



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 4749

Tim Flesher Esq  
10 Downing Street  
LONDON  
SW1

7 October 1985

**TREASURY MINUTE REPLYING TO THE 15TH TO 25TH REPORTS OF THE  
PUBLIC ACCOUNTS COMMITTEE 1984-85**

The Treasury wishes to publish as a Command Paper a Treasury Minute in response to the Public Accounts Committee's 15th to 25th Reports 1984-85. The text has been agreed between the Treasury and departments to whom the PAC reports were principally addressed; and approved by the Financial Secretary who has agreed to the Treasury Minute being published in his name.

2. As you are aware the Government has approved a debate on the Public Accounts Committee on Thursday 24 October. We consider it vital to have published replies to as many of the Committee's reports by that date as is practicable. The Treasury has already published replies up to the PAC's 13th Report before the Summer Recess. Northern Ireland Office is proceeding with a reply to the PAC's 14th Report. That leaves us with replies to the PAC's 15th to 25th Report which is as many as can be completed in time.

3. Since it is not normal practice to publish the replies when the House is not sitting, and to give as much notice of the response before the debate, we suggest we both lay and publish the Treasury Minute on Monday 21 October:

- (i) laying in the House at 2.30 pm  
publication by HMSO at 3.30 pm.

We should, as usual, supply copies of the Treasury Minute just prior to publication to the relevant departments which have contributed to the reply, to PAC members and the National Audit Office and to the Lobby.

4. Even with the interest of the coming debate we doubt whether the Treasury Minute will attract much interest. It is in no way controversial and there are no particular newsworthy features. I attach, for information, a list of the reports dealt with in the Government reply with a brief description of the subject matter.

HMT told OK  
NR 8/10

Nicky Roden C/10

This seems fine

JV  
P/W.



5. May we have your urgent agreement, please to proceed with these arrangements?

6. I am sending copies of this letter to Murdo Maclean, David Morris and Bernard Ingham.

*Richard Savage*

RICHARD SAVAGE  
ASSISTANT PARLIAMENTARY  
CLERK



PAC REPORTS COVERED BY TREASURY MINUTE

15th Report 1984-85 : FCO Management of Overseas Estate (FCO)

Requiring FCO to cut some of the more lavish accommodation standards and hasten nationalisation of overseas property holdings.

16th Report 1984-85 : Major Projects Statements (MOD)

Expresses concern about delays and cost escalations which always seem to accompany all such projects.

17th Report 1984-85 : General Dental Services (DHSS/SHHD/Welsh Office)

General review of dental service, finding a number of problems with the running of the service (eg unnecessary and unsatisfactory treatments, difficulties over dentists' pay, need for better geographical distribution of dentists etc).

18th Report 1984-85 : Monitoring and Control of Water Authorities (DOE)

Worries about adequate public accountability and criticisms about financial management and reporting of performance against targets.

19th Report 1984-85 : Economy Measures, Fraud and Corruption and Building Maintenance Expenditure in PSA (PSM)

Follow up to earlier reports (which included some criticism of the previous head of PSA, Mr Alfred, who subsequently resigned). The present report shows dissatisfaction with progress on the reforms being attempted to improve matters in PSA wages and keeping up the momentum.

20th Report 1984-85 : Social Security Benefits (DHSS)

Made report subject to changes following Government's Green Paper on Reform of Social Security. Welcomed efforts to reduce growth in



administrative costs but concerned at failure to achieve anticipated savings from cheaper payment methods.

21st Report 1984-85 : ECGD Accounts (ECGD)

Concern about continuing decline in trading and cash-flow positions.

22nd Report 1984-85 : NHS Energy Conservation (DHSS/SHHD/Welsh Office)

Progress-chasing report expecting specific earmarking of funds for efficiency projects and central savings targets.

23rd Report 1984-85 : NHS Supplies and Pharmaceutical Price Regulation Scheme (DHSS)

Concern about departments inability to put figures to its plans for improving stores rationalisation. Recognised difficult judgement ensuring fair balance between NHS interests and need for profitable and vigorous UK pharmaceutical industry.

24th Report 1984-85 : Dockyards Operations and Manpower (MOD)

Critical of financial appraisals of options available to Parliament which are needed to allow Parliament to decide which policy options should be followed.

25th Report 1984-85 : Profit Formula (MOD, Treasury)

Criticises appointment of Mr Levene as Accounting Officer when he is precluded from seeing papers relating to business done with his former companies. Also critical of decisions taken on settlement of profit formula (allowing "windfall" profit to defence contractors).



Gov Main Announcements

Pt 2.

