

Prime Minister ①

Agree I let RTA know that you are hoping to "dear" Mr Tebbit so that he can join the group? Yes
not

Agree RTA to approach members informally before Thursday? Yes
not

AT 28/9

Ref. A084/2599

PRIME MINISTER

Public Expenditure Survey 1984: Small Ministerial Group

in Pt 27
You indicated to the Cabinet on 5 July (CC(84) 25th Conclusions, Minute 5) that it was probable that you would establish a small Ministerial 'Star Chamber' Group, like MISC 99 last year, to consider and make recommendations to the Cabinet on expenditure programmes which cannot be agreed bilaterally between the relevant spending Ministers and the Chief Secretary, Treasury. As I reported to you in my minute of 24 September, both the number of such programmes and the issues at stake are likely to be greater than last year. We shall therefore need to set up a Ministerial Group. This minute seeks your instructions on the membership.

2. The membership of MISC 99 was as follows:

Lord President of the Council (Chairman) ✓

Secretary of State for Scotland ✓

Lord Privy Seal ✓

Secretary of State for Trade and Industry

Chancellor of the Duchy of Lancaster (Lord Cockfield)

Chief Secretary, Treasury

assuming he has reached agreement not

Non-departmental Ministers

Yes
Yes
3. I take it that you will wish the Lord President of the Council to be Chairman, as you indicated to the Cabinet on 5 July; and that you will also wish the Lord Privy Seal to be a member.

4. The other non-departmental members of the Cabinet are the Chancellor of the Duchy of Lancaster and the Minister without Portfolio. On the whole, my feeling is that they have been too recently appointed to the Cabinet for it to be appropriate to invite them to be members of the Group this year. Moreover, such groups generally work more effectively if the number of their members is kept small.



Departmental Ministers

5. Among departmental Ministers I would suggest:

Agreed
The Home Secretary: I understand that he is very near agreement bilaterally with the Chief Secretary; and that even if complete agreement is not reached the sums at issue are small; and

Agreed
The Secretary of State for Scotland: unlike last year, there may be an issue between him and the Chief Secretary about the application of the so-called Goschen formula (which relates expenditure under the control of the Secretary of State to expenditure on corresponding English programmes); but I do not think that this is a serious objection to his being a member of the Group.

6. I understand that there are substantial differences between the Secretary of State for Trade and Industry and the Chief Secretary, particularly regarding 1986-87 and 1987-88; and that it is unlikely that agreement will be reached bilaterally. This is not a conclusive objection to membership: it would be possible for the Secretary of State to 'cross the floor' when his programmes were discussed by the Group. Nevertheless, it seems to me that it would be difficult for the Group to be accepted as impartial by other spending Ministers if he were a member.

Recommendation

7. I therefore recommend the following membership:

Lord President of the Council (Chairman)

Home Secretary

Secretary of State for Scotland

Lord Privy Seal

Chief Secretary, Treasury

with DTI, agreement has been reached
As last year, the Group would be known as the Ministerial Group on Public Expenditure.

8. The natural occasion for you to tell your colleagues of the establishment of the Group would be at the meeting of the

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Cabinet on Thursday 4 October. I should, however, be grateful for your authority informally to approach the Chairman and members of the Group before then. This would enable preparations to be put in hand for the Group to begin work on 15 October, immediately after the Party Conference.

RA

ROBERT ARMSTRONG

28 September 1984

CONQUEROR

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