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Parliament



Prime Minister (4)

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Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon William Whitelaw CH MC MP  
Secretary of State  
Home Office  
50 Queen Anne's Gate  
London SW1H 9AT

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30 November 1982

*D. Williams*

SELECT COMMITTEE ON PROCEDURE (FINANCE): LONG TERM PROJECTS

The Select Committee on Procedure (Finance) is looking at overall financial procedure of the House of Commons. The Committee have asked for Treasury help in identifying and scrutinising long term projects and have requested a paper.

Treasury officials have proposed that the existing Works Services tables in the Supply Estimates be extended to assist the Committee. Of course, projects involving national security such as defence would not be included. These proposals have been circulated to officials in departments; in most cases the information can be drawn up without too much difficulty.

I attach a copy of the draft paper outlining our proposals. Subject to your comments (which I should like to have by 15 December), I will ask my officials to send it to the Procedure Committee.

I am copying this letter to the Prime Minister and other Cabinet colleagues.

*Leon Brittan*

LEON BRITTAN

**DRAFT PAPER FOR: SELECT COMMITTEE ON PROCEDURE (FINANCE)**

As Treasury witnesses indicated in evidence to the Committee on 22 June, there is no satisfactory single definition of a large capital project which would meet all the points raised by the Committee. An alternative approach, which the Committee might find helpful, is to build on and extend the coverage of existing material provided to Parliament. It may be found in practice that this material would give Parliament all the information necessary to strengthen its control over long-term commitments without major changes in existing Supply procedure. The framework for this improved information would be the Works Services Tables annexed at present to certain Supply Estimates. These give details for individual works projects of:- expenditure to date, expenditure during the Estimates year and expenditure beyond that time.

2. To assist the Committee, the Treasury are asking Departments to expand the contents of these works services tables. In future, the tables will have increased coverage, for example large computer projects will be included. Also, to help in monitoring particular projects the tables will include, for each project, the original cost estimate as well as the current estimate of expenditure. Projects involving national security such as defence would not be included.
3. Projects involving expenditure beyond a single Estimates year will be included in these tables where the initial estimate of cost exceeds a predetermined cut-off point, or where subsequent revisions bring costs above that level. The cut-off point will vary from case to case. The project costs in the tables will be on the basis of contract costs where applicable and will be consistent with the expenditure included in the particular Vote. If these differ from the full costs of the projects, the latter will be given at the bottom of the relevant table. Where total project costs fall on more than one vote this will be shown in a footnote to the table.
4. A list of Votes to which such Annexes are already attached is given in the Appendix below. It is hoped to extend the treatment to certain other Votes in the 1983-84 Estimates but a complete list is not yet available.
5. All tables will be in a uniform format, listing:-
  - (i) Project.
  - (ii) Year of start to original estimate of completion date.

- (iii) Current estimate of completion date.
- (iv) Original estimate converted to Estimate year's prices.
- (v) Revised estimate of work carried out to date, at Estimate year's prices.
- (vi) Estimate provision sought.
- (vii) Current estimated expenditure to completion after the end of the Estimates year, at Estimate year's prices.

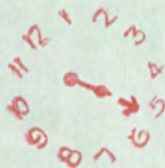
6. These changes should meet the Committee's wish to identify and monitor particular projects.

APPENDIX

VOTES WITH WORKS SERVICES' TABLES

<u>Class and Vote</u>	<u>Department</u>	<u>Description</u>
I, 4	PSA	Defence accommodation services
II, 2	PSA	Overseas accommodation services
II, 3	FCO	BBC external services
II, 4	FCO	British Council
VI, 1	Transport	Motorway and trunk roads
IX, 2	Northern Ireland Court Service	Court Rooms
IX, 8	Home Office	Prisons
X, 2	Education & Science	Universities
X, 6-10	Education & Science	Research councils, also analysis of current expenditure, and expenditure by establishments
XI, 1	DHSS	Hospitals
XIV, 1	PSA	Office and general accommodation services
XV, 6	Scottish Development Department	Roads
XV, 14	Scottish Home and Health Department	Prisons and hospitals
XVI, 1	Welsh Office	Roads and hospitals
XVII, 1	Northern Ireland Office	Prisons

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Y SWYDDFA GYMREIG  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switsfwrdd)  
01-233 6106 (Llinell Union)



NBRM  
Mrs 15/12

WELSH OFFICE  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switchboard)  
01-233 6106 (Direct Line)

Oddi wrth Ysgrifennydd Gwladol Cymru The Rt Hon Nicholas Edwards MP From The Secretary of State for Wales

15 December 1982

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SELECT COMMITTEE ON PROCEDURE (FINANCE): LONG  
TERM PROSPECTS

Thank you for copying to me your letter of 30 November to the Home Secretary asking for comments on an attached draft paper for the Select Committee outlining proposals for amplifying the information presently provided to Parliament.

I see no objection to the general thrust of your paper. However, it does seem something of a nonsense to give the information on the original Estimate, revised estimate of work carried out to date, and current estimated cost of completion all at Estimates year prices. Such a price base would be wholly artificial, since no-one can know how the construction price index will move (particularly not in time for the Table to be published in Estimates). It would make much more sense for all the information provided to be on an "actuals" basis, ie the original Estimate, the cash cost of work completed to date, and the current estimated cost of completion (the latter ought to have the assumptions underlying it made explicit in a note). Parliament could then make of the figures what it wished: the figures themselves would at least be honest and verifiable.

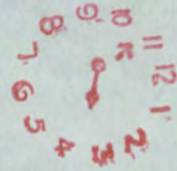
I hope you will feel able to amend your proposals in the way I have suggested, which would be in accordance with cash planning.

I am copying this letter to the Home Secretary and the other recipients of yours.

The Rt Hon Leon Brittan QC MP  
Chief Secretary  
Treasury  
Parliament Street  
LONDON SW1P 3AG

For  
Neil

Parliament, Apr '80, Cost of Parliament



10 DEC 1982