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PRIME MINISTER

Public Expenditure 1982-83 and 1983-84  
(C(80) 73)

BACKGROUND

At their meeting on 19th November Cabinet invited the Chancellor of the Exchequer to circulate, in time for discussion if necessary at their meeting on 27th November, a memorandum summarising his proposals for each programme in 1982-83 and 1983-84 (CC(80) 41st Conclusions, Minute 5, Conclusion 14).

2. The Chief Secretary's memorandum (C(80) 73) fulfils that remit. He reports that the figures have now all been agreed with Ministers. In particular he has reached agreement with the Minister of Transport who had raised questions in his letter of 18th November; and he has accepted that, subject to review in next year's Survey, the Secretary of State for Scotland cannot save more than £10 million a year by way of specific cuts in addition to the percentage reductions applying generally.

3. Table 1 annexed to his paper lists those policy reductions from the March White Paper, Cmnd 7841, which have been agreed during the Survey exercise. The list excludes the figures for the nationalised industries. Sponsor Ministers have not yet signed up on the proposal, in paragraph 12 of E(80) 121, that the figures for 1982-83 and 1983-84 should be those agreed in July. I understand that the Chief Secretary is still considering how best to deal with this. If a paper is necessary, it can come to E in due course, but there is no need to discuss the question at Cabinet tomorrow.

4. Before the next White Paper is published, further decisions will have to be taken on changes to take account of revised economic assumptions, and on the provisions for shortfall and for the contingency reserve.

5. Table 2 records the agreed policy additions since Cmnd 7841.



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HANDLING

6. Subject to any points which the Chief Secretary, or any other Minister, wishes to make, it will be sufficient to endorse the figures in the tables for incorporation in the next Public Expenditure White Paper.

CONCLUSIONS

7. You will wish to record conclusions:-

- (i) Endorsing the figures in Tables 1 and 2 for incorporation in the next Public Expenditure White Paper.
- (ii) Noting any further points which may be raised in discussion.

(Robert Armstrong)

26th November 1980

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