

SECRET



FROM: CHIEF SECRETARY

DATE: 10 July 1986

PRIME MINISTER

1986 PUBLIC EXPENDITURE SURVEY: ADDITIONAL BIDS

2 *Simply to note that the Chief Secretary's minute has now been circulated.* *ms*

... I have already circulated to colleagues the 1986 Public Expenditure Survey Committee Report, which brings together the detailed factual and analytical material on the baseline position for this year's Survey. ... I now attach to this minute summaries of the bids for additional resources that colleagues have put to me.

2 The details of proposals for each department are set out in the attached annexes. As in earlier years, proposals for the level of local authority current expenditure and nationalised industries' external finance are being dealt with separately under the aegis of E(LA) and the Investment and Financing Review.

3 Your Private Secretary's letter of 25 February recorded your request that colleagues should give their closest personal attention to avoiding bids for additions to their programmes; and indicated that any such should be met by reordering priorities and by greater efficiency, not by seeking extra resources. I have, however, received large bids for extra resources from most colleagues. I regret to say that very few have put forward offsetting savings which would enable them to reorder priorities within baselines.

4 It is also striking how few of the additional bids have been supported by specific targets for achievement and the measures on which subsequent evaluation would be based. I will be pursuing this aspect of the proposals further in my bilateral discussions.

5 I will be putting proposals on our objectives for the Survey to the July Public Expenditure Cabinet. But it is clear we cannot accommodate bids either for programmes or administrative costs on the scale colleagues have put forward.

SECRET

SECRET

6 I am copying this minute to other members of the Cabinet,
Richard Luce and Sir Robert Armstrong.

gm

JOHN MacGREGOR

SECRET

MINISTRY OF DEFENCE

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baselines	18,817	18,990	19,268
AGREED ADDITIONS			
- Contribution to advanced order for AOR 02	-	12	24
PROPOSED ADDITIONS			
(i) 3% uplift for 1989-90	-	-	94
To increase the baseline by the difference between the 2½% cash uplift factor applied generally to programmes and the 3% GDP deflator assumed in the 1986 FSBR. Gross running costs element £27 million.			
(ii) Falklands costs	-	-	198
To increase the baseline by the equivalent of the £192 million for Falklands costs in 1988-89 absorbed by MOD without a separate addition to the baseline.			
(iii) Costs of 1986 AFPRB award	95	99	102
To meet the additional costs in later years of the 1986 AFPRB award. Gross running costs element £3.5 million, £3.6 million and £3.6 million respectively.			
(iv) Dockyards pensions	36	37	38
To meet the costs passed on to MOD of employers' pensions contributions following planned contractorisation of the Royal Dockyards.			
(v) PRS major civil works	3	6	6
To meet the costs of major capital works following the decision to transfer responsibility to Departments. No output or performance targets.			
TOTAL	134	142	438

PROPOSED REDUCTIONS

PROPOSED NET CHANGE TO BASELINE		+134	+154	+462
(of which running costs		+3.5	+3.6	+30.6)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed (thousands)	165.0	164.0	163.0	163.0
Change from baseline	-	-	-	-

CONFIDENTIAL

FOREIGN AND COMMONWEALTH OFFICE: OVERSEAS DEVELOPMENT ADMINISTRATION

		<u>1987-88</u>	<u>1988-89</u>	£ million <u>1989-90</u>
Survey Baseline		1350	1391	1426
ADDITIONAL BIDS				
(i) Net aid programme		30	65	110
	To increase aid programme in line with projected increase in GNP over Survey period.			
(ii) Other external relations		0.7	1.5	1.7
	To meet additional cost of pensions.			
	TOTAL	30.7	66.5	111.7
PROPOSED REDUCTIONS				
(i) Aid administration		-0.1	-0.1	-0.6
	Savings from taking in-house Crown Agents' pensions work			
	TOTAL	-0.1	-0.1	-0.6
PROPOSED NET CHANGE TO BASELINE		+30.6	+66.4	+111.1
(of which running costs		-	-	-)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	1640	1615	1615	1615
Change from baseline	-	-	-	-

CONFIDENTIAL

FOREIGN AND COMMONWEALTH OFFICE: DIPLOMATIC INFORMATION, CULTURE

		<u>1987-88</u>	<u>1988-89</u>	£ million <u>1989-90</u>
Survey Baseline		660	693	711
PROPOSED ADDITIONS:				
(i) Security		9.2	9.4	10.2
(of which running costs		0.4	0.4	0.4)
For works to protect Diplomatic staff and property overseas from terrorist attacks and other forms of violence.				
(ii) Property services agency works		1.3	1.0	0.8
Bid resulting from devolution of major new works to departments for home security works and computer installation, and increase for minor maintenance and redecoration.				
		0.5	0.5	0.5
(iii) Information Technology Project		-	0.1	1.0
	TOTAL	10.5	10.5	12.0
PROPOSED REDUCTION				
(i) Overseas Price Movements		-1.5	-1.6	-1.6
(of which running costs		-1.5	-1.6	-1.6)
adjustment to take account of movements in sterling and overseas inflation.				
	TOTAL	9.0	8.9	10.4
PROPOSED NET CHANGE TO BASELINE				
(of which running costs		-0.6	-0.7	-0.7)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	8229	8152	8152	8152
Change from baseline	+124	+130	+130	-

EUROPEAN COMMUNITIES

	<u>1987-88</u>	<u>1988-89</u>	£ million <u>1989-90</u>
Survey Baseline	1,149	951	975
PROPOSED ADDITIONS			
(i) Changed net payment projection	-	-	125
Assumptions changed since last Survey.			
TOTAL	-	-	125
PROPOSED REDUCTION			
(i) Changed net payment projection	-50	-350	-
VAT adjustment payment for August 1987 revised down. Correction to 1987 abatement now projected to be paid in autumn 1988.			
TOTAL	-50	-350	-
PROPOSED NET CHANGE TO PROVISION	-50	-350	+125
(of which running costs	-	-	-)

CONFIDENTIAL

INTERVENTION BOARD FOR AGRICULTURAL PRODUCE AND OTHER CAP*

		<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
				£ million
Survey Baseline		1629	1661	1702
PROPOSED ADDITIONS				
(i) CAP		100.2	105.2	98.1
Mainly increase in beef support costs, estimates liable to be revised upwards.				
(ii) Administration - running costs		0.5	0.6	0.5
Additional staff to cover increased work load.				
	TOTAL	100.7	105.8	98.6
PROPOSED REDUCTIONS				
None				
PROPOSED NET CHANGE TO BASELINE		100.7	105.8	98.6
(of which running costs		0.5	0.6	0.5)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	800	771	733	743
Change from baseline	+75	+78	40	-

*EC receipts are credited to programme 2.7 (Net Contributions to the European Communities)

CONFIDENTIAL

DOMESTIC AGRICULTURE FISHERIES AND FOOD

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline	720	734	752
PROPOSED ADDITIONS			
(i) Flood protection	6.0	6.0	3.5
Follow on to bid for 1986-87 to combat erosion of flood protection works possible consequences for Local Authority Relevant Current and Nationalised Industries External Financing Limits. Target: to reduce the risk of flooding for 2,000 homes and numerous commercial and industrial units.			
(ii) Agricultural Development Programme - Scotland	0.0	0.2	3.9
Assistance to Scottish islands (excluding Western Isles). Target - to improve agricultural structures in order to combat rural depopulation.			
(iii) Northern Ireland Agricultural Development Programme	0.0	0.9	2.6
Proposed extension of scheme for Agriculturally Less Favoured Areas. Target - as for (iii)			
(iv) Other agricultural support	1.0	1.2	0.8
Coypu eradication in East Anglia, poultry welfare, grants to complement Community grants for fish marketing, administration (by Milk Marketing Board) of the milk outgoers scheme. Target - various.			
(v) Demand determined expenditure	6.2	2.3	0.0
Mainly payments under closed capital grant schemes. Forecasts of expenditure (including new schemes) subject to review. Target - to meet commitments under current policies.			
(vi) Administration	5.7	7.7	10.5
(of which running costs	4.1	6.1	9.0)
Mainly information technology, pay and accommodation. Targets - various			
(vii) Redundancy - MAFF and DAFS	1.0	0.6	0.7
(of which running costs	0.7	0.4	0.5)
Consequences of 1984 Survey decisions on advisory services and research and development. Target - achievement of agreed expenditure reductions.			

(viii)	Research/advisory services DAFS	1.0	1.0	1.0
	Phasing of cut in 1984 Survey target - reduce redundancy costs			
(ix)	Research Institutes/College DAFS	1.0	0.4	0.8
	Pay and pensions - non running costs			

TOTAL		21.9	20.3	23.8
--------------	--	------	------	------

PROPOSED REDUCTIONS

(i)	Flood protection	-1.5	-1.5	-1.5
	Deferral of coast protection works			
(ii)	Northern Ireland Agricultural Development Programme.	-1.9	-	-
	Delay in start of scheme.			
(iii)	Demand determined	-	-	-1.4
	Estimating change			

TOTAL		-3.4	-1.5	-2.9
--------------	--	------	------	------

PROPOSED NET CHANGE IN PROVISION		18.5	18.8	20.9
(of which running costs		4.8	6.4	9.5)

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	11,169	11,079	11,079	11,079
Change from baseline	-	-	-	-

Note: Further additions may be proposed for alternative land use, fisheries, the European Community research and development programme, and for the cost of transferring to departments the responsibility for capital works.

FORESTRY

	<u>1987-88</u>	<u>1988-89</u>	£ million <u>1989-90</u>
Survey Baseline	54	56	57
PROPOSED ADDITIONS			
Pay and pensions - non running costs	0.7	0.8	1.0
Grants to private woodland owners	0.4	0.7	1.2
Payments to contractors and operating expenses	3.0	3.4	4.5
TOTAL	4.1	4.9	6.7
PROPOSED REDUCTIONS			
Travelling and administration expenses	-0.1	-0.1	0
Timber receipts	-4.1	-5.9	-8.2
TOTAL	-4.2	-6.0	-8.2
PROPOSED NET CHANGE IN PROVISION	-0.1	-1.1	-1.5
(of which running costs	-	-	-)

DEPARTMENT OF TRADE AND INDUSTRY

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline	953	940	964
AGREED REDUCTION			
Contribution to MOD for Advanced order for AOR 02	-	-6	-12
PROPOSED ADDITIONS			
(i) Eureka	+15.0	+30.0	+40.0
Additional funding for support for UK firms participating in Eureka collaborative R&D projects. Target: additional 20 projects a year.			
(ii) Pull Through	+6.3	+12.5	+18.8
Transfer of R&D support by as yet unspecified departments to match resources to be found within DTI programmes. Target: commence 18 programmes.			
(iii) Regional Development Grants	+10.5	-	-
Defer the moratorium planned for 1.4.87 on payment of Regional Development Grants.			
(iv) European Regional Development Funds			
Non-Quota	+10.5	+9.0	-
Increase fully offset by receipts on programme 2.7			
(v) Other	+6.1	+5.5	+2.4
Includes accommodation expenses (major and minor works), residual costs of BT flotation and Companies Registration Office.			
TOTAL	+48.4	+57.0	+61.2
PROPOSED REDUCTIONS			
Mineral Stockpile	-5.2	-	-
Increased disposals.			
Home Shipbuilding Credit Guarantee Scheme	-3.1	-	-
Revised interest rate assumptions.			
Launch Aid	-1.5	-	-
Higher than expected levy receipts from sales of RB211.			

Iron and Steel Employees Readaptation

Benefit Scheme

-0.7

-

-

Fewer redundancies than expected.

TOTAL

-10.5

-6

-12

PROPOSED NET CHANGE TO BASELINE

+37.9

+51.0

+49.2

(of which running costs

2.1

1.5

1.4)

MANPOWER

1.4.87

1.4.88

1.4.89

1.4.90

Proposed

12,841

12,502

12,485

12,487

Change from baseline

+91

+41

+24

-

OTHER ADDITIONS

EURO-PES

+36.0

+42.0

+54.0

To adjust PES programme 2.7 for industrial share of 6 becu EC framework for R&D.

Figures reflect that part of 4.8 becu which is additional to DTI Euro-pes baseline.

The remaining 1.2 becu for Esprit is assumed not to be a DTI responsibility.

CONFIDENTIAL

EXPORT CREDITS GUARANTEE DEPARTMENT

		£ million		
		<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline		220	128	131
PROPOSED ADDITIONS				
(i)	Cost Escalation	0.6	-	-
<p>Technical changes relating to the value and timing of existing commitments. (Scheme discontinued from 1 April 1984.)</p>				
(ii)	Tender to Contract	2.0	2.0	2.0
<p>Transfer of scheme to public expenditure programme. Scheme provides exporters tendering in foreign currencies for major export contracts with protection against exchange rate movements. It has been operated since 1977 as one of ECGD's trading activities.</p>				
TOTAL		2.6	2.0	2.0
PROPOSED REDUCTIONS				
(i)	Cost Escalation	-	-1.9	-1.6
<p>Lower Treasury inflation forecasts; the bringing forward of some payments to 1987-88.</p>				
(ii)	Interest Support	-15.6	-8.4	-66.4
<p>Mainly revised Treasury assumptions of commercial interest rates and revised forecasts of outstanding Fixed Rate Export Finance business.</p>				
(iii)	Mixed Credit Matching Facility	-1.0	-1.0	-1.0
<p>Expectation of reduced calls on this facility.</p>				
TOTAL		-16.6	-11.3	-69.0
PROPOSED NET CHANGE TO BASELINE		-14.0	-9.3	-67.0
MANPOWER*	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	1834	1736	1672	1600
Changes from baseline	+37	+124	+333	-

*ECGD's running costs, including manpower costs, are outside the public expenditure planning total.

CONFIDENTIAL
DEPARTMENT OF ENERGY

		1987-88	1988-89	£ million 1989-90
Survey Baseline		313	323	331
PROPOSED ADDITIONS				
(i)	Atomic Energy Authority: External Financing Limit.	13	5	6
Prospective phasing and new capital expenditure for commercial business.				
(ii)	Payments to AEA Increased expenditure on safety post-Chernobyl.	2.0	4.0	-
(iii)	Other Increases on energy efficiency, non-nuclear R&D and central and misc services.	3.5	3.6	1.9
	TOTAL	19.5	15.6	8.9
PROPOSED REDUCTIONS				
(i)	Various, mainly estimating (Coal Firing scheme and Interest Relief Grant Scheme)	-5.5	-7.6	-11.9
	TOTAL	-5.5	-7.6	-11.9
PROPOSED NET CHANGE TO BASELINE				
	(of which running costs	+14	+8	-3
		-	-	-)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	1055	1031	1023	1023
Change from baseline	-	-	-	-

NOTE

The Secretary of State for Energy's proposals included no provision for any increases in the AEA EFL, which is still under discussion in the context of the AEA's corporate plan. The increases indicated for the AEA are therefore provisional.

CONFIDENTIAL

DEPARTMENT OF EMPLOYMENT

NOTE:

The proposals set out below are as originally submitted by the Secretary of State for Employment. But since his original submission the Secretary of State and the Chief Secretary have reached agreement on the Employment programme. The basis of this agreement is that the costs of the national extension of TVEI and of some smaller claims will be met from within the existing baseline, and that there will be further work by officials on the running costs and manpower bids to see if reductions can be made.

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey baseline	3,947	4,132	4,235

PROPOSED ADDITIONS

(i) Restart	37.3	39.9	40.5
-------------	------	------	------

Extend programme to cover 6-months as well as 12-months unemployed.

Target: extra 1.3 million interviews by MSC, 260,000 more people attending Restart courses and extra 10,000 taking up Jobstart allowance, resulting in 22,660 off count in 1987-88, 28,700 in 1988-89 and 28,700 in 1989-90, which in DE's view would lead to benefit savings equivalent to the gross costs.

(of which running costs	17.2	17.5	17.9)
-------------------------	------	------	-------

(ii) Inner cities initiative	8.2	8.5	8.6
------------------------------	-----	-----	-----

Extend initiative throughout Survey period.

(of which running costs	1.0	1.1	1.1)
-------------------------	-----	-----	------

(iii) Social security review (all running costs)	4.5	7.5	6.5
--------------------------------------------------	-----	-----	-----

Implement DHSS Common Rules Package and Social Security Review.

(iv) UBS: revised economic assumptions (all running costs)	3.7	6.0	6.1
---------------------------------------------------------------	-----	-----	-----

Higher unemployment assumptions.

(v) DE Group salaries (all running costs)	9.8	10.1	9.7
-------------------------------------------	-----	------	-----

Meet costs to DE Group of salary restructuring for clerical and Advance Data Processor grades.

(vi) Property Repayment System	9.0	6.6	5.8
--------------------------------	-----	-----	-----

Transfer from PSA to DE of PES bidding responsibility for Part I and Part II works.

(vii) Minor running costs 2.2 0.5 7.2
National Unemployment Benefit System (NUBS); Terminal Replacement Enquiry System (TRES).

(viii) Redundancy Payments 20.2 23.0 24.8

Increased payments and higher unit costs compared with White Paper assumptions. Target: would provide for extra 50-55,000 payments in each year.

(ix) Tourism 5.2 6.3 6.4

Provide 10 per cent extra resources in each year.

(x) Technical and Vocational Education 12.0 41.0 84.0
Initiative (£900m level)

Extend initiative on national basis from September 1987. Target: to give all 14-18 year olds in GB opportunity to participate in initiative on basis of funding of £30,000 per participating school.

(of which running costs 1.0 1.5 2.4)

(xi) Other 10.6 11.8 12.0

National Council of Vocational Qualifications; EC Training Initiative (COMMETT), International Labour Organisation, City Action Teams. Youth enterprise; sheltered employment.

TOTAL 122.7 161.2 211.6

(of which running costs 39.4 44.2 50.9)

PROPOSED REDUCTIONS

(i) Community Programme -20.0 -20.0 -20.0

Operate 255,000 filled places as ceiling rather than target for programme, so that actual total of filled places would run slightly below ceiling to ensure not exceeded.

(ii) Youth Training Scheme -15.1 -36.2 -60.0

£15 million saving in each year from freezing YTS basic grant and managing agents' fee at present level. Remaining savings committed but as yet unidentified.

(iii) Technical & Vocational Education -2.0 -8.0 -26.0
Initiative

Excess provision as 4-year pilots started in 1983 begin to run out.

(iv) Job Release Scheme -10.7 -16.2 -18.1
 Lower forecast take-up of scheme compared with White Paper assumptions.

(v) Other -0.2 -1.7 -3.6

TOTAL -48.0 -82.1 -127.7

(of which running costs 38.1 42.9 49.6

PROPOSED NET CHANGE TO PROVISION +74.7 +79.1 +83.9

(of which running costs 39.4 44.2 50.9)

MANPOWER 1.4.87 1.4.88 1.4.89 1.4.90

Proposed 60,736 59,039 58,481 58,989

Change from baseline +1775 +2850 +2248 -

CONFIDENTIAL
DEPARTMENT OF TRANSPORT

	£ million		
	1987-88	1988-89	1989-90
Supplementary baseline	2,957	2,087	2,154

PROPOSED ADDITIONS

(i) Local roads: new construction 12 35 50
Increase in major road schemes subject to approval of adequate Transport Supplementary Grant Local Authority capital expenditure. Target: 10 new starts in 1987-88.

(ii) National roads: new construction 10 20 30
Capital. Increase in major road schemes. Target: 16 new starts in 1987-88.

(iii) National roads: bridge maintenance 10 15 20
Capital. Increase in maintenance and strengthening of bridges on national roads to tackle known and emerging deterioration. Target: complete assessment and deal with worst cases.

(iv) Local roads: bridge maintenance 5 10 15
Local authority capital. Increase in maintenance and strengthening of bridges on local roads to tackle known and emerging deterioration. Target: complete assessment and deal with worst cases.

(v) Shipping 30 30 30
Unspecified assistance to UK shipping industry, to be considered by E(A).

(vi) Administration 17.5 20.5 20
(of which running costs 8 12 13.5)
Running cost increases arising from additional DVL staff required for prosecution of Vehicle Excise Duty evasion, deferment of rundown of non-fee earning staff, restructuring of clerical grades and pay settlements. Remainder comprises £6 million a year to make good shortfall in receipts from driver testing, and administrative capital.

TOTAL	84.5	130.5	165
--------------	------	-------	-----

PROPOSED REDUCTIONS

(i) Local ports -5 -5 -5
Local authority capital. Withdrawal from investment in loss making ports.

(ii) Local car parks -7 -7 -7
Local authority capital. Greater reliance on private sector provision.

TOTAL	-12	-12	-12
--------------	-----	-----	-----

PROPOSED NET CHANGE TO BASELINE		72.5	118.5	153
(of which running costs		8.0	12.0	13.5)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	14,725	14,288	14,218	14,183
Change from baseline	-	-112	-173	-

CONFIDENTIAL

DEPARTMENT OF THE ENVIRONMENT - HOUSING

	£ million		
	1987-88	1988-89	1989-90
Survey baseline	2368	2412	2473

PROPOSED ADDITIONS

Public Sector Renovation

(i) Repair of Council Housing	315	325	335
To provide local authorities with increased resources to carry out some renovation work to a further 157,000 dwellings.			
(ii) Urban Housing Renewal Unit	150	150	150
To secure improvements in the management and utilisation of the housing stock on 250 estates (15,000 dwellings) where vacancy rates, rent arrears, crime, vandalism etc are significantly higher than average, to bring them closer to local norms.			
(iii) Community Refurbishment Scheme	20	20	20
27 Community refurbishment schemes to improve the environment on housing estates, creating 4000 job opportunities for local people.			
(iv) Privatisation	30	30	30
Grants for privatisation initiatives including 3000 dwellings.			

Provision for rent

(v) Local authority new provision for rent	10	10	5
To enable local authorities to meet their statutory obligations to repurchase formerly publicly owned defective houses and flats. An estimated 500 extra houses (making a total of 2000) will be repurchased in 1987-88.			
(iv) Housing association new provision for rent	50	60	50
For housing associations to provide an additional 5000 units over 3 years for priority groups allowing up to 2500 extra starts in 1987-88.			
(vii) Housing association privately financed pilot schemes	30	30	30
To meet 30% of the cost of pilot schemes by housing associations to provide rented accommodation for homeless people, the elderly and young job movers with the balance of the cost met by private finance.			

Private Sector Renovation

(viii) Housing Defects Act 20 20 20

To enable local authorities to meet their statutory obligations to repair formerly publicly owned defective houses and flats. An estimated 1400 additional grants in 1987-88.

(ix) Home improvement grants 40 40 40

To meet mandatory and committed expenditure on home improvement grants. An additional 12,000 mandatory grants a year.

(x) Home improvement grants 40 40 40

For an additional 11,500 improvement grants a year to enable disabled people to carry out essential adaptation work.

(xi) Home improvement grants 25 25 25

For 6,500 additional grants a year to poorer owner occupiers for work to counter disrepair.

Home Ownership

(xii) Home ownership for tenants of charitable housing associations (HOTCHA) scheme. 10 0 0

To provide for an additional 700 transferable discounts for tenants of charitable housing associations, making a corresponding number of new tenancies available.

(xiii) Housing association 5 5 5

To enable housing associations to provide up to 250 extra units a year on shared ownership terms.

(xiv) Housing subsidy 21 39 -

Revised forecast reflecting higher than expected loan debt and number of dwellings in stock.

TOTAL 766 794 750

PROPOSED REDUCTIONS

(i) Homes insulation scheme	-5	-5	-5
Acceptance of some queueing for grants for roof insulation. Number of grants would be reduced from 225,000 a year to 170,000 a year.			
(ii) Housing subsidy	-10	-42	-
Economic assumptions changes.			
TOTAL	-15	-47	-5
PROPOSED NET CHANGE TO PROVISION	751	747	745

CONFIDENTIAL

DEPARTMENT OF THE ENVIRONMENT - OTHER ENVIRONMENTAL SERVICES

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline	880	907	930

PROPOSED ADDITIONS*

(i) Local Environmental Services Capital	125	127	122
------------------------------------------	-----	-----	-----

Local Authority Expenditure. To fulfil Government undertaking that allocations to each authority would be at least 80% of 1985-86 allocations, and provide for investment. Detailed use of LES capital is at local authorities discretion so no targets set.

(ii) Urban Regeneration Grant	10	15	20
-------------------------------	----	----	----

Capital. Provision for new statutory grant to support and encourage private sector led area improvement without the local authority acting as intermediary. Targets: for 1987-88, initiation of support in at least 7 areas, reclamation of 100 acres of land, 2,000 homes or factory spaces, £40 million plus linked private sector investment.

(ii) Derelict Land	15	15	15
--------------------	----	----	----

Mainly Local Authority Expenditure. Capital. To contain the net total of derelict land: reinstatement of private housing and industry in inner cities: preservation of green belts from unnecessary encroachment. Targets: extra 450 acres a year of land for direct redevelopment and 250 acres a year of blight removal.

(iv) Urban Development Corporations	45	70	70
-------------------------------------	----	----	----

Mainly capital. Designation of additional UDC's and maintenance of progress in London and Merseyside. Targets (i) new UDCs - 1500 acres of land reclaimed and serviced; £200-£250 a private investment; 12,000-15,000 job/home spaces. (2) Existing UDCs: new road for Canary Wharf; servicing of 850 acres of Royal Docks land; completion of Merseyside reclamation programme by 1991.

(v) Development Commission	2.5	6	9
----------------------------	-----	---	---

Increased expenditure on economic programmes to diversify rural economy, and offset loss of farm jobs. Targets: 3000m² factory space, 500 jobs in 1987-88, pro-rata in later years.

* In sub-programme order

(vi) Nature Conservancy Council 7 7 7
 Mainly for costs of site safeguard under 1981 Wildlife and Countryside Act. Targets: complete statutory renotification of sites of special scientific interest on time.

(vii) Departmental Administration 8 7.3 7.5
 (Running Costs) Demands of implementing collectively agreed local government and other policy initiatives, and the gap between recent pay settlement costs and baseline provision. Targets: maintain delivery of government policy; continue to produce efficiency savings.

(viii) Civil defence 2.8 4.3 5.8
 Implementation of OH(HD) committee's decision to give high priority to remedial action programme in the water industry.

(ix) other bids 7.8 8.6 9.8
 Mainly current.

	TOTAL	223.1	260.2	266.1
of which running costs		8	7.3	7.5

PROPOSED REDUCTIONS

(i) New Towns - -15 -28
 Capital. Increased share of investment costs borne by private sector.

(ii) Other -2.1 -2.1 -2.1
 Capital

	TOTAL	-2.1	-17.1	-30.1
of which running costs		-	-	-

PROPOSED NET CHANGE TO PROVISION	+221	+243	+236
(of which running costs	+6	+7.3	+7.5)

MANPOWER

	1.4.87	1.4.88	1.4.89	1.4.90
Proposed targets	6550	6550	6550	6521
Changes from baseline	+130	+195	+195	-

CONFIDENTIAL

HOME OFFICE

	£ million		
	1987-88	1988-89	1989-90
Survey Baseline			
Prisons	728.0	768.0	787.0
Non-Prisons	420.0	417.0	428.0

PROPOSED ADDITIONS

(i) Prisons - building	6.0	0.4	27.1
------------------------	-----	-----	------

To maintain the current building programme and design 2 further new prisons. Target: to keep the gap between prison population and number of places from increasing in 1990s.

(ii) Prisons - other	32.6	29.5	34.2
(of which - running costs	8.1	8.8	12.4)

To remedy shortfall in receipts from sales of living quarters; to increase provision for prisoners' education; and increases in GAE.

(iii) Victims support	37.3	43.7	51.3
-----------------------	------	------	------

To keep pace with applications under Criminal Injuries Compensation Scheme and reduce arrears. Target: arrears of 20,000 by 1991-92; and to fund an extra 200 to 400 local victim support scheme coordinators.

(iv) Law and Order Services	10.3	9.9	14.9
(of which running costs	2.3	2.8	2.9)

Miscellaneous increases in centrally funded services for police; in probation service; and crime prevention publicity.

(v) Fee earning services	7.0	8.0	7.1
(of which running costs	3.2	3.2	3.3)

Increases for Passport Department, Data Protection Registrar, Cable Authority and Gaming Board. Passport Department to handle 4.4 million applications in 1987-88.

(vi) Other miscellaneous bids	6.3	6.3	5.7
(of which running costs	3.1	3.1	2.5)

Increases for research; grants to combat racial disadvantage; PSA accommodation and new works; and publicity on electoral representation.

(vii)	Information technology	4.5	5.8	7.7
	(of which running costs	0.7	1.3	1.6)

To fund various computerisation projects including prison services' inmates information system.

(viii)	Non-prisons - manpower			
	(of which running costs	10.5	11.3	10.5

Extra 152 staff for Immigration and Nationality Department; 5 per cent pay award for 1987; additional overtime and casual staff in Passport Department and Directorate of Telecommunications.

(ix)	LA non relevant current expenditure	2.7	2.8	2.8
------	-------------------------------------	-----	-----	-----

To provide for the Imperial and National Service Grant.

(x)	Fire Capital	24.8	23.7	23.2
-----	--------------	------	------	------

To make realistic provision for capital expenditure by the fire service.

	TOTAL	142.0	141.4	184.5
	(of which running costs	25.9	28.0	30.6)

PROPOSED REDUCITONS

(i)	Prisons - building	-5.4	-1.7	-
	Slippage in prison building programme			

(ii)	Prisons - other	-6.7	-9.5	-8.2
	(of which running costs	-3.0	-4.3	-4.0)

Reduction in Prison Service Industries and Farms expenditure; rationalisation of stores; lower transfer costs; reduced PSA charges for HQ accommodation

(iii)	Law and Order Services	-6.6	-6.7	-11.6
	(of which running costs	-0.2	-0.1	-0.1)

Reductions from adjustments within police central services programme

(iv)	Fee earning services	-0.6	-0.2	-5.1
------	----------------------	------	------	------

Additional receipts from passport fees; irregular pattern of receipts under Data Protection Act. Administrative savings at Gaming Board.

	TOTAL	-19.3	-18.1	-24.9
	(of which running costs	-3.2	-4.4	-4.1)

PROPOSED NET INCREASE IN PROVISION		+122.7	+123.3	+159.6
(of which running costs		27.2	27.1	30.2
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	39,119	39,789	41,139	41,320
Change from baseline	+68	+181	+181	-

Notes: increases and reductions NOT ranked by the Home Secretary in any order or priority.

CONFIDENTIAL
LORD CHANCELLOR'S DEPARTMENT

	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
	£ million		
Survey Baseline	603.3	645.8	662.0
 PROPOSED ADDITIONS			
Judicial Manpower paid from the Consolidated Fund	5.8	6.6	8.5
Growing volume of criminal cases coming to trial in the Crown Court. Target: To reduce average Crown Court waiting time to 8 weeks.			
(ii) Judicial Officers and fee-paid part-time Judges.	3.9	6.4	7.2
Growing volume of work in the courts. Target: to reduce average Crown Court waiting time to 8 weeks and to maintain level of service in County Courts.			
(iii) Jurors and Shorthand Writers	5.0	6.4	7.9
Growing volume of criminal cases coming to trial in the Crown Court. Target: To reduce average Crown Court waiting time to 8 weeks.			
(iv) Running costs	17.5	24.2	35.8
Pay settlements and increased volume of work in the courts. Targets: To reduce average Crown Court time to 8 weeks and to maintain a level of service in County Courts (the latter is covered by fee income).			
(v) Legal Aid	4.2	8.1	7.5
Target: To fulfil statutory obligations			
(vi) Increased Computerisation in County Courts	0	5.6	6.7
Establishing a Central Claim Registry. Target: To release staff to meet growing volume of criminal work.			
(vii) Other	1.1	3.8	3.8
TOTAL	37.5	61.1	77.4
 LESS PROPOSED REDUCTIONS			
(i) Court fees	-6.5	-7.3	-7.7

Increased business in the County Courts.

(ii) Other		-1.0	-	-
	TOTAL	-7.5	-7.3	-7.7
PROPOSED NET CHANGE TO BASELINE		+30.0	+53.8	+69.7
(of which running costs		17.5	24.2	35.8)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	10,792	10,947	11,236	11,354
Change from baseline	+586	+911	+1200	-

NOTE: The Lord Chancellor will be making further additional bids for legal aid to reflect increases in volume as well as unit costs, after the outcome of the Efficiency Unit's scrutiny and the discussions with the legal professions about remuneration are known and to cover the transfer of responsibility from PSA for the resource and works costs of major projects for office and general accommodation.

CONFIDENTIAL

DEPARTMENT OF EDUCATION AND SCIENCE

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline	3,588	3,658	3,750
PROPOSED ADDITIONS			
(i) Universities	114.0	164.0	216.0
To provide for level funding against university cost inflation; for pay restructuring; and for new equipment.			
(ii) Science	50.0	65.0	75.0
To build up programmes in response to 'national needs'; for new equipment; and to compensate for increases in pay and international subscriptions.			
(iii) Maintained sector capital	150.0	150.0	150.0
Extra resources (mainly for local authority spending): for 'basic need' and towards removal of 504,000 surplus school places over the Survey period; for a programme of capital repairs and renovation to school buildings; and for capital spending on buildings and equipment in polytechnics and FE colleges.			
(iv) Continuing education	10.4	12.9	18.4
To fund expansion of DES central PICKUP programme and provision of earmarked grants to institutions related to targets for increases in continuing education students (mainly local authority spending). Target: 5-fold increase in volume of updating training by 1991-92.			
(v) EC Higher Education programmes	5.0	6.5	11.0
To meet cost of paying EC students higher education fees. To offset provisional EUROPEX excess of costs of 2 EC programmes: -COMETT - forging closer links between industry and higher education; and ERASMUS - increasing student mobility. Mixed central and local government expenditure.			
(vi) Student awards	8.0	15.0	18.0
To permit student maintenance awards and tuition fees to be increased in line with inflation, as measured by the GDP deflator.			
(vii) Cranfield	3.5	-	-
Transitional endowment to facilitate privatisation of Cranfield School of Management.			
(viii) DES running costs	5.0	6.0	7.0
Increase for GAE; to meet costs of 90 additional staff above the 1 April 1987 manpower ceiling; and to fund continuing costs of 1986-87 and future years' pay settlements.			

	TOTAL	345.9	419.4	495.4
(of which running costs		5.0	6.0	7.0)

TOTAL PROPOSED REDUCTIONS

None

PROPOSED NET CHANGE TO PROVISION		345.9	419.4	495.4
(of which running costs		5.0	6.0	7.0)

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	2,507	2,507	2,507	2,507
Change from baseline	+90	+125	+125	-

CONFIDENTIAL

OFFICE OF ARTS AND LIBRARIES

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline	331.6	343.1	351.7
PROPOSED ADDITIONS			
(i) grants-in-aid	10.2	15.6	16.9
Increase grants-in-aid to Arts Council, British Library and running costs grants-in-aid to national museums and galleries.			
(ii) purchase grants for National Museums and Galleries (NMGs)	1.0	1.0	1.0
Increase in purchase grants to National Museums and Galleries.			
(iii) gallery costs	1.0	1.0	1.0
Contribution towards running costs for capital projects funded by private sector. Funding for IT investment to allow improved inventories/cataloguing.			
(iv) museum building/maintenance	2.5	2.5	2.0
To reduce maintenance backlog in NMGs and cover transitional costs of implementing recommendations of inter-departmental report on PSA and NMGs.			
(v) marketing/management initiative	0.5	0.5	0.5
Pump-priming of demonstration projects to encourage arts bodies to improve their marketing and efficiency.			
(of which running costs	0.025	0.025	0.025)
(vi) British Library stage IAA/IAB	1.8	4.9	7.6
Increase in PSA forecasts of costs and restoration of cuts from 1985 Survey. Target: allow construction timetable to be maintained.			
(vii) British Library stage IB	1.0	1.0	0.5
Preliminary design work.			
TOTAL	18.0	26.5	29.5
PROPOSED REDUCTIONS			
None			
PROPOSED NET CHANGE TO BASELINE			
(of which running costs	0.025	0.025	0.025)
MANPOWER	1.4.87	1.4.88	1.4.89
proposed	54	54	54
Change from baseline	+3	+3	-

CONFIDENTIAL

DHSS: HEALTH AND PERSONAL SOCIAL SERVICES

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline	15937	16617	17032
PROPOSED ADDITIONS			
<u>Hospital and Community Health Services current</u>			
(i) Demography	61	86	225
Restoring lead over inflation of 0.9, 0.8 and 0.7 per cent to meet pressure from growing number of elderly, particularly over 75's in line with OPCS demography projections.			
(ii) 1986 Review Body Pay Consequentials	102	106	111
Meet additional cost of 1986 pay award to doctors, nurses, etc, which exceeded baseline assumptions.			
(iii) Waiting Lists	30	30	-
Reduction in waiting lists through eg new quicker forms of treatment, removing bottlenecks. Target: reduce waiting lists by 60-100,000.			
(iv) London/Resource Allocation Working Party	25	25	-
Bridging finance to assist improvements in location and efficiency of acute services in Thames Regions.			
(v) AIDS	10	20	30
Treatment of increased number of AIDS sufferers. Target: meet treatment costs of 450, 950 and 1500 new cases.			
(vi) Breast cancer screening	10	20	30
Introduction of systematic screening programme. Target: Reduce deaths from breast cancer by 2-3000 a year by late 1990s.			
(vii) Cervical cancer screening	15	16	16
Increased screening programme. Target: Reduction in screening interval from 5 to 3 years and call arrangements extended to all women over 20.			
(viii) Supra-regional services	4	7	11
Development of specific services: heart and liver transplants, spinal injury services, etc. Target: 80-100 new heart transplants and 3-400 follow-ups; 50-60 new liver transplants and 100-150 follow-ups; 50 rising to 150 new bone tumour operations; 60 child heart operations; 20 child dialysis cases and 6 child kidney transplants and 40 follow-ups. (All annual rates).			
(ix) Community care	20	20	20
Bridging finance to permit community services for mentally ill and handicapped people			

to be built up ahead of hospital closures. Target: Discharge (or avoid admission of) 100 patients a year without detriment to their care.

Hospital and Community Health Services capital

(x) Estate rationalisation 50 - -
Investment in more efficient facilities.

Centrally Administered Health and Personal Social Services

(xi) Welfare food 5.5 8 10
More people eligible.

(xii) EC medical costs 2 8 12
More treatments: increased cost of treatment overseas, effects of enlargement.

Family Practitioner Services (FPS)

(xiii) FPS reassessment 66 127 128
Secretary of State's unmet commitment from earlier Surveys.

(xiv) Demand/Inflation, 1989-90 - - 165
Inflation higher than baseline assumption and greater forecast demand on services in 1989-90.

(xv) 1986 Doctors and Dentists Review Body 50 51 53
award etc consequences
Meet additional cost of 1986 pay award to doctors and dentists which exceeds baseline assumption.

(xvi) Blood test strips 8 8 9
Better test of blood sugar level for diabetics. Target: Net cost of strips for 250,000 patients.

(xvii) Pharmaceutical Price Regulation Scheme 15 20 14
Renegotiated profit levels.

(xviii) Hepatitis B vaccine 4 - -
Extension of high-risk groups for routine vaccination. Target: protect 70,000 people at risk of contracting Hepatitis B.

TOTAL 477.5 552 834

PROPOSED REDUCTIONS

(i) General Practice Finance Corporation Reduce role of GPFC	-15	-15	-15
(ii) Prescription charges Increase charges in April 1987.	-10	-10	-10
(iii) Other	-6	-4	-4
TOTAL	-31	-29	-29

PROPOSED NET CHANGE TO PROVISION	446.5	523	805
(of which running costs	-	-	-)

MANPOWER: see DHSS Social Security summary for details of DHSS manpower. No manpower changes result from proposed DHSS: HPSS proposed additions.

CONFIDENTIAL

DHSS: SOCIAL SECURITY BENEFITS AND ADMINISTRATION

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline	44197	45617	46758
PROPOSED ADDITIONS			
(i) <u>Benefit bids:</u>			
(a) Extension of Invalid Care Allowance now agreed by Ministers.	55	55	51
(b) Review implementaion: minor benefit improvements and contingency bid.	11	50	50
(c) Start-up costs of new Housing Benefit scheme	30	-	-
(d) Start-up costs of social fund	-	25	-
(e) Other minor benefit improvements	5	2	9
(iii) <u>Administration Bids</u>			
(a) to cater for routine workload: carry forward of agreed bid for 86-87.	147	161	181
(b) implementing Review measures	93	-7	-22
(c) implementing Operational Strategy	42	64	32
TOTAL	383	350	301
(of which running costs	215	152	156)
PROPOSED REDUCTIONS			
(i)			
(a) April 1988 uprating one week later than planned.	-	-25	-
(b) Other minor savings to offset minor benefit improvements.	-5	-2	-9
TOTAL	-5	-2	-9
(of which running costs	-	-	-)

PROPOSED NET CHANGE TO BASELINE		378	348	292
of which running costs		215	152	156)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	96,750	99,750	94,180	94,320
Change from baseline	-	+12,250	+7,180	-

(Note: staff in post on 1 April 1988 includes 3,000 on limited period appointments for implementing Review).

<u>Memorandum Item</u>	<u>1987-88</u>	<u>1988-89</u>	<u>£ million</u> <u>1989-90</u>
(i) Effect of revised economic assumptions (subject to changes in the light of later economic forecasts).	+333	+392	+734
(ii) Effect of estimating changes.	+457	+500	+1035

CONFIDENTIAL
SCOTTISH OFFICE

		<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline		4,435	4,580	4,694
PROPOSED ADDITIONS				
(i) <u>Industry</u>		7.0	-	20.5
Capital expenditure on land improvement.				
(ii) <u>Regional assistance</u>		20.7	8.3	20.0
Regional Assistance increases.				
(iii) <u>European Regional Development Fund</u>		0.6	-	-
ERDF non quota receipts passed to private sector.				
	TOTAL	28.3	8.3	40.5
PROPOSED REDUCTIONS				
Housing subsidies		-8.2	-12.8	-
Revised economic assumptions - could vary during the course of the Survey.				
	TOTAL	-8.2	-12.8	-
PROPOSED NET CHANGE TO PROVISION		20.1	-4.5	40.5
(of which running costs		-	-	-)
MANPOWER				
	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	12,185	12,369	12,394	12,431
Change from baseline	+8	+334	+343	380

Notes: The Scottish Office agriculture bids are included on the MAFF summary. Provision for the Scottish block (ie expenditure except on industry and agriculture) will also be increased to reflect the territorial consequences of increases on comparable English programmes.

CONFIDENTIAL

WELSH OFFICE

		£ million		
		1987-88	1988-89	1989-90
Survey Baseline		1,759	1,819	1,864
PROPOSED ADDITIONS				
Regional Assistance		7.0	-	-
	TOTAL	7.0	-	-
PROPOSED REDUCTIONS				
Housing Subsidies		-1.1	-2.1	-
Revised economic assumptions - could vary the during the course of the Survey.				
	TOTAL	-1.1	-2.1	
PROPOSED NET CHANGE TO PROVISION				
(of which running costs		-	-	-)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	2298	2276	2264	2264
Change from baseline	+33	+32	+20	-

Note: Provision for the Welsh block (ie expenditure except on industry and agriculture) will also be increased to reflect the territorial consequences of increases on comparable English programmes.

CONFIDENTIAL
NORTHERN IRELAND

	£ million		
	1987-88	1988-89	1989-90
Survey baseline	4,691	4,819	4,939

PROPOSED ADDITIONS

(i) Anglo-Irish Agreement	8.8	7.6	7.7
(of which running costs	0.4	0.4	0.4)
Costs arising out of the Agreement: current and capital costs of running the secretariat, plus additional policing costs (all CG-ie SAP1)			
TOTAL	8.8	7.6	7.7

PROPOSED REDUCTIONS

(i) Social Security	-61.2	-36.1	-21.1
(ii) Housing subsidies	-1.2	-2.8	-

These reductions are the result of the application of revised economic assumptions: they are liable to variation during the course of the Survey.

(iii) Belfast Urban Renewal	-	-4.2	-4.3
-----------------------------	---	------	------

Additional EC money was allocated to the baseline over a period up to 1987-88 for expenditure on housing in Belfast. The reduction is to correct for provision wrongly included in the PEWP baseline in the later years.

TOTAL		-62.4	-43.1	-25.4
PROPOSED NET CHANGE TO PROVISION		-53.64	-35.5	-17.7
(of which running costs		0.4	0.4	0.4)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	4622	4604	4604	4604
Change from baseline	-	-	-	-

Provision for Northern Ireland will also be increased to reflect the territorial consequences of increases on comparable GB programmes.

CHANCELLOR'S DEPARTMENTS

Bids shown for the Chancellor of the Exchequer's departments are as submitted by the permanent heads of those departments; they have not been endorsed by Treasury Ministers.

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey baseline	2,046	2,073	2,125
PROPOSED ADDITIONS			
CUSTOMS & EXCISE			
(i) Additional staff	6.6	12.5	18.4
(of which running costs	6.6	12.5	18.4)
Increase in passengers/freight traffic, drug control enhancement, VAT register and VAT control (large traders). Target: enhanced VAT collection; more effective drugs control; maintenance of present level of Customs control.			
(ii) Pay assumptions	13.9	14.3	15.8
(of which running costs	13.9	14.3	15.8)
Includes assumed increases in 1987 pay trend over 1986, and knock-on effect of 1986 settlement.			
(iii) Part 1 work	5.0	9.0	7.0
New VAT offices, upgrading of N Ireland customs facilities, refurbished Customs houses. Computer cost escalation.			
(of which running costs	-	-	-)
(iv) Other	16.5	19.4	19.3
(of which running costs	14.1	17.4	16.0)
Overtime, travel, training, legal, IT minor works, miscellaneous			
	-----	-----	-----
	42.0	55.2	60.5
(of which running costs	34.6	44.2	50.3
MANPOWER	1.4.87	1.4.88	1.4.89
Proposed	25,918	26,627	27,347
Change from baseline	-	+583	-
HMSO			
Increased supplies to Parliament, less savings.	0.2	0.8	1.8
(of which running costs	-	-	-
MANPOWER	1.4.87	1.4.88	1.4.89
Proposed	3350	3270	3160
Change from baseline	-10	-10	-

CONFIDENTIAL

INLAND REVENUE

	£ million		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey baseline	1,094	1,097	1,124
(i) Pay	49.8	84.9	116.2
(of which running costs	49.8	84.9	116.2)
Knock-on effect of 1986 settlement; forecast of 1987 to 1989 settlements: and fringe settlements, particularly grade mergers.			
(ii) Retention measures	4.0	4.1	4.2
(of which running costs	4.0	4.1	4.2)
Travel, removal, training and extra cost of part-time staff.			
(iii) Increased Manpower	8.6	18.1	27.3
(of which running costs	8.6	18.1	27.3)
Net additional manpower of around 1,500 a year mainly to implement transferable allowances and non-domestic rate revaluation offset by efficiency savings in local network offices. Target: to implement in time with Ministerial timetables.			
(iv) Transferable allowances	9.0	11.5	8.5
(of which running costs	8.5	8.4	6.6)
Software development and additional computer hardware for transferable allowances. Target: implementations in 1991.			
(vii) Business Review of Collection Service	9.3	16.7	8.7
(of which running costs	4.1	6.4	5.4)
To modernise collection service computer system to reduce staff requirements and provide a more flexible and efficient service.			
(viii) Other projects	9.8	8.6	2.9
(of which running costs	7.3	7.0	2.9)
Mainly computer systems for Schedule D assessments and for taxation of Lloyds.			
(ix) Computerisation of Valuation Office	5.1	6.0	6.4
(of which running costs	2.4	2.8	3.3)
Computerisation of Valuation Office operations in support of non-domestic revaluation. Target: system in place by 1990 revaluation.			

(x)	Accommodation	7.1	8.7	10.1
	Adjustment	-4.8	-5.0	-5.1
	(of which running costs	-4.8	-5.0	-5.1)

Office networks rationalised, leases expiring, new projects, routine maintenance and decoration. Target: tax office reorganisation completed by 1989-90; valuation office reorganisation by 1990.

(xi)	Life Assurance Premium Relief	14.0	15.0	10.0
	Mortgage Interest Relief	70.0	55.0	101.0

Change in estimating assumptions affecting payments, in particular, higher tax thresholds.

	TOTAL	181.9	223.7	290.2
	(of which running costs	79.8	126.7	160.8)

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	68,250	67,868	66,997	68,301
Change from baseline	-	1,494	1,447	-

RATING OF GOVERNMENT PROPERTY DEPARTMENT	8.9	9.6	10.8
(of which running costs	-	-	-)

Revised estimate of rates payable on Government estate. No manpower bid.

REGISTRY OF FRIENDLY SOCIETIES	-	-	-	
(of which running costs	0.2	0.2	0.2	
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	142½	138½	134½	134½
Change from baseline	1	1	1	-

H M TREASURY

(i)	European Assembly Election	-	-	24.5
-----	----------------------------	---	---	------

To meet the costs of the election due in June 1989.

(ii)	Coinage	-12.2	-7.5	-7.7
------	---------	-------	------	------

(iii)	Houses of Parliament IT	1.1	6.5	0.8
-------	-------------------------	-----	-----	-----

(iv)	Other	7.1	5.5	5.8
------	-------	-----	-----	-----

Targets include the provision of a new mainframe for the Treasury by 1987-88

	TOTAL	-4.0	4.5	23.4
(of which running costs		1.0	1.9	3.7)
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	3389	3341	3324	3307
Change from baseline	-	-	-	-
PROPOSED NET CHANGE TO PROVISION		234.7	298.8	394.7
(of which running costs		115.4	172.8	214.8)

CONFIDENTIAL

PROPERTY SERVICES AGENCY

OFFICE AND GENERAL ACCOMMODATION PROGRAMMES

£ million

	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey Baseline	-109	-112	-115

PROPOSED ADDITIONS

(i) Capital projects (new works) 39.1 29.3 23.5
 Capital expenditure. Amount required for projects which will remain on PSA's Programme including work in progress on projects currently PSA's financial responsibility.

(ii) Rent payments to landlords 26.2 40.3 49.4
 Required to meet increases in rents payable to private landlords arising from effects of rent reviews.

(iii) Purchase of Freehold 5.0 10.0 10.0

(iv) Maintenance expenditure 15.0 15.0 15.0
 (of which running costs 15.0 15.0 15.0)

Required to deal with maintenance work and to get to grips with the backlog (estimated by PSA to be £100 million).

(v) Vacant space 9.0 9.0 9.0
 (of which running costs 9.0 9.0 9.0)

To meet cost of vacant accommodation released by PSA by departments for disposal.

(vi) Administration costs 8.5 6.5 5.5
 (of which running costs 4.9 3.9 3.5)

To cover PSA's administration costs.

(vii) QEII Conference Centre 3.0 3.0 3.0
 (of which running costs 3.0 3.0 3.0)

To cover the net cost of operating the QEII Conference Centre.

TOTAL	105.8	113.1	115.4
(of which gross running costs	45.0	46.0	48.0)

PROPOSED REDUCTIONS

(i) Disposals		-	-2.0	-2.0
(ii) PRS Rent Receipts		-10.0	-10.0	-10.0
	TOTAL	-10.0	-12.0	-12.0

PROPOSED NET CHANGE TO BASELINE		95.8	101.1	103.4
(of which gross running costs		45.0	46.0	48.0

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	25,078	24,640	24,283	24,258
Changes from baseline	-	+173	+110	-

OTHER DEPARTMENTS

		£ million		
		<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Survey baselines		492	505	518
PROPOSED ADDITIONS				
CABINET OFFICE		-	-	1.3
(of which running costs		-	-	0.8)
Implementation of first of CALDBECK infrastructure				
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	703	703	703	703
Change from baseline	-	-	-	-
CABINET OFFICE(MPO)		1.0	1.0	1.7
(of which running costs		0.6	0.6	0.6)
Accommodation; telephone exchange for, and schools liaison by, Civil Service Commission; office automation by Parliamentary Counsel Office. Targets: (Accommodation) 84 new bedrooms at Sunningdale by 1989-90.				
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	984	974	964	964
Change from baseline	+9	+9	+9	-
COMMONWEALTH WAR GRAVES COMMISSION		0.6	0.6	0.6
(of which running costs		-	-	-)
Adverse exchange rate movement and higher than forecast overseas inflation offset by deferred structure and maintenance. Not in manpower count.				
CROWN OFFICE AND PROCURATOR FISCAL'S OFFICE		4.3	2.7	3.5
(of which running costs		1.1	1.6	2.3)
Extra manpower and associated costs to deal with rising crimes. Extra accommodation.				
MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	1088	1068	1108	1128
Change from baseline	-14	+6	+26	-
CROWN PROSECUTION SERVICE				
(i) Align baseline with 1986-87 Estimate		38.9	46.4	55.0
(of which running costs		36.6	44.2	52.6)

HOUSE OF COMMONS COMMISSION		0.7	0.8	0.6
(of which running costs		-	-	-)

Maintaining services at 1986-87 levels with agreed changes in pay, staff and allowances.
Not in manpower count.

LAND REGISTRY		-	-	-
(of which gross running costs		3.7	8.1	15.9)

1986 pay award, additional manpower, increased GAE.

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	7335	7755	8255	8900
Change from baseline	-	255	630	-

NATIONAL AUDIT OFFICE		0.7	0.7	0.7
(of which running costs		-	-	-)

Revised estimate of building maintenance and training. Not in manpower count.

NORTHERN IRELAND COURT SERVICE		6.4	8.3	6.8
(of which running costs		1.9	2.0	2.1)

Capital and maintenance expenditure on new works; legal aid: pay, GAE, and judicial salaries.

OFFICE OF FAIR TRADING		0.9	0.2	0.2
(of which running costs		0.9	0.2	0.2)

Consumer credit computer slippage; manpower and running costs for licensing; and additional consultancy.

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	345	319	319	319
Change from baseline	24	-	-	-

OFFICE OF POPULATION CENSUS & SURVEYS		-	-	-
(of which gross running costs		0.5	0.9	1.7

1991 Census.

Allows for full year cost of figures in 1986-87 Estimates. (1985 PES figures underestimated costs). Assumes casework increase of 5 per cent a year.

(ii) Advance disclosure	5.5	6.0	6.6
(of which running costs	5.5	6.0	6.6)

Administrative costs of ruling that prosecution must reveal basis of case in advance in magistrates' courts.

(iii) Tape recording evidence		4.4	4.8
(of which running costs	4.1	4.4	4.8)

A Home Office initiative.

(iv) Counsel fees	1.9	4.9	8.2
(of which running costs	-	-	-)

Assumes 20 per cent increase in counsel fees.

(v) Introduction of time limits	2.2	2.3	2.5
(of which running costs	2.2	2.3	2.5)

A Home Office initiative.

(vi) Other	1.7	1.9	2.0
(of which running costs	1.7	1.9	2.0)

TOTAL	54.3	65.9	79.1
(of which running costs	50.3	58.9	68.7

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	4980	5229	5490	5765
Change from baseline	+1230	+1479	+1740	-

HOUSE OF COMMONS	0.7	3.2	3.2
(of which running costs	-	-	-)

MP's pay rise in line with 1986 civil service pay increase. Not in manpower count.

HOUSE OF LORDS	-	-	0.8
(of which running costs	-	-	-)

Above average increase in House of Lords activity. Not in manpower count.

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	220	2247	2343	2591
Change from baseline	50	74	82	-

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION

Six extra staff		0.2	0.2	0.2
To reduce time taken in investigations and cope with increase workload. (of which running costs		-	-	-)

PARLIAMENTARY WORKS PROGRAMME		3.8	7.5	10.4
(of which running costs		0.9	1.8	1.0)

Construction of new Parliamentary accommodation in Bridge Street. Not in manpower count.

PAYMASTER GENERAL'S OFFICE		1.1	1.2	1.8
(of which running costs		0.1	0.1	0.6)

Rewiring of Crawley building; purchase terminals and central processors; allowances and running costs.

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	886	897	914	927
Change from baseline	-9	-21	-29	-

TREASURY SOLICITOR'S DEPARTMENT		1.0	1.0	1.1
(of which gross running costs		1.2	1.2	1.3)

Wyth Farm monitoring expenses accommodation, Rayner scrutiny plan, and pay.

MANPOWER	1.4.87	1.4.88	1.4.89	1.4.90
Proposed	482	477	477	477
Change from baseline	13	13	13	-

TOTAL 77.0 94.8 113.8

PROPOSED NET CHANGE TO PROVISION		75.7	93.3	112
(of which running costs		61.2	75.4	94.8)

ECON POL

PURSU

EXPENDITURE

PT 35