unfortunately the over-provision is most marked in the sensitive areas of health and housing.

The next step must be to invite in the Chief Secretary to discuss handling. It might be best to tackle the problem of Scotland first, whilst reassuring Wales that they are not overspending, and hinting that Northern Ireland is a special case. The Chief Secretary and Prime Minister could discuss how to broach the subject of the £900 million overspend with the Secretary of State for Scotland, with a view to opening negotiations which could result in £0.5 billion savings in due course.

JOHN REDWOOD

Prime Minister ②

Overprovision in the territorial programmes was one of the main areas suggested by the Treasury. You asked to see a summary of the Treasury work before agreeing that an approach be made to the Secretaries of State.

Agree a start meeting with CST?

Yes no

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We have seen similar figures some 3 years ago. I do not think they will get us very far. But we can have a start meeting.

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