

aker

CCJR 1  
TF 15

CONFIDENTIAL



FROM: CHIEF SECRETARY

DATE 25 March 1985

PRIME MINISTER

1985 SURVEY GUIDELINES

We need shortly to circulate guidelines to colleagues for the conduct of the 1985 Public Expenditure Survey.

2 The Chancellor is sending you separately a note on one aspect, that of running costs control. But you may also wish to see the complete draft Survey guidelines I propose to circulate, which I am attaching to this minute.

3 It is clear that, despite the higher planning totals announced by the Chancellor at Budget time, we still face another tough Survey. Departments will need to be discouraged from any notion that tight control over individual programme totals can now be eased.

4 The attached guidelines deal only with the conduct of the initial stages of the Survey up to the first Cabinet discussion proposed for early July. Much of the document is procedural and technical, is similar to practice in earlier years, and has already been discussed with Departments.

5 This first part of the Survey is essentially concerned with ground-clearing and preparing the material for subsequent Ministerial discussions. When the Survey Report is available I envisage, as in earlier years, making proposals about the spending totals to the July Cabinet. The handling of negotiations thereafter - including the possibility of an informal "priorities" discussion which we talked about in January - will need to be considered nearer the time.

CONFIDENTIAL

*I think the price on additional bids is much too low. It is very unlikely that bids should only be submitted in exception of 2) Prime Minister.*

*The Chief Secretary proposes an uplift factor of 2 1/2% in 1988/9. Agree these guidelines for the 1985 PES? Agree also to x1 in the final paragraph for colleagues.*

*25/3*

CONFIDENTIAL

6 There are, however, a number of points about the early stages of the Survey - other than running costs - which I plan to draw specifically to colleagues' attention.

1988-89 Baseline

7 Perhaps most important is the question of the uplift factor for the new third year of the Survey, 1988-89. I propose we continue with the practice of setting the initial baseline for individual programmes by adding a given percentage to the established baselines for 1987-88, the last year covered by the 1985 Public Expenditure White Paper. This will provide the starting point for considering bids and options. The issue of what the overall increase in the planning total should be in 1988-89 (as for the earlier years) will fall to be considered later when I put proposals to the July Cabinet.

8 The choice of figure for this initial baseline involves a trade-off. On the one hand, we want to exert the maximum downward pressure in order to create room for manoeuvre in the negotiations. On the other hand, we must set a realistic figure which is not so low in relation to the inflation prospects that it leads to a rash of additional bids.

9 The latest MTFS includes an inflation assumption of 3 per cent for 1988-89. Last year, for 1987-88 we adopted an initial uplift a full 1 percentage point lower than the latest inflation assumption. To adopt the same approach this year would give us a figure of 2 per cent. But I doubt if this would provide a credible starting point for discussions with Departments. I have therefore concluded we should adopt an initial uplift factor for 1988-89 of 2½ per cent the same as in 1987-88. By incorporating a degree of squeeze this provides some room for manoeuvre in getting to an eventual planning total figure broadly constant in real terms.

CONFIDENTIAL



Other Issues

10 Other important features in the draft guidelines which are either new or where I propose a greater emphasis are:

(i) Increased emphasis in the Survey Report material on improvements in value for money (paragraph 17).

(ii) Following last autumn's discussions in E(DL), the introduction of targets for sales of surplus land and empty housing (paragraph 12).

(iii) Increased emphasis on the importance of additional bids being supported by measures of performance and output - both to validate the case for spending more and, where that case is accepted, for use later to assess effectiveness (paragraph 6).

(iv) Departments are asked, as in the past, to prepare material on options for reductions. They do not always take this seriously and, even when forced to comply with the letter of the requirement, provide material that is patently unrealistic. So this year, alongside the normal request for Departments to undertake this work, I envisage placing greater emphasis on a requirement for Departments to provide the information necessary for costing any options identified by the Treasury (paragraphs 8-9).

11 I should be grateful to know if you are content for me to issue the draft guidelines on the lines proposed. I would find it particularly helpful if, when I circulate the guidelines to colleagues, you felt able in correspondence specifically to endorse the proposed requirement that Departments should co-operate in the costing of Treasury options.

  
PETER REES

CC JR

20/3/85 DRAFT

001

CONFIDENTIAL  
DOWNGRADE TO RESTRICTED AFTER  
5 YEARS

PESC(85)  
PESC(WM)(85)  
March 1985

HER MAJESTY'S TREASURY  
PUBLIC EXPENDITURE SURVEY COMMITTEE

GUIDELINES FOR THE 1985 SURVEY

Note by HM Treasury

Introduction

1. This paper sets out guidelines for the conduct of the 1985 Public Expenditure Survey, and for the preparation of the 1985 Survey Report.

Aims and objectives of the Survey Report

2. The aim of the 1985 Survey Report is to provide an analytical data base designed to help the conduct of the Survey. The Survey Report should, in particular:

- i. record the baselines from which discussions will start;
- ii. record figures ranked in order of priority for additional bids and offsetting savings;
- iii. provide output and performance measures assessing what changes to the baselines will buy and in the case of bids for capital spending, where possible, what rates of return could be earned;
- iv. record improvements in value for money obtained or planned by departments;
- v. include estimates of receipts from sales of land and empty housing owned by departments.

Timetable

3. The 1985 Survey timetable was set out in Annex A of PESC(85)2. A copy is attached for convenience (Annex A). Departments are



asked to forward running tallies setting the baseline by 12 April; draft texts of the Survey report by 26 April and options for reductions by 10 May. The baselines will be set and agreed by 17 May - before the draft Report is circulated.

#### Baselines

4. Annex B gives detailed information on the construction of the departmental baselines to 1987-88. Departmental baseline figures for the new year, 1988-89, will be calculated by the Treasury by adding 2½ per cent to the cash figures for 1987-88, adjusted as in Annex B. In the case of defence this will, as last year, apply only to the non-Falklands element of provision.

#### Survey report chapters

5. In general chapters should not describe the baseline unless it is possible to improve on the description provided in the public expenditure White Paper (Cmnd 9428). Where the information in Cmnd 9428 can usefully be updated, or where series of historic output data can be projected forward into the Survey years, that should be done briefly in the Survey Report. Annex C provides more detail on how departmental chapters should be organised. Annex D suggests stylistic conventions to follow.

#### Additional bids and offsetting savings

6. Bids for additional cash should be placed in broad order of priority. Changes in policy should be clearly distinguished from estimating changes. They should be supported by the measures of performance and output which may be used later to assess effectiveness, so as to show as precisely as possible what the additional money will buy. Wherever possible bids for additional capital spending should include an estimate of the potential rates of return.

7. Departments should state what offsetting savings might be found, and what action would be required if the department were obliged to meet the additional bids within its existing programme. Any estimating reductions should be clearly specified.

Options for spending reductions

8. Material on options for reduction will not be included in the Survey Report. But Departments should separately set out and discuss, for each programme, policy changes designed to produce significant and feasible savings in cash, of at least 3 per cent of the baseline in each year to 1988-89. More detailed guidance on the preparation of the options material is offered in Annex E. The options should be ranked in order of acceptability. Specific options for reductions need not be produced for the territorial blocks.

9. There is no implication that options for reductions will be made. The purpose is to enable Ministers collectively to assess the implications of changes to spending plans as in the case of additional bids. Where the Treasury believes there are options not identified by departments that would assist that process it will separately identify those possibilities. Departments should provide the information necessary for costing Treasury options.

Territorial implications

10. It is important that departments indicate whether an additional bid, or a proposed saving would, if agreed, have effects through the operation of the territorial formula, on expenditure in Scotland, Wales or Northern Ireland (territorial expenditure). ST3 Division of the Treasury will advise in any case of doubt - Larry Woodman (233-7893) on Northern Ireland and Tony Davis (233-8045) on Scotland and Wales. Annex F suggests how this information should be forwarded. Departments are asked to keep the territorial departments informed of possible changes affecting the territorial blocks throughout the 1985 Survey by copying relevant Ministerial correspondence to the respective Secretaries of State.

Economic assumptions

11. Where they are needed, specific economic assumptions have been, or will be, issued directly to the Departments concerned. Changes in forecasts of demand led spending since the Cmnd 9428 figures were finalised should be treated as additional bids or



reduced requirements whether or not they reflect revised economic assumptions.

Sales of surplus land and empty housing

12. Departments are asked to include estimates of receipts from sales of surplus land and empty housing over the Survey period in their draft Survey Report chapters. Details, including additional information not needed in the Report, are provided at Annex G.

Manpower

13. Departments should review their published Civil Service manpower targets up to 1 April 1988 and examine what scope for further savings there may be [and propose an indicative planning total for 1 April 1989]. Manpower figures should be shown separately, alongside running cost targets.

Departmental running costs

[14. Last year particular attention was paid to departmental running costs for 1985-86. The aim this year is to set running costs targets for all three Survey years. These will be cash figures and it is proposed that they should allow an aggregate increase of  $\frac{1}{2}$  per cent less than forecast inflation.

	Forecast GDP deflator	per cent Target increase in aggregate running costs
1986-87	4 $\frac{1}{2}$	4
1987-88	3 $\frac{1}{2}$	3
1988-89	3	2 $\frac{1}{2}$

15. Against this background and taking account of individual circumstances, each department should propose running costs targets for the 3 Survey years. The targets thus proposed will be the subject of discussions between the Treasury and departments. More details on the information required for running costs and manpower plans will be given in a PESC (WM) paper.]

Competitive Tendering

16. PESC(M)(85)1/PESC(WM)(85)6 set out the information the Treasury needs to report to Ministers about progress with competitive tendering by Government departments.

Value for Money

17. Departments should provide a short statement (preferably not more than one page of figures and explanatory notes) of their main performance indicators, and the principal steps being taken to improve value for money (VFM) through greater efficiency or effectiveness. This statement should be in a form which can be drawn on for Ministerial briefing, and should mention any especially notable current achievements and future VFM objectives, quantified as far as possible. It should particularly note improvements deriving, directly or indirectly, from the financial management initiative (eg through better methods of allocating and managing programme or administrative spending; better definition of objectives or performance targets; and reviews or scrutinies resulting from these activities).

18. Any necessary supporting material on VFM should be provided separately to Treasury expenditure divisions.

Pay

19. Further consideration will have to be given at a later stage to how to treat public service pay in 1986-87 - in particular whether to have a pay assumption as for 1985-86.

Smaller Departments

20. The procedures adopted for the 1984 Report will apply for the 1985 Survey. This means that the smaller departments will be covered in two chapters; 'Chancellor's Departments' and 'Other Departments'. For the texts, it is necessary to cover only proposed increases and reductions (see Annex C. The information mentioned in paragraph 8 need not be included in the Report, although it will still be required by expenditure divisions).

Local authorities

21. Departmental chapters need not normally refer in detail to expenditure by local authorities unless the Department concerned



wishes to propose:

- (a) a specific policy initiative in an area within the Government's control or influence, or
- (b) an adjustment to programmes (eg capital expenditure) which will not be covered by Ministers' decisions on local authority relevant current expenditure.

Nationalised Industries

22. The external finance of the nationalised industries, and related expenditure as agreed between the Treasury and sponsor Departments (including redundancy provision), will be separately considered as last year, in the Investment and Financing Review. Arrangements for this have already been notified to sponsor Departments.

European Community expenditure

23. PESC(EC) will continue to consider spending allocated to programme 2.7, as last year.

Preparation of 1985 Survey Report

24. Departments and Treasury divisions are, as usual, asked to ease the substantial task of editing and reproducing the reports by adhering to the standard conventions in Annex E. Where departments can provide word processor discs compatible with those used by their expenditure divisions that will be helpful.

Supporting analyses

25. The Survey report will include supporting material broadly on the lines of Annexes A to H of the 1984 report. To enable Ministers to see the economic effects of changes proposed and made in the survey, an economic analysis of significant proposed increases, identified savings, and options for reductions will be needed. It would be of considerable help if departments could provide the necessary information in the form suggested at Annex F.

PESC (WM) papers

2 Further guidance on detailed points has been or will be issued to departments in separate papers as listed below:

PESC(WM)(85)3        Structure of the 1985 Survey

PESC(WM)(85)5        Transfer of the costs of early retirements to departmental votes

PESC(M)(85)1 )        The use of private enterprise in Government:  
PESC(WM)(85)6        Competitive Tendering

PESC(WM)(85)[ ]      1985 Survey baseline; submission of running tallies

PESC(WM)(85)[ ]      Refunds of VAT on contracted out services

PESC(85)[ ]        ) Restructuring of employees national insurance  
PESC(WM)(85)[ ]      contributions

PESC(WM)[ ]        Departmental Running Costs; PES Provision

Further Information

27. General questions arising from this note should be addressed to the secretaries, Mark Perfect (233-4801) or Ros Dunn (233-4679). Questions on departmental running costs and competitive tendering (paragraphs 14 to 16), should be addressed to Sue Gane (233-7188) or Paul Harris (233-7259); with enquiries about sales of land and empty housing (paragraph 12) sent to Ken Pike (233-4611).

R M PERFECT

R M DUNN



## TIMETABLE FOR 1985 PESC REPORT

## MARCH

Friday 1 March Last date for departments to submit running tallies to amend structure of survey file (PESC(WM)(85)3 refers).

Friday 15 March Last date for departments/ expenditure divisions to agree format of Survey tables.

## APRIL

Friday 12 April Last date for departments to submit running tallies to amend file for Budget and other agreed changes (instructions will be issued on 21 March)

Friday 26 April Last date for departments to send draft Survey Report texts to Expenditure divisions including information on additional bids and reduced requirements for spending and manpower.

## MAY

Wednesday 8 May GE Data Unit circulate draft Survey tables, showing Survey baselines, and more detailed PESKEL reports to expenditure divisions and departments.

Friday 10 May Last date for departments to send draft texts of Options Report to Treasury divisions.

Thursday 16 May Last date for divisions to send Survey Report texts and information on additional bids and reduced requirements to GEPl.

Friday 17 May Last date for final comments on Survey baseline tables.

Wednesday 22 May Last date for agreed supporting analyses Annexes to be forwarded to GEPl.

Friday 31 May Draft Survey Report including Annexes sent for copying and distribution to PESC.

#### JUNE

Friday 7 June Last draft Survey Report chapters circulated to PESC.

Friday 7 June Last date for draft texts of Options Reports to be sent to GEPl.

Tuesday 11 June PESC meeting on Survey Report.

Friday 14 June Final Survey Report sent for copying.

Friday 21 June Survey report available and circulated to Ministers.

#### JULY

Early July E Discussions of nationalised industries.

Thursday 4 July Public Expenditure Cabinet.



## ANNEX B

## CONSTRUCTION OF THE BASELINE (TO 1988-89)

The starting point for the 1985 Survey will be the cash plans published in Cmnd 9428, adjusted only for Budget policy changes. For the additional year 1988-89 baseline figures will be calculated by the Treasury by adding 2½ per cent to the cash baseline figure for 1987-88. The baseline for defence will be the 1987-88 Falklands-exclusive Budget. The baseline for local authority relevant current expenditure in each programme in 1988-89 will be the same as in 1987-88. But there will also be a reserve, equal to 2½ per cent of the aggregate service figures in 1987-88 and calculated by the Treasury, which will not be allocated to programmes at this stage.

2. With Treasury agreement a Department's baseline figures may be switched between sub-programmes within the same programme in any of the years 1986-87 to 1988-89 subject to two provisos. Switches out of local authority relevant current expenditure will be allowed only where explicit policy changes will ensure delivery; and the Treasury will need to be satisfied that savings on local authority capital spending will be delivered before agreeing any transfers out of local authority capital expenditure. If Departments wish to switch between sub-programmes in 1988-89 this should be done after the baseline is created - separate guidance will be issued. Finance treated as being within the nationalised industries' ring fence is dealt with in the IFR.

3. Except where otherwise agreed between the Departments concerned and the Treasury, proposals for switches of expenditure between programmes or departments should be identified in the PESC report as matters still to be decided.

4. PESC(WM)(85)3 advised separately on sending in running tallies to enter the Budget changes. These and any other agreed changes to the baseline from 1985-86 to 1987-88, including adjustments to expenditure related to civil service manpower, will need to be sent to the Treasury by 12 April. Classification changes

CONFIDENTIAL

(applying to all years of the survey, 1980-81 to 1987-88) estimating changes for past years up to 1984-85 should also be sent in by 12 April.



## ANNEX C

## PREPARATION OF PESC REPORT CHAPTERS

Departmental tables

Each PESC Report chapter will start with a table showing the baseline analysed by spending authority and function. One of the annexes to the Report will give an analysis of each Departmental grouping by broad economic category. Formats for the chapter tables are being discussed bilaterally with Departments. The baseline tables and figures will be supplied by GEP data unit.

2. Departments should begin their contribution with a list of additional bids, reduced requirements and offsetting savings - the order to reflect the priority the department attaches to the change - most desired increases and least unpalatable reductions being put first. Changes to nationalised industry expenditure, covered in the IFR, and local authority relevant current spending should be excluded.

3. Increases for 1985-86 should not be proposed in the Survey - any such proposals will be dealt with as they arise through the year as part of the operational control of the Reserve and the in year controls on civil service manpower.

Departmental texts

4. Departmental texts should be concise and concentrate on providing analytical material. A prominent cross reference will be included at the beginning of the Report stating that the vital job of describing what the baselines will buy is generally done in the relevant chapters of the public expenditure White Paper (Cmnd 9428). Where that information can usefully be updated that should be done briefly at the beginning of the departmental chapters.

5. Proposals for increases in expenditure should be supported

by quantified output data and state the consequences of leaving the level of provision unchanged. It should not be necessary to include lengthy textual argument.

6. Estimating reductions, provided that Treasury divisions accept them as sufficiently certain and durable, may be counted as savings - not options for reductions. Wherever possible the text should separately identify bids or reduced requirements arising from changed economic or demographic assumptions (if any) and should indicate increases which Departments and the Treasury have agreed would be necessary for the maintenance of standards provided in existing plans. The text should indicate the spending authority concerned and whether the expenditure is governed by existing legislation or regulations or is within the Government's administrative control. Departments should not take credit for proposed reductions in local authority current expenditure unless they can ensure that they will be delivered.

7. Where an additional bid (or a proposed saving) would, if agreed, have effects, through the territorial formula, on expenditure in Scotland, Wales or Northern Ireland, that should be indicated when the bids (or savings) are proposed to the Treasury (see Annex F).

8. Information about additional bids and offsetting savings should be followed by material on:

- i. value for money (para 17 of the guidelines).
- ii. sales of land and empty housing (para 12).
- iii. departmental running costs (para 14).



## NOTE ON THE PREPARATION OF DEPARTMENTAL TEXTS

It is extremely helpful to have Departmental texts etc provided in a consistent format. Detailed suggestions are provided in paragraph 3 below. One new suggestion this year is that where departments provide distinct passages in support of particular bids it is often helpful to Ministers to repeat the figures in bold immediately before the relevant passage. This style was eventually adopted in most chapters of the 1984 Survey Report.

2. Last year departments were invited to submit texts on word processor discs together with a typed version. In fact few departments were able to do so. Where departments know that they can send compatible discs to their expenditure divisions it would be helpful if they would do so - the editors do not envisage having all the chapters retyped on the same machine this year. Otherwise typescript should be submitted in the normal way.

3. The editors suggest the usual conventions be observed on format:

- i. Texts should be attached to, not incorporated in, a covering note. Typing should be on white A4, 1½ spaced, 1½ inch margin. There should be no heading of the kind "Draft passage for PESC report". To facilitate reproduction Treasury expenditure divisions should send a top and one spare copy to GEPl division.
- ii. Please avoid the use of capital letters as far as possible.
- iii. It will be understood that all figures in the report are in cash, unless otherwise stated.
- iv. Please write: "per cent" not "%"  
"1986-87" not "1986/87" or "1986-7"  
"a year" not "per annum" or "pa"  
"£ million" not "£m".

CONFIDENTIAL

- v. Please avoid abbreviations except where these are very familiar eg "NATO". Give an initial explanation of unfamiliar abbreviations, thus "Commonwealth Development Corporation (CDC)".
- vi. In the top right hand corner of each page type the name of the Department in block capitals eg: HOME OFFICE.
- vii. Please number the paragraphs, or, if the particular piece of text will follow another relating to the same Department, leave spaces for paragraph numbers.



## ANNEX E

## OPTIONS FOR REDUCTIONS

A consolidated list of options should be produced for each department ranked in order of acceptability. The ring fence on local authorities' relevant current expenditure and nationalised industries EFLs means that savings in these areas should not be considered in this context. New or increased charges may be put forward as possible savings; in these cases the effects on the RPI must be clearly stated.

2. It will help compare departmental options if the table at the head of each contribution shows the baselines for 1986-87 to 1988-89. The texts should be kept brief, and should indicate as appropriate:

- the responsible spending authority,
  - whether main or subordinate legislation would be required, and whether legislation in which the change could be included is already planned,
  - the specific areas where the reductions would fall, and their implications, quantified where possible,
  - consequences for departmental running costs,
  - any specific effects on employment and industry,
  - any consequential effects for territorial expenditure.
- (Annex F suggests how this information should be provided.)

Example of table required

Department	£ million		
	1986-87	1987-88	1988-89
1. Baseline	-	-	-
2. Items identified in order of acceptability	-	-	-
(i)	-	-	-
(ii)	-	-	-
(iii)	-	-	-
(iv)	-	-	-
(v)	-	-	-
3. Total options for reductions identified	-	-	-

Followed by notes on each options as in para 2 above.



## INFORMATION ON ECONOMIC COMPOSITION AND TERRITORIAL CONSEQUENCES

The Treasury needs to collect information about additional bids and possible savings.

- i. departmental running costs The effect on departmental running costs of a bid or reduction need to be set out to help monitor the future profile of departmental running costs in total.
- ii. other economic categories Attention also needs to be given other economic categories notably the capital/current split and subsidies. This information is fed to the Treasury forecasters to help prepare the forecasts for the July Cabinet and the Autumn Statement.
- iii. territorial consequences ST3 division in the Treasury, the Scottish and Welsh Offices and the Northern Ireland Departments need to work out the consequences for the territorial blocks of agreed bids and savings.

In recent years this (and other) information has been collected on GEPI computer forms which were to be updated during the Survey. Departments found this timeconsuming. This year those forms have been scrapped. Instead it would help if departments would provide the basic information needed, by completing the form attached to this Annex, when they forward their bids to expenditure divisions on 26 April. Divisions will check the information, particularly on territorial consequences, consulting ST3, and will forward it to the secretaries who will use it to inform the forecasters, ST3 and to compile Annexes for the Report.

PUBLIC EXPENDITURE SURVEY 1985  
 LIST BIDS, REDUCED REQUIREMENTS AND  
 OPTIONS FOR REDUCTION

DEPARTMENT:

Name of originator:

Tel No:

Economic Categories

Territorial implications(5)

Bids <sup>(1)</sup> Reduced Requirements & Options for Reduction	£m Total cost (3)	Depart- mental Running Costs	Other pay	Other current goods & services (gross changes)	Fees and charges	Current grants (4)	Current subsides on goods & services (gross)	Capital spending	Capital receipts	Capital grants	Net lending (by Govt sector)	Wales	Scotland	N.Ireland
Additional bids														
Reduced requirements														
Options for reductions														

- (1) Please give very brief descriptions so that the editors can cross relate to the Survey Report for more information. Downward changes in the estimate of the cost of existing policies should be shown as reduced requirements.
- (2) Please list bids and reduced requirements in the order in which they are covered in the Report, followed by options for reductions.
- (3) Total cost of bid/reduced requirement should be shown here if possible; where the cost is split between economic categories, the broad proportions of the cost should be shown under the appropriate heading in cash or in rough percentage terms
- (4) NB:subsidies aim to reduce or remove prices, grants do not.
- (5) Please indicate if possible whether bids/reduced requirements/options for reduction have territorial implications eg by "yes", "no" or "some".

PLEASE CONTINUE ON SEPARATE SHEET IF NECESSARY (spares can be produced by photo copying blanks)



## ANNEX G

## SURPLUS LAND AND EMPTY HOUSING

Ministers have decided that all Departments must dispose of their UK holdings of surplus land (including buildings) and empty housing as quickly as possible. They have also decided that financial targets for the disposal of these holdings should be agreed between the Treasury and Departments starting in the 1985 Survey. It should be possible to dispose of almost all of the present surplus holdings by the end of 1987-88. The new arrangements also apply to most non departmental public bodies (NDPB) (the Financial Secretary's letter of 15 March 1985 refers). Surplus land and empty housing owned by nationalised industries will be dealt with in the Investment and Financing Review for which separate guidance is issued.

Surplus land

2. Departments should give for each of the Survey years an estimate of the receipts expected from the disposal of their surplus land (including buildings) and that of their NDPBs (whether recorded on the registers of unused or underused land or not), and the quantities (in acres) expected to be sold in each year. Surplus sites likely to realise over £100,000 each should be listed. Departments should also give their best estimate of the size of total holdings at March 1985 and the amount which is surplus at that date.

3. As a general rule departments to whose Vote the receipts should accrue should make the return. In the case of NDPBs it will normally be for the sponsor department to make the return. Where land is held by and managed by the PSA, it might be more appropriate for details of land which is surplus to its requirements to be included in the PSA's return. But it is not possible to give general guidance which will cover all cases. Where departments have any doubt about the reporting arrangements for particular types of property or for particular cases they should consult

and agree with the PSA and their Treasury Expenditure Division whether they or the PSA should be responsible for making the return.

Empty housing

4. Departments should list the number of dwellings owned by them and NDPBs at March 1985 under the following headings:

- (a) total stock;
- (b) total empty for less than a year and for more than a year;
- (c) number empty being sold;
- (d) number empty being relet;
- (e) number empty undergoing repair to rehabilitation for subsequent letting;
- (f) number empty awaiting demolition;
- (g) number empty awaiting decision;
- (h) other (to be specified)

Departments should give for each of the Survey years an estimate of the receipts expected from the disposal of dwellings and the quantities expected to be sold in each year.

5. This information should be forwarded to the Treasury with the draft Survey report chapters. Only the estimate of receipts expected from sales of surplus land and empty housing should be included in the draft chapter itself.

6. The financial target subsequently agreed with the Treasury for 1986-87 will be taken into account when agreeing the Estimates for that year. Provided a financial target is agreed, the intention would be to allow the receipts to be appropriated in aid except where it has been decided to classify them as special sales of assets.



## Cabinet / Cabinet Committee Document

The following document, which was enclosed on this file, has been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES.

Reference: CC(85) 10<sup>th</sup> Conclusions, Minute 1

Date: 19 March 1985

Signed AWayland Date 9 December 2013

**PREM Records Team**