

PRIME MINISTER

Procedure (Finance) Committee

On 19 September the Chancellor circulated a minute suggesting the Government's response to the Committee's report. The approach he suggested was:

"to try to meet legitimate demands of the House for additional information about the public finances if these can be provided at reasonable cost and without causing other problems (e.g., in the markets), while on matters of control resisting any major shift in the present constitutional balance of responsibilities between Government and Parliament".

He suggested some form of take note debate before which the Government offered a firm response of its own.

Most colleagues have now replied endorsing these suggestions. They have also emphasised the need to test the strength of the House first, particularly as some of the leading protagonists are no longer Members (e.g., Mr. Michael English). It was also suggested that the Government should avoid showing its full hand initially.

The Lord Privy Seal has suggested a debate on an Adjournment Motion.

21 October, 1983.



PRIVY COUNCIL OFFICE
WHITEHALL LONDON SW1A 2AT

20 October 1983

Dear Nigel,

You minuted to me on 19 September about the handling of the report of the Procedure (Finance) Committee.

I agree generally that we should resist those recommendations in this report which would significantly affect the balance of power between Government and Parliament in financial management matters, but that we should seek to meet those recommendations of the Committee in so far as they are concerned with proposals for the improved presentation of information about public finance. I also consider that we need to resist those proposals, like the proposed splitting of the Finance Bill, which would add to the pressures on Parliamentary time.

Some former Members who were prominent in this Committee have now left the House, and I would suggest that in the first instance we should assess, when the House returns, the extent of continuing interest in this report. In the light of this, the next step might perhaps need to be a debate on the report sometime towards the end of the year. A debate on an Adjournment Motion might be the most suitable form and this would provide an opportunity to assess the reactions of the new Parliament, and of expressing, as necessary, our doubts and objections, on the general lines indicated in the notes attached to your minute. The need for any more formal response, as a White Paper or in some other form, could be considered subsequently.

I am copying this letter to the recipients of yours.

JOHN BIFFEN

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer

20 OCT 1953

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FCS/83/199

CHANCELLOR OF THE EXCHEQUER

Procedure (Finance) Committee

1. Thank you for sending me a copy of your minute of 19 September to the Lord Privy Seal about the Government's response to the first report of the Procedure (Finance) Committee.
2. In general, I am content with the recommended approach to the Committee's proposals.
3. But I hope that the possibility of an occasional technical Autumn Bill can be kept open, as suggested in paragraph 4(d) of your minute. This would be in line with the approach commended in my Addington Society speech.
4. I am sending copies of this minute to the Prime Minister, Cabinet colleagues and to Sir Robert Armstrong.

GH

GEOFFREY HOWE

Foreign and Commonwealth Office

17 October, 1983



N BPM
at this stage

AT 17/6

MO 21/8/4

CHANCELLOR OF THE EXCHEQUER

PROCEDURE (FINANCE) COMMITTEE

In your minute of 19th September ^{with AT} to the Lord Privy Seal you set out proposals on how to respond to the report of the Procedure Committee, which was published in July.

2. I fully endorse the broad guiding principle which you advance of trying to meet the legitimate demands of the House for additional information, if this can be given at reasonable cost and without causing other problems, but of resisting any major transfer of control to Parliament. In particular, I welcome your proposed rejection of Parliamentary control of major projects.

3. As you will be aware, we already give the House a great deal of information in the Statement on the Defence Estimates to facilitate constructive debate. We have also recently introduced an annual return of major projects to the Public Accounts Committee to enable them to monitor progress. The PAC has not so far made any visible use of this return. I do not therefore see any obvious need for additional information in the defence field, though I would of course be ready to consider reasonable proposals for improvement, subject to the qualifications which you yourself suggest.

4. I have no objections to your proposals for handling.

5. I am sending copies of this minute to the Prime Minister, to Cabinet colleagues and to Sir Robert Armstrong.

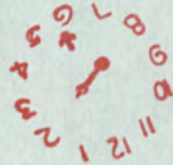
WMS

Ministry of Defence
17th October 1983

PARLIAMENT

COY

April '83



17 OCT 1983



DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

Secretary of State for Trade and Industry

10 October 1983

Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
London SW1

Dear Nigel,

Thank you for sending me a copy of your letter of 19 September to John Biffen about the Government response to the First Report from the Procedure (Finance) Committee.

2 I am content with your general line and I agree with the list of those recommendations which you propose should be resisted. In examining the scope for some constructive movement towards the Committee on the remainder I have no doubt you will bear in mind that greater information on industrial projects could run into difficulties on commercial sensitivities and international considerations.

3 I am copying this to the recipients of yours.

Yours Ever,
Neil

PARL : Cont dr. April 1980



W BPM AT 8/11

QUEEN ANNE'S GATE LONDON SW1H 9AT

8 November 1983

R. Nigel

PROCEDURE (FINANCE) COMMITTEE

Thank you for sending me a copy of your minute of 19 September to the Lord Privy Seal. I am content with the line you propose to adopt on each of the Committee's recommendations. I have a particular interest in Recommendation 4 in its potential application to the broadcasting authorities and I agree that it is necessary for officials to look further at the question of including information about the finances of public corporations in the Public Expenditure White Paper. There are sensitivities here for me as well as practical considerations, and we will have to discuss the matter with the broadcasting authorities. But I see no reason in principle why they should be excluded and I hope any difficulties which discussions between officials and with the broadcasting authorities show up can be resolved.

I am also content with your proposals for handling the Report.

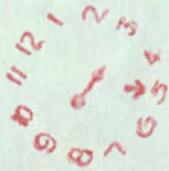
I am copying this letter to the Prime Minister, other Cabinet colleagues and Sir Robert Armstrong.

Lawson

The Rt Hon Nigel Lawson, MP

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NBM

AT 17/10

Zpp's.

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

The Rt Hon Nigel Lawson MP
 Chancellor of the Exchequer
 Treasury
 Parliament Street
 SW1 3AG

17 October 1983

Dear Nigel,

PROCEDURE (FINANCE) COMMITTEE

Your minute of 19 September to John Biffen invited comments on the proposed line of response to the Report which the Procedure Committee published in July.

I agree with your general approach of attempting, where feasible, to meet the Committee's demands for additional information while resisting any major shift in the balance of responsibilities between Government and Parliament. In particular, I am content with the proposed response to those recommendations (nos. 6,7,9(a),13 and 16) of concern to this Department.

On the question of the handling of the Committee's Report, it seems right to go forward on the basis you suggest, with the Government offering a written response after the House has expressed its views.

I am copying this letter to recipients of yours.

Erin Keir

Parliament,
April 80,
Cost of.



17 OCT 1980



SECRETARY OF STATE FOR ENERGY
 THAMES HOUSE SOUTH
 MILLBANK LONDON SW1P 3QJ

ENO

NBPM

26/10

01 211 6402

The Rt Hon Nigel Lawson MP
 Chancellor of the Exchequer
 Treasury Chambers
 Parliament Street
 London
 SW1P 3AG

25 October 1983

You wrote to the Lord Privy Seal on 19 September inviting comments on the suggested response to the Procedure Committee's report of July.

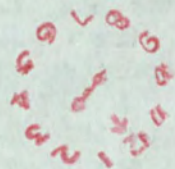
I agree with the broad lines of the response. In particular I endorse your reaction to Recommendation 5 on the External Financing Limits of the nationalised industries. It is difficult enough as it is to give the industries any fair framework within which to manage and plan. Accepting this recommendation would make matters even worse.

On Recommendations 13 to 15, I think we should be cautious about offering more information on major projects before the House has properly digested the improvements already made. It may be better to focus our efforts on satisfying the specific requirements for information from the Departmental Select Committees.

I am copying this letter to the Prime Minister, members of the Cabinet and to Sir Robert Armstrong.

PETER WALKER

Parliament:
Cost of April 82



26 OCT 1982



NBPM

AT 12/10

LC/ND

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

My Ref: K/PSO/27379/83

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
London SW1

11 OCT 1983

D. Nigel,

PROCEDURE (FINANCE) COMMITTEE

Thank you for letting me have a copy of your minute of 19 September to John Biffen outlining the response you propose to the report by the Procedure Committee.

I am generally content with the line you suggest, but I have one reservation. You suggest acceptance in principle that the public expenditure White Paper should give a breakdown of the expenditure of public corporations other than the nationalised industries (recommendation 4). This would include the public trust ports. However these ports are independent of Government and their budgets and investment programmes are not subject to Government approval or control. Our policy is that the trust ports should generally look to commercial sources for new capital, and I am exploring the possibility of changing their status. To collect and publish new information about their finances would be inconsistent with the general aim of rolling back the frontiers of the public sector.

I therefore suggest that acceptance of this recommendation should apply only to bodies which are financed wholly or mainly from public funds and whose expenditure is subject to Government control.

/ I am copying this to Cabinet colleagues and to Sir Robert Armstrong.

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h

TOM KING

Parliament
Cost of
April 80.



17 OCT 1983



CONFIDENTIAL

NBPM
AT 19/10
CCNO
2 MARSHAM STREET
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

18 October 1983

Dear Nigel,

In your letter of 19 September to the Lord Privy Seal you suggest a general line for the Government's response to the report of the Procedure (Finance) Committee.

The recommendations of main concern to me are Numbers 6 and 7 which proposed that the Government should lay provisional and amendable Rate Support Grant Orders before the Summer Recess each year. I am sure we are right to resist this strongly as you have proposed. It would be quite impracticable to advance the timetable for the whole settlement to the summer, and it would undermine the basis of the complex negotiations we have both with local government and with other Departments to allow the results to be amended in detail by Parliament.

On the other recommendations in the Report I agree broadly with your conclusions. On recommendation 4 I am responsible for several of the bodies for which additional information in the White Paper is suggested. I am not opposed in principle to publishing more information about these bodies, but we shall want to look at the details of this before going firm.

On handling I would very much agree with your view that it will be desirable to test the feeling of the House before disclosing too much of our hand, given that you are proposing to reject a good many of the Report's recommendations. On the RSG recommendations in particular I think we should proceed cautiously, lest our rejection of these proposals should add to the difficulties we may have from some of our own supporters on the rate-capping proposals.

Copies go the recipients of yours.

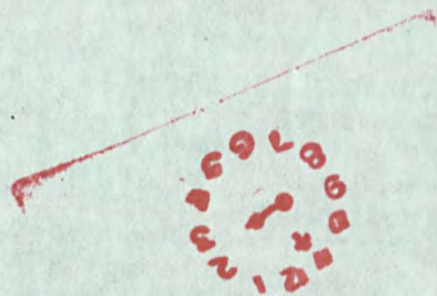
Yours
Patrick

PATRICK JENKIN

CONFIDENTIAL

The Rt Hon Nigel Lawson MP

Parliament,
Apr 80,
Cost of



APR 12 1980



NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

EE NO

NBPM

AT 19/10

The Rt Hon Nigel Lawson Esq MP
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

18 October 1983

Dear Nigel,

PROCEDURE (FINANCE) COMMITTEE

You sent me a copy of your minute of 19 September to John Biffen seeking reactions to your proposals for responding to this Committee's report.

I agree with you that we have little choice but to reject outright those recommendations whose practical effect would be to allow the House to infringe upon the legitimate role of Government in the management of its own financial affairs. Where it is practicable to meet the desire of the House for a greater say in some of the processes by improving information or otherwise we should certainly do so. It seems to me that your proposed response satisfies both these objectives and I am content with it.

I have a particular interest in some of the public corporations affected by Recommendation 5 and note that the Departments concerned are being consulted about the breakdown of their expenditure for purposes of the Public Expenditure White Paper. I strongly support your view about Recommendations 6 and 7: to advance the RSG timetable by five months would be impossible within the present financial planning timetable and to give the House the opportunity to make piecemeal amendments to a provisional Order would make it impossible for me to determine the shape of the settlement as a whole taking account of all relevant factors.

I hope that the outturn information to be offered in the response to Recommendation 9 will not include local authority expenditure and expenditure by nationalised industries within the definition of public expenditure since it would be difficult and costly to produce quarterly information about them in usable form and it would in any case be inappropriate for Parliament to be concerning itself so closely with non-voted expenditure.

John Biffen will no doubt be advising on the tactics of handling the report but I would certainly favour a low-key approach such as that suggested in paragraph 6 of your minute.

I am copying this letter to the Prime Minister, members of the Cabinet
and to Sir Robert Armstrong.

Yours wes,

George

Parliament,
Apr. 80,
Cost of



NBPM

AT

18/10

Y SWYDDFA GYMREIG

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)
01-233 6106 (Llinell Union)



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

De Nigel

18 October 1983

will request if required

PROCEDURE (FINANCE) COMMITTEE REPORT

In your minute of 19 September to John Biffen you outlined the response you propose to this Report and asked for colleagues' views.

I am broadly content with the line you suggest, subject to two observations, one general and one particular.

The general one is that as we have seen on other occasions, concessions can snowball. I do not dissent from the proposition that some sweetener will have to be offered to the Committee but I am a little concerned that if you offer all of the concessions you suggest at the outset the Committee will simply pocket them and come back for more. That could lead to considerable embarrassment, since I agree with you that a very large part of what the Committee suggests is plainly unacceptable. A small reserve margin of concession might therefore be a good thing.

The particular observation relates to the proposals in paragraph 119 of the Report, which are swept up (but not specifically mentioned) in Recommendation 12. In my own case, the proposition amounts to a transfer of the prerogative of allocation to services within the Welsh block from me to the Select Committee on Welsh Affairs. The commentary in the paper attached to your minute concludes that the proposition should be rejected but suggests as a reason that it is largely impractical. That must be open to argument. What is not open to argument is that the proposition is completely unacceptable because it implies a constitutional change in the respective powers of the Secretary of State for Wales and the Select Committee for Welsh Affairs.

I am copying this to Cabinet colleagues and to Sir Robert Armstrong.

John

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer

Niaz

FORM APR 80 COST OF FUND





SECRETARY OF STATE
FOR
NORTHERN IRELAND

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
London SW1P 3AG

cc NO
NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

NBPM at this stage
I will wait until
we see more reactions and
then provide PM with an
overview. BF 20/10

AT
6/10

5 October 1983

PROCEDURE (FINANCE) COMMITTEE

Your minute of 19 September to the Lord Privy Seal invited reactions to the line which you propose the Government might take in commenting on the Procedure Committee's Report.

While the recommendations are not directly concerned with Northern Ireland finances, some of those which you propose (and which I agree) should be rejected could have implications for the supply procedures for Northern Ireland Departments and for existing Northern Ireland financial legislation which I would not welcome, since they could give rise to undesirable controversy about the roles of the Assembly and the House of Commons.

I write therefore to confirm that I am content with your approach, which should cause no special difficulty for Northern Ireland and in my view strikes the desired balance between meeting legitimate demands for information, while resisting major shifts in the balance of responsibilities between Government and Parliament.

I am copying this letter to the recipients of yours.

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26 OCT 1983

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