

B

cc H. K. G. a

| (a-b)

PRIME MINISTER

PUBLIC EXPENDITURE SURVEY

Most Ministers have now submitted to the Chief Secretary their additional bids for consideration in this year's PES. Their submissions have, in accordance with the normal rules, been copied to you, but I have not been bothering you with these weighty documents.

You may, however, wish to note the scale of magnitude of the bids. This is summarised in the attached Treasury table. A number of figures are still uncertain. But it is clear that, overall, the scale of the bids is massive - some £12 billion in 1990/91 rising to over £20 billion in 1992/93.

Some large increases are inevitable, e.g., for the Department of Health (though perhaps not on the scale asked for), but some of the other figures are horrifying - e.g., well over £1 billion to DES and £600 million for Transport in year one.

I gather that the Chancellor may want to discuss this with you at his bilateral next Tuesday. He is apparently considering the possibility of the Chief Secretary responding to some of the letters saying that they are not acceptable even as a basis for discussion. It might also be worth considering whether you might minute out in selective cases expressing your dismay, and asking Ministers to reconsider their proposals.

RCC

PG

2 June, 1989.

NET BIDS

90-91 91-92 92-93

MOD	123	143	1257
FCO	48	59	55
ODA	141	195	292
MAFF	[50	75	100]
DTI	18	51	-27
ECGD	21	-26	-110
DEn	33	30	23
DE	95	122	109
DTP	→624	1042	1404
DOE-housing	648	826	884
DOE-OES	363	463	444
PSA	192	230	178
DOE-lg	[900	1200	1700]
HO	574	812	939
Legal	122	177	267
DES <i>Reduction</i>	1359	1682	1910
OAL	[30	40	50]
DH	1788	2471	3393
DSS	1129	1409	3428
SO-form	[781	1049	1496]
SO-other	62	101	144
SO-lg	200	200	200
WO-form	[390]	525	748]
WO-other	41	39	46
WO-lg	100	100	100
NI-form	[183	245	350]
NI-other	73	125	206
Chanc	163	189	308
Cab & Pa	[10	10	10]
EC	35	-35	230
Nat ind	[980	600	750]
Other	[550	570	650]
Priv	0	0	0

- yet to come: guess

+ ← 1/2 bn a year for HRA subsidy?

to E(LF)

- yet to come: guess

- v. rough estimate

- ditto

- ditto

- Treasury bid not included
- not yet in

- partial, as Energy industries not yet in

Reserve 0 0 0

TOTAL 11825 14719 21533

LA self financed
 1500 1750 2000

*Paul
Prepared by you
United health savings*

Also

2/6/89