



✓ JV

Ref. A083/0246

MR SCHOLAR

Long-Term Public Expenditure

A420

The Prime Minister has told me that she wishes to follow up the Cabinet's discussion of long-term public expenditure (CC(82)41st Conclusions, Minute 4) by sending a minute to spending Ministers, proposing a timetable and consultation with the Treasury. I attach --- a draft of such a minute, which reflects discussion with Treasury officials.

2. I should draw the following points to your attention.

- (a) The minute should go to all Ministers with responsibilities for public expenditure. This means all members of the Cabinet except the Lord President of the Council and the Chancellor of the Duchy of Lancaster; but obviously there is no need to send minutes to the Chancellor of the Exchequer and the Chief Secretary, Treasury. I suggest that the Lord President and the Chancellor of the Duchy of Lancaster should receive a copy of one of the minutes, for information.
- (b) The minute can go to the Secretaries of State for Education and Science, Defence and Social Services, even though the Prime Minister is seeing them separately. You will wish to tell their Private Offices that the minute is being sent mainly so that their Departments are aware of the timetable (and because it could be embarrassing if other Departments learned that they were receiving separate treatment); it does not cut across the Prime Minister's separate discussions.



- (c) The Treasury envisage that on the basis of the reports they will prepare a paper for Ministers which, after any necessary bilateral discussions, would be taken by the Cabinet in about the third week of May. The results would be incorporated in the 1983 Public Expenditure Survey. The draft of the Prime Minister's minute refers to the latter but does not go into further details about the handling of the reports.

RA

ROBERT ARMSTRONG

24th January 1983

CONQUEROR

*Pl type for RM*

~~DRAFT FROM PRIME MINISTER TO ALL MINISTERS WITH RESPONSIBILITIES FOR PUBLIC EXPENDITURE~~

Long-Term Public Expenditure

At their meeting on 9th September, the Cabinet invited all Ministers with responsibility for public expenditure to review their programmes critically with a view to contributing to a substantial reduction in public expenditure in the longer-term; to discuss their proposals with Treasury Ministers and other colleagues as appropriate; and to report (CC(82)41st Conclusions, Minute 4).

I should be grateful if you would accordingly send me a report on the possibilities in the area of your Departmental responsibilities. It should be prepared in consultation with Treasury Ministers, and any other colleagues whose responsibilities are affected, and reach me by 31st March with copies only to Treasury Ministers and any colleagues whose responsibilities may be directly affected by the suggestions in it. It should be prepared under your personal supervision. No doubt you will wish to draw on the work you have already done for the five-year forward look.

I have it in mind that the results, after any further discussion that may be appropriate, should be incorporated in the 1983 Public Expenditure Survey.

I am sending copies of this minute to the Chancellor of the Exchequer, the Chief Secretary, Treasury and Sir Robert Armstrong, ^(J. - C.B.) and ~~am writing in similar terms to other members of the Cabinet with responsibilities for public expenditure.~~

1 M/S

2 FOR CABINET FOLDERS



NB

PM's

decision

below

WR
1/2

10 DOWNING STREET

M/S 21/2

Prime Minister

You wished to follow up
Cabinet's discussion of long
term public expenditure
by minuting spending
ministers. Sir Robert
Armstrong has drafted
the attached minute.

for your signature

WR
28/1

Will return on
Thursday