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G.B.G.
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Treasury Chambers, Parliament Street, SW1P 3AG

Paul Gray Esq
Private Secretary
10 Downing Street
London
SW1

11th April 1988

Dear Paul,

FINANCIAL REPORTING TO PARLIAMENT

In your letter ^{at 11.45} of 5 April you express the Prime Minister's concern that shifting the debate on public expenditure from February to May/June could create difficulties for the Government.

In most years, the February debate on public expenditure has proved something of a non-event, a tendency which has been reinforced by the fact that the White Paper in January is not announcing anything new but is merely expanding on the decisions announced two months earlier in the Autumn Statement. This year, however, the debate proved more lively as it provided yet another platform for the arguments about the NHS.

The Chief Secretary agrees with the Prime Minister that if all that were done was to shift a general debate about public expenditure from February to May/June some of the difficulties mentioned in your letter could arise. However, as paragraph 14 of the draft Memorandum makes clear, this is not what is proposed. The proposal we are making, which is consistent with the TCSC's ideas, is that the general public expenditure policy should be debated as part of the Autumn Statement, probably before Christmas. Since there would be no further policy statement in January there would, under the proposed arrangements, be nothing to debate in February. The debate or debates in May/June would be on the reports which Select Committees have made following their examination of individual programmes. (One possibility might be two half-day debates.) Thus these debates would be focussed on specific programmes and not on the general picture. This should not allow any more opportunity to question the Budget stance than is already provided by the various stages of the Finance Bill.

But it
adds less
another
opportunity
to do so - e.g.
this year!

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Debates in May/June would be nearer the forthcoming Survey, but if they were related to individual programmes the argument would probably be about whether the service in question was under-funded, much as now, but this would enable the discussion to be kept off the objectives to be adopted in the subsequent Survey for public spending as a whole.

I would be grateful if you could confirm that the Prime Minister is content for proposals along these lines to be put to the Opposition through "the usual channels".

I am copying this letter to the Private Secretaries to other members of Cabinet, Eleanor Goodison (Office of the Minister for Arts), Miles Wickstead (Overseas Development Administration), Michael Saunders (Law Officers' Department), Alan Maxwell (Lord Advocates Department) and to Trevor Woolley (Cabinet Office).

Yours ever

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PP JILL RUTTER

Private Secretary

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Expenditure
Pt 39