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10 DOWNING STREET

9 February 1987

*From the Private Secretary*

*Dear Jill,*

**HANDLING OF THE 1987 PUBLIC EXPENDITURE SURVEY**

The Prime Minister has seen the Chief Secretary's minute of 5 February about the handling of the 1987 Public Expenditure Survey. She endorses generally the Chief Secretary's proposals for the conduct of the 1987 Survey and in particular is content that the "Red Book" should be scrapped and that the running costs regime should now be integrated fully with the Survey.

The Prime Minister has noted that wider questions of tactics on the Survey, including the basis for the Star Chamber's operations, will need to be given further consideration later in the year.

I am copying this letter to Joan MacNaughton (Lord President's Office), Alex Allan (HM Treasury) and to Sir Robert Armstrong.

*Yours,  
David*

(David Norgrove)

Miss Jill Rutter,  
Chief Secretary's Office,  
HM Treasury