



Chancellor of the Duchy of Lancaster

Prime Minister

cc/0

Had Gowrie proposes a change of emphasis from "quango hunting" to improving the efficiency of those that remain. The idea is to apply the principles of the FMI, without the bureaucracy. Colleagues are content. Agree Personal Minute at A, and statement at B?

PRIME MINISTER

(Flag C)

I have minuted you today, copying to colleagues, about changes in the quango and other public body review arrangements, and their public announcement. I am writing separately about how, if you agree them, the new arrangements might be "launched" to Ministers in charge of departments and their sponsored non-departmental public bodies (NDPBs).

Sub 19/10

Carrying through the improvement programmes will need time, care and hard work. In particular we shall need commitment from NDPBs themselves. Unless they see themselves as willing partners, little real improvement can be expected.

It would be particularly helpful in this respect if the changes could be seen to have your full personal backing. One way of demonstrating this would be for you to write to colleagues, as you did when launching the original Financial Management Initiative. I realise this kind of procedure should be used only sparingly, but I think it would be justified on this occasion. I attach a draft you might use for the purpose. If, however, you preferred, the Chief Secretary and I might write jointly on your behalf.

Colleagues will need to start work quickly if the full programme is to be completed by April 1987. I suggest that, if you agree the arrangements, we should write immediately to confirm them - following up with a public announcement, by PQ, when Parliament resumes.:

Gowrie

Yes not

GOWRIE

15 October 1984



10 DOWNING STREET

From the Private Secretary

22 October, 1984.

JD
Dear Paul,

The Prime Minister considered over the weekend Lord Gowrie's two minutes of 15 October about changes in the quango and other public body review arrangements.

The Prime Minister is content with what is proposed. She is willing to send a personal minute to colleagues as Lord Gowrie recommends, although in slightly different terms from the draft you supplied. I enclose the text which the Prime Minister has approved. The minute will issue shortly.

The Prime Minister was also content with the draft Question and Answer which Lord Gowrie supplied, subject to the addition of the following words at the end of the penultimate sentence:-

"with the aim of producing progressive improvements in performance."

We are arranging for the Question to be answered as soon as possible after the minute has issued, and will keep you in touch on the timing.

I enclose a more formal letter giving the Prime Minister's approval to Lord Gowrie's proposals, which has been circulated more widely than this one.

Yours ever,
David

David Barclay

Paul Thomas, Esq.,
Office of the Chancellor of the Duchy of Lancaster.

Draft Question

To ask the Prime Minister whether it remains her policy to keep the numbers and spending of non-departmental public bodies under tight control; and whether she will ensure that the drive for increased efficiency and effectiveness in the civil service is followed through by similar action in public bodies.

Draft Answer

Yes. We shall continue to keep all non-departmental public bodies under regular scrutiny to ensure that they and their programmes give value for money. We shall resist pressures for new bodies unless we are convinced that a non-departmental body is the most appropriate way to do a particular task.

Substantial savings have already been made. Since 1979 we have wound up or substantially reduced the expenditure of nearly 700 such bodies, saving some £118m a year. But there is more to be done. A recent report by the Cabinet Office/Treasury Financial Management Unit, copies of which are being placed in the Library, shows that some bodies need better systems for defining their objectives, setting targets and assessing achievements. Over the next two years therefore Departments will be looking, in collaboration with the management of their sponsored bodies, at the scope for improving management and control systems and practices. The main programme of work should be completed by April 1987.

with the aim of producing progressive improvements in performance.

cc Mr Alison
Mr Flesher

CHARLOTTE

Non-Departmental Public Bodies

The Prime Minister has approved the attached Question and Answer about non-departmental public bodies. She wishes it to issue as soon as possible after her personal minute on this subject has been despatched.

Could you please arrange accordingly, keeping Lord Gowrie's Office in touch? You will see from the last paragraph of Lord Gowrie's longer minute of 15 October that he suggests that the Question might be tabled by Sir Philip Holland. Subject to any views to the contrary from Mr. Alison or Mr. Flesher, I suggest we take up this idea.

DMS

22 October, 1984.