

• PO-CH/NL/0555
PART A

Begins: 19/5/89
Ends : 14/7/89

THIS FOLDER HAS BEEN REGISTERED ON THE REGISTRY SYSTEM

PO - CH | NL | 0555.
PT.A.

Chancellor's (Lawson) Papers:
Sponsorship of Departmental Reports

DD's: 25 Years

Handwritten signature

26/4/96

PO - CH | NL | 0555 - PT.A.

RWP

Told PS/CST 24/5

I agree with CST. I suggest his name (with inst) walks to some part. Please write parts to him.

FROM: MRS R LOMAX (GEP)
DATE: 19 MAY 1989
x4499

CHIEF SECRETARY

cc: Chancellor 2
Sir P Middleton
PEX
Mr Peretz
Miss Walker
Mr Wray

Ch/CST would like your views. His inclination is to go for joint sponsorship but can't decide whether his or your name should appear.

SPONSORSHIP OF DEPARTMENTAL REPORTS

DIS

This submission is to bring you up to date with progress in developing the ground rules for the departmental reports which will replace the departmental chapters of the Public Expenditure White Paper in 1991. It also seeks your views on one particular question; whether a Treasury Minister should be a joint sponsor, with the relevant departmental Secretary of State, of each individual report.

Background

2. As you know, from 1991 the departmental chapters of the PEWP will be replaced by departmental reports edited by departments rather than by the Treasury. The intention is that departments should have a considerable degree of freedom to determine the content and presentation of these reports and that the reports should, in time, incorporate material currently issued by departments in other publications. However, in response to recommendations by the TCSC and the PAC, the White Paper on "Financial Reporting to Parliament" (Cm 375, May 1988) said that the reports would continue to contain a "common core" of information.

3. We have recently tried out proposals for the contents of this common core on PFOs in main departments. Their response was generally favourable. There is no need to trouble you with the detail at this stage. In general, we have tried to strike a

balance between being too prescriptive on the one hand, and, on the other; ensuring that Parliament will still be able to form a clear view of the overall expenditure picture.

4. We envisage that each report should continue to contain the main tables which now appear at the start of each PEWP chapter, a statement of departmental aims and objectives, references to running costs and manpower and (where relevant) local authority expenditure for five outturn years and the current year. Other compulsory elements would include material on policy evaluation, output and performance measures, progress on Next Steps, and initiatives to secure value for money. One or two departments would have liked to include compulsory sections on matters such as energy efficiency, but we are proposing to restrict the common core, which the Treasury will 'police', to financial information only. It will be open to other departments to suggest that particular non-financial information should be included.

5. The next step is to circulate these proposals more widely, as the basis for further discussions with individual departments and HMSO. In the brave new world, payment for printing and publishing will be the responsibility of departments. Those departments who want a more glossy presentation (and even some who do not) will have to choose between charging a much higher cover price and providing a subsidy. We will be reminding departments that they should aim to keep the reports accessible to a reasonably wide public, including those who will want to buy a complete set. But this is an issue which we will need to keep under review. For the moment, you might like to note that departmental reports could well be significantly more expensive than the present product.

Sponsorship

6. We would be grateful for your view on the question of who should present the reports to Parliament. Neither the White Paper nor the TCSC and the PAC touched on this issue. We have now been asked for clarification by departments.

7. The PEWP is presented to Parliament by the Chancellor. For the departmental reports, the choice is between presentation of each report by the relevant Secretary of State alone or jointly with a Treasury Minister (either the Chancellor or yourself).

8. The main responsibility for the material in the reports will lie with departmental Secretaries of State, though we will still police the common core and hold the database. Some departmental Ministers may feel that it is inappropriate for the Treasury to be a joint sponsor of their reports. In the longer term too, departments may be reluctant to incorporate their own publications into a report sponsored jointly by the Treasury. For example, the Statement on the Defence Estimates is now presented to Parliament by the Secretary of State alone, and while there is no immediate prospect of merging into a departmental report, the MOD's attitude towards replacing the Statement on the Estimates with a document jointly sponsored by the Treasury is only too easy to imagine.

9. There are two arguments in favour of joint sponsorship. First, the reports will contain financial information previously presented to Parliament by the Chancellor. Though the TCSC and PAC have not commented on the sponsorship issue as such, they have stressed the need for the Treasury to maintain standards of financial reporting. They could well be critical if we were no longer formally associated with the production of this information (even though we will of course continue to be responsible for Chapter 21 (Supplementary Analyses), as well as the Autumn Statement and the Estimates).

10. Second, although each report is subject to collective responsibility, which in theory gives the Treasury the right to insist on agreeing it, joint sponsorship would undoubtedly make it easier in practice to ensure that the reports are acceptable to the Treasury.

11. On balance, therefore, we would recommend joint sponsorship, and would like to include a reference to it in the forthcoming paper for departments.

12. I would be grateful for your views.

A handwritten signature in black ink, appearing to read 'RL' with a small dot to the right.

RACHEL LOMAX

UNCLASSIFIED

FROM: P T WANLESS
DATE: 24 May 1989
EXTN: 5086

MRS LOMAX

mup

cc:
Chancellor *-2*
Sir Peter Middleton
PEX
Mr Peretz
Miss Walker
Mr Dyer
Mr Wray

SPONSORSHIP OF DEPARTMENTAL REPORTS

The Chief Secretary was grateful for your submission of 19 May.

2 Both he and the Chancellor are content with joint sponsorship of departmental reports. Their view is that if any Parliamentary principle points to the Chancellor taking on this task, then he should do so. Otherwise the Chief Secretary is entirely content to be the Treasury sponsor. I should be grateful if Mr Dyer could advise on this point.

PW

PETER WANLESS
Assistant Private Secretary

UNCLASSIFIED

FROM: B O DYER (Parly Clerk)
 DATE: 25 May 1989
 EXTN: 4520

APS/CHIEF SECRETARY

cc Chancellor
 Sir P Middleton
 PEX
 Mrs Lomax
 Mr Peretz
 Miss Walker
 Mr Wray

SPONSORSHIP OF DEPARTMENTAL REPORTS

Your minute of 24 May, among other things, sought my views on the question of Treasury sponsorship.

2. I am sure joint sponsorship is right. Parliament (TCSC and PAC) clearly expects the Treasury to continue to exercise control from the centre over the standard and consistency in financial reporting. Joint sponsorship of departmental reports will undoubtedly strengthen our hand in this respect.

3. On the question of whether the Chancellor or the Chief Secretary should be the Treasury sponsor, I favour the former. While the Chief Secretary has charge of the annual public expenditure survey, the Chancellor has always been associated with the formal presentation of PEWP to Parliament - ie the title page has always carried the words 'presented to Parliament by the Chancellor of the Exchequer...'; and last year the practice was continued with 18 separate departmental chapters being presented in his name. Moreover, PEWP (whatever its format) will continue to underlay the Chancellor's Autumn Statement.

Chancellor

Parliament is likely to view any change (ie joint presentation by a Treasury Minister other than yourself) as a downgrading, which could be an argument for or against change.

A handwritten signature in dark ink, appearing to be 'B O Dyer'.

B O DYER

RA

UNCLASSIFIED

FROM: J. ANSON
DATE: 26 MAY 1989
X: 5643

CHIEF SECRETARY

cc ✓Chancellor
Sir P Middleton
Mr Monck
Mr Phillips
Mrs Lomax
Mr Dyer

SPONSORSHIP OF DEPARTMENTAL REPORTS

There is one further point which you may like to consider, in addition to those mentioned by Mr Dyer.

The sponsors of a White Paper are normally listed more or less in order of Cabinet precedence. In the present case, the reports would thus be presented either by "the Chancellor of the Exchequer and the Secretary of State for XYZ"; or by "the Secretary of State for XYZ and the Chief Secretary to the Treasury". The choice of Treasury sponsor thus has an impact on which department is seen as primarily responsible. When we originally devised the idea of replacing the PEWP with separate departmental reports, the Chancellor was keen to make clear that (apart from there being a common core) departments were responsible for editing and defending their departmental reports.

I think this is more significant than the point in Mr Dyer's paragraph 3. In any case we are making a break with the old-style PEWP. The Autumn Statement will be completed with the statistical Annex (chapter 21 of the present PEWP) in January, which would be in the Chancellor's name. The departmental reports will be a separate set of publications, at the same time as the Estimates.

While this is a matter of personal choice for you and the Chancellor, my vote therefore would be for your appearing as the Treasury co-sponsor of the departmental reports. And there is a good precedent in the Summary and Guide, which appears in your name, not the Chancellor's.

not necessarily: for DTI
it would on this convention
be the CST followed by Tony Newton.


J ANSON



Ch/ Mr Anson and Mr Dyer
have now opined (the latter
twice ; see behind) on the
question of whether departmental
reports should be jointly
sponsored by you or by
CST.

There don't appear to be any
real issues of Parliamentary
principle. I suggest it would
be best to let CST do it, with
his name appearing second
regardless of Cabinet seniority.
You would of course continue to
sponsor AS and subsequent
statistical annex.

Discuss at next CST bilateral
on 5 June ? DIS

CHANCELLOR

26/5/89.

SPONSORSHIP OF DEPARTMENTAL REPORTS

Mr Anson has a good point; but, from the Parliamentary presentational point of view, whether a Treasury Minister's name precedes or follows that of the departmental Secretary of State has little significance. The Journal Office will register the report only in the name of the S of S of the presenting Department; and it will be recorded in the daily 'Votes and Proceedings of the House' as being presented by the S of S, not jointly with a Treasury Minister. The sponsoring Treasury Minister will receive no mention, notwithstanding the fact that the frontispiece of the departmental report will read "presented to Parliament jointly by"

2. Also, given that the statistical annex (chapter 21 of the present PEWP) will be presented in your name in January, might it not look a little inconsistent and odd if the associated departmental reports were sponsored by a Treasury Minister other than yourself the following month?

No. It is an annex to the AS, which you sponsor, not a forerunner of the departmental booklets.

BRIAN DYER

26/5
Spec. This is a
relating to
math on what Dept as
Virus both ways, I suggest
is affected, I suggest
Committee for Higgins
Chairman of the
& Ann in the
document
etc.



FROM: J M G TAYLOR

DATE: 31 May 1989

~~BF 9/6~~

~~BF 30/6~~

~~BF 7/7~~

~~BF 14/7~~

BF 18/7

PS/CHIEF SECRETARY

SPONSORSHIP OF DEPARTMENTAL REPORTS

The Chancellor has seen Mr Anson's note of 26 May.

2. He suggests that the Chief Secretary might like to consult Mr Higgins, as Chairman of the TCSC.

[Passed on fuller
comment to Mr Wainwright]

J M G TAYLOR

UNCLASSIFIED



FROM: P T WANLESS
DATE: 14 JULY 1989
EXTN: 5086

MRS LOMAX

A handwritten signature in dark ink, appearing to be "P T Wanless".

cc: PS/Chancellor - 2
Sir P Middleton
PEX
Mr Peretz
Miss Walker
Mr Wray

SPONSORSHIP OF DEPARTMENT REPORTS

Your submission of 19 May sought views on whether a Treasury Minister should be joint sponsor with the relevant departmental Secretary of State for each of the departmental reports which will replace the departmental chapters of the Public Expenditure White Paper in 1991. My minute of 24 May confirmed that both the Chancellor and the Chief Secretary were content with joint sponsorship of departmental reports.

2 The Chief Secretary spoke to the chairman of the TCSC to ask him whose names he thought should appear on the reports. Mr Higgins thought that these should be signed by the relevant Secretary of State followed by the Chief Secretary. Both the Chancellor and the Chief Secretary are content to follow this procedure.

Handwritten initials "PW." in dark ink.

PETER WANLESS
Assistant Private Secretary