



*Government Whips Office*

*House of Lords*

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The Right Honourable the Lord Kinnock  
House of Lords  
London  
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8 June 2010

*Dear Lord Kinnock,*

During the exchanges in the House relating to Government Spending on 26 May, you raised the matter of costs to the public purse of breaking or suspending contracts to the private sector as part of the £6.2 billion savings package. I undertook to provide you with more detail in writing.

As I hope you will understand, unfortunately I cannot discuss specific Government contracts and their savings due to reasons of commercial sensitivity.

To ensure that the Government delivers the £6.2bn of savings effectively, the Chief Secretary to the Treasury has agreed departmental contributions and it will be for departments to decide how best to deliver their contribution, including which contracts to renegotiate or stop in order to achieve net cost savings.

As the Government announced, immediate negotiations have commenced to achieve cost reductions from the 70 major suppliers to government in a manner that will provide the best value for money for the exchequer and cost savings to the public purse.

I am copying this letter to other Peers who took part in the debate and placing a copy of this letter in the Library of the House.

*Rupert de Mauley*

**Lord de Mauley**