



Prime Minister (2)

MS 15/3000

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

2 March 1982

The Rt Hon Leon Brittan QC MP  
Chief Secretary  
HM Treasury  
Whitehall  
London SW1

They are disputing cash planning.

MS

Dear Chief Secretary,

DRAFT PAPER FOR EXPENDITURE STEERING GROUP - EDUCATION

When we spoke last night we agreed that officials should try to reach agreement today about amendments to this paper. I made it clear that I was not disputing the primacy of cash planning and you said that you would ask Treasury officials to look again at the drafting and figures so as to meet me part of the way.

2 I understand that at a meeting this morning officials came close to agreement on amendments to the paper which would have (a) emphasised still more strongly than in paragraph 4 of the previous draft the primacy of cash, (b) inserted a new table in cash before the present table in paragraph 7 and (c) substituted for that table another showing the implications in real terms (on specified assumptions about pay and prices) for each sub-programme of the cash table not in £ but by index numbers, ie 1980-81 = 100, 1982-83 = 96.1, 1983-84 = 92.8.

3 I shall be grateful if you will let me know by mid-day on Monday that you can agree to this so that we can circulate the paper in time for Friday's meeting of ESGE. Otherwise I shall have to agree to the postponement of the meeting. This would mean a loss of momentum in following up the Public Expenditure White Paper. Over most of the education programme our policy calls for contraction which will not come about by itself and will not be brought about unless the detailed practical implications are clearly explained and driven home in good time to local authorities. They have co-operated with successive governments in their plans for educational spending, and I would not wish to damage the machinery which has served us well for several years.

4 I am sending copies of this letter to the Prime Minister and Sir Robert Armstrong.

Yours sincerely,  
Mogen Wilder

(Approved by the Secretary of State and signed in his absence)

Did we want to fix away from real terms - it was always a conceptual.

RECEIVED  
MAR 1 1964

MAR 2 1964

Handwritten notes in blue ink, including the word "copy" and other illegible scribbles.

CONFIDENTIAL



bc: John Vereker

10 DOWNING STREET

From the Private Secretary

16 March 1982

Dear Imogen,

DRAFT PAPER FOR EXPENDITURE STEERING GROUP - EDUCATION

The Prime Minister has been following the correspondence between your Secretary of State and the Chief Secretary about the presentation in cash or in real terms of figures for education expenditure in this paper.

The Prime Minister considers that your Department's proposals in this regard put in question the primacy of cash planning. In relation to the proposal, in paragraph 2(c) of your Secretary of State's letter of 12 March, she has minuted that the Government wishes to get away from the presentation in "real" terms; and that this was always an artificial concept.

I am sending copies of this letter to Terry Mathews (Chief Secretary's Office) and to David Wright (Cabinet Office).

Yours sincerely,

Michael Scholar

Mrs. Imogen Wilde,  
Department of Education and Science.

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