

CCBG



SECRETARY OF STATE  
FOR  
NORTHERN IRELAND

NORTHERN IRELAND OFFICE  
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The Rt Hon John MacGregor MP  
Chief Secretary to the Treasury  
HM Treasury  
Parliament Street  
LONDON  
SW1

31 March 1987

*Dear Chief Secretary*

*NBM -*

#### GUIDELINES FOR THE 1987 SURVEY

*at trap*

Thank you for sending me a copy of your minute of 18 March to the Prime Minister. My officials have been in touch with yours on some detailed aspects of the application of the Guidelines, reflecting the ground rules for the operation of the Northern Ireland Block which have now been agreed, and I gather that a useful understanding has been reached on the way ahead.

On a more fundamental point, I am anxious to avoid the situation which arose in the last two Surveys where, at a stage which seriously disrupted the elaborate programme of work undertaken within NI on each Survey, the Treasury sought to reduce the outcome of the application of the formula to comparable programmes in GB. It is of the essence of the formula arrangement that its application in some instances will give NI more than it needs but in others (for example, Law and Order, Housing and Labour Market measures) it will give markedly less than demographic characteristics of closing the gap in standards would require. To curtail the results of applying the formula in instances of the former kind whilst maintaining it in the other cases is inequitable and it inevitably frustrates the simplification of Survey work which the formula should achieve. I would find it helpful therefore to have your confirmation that the comparability formula will be applied in full in this year's Survey.



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I have also noted your proposals in respect of the handling of departmental running costs and I can confirm that details of Northern Ireland's requirements in this respect will be available to your officials in time for the preparation of your overall proposals in July.

I am sending copies of this letter to other Cabinet colleagues, Richard Luce and Sir Robert Armstrong.

Yours sincerely,  
*Robin Crossfield*

*for* TK  
(Approved by the Secretary of State  
and signed in his absence in Northern Ireland)

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ECON POL: Public Expenditure PT37

