

SB
831

PREM 19/323

PART 2

Confidential Filing

House of Commons Procedure.
Reorganisation of Select Committees.
Departmental Select Committees.
Provision of evidence to Select Committees.

PARLIAMENT

Part 1: May 1979
Part 2: February 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
26.2.80							
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PREM 19/323

Part

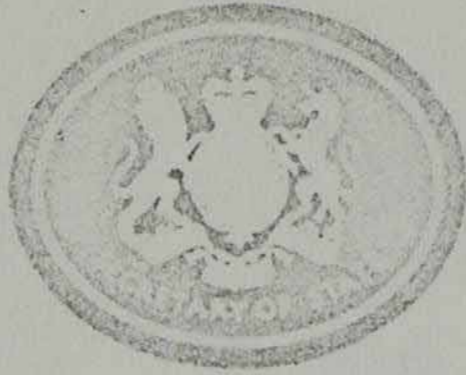
PART 2 ends:-

s/s def to m/s cSD 13/3

PART 3 begins:-

s/s Sust to m/s cSD 14/3

CONFIDENTIAL



NTS to see
MI *MA* *12/3*
Radwin

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALING 01-218 2111/3

17/3

MO 21/8/4

13th March 1980

Dear Paul,

RELATIONSHIP WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

You sent me a copy of your letter of 10th March to Norman St John-Stevas about the disclosure of documents to Select Committees. I entirely support your approach in all respects. We must preserve the principle that documents which constitute internal advice to Ministers will not be released to a Select Committee, and as you say, we must agree collectively on a consistent approach in such matters.

Provided that we maintain that consistency, I see no difficulty in sustaining the position with my own Departmental Committee.

I am copying this letter to the recipients of yours.

James Loder

Francis Pym

Francis Pym

Paul Channon Esq MP

CONFIDENTIAL

17 MAR 1980



CONFIDENTIAL



DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

MAP to see

NBPN

MJS

Paul Channon Esq MP
Minister of State
Civil Service Department
Old Admiralty Building
Whitehall
London SW1

13 March 1980

Dear Paul,

RELATIONSHIP WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

I am content with the general line in your letter of 10 March to the Chancellor of the Duchy.

So far as the reports on Rayner scrutinies are concerned, I can confirm that we have followed this line in response to a request from the Social Services Committee to see our report on methods of paying social security benefits, and to take evidence on it. In view of the controversy that had sprung up round this report, I had previously concluded that we should defer a decision on how much of it we should publish until we had had time, through interdepartmental consultation, to decide which of its proposals to pursue: we should then have issued a document for consultation - possibly a shortened or edited version of the report, depending on our decisions. The request by the Select Committee to study the report, coming as it did before we had reached any decision, was potentially embarrassing. But we were able to produce quickly a summary of the main conclusions and proposals in the report which, backed with some factual appendices, made a reasonably substantial document. A covering note emphasised that, in this case, no decisions had yet been taken and that the Government was not committed to any of the proposals. (Indeed, I had to tell the Select Committee, in evidence, that we had decided against one of them.) So this document fell short of your approach, in that it did not include any note of intended action. Nevertheless, it was quite acceptable to the Select Committee, and I was not pressed for disclosure of the report itself.

I am copying this to other Cabinet colleagues, Norman Fowler, and to Sir Robert Armstrong and Sir Derek Rayner.

Your
Patrice

CONFIDENTIAL

15 MAR 1960





cc: Mr Hyde
Mr Townley
No 10 ✓

V
MS

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

13 March 1980

Dear Paul

Thank you for your letter of 11 March about Christopher Price's PQ for answer on 19 March.

Since Christopher Price's Question seems almost certainly related to instructions to officials being issued by the Civil Service Department, I should be grateful if you would deal with it on the basis you propose. The line taken in my general statement on 25 June last year, quoted in the background note, still seems a valid summary of our central position in this matter. If the question is raised of the availability to the Select Committee on Education and Science of the Staff Inspection report on the University Grants Committee, I suggest that, for the present, we use your suggested standard line that this is a matter for the Minister concerned.

I agree that a letter to Edward du Cann explaining the delay in the circulation of the Memorandum would be helpful and I will write to him.

Yours sincerely
N. Channon

P Channon Esq MP
Minister of State
Civil Service Department
Old Admiralty Building
Whitehall
SW1



Chancellor of the Duchy of Lancaster

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

13 March 1980

Dear Edward.

I sent you early in January an advance copy of a revised text of the Memorandum of Guidance to Officials appearing before Select Committees.

At that time I anticipated that this revision would be generally circulated to Departments shortly afterwards. As you may have noted, however, publication of the new Memorandum has been delayed. This has arisen because of the need to consider further some minor points of detail. The resolution of these has taken longer than expected.

I am sorry about this delay, but the Memorandum will be issued as soon as possible, and I will of course ensure that you receive a copy of the final version at the earliest opportunity.

Yours ever
N.

The Rt Hon Edward du Cann MP
House of Commons
London
SW1

13 11 1960

13 11 1960





Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

13 March 1980

Paul

Dear Sir,

OVERSEAS DEVELOPMENT SUB-COMMITTEE: OVERSEAS STUDENTS FEES

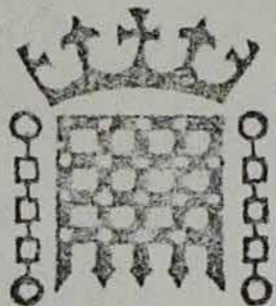
Further to the Chancellor's letter of 12 March to the Leader of the House, the Clerk to the Overseas Development Sub-Committee of the Foreign Affairs Committee has sent the enclosed reply to Brian Unwin here.
...

I am copying this letter to the Private Secretaries to the recipients of the Chancellor's earlier letter.

*Yours,
MAH*

M A HALL
Private Secretary

J W Stevens Esq
Private Secretary to the
Chancellor of the Duchy of Lancaster



COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA
01-219 3000 (Switchboard)
01-219 (Direct Line)

V
MJS

FOREIGN AFFAIRS COMMITTEE

OVERSEAS DEVELOPMENT SUB-COMMITTEE

12th March 1980

Dear Mr Unwin:

Unwin 13/3

Thank you for your reply to my request for evidence. I have communicated it to the Sub-Committee, which does not wish to pursue the matter any further at this stage.

I note your reference to the First Report from the Procedure Committee of Session 1977-1978. I note also that the paragraph which you quote continues "We are disturbed, however, by the extension of these conventions to all questions of departmental or inter-departmental organisation which, if consistently and uniformly applied, would debar Members and committees from access to information about the organisation of the governmental service which is essential for any attempt properly to scrutinise the administration and expenditure of government departments. We recommend that select committees should regard any refusal to provide information of this kind - unless fully and adequately explained by Ministers and justified to the satisfaction of the committee concerned - as a matter of serious concern which should be brought to the attention of the House".

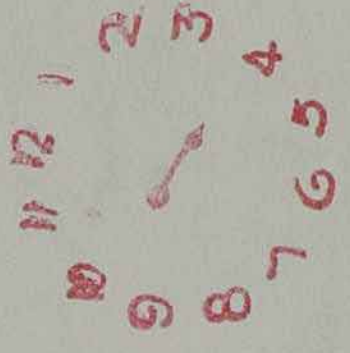
Yours sincerely,

David Cairncross

D. J. CAIRNCROSS

J. B. Unwin, Esq.,
Central Unit,
H. M. Treasury,
Parliament Street,
LONDON SW1P 3AG

14 MAR 1980





Chancellor of the Duchy of Lancaster

WMS
cf Mr Whitman's letter to see
MAJ

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

13 March 1980

Law Mike

DEPARTMENTAL SELECT COMMITTEES: REQUEST FOR PUBLICATION OF
SIR ALAN COTTRELL'S LETTER

Thank you for your letter about the request of the Select Committee on Energy for a copy of the letter that Sir Alan Cottrell sent to the Prime Minister on the pressurised water reactor.

The Select Committee probably have the power to order the Prime Minister to produce the correspondence from the records at No 10; and almost certainly they have the power to require Sir Alan Cottrell to produce his copies of the documents. On the other hand, if the Select Committee were misguided enough to make a formal order for the production of the letter, and it were refused, it would be for the House to decide what action to take.

The memorandum of the Clerk of the House of Commons to the Procedure Committee on powers of Select Committees to send for persons, papers and records (Appendix C of the First Report from the Select Committee on Procedure, Session 1977/78) quotes a passage from Erskine May, as follows:

"However ample the power of each House to enforce the production of papers may be, a sufficient cause must be shown for the exercise of that power, and if considerations of public policy can be urged against a Motion for papers, it is either withdrawn, or otherwise dealt with according to the judgment of the House."

The Chancellor of the Duchy believes that the House would take a good deal of convincing that it would be right for a Select Committee to order the production of correspondence between a Minister and a citizen who had written to the Minister in his private capacity. On the most general grounds of public policy it seems right that a private person who writes to the Prime Minister should expect that what he says will not be made public without his consent.

In this particular case it is true that there is nothing particularly confidential about the contents of the letter:

Sir Alan Cottrell must have said much the same to the Select Committee. Nevertheless, the Chancellor of the Duchy considers that it would be right for the Prime Minister not to accede to the Select Committee's request.

If the Prime Minister agrees, you might write to the Clerk on the following lines:

"The Prime Minister receives a great deal of correspondence from private citizens over the whole range of Government activities. She believes that such correspondence should remain confidential unless the person concerned is willing that it should be made public. In the case of Sir Alan Cottrell's letter, he has made it clear that he regards his letter to the Prime Minister and her reply as entirely private, and not a matter for publication. The Prime Minister feels that she must respect the wishes of Sir Alan in this matter."

Yours ever
John Stevens

J W STEVENS
Private Secretary

Mike Pattison Esq
Private Secretary to the Prime Minister
10 Downing Street

CONFIDENTIAL

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH



From the Minister

VMS

Paul Channon Esq MP
Minister of State
Civil Service Department
Whitehall
London SW1

13 March 1980

RELATIONSHIP WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

Thank you for sending me a copy of your letter of 10 March to Norman St John-Stevas.

I am mindful of the need for us all to be careful about the release of documents to Select Committees and it is most important we adopt a consistent line. I am content generally with the approach you have set out in your letter but your proposals in paragraph 6 about scrutiny reports seem to contain an ambiguity.

I have of course had experience of only one case, but the next step after Ministerial consideration of the "draft" scrutiny report on capital grants procedure was the preparation of a consultation document embodying provisional conclusions. This could in no sense be described as a "final and edited" version of the original report.

There will, of course, be cases (paragraph 5 of your letter) where an original "draft" scrutiny report is selected for publication in its own right and can readily be released to a Select Committee.

In general, however, I suggest that Select Committees should be offered specially prepared memoranda in the scrutiny field as in the staff inspection field.

I am copying this letter to members of the Cabinet and Norman Fowler, and to Sir Robert Armstrong and Sir Derek Rayner.

PETER WALKER

114 MAR 1980

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9 8 7 6 5 4
3 2 1

CONFIDENTIAL



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

13 March 1980

Paul Channon Esq MP
Minister of State
Civil Service Department
Whitehall
London

Vys

Dear Paul,

RELATIONSHIP WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

Thank you for sending me a copy of your letter of 10 March to Norman St John-Stevas about the way in which we should tackle requests from Select Committees for copies of staff inspection and similar internal investigatory reports.

Your proposal to offer specially prepared memoranda describing the nature of the exercise, its scope and the action it was proposed to take seems generally acceptable. However, I am not entirely clear what 'the action it was proposed to take as a result' actually implies. If it means the action proposed in the report before Ministers have considered the report and reached decisions on it, then I would strongly resist the proposal, since it would not avoid the disclosure of proposals which are politically untenable and have no chance of being implemented. All it would do is create a situation in which there is fierce resistance to a proposal and the Government is then seen to be apparently climbing down on an issue which had never any chance of getting Ministerial approval in its original form - as in the case of rural sub-post offices.

I am copying this letter to members of the Cabinet and Norman Fowler, and to Sir Robert Armstrong and Sir Derek Rayner.

Yours ever,
Angus

A M

CONFIDENTIAL

13 MAR 1960

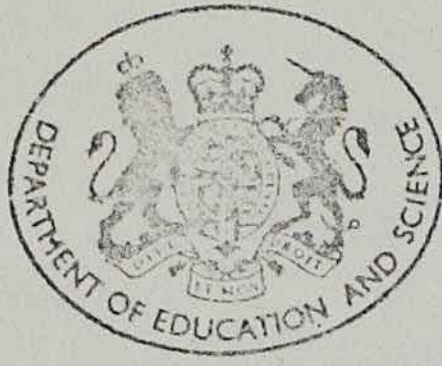


JE

CONFIDENTIAL

3/13

NJS



ELIZABETH HOUSE,
YORK ROAD,
LONDON SE1 7PH
01-928 9222

24

VMS

FROM THE SECRETARY OF STATE

Paul Channon Esq MP
Civil Service Department
Whitehall
LONDON SW1A 2AZ

13 March 1980

Rec. Paul.

RELATIONSHIPS WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

You sent me a copy of your letter of 10 March ^{attached} suggesting the approach we should take to requests from Select Committees for documents which constitute internal advice to Ministers.

As I have already said, I am prepared to respond to my Select Committee's request for a Staff Inspection Report on the University Grants Committee by offering them a summary memorandum of the kind you describe. Before I do this, however, I should like to be sure that we are all agreed on the approach you recommend, namely that we would not release on demand documents such as the Staff Inspection Report. If, on the other hand, there are doubts about our ability to sustain this line, then I should prefer to fall in with your suggestion of a discussion in H Committee before taking any action.

On the second paragraph of your letter, I entirely accept that it is right for us to agree collectively on a general approach to issues of this kind and for individual Ministers to apply that policy in dealing with individual Select Committees. My letter of 5 March was not intended to imply otherwise, but simply to say that we should need your help in preparing to put the collective view.

I am copying this letter to the recipients of yours.

James ever

Mark

MARK CARLISLE

CONFIDENTIAL

102



1631 MAR 1960





NJS
CAY
!MS
to see
12 in
MA

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

12 March 1980

Dear Norman

I have seen correspondence between Mark Carlisle and yourself on the Overseas Development Sub-Committee's examination of overseas students' fees.

..... The Clerk to the Committee has now written to the
..... Treasury (letter attached) to seek evidence from the
..... Treasury as well. I attach a reply which was
sent with my approval to the Clerk.

I think we are probably all agreed that if the Sub-Committee pressed us for evidence, we could and should ultimately not refuse to appear, even if there is in the event little which we can say - and I think it is also clear that we should not offer information which would breach the principles of collective responsibility.

But the Clerk's letter raises some other issues. The Clerk requests a memorandum on subjects peripheral to the Treasury's work - and at unreasonably short notice. We could not possibly accede to all of the requests of that sort which could come at us, on the basis that the Treasury has an overall responsibility for financial and economic matters.

The Clerk's letter seeks Treasury evidence on some subjects on which we can clearly not submit evidence, and some for which the Treasury is clearly responsible, even if they are not obviously within the Committee's terms of reference. These are dealt with in the draft reply. But on other topics the responsibility is less clear, and the draft reply in effect stalls on these to allow time for us to seek a collective view. These topics include the impact of policies, for which other Departments are primarily responsible, on the economy as a whole (in this case, the impact of lower spending by overseas residents in the UK), and the impact of public spending policy on spending priorities within Departments.

/You may

The Rt. Hon. Norman St. John-Stevas, MP



You may feel that a discussion at H would be worthwhile. I am copying this letter to Cabinet colleagues, to Paul Channon, and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read "Geoffrey Howe", with a horizontal line underneath.

(GEOFFREY HOWE)



COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA
01-219 3000 (Switchboard)
01-219 3309 (Direct Line)

FOREIGN AFFAIRS COMMITTEE

OVERSEAS DEVELOPMENT SUB-COMMITTEE

6th March 1980

20075
Dear Mr *Ynwin*,

JW 6/3

As you know, the Overseas Development Sub-Committee is conducting an inquiry into the implications for aid and development of the Government's decision to increase overseas students' fees. The Sub-Committee has taken oral evidence from a number of witnesses, including ODA officials, and has received numerous written submissions.

Further evidence from officials of the FCO, ODA and DES and from Dr. Rhodes Boyson will be heard on Tuesday 11th March at 4 pm. I am now writing to you to confirm my urgent request by telephone for a Memorandum, which I may lay before the Sub-Committee before its meeting on Tuesday, outlining the part played by the Treasury in the decision-making and the principal arguments involved. As I explained to you, the Sub-Committee may wish to take oral evidence from Treasury witnesses, possibly on Tuesday 18th March at 5 pm. This will be decided in the light of your Memorandum and of the evidence given on 11th March.

Much of the evidence so far has referred to the economic and financial considerations involved in the decision, but official witnesses have not so far been able to give a clear idea of how much attention was given to these factors or what part they played. The Treasury plays a leading role in decisions on financial savings, and the Sub-Committee would like to know the way in which such a decision is made.

In this particular case, it would be helpful to know about the extent to which the FCO, ODA and DES were consulted in determining the level and significance of "full cost" fees, the economic contribution of overseas students to this country (in the form of spending in the UK during

their studies and through contracts awarded to British firms subsequently), and the developmental impact of the decision on the countries of origin. The Sub-Committee also wishes to know the order and manner in which these consultations occurred.

If you require any further information or guidance of any kind, please do not hesitate to ask me.

Yours sincerely,

Dand Cairncross

D. J. Cairncross
Clerk to the Sub-Committee

J. B. Unwin Esq.
Central Unit,
HM Treasury,
Parliament St.
SW1P 3AG.



H M Treasury

Parliament Street London SW1P 3AG

J B Unwin
Under Secretary

Switchboard 01-233 3000
Direct Dialling 01-233 3016

cc Sir A Rowlinson
Mr Bailey
Mr Littler
Mr F E R Butler
Miss Forsyth
Mr Judd
Mr Folger
Mr Sallnow-Smith
Mr MacAuslan

COPY

F(SCT)

10 March 1980

D J Cairncross Esq
Clerk to the Sub-Committee
Foreign Affairs Committee
House of Commons
LONDON SW1A 0AA

J. Cairncross,

I have now received your letter of 6 March asking the Treasury to submit a memorandum to your Committee by 11 March.

2. The Treasury will of course offer evidence on subjects falling within our Departmental responsibility and the terms of reference of your Committee, within the various limitations known to and accepted by the House. I send you herewith a copy of an Economic Progress Report Supplement, which describes the way in which decisions on public expenditure are made.

3. The Government's policy on public expenditure, both in itself, and in relation to the economy as a whole, was set out in the Chancellor's Budget statement of June 1979 (Official Report, 12 June 1979, Columns 246-249), the Financial Statement and Budget Report 1979-80 (HC 98, June 1979), and in the interim white paper on expenditure plans for 1980-81 (Cmd 7746). It will be set out further and with more detail in the forthcoming White Paper on Public Expenditure to be published on Budget day, 26 March.

4. It would not be appropriate for the Treasury to give evidence on the advice given by officials to Ministers or on the interdepartmental exchanges which led up to a collective decision by Ministers. The Procedure Committee's first Report (Session 1977-78) in drawing the attention of the House to the Memorandum of Guidance for Officials, endorsed the Memorandum's instructions, including the limitation on the provision of evidence on those topics. The Report also acknowledges "the long-standing practice of Ministers to refuse to answer Questions in the House concerning discussion between Ministers or between Ministers and their official advisers". The Secretary of State for Education's letter of 5 March to the Chairman of your Committee made these points.

5. I note that DES will be giving evidence on 11 March with officials from FCO and ODA.

Yours sincerely,

J B UNWIN



12 MAR 1980



COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA
01-219 (Direct Line)
01-219 3000 (Switchboard)

SOCIAL SERVICES COMMITTEE

R. 11/2

12th March 1980

Dear Sir Derek,

Thank you for your letter of today's date in which you say that you are unable to attend the Committee's meeting on Wednesday 12th March.

I think the Committee does understand your position, as you have set it out, but I will place your letter before them. They will I am sure be disappointed. It will be for them to say whether they still wish to hear you; it may be that they will wish to hear the evidence from the Secretary of State and his adviser before making up their mind about this.

I understand that you may not wish to answer questions about what advice you gave to the Secretary of State, and, speaking for myself, I would respect that. But there may nevertheless be questions for example about the nature of the options and the background to the study - which they may wish to put to you.

I do feel justified in asking you most pressingly if you will reconsider your decision not to appear tomorrow. I am sorry if inconvenience is caused to you.

Yours sincerely,

Chairman

Sir Derek Rayner,
Cabinet Office



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-930 5422 ext

12 March 1980

Mrs Renee Short
Chairman Social Services Committee
House of Commons
London SW1

Renee Short.

Thank you very much for your understanding letter of today's date. I am sorry that I cannot join the Secretary of State and the Official who carried out the Study, Mr Warner, but I think you and your colleagues will find that they will be able to answer the questions which you and your fellow Members may have about the project and the context in which it was undertaken.

Derek Rayner
DEREK RAYNER



2 PPS

✓
MAP

CABINET OFFICE

Mike,
Have you also seen
the minute below?

With the compliments of
Sir Robert Armstrong KCB, CVO
Secretary of the Cabinet

A.

M. A. Pattison, Esq

~~NJS G~~
see paper
below

MAP

70 Whitehall, London SW1A 2AS
Telephone: 01-233 8319

Ref: A01659

MR. PRIESTLEY

Select Committee on the Social Services

Your minute of 10th March.

2. The only comment I have on the draft statement attached to your minute is that I think the first paragraph should be confined to its first sentence. The second and third sentences might just be misunderstood by the Select Committee.

3. If Sir Derek Rayner does appear, I think that he should refer all questions about the Rayner Project in the DHSS to the Secretary of State and Mr. Warner. If he is asked general questions about the Rayner exercise, no doubt he should answer them. I can see that there may be a borderline of general questions slanted on the DHSS project; I see no alternative but to playing those by ear.

ROBERT ARMSTRONG

(Robert Armstrong)

11th March 1980

cc Mr. Pattison
Mr. Brereton
Mr. Stevens

11 MAR 1980





with compliments

MINISTER OF STATE

CIVIL SERVICE DEPARTMENT
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086



Minister of State

The Rt Hon Norman St John-Stevas MP
Chancellor of the Duchy of Lancaster
Privy Council Office
Whitehall
LONDON SW1A 2AT

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

PA
(CF file)
MS

11 March 1980

Dear Norman,

CHRISTOPHER PRICE'S PQ

Christopher Price has put down the following Question for Oral Answer on Wednesday, 19 March:

"To ask the Minister for the Civil Service, if he will now review the guidelines for Government departments for the provision of evidence to Select Committees".

I should be grateful for your views on how we should handle this.

It seems likely that Christopher Price wants to use the Question to launch an attack on the restrictions contained in the old Memorandum of Guidance for Officials about the Disclosure of Information. His views about this are clear from his article in the Guardian of 8 January and in a piece in the New Statesman of 15 February; and, as you know, he has been active in pressing Mark Carlisle to release the report of the staff inspection of the UGC.

If the questioning on 19 March can be confined to the Guidance for Officials, I am perfectly happy to reply. But questions may, of course, be raised which go much wider and I should well understand, therefore, if you would prefer to deal with the Question. Indeed I should be delighted! For example, if there were any questions about the preparation of Guidance for Ministers, I think it would be inappropriate for me to answer. I am also very conscious of the fact that your statement of 25 June 1979 set out our general policy on the disclosure of information to Select Committees and you may feel that any further comment on the subject should come from you.

... My Department have produced the attached draft reply, supplementaries and background note on the assumption that I will be replying. If you decide to answer, you may find the material helpful. If you would prefer me to answer, I should welcome your comments on the drafts.

Finally, you will recall that you sent Edward du Cann a copy of the revised Memorandum in its proof form a day or so before we were expecting to issue it to Departments. For a variety of reasons, the circulation of the Memorandum has had to be delayed. I wondered if you would care to write to Edward du Cann, before 19 March, to explain why he has not received the Memorandum in its final form.

I am sending a copy of this letter to the Prime Minister.

Y,
/ - ,

PAUL CHANNON

Paul



11 MAR 1970
11 12 1 2 3 4 5 6 7 8 9 10 11 12

MR PRICE'S QUESTION FOR ORAL ANSWER ON 19 MARCH

Mr Christopher Price (Lewisham West): To ask the Minister for the Civil Service, if he will now review the guidelines for Government departments for the provision of evidence to Select Committees.

DRAFT ANSWER

The Memorandum of Guidance to officials, which was issued in 1976, is currently being brought up to date in the light of developments since then.

NOTES FOR SUPPLEMENTARIES

1. HOW RADICAL IS THE UP-DATING?

Most of the changes are detailed and, for example, reflect the creation of the new departmental Select Committees or refer to the Procedure Committee's observations. The substance of the 1976 Memorandum remains valid.

2. WILL SELECT COMMITTEES/THE HOUSE BE CONSULTED ABOUT THE REVISED VERSION IN DRAFT?

Copies of the revised Memorandum will be given to Select Committees and put in the Library when it is issued to departments. If hon. Members have comments on the up-dated version, we shall be glad to consider them, perhaps through the channel provided by the Liaison Committee.

3. MORE INFORMATION SHOULD BE MADE AVAILABLE

The House has long accepted that some classes of information should not be disclosed: for example, the private affairs of individuals, the advice given to Ministers, sensitive commercial information and so on. We shall continue to observe those conventions. But wherever possible, we are meeting the requests for information made by Committees. The actions of my rt. hon. Friends in their dealings with Committees so far amply testify to this.

4. WHEN WILL THE REVISED GUIDANCE BE AVAILABLE?

As soon as possible. I hope it will not take longer than a few weeks to complete the work.

5. IS GUIDANCE BEING GIVEN TO MINISTERS AND WILL IT BE PUBLISHED?

The proof of the pudding is in the eating and not in the recipe. What matters is how Ministers actually conduct themselves with Select Committees. There are, of course, exchanges between Ministers about Select Committee matters but we shall not publish them, any more than we shall publish the exchanges on many other subjects.

6. QUESTIONS ABOUT DEBATES ON COMMITTEES' REPORTS OR ABOUT OUTSTANDING RECOMMENDATIONS OF THE PROCEDURE COMMITTEE

That is a question for my Rt. hon. Friend, the leader of the House.

7. QUESTIONS ABOUT A PARTICULAR REPORT OR DOCUMENT

That is a matter for my Rt. hon. Friend [the Minister responsible for the policy concerned.]

BACKGROUND NOTE

1. Mr Price is Chairman of the Select Committee on Education, Science and Arts, and a member of the Liaison Committee. He has been pressing the Secretary of State for Education and Science to give the Committee the report of the staff inspection of the UGC. His question almost certainly concerns the Memorandum of Guidance for Officials issued in 1976, and published as Appendix D to the Procedure Committee's report for 1977-78. In an article in the "Guardian" of 8 January (at A) he described the Memorandum as "a handbook of bureaucratic negativity"; and in the "New Statesman" of 15 February (at B) he referred to the UGC report, the Committees' powers to send for persons and papers and to Mr Alf Morris' correspondence with the Prime Minister about the publication of documents about the disabled.

... 2. Mr Price will doubtless say that paras 18-43 and, particularly paras 18-21 of the 1976 Memorandum (attached) place too many restrictions on the disclosure of information and that a revised Memorandum should be issued containing far fewer. The Government's general policy on disclosure of information was announced in the Commons by the Chancellor of the Duchy of Lancaster on 25 June 1979: he said -

"Inevitably there will be occasions when Ministers will have to decide that it would not be in the public interest to answer certain questions or to disclose information. There are conventions governing these matters that the House has accepted over a long period and that the Government will respect. They are dealt with in the Procedure Committee's report, and the Committee for the most part was satisfied with them.

The Government will make available to Select Committees as much information as possible, including confidential information for which, of course, protection may have to be sought by means of the sidelining procedure. There may also from time to time be issues on which a Minister does not feel able to give a Select Committee as much

information as it would like. But on these occasions Ministers will explain the reasons for which information has to be withheld" (Hansard, 25 June 1979, Col. 45).

3. The 1976 Memorandum has been revised to take account both of the creation of the new Select Committees and of the Procedure Committee's report. Ministers collectively had approved it and we were on the point of issuing it when No 10 spotted inconsistencies between the revised text and the information the Cabinet Office had obtained in connection with the preparation of a confidential Memorandum of Guidance for Ministers. Those inconsistencies have been removed but other parts of the text have required reexamination in the light of practical problems cropping up with Committees (eg about the disclosure of documents dealing with matters of internal management). As soon as these problems have been resolved, we can issue the revised Memorandum.

*actually with
the Select Comtee
Report and Cabinet
Decisions, but let
it pass! mj*

4. The revisions are mainly of detail and there is little change in the substance of the Memorandum. As to the disclosure of information, the substance of paras 11-43 of the old Memorandum is reproduced in paras 15-46 of the revised draft (attached).

5. The Chancellor of the Duchy sent Mr du Cann the text of the revised Memorandum early in January in the expectation that it would be issued within a few days. It is not known whether Mr du Cann has shown the draft to other members of the Liaison Committee, including Mr Price. It seems desirable that the Chancellor of the Duchy should inform Mr du Cann, before Mr Price's question is answered, ^{that} ~~why~~ the revised Memorandum has not yet been issued.

6. In supplementaries to Mr Price's question it may be suggested that there should be consultations with the Liaison Committee before the revised Memorandum is issued. Ministers collectively considered this in correspondence before the text was sent to Mr du Cann. They decided that there should not be consultation. There seems insufficient reason for a change of view about this and it is recommended, therefore, that the Minister of State should

do no more than offer to consider comments after the Memorandum has been circulated. The Government is under no obligation to reach agreement on the text with the Liaison Committee or anyone else.

Commons select committee begins investigating education next week
How far will it get? asks its chairman Christopher Price.

Where do we go from here?

GUARDIAN

8 JAN 1980

A HOUSE of Commons committee will next week begin another investigation into the way the Department of Education and Science has discharged its responsibilities. It won't be the first time. In 1967, Dick Crossman set up a number of select committees, among them a specialist committee to look at the whole field of education. (Education was chosen because Tony Crosland, the then minister, was one of the few Cabinet ministers to volunteer to be investigated.)

The committee completed two reports before it was wound up after the 1970 election: one on Her Majesty's Inspectorate and one on student relations. I was a member of that committee and one of those who felt that our parliamentary invasion of the campuses in the midst of the student revolt was a worthwhile exercise; in any event, whether due to us or the statesmanlike signing of a concordat with the vice chancellors by the NUS leadership, Britain got off lightly in 1968 and 1969. Compared with most western countries, our campuses were havens of tranquility in those years.

After 1970, investigation of educational issues was left to a sub-committee of the newly-formed Expenditure Committee; this committee also had the responsibility of looking at the Home Office, so inquiries went rather more slowly — probably the sub-committee's most influential inquiry was one into the decision-taking mechanism of the Department of Education and Science, which had been criticised by the OECD.

In recent years this sub-committee system came under increasing criticism, because it did not seem to achieve that degree of scrutiny of the government machine, in terms of both policy and expenditure, which many MPs felt the House of Commons was for. (This was not a universal opinion; Michael Foot and others felt that the more you locked MPs up in committees, the less they participated on the floor of the House where the real scrutiny went on.)

In the summer of 1978, the Procedure Committee recommended a radically new system, with one select committee "marking" each department, and an overt brief to look at policy and administration as well as expenditure.

The new select committee on education, science and the arts is part of this new structure, which the Government, to its credit, have now set up.

It is yet to be seen whether it will be able to scrutinise the Department of Education any more efficiently than its predecessors. It has in theory draconian powers to send for "persons, papers and records." Certainly it is very difficult to scrutinise policy without access to the written records of that policy and its formulation; and the Government has promised to be as helpful as possible to the new committees.

But the boundaries of possibility are laid out in a long document, once secret but finally uncovered by the Procedure Committee and printed in their report: A Memorandum of Guidance for Officials Appearing Before Select Committees. It is a handbook of bureaucratic negativity.

Paragraph 21 lists eight areas of reticence — advice to ministers, interdepartmental policy exchanges, even inter-departmental machinery, like Cabinet committees; questions of political controversy; advice by law officers; confidential information; sensitive information; etc. It goes on and on.

If DES officials follow it to the letter in their evidence to us on January 16, the committee will not get very far. It was the ban on information about inter-departmental organisations which particularly worried the Procedure Committee — they suggest that undue refusal to supply such information would justify a special report to the House.

Our committee has been deluged both with offers of help and suggestions for areas of inquiry. If we have started with higher education, it is not because we think that area more, or even as important as pre-school, primary, secondary or further education. We had to start somewhere, and Mark Carlisle laid great stress in his advice to us, on the need for broad guidelines for subject priorities in universities, polytechnics and colleges in relation to the future of highly qualified manpower.

At the same time a number

of us were worried about the effect of the cuts on subject balance in higher education — in particular any calculations the DES may have made about the consequences of full-cost fees for overseas students. It may turn out that although the government can control the money available for higher education, it has very little influence (some would say quite properly) about what actually goes on there.

Inevitably the whole role of the UGC, the replacement of the further education pool and the need, if any, for a reincarnated Oakes Committee to oversee higher education in the public sector, will all figure in our deliberations.

It is an enormous area, to which a select committee of nine busy MPs cannot possibly provide any comprehensive solutions; we are in no sense a Royal Commission, and must not pretend to be. The Procedure Committee recommended comparatively short inquiries which impacted on policy in the making. We can, however, I believe, investigate the extent to which the Department of Education knows what it is doing in higher education, examine the connections (if any) between government policy and what actually happens in universities and colleges and point to some of the ways in which higher education might be able to freeze and innovate simultaneously.

The reality of what happens in English higher education is always difficult to unravel, since it is neither as sensitive to the market as

that in the US, nor as subject to manpower planning as that in France and the Soviet Union. Changes, when they happen, come slowly and unreported. But with the present financial climate, we are now in new territory. By taking evidence — in public — from ministers, officials, staff, students and vice chancellors, I am sure we can illuminate the problem; we might even, as a bonus, discover some sort of consensus about where we go from here.

We are not, however, simply a select committee on education; we also have responsibilities to examine policy in the area of science and the arts. We have decided that to be fair to this part of our task, we should normally pursue a second inquiry, alongside that into an educational topic. Partly in the light of the plans for the new British library, we are intending to inquire into "information storage and retrieval in the British library service." It all adds up to a formidable commitment in terms of time and effort. Perhaps Michael Foot is right, and it will take some of us away from those twice weekly shouting sessions at Prime Minister's question time. If so, it's too bad. Other parliaments, particularly the US Congress, have highly developed committee systems which influence government policy deeply. I hope that such an influence will now begin to grow in Britain.

Christopher Price, MP for Lewisham West, is chairman of the Select Committee on Education, Science and the Arts.

□ Clearly the current pacesetter at 'Openness' - as the civil service insist on continuing to euphemise it - is the NS with its weekly bugging revelations. With a little help from Col. B. and Mr Anthony Blunt, Duncan Campbell seems to have put the Official Secrets Act temporarily into abeyance. But running the NS a close second, are the new Commons Select Committees. Little by little they are prising information out of that can of Whitehall worms which was never half so forthcoming in the old days. The Manpower Services Commission first refused, and then acquiesced in making its corporate plan available to the Employment Committee; the Director of Public Prosecutions first refused, then agreed to appear before the Home Office Committee over deaths in police custody. The Department of Education is currently agonising over whether to make over an 80 page report on the efficiency of the University Grants Committee. I suspect that too will emerge before long. We have, on these committees, the ancient privilege of 'calling for persons and papers'. Just which folk and which documents we can command has never, happily, been precisely defined, and the present generation of mandarins seem disinclined to force a showdown. One or two, even, profess genuine conversion. Revelation might stall, they argue, all those Bennite allegations of Tory bias.

□ I doubt if they will, if the experience of Alf Morris, ex-minister for the disabled, is anything to go by. When Reg Prentice stopped all work on the 'disablement costs allowance' Green Paper, as liable to 'raise false hopes', Alf decided to use his privilege to consult the files in order to 'refresh his memory'. The civil servants held him firmly down to their 'rules' - a set of flexible precedents, quite unsanctioned by Parliament. No research assistants, no xeroxing, no tape recorders, no taking anything away and, of course, no publication. Alf fondly hoped that in view of his position as chairman of a world-wide committee drawing up a 'Charter for the 1980s' for the disabled, Mrs T. might relent on this one. Not a bit of it. Herewith a piece of her prissy reply:

As far as publication is concerned, the general rule must be that documents of a former Administration which have not been released or published during the period of that Administration, should not be released or published by a subsequent government, even at the request of a member of the former Administration. I believe that rule to be right and I do not propose to make an exception in the case of the papers you are referring to.

She was right to say the *general* rule. It did not apply to Churchill, who published during the Atlee government all his little wartime notes 'Pray do this' and 'Pray do that'. But then he was chronicling the causation rather than the amelioration of disability. So - memo to Renée Short (Chairman of the Health Select Committee). Pray send for these papers

DRAFT REVISED MEMORANDUM

SELECT COMMITTEES - MEMORANDUM OF GUIDANCE FOR OFFICIALS

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SELECT COMMITTEES

MEMORANDUM OF GUIDANCE FOR OFFICIALS

INTRODUCTION

This note is intended to give guidance to officials who may be called to give evidence before, or to prepare memoranda for submission to, Parliamentary Select Committees. It supersedes General Notice GEN 76/78 and Addendum and General Notice GEN 78/11. While it is primarily intended to cover the Select Committees of the House of Commons, it is also generally applicable to Select Committees of the House of Lords. It may not always be literally applicable to the Public Accounts Committee, in view of the special position of Accounting Officers and the access of the Comptroller and Auditor General to departmental records. Supplementary guidance on the procedure to be followed in respect of the Commons Select Committee on European Secondary Legislation (and the corresponding House of Lords Select Committee on the European Communities) and on the handling of European Community documents is issued separately by the Cabinet Office. Guidance in dealing with the Joint and Select Committees on Statutory Instruments is provided in the "Handbook on Statutory Instrument Procedure".

SELECT COMMITTEE SYSTEM

General Description

2. The scope of the Select Committee system of the House of Commons has varied from time to time. The significance of the title is that the Committee's membership is "selected" for a particular task, generally of enquiry. The main practical House distinction lies between such Committees, with their role of investigation and scrutiny, and "Standing Committees", concerned with the examination of particular legislation and with their procedure based on debate rather than the taking of evidence. Some Select Committees (hereafter referred to as "Committees") are embodied in the Standing Orders of the House. Others are on a sessional basis, and can be established and their work completed within a matter of weeks or months. Some are Committees with a purely House function (eg the Committee of Selection), with which Departments will not normally come into contact. The principal Commons Select Committees with which this memorandum is concerned are those related to Government Departments (see paragraph 4); the Public Accounts Committee; the Committee on the Parliamentary Commissioner for Administration; the Committee on European Secondary Legislation; and the Services Committee (concerned with House administration). Certain co-ordinating functions on behalf of the various Commons Committees are carried out by a liaison committee; the normal Government contact with this is through the Leader of the House.

3. In the House of Lords, the European Communities Committee and its Sub-Committees regularly seek written and oral evidence from Departments. There is a sessional Select Committee on Science and Technology with power to appoint sub-committees and to co-opt further members for this purpose. In addition there is generally one ad-hoc Select Committee in the Lords (at present the Select Committee on Unemployment) which takes evidence from Departments.

Committees Related to Government Departments

4. The Committees related to Government Departments and the principal Departments concerned are:

Agriculture	Ministry of Agriculture, Fisheries and Food
Defence	Ministry of Defence
Education, Science and Arts	Department of Education and Science
Employment	Department of Employment
Energy	Department of Energy
Environment	Department of the Environment
Foreign Affairs	Foreign and Commonwealth Office
Home Affairs	Home Office
Industry and Trade	Department of Industry, Department of Trade
Social Services	Department of Health and Social Security
Transport	Department of Transport
Treasury and Civil Service	Treasury, Civil Service Department, Board of Inland Revenue, Board of Customs and Excise

There is also a Committee on Scottish Affairs related to the Scottish Office and a Committee on Welsh Affairs related to the Welsh Office. The Committees on Foreign Affairs, Home Affairs and the Treasury and Civil Service each have power to appoint one investigative sub-committee. A joint sub-committee may be set up from time to time to consider any matter affecting two or more nationalised industries, with members drawn from the departmental Committees concerned. Matters within the responsibilities of the Secretary of State for Northern Ireland will be considered by the existing Committees as necessary.

5. The general terms of reference of these Committees are as set out in Standing Orders No. 86A, 86B and 86C (Appendix A of this Memorandum). The Committees are entitled to examine the expenditure, administration and policy of the principal Government Departments, and also of their "associated public bodies". The terms of the Standing Orders do not define "associated public bodies" but the Chancellor of the Duchy of Lancaster said in his speech on 25 June 1979 that:

"The Government also accept the Procedure Committee's view that the Committees must be able to look at the activities of some public bodies that exercise authority of their own and over which Ministers do not have the same direct authority as they have over their own Departments. The test in every case will be whether there is a significant degree of ministerial responsibility for the body concerned".

Associated public bodies therefore include all nationalised industries, fringe bodies and other Governmental organisations within the responsibilities of the Department or Departments concerned for which Ministers are ultimately answerable. They do not, however, include bodies for which Ministers are not answerable to Parliament, even though these bodies may be in receipt of Government funds. There will no doubt be borderline cases, but in general the existing principles of Parliamentary accountability can be applied.

Powers of the Committees

6. Select Committees (and their sub-committees) normally have the power to "send for persons, papers and records". This power is understood as a power to "order" the attendance of persons and the submission of papers, but its interpretation and its application to Ministers are examined in detail in the memorandum by the Clerk of the House which was reproduced at Appendix C to the First Report from the Select Committee on Procedure, Session 1977-78.

7. Any official who appears before a Select Committee or who submits papers to it does so on behalf of his Minister. As the Procedure Committee emphasised in their Report:

"The over-riding principle concerning access to government information should be that the House has power to enforce the responsibility of Ministers for the provision of information or the refusal of information. It would not, however, be appropriate for the House to seek directly or through its committees to enforce its rights to secure information from the Executive at a level below that of the ministerial head of the department concerned (normally a Cabinet Minister), since such a practice would tend to undermine rather than strengthen the accountability of Ministers to the House".

In practice, Committees normally proceed on the basis of "requests" for departmental witnesses and evidence rather than through the exercise of formal powers.

8. It should be noted that, in addition to examining the expenditure, administration and policy of Government Departments and associated public bodies, Select Committees are free to call for evidence from whomsoever they please, and are entitled to require the production of papers by private bodies or individuals so long as these are relevant to the Committees' work.

Summoning of Named Officials

9. Since officials appearing before Select Committees do so on behalf of their Ministers, it is ultimately for Ministers to decide which officials appear to give evidence. Official evidence to Committees is normally given by officials (including members of the Armed Services) specifically nominated by Departments for this purpose. Committees have in the past generally accepted this position. If, however, a Committee summoned by name any other official to appear, it would be open to the Minister responsible either to offer to give evidence himself or to nominate an official to give evidence on his behalf. If a Committee insisted on a particular official appearing before them, it would be for Ministers to decide what course to follow. The considerations referred to in paragraphs 6-7 above would be relevant.

Open Sessions

10. Select Committees often admit the public and Press to hearings, and it is possible that proceedings may be broadcast. Departments may wish to ascertain from the Clerk to the Committee beforehand whether particular proceedings are to be recorded. Arrangements for the treatment of confidential information in oral evidence are referred to in paragraphs 44-46 below.

Liaison Officers

11. Departments may wish to consider appointing a liaison officer to be the main channel for communications between the Department and the Select Committee and its Clerk. The Clerks to the Select Committees will usually be glad to talk informally to Departments about their Committees' work and to co-operate by, for example, providing the Departments most concerned with the confidential proofs of evidence taken by the Committee.

Committee Staff

12. Responsibility for staffing support for Committees rests with the House of Commons Commission. The departmental Committees have, however, been given power to appoint "persons with technical knowledge" either to supply information which is not readily available or to elucidate matters of complexity within the Committees' orders of reference. The Committees will thus be able if they wish to retain the services of experts, not only to assist with particular enquiries but to advise on future enquiries or to deal with problems arising in the course of enquiries. If Departments are asked by Committees to undertake research work or surveys on their behalf, it may be possible to meet such requests by the utilisation of existing information, modified as appropriate. But if the new work involved is likely to be substantial, and the Committee has power to appoint its own specialist advisers, it may be appropriate to suggest to the Committee that it considers this alternative, or possibly the employment of private research agencies or universities.

Travel Overseas

13. Committees may wish to travel abroad, and to take evidence in extra-territorial conditions. It has been informally agreed with the Clerk of the House that "early warning" will be given at the official level if a Committee contemplates foreign travel, but Departments should ensure that the Foreign and Commonwealth Office is informed as soon as it is known that a Committee is proposing to travel overseas. Departments may obtain advice on proposals by Committees to travel abroad from the Foreign and Commonwealth Office (Parliamentary Commissioner and Committees Unit, 233-3952 or 233-3542).

Ministerial Statements

14. It is desirable for Committees to be given warning where possible about impending Ministerial statements on matters which are relevant to specific enquiries which Committees are currently undertaking. A convenient method is by way of notification to the Clerk at the same time as the Whips inform the Opposition, which is normally at noon on the day of the statement. This notification to the Clerk would be of the fact that the statement is to be made, but not including the text of the statement itself.

PROVISION OF EVIDENCE

General

15. The general principle to be followed is that it is the duty of officials to be as helpful as possible to Committees, and that any withholding of information should be limited to reservations that are

necessary in the interests of good government or to safeguard national security. Departments should, therefore, be as forthcoming as they can (within the limits set out in this note) when requested to provide information whether in writing or orally. This will also help to secure that the reports of Committees are as soundly based on fact as possible. Oral evidence is recorded verbatim. When oral evidence is to be given, it is advisable for Departments to send at least two witnesses so that they can divide between themselves the responsibility for answering questions. Because officials appear on behalf of their Ministers, Departments might want to clear written evidence and briefing with Ministers. It may only be necessary for Ministers to be consulted should there be any doubt among officials on the policy to be explained to the Committee. However, Ministers are ultimately responsible for deciding what information is to be given and for defending their decisions as necessary, and Ministers' views should always be sought if any question arises of withholding information which Committees are known to be seeking.

Accuracy of Evidence

16. Officials appearing before Select Committees are responsible for ensuring that the evidence they give is accurate. They are reminded to take particular care to see that they are fully and correctly briefed on the main facts of the matters on which they expect to be examined. Should it nevertheless be discovered subsequently that the evidence unwittingly contained errors, these should be made known to the Committee at the earliest possible moment.

Informal Discussions

17. Some Committees may occasionally conduct informal discussions in addition to taking formal evidence. When that occurs officials should apply the same considerations as apply to formal evidence, because the supply of information informally can affect a Committee's report as much as formal evidence.

Status of Information Supplied

18. Once information has been supplied to a Committee, it becomes "evidence" and, subject only to the arrangements governing classified information (see paragraphs 45-46), it is entirely within the competence of the Committee to report and publish it or to refrain from doing so. Letters addressed to the Clerk to the Committee, however informal, are strictly speaking "evidence" and liable to be published.

Inter-Departmental Liaison

19. Generally speaking the subjects of enquiry by Select Committees will fall clearly within the responsibilities of particular Departments. Occasionally, however, problems may arise when Committees enquire into subjects where departmental responsibility is not self-evident. The aim must be to ensure that Committees direct their questions on each aspect of such subjects to the Department chiefly concerned with that aspect, and do not question Departments whose role is that of co-ordination about matters which go outside that role. This indicates that where in such cases the Committee needs a memorandum covering the interests of several Departments, it may be better for this to be submitted by the Department with the predominant role in the field concerned (rather than by a co-ordinating office such as the Cabinet Office). If the Committee then asks that Department questions (whether in writing or orally) proper to some other Department, they can be re-directed.

20. In these cases it is clearly desirable for all the Departments concerned, in accordance with normal procedure, to keep in touch in the preparation of their evidence - eg by exchanging drafts. Where there is no co-ordinating machinery already available for this purpose it may be best for the Department with the predominant role to act as a central point. Since there is no separate Select Committee for Northern Ireland, a Department with this role should particularly ensure that Northern Ireland interests are taken into account as necessary. It is important that Departments should clear with any other Department which may have an interest both memoranda and the line to be taken in oral evidence, even if the time for this is short.

21. Greater difficulties may arise when the subject under enquiry is one in which no Department can be said to have a predominant interest; where in such cases the Committee needs a memorandum covering the interests of several Departments - eg setting out the range of Government activities in the field concerned - it may well be necessary for the body which co-ordinates Government action in that field to submit it. It seems desirable, however, so to organise such memoranda as to indicate, for each aspect covered, which Department is primarily responsible and at least by implication the limitations of the co-ordinating responsibility. This should assist the Committee in summoning the witnesses appropriate to the aspects it wishes to investigate at each session; and if the questions asked are misdirected, no doubt the witnesses will say so.

22. Normally the Cabinet Office and other similar co-ordinating offices will not be required to give evidence to a Committee, but the Central Policy Review Staff may give evidence about their published work. Requests for CPRS evidence on other matters, and requests for other evidence from co-ordinating offices such as the Cabinet Office and "non-departmental" units or officials, should be referred to Ministers. A Committee might seek evidence from a particular official (for example the head of the Government Statistical Service) who is not directly answerable to a departmental Minister but who in his professional capacity has a special knowledge of the subject of an enquiry. In these cases too, Ministerial approval is required before an invitation to give evidence is accepted.

LIMITATIONS ON THE PROVISION OF INFORMATION

General

23. Committees' requests for information should not be met regardless of cost or of diversion of effort from other important matters. It might prove necessary to decline requests which appeared to involve excessive costs. It may be necessary for a Department to consult their Minister if a particular request seems to involve an unreasonable amount of extra work.

24. The Procedure Committee recognised that there may be occasions when Ministers may wish to resist requests for information on grounds of national security. Appendix C of the Committee's Report (the memorandum by the Clerk of the House) reproduces the text of a letter of 9 May 1967 to the Chairmen of certain Select Committees from the then Lord President of the Council and Leader of the House, which refers (among other limitations on the provision of information) to "information affecting national security, which would normally be withheld from the House in the national interest". Guidance to departments on the release of classified information to Committees is given in the manual "Security in Government Departments". This manual is the overriding authority; what follows must be read subject to its guidance. Officials must not disclose information which the manual says must be withheld; they should consult their Departmental Security Officers if in doubt.

25. Officials should not give evidence about or discuss the following topics:

i. In order to preserve the collective responsibility of Ministers, the advice given to Ministers by their Departments should not be disclosed, nor should information about interdepartmental exchanges on policy issues, about the level at which decisions were taken or the manner in which a Minister has consulted his colleagues. Information should not be given about Cabinet Committees or their discussions (see paragraphs 26-28).

ii. Advice given by a Law Officer (see paragraph 31).

iii. The private affairs of individuals or institutions on which any information held by Ministers or their officials has been supplied in confidence (including such information about individuals which is available to the Government by virtue of their being engaged in or considered for public employment).

Officials should also, where possible, avoid giving written evidence about or discussing the following matters. Where appropriate further guidance is provided in the succeeding paragraphs:

iv. Questions in the field of political controversy (see paragraphs 29-30).

v. Sensitive information of a commercial nature, eg knowledge which could affect the financial markets, without prior consultation with the Chancellor of the Exchequer; sensitive information relating to the commercial operations of nationalised industries, or to contracts; commercial information which has been given to the Government in confidence, unless the advance consent of the persons concerned has been obtained (but see paragraph 48 on the kind of contract information which may, in certain circumstances, be provided).

vi. Matters which are, or may become, the subject of sensitive negotiations with Governments or other bodies, including the European Community, without prior consultation with the Foreign and Commonwealth Secretary, or in relation to domestic matters the Ministers concerned (see paragraph 32).

vii. Specific cases where the Minister has or may have a quasi-judicial or appellate function, eg in relation to planning applications and appeals, or where the subject-matter is being considered by the Courts, or the Parliamentary Commissioner (see paragraphs 33-34).

Where, exceptionally, matters such as iv-vii have to be discussed, application may be made for "sidelining" (see paragraph 46). There is no objection to saying in general terms why information cannot be given and it is very unusual for a Committee to press an official who indicates that he is in difficulty on such grounds in answering a question. If however this happens, it may be best to ask for time to consider the request and to promise to report back. Paragraphs 6-7 should be referred to.

Collective Responsibility

26. Departmental witnesses, whether in closed or open session, should preserve the collective responsibility of Ministers and also the basis of confidence between Ministers and their advisers. Except in a case involving an Accounting Officer's responsibility (see C8 and 9 of "Government Accounting") the advice given to Ministers, which is given

in confidence, should not therefore be disclosed, though Departments may of course need to draw on information submitted to Ministers. It is necessary also to refuse access to documents relating to interdepartmental exchanges on policy issues. Equally the methods by which a current study is being undertaken, eg by the Central Policy Review Staff, should not normally be disclosed without the authority of Ministers, unless they have already been made public. Nor should Departments reveal the level at which decisions were taken. This is a factor which may need to be borne in mind when deciding whether particular witnesses should appear, or should appear separately (see paragraph 9). It should also be borne in mind that decisions taken by Ministers collectively are normally announced and defended by the Minister responsible as his own decisions, and it is important that no indication should be given of the manner in which a Minister has consulted his colleagues (see also paragraph 31 on the special position of the Law Officers).

27. In no circumstances should any Committee be given a Cabinet paper or extract from it, or be told of discussions in a Cabinet Committee. Nor should information be given about the existence, composition or terms of reference of Cabinet Committees, or the identity of their chairmen, beyond that information disclosed by the Prime Minister in answer to a Parliamentary Question on 24 May 1979 (see Appendix B), and if witnesses are questioned on such matters they must decline to give specific answers. There is, however, no objection to pointing out in general terms that consultation between Departments runs through the whole fabric of government and occurs at all levels both official and Ministerial.

28. Departmental files will tend to concern the matters referred to in paragraph 25 above, and if in doubt Departments should consult their Ministers, and should also advise the Civil Service Department when meeting or refusing any request by a Committee to see or have quoted verbatim any interdepartmental correspondence or internal minutes. The PAC is in a special position in view of the C & AG's access to departmental papers, and in considering any request from it for access to departmental papers the Treasury should be consulted in addition to the Civil Service Department. In the special case of the Select Committee on the Parliamentary Commissioner, it may be necessary to quote from departmental documents in connection with Parliamentary and Health Service Commissioner cases. But it is not the practice of the Committee to require evidence which would amount to the "re-trial" of a Parliamentary or Health Service Commissioner case.

Policy

29. Official witnesses, whether administrative, professional or Services, should as far as possible confine their evidence to questions of fact relating to existing Government policies and actions. Officials should be ready to explain what the existing policies are and the objectives and justification, as the Government sees them, for those policies, and to explain how administrative factors may have affected both the choice of policy measures and the manner of their implementation. It is open to officials to make comments which are not politically contentious but they should as far as possible avoid being drawn, without prior Ministerial authority, into the discussion of alternative policy. If official witnesses are pressed by the Committee to go beyond these limits, they should suggest that the questioning be addressed, or referred, to Ministers. If there is a likelihood of a material issue of policy being raised by a Committee in its questioning of official witnesses, Departments will wish to consult Ministers beforehand. (On appearance by Ministers, also see paragraphs 6-7.)

30. A Select Committee may invite specialist (as opposed to administrative) civil servants to discuss the professional or technical issues underlying controversial policies. This may raise particular problems in the case of, for example, economists, if Committees discuss issues of economic reasoning which bear upon controversial policy questions and which are also matters of technical and professional controversy among economists. When this is so, and where Economic Advisers to the Government appear as official witnesses, they may find themselves in the difficulty that their own judgement on the professional issues has, or might easily appear to have, implications critical of the Government's policies. It is not open to them to explain the advice which they have given to the Government on such a matter, or would give if asked by the Government. They cannot therefore go beyond explaining the economic reasoning which, in the Government's view, justifies their policy. This will only be possible where the underlying theory has indeed been explicitly formulated; and the status of what was being presented would have to be made clear. If there is no quotable public evidence of a Government view and the witness is asked for his own professional judgement on the issue, or his judgement of the view that the Government would be likely to take, he should refer to the political nature of the issue and suggest that the questioning be addressed or referred to Ministers. Similar considerations apply in the case of other specialist civil servants.

Advice Given by a Law Officer

31. There should not be disclosed to a Committee any advice that may have been given by the Law Officers. There is a well established convention that the advice which Law Officers give to Ministers is confidential. It is only when Law Officers expressly authorise the disclosure of that advice, or themselves report to or advise Parliament or a Committee, that such advice is revealed.

International Relations

32. Negotiations with other Governments are normally conducted in strict confidence. Officials should take care in discussing or giving written evidence on matters which may affect relations with other Governments or bodies, including the European Community, or relations between British officials and those of other Governments. Texts of communications between Governments, unless already made public, should be regarded as confidential and should not be submitted as evidence without prior approval of the Minister concerned.

Matters Sub-Judice

33. Committees are subject to the rules by which the House regulates its own conduct and that of its Members. It is normally possible to work on the assumption that if a matter already before the Courts seemed likely to come up for discussion before a Committee, the staff of the House would have drawn the attention of the Chairman to the relevant rules of the House relating to discussion of sub-judice questions. But the Chairman has an overriding discretion to determine what is appropriate in the hearing of evidence.

34 Officials should take care in discussing or giving written evidence on matters which may become the subject of litigation but which as yet do not strictly come under the rules which preclude discussion on sub-judice questions. Such caution should be exercised whether or not the Crown is likely to be a party to the litigation. If such matters seem likely to be raised when a Committee takes evidence, officials should first consult with their own departmental solicitor or the Treasury Solicitor for advice on how to handle the questions which might arise.

Reports Commissioned by Departments

35. On a number of occasions Committees have made requests to see copies of reports commissioned by Departments. These requests can often cause particular difficulty. Such reports may come from a variety of sources, ranging from the purely internal working group to the major outside Committee, but where publication was not intended. The fact that a report is known to have been prepared does not of itself oblige a Department to reveal its contents. In deciding whether to accede to requests for particular reports the primary consideration must always be the contents of the document concerned, ie whether it contains classified information or information of the kinds discussed elsewhere in this memorandum which should not normally be disclosed.

36. In addition the following considerations may be relevant:

i. While Select Committees should not press for internal advice to Ministers to be revealed, they are less likely to accept without argument a refusal to reveal a report from a departmental committee containing outside members, and even less likely to accept a refusal in the case of a wholly external committee. In particular, they will be understandably reluctant to accept a refusal where the establishment of the committee in question has been announced, together with its membership and terms of reference, and where its report is known to exist. These implications need to be taken into account in deciding how much publicity should be given to the establishment of committees of this kind.

ii. In particular cases Departments may consider that, while a report cannot be published, it would be helpful to provide it to a Committee, provided it was treated in confidence (see paragraph 43).

iii. In certain cases, where a Select Committee might reasonably expect to receive a certain amount of detailed information, Departments may be able to provide a written memorandum in place of the report itself. If Departments can assist Committees in this way, it is generally desirable to do so.

iv. Departments should normally seek the views of Ministers before refusing a request from a Select Committee for a particular report, since the Minister might be called on to defend the decision to the Committee personally.

Documents Relating to the Internal Administration of Government

37. The Procedure Committee recommended that:

"Select committees should regard any refusal by government departments to provide information relating to departmental or interdepartmental organisation - unless fully explained and justified to their satisfaction - as a matter of serious concern which should be brought to the attention of the House".

A considerable amount of information about the internal distribution of business is already available in published form (eg in the Civil Service Year Book) and the normal presumption should be that more detailed

information about Departments' organisational structure, such as directories and organisation charts, should be provided to Committees if it is requested. Where a description of duties of a sensitive nature necessitates the revelation of classified information, the considerations relating to classified documents (see paragraphs 43-46) should apply.

38. Requests for documents which go beyond a description of the existing organisation of the Department and deal with methods of organisation (eg arrangements for formal and informal co-ordination or for delegation of authority) or with reviews of existing departmental organisation or methods may raise more difficult questions. Even here, however, the presumption should be that information should not be withheld unless it would conflict with the guidance in paragraph 25 above. Ministers should be consulted in any case where it is proposed that information of this kind requested by a Committee should be withheld. Except where particular arrangements have been made public, for example the organisation set up to support the Inner City partnerships, information about interdepartmental organisation may present more difficulty (see paragraphs 26-27).

Documents of a Previous Administration

39. There are well established conventions which govern the withholding of policy papers of a previous Administration from an Administration of a different political complexion. Since officials appear before Select Committees as representatives of their Ministers and since Select Committees are themselves composed on a bipartisan basis, it follows that officials should not volunteer to a Select Committee papers of a previous Administration which they are not in a position to show to present Ministers. If such papers are requested, the previous Administration should be consulted before these are shown either to present Ministers or, with Ministers' agreement, to a Select Committee.

TREATMENT OF EVIDENCE

Open Sessions

40. Unclassified memoranda prepared by Departments for a Committee may be published by the Committee before its full report is presented to the House, and may be available to the Press and public at the time of the related session. Open sessions of Committees often attract publicity since evidence before them may be reported forthwith by the Press. Departments are in these circumstances free to comment immediately to the Press on matters raised in their evidence. If a Select Committee takes evidence in public from a Minister or senior official, therefore, it may be considered desirable for a Press Officer also to attend, so as to be able to answer Press queries. Such Press briefing should not, however, extend to comment on matters of policy since such comment might be regarded as impeding the Committee in its task and hence as contempt. Care should be taken not to go beyond the evidence given by the Minister or official in commenting on any suggestion made by another witness, eg the Chairman of a nationalised industry, at the same hearing, or to disclose information not yet given publicly.

41. Written memoranda of evidence on which departmental witnesses are examined in public and which are included in the printed copy of the proceedings reported that day to the House, inasmuch as they may have been available to the public attending the session, may at the Department's

discretion be issued to other interested parties thereafter. Copies of oral evidence given in public, however, should not be disclosed by Departments until the final published version is available, as the first copies are confidential proofs subject both to correction and to explanation by footnotes. Amendments to the proofs of evidence sent to witnesses by the Clerk cannot normally go beyond minor corrections of grammar and transcription, although the Chairman may be willing to consider suggestions about "sidelining" (see paragraph 46).

42. Evidence critical of a Department may be given in open session by persons outside the Department on occasions when departmental witnesses are not also present. In these circumstances Departments should not seek publicly to respond to such criticism outside the ambit of the Committee. Instead, the Chairman of the Committee concerned may be asked to consider inviting the Department to express their view also to the Committee as soon as possible.

Disclosure of Confidential Information in General

(see also Sir Douglas Allen's letter of 19 August 1975 to Heads of Departments about the disclosure of classified information to Select Committees, at Appendix C).

43. The general aim of Departments should be to assist Committees by disclosing to them whatever official information they may require for the carrying out of their Parliamentary functions, provided that there are not overriding reasons of security or other grounds for withholding such information. It may be, however, that particular information requested by a Committee, or other information which a Department consider might have a relevant bearing on a Committee's enquiries, should only be made available on the basis that it will not be published and will be treated in confidence. Where this is so, the Department should inform the Clerk to the Committee that the information can be made available only on this basis, explaining the reasons in general terms. Such information should not be made available until the Committee has agreed to treat it accordingly; or, in the case of information with no security classification, at least until the Department are satisfied that the Committee is prepared to agree to a reasonable degree of sidelining (see paragraph 46b.). The interpretation of "evidence" at paragraph 18 should be noted in this context. In considering the submission of confidential evidence to a Committee, Departments should bear in mind that the final authority as to whether or not evidence shall be published rests with the Committee. Arrangements have occasionally been made whereby certain classified evidence is given only to a sub-Committee of a main Commons Select Committee. Formally, however, Departments should proceed on the basis that main Committees and sub-Committees represent a single entity. No evidence given to Committees in closed sessions (ie when the public and the Press are not admitted) should be disclosed by Departments before the evidence has been published by the Committee.

Disclosure of Confidential Information in Oral Evidence

44. It would clearly be inappropriate for any evidence which a Department wished to be treated as confidential to be given at a session of the Committee to which the public and Press are admitted. Accordingly, if it appears likely that topics to be discussed at a forthcoming public session of a Committee are such that the departmental witnesses would only be able to give substantive answers if they could be treated in confidence, the Department should write to the Chairman or the Clerk to the Committee explaining why this is so: in most cases it is likely that it would be appropriate for the departmental Minister to write to the Chairman. If, despite such an approach, a Committee

questions an official witness in public session on what he considers confidential matters, or if such matters are raised unexpectedly, he should inform the Committee that he cannot answer the question on grounds of confidentiality: he should not himself suggest that the Committee should go into closed session. In certain technical fields (eg defence research) it may be useful for a Department to hold off-the-record "presentations" for Committee members.

Procedures for Avoiding Publication of Confidential Evidence

45. Where confidential written evidence is submitted to a Committee on the understanding that it will not be published, this understanding should be made clear in the covering letter to the Clerk to the Committee accompanying the evidence.

46. In the case of confidential evidence given orally to a Committee in closed session, the following procedures should be followed in order to ensure that such evidence is not made public:

a. Information with a security classification - TOP SECRET, SECRET, CONFIDENTIAL, RESTRICTED. (See also Sir Douglas Allen's letter of 19 August 1975 to Heads of Departments, Appendix C.) In cases where information with a security classification is revealed to a Committee, the following procedure should be followed in order to prevent publication. (The disclosure of TOP SECRET information may only be made on the personal authority of the Minister concerned)

i. The witness, before leaving the Committee Room, should let the Clerk to the Committee know what portions of his evidence contain matters with a security classification.

ii. The Clerk will then instruct the shorthand writer not to send for printing the transcript of those portions, but instead to send 3 copies to the Clerk (5 copies in the case of the Public Accounts Committee).

iii. The Clerk will send 2 copies to the witness: one is for his retention; on the other he should sideline any passage containing information which, in his opinion, it would be undesirable on grounds of security to print.

Since this procedure involves delay in the printing of evidence, it should only be used where strictly necessary.

b. Other confidential information

If a Department propose to reveal confidential (but not classified) information which, in the view of the Department, it would not be desirable on grounds other than security to include in the published evidence, they should first ask the Committee to agree that it should not be published or at least be certain that the Committee is prepared to agree to a reasonable degree of sidelining. Procedures on the lines of a. above will then be followed, and the attention of the Clerk to the Committee should be drawn to passages marked in accordance with the procedure at a. but which do not have a security classification (see also paragraph 25). Alternatively it may be sufficient to settle the details of sidelining at a later stage when the proof of evidence is available from the Clerk.

It should be noted that Select Committees may sometimes challenge a request for sidelining, and officials must always be sure that they can justify such a request if they make one. Challenges are more likely to arise, and sidelining is likely to be more difficult to defend, in the case of b. above than where the information has a standard security classification.

EVIDENCE FROM OTHER BODIES

47. Committees may, as stated in paragraph 5 above, call for evidence from non-departmental bodies for which Departments have responsibility. If a Department become aware that a non-departmental body for which they are responsible has been invited to give evidence, they may wish to consider whether it would be advisable to discuss the lines of evidence with the witnesses before the hearing. The Department may also wish to seek the Committee's agreement to their being represented at the hearing: whether this is allowed is entirely a matter for the Committee.

48. Committees may occasionally call for evidence from commercial firms, particularly those handling Government contracts. A contractor is normally prohibited from publishing without written consent the details of Government contracts. Departments may have to discuss with firms how far the former can provide a Committee with a general picture of their work without going into the details of specific contracts. Sensitive information of a commercial nature should not be disclosed (see paragraph 25(v)).

49. The normal relationship between Departments and non-departmental bodies or private firms may be sufficient to ensure an awareness on the part of witnesses from these bodies of the need to deal with the Committee's enquiries in a manner consonant with the rules about the security of classified information etc. To the extent that this is thought not to be sufficient, however, Departments should take steps to ensure that classified information in any evidence given by witnesses from these bodies is protected (see also paragraphs 35-36 about reports commissioned by Departments).

50. Departments may also wish to ask non-departmental bodies for which they have responsibility to show them written evidence or replies in draft before submitting them. The purpose of this would be consultative, under the normal arrangements which may be expected to exist between Departments and such bodies for consultation on matters of importance; the bodies would, of course, remain free to express their independent views, subject to their statutory or contractual responsibilities and subject to there being no questions of security involved. It is usual practice for sponsor Departments and nationalised industries to see each other's initial memoranda. It should be noted that the Procedure Committee have recommended that memoranda by Government Departments and non-departmental bodies should include a declaration of the persons and organisations with whom consultations have taken place prior to their submission. This recommendation should be drawn to the attention of non-departmental bodies when such consultations take place; and departmental memoranda which have been shown in draft to non-departmental bodies should include a statement of the bodies concerned.

DEPARTMENTAL REPLIES

51. Interested Departments and the Press normally receive advance copies of the Reports of Select Committees 48 hours before publication; the power for Committees to provide these is embodied in Standing Orders. While most

Committee staff have been co-operative over this, such advance issue is at their discretion and Departments cannot insist on seeing copies. If a Report is known to be imminent, it may help Departments if their liaison officer can contact the Clerk to the Committee on an informal basis about the likely timetable, so that Departments can have as much notice as possible.

Immediate Comment

52. This period of notice enables Departments to prepare Press briefing as appropriate for comment on the Report as soon as it is published. These immediate comments are, however, subject to certain rules and conventions because it is vital that they should not appear to anticipate or prejudice the Government's final and considered reply to the Committee's recommendations (see paragraphs 59-60 below), which must first be given to Parliament.

53. When they are aware of the prospective publication of a Select Committee Report with which they are concerned, the Department should consider what, if any, form of Press briefing is desirable, eg whether to issue an immediate Press Notice at the same time as the publication of the Report or simply to provide material to the departmental Press Office against the possibility of Press enquiries. It should be borne in mind that the Press are entitled to get advance copies at the same time as the Department (cf paragraph 51 above), so that questions may arise almost as soon as the copies are available.

54. It is a point of overriding importance that the Government's final and considered reply to the specific recommendations of a Select Committee should be delivered first to Parliament. This means that nothing in the comments given to the Press (immediately on publication of the Report or in the intervening period up to the delivery of the Government's reply) should seem to anticipate that reply. On the other hand, there is no objection to the provision of relevant background information or to the correction of mis-statements of fact; and, if desired, it may be possible to answer specific criticisms or comments by reference to other paragraphs in the Report or to evidence given to the Committee and published with the Report. Committees frequently publish with their Reports the evidence they have taken; in such cases the evidence may be quoted without risking a breach of Parliamentary privilege. Questions from the Press about a Committee's recommendations should be answered by saying that they will be fully considered and answered as soon as possible by an official reply.

55. Where a Select Committee Report concerns more than one Department, the Department with the major interest should co-ordinate the Press briefing, though Press enquiries may be answered by the other Departments concerned on the agreed lines.

56. In respect of "omnibus" Reports from the Public Accounts Committee, it is for Departments to prepare their own Press Notices, if any, and information to be given to the Press. There is, however, a specific undertaking given to the Committee by the Treasury in December 1968 that information provided by Departments to the Press will be confined to background and supplementary information of a character not intended to be "controversial comments", will not contain argument about the Committee's recommendations, and will be "vetted" by the Treasury. As far as possible a record should be kept of these departmental statements so that disputes about their form and content may be avoided. The arrangements in this paragraph apply to immediate comment on Reports of the Comptroller and Auditor General.

Timing and Manner of Formal Reply

57. Select Committees have often been critical of the time taken by Departments to reply to their reports, and the Procedure Committee have recommended that Departments should normally be required to publish their observations on Select Committee Reports within 2 months of publication of the Reports. The Committee proposed that, in the event of insuperable difficulties which make this impracticable, an interim set of observations should be produced within 2 months, and within every 2 month period thereafter.

58. Previous Government statements have drawn attention to the practical difficulties there would be in giving a firm undertaking to reply in all such cases within this timescale. It has been pointed out that Committee Reports tend to cover issues which require consideration in some depth, and consultations within and outside Departments are frequently necessary before a substantive reply can be provided. Departments should however do their best to meet the 2-month timetable recommended by the Procedure Committee. Where this is not possible, the reply should certainly be provided within 6 months and letters should go to the Committee before the expiry of the 2-month period explaining why the earlier deadline cannot be met.

59. The Government's considered reply to the specific recommendations of a Committee is frequently presented as a Command Paper. Departments are reminded that the Secretary of the Cabinet should be given notice of impending Command Papers at least one month before the final proof of the publication is required, in order that adequate arrangements can be made for the appropriate Ministerial Committee and (if necessary) the Cabinet to clear the draft. Even if the draft of a Command Paper has been considered by a Ministerial Committee, it is customary to circulate the paper to the Cabinet for information at the draft or CFR stage. Where several Departments are concerned, the Command Paper may be issued either by the principal Minister concerned, or by several Ministers acting jointly, each Department contributing a separate section of the paper. Replies to Reports of the Public Accounts Committee are always collated and presented by the Treasury. Where a Select Committee's recommendations concern another public body, that body may reply direct to the Committee, or its reply may be annexed to the Government's. Advance copies of any Command Paper in reply to a Select Committee Report should be made available to the Committee concerned (and to the Press) 48 hours before publication, and Committees may find it helpful to be advised informally, where possible, that a reply is imminent. This is the counterpart of the arrangement described in paragraph 51 above.

60. Departments are not, however, obliged to use the Command Paper form of reply to a Select Committee, particularly for minor recommendations. Departments may address Committees in the form of memoranda, or a Minister may wish to address the Chairman of a Committee by letter if the subject does not appear to merit a more formal treatment, or answers to Parliamentary Question may be used. In the first 2 cases, however, the reply becomes evidence submitted to the Committee, which the Committee may publish if it so decides and, if desired, with its own further comments on the Government's reply. Replies to reports by Committees which have not been re-appointed can take the form of Command Papers, Ministerial statements, or answers to Parliamentary Questions, etc. There is no obligation to reply to every point

made by a Committee: some may be obiter dicta: some may not be addressed to the Government but to the House (eg certain recommendations of the Procedure Committee): some may be conveniently covered in one omnibus comment. In the period between a Committee's report and the formal Government reply, there need be no constraint on Departments taking action on any recommendation made by the Committee. However, when such action is taken the Committee should be informed, a Parliamentary announcement should be considered, and in any event the formal Government reply to the Committee should refer to the action taken (see also paragraph 14).

Civil Service Department
Whitehall
LONDON SW1A 2AZ

February 1980

APPENDIX A

(Paragraph 5)

EXTRACT FROM STANDING ORDERS OF THE HOUSE OF COMMONS

Select Committees related to Government Departments

86A-(1) Select committees shall be appointed to examine the expenditure, administration and policy of the principal government departments set out in paragraph (2) of this Order and associated public bodies, and similar matters within the responsibilities of the Secretary of State for Northern Ireland.

(2) The committees appointed under paragraph 1 of this Order, the principal departments of government with which they are concerned, the maximum numbers of each committee and the quorum in each case shall be as follows:

Name of committee	Principal government departments concerned	Maximum numbers of Members	Quorum
1. Agriculture	Ministry of Agriculture, Fisheries and Food	9	3
2. Defence	Ministry of Defence	11	3
3. Education, Science and Arts	Department of Education and Science	9	3
4. Employment	Department of Employment	9	3
5. Energy	Department of Energy	11	3
6. Environment	Department of the Environment	11	3
7. Foreign Affairs	Foreign and Commonwealth Office	11	3
8. Home Affairs	Home Office	11	3
9. Industry and Trade	Department of Industry, Department of Trade	11	3
10. Social Services	Department of Health and Social Security	9	3
11. Transport	Department of Transport	11	3
12. Treasury and Civil Service	Treasury, Civil Service Department, Board of Inland Revenue, Board of Customs and Excise	11	3

(3) There shall in addition be a select committee to examine the reports of the Parliamentary Commissioner for Administration and of the Health Services Commissioners for England, Scotland and Wales which are laid before this House, and matters in connection therewith: and the committee shall consist of eight members of whom the quorum shall be three.

(4) The Foreign Affairs Committee, the Home Affairs Committee and the Treasury and Civil Service Committee shall each have the power to appoint one sub-committee.

(5) There may be a sub-committee, drawn from the membership of two or more of the Energy, Environment, Industry and Trade, Scottish Affairs, Transport and Treasury and Civil Service Committees, set up from time to time to consider any matter affecting two or more nationalised industries.

(6) Select committees appointed under this Order shall have power-

(a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, and to report from time to time;

(b) to appoint persons with technical knowledge either to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference; and

(c) to report from time to time the minutes of evidence taken before sub-committees;

and the sub-committees appointed under this Order shall have power to send for persons, papers and records, to sit notwithstanding any adjournment of the House, and to adjourn from place to place, and shall have a quorum of three.

(7) Unless the House otherwise orders, all Members nominated to a committee appointed under this Order shall continue to be members of that committee for the remainder of the Parliament.

Welsh Affairs

86B-(1) A select committee shall be appointed, to be called the Committee on Welsh Affairs, to examine the expenditure, administration and policy of the Welsh Office and associated public bodies and the committee shall consist of a maximum of eleven members, of whom the quorum shall be three.

(2) The Committee shall have power-

(a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, and to report from time to time; and

(b) to appoint persons with technical knowledge either to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference.

(3) Unless the House otherwise orders, all Members nominated to the committee appointed under this Order shall continue to be members of the committee for the remainder of the Parliament.

Scottish Affairs

86C-(1) A select committee shall be appointed, to be called the Committee on Scottish Affairs, to examine the expenditure, administration and policy of the Scottish Office and associated public bodies; and the committee shall consist of a maximum of thirteen members, of which the quorum shall be five.

(2) The committee shall have power-

- (a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place and to report from time to time; and
- (b) to appoint persons with technical knowledge either to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference.

(3) Unless the House otherwise orders, all Members nominated to the committee appointed under this Order shall continue to be members of the committee for the remainder of the Parliament.

EXTRACT FROM HANSARD OF 24 MAY 1979

CABINET COMMITTEES

Q7. Mr Mike Thomas asked the Prime Minister if she will now answer questions on the membership and terms of reference of cabinet committees.

The Prime Minister: I have established four standing committees of the Cabinet: a defence and oversea policy committee and an economic strategy committee, both under my chairmanship; a home and social affairs committee under the chairmanship of my right hon. Friend the Home Secretary; and a legislation committee under the chairmanship of the Lord Chancellor. Attendance at these committees will vary according to the subject under discussion. Where appropriate, sub-committees of the standing committees will be established. Membership and terms of reference of the standing committees or their sub-committees will remain confidential.



Sir Douglas Allen GCB
Head of the Home Civil Service

APPENDIX C

Civil Service Department

Whitehall London SW1A 2AZ

Telephone 01-839 7733 ext 1528

19 August 1975

DISCLOSURE OF CLASSIFIED INFORMATION TO SELECT COMMITTEES

Discussions have taken place with the Chairman of the Liaison Committee of Select Committee Chairmen with the object of formalising the working conventions governing the conditions under which classified information is disclosed to Parliamentary Select Committees. Agreement has now been reached on the following rules.

- i. a. Subject to the continuance of the special arrangements for the Expenditure Committee referred to in b. below, any information classified SECRET or TOP SECRET which is disclosed should be restricted to those persons to whom the department has agreed to release it: in practice this would mean only the members of the Select Committee or of the Sub-Committee concerned and, in the case of a Sub-Committee, the Chairman of the main Committee (since, eg the Chairman of the Expenditure Committee is ex-officio a member of all the Sub-Committees). Information classified CONFIDENTIAL or RESTRICTED should be similarly restricted, except that when it has been disclosed to members of Sub-Committees it may also be made available to the main Committee concerned.
- b. Any classified information, whatever its classification, disclosed to the Expenditure Committee's Sub-Committee on Defence and External Affairs should be made available only to the members of the Sub-Committee and the Chairman of the main Committee.
- c. Notwithstanding the restrictions imposed in sub-paragraphs a. and b. above, classified information may be disclosed to Specialist Advisers who have been security cleared in accordance with arrangements agreed with the Clerk of the House.
- d. The release of TOP SECRET information under these arrangements to members of Select Committee is subject to the approval of the responsible Minister in each case.

/ii.

- ii. Classified memoranda or classified annexes to memoranda should be made available to members only during Committee or Sub-Committee meetings and on request in the Committee Office. Members should not be free to take classified documents away with them.
- iii. Classified portions or oral evidence should be sidelined by the witness in the shorthand writer's transcript and then excised by the Committee before the evidence is printed in proof form and distributed to Committee members, the full record being retained in the Committee Office for perusal there by members authorised to have access to it in accordance with paragraph i above.

2. Current guidance on this subject in Chapter 17, paragraphs 22-25* of the Manual "Security in Government Departments" will be revised accordingly. Further guidance for Officials giving evidence to Parliamentary Select Committees was contained in a memorandum issued under cover of a CSD DEO letter dated 13 September 1972. Paragraph 9 reminds Departments that some Select Committees admit the public and press to hearings, and paragraph 24 advises on the action to be taken if an Official is asked a question in open session which he cannot answer on security or similar grounds.

3. Some Departments are already applying these rules under informal understandings with the relevant Select Committees. If your Department is not already applying the rules on an informal basis I should be grateful if you would put them into effect forthwith.

4. I am copying this letter to the Heads of Department on the attached list.

Yours sincerely,

Douglas Allen

* Now Appendix M. The remainder of this paragraph has been superseded.

Note : References in this letter to the Expenditure Committee and its Sub-Committees should now be read as referring to the Select Committees related to Government Departments (paragraph 4 of this Memorandum). The special arrangements at paragraph 1(i)(b) of the letter are no longer applicable.

GENERAL NOTICE GEN 76/78

MEMORANDUM OF GUIDANCE FOR OFFICIALS APPEARING BEFORE SELECT COMMITTEES

SCOPE AND PURPOSE

1. This Notice announces that the Civil Service Department, in consultation with the other departments primarily concerned, has revised the Memorandum of Guidance for Officials Appearing before Select Committees (this Memorandum is attached as an Annex).

ACTION

2. Departments should:
- a. be guided by the attached Memorandum, which has been approved by Ministers, in their dealings with Select Committees; and
 - b. bring the attached Memorandum to the attention of members of the departments as and when they have contact with Select Committees.
3. The relationship between the Government and Select Committees is a developing one which needs to be kept under review. For this reason, it will be helpful if departments would inform the Civil Service Department of notable developments in their own dealings with Select Committees. The Civil Service Department should in any case be consulted in cases of difficulty.

SUPERSEDED MATERIAL

4. This Notice and Enclosure supersedes Mr Caulcott's DEO letter of 13 September 1972 and the previous version of the Memorandum attached to it, together with General Notice GEN 73/20 which contained further advice. It also supersedes any advice CSD has given to departments individually which may now be inconsistent with the revised Memorandum.

CSD CONTACT

5. Enquiries should be addressed to Miss C B Morrison, Machinery of Government 1 Division (01-273 3644)

Authorised by A W RUSSELL

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SELECT COMMITTEES - MEMORANDUM OF GUIDANCE FOR OFFICIALS

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SELECT COMMITTEES

MEMORANDUM OF GUIDANCE FOR OFFICIALS

INTRODUCTION

This note is intended to give guidance to officials who may be called to give evidence before, or to prepare memoranda for submission to, Parliamentary Select Committees. It supersedes the note circulated on 13 September 1972 with DEO letter MG 23/113/01 and incorporates the guidance on the release of reports to Select Committees given in General Notice GEN 73/20. While it is primarily intended to cover the Select Committees of the House of Commons, it is also generally applicable to Select Committees of the House of Lords. It may not always be literally applicable to the Public Accounts Committee to whom the Accounting Officer has personal responsibilities and on behalf of whom the Comptroller and Auditor General has access to departmental records. Supplementary guidance on the procedure to be followed in respect of the Commons Select Committee on European Secondary Legislation (and the corresponding House of Lords Select Committee on the European Communities) is issued separately by the Cabinet Office, and guidance in dealing with the Select Committee on Statutory Instruments is provided in the 'Handbook on Statutory Instrument Procedure'.

SELECT COMMITTEE SYSTEM

General Description

2. The scope of the Select Committee system of the House of Commons varies from time to time. The significance of the title is merely that the Committee's membership is "selected" for a particular task, generally of inquiry. The main practical House distinction lies between such Committees, with their role of investigation and scrutiny, and "Standing Committees" concerned with the examination of particular legislation, and with their procedure based on debate rather than the taking of evidence. Some Select Committees (hereafter referred to as "Committees") are embodied in the Standing Orders of the House. An example is the Expenditure Committee. Others are on a sessional basis, and can be established and their work completed within a matter of weeks or months. Some are committees with a purely House function (eg the Committee of Selection), with which Departments will not normally come into contact. The principal Commons Select Committees with which this memorandum is concerned are the Expenditure Committee (the extended successor to the Estimates Committee); the Public Accounts Committee; the Committee on Nationalised Industries; the Committee on the Parliamentary Commissioner for Administration; the Committee on European Secondary Legislation; the Services Committee (concerned with House administration); and the various "specialist" committees, such as that on Science and Technology. At present the Lords has no Committees likely to involve Departments except that on the European Communities. The work of the various Commons Committees is co-ordinated (eg in order to avoid the overlapping of enquiries) by an unofficial liaison group of Committee Chairmen, presided over by the Chairman of the Public Accounts Committee. The normal Government contact with this group is through the Leader of the House.

Role of Committee

3. The primary function of committees generally is to scrutinise existing government policies and actions. The Public Accounts Committee is, however, concerned with the way in which Government policies have been implemented rather than with the policies themselves. There have also been occasions, as in the case of the wealth tax, where committees have been established specifically to consider policy options rather than existing government policies.

Powers of the Committees

4. Committees normally have power under their terms of reference to set up sub-committees. The powers of such sub-committees are limited by their own terms of reference, and that of the Committee itself, but they do not normally have the power of direct report to the House. So far as evidence, however, is concerned, they should normally be treated in the same way as the main Committee. Committees are also normally empowered by their terms of reference to send for "persons, papers and records". Under these powers Committees may summon Departmental and other witnesses and ask Departments to submit memoranda. Ministers may be summoned, or may ask, to appear before them to give evidence; the PAC always summons the Accounting Officer who gives evidence on his own behalf and Ministers do not appear before it.

Summoning of Named Officials

5. Officials appearing before Select Committees do so on behalf of their Ministers. It is accordingly government policy that it is for Ministers to decide which officials shall give evidence to Select Committees on their behalf. Official evidence to Select Committees is normally given, with Ministerial agreement, only by permanent Heads of Departments or by officials specifically nominated by them for this purpose. Select Committees have in the past generally accepted this position. If, however, a Select Committee summoned by name any other official to appear before them, and insisted upon their right to do so, it would be for Ministers to decide what course to follow. The formal constitutional position is that although a committee's power under their terms of reference to summon persons and papers is normally unqualified, such a summons is effectively binding only if backed by an Order of the House.

Open Sessions

6. The Expenditure Committee, the Select Committee on Nationalised Industries and the specialist Committees and their sub-committees often admit the public and Press to hearings. The PAC and the Select Committee on the Parliamentary Commissioner, however, do not.

Liaison Officers

7. Departments who are invited to give evidence to a Select Committee may wish to consider appointing a liaison officer, on the lines of those appointed for enquiries by the former Estimates Committee. He would be the channel for all communications between the department and the Select Committee and its Clerk. The Clerks to the Select Committees will usually be glad to talk informally to departments about their Committees' work and to co-operate by, for example, providing the departments most concerned with the confidential proofs of evidence taken by the Select Committee.

Committee Staff

8. Most Committees are given the power to appoint specialist advisers; for example, the Expenditure Committee has its own research staff. If Departments are asked by Committees to undertake research work or surveys on their behalf, it may be possible to meet such requests by the utilisation of existing information, modified as appropriate. The Government Social Survey, for example, already supplies Royal Commissions and private research institutes with data. But if the new work involved is likely to be substantial, and the Committee has power to appoint its own specialist advisers, it may be appropriate to suggest to the Committee that they consider this alternative, or possibly the employment of private research agencies or universities.

Travel Overseas

9. Committees may wish to travel abroad, and to take evidence in extra-territorial conditions. It has been informally agreed with the Clerk of the House that "early-warning" will be given at the official level if a Committee contemplates foreign travel, but departments should ensure that the Foreign and Commonwealth Office is informed as soon as it is known that a Committee is proposing to travel overseas. There is provision in the House of Commons' Vote to pay for the travelling expenses of Committee members, and such expenditure is regulated by the chairman of Committees meeting as a joint body (see paragraph 2). Departments may obtain advice on proposals by Committees to travel abroad from the Foreign and Commonwealth Office (Parliamentary Commissioner and Committees Unit, 233 3952 or 233 3542).

Ministerial Statements

10. In the general interests of good relations between the Government and Select Committees, it is desirable that Committees are given warning where possible about impending Ministerial statements on matters which are relevant to enquiries being undertaken by Committees or which it is known they are about to undertake. A convenient method is by way of notification to the Clerk at the same time as the Whips inform the Opposition, which is normally at noon on the day of the statement. This notification to the Clerk would be of the fact that the statement is to be made, but not including the text of the statement itself.

PROVISION OF EVIDENCE

General

11. The general principle to be followed is that it is the duty of officials to be as helpful as possible to Committees, and that any withholding of information should be limited to reservations that are necessary in the interests of good Government or to safeguard national security. Departments should, therefore, be as forthcoming as they can (within the limits set out in this note) when requested to provide information whether in writing or orally. This will also help to secure that the reports of Committees are as soundly based on fact as possible. Oral evidence is recorded verbatim. When oral evidence is to be given, it is advisable for departments to send at least 2 witnesses so that they can divide between themselves the responsibility for answering questions. Because officials appear on behalf of their Ministers, departments might want to clear written evidence and briefing with Ministers. However, it is only strictly necessary for Ministers to be consulted should there be any doubt among officials on the policy to be explained to the Committee.

Informal Discussions

12. Some Committees occasionally conduct informal discussions in addition to taking formal evidence. When that occurs officials should apply the same considerations as apply to formal evidence because the supply of information informally can affect a Committee's report as much as formal evidence.

Status of Information Supplied

13. Once information has been supplied to a Committee, it becomes "evidence" and, subject only to the arrangements governing classified information (see para 40), it is entirely within the competence of the Committee to report and publish it or to refrain from doing so. Letters addressed to the Clerk of the Committee, however informal, are strictly speaking "evidence" and liable to be published. The risk of publication (whether authorised by a Committee or not) must be taken into account in deciding what it is prudent to make available, even within authorised categories.

Inter-Departmental Liaison

14. Generally speaking the subjects of enquiry by Select Committees and particularly those by the Sub-Committees of the Expenditure Committee, will fall clearly within the responsibilities of particular departments. Occasionally, however, problems may arise when Committees inquire into subjects where departmental responsibility is not self-evident. The aim must be to ensure that Committees direct their questions on each aspect of such subjects to the department chiefly concerned with that aspect, and do not question departments whose role is that of co-ordination about matters which go outside that role. This indicates that where in such cases the Committee needs a memorandum covering the interests of several departments, it may be better for this to be submitted by the department with the predominant role in

the field concerned (rather than by a co-ordinating department such as the Cabinet Office). If the Committee then ask that department questions (whether in writing or orally) proper to some other department, they can be re-directed.

15. In these cases it is clearly desirable for all the departments concerned, in accordance with normal procedure, to keep in touch in the preparation of their evidence - eg by exchanging drafts. Where there is no co-ordinating machinery already available for this purpose it may be best for the department with the predominant role to act as a central point. It is important that Departments should clear with any other Department which may have an interest both memoranda and the line to be taken in oral evidence, even if the time for this is short.

16. Greater difficulties may arise when the subject under inquiry is one in which no department can be said to have a predominant interest - eg population growth; where in such cases the Committee needs a memorandum covering the interests of several departments - eg setting out the range of Government activities in the field concerned - it may well be necessary for the body which co-ordinates Government action in that field to submit it. It seems desirable, however, so to organise such memoranda as to indicate, for each aspect covered, which department is primarily responsible and at least by implication the limitations of the co-ordinating responsibility. This should assist the Committee in summoning the witnesses appropriate to the aspects they wish to investigate at each session; and if the questions asked are misdirected, no doubt the witnesses will say so.

17. Normally the Cabinet Office and other similar co-ordinating offices will not be required to give evidence to a Committee, but the Central Policy Review Staff may give evidence about their published work. Requests for CPRS evidence on other matters, and requests for other evidence from co-ordinating offices such as the Cabinet Office and "non-departmental" units or officials should be referred to Ministers. A Committee might seek evidence from a particular official (for example the head of the Government Statistical Service, or a member of the scientific staff of the Cabinet Office) who is not directly answerable to a Departmental Minister but who in his professional capacity has a special knowledge of the subject of an inquiry. In these cases too Ministerial approval is required before an invitation to give evidence is accepted.

LIMITATIONS ON THE PROVISION OF INFORMATION

General

18. Committees' requests for information should not be met regardless of cost or of diversion of effort from more important matters. It might prove necessary to decline requests which appeared to involve excessive costs. It may be necessary for a department to consult their Minister if a particular request seems to involve an unreasonable amount of extra work.

19. Guidance on the release of classified information to Committees is given in the manual "Security in Government Departments". This manual is the overriding authority; what follows must be read subject to its guidance. Officials must not disclose information which the manual says must be withheld; they should consult their Departmental Security Officers if in doubt.

20. Committees do not have the power, without the support of the House, to insist upon the production of departmental files or Cabinet Committee papers. It is not impossible, however, that they may ask for them. Departments should in case of doubt, consult the Civil Service Department before meeting or refusing any request by a Committee to see or have quoted verbatim any inter-departmental correspondence or internal minutes. The PAC is in a special position in view of the C & AG's access to departmental papers and in considering any request from it for access to departmental papers the Treasury should be consulted in addition to the Civil Service Department. In the special case of the Select Committee on the Parliamentary Commissioner, it may be necessary to quote from departmental documents in connection with Parliamentary and Health Service Commissioner cases. But requests which would amount to the "re-trial" of a Parliamentary and Health Service Commissioner case (which may include requests for the attendance of particular officials) should be refused.

21. Officials should avoid giving written evidence about or discussing the following topics. Where appropriate further guidance on them is provided in the succeeding paragraphs.

i. in order to preserve the collective responsibility of Ministers, the advice given to Ministers by their Departments should not be disclosed, nor should information about interdepartmental exchanges on policy issues, about the level at which decisions were taken or the manner in which a Minister has consulted his colleagues. Information should not be given about Cabinet Committees or their discussions, nor should the methods by which a subject is being reviewed eg by the Central Policy Review Staff or under PAR (Programme Analysis and Review) be disclosed.

ii. Questions in the field of political controversy (See paragraphs 24-25).

iii. Advice given by a Law Officer (See paragraph 26).

iv. The private affairs of individuals, companies or institutions on which any information held by Ministers or their officials has been supplied in confidence (including such information about individuals which is available to the Government by virtue of their being engaged in or considered for public employment).

v. Sensitive information of a commercial nature, eg which has been given to the Government in confidence or which relates to contracts unless the advance consent of the persons concerned has been obtained; (but see paragraph 42 on the kind of contract information which may, in certain circumstances, be provided).

vi. Matters which are, or may become, the subject of sensitive negotiations with governments or other bodies, without prior consultation with the Foreign and Commonwealth Secretary, or in relation to domestic matters, the Ministers concerned.

vii. Specific cases where the Minister has or may have a quasi-judicial or appellate function, eg in relation to planning applications and appeals, or where the subject-matter is being considered by the Courts or the Parliamentary Commissioner. (See paragraphs 27-28).

viii. Legislative proposals in the period between their submission to the relevant policy committee and the introduction of a Bill, unless those proposals have already been published in the form of a White Paper or statement to the House (see paragraph 29).

Where, exceptionally, such matters have to be discussed in the PAC, application may be made for "sidelining" (see paragraph 43). There is no objection to saying in general terms why information cannot be given and it is very unusual for a Committee to press an official who indicates that he is in difficulty on such grounds in answering a question. If, however, this happens, it may be best to ask for time to consider the request and to promise to report back. As pointed out in paragraph 4, Committee powers to send for persons, papers and records, though general in form, are in practice limited to what the majority of the House are prepared to enforce.

Collective Responsibility

22. Departmental witnesses, whether in closed or open session, should preserve the collective responsibility of Ministers and also the basis of confidence between Ministers and their advisers. Except in a case involving an Accounting Officer's responsibility (see C8 and 9 of "Government Accounting") the advice given to Ministers, which is given in confidence, should not, therefore be disclosed, though departments may of course need to draw on information submitted to Ministers. It is necessary also to refuse access to documents relating to interdepartmental exchanges on policy issues. Equally the methods by which a subject is being reviewed, eg by the Central Policy Review Staff or under PAR (Programme Analysis and Review) should not be disclosed. It may be that information about the methods being used for the examination of policy has been made public, for instance in reply to Parliamentary Questions, and Committees might ask further questions. Officials should then confine themselves to what has already been made public. Departments should not reveal the level at which decisions were taken. This is a factor which may need to be borne in mind

when deciding whether particular witnesses should appear, or should appear separately (see paragraph 11). It should also be borne in mind that decisions taken by Ministers collectively are normally announced and defended by the Minister responsible as his own decisions and it is important that no indication should be given of the manner in which a Minister has consulted his colleagues (see also paragraph 26 on the special position of the Law Officers).

23. In no circumstances should any Committee be given a Cabinet paper or extract from it, or be told of discussions in a Cabinet Committee. Nor should information be given about the existence, composition or terms of reference of Cabinet Committees, or the identity of their chairmen, and if witnesses are questioned on such matters they must decline to give specific answers. There is, however, no objection to pointing out in general terms that consultation between departments runs through the whole fabric of government and occurs at all levels both official and Ministerial.

Policy

24. Official witnesses, whether administrative or professional, should as far as possible, confine their evidence to questions of fact relating to existing government policies and actions except in those instances where the remit of a committee clearly covers questions of policy formulation (see paragraph 3). Officials should be ready to explain what the existing policies are and the objectives and justification, as the Government sees them, for those policies; and to explain how administrative factors may have affected both the choice of policy measures and the manner of their implementation. It is open to officials to make comments which are not politically contentious but they should as far as possible avoid being drawn, without prior Ministerial authority, into the discussion of alternative policy. If official witnesses are pressed by the Committee to go beyond these limits, they should suggest that the questioning be addressed, or referred, to Ministers. If there is a likelihood of a material issue of policy being raised by a Committee in its questioning of official witnesses, Departments will wish to consult Ministers beforehand. (On appearance by Ministers, also see paragraph 4.)

25. A Select Committee may invite specialist (as opposed to administrative) civil servants to discuss the professional or technical issues underlying controversial policies. This raises particular problems which are clearly exemplified in the case of economists who may be asked to appear before the Expenditure Committee. The field of enquiry open to the Expenditure Committee may lead them to discuss issues of economic reasoning which bear upon controversial policy questions and which are also matters of technical and professional controversy among economists. When this is so, and where Economic Advisers to the Government appear as official witnesses, they may find themselves in the difficulty that their own judgement on the professional issues has, or might easily appear to have, implications critical of the Government's policies. It is not open to them to explain the advice which they have given to the Government on such a matter, or would give if asked by the Government. They cannot therefore go beyond:

a. Explaining the economic reasoning which, in the Government's view, justifies their policy. This will only be possible where the underlying theory has indeed been explicitly formulated; and the status of what was being presented would have to be made clear;

b. Explaining the state of knowledge and opinion of a subject among professional economists, presenting a fair balance of views and referring (as under paragraph 24) to the public evidence of the Government's view.

If there is no quotable public evidence of such a view and the witness is asked for his own professional judgement on the issue, or his judgement of the view that the Government would be likely to take, he should refer to the political nature of the issue and suggest, as under paragraph 31, that the questioning be addressed, or referred to Ministers.

Advice Given by a Law Officer

26. There should not be disclosed to a Committee any advice that may have been given by the Law Officers. There is a well-established convention that the advice which Law Officers give to Ministers is confidential. It is only when Law Officers expressly authorise the disclosure of that advice, or themselves report to or advise Parliament or a Committee, that such advice is revealed.

Matters Sub-Judice

27. Committees are subject to the rules by which the House regulates its own conduct and that of its Members. It is normally possible to work on the assumption that if a matter already before the Courts seemed likely to come up for discussion before a Committee, the staff of the House would have drawn the attention of the Chairman to the relevant rules of the House relating to discussion of sub-judice questions. But the Chairman has an overriding discretion to determine what is appropriate in the hearing of evidence.

28. Officials should take care in discussing or giving written evidence on matters which may become the subject of litigation but which as yet do not strictly come under the rules which preclude discussion on sub-judice questions. Such caution should be exercised whether or not the Crown is likely to be a party to the litigation. If such matters seem likely to be raised when a Committee takes evidence, officials should first consult with their own departmental solicitor or the Treasury Solicitor for advice on how to handle the questions which might arise.

Legislation

29. The Committees do not normally consider topics on which the Government have already undertaken to legislate. This limitation is designed to ensure that the Committees do not pre-empt discussions which will take place on the floor of the House or in Standing Committee when the legislation is being considered, and thus simply add another Parliamentary stage to the legislation. Officials should not enter into discussion of legislative proposals.

with a Committee in the period between their submission to the relevant policy committee and the introduction of a Bill unless these proposals have already been published in the form of a White Paper or a statement to the House.

Reports Commissioned by Departments

30. On a number of occasions Committees have made requests to see copies of reports commissioned by Departments. These requests can often cause particular difficulty. Such reports may come from a variety of sources, ranging from the purely internal working group to the major outside Committee, but where publication was not intended. The fact that a report is known to have been prepared does not of itself oblige a Department to reveal its contents and inasmuch as the report may be the confidential property of the government, it is entirely within the power of the government to decide whether its contents should be published or otherwise made available to Select Committees. In deciding whether requests for particular reports should be acceded to, the primary consideration must always be the contents of the document concerned, ie whether it contains classified information or information of the kinds discussed elsewhere in this memorandum which should not normally be disclosed.

31. In addition the following considerations may be relevant:

- i. While Select Committees should not press for internal advice to Ministers to be revealed, they are less likely to accept without argument a refusal to reveal a report from a departmental Committee containing outside members, and even less likely to accept a refusal in the case of a wholly external Committee. In particular, they will be understandably reluctant to accept a refusal where the establishment of the Committee in question has been announced, together with its membership and terms of reference, and where its report is known to exist. These implications need to be taken into account in deciding how much publicity should be given to the establishment of Committees of this kind.
- ii. In particular cases, departments may consider that while a report cannot be published, it would be helpful to provide it to a Committee, provided it was treated in confidence (see paragraph 40).
- iii. In certain cases, where a Select Committee might reasonably expect to receive a certain amount of detailed information, departments may be able to provide a written memorandum in place of the report itself. If departments can demonstrate willingness to assist Select Committees in this way, it is generally desirable to do so.
- iv. Departments should normally seek the views of Ministers before refusing a request from a Select Committee for a particular report. This is particularly important if the Committee is known to be very anxious to obtain the report, since the Minister might be called on to defend the decision to the Committee personally.

Documents relating to the internal administration
of a Department

32. Many of the considerations outlined in the preceding paragraphs on reports commissioned by Departments apply also to requests for documents relating to the internal administration of a Department. A certain amount of information about the internal distribution of business is already available in published form (eg in the Civil Service Year Book). More detailed information is contained in Departmental directories and organisation charts. These are, however, generally restricted to official use, or contain much extraneous information unlikely to be of interest or value to Select Committees. It would therefore usually be more appropriate to offer specially prepared papers describing the organisation of the Department or particular parts of it. Where a description of duties of a sensitive nature necessitates the revelation of classified information, the considerations relating to classified documents (see paragraphs 40-43) should apply.

33. Requests for documents which go beyond a description of the existing organisation of the Department and deal with methods of operation (eg arrangements for formal and informal co-ordination; for delegation of authority) or with reviews of existing Departmental organisation or methods raise more difficult questions. There may be some documents in these categories which could appropriately be given to a Select Committee. For example, reports on the outcome of management reviews may in their final form be semi-public as a result of having been made available to the Departmental Staff Side or to Departmental staff generally.

34. But the great majority of the documents in these categories will be internal working papers which have not been circulated outside the Department. Most of these are likely to touch on matters covered in paragraph 21 and especially in paragraph 21 i and should therefore be dealt with in accordance with the guidance in that paragraph and in the immediately subsequent paragraphs. But there may be some occasions where information, in an appropriate form, about the working administrative arrangements within a Department or about the considerations taken into account in a review, whatever form this may take, of a Department's administration do not directly raise issues of that nature and can therefore be given to a Select Committee. Each such request should, however, be carefully considered before a decision is made, to ensure in particular that, even by implication, no information about advice given to Ministers or the level at which decisions have been taken is revealed.

Documents of a Previous Administration

35. There are well established conventions which govern the withholding of policy papers of a previous Administration from an Administration of a different political complexion. Since officials appear before Select Committees as representatives of their Ministers and since Select Committees are themselves composed on a bipartisan basis, it follows that officials should not volunteer, or accede to a request from a Select Committee to see, papers of a previous Administration which they are not in a position to show to present Ministers. In borderline cases it may be necessary to consult the previous Administration before showing the papers either to present Ministers or to a Select Committee.

TREATMENT OF EVIDENCE

Open Sessions

36. Unclassified memoranda prepared by departments for a Committee may be published by the Committee before its full report is presented to the House. Open sessions of Committee often attract publicity since evidence before them may be reported forthwith by the press. Departments are, therefore, free to comment immediately to the press on matters raised in their evidence. If a Select Committee takes evidence in public from a Minister or senior official, therefore, it may be considered desirable for a Press Officer also to attend, so as to be able to answer press queries. Such press briefing should not, however, extend to comment on matters of policy since such comment might be regarded as impeding the Committee in its task and hence as contempt. Care should be taken not to go beyond the evidence given by the Minister or official in commenting on any suggestion made by another witness, eg the Chairman of a Nationalised Industry, at the same hearing, or to disclose information not yet given publicly.

37. Parliament has agreed to set up permanent arrangements for the public sound broadcasting of its proceedings and consideration of the arrangements is in the hands of a Joint Committee of both Houses. Departments should bear in mind that the recording and broadcasting of evidence given by departmental witnesses in the course of open sessions of the Select Committees (if these are included as they were in the experiment which preceded the agreement to introduce permanent arrangements) is only an additional means of publication and does not affect the principle of publication, although clearly a slip of the tongue, hesitation or use of a particular tone will be recorded and might attract public comment where it otherwise might not. The same considerations apply to broadcast evidence as apply to other evidence given at public sessions. When broadcasting of Parliamentary proceedings is introduced on a regular basis, a procedure will be established whereby Departments will be given advance warning of any intention to record Select Committee proceedings. In any case Departments should check with the clerk to the Committee.

38. Written memoranda of evidence on which departmental witnesses are examined in public and which are included in the printed copy of the proceedings reported that day to the House, inasmuch as they may have been available to the public attending the session, may at the department's discretion be issued to other interested parties thereafter. Copies of oral evidence given in public should not, however, be disclosed by departments until the final published version is available, as the first copies are confidential proofs subject both to correction and to explanation by footnotes. Amendments to the proofs of evidence sent to witnesses by the Clerk cannot normally go beyond minor corrections of grammar and transcription, although the chairman may be willing to consider suggestions about "sidelining" (see paragraph 43).

39. Evidence critical of a department may be given in open session by persons outside the department on occasions when departmental witnesses are not also present. In these circumstances departments should not seek publicly to respond to such criticism outside the ambit of the Committee. Instead, the Chairman of the Committee concerned should be asked to consider inviting the department to express its view also to the Committee as soon as possible.

Disclosure of confidential information in general (see also Sir Douglas Allen's letter of 19 August 1975 to Heads of Departments about the disclosure of Classified Information to Select Committees - at Appendix A).

40. The general aim of Departments should be to assist Committees by disclosing to them whatever official information they may require for the carrying out of their Parliamentary functions, provided that there are not overriding reasons on security or other grounds for withholding such information. It may be, however, that particular information requested by a Committee, or other information which a Department, considers might have a relevant bearing on a Committee's enquiries, can only be made available on the basis that it will not be published and will be treated in confidence. Where this is so, the Departments should inform the Clerk to the Committee that the information can be made available only on this basis, explaining the reasons in general terms. Such information should not be made available until the Committee have agreed to treat it accordingly, and the interpretation of "evidence" at paragraph 13 should be noted in this context. In considering the submission of confidential evidence to a Committee, Departments should bear in mind that the final authority as to whether or not evidence shall be published rests with the Committee. Arrangements have occasionally been made whereby certain classified evidence is given only to a sub-Committee of a main Commons Select Committee. Formally, however, Departments should proceed on the basis that main Committees and sub-Committees represent a single entity. No evidence given to Committees in closed sessions (ie when the public and the Press are not admitted) should be disclosed by Departments before the evidence has been published by the Committee.

Disclosure of confidential information in oral evidence

41. It would clearly be inappropriate for any evidence which a Department wished to be treated as confidential to be given at a session of the Committee to which the public and Press are admitted. Accordingly, if it appears likely that topics to be discussed at a forthcoming public session of a Committee are such that the Departmental witnesses would only be able to give substantive answers if they could be treated in confidence, the Department should write to the Chairman or the Clerk of the Committee explaining why this is so: in most cases it is likely that it would be appropriate for the Departmental Minister to write to the Chairman. If, despite such an approach, a Committee questions an official witness in public session on what he considers confidential matters, or if such matters are raised unexpectedly, he should inform the Committee that he cannot answer the question on grounds of confidentiality: he should not himself suggest that the Committee should go into closed session. In certain technical fields (eg defence research) it may be useful for a Department to hold off-the-record "presentation" for Committee members.

Procedures for avoiding publication of confidential evidence

42. Where confidential written evidence is submitted to a Committee on the understanding that it will not be published, this understanding should be made clear in the covering letter to the Clerk of the Committee accompanying the evidence.

43. In the case of confidential evidence given orally to a Committee in closed session the following procedures should be followed in order to ensure that such evidence is not made public:

- a. Information with a security classification - TOP SECRET, SECRET, CONFIDENTIAL, RESTRICTED. (See also Sir Douglas Allen's letter of 19 August 1975 to Heads of Departments).

In cases where information with a security classification is revealed to a Committee, the following procedure should be followed in order to prevent publication. (The disclosure of TOP SECRET information may only be made on the personal authority of the Minister concerned):

- i. The Witness, before leaving the Committee Room, should let the Clerk to the Committee know what portions of his evidence contain matters with a security classification.

- ii. The Clerk will then instruct the shorthand writer not to send for printing the transcript of those portions, but instead to send 3 copies to the Clerk, (5 copies in the case of the Public Accounts Committee).

iii. The Clerk will send 2 copies to the Witness, one is for his retention; on the other he should mark any passage containing information which, in his opinion, it would be undesirable on grounds of security to print.

Since this procedure involves delay in the printing of evidence, it should only be used where strictly necessary;

b. Other confidential information

If a Department proposes to reveal confidential (but not classified) information which, in the view of the Department, it would not be desirable on grounds other than security to include in the published evidence, they should first ask the Committee to agree that it should not be published or at least be certain that the Committee is prepared to agree to a reasonable degree of sidelining (see paragraph 38). The procedure at a. above will then be followed and the attention of the Clerk to the Committee should be drawn to passages marked in accordance with the procedure at a. above but which do not have a security classification, (see also paragraph 21).

EVIDENCE FROM OTHER BODIES

44. Committees are free to call for evidence from whomsoever they please including non-departmental bodies for which departments have responsibility, such as nationalised industries and research councils. If a department becomes aware that a non-departmental body for which it is responsible has been invited to give evidence it may wish to consider whether it would be advisable to discuss the lines of evidence with the witnesses before the hearing. In many cases the department may also wish to seek the Committee's agreement to their being represented at the hearing: whether this is allowed is entirely a matter for the Committee.

45. Committees may occasionally call for evidence from commercial firms, particularly those handling Government contracts. A contractor is normally prohibited from publishing without written consent the details of Government contracts. Departments may have to discuss with firms how far the former can provide a Committee with a general picture of their work, without going into the details of specific contracts. Sensitive information of a commercial nature must not be disclosed (see paragraph 21(v)).

46. The normal relationship between departments and non-departmental bodies or private firms may be sufficient to ensure an awareness on the part of witnesses from these bodies of the need to deal with the Committee's inquiries in a manner consonant with the rules about the security of classified information etc. To the extent that this is thought not to be sufficient, however, departments should take steps to ensure

that classified information in any evidence given by witnesses from these bodies is protected (see also paragraphs 30-31 about reports commissioned by Departments).

47. Departments will also wish to ensure as far as possible that non-departmental bodies for which they have responsibility show them written evidence or replies in draft before submitting them. The purpose of this would be consultative, under the normal arrangements which may be expected to exist between departments and such bodies for consultation on matters of importance; the bodies would, of course, remain free to express their independent views, subject to their statutory or contractual responsibilities and subject to there being no questions of security involved. It is usual practice for sponsor departments and nationalised industries to see each other's initial memoranda to the Select Committee on Nationalised Industries.

DEPARTMENTAL REPLIES

48. Interested Departments and the Press normally receive advance copies of the Reports of Select Committees 48 hours before publication; the power for Committees to provide these is embodied in Standing Orders. While most Committee staff have been co-operative over this, such advance issue is at their discretion and Departments cannot insist on seeing copies. If a report is known to be imminent, it may help Departments if their liaison officer can contact the Clerk to the Committee on an informal basis about the likely timetable, so that Departments can have as much notice as possible.

Immediate Comment

49. This period of notice enables Departments to prepare Press briefing as appropriate for comment on the Report as soon as it is published. These immediate comments are, however, subject to certain rules and conventions because it is vital that they should not appear to anticipate or prejudice the Government's final and considered reply to the Committee's recommendations (see paragraphs 57-58 below). This is partly a matter of Parliamentary privilege - an official reply to a Select Committee should not be published before it has been given to the House. It is also a matter of courtesy and good relations between the Executive and Parliament.

50. When they are aware of the prospective publication of a Select Committee Report with which they are concerned, the Department should consider what, if any, form of Press briefing is desirable, eg whether to issue an immediate Press Notice at the same time as the publication of the Report or simply to provide material to the Departmental Press Office against the possibility of Press enquiries. It should be borne in mind that the Press are entitled to get advance copies at the same time as the Department (cf paragraph 48 above), so that questions may arise almost as soon as the copies are available.

51. It is a point of overriding importance that the Government's final and considered reply to the specific recommendations of a Select Committee should be delivered first to Parliament. This means that nothing in the comments given to the Press (immediately on publication of the Report or in the intervening period up to the delivery of the Government's reply) should seem to anticipate that reply. On the other hand, there is no objection to the provision of relevant background information or to the correction of mis-statements of fact; and, if desired, it may be possible to answer specific criticisms or comments by reference to other paragraphs in the Report or to evidence given to the Committee and published with the Report. Committees frequently publish with their reports the evidence they have taken; in such cases the evidence may be quoted without risking a breach of Parliamentary privilege. Questions from the Press about Committee's recommendations should be answered by saying that they will be fully considered and answered as soon as possible by an official reply.

52. Where a Select Committee Report concerns more than one Department, the Department with the major interest should co-ordinate the Press briefing, though Press enquiries may be answered by the other Departments concerned on the agreed lines.

53. In respect of "omnibus" Reports from the Public Accounts Committee, it is for Departments to prepare their own Press Notices, if any, and information to be given to the Press. There is, however, a specific undertaking given to the Committee by the Treasury in December 1968 that information provided by Departments to the Press will be confined to background and supplementary information of a character not intended to be "controversial comments", will not contain argument about the Committee's recommendations, and will be "vetted" by the Treasury. As far as possible a record should be kept of these Departmental statements so that disputes about their form and content may be avoided. The arrangements in this paragraph apply to immediate comment on Reports of the Comptroller and Auditor General.

Timing and Manner of Formal Reply

54. Select Committees have often been critical of the time taken by Departments to reply to their reports. In particular, the Expenditure Committee recommended in their Sixth Special Report (Session 1971-72) and in their First Special Report (Session 1975-76) that Departments should aim to present their observations within two months. The replies to both of these reports accepted that Departments should do their best to respond as expeditiously as possible to reports of the Select Committee. However, the reply to the First Special Report (1975-76) - attached at Appendix B - emphasised the practical difficulties there would be in giving a firm undertaking to reply in all cases within the two-month time period. It explained that reports tended to cover issues which require consideration in some depth and consultations with Departments and others are frequently necessary before a substantive reply could be provided. Nevertheless, Departments did treat the preparation of observations as a matter of urgency and delays

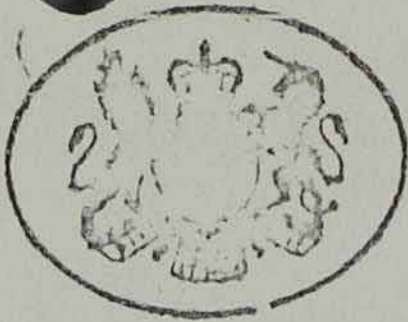
mainly occurred because of efforts to produce a final, comprehensive reply.

55. In correspondence circulated on 20 March 1972 by the Lord President's Private Office it was indicated that 6 months should anyway be considered a maximum time within which to issue a reply to a Select Committee. Departments should however always endeavour, except in cases of special difficulty, to publish replies to reports from Select Committees within the two month period suggested by the Expenditure Committee. When Select Committee reports appear just before the Summer Recess, it may be more difficult to reply within this period. However, in such cases, every effort should be made to present the Government's replies as early as possible after the beginning of the next Session, and Departments should ensure that this is done before the subject loses its topicality.

56. If it becomes evident that there may be some delay in presenting the Government's reply, Departments should consider whether an interim reply would be desirable. If not, the Minister concerned should normally write to the Chairman of the Committee indicating the reasons for the delay, and when a reply could be expected.

57. The Government's considered reply to the specific recommendations of a Committee is normally presented as a Command Paper. This ensures that, subject to the point in the preceding paragraph, the Government can control the timing of its publication. Departments are reminded that the Secretary of the Cabinet should be given notice of impending Command papers at least one month before the final proof of the publication is required, in order that adequate arrangements can be made for the appropriate Ministerial Committee and (if necessary) the Cabinet to clear the draft. Even if the draft of a Command paper has been considered by a Ministerial Committee, it is customary to circulate the draft to the Cabinet for information at the draft or CFR stage. Where several Departments are concerned, the Command Paper may be issued either by the principal Minister concerned, or by several Ministers acting jointly, each Department contributing a separate section of the paper. Replies to Reports of the Public Accounts Committee are always collated and presented by the Treasury. Where a Select Committee's recommendations concern another public body, such as a nationalised industry, that body may reply direct to the Committee, or its reply may be annexed to the Government's. Advance copies of any Command Paper in reply to a Select Committee Report should be made available to the Committee concerned (and to the Press) 48 hours before publication. This is the counterpart of the arrangement described in paragraph 48 above.

58. Departments are not, however, obliged to use the Command Paper form of reply to a Select Committee, particularly for minor recommendations. Departments may address Committees in the form of memoranda, or a Minister may wish to address the Chairman of a Committee by letter if the subject does not appear to merit a more formal treatment, or answers to Parliamentary Questions may be used. In the first two cases, however, the reply becomes evidence submitted to the Committee, which the Committee may publish to suit its own convenience and, if desired, with its own further comments on the Government's reply. Replies to reports by Committees which have not been re-appointed can take the form of a Command Paper, Ministerial statements or answers to Parliamentary Questions, etc. There is no obligation to reply to every point made by a Committee: some may be obiter dicta: some may not be addressed to the Government but to the House (eg recommendations of the Procedure Committee): some may be conveniently covered in one omnibus comment. In the period between a Committee's report and the formal Government reply, there need be no constraint on Departments taking action on any recommendation made by the Committee. However when such action is taken the Committee should be informed, a Parliamentary announcement should be considered, and in any event the formal Government reply to the Committee should refer to the action taken (see also paragraph 10).



Sir Douglas Allen GCB
Head of the Home Civil Service

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-839 7733 ext 1528

19 August 1975

DISCLOSURE OF CLASSIFIED INFORMATION TO SELECT COMMITTEES

Discussions have taken place with the Chairman of the Liaison Committee of Select Committee Chairmen with the object of formalising the working conventions governing the conditions under which classified information is disclosed to Parliamentary Select Committees. Agreement has now been reached on the following rules.

- i. a. Subject to the continuance of the special arrangements for the Expenditure Committee referred to in b. below, any information classified SECRET or TOP SECRET which is disclosed should be restricted to those persons to whom the department has agreed to release it: in practice this would mean only the members of the Select Committee or of the Sub-Committee concerned and, in the case of a Sub-Committee, the Chairman of the main Committee (since, eg the Chairman of the Expenditure Committee is ex-officio a member of all the Sub-Committees). Information classified CONFIDENTIAL or RESTRICTED should be similarly restricted, except that when it has been disclosed to members of Sub-Committees it may also be made available to the main Committee concerned.
- b. Any classified information, whatever its classification, disclosed to the Expenditure Committee's Sub-Committee on Defence and External Affairs should be made available only to the members of the Sub-Committee and the Chairman of the main Committee.
- c. Notwithstanding the restrictions imposed in sub-paragraphs a. and b. above, classified information may be disclosed to Specialist Advisers who have been security cleared in accordance with arrangements agreed with the Clerk of the House.
- d. The release of TOP SECRET information under these arrangements to members of Select Committee is subject to the approval of the responsible Minister in each case.

/ii.

- ii. Classified memoranda or classified annexes to memoranda should be made available to members only during Committee or Sub-Committee meetings and on request in the Committee Office. Members should not be free to take classified documents away with them.
 - iii. Classified portions or oral evidence should be sidelined by the witness in the shorthand writer's transcript and then excised by the Committee before the evidence is printed in proof form and distributed to Committee members, the full record being retained in the Committee Office for perusal there by members authorised to have access to it in accordance with paragraph i above.
2. Current guidance on this subject in Chapter 17, paragraphs 22-25 of the Manual "Security in Government Departments" will be revised accordingly. Further guidance for Officials giving evidence to Parliamentary Select Committees was contained in a memorandum issued under cover of a CSD DEO letter dated 13 September 1972. Paragraph 9 reminds Departments that some Select Committees admit the public and press to hearings, and paragraph 24 advises on the action to be taken if an Official is asked a question in open session which he cannot answer on security or similar grounds.
 3. Some Departments are already applying these rules under informal understandings with the relevant Select Committees. If your Department is not already applying the rules on an informal basis I should be grateful if you would put them into effect forthwith.
 4. I am copying this letter to the Heads of Department on the attached list.

Yours sincerely,

Dwyer Alln



Treasury Chambers, Parliament Street, SW1P 3AG

28 April 1976

James Boyden Esq MP
Chairman
Expenditure Committee,
House of Commons
SW1A 0AA

James Boyden

I have discussed the Expenditure Committee's First Special Report (1975-76 Session) with my colleagues, with particular reference to the recommendation that departments should aim to present their observations within 2 months. The Sixth Special Report from the Committee in the 1971-72 Session suggested a similar time limit and the Government of the day replying in a White Paper (Cmd 5187) in January 1973 said:-

"As the Expenditure Committee establish themselves their recommendations are likely to relate to more and more substantial issues. It might not be wise therefore to impose on departments a general rule that they must publish within 2 months considered responses to such recommendations. But the Government agree that, in accordance with the spirit of the recommendation, departments should always do their best to respond expeditiously to reports of Select Committees."

Our experience since then has shown the practical difficulties there would be in giving a firm undertaking to reply in all cases within such a short time. Reports tend to cover issues which require consideration in some depth and consultations with departments and others are frequently necessary before a substantive reply can be provided. The situation is particularly difficult when reports are not published until just before the Summer Recess. Our enquiries show that departments treat preparation of observations as a matter of urgency and that delays occur mainly because of efforts to produce a final comprehensive reply. In some circumstances the Committee may

find it helpful to be given an interim reply, in advance of more considered departmental observations. But an interim reply will in many cases be insufficient for the purpose the Committee have in mind of facilitating early debate.

We have also looked at the individual reports mentioned in the Appendix to the First Special Report and those published since. I attach as an Annex to this letter a list which shows where replies have now been provided by departments with an indication of the present position on the others.

* I hope you will find the information given in the Annex, and the above explanation helpful.

Yours
Sincerely



JOEL BARNETT

* Not enclosed with the Memorandum of Guidance.



Parliament
MAD

CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-930 5422 ext

11 March 1980

The Rt. Hon. Norman St John Stevas MP
Chancellor of the Duchy of Lancaster
70 Whitehall
London SW1

From Mr St John Stevas
SELECT COMMITTEE ON THE SOCIAL SERVICES

I have heard this morning that, by the good offices of yourself and Mr du Cann, I am not now required to attend tomorrow's Select Committee. I am very much obliged to you, and to Mr du Cann, for this. I enclose a copy of my letter to Mrs Short.

As you know, my life would become very difficult indeed if I had, in addition to my work in Baker Street and in Whitehall, to appear before one Select Committee after another. Mr du Cann's Committee, on the Treasury and Civil Service, has a very legitimate call on me indeed, but I do not feel this to be so of the rest.

I am copying this to the Prime Minister and Mr du Cann.

Many thanks once again.

Derek Rayner
DEREK RAYNER



CABINET OFFICE

With the compliments of

Sir Derek Rayner

With the compliments of

Sir Derek Rayner



OFFICE

Telephone 01-930 5422 ext

11 March 1980

Mrs Renee Short MP
Chairman, Select Committee on the Social Services
House of Commons
London SW1

Renee Short

SELECT COMMITTEE ON THE SOCIAL SERVICES

1. As I am unable to attend tomorrow, you and your colleagues may find it helpful to have a letter from me to explain my standing in the matter before you and the extent of my involvement.
2. Mr Warner of DHSS, who will be appearing with his Secretary of State, will I am sure give a good account of the work undertaken on Mr Jenkin's behalf on the payment of social security benefits.
3. The work done by Mr Warner and his colleagues was commissioned last June by the Secretary of State. It was one part of a wider exercise. The Government embarked on this exercise following advice I had given that one of the best ways of approaching the question of efficiency I knew of was to take a particular function or activity and ask searching and radical questions about it. The purpose of doing this was to find out why a piece of administration was done at all, why it was done as it was and what it cost; to achieve reform where reform was shown to be necessary; and to draw out any lessons of wider application.
4. That "wider exercise" consisted in all of 29 so-called "Rayner projects". Each was commissioned by a departmental Minister. Each was carried out by a departmental official or by a small team as in the DHSS and a few other cases. Each was set up and conducted in consultation with me. That is to say:
 - I agreed with each Minister the terms of reference for his project.
 - I met the officials doing the work, collectively on three occasions and some individually.
 - I advised on the methods to be used in determining the facts and sought to free officials from "steering" committees.
 - I laid down that investigations were to be carried out by

consulting those who actually do the work and those, including agencies, who could be affected by the proposals.

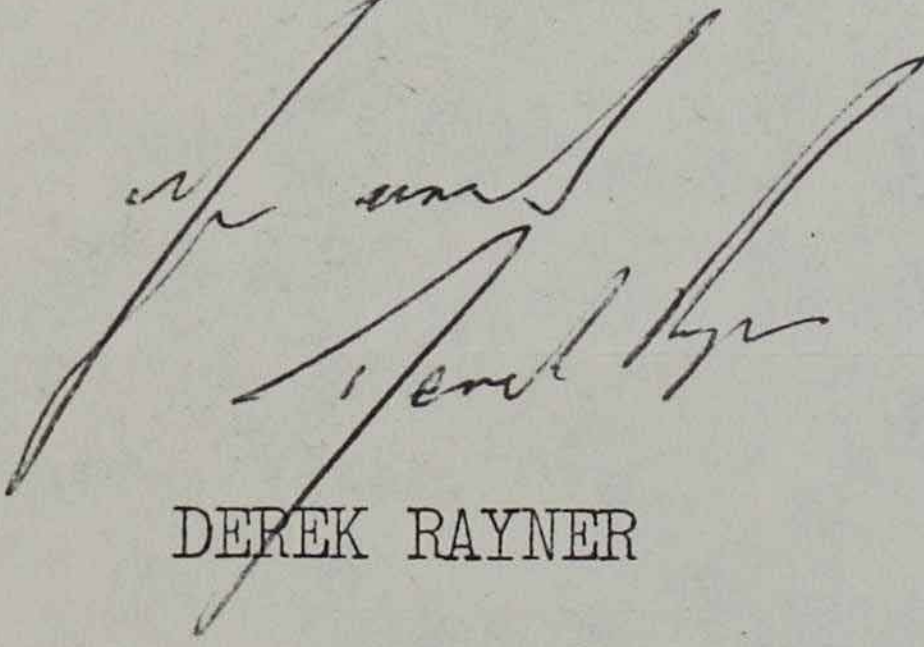
- I myself visited some locations with some of the officials, including a visit to the Hoxton Social Security Office in the case of the DHSS project.
- I was consulted about the findings as they began to emerge.
- In each of the 29 projects, I offered the Minister my comments and advice on the officials' draft report when they submitted it to their Minister and also to me.
- I sought to ensure that Ministers were made aware of the cost of the administrative tail - be it in Whitehall or other bureaucracies which exist to serve the public.

5. My responsibility has therefore been a co-ordinating and advisory one. "Coordinating", in the sense that it was my job to make sure so far as I could that the 29 projects were conducted with a reasonable consistency between departments and "advisory" in the sense that I had also, and wished, to offer advice from an independent viewpoint during the officials' field-work and on their proposals.

6. I hope that this explanation clearly establishes my role in this and the other "Rayner projects". You might however like to have the enclosed Note of Guidance which I issued last November and which expresses my philosophy on the "Rayner projects". (Those are now called "Scrutinies".)

7. I should however like to make one additional point. The substance of Mr Warner's draft report is before the Committee. I regard the work done by him and his colleagues as not only meeting the general requirements of the whole exercise, but as of first class quality. It was an excellent piece of project work and I am bound to say that I am proud to have been associated with it.

8. I am copying this letter to the Secretary of State and Mr Warner.



DEREK RAYNER

ENC: Note of Guidance



112 MAR 1980

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PRIME MINISTER

This letter from Mr. Jenkin's office encloses an opening statement he wishes to make tomorrow when he is before the Select Committee on Social Services.

I know that you agree with his second paragraph, about leaving pensioners the option of weekly payment through a post office.

Do you agree with the first? He is in effect saying we will not change the payments system if this destroys the viability of numbers of sub-postmasters. But the essence of some of Sir Derek's work is to expose unintentional hidden subsidies like that to the post office through the social security system. If there is a cheaper and more efficient way of paying benefits, it might be better to introduce this for those who want it, and consider straight subsidies to needy sub-post offices. Mr. Jenkin's statement seems to rule that out. I think that he should leave the options more open: the last sentence could read:-

"We shall do so on the basis that the House of Commons would be extremely unlikely to agree to any changes that would reduce the income of sub-postmasters below viable levels unless some compensating arrangements were made."

May we tell Mr. Jenkin that you do not wish him to give the impression that the Government remains committed to subsidising rural post offices through the benefit system? (It is the post office who has recently been preaching that it can no longer subsidise Government postal deliveries and British Rail's inefficient delivery performance. It should not be allowed to get away scotfree when the tables are turned.)

11 March 1980

PS I understand that Sir Derek Rayner will be suggesting that Mr. Jenkin needs to set the efficiency issue in context rather better than is done in this draft.

M. A. PATTISON



2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/11599/80

Your ref:

10 March 1980

DEPARTMENTAL SELECT COMMITTEES

Thank you for your letter of 18 February about your discussions with Edward du Cann, and his with Bruce Douglas-Mann, about the possible overlap between Select and Standing Committee activity. I was glad to hear that both are willing to help avoid as far as possible the difficulties that overlap might give rise to.

The Select Committee are, as was to be expected, pressing on with their inquiry into the financial and social implications of the sale of council houses. Bruce Douglas-Mann wrote to me a few days ago formally asking for written evidence on a large number of detailed questions and it is clear that the Select Committee hope to be taking oral evidence shortly before Easter. As it happens the Standing Committee has just got past the right to buy clauses, so direct overlap between these Committees is avoided. I believe however, that the Select Committee still hope to report to the House before Report Stage of the Housing Bill. Should they fail to do so, the whole of their inquiry will have been to very little purpose.

In addition, there remains (as I mentioned in my letter of 7 February) an overlap between Select Committee and Public Accounts Committee activity. The PAC have deferred their invitation to the Accounting Officer to give evidence on the sale of council houses from 18 February to 31 March at the earliest so this may well be at the same time as the Select Committee is taking oral evidence.

I am copying this letter to the Prime Minister, Cabinet colleagues and Sir Robert Armstrong.

yes

The Rt Hon Norman St John Stevas MP
The Chancellor of Duchy of
Lancaster
Privy Council Office
Whitehall

MICHAEL HESELTINE

11 MAR 1980





PA

with compliments

MS

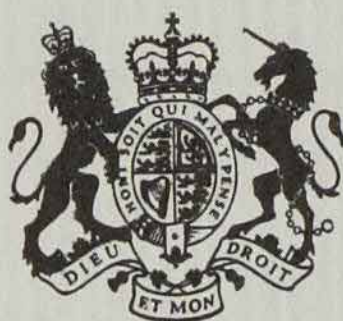
MINISTER OF STATE

- i. MAP
 - 2. CAW
- MS.

Here is a serious attempt to
get it right - at last! Views?
MS

CIVIL SERVICE DEPARTMENT
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086



10 DOWNING STREET

I agree that we should attempt to draw a line as proposed in paras 6-7-8 below. But no bets on success - see, for example, correspondence from Overseas Development Sub-committee on Tsy role in overseas students fees decision.

"unofficial" files being reviewed.
13/11/77

M/P, 2/3

This is a major issue of principle. I do not dig in on XI - paragraph 8 and have to it, life is going to become rather difficult. I can, for example, foresee "official" and

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Minister of State

The Rt Hon Norman St John-Stevas MP
Chancellor of the Duchy of Lancaster
Privy Council Office
Whitehall
LONDON SW1

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

10 March 1980

Dear Norman

RELATIONSHIP WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

I wrote to you on 20 February about the way in which we should tackle requests from Select Committees for copies of staff inspection and similar internal investigatory reports in the light of the approach which had been made to Mark Carlisle by Christopher Price, the Chairman of the Select Committee on Education and Science, for a copy of a staff inspection report on the University Grants Committee. I proposed that we should withhold documents of this kind, but offer, when asked, to put in a specially prepared memorandum which described the nature of the exercise, its scope and the action it was proposed to take as a result.

2. A number of colleagues have written expressing agreement with this approach and Mark Carlisle wrote to me on 5 March saying that he was content to proceed as I had proposed in the particular case with which he is dealing. His letter seems to imply that it would be for me to deal directly with his Select Committee if they are dissatisfied with the memorandum which he presents to them in place of a copy of the report itself. In fact, it would be surely right for us to agree collectively where necessary on a consistent approach to general issues of this kind. Then it is for individual departmental Ministers to apply that policy (giving where necessary the reasons for it) in dealing with individual Select Committees. Otherwise we will blur collective responsibility.

3. There is also a question about copies of the reports on "scrutinies" carried out in departments under the supervision of Sir Derek Rayner. I have seen your exchange of letters with Keith Joseph about the Select Committee on Industry and Trade's request to see the "scrutiny" report on regional development grant offices. I know that colleagues are already considering in a number of other cases the release of material from these reports.

4. In his evidence to the Treasury and Civil Service Select Committee on 20 February, Sir Derek Rayner made it clear that he

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had no personal objection to reports being made available. But he also made it clear that it is for Ministers to decide the content of what is released and its timing. He also referred to the distinction between these reports when they are still at the draft stage and when they have become the final document approved by Ministers. In readiness for that hearing, the Select Committee were shown a copy of one report (on the Inland Revenue "scrutiny"), but simply as an illustrative example of the kind of work which Sir Derek has launched. Clearly there may be an occasion on which it would also be appropriate to show the Select Committee a staff inspection report or some other document of this kind as an example of the results of the activity in question.

5. There will be cases where Ministers wish to take the initiative in releasing material from these "scrutiny" reports, particularly where the courses of action which are proposed affect outside interests and it is desirable to provide a basis for consultation with them. Moreover, as the letter of 14 January from the Prime Minister's Private Secretary (about the handling of "Rayner" projects) pointed out, there is positive advantage for us in being open about the release of material which is designed to give evidence of the way in which we are tackling the problems of making administration more efficient.

6. I believe that the guidelines which should apply to the release of "scrutiny" material are consistent with those which I suggested in my letter of 20 February for staff inspection and other internal management reports. A staff inspection report or a report by a management services' team is like a "draft" of a "scrutiny" report since at that stage the material constitutes advice to Ministers and senior management. The release of a final and edited version of a "scrutiny" report, including a note of intended action, would parallel the release of a document describing what had been examined in the course of, for example, a staff inspection and the action which was to follow it. It is, I understand, consistent with the action which Patrick Jenkin is taking over the "scrutiny" report on the payment of social security benefits.

7. What we must avoid is a situation in which we are forced to accept that Select Committees should be given, at their request, internal documents without excluding material which a Minister does not wish to release and wishes to treat as internal advice to himself. As you know, the need to re-examine some points in the draft Memorandum of Guidance for officials appearing before the Select Committee has meant that it has yet to be formally issued in its revised form. But that makes it clear that documents which constitute internal advice to Ministers will not be released and the Select Committee on Procedure did not question this.

8. In your letter of 27 February to me, you canvassed the possibility of applying the "sidelining procedure" to staff inspection and other reports of a similar nature. My own view is that it is doubtful whether Select Committees would readily accept this, or that it would be to our advantage to handle the matter in

X | this way. Of course confidentiality should be maintained by sidelining where the document concerned is classified (eg in the defence field) or the discussion is dealing with classified matters. But I think that we should find it very difficult to convince Committees or the House that sidelining was appropriate in the case of unclassified material dealing with matters of departmental management. Surely it would be far better for us to take up the position that we are not prepared to release on demand documents which constitute internal advice to Ministers. Instead, we are prepared in appropriate cases to provide Committees with information about action which has been taken in relation to the management of a department. This may or may not include material drawn from internal reports according to the way in which the Minister concerned considers it to be appropriate for him or officials on his behalf to give an account of the position to the Select Committee.

9. In his letter to me of 6 March, Patrick Jenkin mentions the arrangements for consulting Departmental Staff Sides on staff inspection and other reports. In my letter of 20 February, I acknowledged that this was a factor which we had to bear in mind, but we must do our best to steer a course between these conflicting requirements. We have a management obligation to consult the representatives of our staff in the internal process of forming our views on matters which affect them and Parliament should represent this. There is always a risk of leakages and unfortunate incidents as a result of these consultations and we need to exercise prudence over the way in which they are handled. At the same time, it is in the interests of the Staff Side not to abuse these consultative procedures. If they were to do so then we should need to consider them. So far as I am aware we have not had problems with leakages with this kind of document.

10. If you and other colleagues are content with the approach which I am recommending, then there is no need for us to discuss the matter. But if colleagues have any doubts about this course or the ability of Ministers to sustain it with their Select Committees, then I suggest that we should meet quickly to consider the position in H Committee. Christopher Price has tabled a PQ for answer on 19 March inviting us to review the guidelines for Government departments for the provision of evidence to Select Committees. I should therefore be grateful if any comments could reach me by close of business on Thursday, 13 March.

11. I am copying this letter to members of the Cabinet and Norman Fowler, and to Sir Robert Armstrong and Sir Derek Rayner.

PAUL CHANNON

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10 MAR 1960



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

10 March 1980

Dear Nick

The Chancellor of the Duchy has asked me to let you know that he is seeing Mr du Cann this evening at 7.15 about the matter of Sir Derek Rayner's attendance before the Select Committee for Social Services. This is the earliest time which Mr du Cann could manage.

I will let you know how matters progress.

I am copying this to David Wright (Sir Robert Armstrong's Office).

John Stevens
J W STEVENS
Private Secretary

N Sanders Esq
Private Secretary
10 Downing Street
London
SW1

Parliament

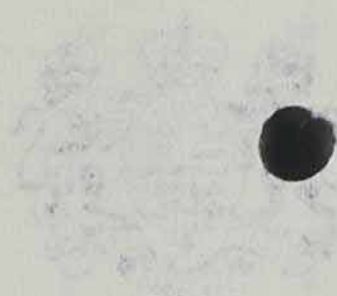
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PRINCE GEORGE OFFICE
WHITEHALL LONDON SW1A 2AL



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10 MAR 1980

No action -
overtaken

WJS

MAR 11/3

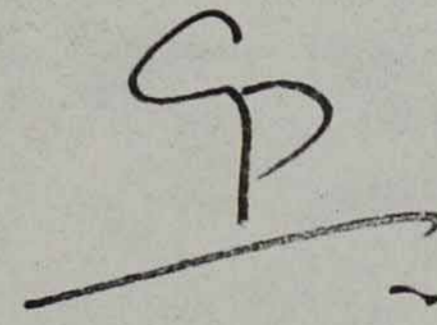
Mr WRIGHT

cc for information

Mr Pattison
Mr Brereton (DHSS)
Mr Stephens (CDL)
Sir Derek Rayner

SELECT COMMITTEE ON THE SOCIAL SERVICES

- 1 In case the outcome is that Sir Derek Rayner does appear before the Select Committee along with the Secretary of State and Mr Warner on Wednesday, it would be helpful to decide exactly how he should be advised to behave.
- 2 It would presumably be sensible for Sir DR to make an opening statement after the one which I believe the Secretary of State has in mind to make. A draft is attached for this purpose, on which you (and others) may like to comment. Sir DR has specifically asked that the thought in para 6 should be included.
- 3 Is Sir DR to be advised to refuse to say anything else?
- 4 We have, I think, already established that it is for the Secretary of State and Mr Warner to deal with questions on matters lying within the former's responsibility and for him to decide on. Sir DR could stand pat there.
- 5 If however he were asked a more general question, eg whether he thought that all the possible options had been considered or what he thought about the dependence of country post offices on DHSS and other operations, it might appear ridiculous if he refused to say anything at all.



C Priestley
10 March 1980

(233 8224)

ENC: Possible draft statement

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11 MAR 1980

1. It may help the Committee if I make a statement, to explain my standing in this matter and the extent of my involvement. I think it particularly important to make my position clear because, despite everything that has been said to explain it, by the Secretary of State among others, it still appears to confuse some people. I should prefer not to waste the Committee's time and my own by repeating here the information I gave to the Select Committee on the Treasury and the Civil Service on 20 February about my assignment as a whole, and which will be published by them, but you and your colleagues should not be under any misapprehension about my role.

2. The work done by Mr Warner and his two colleagues was commissioned last June by the Secretary of State. It was one part of a wider exercise. The Government embarked on this exercise following advice I had given that one of the best ways of approaching the question of efficiency I knew of was to take a particular function or activity and ask searching and radical questions about it. The purpose of doing this was to find out why a piece of administration was done at all, why it was done as it was and what it cost; to achieve reform where reform was shown to be necessary; and to draw out any lessons of wider application.

3. That "wider exercise" consisted in all of 29 so-called "Rayner projects". Each was commissioned by a departmental Minister. Each was carried out by a departmental official or by a small team as in the DHSS and a few other cases. Each was set up and conducted in consultation with me. That is to say:

- I agreed with each Minister the terms of reference for his project.
- I met the officials doing the work, collectively on three occasions and some individually.
- I visited some locations with some of the officials, including a visit to the Hoxton Social Security Office in the case of this project.
- I was consulted about the findings as they began to emerge.
- And in each of the 29 projects, I offered the Minister my comments and advice on the officials' draft report when they submitted it to their Minister and also to me.

4. My responsibility has therefore been a co-ordinating and advisory one. "Co-ordinating", in the sense that

it was my job to make sure so far as I could that the 29 projects were conducted with a reasonable consistency between departments and "advisory" in the sense that I had also, and wished, to offer advice from an independent viewpoint during the officials' fieldwork and on their proposals.

5. I hope that this explanation clearly establishes my role in this and the other "Rayner projects".

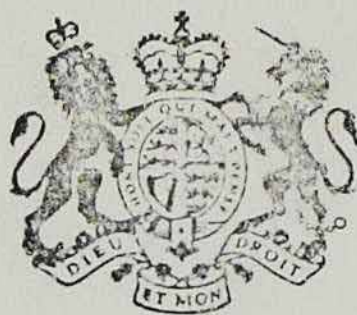
I should however like to make two additional points, one specific to Mr Warner's project and one general to my part in this and the other 28 projects.

6. First, the substance of Mr Warner's draft report is before the Committee. I regard the work done by him and his colleagues as not only meeting the general requirements of the whole exercise, but as of first class quality. It was an excellent piece of project work and I am bound to say that I am proud to have been associated with it.

7. Secondly, the Committee may have it in mind to ask me about the detailed advice I gave on this project to the Secretary of State. My detailed advice is his property. I understand that the convention is that it would be wrong for me to breach the confidence in which it was given. Although I have no objection to my advice being made generally available at the right time, it is not open to me in this or any one of the other 28 projects ^{prematurely} to divulge the advice I gave on the draft reports. I am sure that the Committee will recognise and respect this.

DEREK RAYNER

12 March 1980



10 DOWNING STREET

From the Principal Private Secretary

SIR IAN BANCROFT

Select Committee on Industry and Trade

I have shown the Prime Minister your minute of 6 March 1980, and she was grateful for your advice on the suggestion that she might submit evidence on the organisation of the Departments of Industry and Trade to the Select Committee on Industry and Trade.

She has made a number of amendments to the draft letter for the Secretary of State for Trade to send to the Chairman of the Select Committee, and I now attach a copy of my letter to Mr. Nott's Private Secretary, together with a copy of the revised draft letter to the Chairman of the Select Committee.

C. A. WHITMORE

10 March 1980



10 DOWNING STREET

From the Principal Private Secretary

10 March 1980

Dear Sir,

SELECT COMMITTEE ON INDUSTRY AND TRADE

Thank you for your letter of 29 February 1980 in which you raised the question of the Prime Minister submitting written evidence to the Select Committee on Industry and Trade about the organisation of the Departments of Industry and Trade.

I have consulted the Prime Minister, and she has concluded that it would be undesirable for her to give evidence, whether oral or written, to Select Committees. If a Select Committee asks for evidence on machinery of government matters, she would prefer the departmental Ministers concerned to respond, making it clear that he does so with her approval. On this occasion, therefore, she would like Mr. Nott to submit evidence to the Industry and Trade Select Committee, and I attach a draft of a letter which he might send to the Chairman of the Select Committee.

I am sending copies of this letter to George Walden (FCO), Ian Ellison (Industry), John Stevens (Chancellor of the Duchy's office), David Wright (Cabinet Office) and David Laughrin (CSD).

Yours ever,

Sheila Whittman.

S. Hampson, Esq.,
Department of Trade.

LEFT LETTER FROM THE SECRETARY OF STATE FOR TRADE TO THE CHAIRMAN
OF THE SELECT COMMITTEE ON INDUSTRY AND TRADE

As you know, I am eager to help the Committee in any way I can and I have, therefore, asked my department to prepare notes on the matters on which the Committee have asked for further information. If it would be helpful, I should be glad to appear before the Committee again to answer questions on the notes.

There is one matter on which I thought it best to write to you myself rather than to deal with the point in a departmental note. This concerns the question whether the Departments of Trade and Industry should or should not be merged.

You will remember that the former Department of Prices and Consumer Protection was merged with the Department of Trade. I understand that as it was not wished to recreate a very large department so soon after the old DTI had been broken up, the Departments of Trade and Industry were left separate. This arrangement is working well, and the Prime Minister has no plans to change it.

Obviously there is nothing I can add to what is said above about the Prime Minister's views and, as I am sure you will understand, it would not be profitable, therefore, for the Committee to invite me to appear before them to amplify the contents of this letter.



CP

CABINET OFFICE

With the compliments of
Sir Robert Armstrong KCB, CVO
Secretary of the Cabinet

C.A. Whitmore, Esq.

70 Whitehall, London SW1A 2AS
Telephone: 01-233 8319



Mr. Gammie
Mr. Gammie MS

to see,

ML

10 22

CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

Ref. A01631

P.A.

ML

CHANCELLOR OF THE DUCHY OF LANCASTER

I have spoken to you about the matter of Sir Derek Rayner's attendance to give evidence to the Select Committee on Social Services on Wednesday, 12th March about the arrangements for paying social security benefits and the effects of change upon the Post Office.

2. The Select Committee on Social Services decided on 5th March that they would devote their next two meetings to a quick study of this matter. The terms of reference of this study are:

"To examine the proposals in the Rayner study relating to benefit payments as they affect payment beneficiaries and the Post Office".

The Select Committee has been given a memorandum summarising the main conclusions and recommendations of the team of officials which conducted the study.

3. The Select Committee decided that they would wish to take evidence from Sir Derek Rayner. Sir Derek Rayner has of course already given evidence to the Select Committee on the Treasury and Civil Service, but this evidence was of a general character and not related to particular projects. The summons from the Select Committee on Social Services is a rather different matter. The Select Committee is studying a particular Rayner project. That project was not itself conducted by Sir Derek Rayner, though it was one of the projects carried out in accordance with the general programme which he had recommended to Ministers. The view was taken that the advice which Sir Derek Rayner had given the Secretary of State for Social Services - which he would not be at liberty to disclose to the Select Committee - was only one part of the advice which the Secretary of State had

available to him in considering the matter, and that, if anybody was to be examined on the matter, it should be the Secretary of State or one of his Ministerial colleagues and his departmental officials. Sir Derek Rayner made it clear that he was very unwilling to attend to give evidence on the matter, not only because he was not a principal in the matter at issue but also because, if he were to attend one such Select Committee on a particular project special to a particular spending Department, he would be at risk of having to give evidence to all the Select Committees on all his projects. This would not only be wrong in principle but it would be an intolerable burden in practice.

4. Accordingly the Clerk to the Select Committee was informed that it was the view of the Secretary of State that it would not be appropriate for Sir Derek to be asked to give evidence on the subject. Changes in the frequency and method of payment of social security benefits were a matter for DHSS Ministers; the decision to institute the study was theirs, and it was now their responsibility to arrange for consideration of its conclusions. Sir Derek's role had been as an adviser to the Secretary of State, and he would not be at liberty to discuss with the Select Committee the confidential advice he had given. The Secretary of State therefore considered that evidence about the study should be taken from him and his Department.

5. Despite this, the Select Committee insisted on seeing Sir Derek Rayner and made it clear that they would be prepared to make a public issue of the matter if they were not permitted to do so. They were, however, prepared to accept a proposition that he should appear with a DHSS Minister, in the capacity of one of the team of advisers, rather than give evidence separately about the report. A session of evidence for this purpose has been arranged, at considerable inconvenience to Sir Derek Rayner, on Wednesday, 12th March at 4.30 pm.

6. Sir Derek Rayner is extremely put out by this decision of the Select Committee, which he regards as wilful and damaging, in that it lays him open to summons by the other Select Committees. He has no difficulty over the Select Committee on the Treasury and the Civil Service, which has a legitimate interest in what he thinks; but preparing for and attending other

Select Committees, where he is not a principal but an adviser, is in his view entirely another matter. He thinks that it is totally unreasonable for Select Committees to seek to oblige an unpaid general adviser to attend their enquiries into departmental matters. If he had to appear before every departmental Select Committee which looked into a Rayner project, the burden on his time would be such that he could well find himself obliged to resign his appointment as an adviser to the Government.

7. Sir Derek Rayner's views have been reported to the Prime Minister. She shares Sir Derek Rayner's view that the Select Committee's insistence in summoning him is unreasonable. Though the particular study was done as a result of his general recommendations, the study itself was conducted by an official of the DHSS, and it is that official whom it is appropriate for the Select Committee to summon to give evidence on this particular Rayner project. She does not think it tolerable that Sir Derek Rayner should be summoned for this purpose. She considers that this is an issue on which it is necessary for the Government to take a stand against the unreasonable assertion of authority by the Select Committee. Accordingly she has asked me to invite you to seek to persuade Mr. du Cann that matters should be arranged in such a way as to ensure that the summons to Sir Derek Rayner to appear on 12th March is withdrawn. You are, I know, arranging to talk to Mr. du Cann about this at the earliest possible opportunity.

8. My understanding of the position on the Select Committee is that the Chairman, Mrs. Renee Short, is sympathetic to the line which was taken by the Secretary of State for Social Services when he said that Sir Derek Rayner's appearance would not be appropriate. It is being insisted upon by the Conservative members of the Select Committee, led by Mr. Rees-Davies, MP, who want to get at Sir Derek Rayner because they feel that his advice in this matter has misled the Government.

9. Clearly the best outcome of this would be that Mr. du Cann should persuade the Select Committee not to press the summons to Sir Derek Rayner.

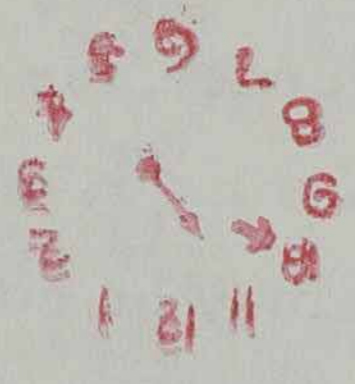
10. If they cannot be persuaded, then it will be for consideration whether Sir Derek should be advised to refuse to answer the summons and we should face the Parliamentary row that would no doubt ensue. The Prime Minister thinks that the Government would have a very good case to put to Parliament and a wider public that it was in every respect unreasonable for a Select Committee to insist upon summoning an unpaid general adviser for a study of a particular project on which evidence could better be given by the official who had actually carried the project out.

11. More generally, she thinks that the Cabinet may well need to consider whether it is reasonable for a Select Committee to be able to summon any named official whom it chooses. Every Minister is responsible for every aspect of affairs in his own Department. A Minister cannot refuse to appear before a Select Committee. If a Select Committee wishes to summon officials or advisers, the Minister should have the right to say what officials or advisers should represent him for the purpose of giving evidence, or indeed to choose to give evidence himself, with or without accompanying officials of his own choice. The Prime Minister thinks that the time may be coming when it will be necessary to establish this principle by whatever means are appropriate.

12. The Prime Minister also thinks that, if Sir Derek Rayner were to appear before the Select Committee on 12th March, he should decline to answer questions about the Rayner project in DHSS, on the grounds that he was not responsible for carrying that project out, and should refer questions back to the Minister and the official in charge of the project. It might be appropriate for you to tell Mr. du Cann that Sir Derek Rayner would be obliged to take up that position if he gave evidence, for the purposes of his talks with the majority leader and Chairman of the Select Committee.

ROBERT ARMSTRONG

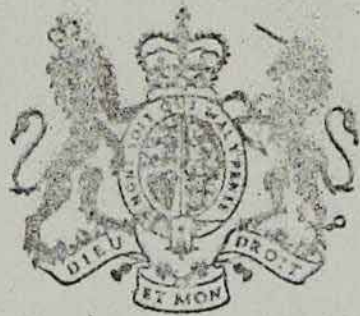
7th March, 1980



-8 MAR 1980

CONFIDENTIAL

JCS.



10 DOWNING STREET

From the Private Secretary

7 March 1980

DEPARTMENTAL SELECT COMMITTEES:
ADVANCE COPIES OF COMMAND PAPERS

The Prime Minister has seen a copy of Mr. Channon's letter to the Home Secretary dated 6 March. She has commented that in her view, the present arrangements for the distribution of CFRs should not be extended in the way proposed.

I am copying this letter to the Private Secretaries to members of the Cabinet, including the Minister of Transport, and to Murdo Maclean (Chief Whip's Office) and to David Wright (Cabinet Office).

N. J. SANDERS

G. E. T. Green, Esq.,
Civil Service Department.

CONFIDENTIAL

LB

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 3JQ

01 211 6402

CONFIDENTIAL

Rt Hon Norman St John Stevas MP
Chancellor of the Duchy of Lancaster
Privy Council Office
Whitehall
LONDON SW1

7 March 1980

Dear Norman

RELATIONSHIP WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

I have read with much interest Paul Channon's letter to you of 20 February on the disclosure of documents to the Select Committees.

I strongly endorse the line taken by Paul Channon as supported by Nigel Lawson in his letter of 29 February. We have not yet encountered this particular problem in our dealings with the Select Committee on Energy whose requests thus far have been met by specially prepared memoranda. However, we could well encounter similar requests. I entirely support Nigel's view that to accede to the request of the Select Committee on Education and Science would create a precedent for other Committees seeking internal management documents or disclosure of official advice to Ministers.

I am inclined to think that it would be premature to escalate this case into a general issue at this stage in the work of the Committees. Meanwhile, we should resist firmly requests for internal management documents and should continue to offer specially prepared memoranda dealing with particular subjects.

I am copying this letter to recipients of Paul Channon's.

D A R HOWELL

Howell
David

2 apps

MAP

*Chiv 10:00
Might like to see this
+ letter below*

MAP 7/3

MS



17 MAR 1950

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2-11-50

MR C A WHITMORE

SELECT COMMITTEE ON INDUSTRY AND TRADE

You asked for my advice on the letter of 29 February from the Secretary of State for Trade's Private Secretary about the Industry and Trade Committee's request for evidence on the merits of merging the Departments of Trade and Industry. You also asked me to consider how requests from Select Committees in general for evidence about the machinery of government might be handled.

2. First, however, there is the question whether machinery of government matters are within the Committee's scope. The House decided the Committees' terms of reference and questions about what is or is not within their scope can, ultimately, be settled only by the House. But my own view is that Committees can, if they wish, legitimately examine aspects of the machinery of government to the extent that they affect the "expenditure, administration and policy" of the departments they mark.

3. I am aware of no modern precedent for a Prime Minister while still in office giving oral or written evidence to a Select Committee on machinery of government. You may recall that the Expenditure Sub-Committee on the Civil Service examined the boundary between the CSD and the Treasury. But the Prime Minister of the day (Mr Callaghan) did not give evidence, although former Prime Ministers and senior officials answered questions on this topic.

4. In my view, it would be undesirable for the Prime Minister to give oral or written evidence to Select Committees. There are three reasons. First, the allocation of Ministerial responsibilities is decided by Prime Ministers by reference not only to policy and organisational considerations but also to personalities and politics. Second, it seems to me that the Prime Minister is answerable only to the House itself for her decisions on the selection of Ministers and the allocation of responsibilities between them. Third, if the Prime Minister were to give evidence to the one Committee, the others would be likely to make similar calls upon her and it might prove difficult to confine any oral questioning to machinery of government matters.

5. I suggest, therefore, that as a general rule:

(a) every effort should be made to dissuade Select Committees from examining machinery of government questions;

(b) the Prime Minister should decline to give oral or written evidence to Select Committees;

(c) if a Select Committee requests evidence on machinery of government matters, the departmental Minister concerned should respond, making it clear that he does so with the Prime Minister's approval;

(d) any such response should, so far as possible, be made in writing.

Prime Minister.

This is Sir John Bancroft's advice on Mr Nott's suggestion that you might let the Select Committee have a note on the organisation of the Departments of Trade and Industry. I very much agree with his paragraphs 4 and 5. Agree that Mr Nott should write to the Chairman of the Select Committee, as proposed?

Attached.

AMH 7:00

It could be argued that the Treasury and Civil Service Committee represents a special case because the Prime Minister is both First Lord and Minister for the Civil Service. I suggest, however, that those considerations are outweighed by the arguments in paragraph 4 above and that an exception should not be made, therefore, for the Treasury and Civil Service Committee.

6. If the Prime Minister agrees with the general guidelines suggested in the previous paragraph, she might care to inform her colleagues by, say, mentioning them at Cabinet or in a letter copied to all of them. Alternatively, with her approval, a short paper could be put to H Committee.

7. The other question which you asked for advice concerns the response that might be made to the Industry and Trade Committee's request for evidence about the merger of DOT and DOI. The Prime Minister has, of course, made one important change in this field by amalgamating DPCP with DOT.

8. Undoubtedly, there are arguments in favour of recreating a unified Department of Trade and Industry. For example, there is a case for saying that DOT's responsibilities for the protection of shareholders, consumers, creditors and so on should be brought together and reconciled with DOI's responsibilities for the promotion of industrial development and the sponsorship of individual industries. But, on the other hand, it may be better to have these interests represented by different Secretaries of State and to reconcile any conflicts that arise outside the confines of a single department. Similarly, there is a balance to be struck between the arguments for bringing together and for keeping apart the DOT's responsibilities for overseas trade regulation and promotion and DOI's responsibilities for domestic industrial policy and relations with industry. Moreover, the advantages of bringing together shipping and ship building responsibilities or civil aviation and the aerospace industry in one department can be countered by, for example, the case for putting ship building and civil aviation into the Department of Transport.

9. However one strikes the balance between arguments of the kind illustrated in the previous paragraph, there is also the question of the load which would fall on the Ministers and senior officials of a reunited DTI. The experience of the old DTI was that the burden was very heavy because of the wide span of policy responsibility, in many areas of which there is a high degree of political interest. As a consequence, there was a tendency for a number of major "crises" to occur simultaneously and it was difficult for Ministers and senior officials to give, and to be seen to give, the necessary amount of attention to each of them. It was partly as a response to this problem that in the later period of the old DTI, a second Cabinet Minister was appointed. If that device were to be employed again, it would inevitably go some way to undermine the advantages of concentrating responsibility in the hands of a single Secretary of State, which would be the main reason for wishing to re-establish a single department.

10. Finally, there are the inevitable penalties in terms of efficiency which accompany any major organisational change. Ministers, and their staff, are deflected from their strategic and tactical objectives by the task of managing the structural changes.

11. What I have said in the previous two paragraphs illustrates the difficulty and undesirability of discussing machinery of government questions at all with Select Committees. But some response is required to the Industry and Trade Committee's request for evidence. I suggest that it should be handled in line with the proposals made in paragraph 5 above. In that event, the Prime Minister would ask the Secretary of State for Trade to write to the Chairman of the Select Committee along ... the lines of the attached draft letter. While the Committee would be able to treat the letter as "evidence" and to publish it, I think it would be greatly preferable to handle the request in that way rather than by submitting a formal memorandum.

12. I am sending copies of this minute to Sir Robert Armstrong and to Mr John Stevens.

IB

IAN BANCROFT
6 March 1980

DRAFT LETTER FROM THE SECRETARY OF STATE FOR TRADE TO THE CHAIRMAN OF THE SELECT COMMITTEE ON INDUSTRY AND TRADE

As you know, I am eager to help the Committee in any way I can and I have, therefore, asked my department to prepare notes on the matters on which the Committee have asked for further information. If it would be helpful, I should be glad to appear before the Committee again to answer questions on the notes.

There is one matter on which I thought it best to write to you myself rather than to deal with the point in a departmental note. This concerns the question whether the Departments of Trade and Industry should or should not be merged. ~~As this is a question about the machinery of government, I have consulted the Prime Minister about it, since all such questions are a matter for her decision.~~ *Prime and Consumer*

Formerly P.M. would merge with the former Dept of Commerce and then was merged with Trade, the Department of Trade
~~There are, of course, arguments in favour of a unified department to deal with trade and industry. But for each argument in favour, there are others against. In allocating responsibilities between Ministers, the Prime Minister strikes a balance, taking account of current needs, priorities and policies. It was the Prime Minister's view that the balance of advantage lay with the amalgamation of the Departments of Trade and Consumer Protection. But her conclusion was, and remains, that in current circumstances, the balance of advantage lies with the present allocation of responsibilities between the Secretary of State for Industry and me. The Prime Minister has no plans to change these arrangements but would, of course, review them if circumstances were to change.~~ *It was not wished to create very large departments so soon after they had been broken up, Trade and Industry included.*

Obviously, there is nothing I can add to what is said above about the Prime Minister's views and, as I am sure you will understand, it would not be profitable, therefore, for the Committee to invite me to appear before them to amplify the contents of this letter.

As I understand that - as it was not wished to create a very large department - so soon after the old DTI had been broken up, the Department of Trade and Industry was left separate. This arrangement is working well, and the P.M. has no plans to change it.

PERSONAL

1
cc for information

Mr Wright

Prime Minister.

This minute was not intended for submission to you but was meant to give us advance warning of trouble ahead. However, I think that you should know at once what is happening. This is only the latest

MR PATTISON

example of the way in which the new Committees are spreading their wings. You will need to consider whether to make a stand with them over Sir Derek Rayner. If you are going to, it makes sense to do so before his planned appearance on 12 March, rather than after. Sir Robert Armstrong would like to discuss this with you, and I have arranged for him to come at 10.15 tomorrow Friday. Are you content to see him?

Yes - I will not talk to him.

1. The Select Committee has decided to inquire into the arrangements for paying social security benefits and the effects of change on the Post Office.
2. It will take oral evidence from the Secretary of State for Social Services and Sir Derek Rayner on 12 March and from the Post Office on 19 March.
3. The background is that, after consultation between Sir Robert Armstrong and Sir Derek Rayner, leading to a letter from Sir Robert Armstrong to Mr Jenkin, the Secretary of State has tried to head the Select Committee off Sir Derek Rayner but offered, as a fall-back position, the possibility of Sir Derek Rayner's attending with a Minister in his capacity as an adviser. The Select Committee was apparently very indignant about being headed off but in the end decided to accept the fall-back. I understand privately that the Chairman, Mrs Short, was very sympathetic to the line taken by the Secretary of State.
4. This minute is to let you know on a personal basis that Sir Derek Rayner is extremely put out by this decision of the Select Committee, which he regards as wilful and damaging, in that it lays him open to summons by the other Select Committees. He has asked me to prepare a minute to the Prime Minister as a basis for a meeting. The message it will convey is that he would find such very great difficulty in responding to similar summons in the future that he might be forced to offer his resignation.
5. The essential points are that Sir Derek Rayner is running the Marks and Spencer operation as well as doing this job for the Government. His responsibilities at M&S have been in no way diminished; indeed they have been added to; and for reasons which I can explain orally they are at present very onerous. It is a marvel to see that on top of his workload at M&S he can do so effective a job down here.
6. As you know only too well, Parliamentary appearances are very time- and energy-consuming. Sir Derek Rayner has no difficulty over the Select Committee on the Treasury and the Civil Service, which has a legitimate interest in what he thinks, but preparing for and attending other Select Committees, where he is not a principal but an advisor, is entirely another matter. Apart from the important

issue of principle - whether it is reasonable for Select Committees to oblige an unpaid general adviser to attend their inquiries into departmental matters - there is an issue of convenience and the effective use of the time available.

7. The attendance on 12 March means shifting a Board meeting at M&S, to the inconvenience of Sir Derek Rayner and his colleagues. But that is less important to him than the erosion of time which he could use productively in Whitehall.

8. In sum, Sir Derek Rayner may well say to the Prime Minister that he would have seriously to consider resigning if no accommodation could be reached with Parliament.

Sp

C PRIESTLEY

6 March 1980



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Handwritten text, possibly a signature or name, which is very faint and difficult to read.



Minister of State

PRIME MINISTER
To see this exchange
of correspondence. It seems to
me to be pure rubbish to suggest

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

H/C Procedure

The Rt Hon William Whitelaw CH MC MP
Home Secretary
Home Office
Queen Anne's Gate
LONDON SW1

that Select Committees should
see CFRs of all Command Papers
when the official Opposition
don't get them. Do you agree?
MS

6 March 1980

Dear Willie

I see no reason to extend the
present arrangement - a lot of trouble
if we attempt to do so now

DEPARTMENTAL SELECT COMMITTEES: ADVANCE COPIES OF COMMAND PAPERS

I am writing to you as Chairman of the Home and Social Affairs Committee about a question that has been put to my officials by those whom Departments have appointed to act as Liaison Officers with the Select Committees. The question is whether advance copies (CFRs) of Command Papers should be made available to Select Committees. At the request of the Liaison Officers, CSD wrote round to Departments to invite initial views on what practice they thought should be adopted. Angus Maude has written to me expressing his disquiet at the possibility of making CFRs more widely available. A copy of his letter is attached. The Chief Whip has also said that he agrees with Angus Maude.

I have no strong views on this issue, and my Department were merely seeking views. I can certainly see the force of Angus Maude's arguments and - as Norman St John-Stevas has mentioned to me - Opposition front bench spokesmen might well not take kindly to back-bench members of Committees dealing with the subjects on which they speak receiving the text of Command Papers before they did themselves.

This is a sensible exception for good reason

On the other hand, CFRs are already provided to Select Committees, and 48 hours in advance of publication, in the case of Command Papers replying to Committees' own reports. This is an instruction contained in the old Memorandum of Guidance for Officials, which was published as an Annex to the Procedure Committee's Report. Are we really to withdraw this well-known arrangement, which is included in the draft revised Memorandum of Guidance? (The revised version has not yet been issued because we are dealing with a point on it raised by the Prime Minister's Office.)

The question therefore is whether the existing arrangements should be extended. The new Select Committees may well argue that - whereas the old Select Committees could only claim a

special interest in the replies to their own reports - their remit now covers the total activities of the Departments they mark, and it would be reasonable therefore for them to have advance copies of Command Papers whether or not they arise directly from Committee initiatives. We must consider whether for Ministers to refuse requests for advance copies would worsen the already difficult relations with some Committees.

Obviously it would be necessary to reserve the right to refuse to provide CFRs of particularly sensitive papers and, no doubt, to resist requests for the same document from more than one Committee. I think we must all take a consistent line on this point. I believe it has already become a live issue as at least one Select Committee Clerk has recently expressed an interest in receiving CFRs of White Papers. So I am writing to you in this way.

Perhaps when we have seen colleagues' views, you could decide if a discussion in H Committee would be desirable?

I am sending copies of this to members of the Cabinet and Norman Fowler and to Sir Robert Armstrong.

PAUL CHANNON

✓
10/1
Paul

PS A further possibility might be that we should send CFRs only to the Select Committee Chairmen? Whatever is decided, I do think we must all adopt the same approach.

P.C.



M/S 21 Feb 1980. E 22

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

21 February 1980

Paul Channon, Esq MP
Minister of State
Civil Service Department
Old Admiralty Building
Whitehall
SW1

Dear Paul,

I have been greatly disturbed by a letter which has been sent by Miss Dickinson of your Department to Liaison Officers to Select Committees. This letter proposes that Confidential Final Revise copies of Command Papers should be made available to Members of Select Committees either 24 hours or 48 hours in advance of publication. The proposal has been put forward without any apparent consideration of the much wider issues arising from the long-standing arrangements for the provision of Confidential Final Revises.

As you will know, it has for long been the practice for a strictly limited number of Confidential Final Revises to be made available to Lobby Correspondents (and occasionally, with the agreement of the Prime Minister's Press Secretary, to other specialist groups of journalists) to allow the media time to prepare accurate reports of those papers. The normal requirement is for 200 copies.

In recent years there have been many requests for the Confidential Final Revises system to be extended to Members of Parliament. These have been resisted by successive Governments because to distribute more than 600 Final Revises to MPs (and logically to all Members of the House of Lords as well) would destroy the system. Journalists would certainly question the embargo placed upon Command Papers if they knew that such a wide distribution had been made. Indeed, it is hard to see how the Government could maintain the embargo with the Press because the contents would be certain to be leaked.

The present proposal is to confine the distribution to Members of Select Committees to see whether it would bring any objections from the House as a whole. Given our knowledge of the intense pressure brought upon successive Governments to provide Confidential Final Revises to all MPs, I am quite certain that such a concession would lead to pressure for its extension - and once the principle had been breached our position would be indefensible. The possession of these papers by individual members of Select Committees would give them an unfair advantage over other MPs when, as often happens, Ministers introduce important White Papers with statements in the House.

The copies provided under the strict control of the Prime Minister's Office to the Lobby (and occasionally other specialist groups) are the only copies which normally go outside the

/Government

Government machine. The second category of Confidential Final Revise is dubbed 'administrative' and is provided strictly for the use of those Ministers and officials who will be directly concerned with the paper when it is published. It has been the practice for Ministers to exercise their discretion in sending an advance copy to an individual outside the Government directly affected by the contents of the paper but this is rarely exercised and in any case these copies are provided only a very short time in advance of publication. I think it is arguable, therefore, that Ministers may wish to send, just before publication, one copy of a Final Revise to the Chairman of a Select Committee, but I suggest that this should only be in the case of papers with direct relevance to the work of that Committee.

The Confidential Final Revises which are provided for the media always have an embargo which warns against an approach to any third party before publication time. Obviously, any extension of the system to MPs would destroy that very sensible safeguard. In my view it would destroy the whole system and ensure that publication time in fact becomes the moment when the Confidential Final Revises are issued. This would be entirely contrary to the interests of Government since it would militate against the considered reporting of the content of White Papers.

X | I am absolutely clear that the provision of Confidential Revise copies of Departmental Command Papers to Members of Select Committees must not be allowed to happen.

Finally, in case anyone is in doubt about the Confidential Final Revise procedures, they are set forth in detail in the booklet 'The Government Information Officer' on pages 20-23.

I am copying this to Norman St. John-Stevas and Michael Jopling.

Yours ever,

Angus

ANGUS MAUDE

701

8 9 10 11 12 1 2 3 4 5 6 7 8
APR 1980

APR 1980



10 DOWNING STREET

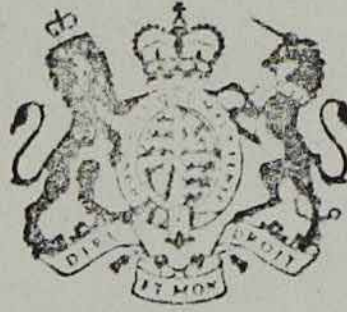
PRIME MINISTER

The attached letter from CSD seeks to make Confidential Final Revises of Command Papers available to members of Select Committees.

Please have no truck with the idea. We must NOT erode the present system which is valuable - and valued - to both Government and media.

Please see the Paymaster's letter, also attached. I have sidelined the important bits and the PM's advice (marked X) is clear.

Shyram $\frac{6}{13}$



✓ MAD

DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY

✓ MS

Telephone 01-407 5522

From the Secretary of State for Social Services

Paul Channon Esq MP
Minister of State
Civil Service Department
Old Admiralty Building
Whitehall
London SW1

6 March 1980

Dear Paul,

RELATIONSHIPS WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

Thank you for copying to me your letter of 20 February about the disclosure of documents to the Select Committee on the Department of Education and Science.

This specific instance raises as you say, points of general application. The first which has occurred to me is the danger inherent in releasing documents which are only in draft form. Reports may be discussed in draft within organisations as part of the process of formulating views on any given issue, and a draft may not necessarily reflect the final considered views of the organisations or any part of it. Draft reports seem to me to fall into the same category of document as the contents of files or internal minutes and the disclosure of these should be resisted.

The argument may not be so strong when related to the release of final reports. Here may I say that I do not think that a staff inspector who is worth his salt would necessarily be influenced in the way you suggest by the prospect of the publication of his findings; but it could perhaps work as awkwardly the other way round in some instances, ie that a strong-willed person might be encouraged by that prospect to pursue recommendations that were not on merit soundly based.

The argument which could operate in favour of disclosure of the final version of this type of reports is simply that the Select Committees would thereby be enabled to come to a more informed view of the work and structure of Departments than they would get from the proposed memoranda, and in the long run this could be beneficial. I hope that this view will not be lost sight of, even though I support your more cautious approach at least for the initial period of our contacts with these Select Committees, when both parties are to some extent "scouting-out" their ground. And I support also your other suggestions, that we may need to consider standing arrangements for dealing with matters of this kind, and that it would be sensible to have a word with the Chairman of the Liaison Committee.

E. R.

CONFIDENTIAL

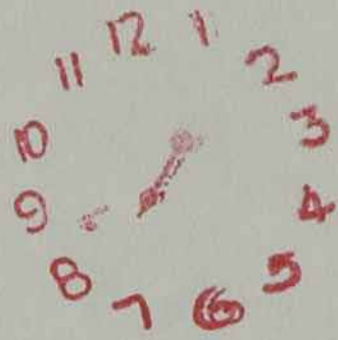
I would add just one other point. In common with several other Departments it is our practice to supply our Staff Side with copies of Staff Inspection reports (but not the draft versions). These are endorsed "management in confidence" but despite that I doubt if we could be entirely confident that a report would not reach a Select Committee via this source.

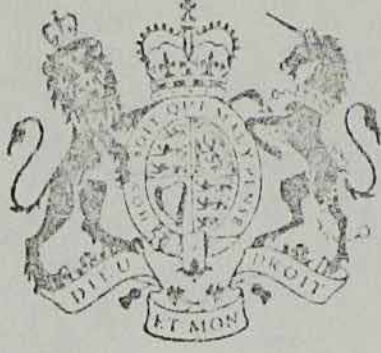
I am copying this letter to the recipients of yours.

Your ever
Patel

CONFIDENTIAL

- 6 MAR 1960





DEPARTMENT OF EDUCATION AND SCIENCE
 ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH
 TELEPHONE 01-928 9222
 FROM THE SECRETARY OF STATE

Paul Channon Esq MP
 Civil Service Department
 Whitehall
 LONDON SW1A 2AZ

5 March 1980

Dear Paul,

SELECT COMMITTEE: DISCLOSURE OF STAFF INSPECTION REPORT

You sent me a copy of your letter of 20 February to Norman St John-Stevas, in which you asked for my comments and to which Norman replied on 27 February.

I am content with the suggestion that I should reply in the first instance to the Select Committee's request for the staff inspection report on the University Grants Committee by offering to send them a memorandum describing the nature and scope of the exercise and the proposed action resulting from it. This can be done once the report is in a final form, probably in a few weeks time.

I am bound to say that I doubt whether this will satisfy the Committee. The Clerk has just told us that it intends to order its production and Christopher Price has written a piece in the New Statesman, praising his own ingenuity in asking for the document and seeing this as a precedent for more open government.

Since the Committee seem likely to press the matter I want to make it clear that it is not the Department of Education and Science who objects to the disclosure of the document: the reservations are the wider ones set out in your letter. My reply to the Committee's request would therefore have to make it clear that our stance is part of a general Government one. I think it will fall to you to provide detailed reasons for non-disclosure if that proves necessary.

I am copying this letter to the recipients of yours.

*Yours ever
 Mark,*

CONFIDENTIAL

MARK CARLISLE

5 MAR 1980



H8



AC CDD
CO

10 DOWNING STREET

From the Private Secretary

4 March 1980

B/F 7.3.80.

Chase?

Yes MAD 10/3

I wrote to you on 28 February about a request from the Select Committee on Energy to Sir Alan Cottrell to release to the Committee his letter to the Prime Minister on the choice of nuclear reactor.

I now enclose a letter from the Committee Clerk to this office asking the Prime Minister to agree to the release of the letter to the Committee.

We therefore now need urgently your advice on the points raised in my earlier letter together with advice as to how Clive Whitmore should respond to Mr. Harrison's letter.

M. A. PATTISON

John Stevens, Esq.,
Chancellor of the Duchy of Lancaster's Office.

JCS

~~M. Cottrell~~

Thank you.

MR. WHITMORE

I agree with X/ below. There is an increasing number of signs that the Select Comm are going to press their papers to send for papers and papers much further than we. before, and we must be clear where we are going

I told you that the Select Committee on Energy had asked Sir Alan Cottrell to let them see his letter to the Prime Minister. They are now asking us whether the Prime Minister is prepared to release the letter.

to draw the line and say 'no'.

AW
4"

I have asked for advice on our response. This correspondence is not damaging in itself, but we have to get the point of principle right when it is first tested. I think the Prime Minister is entitled to respect the privacy in which her correspondent undertook this exchange.

X/

MAP

4 March 1980



CABINET OFFICE

With the compliments of
Sir Robert Armstrong KCB, CVO
Secretary of the Cabinet

M. O'D. B. Alexander, Esq.

70 Whitehall, London SW1A 2AS
Telephone: 01-233 8319



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

h.c. [unclear]

Ref. A01575

LORD PRIVY SEAL

Thank you for your letter of 28th February, about evidence to the Select Committee on Foreign Affairs about the European Secretariat.

2. I am of course entirely content with your amendment: the sentence as drafted (because of our failure to delete the words "means that") does not make sense.

3. I am not content, however, with the heading to your letter, since the proposal (with which I think you agree) is that this should be evidence by the Foreign and Commonwealth Office, not by the Cabinet Office. It is important to maintain that distinction, for the reasons I gave in my minute to the Prime Minister.

A little odd since Sir Ian Mundy reproduced the heading to Sir R. Armstrong's own minute!

4. I am sending a copy of this minute to Michael Alexander.

Paul

ROBERT ARMSTRONG

4th March, 1980

15 MAR 1980



15 MAR 1980



CABINET OFFICE

With the compliments of
The Private Secretary to the
Secretary of the Cabinet

JWH
4/11
1 Mr Whitmore to
see
2 re ~~PPA~~ 4/3
3

70 Whitehall, London SW1A 2AS
Telephone 01-233 3000



DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

*cc M. Harrop
M. Pattison - notes*

Sir Robert Armstrong KCB CVO
Secretary of the Cabinet
Cabinet Office
Whitehall
LONDON SW1

CABINET OFFICE	
A	9679
.....	
- 4 MAR 1980	
FILING INSTRUCTIONS	
FILE No.

4. March 1980

Dear Robert,

Thank you for your minute of 3 March about the Select Committee on Social Services and Sir Derek Rayner.

As you have already been told by telephone, I agree generally with your views and Sir Derek's on this. I am arranging that when we send the Clerk of the Committee (later today) copies of the note we have prepared for them about the payments project, we should include in the covering letter a statement on the lines you suggest in paragraph 4 of your minute - though with some modifications in detail because no decisions have yet been taken on this project; we are committed, as a result of the House of Commons debate on 19 February, to consultation before we take decisions.

The fall-back position should I think be as in your paragraph 6 - viz that if the Committee insist on seeing Sir Derek, he should not give evidence separately but should appear as one of the advisers to the Minister (either Mrs Chalker or myself) appearing before the Committee.

I am copying this to the Chancellor of the Duchy of Lancaster, Sir Ian Bancroft and Sir Derek Rayner. I will see that you receive a copy of our communication with the Clerk of the Select Committee.

*Your
Robert*

- 4 MAR 1980



SELECT COMMITTEE ON ENERGY
COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA

01-219 (Direct Line)
01-219 3000 (Switchboard)

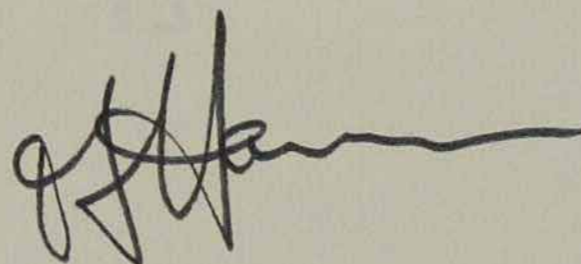
3 March 1980

Dear Private Secretary,

The House of Commons Select Committee on Energy recently asked Sir Alan Cottrell if he had any objection to supplying it with a letter of his to the Prime Minister on Pressure Vessel Integrity, providing this was acceptable to the Prime Minister. Sir Alan considers the letter the property of the Prime Minister; we are, therefore, instructed by the Committee to see if the Prime Minister objects to providing the Committee with a copy of the letter, in confidence, if necessary.

We understand Sir Alan has supplied you with a copy of his letter to us.

Yours sincerely,



D.W.N. DOIG (Clerk to the Committee)
D.F. HARRISON (Assistant Clerk)

The Private Secretary to the
Prime Minister,
The Prime Minister's Office,
House of Commons,
London S.W.1.



3 - MAR 1980



CONFIDENTIAL

1 NJS
2 CAW ^{MAJ} ^{DIS}
To see

cc Mr. Harrop
Mr. Pattison, No 10

CABINET OFFICE
A
Ref. A01585
- 5 MAR 1980
SECRETARY OF STATE FOR SOCIAL SERVICES
FILE No.

MAP
4/3

As you know, the Select Committee on the Social Services is to consider on 5th March whether to have an inquiry into the payment of social security benefits with the effect upon the Post Office of changing the frequency and methods of payment. I understand that, apart from summoning evidence from the Department, they propose to summon evidence from Sir William Barlow, the Chairman of the Post Office. The Clerk has also rung up to ask whether Sir Derek Rayner would be willing to attend. He is pressing for an answer.

2. Sir Derek Rayner has already given evidence to the Select Committee on the Treasury and the Civil Service. This evidence was, however, of a general character and not related to particular projects. He gave evidence with the Prime Minister's approval and encouragement. Another relevant fact is that the Manpower Services Commission, giving evidence to the Public Accounts Committee, is submitting written evidence which includes a copy of the advice given by Sir Derek Rayner to them.

3. I have discussed with Sir Derek Rayner the request which he has received from the Clerk to the Select Committee on the Social Services. This seems to both of us to be a rather different matter from either of the cases to which I have referred. The Select Committee would be asking for evidence about a particular Rayner project. The advice which he gave you - which he would not be at liberty to disclose to the Committee - is only one part of the advice which you had available to you in making your decision. If anybody is to be examined on the decision, on the considerations which led up to it, and on the way in which it is to be given effect, it should be you (or one of your Ministerial colleagues) and your Department. Sir Derek Rayner would be very unwilling to attend to give evidence

-1-

CONFIDENTIAL

CONFIDENTIAL

on this matter, not only because he is not a principal in the matter at issue, but also because, if he attends one Committee on a particular project special to a particular spending Department, he will be at risk of having to give evidence to all the Select Committees on all his projects. He considers - understandably - that this would be not only wrong but an intolerable burden.

4. I have discussed this with Sir Patrick Nairne, as well as with Sir Derek Rayner, and he agrees with my view that we should seek so to arrange matters that the Committee does not press for the attendance of Sir Derek Rayner. As you are the Minister responsible, I think that it has to be for you to take the view that it would be inappropriate for Sir Derek Rayner to attend, and so to advise Sir Derek Rayner. If, as I hope, you agree with this view, then I think that you would in effect be saying something on the following lines:

"Changes in the frequency and method of payment of social security benefits are a matter for the Secretary of State for Social Services. Though confidential advice from Sir Derek Rayner - which he would not be at liberty to discuss with the Select Committee - was no doubt one element in the Secretary of State's mind in reaching his decision, that decision was his, and both the formulation of the case for doing what was proposed and the preparations for putting the decision into effect were matters for him and for his Departmental officials. The Secretary of State would of course be willing, either himself or through his officials, to give evidence to the Committee on the proposed changes, the reasons for making them, the consequences of them, and the means to be adopted for putting them into effect. But it is for him and his Department to give this evidence to the Committee, and he considers, and has advised Sir Derek Rayner, that it would not be appropriate for Sir Derek himself to give evidence to the Committee".

5. If the Committee were still to press their point, I think that the next step would be for you to indicate that, while you remained of the view that it would be inappropriate for Sir Derek Rayner himself to give evidence, you would be

CONFIDENTIAL

CONFIDENTIAL

prepared to give the Committee some account of the Rayner project from which your decision originated. If the Committee were content with that, you could be supplied with a note of the evidence to be put in; this note would be agreed with Sir Derek Rayner.

6. If despite that the Select Committee were still to press, then we should face a choice between a refusal to respond to a summons, which might lead to the matter being raised on the Floor of the House and a vote, and an arrangement whereby you or one of your Ministerial colleagues gave evidence and Sir Derek Rayner was included as one of an accompanying party of advisers. This would at least enable Sir Derek Rayner to deal with questions which he could properly answer and deflect to a Minister questions about the confidential advice given to Ministers which he ought not to answer. Sir Derek Rayner would, with much reluctance, be prepared to go along with that as a last resort.

7. I am copying this minute to the Chancellor of the Duchy of Lancaster. If you and he agree, the next step will be that, when the Clerk once again approaches Sir Derek Rayner, he will say that he has consulted you and has been told by you that it would in your view be inappropriate for him to give evidence to the Committee, since this is a matter for you and your Department. What happened after that would of course be a matter of how the Committee itself reacted.

8. I am sorry to trouble you with this at a time when I know that you are under pressure on other fronts; but the Clerk of the Committee is himself pressing Sir Derek Rayner, and I should like to put Sir Derek in a position to respond one way or another during the course of tomorrow - and as early as possible.

9. I am also sending copies of this minute to Sir Ian Bancroft, Sir Patrick Nairne and Sir Derek Rayner.

ROBERT ARMISTEONG

3rd March, 1980

CONFIDENTIAL

Mr Whitmore to see

✓ Note: Sir RAN having told me today
but he was AC for information
he sent his P.M.'s
Mr Pattison
Mr Laughrin
Jin

MAD

3/3

MR WRIGHT

SELECT COMMITTEES AND SIR DEREK RAYNER

1. On 20 February Sir Derek Rayner gave evidence, mainly of a general character, to the Select Committee on the Treasury and the Civil Service. He did so with the Prime Minister's approval and encouragement. He thought the session largely a waste of time, but is content to return because the Committee's work is directly relevant to his.

2. I heard from the Clerk to the Select Committee on the Social Services on Friday that it is considering whether to have an inquiry into the payment of Social Security benefits and the effect of changing its frequency and method on the Post Office. (This of course arises from last year's "Rayner Project" in DHSS and the recent "controversy" master-minded by the National Federation of Sub-Postmasters.) The Select Committee will decide on Wednesday whether to go ahead; if they do, they propose to summon evidence from Sir William Barlow, DHSS (which is already preparing a memorandum based on the "Rayner Report") and Sir Derek Rayner.

3. The Clerk rang to ask whether Sir Derek Rayner would be willing to attend, although I understand that this is merely a formula to indicate that he will almost certainly be summoned. (By chance, Sir Derek Rayner can attend on neither of the days in mind, 12 and 19 March) We discussed this and the Clerk will ring again today for an answer. Sir Derek Rayner is very unwilling to attend, both because he is not a principal in the matter at issue and because if he attends one Committee on a matter special to a particular spending department he risks being landed with all of them.

4. I should be grateful for urgent advice on how to proceed.

5. It appears to me that as a matter of absolute principle Sir Derek Rayner can be made to attend any Committee but that, in summoning him, a Committee would miss the essential point that, under the "Rayner Projects" and the scrutiny programme:

- it is for a departmental Minister to decide what should be scrutinised and to appoint the examining officer;
- the examining officer, although he works in consultation with Sir Derek Rayner, works for his Minister;
- the advice given by Sir Derek Rayner is given in confidence and remains so, unless specifically released from confidentiality (see below).

6. All this is, incidentally, true of no less than 29 "Rayner Projects" in 1979 and 36 scrutinies in 1980, but you should note that the MSC is submitting a paper to the Select Committee on Public Accounts on the "Rayner Project" on the skillcentre network, which will include, verbatim Sir Derek Rayner's advice to the chairman and his Commissioners.

7. There appear to be these courses open to us:

a. Agree to go, but be awkward about dates. As already noted, Sir Derek Rayner cannot attend on the two so far mentioned, 12 and 19 March;

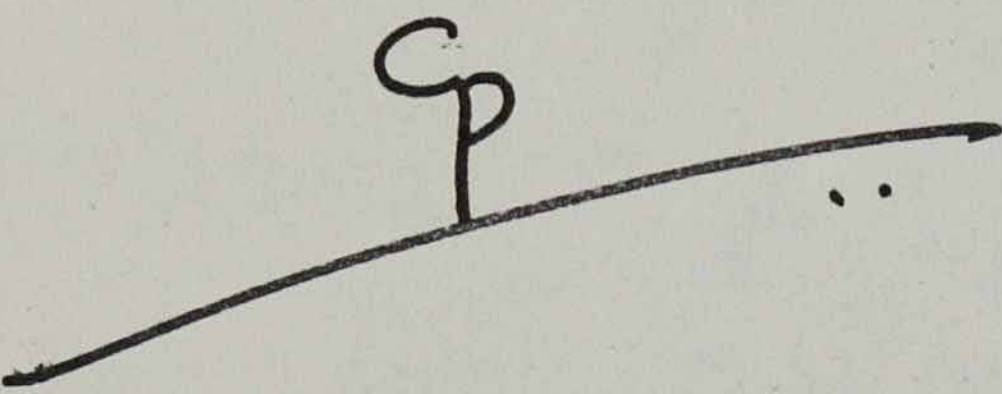
b. Agree to go, but make it clear that whatever was said could not include the advice given to Mr Jenkin, unless the latter agreed.

Both these courses concede the principle and mean that Sir Derek Rayner could not resist going to all the others, if called on.

c. Write to the Chairman, Mrs Short, offering a paper on the method of the "Rayner Projects" and on any questions which the Committee was interested in, but resisting attendance for the reasons set out in b. above.

d. For me to see Mrs Short on Sir Derek Rayner's behalf and try and do a deal based on c. above.

8. I should be grateful for advice today. If it would be helpful, Sir Derek Rayner might be free for a word with Sir Robert Armstrong about 4.30 this afternoon.


C PRIESTLEY

3 March 1980

3 - MAR 1980



PRIME MINISTER

Select Committee on Trade and Industry

The attached letter from Mr. Nott's Private Secretary raises the question of your submitting evidence to the Industry and Trade Select Committee about the organisation of the Departments of Industry and Trade.

We have asked Sir Ian Bancroft, as your adviser on machinery of government matters, to let you have his views on this suggestion, but for my own part I should be very reluctant to see you putting any evidence to a select committee. I am not aware of any precedent for a Prime Minister giving evidence in recent times (though we shall need to do some research to establish whether this is so). If you submitted a paper, the next step would of course be a request from the Select Committee for you to give oral evidence. And once the precedent of evidence from you had been established in this case, we could expect a continuing stream of requests for evidence from you on any number of other subjects.

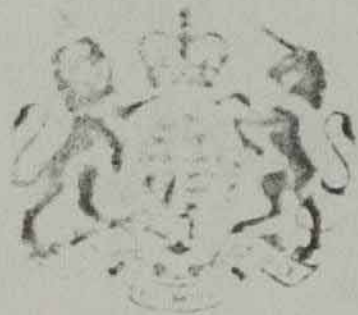
If you agree that you should not submit a paper, one alternative way of proceeding would be for Sir Keith Joseph and Mr. Nott to put in a memorandum which had been previously cleared with you. But as I say, we shall be getting considered advice from Sir Ian Bancroft.

I don't need to go. KMS.

- The answer is that we don't see merger (Business Minister with Trade) and are

reluctant to go back to another very large department at any rate - so soon out.

3 March 1980



Chancellor of the Duchy of Lancaster

Postcard
PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AJ

3 March 1980

D. Hunt

RELATIONSHIPS WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

You wrote to me on 26 February about a request from the Select Committee on Industry and Trade to see Sir Derek Rayner's report on Regional Development Grant Offices.

If this request can, as you hope, be dealt with by letting the Committee have a summary of the main conclusions in the report, this would seem an appropriate solution. If they still insist on seeing the report itself, we may need to reconsider the matter.

I am sending copies of this letter to Paul Channon and to the other recipients of your letter.

John - AC

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Industry
Department of Industry
Ashdown House
123 Victoria Street

From: THE PRIVATE SECRETARY

2 PPS ~~WAD~~ NO'S to see



NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

PA

MS

G E T Green Esq
Private Secretary to the
Minister of State
Civil Service Department
Whitehall
London SW1A 2AZ

3 March 1980

Dear Geoffrey,

RELATIONSHIPS WITH SELECT COMMITTEES - DISCLOSURE OF DOCUMENTS

My Secretary of State was grateful for his copy of your Minister's letter of 20 February to the Chancellor of the Duchy of Lancaster about the passing of internal management documents to Select Committees.

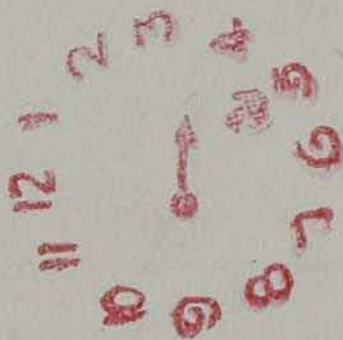
Like Mr Channon, Mr Atkins believes that the request of the Education Committee raises important issues of principle, and should be resisted for the reasons set out in Mr Channon's letter. So far as the future is concerned, he believes that Ministers will probably need to take a collective view on the whole question of the supply of documents to Select Committees.

I am sending copies of this letter to the Private Secretaries of recipients of Mr Channon's.

Yours sincerely
Mike Hopkins

M W HOPKINS

3 - MAR 1980





From the Secretary of State

Clive Whitmore Esq
Private Secretary
10 Downing Street
Whitehall
SW1

29 February 1980

Dear Clive

INDUSTRY AND TRADE COMMITTEE

On 16 January my Secretary of State gave evidence to the House of Commons Industry and Trade Committee. The Clerk has now requested a number of notes on subjects raised, most of which is factual information which poses no problem for the Department. However, at one point my Secretary of State was asked about the respective responsibilities of the FCO, the Department of Industry and the Department of Trade. In reply he admitted that there were overlapping responsibilities and stated: "It is not entirely rational or wholly neat. In theory - I emphasise that, in theory - the merger of the two Departments would be a clean, theoretical neat way of proceeding, but those who I think experienced that vast juggernaut in earlier days might have felt it was too big to manage".
..... (The complete extract is attached.) The Committee have now asked why a merger which in theory would be "clean" has not been effected.

My Secretary of State feels that it would not be appropriate for him to respond to this question - still less for the Department's officials to do so. Clearly such a question of the machinery of government is for the Prime Minister to answer and I would presume that her view would be that the range of important topics covered by the two departments is too wide for it to be sensible to merge them. This conclusion does not of course conflict with what my Secretary of State said.

I should be grateful for your advice on whether the Prime Minister would be agreeable to making a statement to this effect to the Select Committee.

I am copying this letter to John Stevens in the Chancellor of the Duchy's office and to David Wright in Sir Robert Armstrong's office, and also to George Walden (FCO) and Ian Ellison (Industry).

*Yours sincerely,
Stuart Hampson*

S HAMPSON

Private Secretary



THE SELECT COMMITTEE ON INDUSTRY AND TRADE: 16 JANUARY 1980

Mr Maxwell-Hyslop

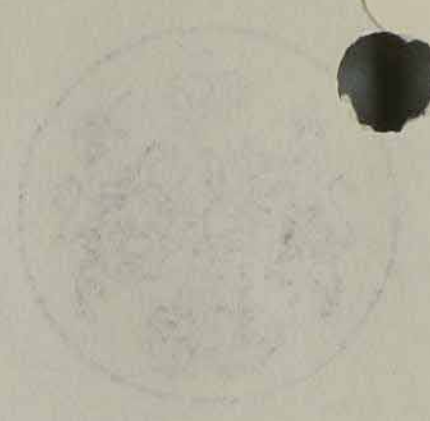
Where there is a very major specific sale in which an ambassador is involved rather than just the commercial staff, say the potential purchase of either the Tristar with British engines or with British wings, which department is responsible for deciding where the effort should be directed, to selling the aircraft with British engines or the aircraft with British wings? Is that basically your Department or is it the Department of Industry which is the sponsor for aerospace, or the Foreign Office because that is responsible for ambassadors? I think it would be helpful to us to know where decisions of this kind on specific large contracts are taken, in which Ministerial department.

Mr Nott

There is undoubtedly a substantial degree of overlapping responsibility. The Department of Trade has the full responsibility for the sale of British products abroad, for tariffs, for our export efforts, for the Overseas Project Group, our relations with our commercial posts. We have that responsibility but, of course, where it is closely related to the manufacturing effort of British industry, the Department of Industry is closely involved. I think you may wish to question Sir Keith Joseph when he comes to see you next week about this overlapping Trade and Industry matter. He and I constantly discuss it. It is not entirely rational or wholly neat. In theory - I emphasise that, in theory - the merger of the two Departments would be a clean, theoretical neat way of proceeding, but those who I think experienced that vast juggernaut in earlier days might have felt it was too big to manage. But can I take up your specific example? I visited Lockheed in California in the autumn and discussed with them fully



where they hope to sell future aircraft all around the world. I have subsequently visited three countries where Lockheed were hoping to make sales and where I have done my best to get Rolls engines rather than GE or Pratt and Whitney engines attached to that sale, so it is very much more a personal effort. I cannot say that the organisation is theoretically wholly rational. You can only do that by merging the three Departments concerned with overseas business and trade.



29 FEB 1980





Treasury Chambers, Parliament Street, SW1P 3AG

29 February 1980

The Rt Hon Norman St John-Stevas MP
 Chancellor of the Duchy of Lancaster
 Privy Council Office
 Whitehall
 LONDON
 SW1

Dear Mr St John-Stevas,

RELATIONSHIPS WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

I was interested to see Paul Channon's letter of 20^{TPM} February to you on the disclosure of documents to the Select Committees, and would like to add my contribution to the collective view which I agree we must reach.

I entirely support the line Paul recommends. We should not provide the Committee with documents of the sort he mentions; even if the report in question is innocuous, we can expect the Committees to use the fact that it was provided as a precedent in seeking other such internal documents. We must preserve the rule that Officials' advice to Ministers is not to be disclosed, and this is, of course, enshrined in the Memorandum of Guidance for Officials. The Procedure Committee did not query that part of the memorandum, and the Chairman of the Liaison Committee will be aware of the provision in the memorandum.

Ultimately we must rest our refusal to disclose documents on a readiness to defend our refusal in the House. I think Paul's letter provides adequate grounds of defence. But it would of course be better not to let matters go so far, and the provision of specially prepared memoranda should normally satisfy the Committee. You may also want to talk to the Chairman of the Liaison Committee at some stage about it: but you are the best judge of whether and when to make an approach. It may in the event be easier to deal with such requests with each Committee as they come up, at least for the moment: seeking to make a general issue of it could at this early stage be counter-productive.

I am copying this letter to recipients of Paul Channon's.

Yours sincerely,
Stephen Locke
(private secretary)

pp NIGEL LAWSON
(approved by the Financial Secretary,
and signed in his absence)

P.S. Since writing the above I have seen your reply of 27 February to Paul Channon. I must say that I would regard it as premature, to say the least, to be thinking of providing documents that contain officials' advice to Ministers even if sidelined. This could start us on a very slippery slope indeed.

29 FEB 1980



FILE
CONFIDENTIAL

RH

cc c/H planning
Security leak file.

10/3

MR WRIGHT
CABINET OFFICE

I attach a copy of a letter I have written to John Stevens in the Chancellor of the Duchy's Office about a Select Committee's request to see private correspondence between the Prime Minister and Sir Alan Cottrell on the choice of nuclear reactor.

In addition to the question of principle raised, you may have a further interest in the matter. Sir Alan points out that the issue has arisen because the Guardian obtained a copy of his exchange with the Prime Minister. The topic is one on which E Committee papers were leaked to Time Out. This has since been the subject of a leak enquiry.

The correspondence is unclassified, and I understand that the Department of Energy sent copies to CEGB and NII. Nevertheless, the fact that the material found its way into the hands of the Guardian may be of passing interest to those who considered the earlier leak.

M A PATTISON

28 February 1980

CONFIDENTIAL

FILE

RH

28 February 1980

Thank you very much for your letter of 27 February, drawing to our attention a request to you from the Select Committee on Energy to release the letter which you wrote to the Prime Minister.

I appreciate your wish to treat this as private correspondence. The Prime Minister is naturally always ready to respect the privacy of her correspondents, although she must also recognise that her replies can be published if the recipient chooses to do so. I am now making further enquiries about this particular case, in the light of your statement that you regarded the exchange as private. We will be in touch with you again shortly.

M A PATTISON

Sir Alan Cottrell, FRS

FILE
RESTRICTED

RH

28 February 1980

I mentioned to you the enclosed letter from Sir Alan Cottrell. I enclose with it his earlier exchange of letters with the Prime Minister.

When the Prime Minister replies to any letter outside Government machinery, the right to publish the correspondence or to leave it private rests with the recipient. In this case, Sir Alan Cottrell makes it clear that he regards his exchange as private correspondence. Whilst the Prime Minister in no way wishes to hide the views she has expressed, she would equally wish to respect any correspondent's preference for privacy.

This case seems to provide another test of procedure under the new Select Committee system. I would be grateful for your advice as to how we might respond to Sir Alan Cottrell, and as to how he might be advised to respond to the Select Committee Clerk, as soon as possible.

I am sending copies of this letter and enclosure to Geoffrey Green (Civil Service Department) and David Wright (Cabinet Office)

M A PATTISON

John W Stevens Esq
Chancellor of the Duchy of Lancaster's Office



Parliament

Foreign and Commonwealth Office
London SW1

28 February 1980

La. Smith

Mr. P. Smith

PROVISIONAL EVIDENCE BY THE CABINET OFFICE
TO THE SELECT COMMITTEE ON FOREIGN AFFAIRS

Thank you for sending me a copy of your minute of 25 February to the Prime Minister. The second sentence of paragraph 2 of the draft note would read better, I think, if my amendments were accepted. Otherwise if the Prime Minister is content with what you recommend, I am too.

I am sending a copy of this letter to the Prime Minister.

Yours

La. Smith

Sir Robert Armstrong KCB CVO
Cabinet Office
70 Whitehall
London SW1

DRAFT FCO NOTE FOR THE SELECT COMMITTEE ON
FOREIGN AFFAIRS

The European Secretariat of the Cabinet Office

This memorandum is submitted in response to the request of the Select Committee for a note on the size and role of the European Secretariat of the Cabinet Office.

2. Paragraphs 9 and 10 of the Foreign and Commonwealth Office Background Brief explained that the Foreign and Commonwealth Secretary is in overall charge of the co-ordination of Britain's policies towards the European Community. ~~Given~~^T the involvement of many Government Departments in the activities of the Community ~~means that there is a need for~~^{requires} central co-ordinating machinery at the service of Ministers and Departments collectively. This is the function of the Cabinet Office.

3. The European Secretariat is the part of the Cabinet Office which provides this service. It is composed of eight officials, headed by a Deputy Secretary. They chair and act as secretaries for interdepartmental committees at official level, provide the secretariat for inter-Ministerial discussions of Community issues, and act as a source of information and advice to Whitehall as a whole on questions of policy co-ordination on Community matters. They thus assist the Foreign and Commonwealth Secretary to discharge his overall co-ordinating responsibilities.

1961 FEB 29

29 FEB 1961

FROM THE MASTER
SIR ALAN COTTRELL, F.R.S.

THE MASTER'S LODGE
JESUS COLLEGE
CAMBRIDGE CB5 8BL
TELEPHONE (0223) 353310

AHC/IMM

27th February 1980

Michael Pattison, Esq.,
The Private Secretary,
10 Downing Street,
London SW1.

Dear Mr Pattison,

80 Energy (Policies) Pt 3. {
You will recall our recent correspondence on the pressure vessel reactor (your letter of 1 February refers). Since then two things have happened. First the Guardian newspaper by some means managed to acquire a copy of my correspondence with the Prime Minister, which I regard as a most unfortunate development. Second, on 20 February last I gave evidence to the Select Committee on Energy in the House of Commons and one of the members on that committee referred to the newspaper article. As a result the committee is now asking for my letter to the Prime Minister to be released to them. I enclose copies of the relevant correspondence with the committee.

I hope that I have taken up a correct position with them in this. If they have power to call for private correspondence to be released to them there will I suppose be no alternative, but I should say that I regarded my letter to the Prime Minister and her reply to me as entirely private and not a matter for publication in any form whatsoever.

Yours sincerely,

Alan Cottrell

Encl.

AHC/IMM

27th February 1980

D.F. Harrison, Esq.,
Clerk, Select Committee on Energy,
Committee Office,
House of Commons,
London SW1A 0AA.

Dear Mr Harrison,

Thank you for your letter with Mr Doig of 25 February. You referred to a recent letter of mine to the Prime Minister on pressure vessel integrity. And you asked if I would have any objection to supplying the Committee with a copy of that letter, assuming that the Prime Minister is agreeable. Since that letter was a private one from me to the Prime Minister and is now the property of the Prime Minister, I could not possibly agree to supplying the Committee with a copy of it unless the Prime Minister wished me to do so.

I am copying this letter to the Private Secretary to the Prime Minister.

Yours sincerely,

SELECT COMMITTEE ON ENERGY
COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA

01-219 (Direct Line)
01-219 3000 (Switchboard)

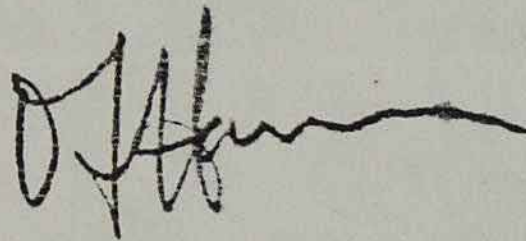
25 February 1980

Dear Sir Alan,

We should like to thank you on behalf of the Committee for the valuable evidence you gave on Wednesday. As you will recall your recent letter to the Prime Minister on pressure vessel integrity caused considerable interest and we have been instructed, informally in the first instance, to ascertain whether you would have any objection to supplying the Committee with a copy of the letter, assuming that the Prime Minister is agreeable.

I enclose a form for claiming expenses. You will receive a transcript of your evidence for checking in due course.

Yours sincerely,



D. DOIG
D. HARRISON

Sir Alan Cottrell,
Jesus College,
Cambridge.

Enc:



Chancellor of the Duchy of Lancaster

PRIME MINISTER

Somewhat equivocal
advice from the CDL

PRIVY COUNCIL OFFICE

WHITEHALL LONDON SW1A 2AT

- but the report
itself will not go to
the Select Committee,

27 February 1980

at least as a first step.

MS

De Paul.

DISCLOSURE OF STAFF INSPECTION REPORT TO THE DES SELECT COMMITTEE

You wrote to me on 20 February about a request made by the Select Committee on the Department of Education and Science for a report on a staff inspection of the University Grants Committee.

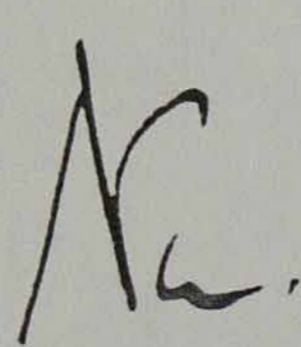
I agree that Mark Carlisle should respond to this particular request by offering to provide a self-contained memorandum which describes the nature of the exercise, its scope and the action that his department propose to take as a result of the exercise.

In making this suggestion to the Committee, DES would no doubt give some indication, on the lines suggested in your letter, of the reasons for which they did not think a staff inspection report should be disclosed in full to the Committee. I doubt, however, whether it would be wise to found on this particular example any general approach to the Liaison Committee about the confidentiality of management documents. In the first place, this particular report, as you say in your letter, will be made available to the staff side. Second, it does not follow that making a document available to a Select Committee necessarily means that it will be published. It would be possible to provide the document but ask, by means of the side-lining procedure, that it should not be published. You will remember that I referred to this procedure in my speech on behalf of the Government during the debate on the Procedure Committee Report last June. I attach for ease of reference a copy of the relevant column of Hansard.

*Nigel Lawson
(attached)
dislikes this
idea very
much - the
CDL is being
too generous.*

I am not suggesting that Mark Carlisle should take the initiative in offering the document on that basis, but I think he may need to consider doing so if the Select Committee return to the matter.

I am copying this letter to him and to the other recipients of yours.

Paul Channon 

Paul Channon Esq, MP
Minister of State
Civil Service Department

27 FEB 1980



[Faint, illegible handwritten text]

[Mr. St. John-Stevas.]
out in these areas. I hope that that is precisely the sort of work that will be done, taken up and continued where appropriate by the proposed new Select Committee on Education, Science and Arts.

I pay tribute to the excellent work done by all these Committees over the years. I am confident that their work can be carried forward under the new structure and that those hon. Members, like the hon. Gentleman, who have served on Committees with such distinction will be able to make an equal contribution as members of the new Committees. Where work is left unfinished, means will be found to ensure that it will be carried to a conclusion.

I must make it clear that the Government's view is that the existing subject Committees cannot continue in parallel with a new structure of departmentally related Committees without creating unacceptable confusion, duplication of effort and unnecessary cost. The abolition of the existing Committees must be a necessary corollary to the acceptance of the new structure.

Even with the abolition of the old Committees, we must not underestimate the effort that the new structure will involve. That is why the Government are proposing a closer restriction than the Procedure Committee had in mind on the powers of Select Committees to appoint investigative Sub-Committees.

Our motion provides for the appointment of a joint Sub-Committee on the nationalised industries. We recognise that the Select Committees on Foreign Affairs, Home Affairs and the Treasury and Civil Service all have a wide field to cover. They may find it convenient to appoint Sub-Committees to deal with particular subjects, such as overseas development and race relations and immigration, or with the Civil Service Department. But, of course, the Committees themselves will decide the allocation of their resources. We propose that the powers to appoint Sub-Committees of the Foreign Affairs, the Home Affairs and the Treasury and Civil Service Committees should be limited to a single Sub-Committee of each Committee rather than two.

The objective of the new Committee structure will be to strengthen the accountability of Ministers to the House for the discharge of their responsibilities. Each Committee will be able to examine the whole range of activity for which its Minister or Ministers have direct responsibility. The Government also accept the Procedure Committee's view that the Committees must be able to look at the activities of some public bodies that exercise authority of their own and over which Ministers do not have the same direct authority as they have over their own Departments. The test in every case will be whether there is a significant degree of ministerial responsibility for the body concerned.

Mr. Eric S. Heffer (Liverpool, Walton): Does that mean that the Committees established will be able to call not only the civil servants but Ministers without their being able to avoid appearing before the Committee for interrogation and discussion?

Mr. St. John-Stevas: The responsibility of the Committees and their capacity to call Ministers, civil servants, and members of those bodies are not mutually exclusive. It will be within the scope of the Committees to call before them members of these bodies.

I come to the question of powers. The Procedure Committee recommended that Select Committees should be empowered to order the attendance of Ministers to give evidence, and to order the production of papers and records by Ministers. In the event of a refusal by a Minister to produce papers and records, the Committee should be empowered to claim precedence over public business for a debate on a motion for an address or for an order for the return of papers, unless time is provided by the Government by the sixth day after the first appearance of the motion.

I have two comments to make. First, the power to order any Members of the House to attend before a Select Committee, be he a Minister or not, is a power that constitutionally strictly belongs to the House and not to a Committee. Secondly, the Procedure Committee itself concedes that formal powers on these matters have had to be exercised only on rare occasions.

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Second Select C claim au on a failu the matt that is o as a wh

More cerned B essentially ably ther sters wil not be i certain c tion. T these ma over a lo ment wil in the Pr the Com satisfied

The C to Select tion as p formation may hav sidelining from tim Minister Select Co it would Ministers which in There ne Ministers tees to Departm every ef possible to them.

I give part of t ter from to the n do all in with the to make clarification

There are some specific criticisms of the Select Committee's proposals in this regard. First, it is not appropriate for a Select Committee to order about Members of the House. A Minister must be free to decline if he is not the Minister responsible for the matter that is to be discussed, or if it is clear that he will not be able to answer questions put to him.

Secondly, we do not consider that a Select Committee should be entitled to claim automatic precedence for a debate on a failure to produce information unless the matter has been shown to be one that is of general concern to the House as a whole.

More generally, however, we are concerned here with matters that will be essentially questions of judgment. Inevitably there will be occasions when Ministers will have to decide that it would not be in the public interest to answer certain questions or to disclose information. There are conventions governing these matters that the House has accepted over a long period and that the Government will respect. They are dealt with in the Procedure Committee's report, and the Committee for the most part was satisfied with them.

The Government will make available to Select Committees as much information as possible, including confidential information for which, of course, protection may have to be sought by means of the sidelining procedure. There may also from time to time be issues on which a Minister does not feel able to give a Select Committee as much information as it would like. But on these occasions Ministers will explain the reasons for which information has to be withheld. There need be no fear that departmental Ministers will refuse to attend Committees to answer questions about their Departments or that they will not make every effort to ensure that the fullest possible information is made available to them.

I give the House the pledge on the part of the Government that every Minister from the most senior Cabinet Minister to the most junior Under-Secretary will do all in his or her power to co-operate with the new system of Committees and to make it a success. I believe that declaration of intent to be a better guaran-

tee than formal provisions laid down in Standing Orders.

Mr. Eldon Griffiths (Bury St. Edmunds): Is my right hon. Friend saying that an undertaking given from the Dispatch Box by, dare I say, a finite Minister on behalf of a Government who I wish to go on for ever but who may not be of equal value to a provision enshrined in legislation or the procedures of this House? I cannot believe that an affirmation from the Dispatch Box resembles even remotely the authority of a decision of this House.

Mr. George Cunningham (Islington, South and Finsbury): That is why the right hon. Gentleman is doing it.

Mr. St. John-Stevas: That remark is not worthy of the hon. Member for Islington, South and Finsbury (Mr. Cunningham). I am saying that in these matters the practice of the House and the attitude of the Government are as important as and possibly more important than any formal guarantee. I might add to my hon. Friend the Member for Bury St. Edmunds (Mr. Griffiths) that, finite or infinite, temporal or eternal, it is the intention of this Government during their period of office to co-operate with these Committees. I believe that if a practice of that kind is established it will endure beyond the limited life of a Government.

If a Committee found itself in difficulty and if that difficulty became a matter of serious concern to the House as a whole, it would be the Government's wish that the House should have an early opportunity to debate it on the Floor, and I am sure that the Minister concerned would welcome that opportunity as a means of explaining his position and of seeking the co-operation of the House in resolving the difficulty and avoiding its recurrence. That again is a pledge that goes further than any pledge given on this matter from this Dispatch Box.

I throw in for good measure that if experience shows that more formal powers are needed for Committees to enforce their wishes—if the worst fears of my hon. Friend the Member for Bury St. Edmunds are fulfilled—the question of additional powers can be considered at that stage. But we do not consider that the case has so far been established.

HEADS OF DIVISIONS

cc
PS/Minister of State
PS/Permanent Secretary
PS/2nd Permanent Secretary
Deputy Secretaries
Under Secretaries

COSTING OF TREASURY AND CIVIL SERVICE SELECT COMMITTEE WORK IN
THE DEPARTMENT

With Sir Ian Bancroft's agreement, it has been decided that all departments should be asked to cost the work which they undertake in connection with their Select Committees. For CSD domestically this exercise will be co-ordinated by Central Division.

The exercise is intended to arrive at approximate figures only. Accordingly, I should like to ask each division to prepare a rough note of hours spent by each grade either in preparing papers for the Committee or in writing briefing for the Minister or officials giving oral evidence. I attach a form which may simplify this task. Costing the time spent will be carried out in Central Division on the aggregated figures. There is room for any qualitative observations in the "comments" at the foot of the form. What we have in mind here is reference to particular tasks which, for example, required late working.

For the future the simplest way of proceeding will be for divisions to keep a running tally of the work they undertake; and I hope that the attached form will provide a convenient means of doing this. There remains, however, the rather less easy task of recalling what work has already been done and how long it took. CSD's involvement with the Treasury and Civil Service Committee began just before Christmas when the Introductory Factual Memorandum was commissioned, and it will not be necessary to go back any earlier than that. Accordingly I should be grateful if divisions would take account of this work when filling in the form for the period ending 3 April 1980.

Perhaps I should add that this exercise itself is not intended to become a further burden on divisions and it is hoped that the costs of this bit of cost consciousness can themselves be kept as low as possible. Accordingly, it is only necessary to get the broad order to times and grades right. Similarly, the figures will only be collected and aggregated about three times a year during the Recesses. As already mentioned the attached forms will cover the period until Easter.

May I ask Heads of Divisions to return the attached form, completed, by Thursday 3 April, to Mr Board (Central Division; Ext 3305), who will also answer any queries and will be able to provide additional forms? May I also ask copy addressees to use the forms annexed to their copies of this minute to estimate their own share in the Select Committee workload and to return them to Mr Board by the same date.

J.K.M.

J K MOORE
Central Division
26 February 1980

CIVIL SERVICE DEPARTMENT

REPORT ON TIME SPENT ON
TREASURY AND CIVIL SERVICE
SELECT COMMITTEE BUSINESS

17 DECEMBER 1979 - 3 APRIL 1980

REPORT FOR

Office of _____ (Under Secretary
or above)
_____ Division

(to be returned to Mr D R H Board, Central Division - 1/73 Old Admiralty
Building, ext 3305 - by close of play on Thursday, 3 April).

A table is provided overleaf for recording details of hours spent on Select
Committee business.

COMMENTS

(Signed) _____

(Date) _____

HOURS SPENT ON SELECT COMMITTEE BUSINESS

Grade/grade level	(Rough estimates) 17 Dec 79-17 Feb 80		18 Feb 80-3 Apr 80	
	Conditioned hours	Overtime	Conditioned hours	Overtime
US or above				
AS, SP				
Principal				
SEO, HEO, HEO(A)				
EO, AT				
CO, CA				
SPS or above				
PS				
Typist (all grades)				

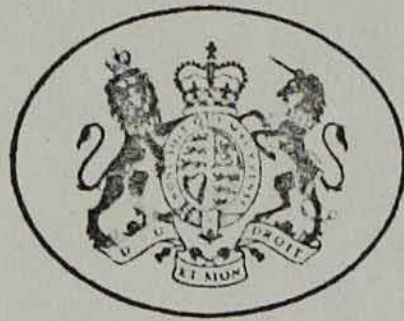
Please estimate the percentage of the total time which was devoted to briefing or preparation of briefing, as opposed to Select Committee papers.

i. 17 Dec 79-17 Feb 80

_____ %

ii. 18 Feb 80-3 Apr 80

_____ %



Secretary of State for Industry

DEPARTMENT OF INDUSTRY

ASHDOWN HOUSE

123 VICTORIA STREET

LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301

SWITCHBOARD 01-212 7676

26 February 1980

The Rt Hon Norman St John-Stevas MP
Chancellor of the Duchy of Lancaster
Privy Council Office
Whitehall
London SW1

Mr Norman

RELATIONSHIPS WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

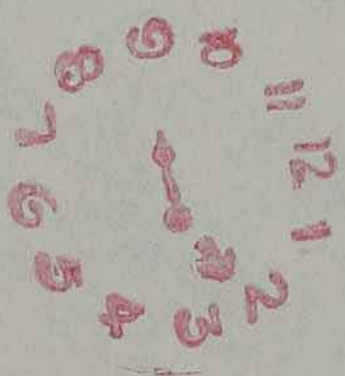
Paul Channon sent me a copy of his letter of 20 February to you about the handling of requests from Select Committees for copies of internal management documents.

You may like to know that when I gave evidence to the Select Committee on Industry and Trade on 23 January they asked if they could see one of Sir Derek Rayner's reports, which I think come into this category of documents. The Committee's concern was with the report which will be made on the current review of the work of the Regional Development Grants Offices. I undertook to see that the main conclusions of the report were sent to the Committee in due course, and they appeared to be satisfied with my offer.

I am sending copies of this letter to Paul Channon and to the other recipients of his letter.

Kevin

Kevin



27 FEB 1980

CONFIDENTIAL

Parliament

SIR ROBERT ARMSTRONGProvision of Evidence by the Cabinet Office
to the Select Committee on Foreign Affairs

The Prime Minister has seen your minute of 25 February on this subject. She agrees that you should proceed as proposed in paragraph 4 of your minute.

I am sending a copy of this minute to Michael Richardson (Lord Privy Seal's Office).

M. O'D. B. ALEXANDER

26 February 1980

CONFIDENTIAL

KHJ

CONFIDENTIAL

PRIME MINISTER

Prime Minister

(1)

Spec para 4 below.

Yes orb

Print - 28/2

Provision of Evidence by the Cabinet Office to the
Select Committee on Foreign Affairs

The Select Committee on Foreign Affairs have asked for a note on the size and role of the European Secretariat of the Cabinet Office. Their request was made when taking evidence from Foreign and Commonwealth Office officials about the conduct of Community business, in the course of which the Foreign and Commonwealth Office referred to the European Secretariat and gave a brief indication of its functions.

2. The standing rules on this subject - which were published by the Procedure Committee in the last Parliament - provide that the Cabinet Office will not normally be required to give evidence to a Select Committee and that any request for such evidence should be referred to Ministers. They also make clear that officials should not give written or oral evidence about the advice given to Ministers, interdepartmental exchanges on policy issues, the level or manner in which decisions are taken, or the existence, composition, or terms of reference of Cabinet committees (beyond that disclosed in your Parliamentary Reply of 24th May 1979, copy attached).

3. These rules have been revised to reflect the new Select Committee arrangements and, subject to final clearance on one or two points, will shortly be issued to Departments and conveyed to the Liaison Committee; they do not differ in any material respects from the old guidelines. They are founded on the need to maintain and safeguard the principle of collective Ministerial responsibility, on the argument that it would be difficult if not impossible for a Cabinet Office official to appear before a Select Committee without being faced by questioning designed to disclose the inner workings of the Cabinet and its Committees. Moreover officials give evidence on behalf of their Ministers. The Cabinet Office does not have a Minister for whose policy it is answerable; nor can it have a "departmental" interest in the subject under examination. Special considerations apply to the CPRS and the Central Statistical Office, but other parts of the Cabinet Office perform only a secretariat function, and in this

CONFIDENTIAL

connection I think that we should not draw any distinction between the European Secretariat (whose existence is publicly known) and the remainder of the Cabinet Office.

4. In the present case the information the Committee want is only peripheral to their main interest in the FCO and its activities, and does not therefore justify a departure from the basic guidelines. But I do not believe that we can, or should try to, get away with a flat refusal to provide any information at all. If we were to provide a note ourselves, the Committee would probably want to probe further by taking oral evidence from me, which in turn could rapidly encroach on the sensitive areas described above. I therefore recommend that we should not ourselves accede directly to the Committee's request, but arrange instead for the Foreign and Commonwealth Office to supply the Committee with a short note on the European Secretariat along the lines attached. This would give the Committee what they have sought without compromising the special constitutional position of the Cabinet Office. To avoid provoking a premature confrontation with the Committee I have meanwhile arranged with their Clerk for the formal request for a note to be addressed to the FCO rather than the Cabinet Office.

5. Although we should do our best to avoid giving oral evidence to the Select Committee, it is possible that we may be pressed to do so at a later stage. In that event I shall of course seek your further guidance; but you should be aware of the precedent set in July 1978, when Mr C A Whitmore, then in the Cabinet Office and the Chairman of an Official Committee on Civil Hydrographic Requirements, was summoned to appear before the Trade and Industry Sub-Committee of the Expenditure Committee, and eventually attended as an adviser to Lord Peart, the Minister responsible for co-ordinating maritime policy. In present day terms this would mean our agreeing that the Head or Deputy Head of the European Secretariat would accompany a Foreign Office Minister to assist him in dealing with any questions from the Committee on the co-ordination of policy towards the Community. I should, however, hope to avoid that, if possible.

CONFIDENTIAL

6. I should be grateful to know whether you agree with the line suggested in paragraph 4 above.

7. I am sending a copy of this minute to the Lord Privy Seal.

REA

(Robert Armstrong)


25th February 1980

HANSARD 24 MAY 1979

CABINET COMMITTEES

O7. Mr Mike Thomas asked the Prime Minister if she will now answer questions on the membership and terms of reference of cabinet committees.

The Prime Minister: I have established four standing committees of the Cabinet: a defence and oversea policy committee and an economic strategy committee, both under my chairmanship; a home and social affairs committee under the chairmanship of my right hon. Friend the Home Secretary; and a legislation committee under the chairmanship of the Lord Chancellor. Attendance at these committees will vary according to the subject under discussion. Where appropriate, sub-committees of the standing committees will be established. Membership, and terms of reference of the standing committees or their sub-committees will remain confidential.


DRAFT FCO NOTE FOR THE SELECT COMMITTEE ON
FOREIGN AFFAIRS

The European Secretariat of the Cabinet Office

This memorandum is submitted in response to the request of the Select Committee for a note on the size and role of the European Secretariat of the Cabinet Office.

2. Paragraphs 9 and 10 of the Foreign and Commonwealth Office Background Brief explained that the Foreign and Commonwealth Secretary is in overall charge of the co-ordination of Britain's policies towards the European Community. Given the involvement of many Government Departments in the activities of the Community means that there is a need for central co-ordinating machinery at the service of Ministers and Departments collectively. This is the function of the Cabinet Office.

3. The European Secretariat is the part of the Cabinet Office which provides this service. It is composed of eight officials, headed by a Deputy Secretary. They chair and act as secretaries for interdepartmental committees at official level, provide the secretariat for inter-Ministerial discussions of Community issues, and act as a source of information and advice to Whitehall as a whole on questions of policy co-ordination on Community matters. They thus assist the Foreign and Commonwealth Secretary to discharge his overall co-ordinating responsibilities.



Parliament

CABINET OFFICE
70 WHITEHALL
LONDON SW1A 2AS

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22 February 1980.

✓
MS

E B C Osmotherly, Esq.,
Civil Service Department,
Whitehall.

Dear Edward,

DEPARTMENTAL SELECT COMMITTEES: MEMORANDA OF GUIDANCE

Not copied to No. 10 - will request if required

1. I am sorry that we have not been able to reply earlier to your letter of 7 February with which you enclosed a revised version of paragraph 9 of the Memorandum of Guidance for Officials. As you know, we made some further changes in the draft and consulted Mr Pring, the Clerk of Committees at the House about it.

2. I now enclose a draft of paragraph 9 which we think should be substituted for that in the printed version. We have shown the papers to Sir Robert Armstrong, who agrees that, subject to the substitution of this paragraph, it is not necessary to hold up the issue of the Guidance to Officials further. What is said in the document is consistent with the draft of a memorandum of guidance to Ministers that we are about to submit to the Chancellor of the Duchy.

3. When you have arranged for the necessary reprinting of the relevant page, I imagine it will be for your Minister's Private Secretary to write to his opposite numbers explaining what has happened since his letter of 5 February to John Stevens. I am, however, copying this letter to Nick Sanders at No. 10, so that he may know the position.

Yours

Wilfred Hyde

W N HYDE

MEMORANDUM OF GUIDANCE FOR OFFICIALS

Revised draft of paragraph 9

SUMMONING OF NAMED OFFICIALS

9. Officials appearing before Select Committees do so on behalf of their Ministers. It is customary, therefore, for Ministers to decide which officials (including members of the Armed Services) should appear to give evidence. Select Committees have in the past generally accepted this position. Should a Committee invite a named official to appear, the Minister concerned, if he did not wish that official to represent him, might suggest that another official could more appropriately do so, or that he himself should give evidence to the Committee. If a Committee insisted on a particular official appearing before them they could issue a formal order for his attendance. In such an event the official would have to appear before the Committee. He would remain subject to Ministerial instructions as to how he should answer questions.

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23 FEB 1980

Cabinet / Cabinet Committee Document

The following document, which was enclosed on this file, has been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB (CABINET OFFICE) CLASSES**.

Reference: CC (80) 7th Conclusions, Minute 1 (extract)

Date: 21 February 1980

Signed AWayland Date 1 July 2010

PREM Records Team

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Pauline 2
PRIME MINISTER



Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

The Rt Hon Norman St John-Stevas MP
Chancellor of the Duchy of Lancaster
Privy Council Office
Whitehall
LONDON SW1

A cloud in the sky
of no great size, but a
sign of things to come. MJ

20 February 1980

20/2

Norman St John-Stevas

RELATIONSHIPS WITH SELECT COMMITTEES: DISCLOSURE OF DOCUMENTS

The Chairman (Christopher Price) of the Select Committee on the Department of Education and Science has asked that Department for an internal management document. The request raises a general issue of some importance on which, I think, we must take a collective view.

The document in question is the report of a staff inspection of the University Grants Committee which has been carried out in the normal way by a joint team of DES and CSD staff inspectors. It has not yet been completed, but is being discussed in draft with the UGC and the Staff Side. Thereafter it will be sent formally to the UGC and the DES for their consideration, and a copy will go to the Staff Side who will be consulted about the follow-up action.

I understand that this particular report does not contain anything particularly embarrassing, though it recommends certain reductions in the staff. But if Mark Carlisle agrees to the request, further requests for other staff inspection reports seem bound to follow both from DES and from other departments. Similar requests are likely to be made for other reports of an investigatory kind (eg internal audit and O&M). The process may not stop there. The recommendations in these reports constitute advice to higher management and, at the end of the day, to the Minister concerned. We ought therefore to consider the implications of this.

Where staff inspection and similar investigatory reports are concerned, there is a special reason for caution. Staff inspectors are encouraged to be entirely frank and honest, and where necessary to say highly critical things about the units they are inspecting. The value of staff inspection, which has produced major savings over the years and is an essential weapon in the fight for greater efficiency, depends upon their doing so. There is room for tightening up the system and making it still more effective, and I mean to do that. But if the inspectors know that their reports may be examined by Select Committees and published as part of their evidence,

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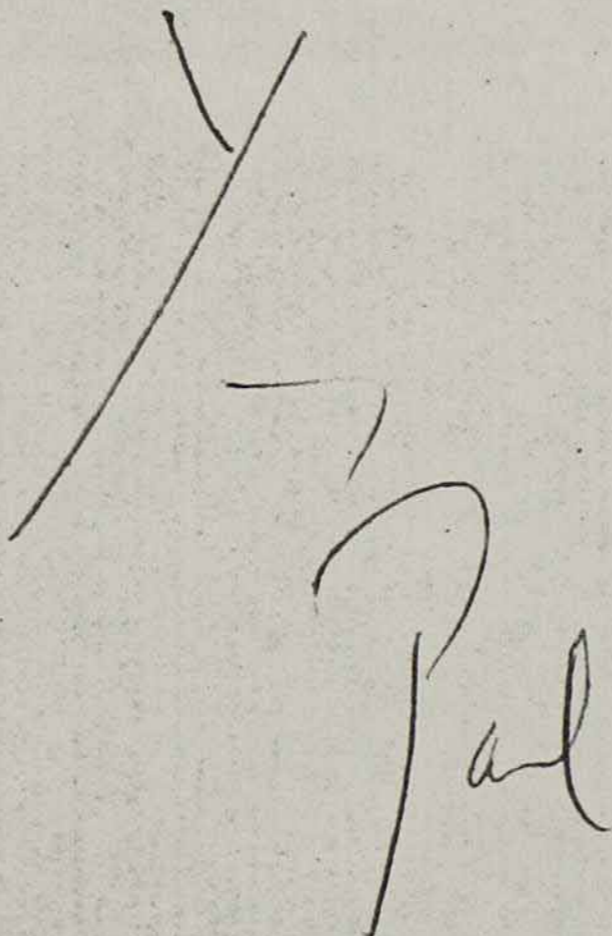
they are bound in my view to begin to pull their punches and water down their criticisms. The whole value of the operation could be lost.

Select Committees may not be receptive to arguments of this kind, or to the point that managements everywhere have nowadays to consult their unions over documents which are not however suitable for publication, though that too is a fact of life which would immediately be recognised by all employers. The situation therefore calls for careful handling. I am inclined to think that the best course would be to withhold all documents of this kind, but to offer, when asked, to put in a memorandum which described the nature of the exercise, its scope and the action it was proposed to take as a result. This would be in line with the general advice in the Memorandum of Guidance to Officials appearing before Select Committees that where working management documents are requested, (eg files, internal minuting, etc) these should be resisted but, so far as possible, specially prepared memoranda dealing with the subject concerned should be offered.

I believe however that this is likely to be only the first of a series of similar questions which affect the relationship between Government departments and the Select Committees. On the Civil Service side, for example, there are already signs that the Committee on the Treasury and Civil Service will want to be kept in touch with and comment on the progress of pay negotiations in a way which could undermine the negotiating position of the Official Side, and thus of Ministers, in an unacceptable way. But the problem is most unlikely to be confined to matters of Civil Service management. We may therefore need to consider standing arrangements for considering matters of this kind. Meanwhile however I should be grateful to know whether you and Mark Carlisle agree with the approach I have suggested and whether other colleagues have comments. If there is general agreement, I wonder if it would be sensible to talk to the Chairman of the Liaison Committee about it?

Copies of this letter go to Mark Carlisle, to other Cabinet colleagues and to Sir Robert Armstrong.

PAUL CHANNON

A handwritten signature in dark ink, appearing to read 'Paul', with a large, sweeping initial stroke above it.

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20 FEB 1980



Chancellor of the Duchy of Lancaster

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Parliament
NBAM
MS

18 February 1980

Dear Michael,

DEPARTMENTAL SELECT COMMITTEES

Further to your letter of 7 February about the activities of Departmental Select Committees and the problems which could arise if they wish to consider matters which are before other Committees - including Standing Committees considering legislation.

I have had several discussions with Edward du Cann (who since your letter has been elected chairman of the Liaison Committee) and he in turn has discussed the particular matter of your two Bills (Housing and Local Government) with Bruce Douglas-Mann. Edward Du Cann reported that both he and Bruce Douglas-Mann fully appreciated the difficulties which could arise in the circumstances you described and both of them will do all they can to help avoid these difficulties as far as possible.

I hope therefore that matters are moving along the right lines and that in practice we shall find that there is not too much overlap, with all the problems that could cause, between various Committees.

I shall be glad if you could keep me informed of how the meetings with the Environment Select Committee progress.

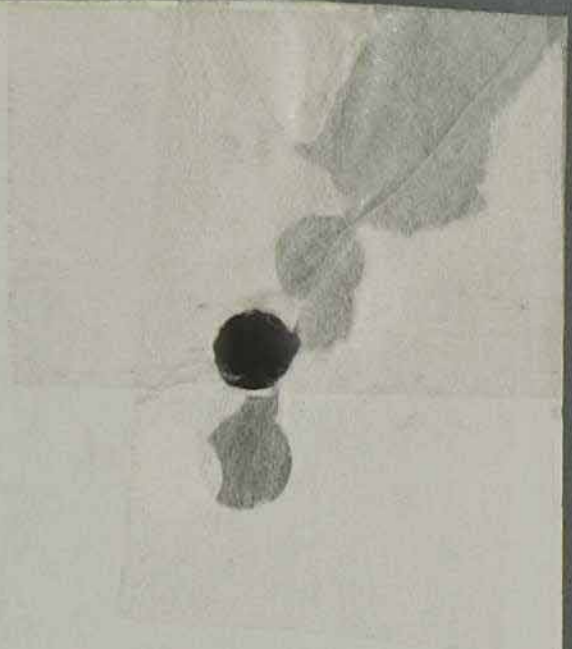
I am copying this to the Prime Minister, Cabinet colleagues and Sir Robert Armstrong.

James A.

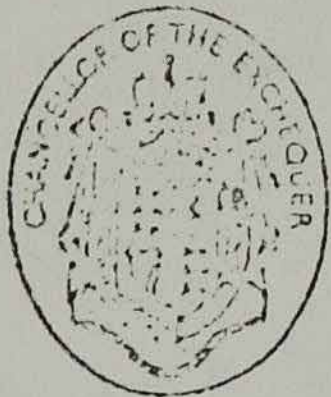
The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street

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19 FEB 1980



Financial Secretary
Minister of State (C)
Minister of State (L)
Sir Douglas Wass
Mr Burns
Sir K. Couzens
Sir A. Rawlinson
Mr Ryrie



Mr Littler
Mr Middleton
Mr Bridgeman
Mr Cassell
Mr Lavelle
Mr Shepherd
Mr Bottrell
Mr Davies

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budget job - Strategy
pts

Mr Folger
Mr Ridley
Mr Cropper
Mr Cardona
Mr Unwin

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

13 February 1980

Edward

M.
Winn
sh...

When you wrote to me on 12th December last you enclosed a number of questions to which you indicated that the Treasury and Civil Service Committee would value a written response as background to the enquiries they are planning to undertake in the course of this year.

I thought that the most helpful response I could make would be to set out in this letter the main objectives of the Government's economic strategy and to relate this so far as possible to the particular points raised in the questions with your letter.

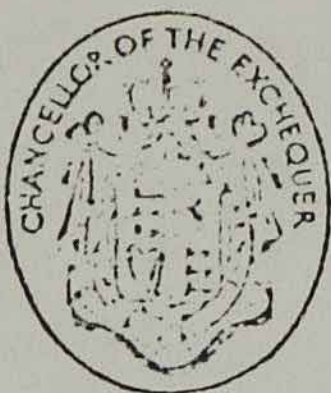
The Government's economic strategy

The main objectives of the Government's economic strategy are to reduce inflation and to create conditions in which sustainable economic growth can be achieved. This requires firm monetary and fiscal policies and we have not hesitated to take action on both fiscal policy and interest rates to curb the excessive increase in monetary growth that we inherited. At the time of the Budget last June, when the rate of monetary growth was above the previous Government's target, a target growth rate of 7-11 per cent was set for sterling M3 for the period mid-June 1979 to mid-April 1980, and Minimum Lending Rate was raised to 14 per cent. It was also estimated that the PSBR for the current financial year would be some £8½ billion (4½ per cent of GDP).

As the Committee will be aware, however, in the period to October 1979 the underlying rate of monetary growth continued significantly above the target rate as a result of higher than expected public borrowing (due in large part to delayed Post Office and VAT payments following industrial action) and persistently high bank lending. The Government, therefore, acted to bring the PSBR back into line with the Budget estimates by advancing Petroleum Revenue Tax payments; Minimum Lending Rate was raised to

17 per cent;

The Rt. Hon. Edward Du Cann, MP.



17 per cent; and the 7-11 per cent target annual growth rate for the money supply was extended to cover the 16 months to mid-October 1980.

A firm limit on monetary growth also requires a consistent fiscal stance if interest rates are not to rise, and this means tight control of public expenditure if the tax burden is not to increase. In the Budget I announced public spending plans for 1979-80 stabilised at the 1978-79 levels, and the White Paper published in November 1979 (Cmd 7746) held plans for 1980-81 at the 1979-80 level. Since then, however, we have looked again at the 1980-81 plans to see where further savings are sensible and practicable, and these will be set out in due course, together with the plans for the later years, in the second White Paper. The scope is limited as the start of the financial year approaches but any further savings will mean that less needs to be found by taxes if borrowing is not to be increased.

The ways in which control of the money supply affects the growth of money national income and ultimately prices are complex. Lower monetary growth may be expected to result in a lower growth of money incomes and nominal expenditure, because of its effects on the exchange rate and asset prices and the fiscal changes required to achieve lower monetary growth. Lower growth of money incomes will ultimately lead to lower inflation; and the speed at which this occurs depends crucially on expectations in both domestic and external markets, and in particular on the effects on domestic pay negotiations. As I have made clear on many occasions, the more moderate are pay settlements, the faster will the adjustment of prices and the smaller any transitional effects upon profits, output, investment and employment.

The Exchange Rate and the balance of payments

The Government, through the Bank of England, intervenes in the exchange markets to prevent excessive fluctuations in the exchange rate but they do not attempt to establish any particular value for sterling. The exchange rate for sterling is thus primarily set by market forces; and the market's perception of the appropriate rate is of course, likely to vary from time to time as particular factors assume greater or less importance in the market's judgement.

Recently, sterling has been generally firm, as the market has laid particular stress on the UK's favourable position as an oil producer at a time of rising oil prices. The market has also taken a favourable view of the Government's commitment to firm fiscal and monetary policies. The abolition of exchange control has resulted in an outflow from the private sector the direct effect of which is to reduce the money supply; but because of the factors

/referred to



referred to above these flows have been more than offset by inflows from the rest of the world.

The balance of payments on current account was in substantial deficit in 1979 but this deficit was more than offset by capital inflows; and the reserves rose. The poor trend in our trade performance in recent years, which reflects the UK's inadequate industrial performance, is a matter for concern. The way to improve this, however, is not by a depreciation of the exchange rate - since any gains to competitiveness will in time be eroded - but by higher productivity and lower cost increases.

The Government believe, therefore, that overriding priority must be given to reducing inflation, which impairs economic efficiency and discourages investment, and to strengthening the supply side of the economy.

The UK's net contribution to the EEC Budget is expected to rise to about £1.2 billion at outturn prices in 1980, making the UK the largest net contributor. This represents a massive transfer of real income to richer member countries; and adds substantially to public expenditure and the PSBR. It also has an adverse effect on the balance of payments and is contributing to the erosion of the traditional surplus on invisible account. These are the reasons why the Government are determined to achieve a very substantial reduction in the size of the transfer.

The supply side of the economy

Starting with my Budget last June, the Government have taken a number of steps to improve the supply side of the economy both through changes in taxation and through measures to restore the flexible working of the market economy.

So far as taxes are concerned, our primary concern is that both the structure and level should not discourage enterprise and should permit hard work and initiative to be rewarded. My Budget last June accordingly included a substantial switch in taxation away from taxes on incomes to taxes on spending. I believe that the reduction in marginal rates of income tax should be particularly helpful in improving incentives by allowing people to keep a higher proportion of extra earnings; and the increases in personal allowances helped the lower paid. The Government's longer-term aim is to reduce the basic income tax rate to no more than 25 per cent.

The Government are also concerned that in the economy at large market forces should be encouraged to work as

/freely and



freely and flexibly as possible. This is why we have abolished price, dividend and exchange controls, none of which served any useful purpose, but all of which hindered the efficient functioning of the economy.

The abolition of price controls leaves companies free to make pricing decisions in the light of market conditions. Dividend controls were widely acknowledged to be a source of distortion in the capital markets and a disincentive to progressive firms, especially smaller ones, as well as an administrative burden to both public and private sectors. And the abolition of exchange control now leaves capital markets free to direct funds to those investments - whether at home or abroad - which are expected to yield the highest returns. At the same time, the Government's Competition Bill will strengthen the power of the Director General of Fair Trading and of the Monopolies and Mergers Commission to deal with practices which restrict competition.

The Government have also eschewed all the apparatus of formal incomes policies which have failed in the past and led to distortions in the labour market. As my colleagues and I have frequently stated, the Government do not intend to intervene in individual wage negotiations except where they are inevitably involved as direct employers. They are concerned, however, that negotiators should understand and accept as quickly as possible that their own best interests are served by modest pay settlements, and that a de-escalation of pay settlements is crucial if Britain is to be transformed once more into a successful trading nation.

The Government intend to restore a broad balance of power in the framework for collective bargaining. Reforms to be effected by the Employment Bill, such as those removing specific abuses in picketing and the closed shop, have been designed to that end. Other measures in the Bill remove aspects of employment protection which have in practice turned out to discourage employment rather than improve its conditions.

Economic developments since 1976

The enclosure to your letter also sought information on economic policy measures and the development of the main economic indicators over the past three years. This is already largely available from published sources. Major policy measures are, for example, listed in Economic Trends monthly calendar of events. More details have also been provided both by this Government and their predecessor in successive White Papers on public expenditure and in the

/Annual Financial



.....
Annual Financial Statement and Budget Report. And figures for GDP, unemployment and the balance of payments are published regularly in Government statistical publications. However, the Committee may find it helpful to have a summary of major policy measures and economic developments, and these are attached at Annexes A-E.

The effectiveness of monetary policy as a means of reducing inflation

Monetary policy is essentially a medium-term policy. The practice of publishing targets for the monetary aggregates is of relatively recent origin in this country, dating from 1976. The UK's experience, therefore, is limited so that past experience may not be a good guide to developments in the new situation. The Government's commitment to a firm monetary policy has contributed significantly to the strength of sterling; and a high exchange rate has a direct beneficial effect on inflation through the reduction in the cost of imports.

For the future, I believe that the Government's determination to maintain a strict monetary policy will have an important influence on inflationary expectations, whose importance I have already stressed above. And I am confident that a progressive reduction in the rate of monetary growth over a period of years, supported by consistent public expenditure and taxation policies, will both result in a marked reduction in the rate of inflation and will prove the only way of achieving a permanent reduction.

The forecasts

.....
Finally, the enclosures with your letter asked about the Government's forecasts for the future. A copy of the Government's Industry Act forecast published last November is attached and the Committee may find it convenient to have this to hand. A further forecast will, of course, be published with the Budget on 26 March.

Yours

GEOFFREY HOWE

I. MONETARY TARGETS

Monetary targets were first set for the year 1976-77. For that year and 1977-78 the Government's objectives were defined in terms of a limit (agreed with the IMF) on DCE, although ranges for £M3 growth were defined consistent with that limit. For subsequent periods a target range has been set for £M3 growth. The targets, and monetary growth over the target periods, have been as follows:-

<u>Date</u>	<u>Period</u>	<u>Target</u>	<u>Outturn</u>
Dec 1976	12 months to mid April 1977	1) DCE (limit): £9.0bn 2) £M3 (consistent range): 9-13%	1) DCE: £4.6bn 2) £M3 : 7.4%
Mar 1977	12 months to mid April 1978	1) DCE (limit): £7.7bn 2) £M3 (consistent range) 9-13%	1) DCE: £4.2bn 2) £M3 : 15.7%
April 1978	12 months to mid April 1979	£M3 : 8-12%	£M3 : 10.7%
Nov 1978	12 months to mid October 1979	£M3 : 8-12%	£M3 : 13.4%
June 1979	10 months to mid April 1980 subsequently extended to	£M3 : 7-11% (annual rate)	£M3 : 11.5% (annual rate after 6 months)
Nov 1979	16 months to mid October 1980	£M3 : 7-11% (annual rate)	

Note: All figures seasonally adjusted: growth rates calculated as seasonally adjusted increase on seasonally adjusted stock.

II. INTEREST RATES

Details of interest rate movement are available in section 13 of Financial Statistics, in particular table 13.11 for Minimum Lending Rate, table 13.10 for short term rates and table 13.7 for redemption yields on British Government securities of different maturities. Average interest rates for the past three years are summarised in the attached table overleaf.

		<u>Minimum Lending Rate</u>	<u>3-Month Inter-bank rate</u>	<u>20-year Government stocks</u>
1977	1	12.31	11.81	13.89
	2	8.39	8.05	13.00
	3	7.24	6.94	12.57
	4	5.85	5.74	11.15
1978	1	6.53	6.63	11.52
	2	8.57	9.04	12.68
	3	10.00	9.67	12.63
	4	11.39	11.59	13.14
1979	1	13.02	12.67	13.35
	2	12.48	12.22	12.13
	3	14.00	14.08	12.38
	4	15.45	15.69	14.10

III. SUPPLEMENTARY SPECIAL DEPOSITS SCHEME

The SSD scheme (or "corset") was first introduced in December 1973, and has been activated on two other occasions since then. It is currently in force, although the Chancellor said in his statement of 15 November 1979 that he did not envisage it having a permanent role to play in monetary control. Details of the operation of the scheme since it was first introduced are given in the table overleaf.

SSD SCHEME: HISTORY

<u>Date Announced</u>	<u>Base Period</u>	<u>First Penalty Period</u>	<u>Period of 1/ Adjustment</u>	<u>Guideline 2/</u>	<u>Suspension Announced</u>	<u>IBELs Growth</u>	
						<u>to First Penalty Period</u>	<u>Whole Period</u>
1. 17 December 1973 (extension 30 April 1974 and 12 November 1974)	average mid Oct to mid Dec 1973	average mid April to mid June 1974	5 months	8% for first 6 months, then 1 1/2% a month	28 February 1975	2.2%	7.0%
2. 12 November 1976 (extension 12 May 1977)	average mid Aug to mid Oct 1976	average mid Feb to mid April 1977	4 months	7% for first 6 months, then 1/2% a month	11 August 1977	-2.5%	-1.0%
3. 8 June 1978 (extensions 17 August 1978, 3 April 1979, 12 June 1979, 15 November 1979)	average mid Nov 1977 to mid April 1978	average mid Aug to mid Oct 1978	3 months	4% for first 7 1/2 months, then 1% a month		1.6%	20.6% (to most recent period average mid Oct - mid Dec 1979)

Notes

1. The period of adjustment is the time between the announcement and the middle of the first penalty period.
2. The first part of the guideline shows allowed growth from the average of the base period to the average of the first penalty period.
3. Growth over whole period is measured from base period to the average of the last ^(or most recent) three months for which the scheme was in operation.

PSBR 1976-1977 to 1979-80*

£ billion

	Date	1976-77	1977-78	1978-79	1979-80
Chancellor's Statement & Letter of Intent to IMF	15.12.76	11.2	8.7	8.6	
Budget forecast: FSBR 1977-78	29.3.77	(8.8p)	8.5		
October package	26.10.77		7.5	7.0	
Letter of intent to IMF	14.12.77			8.6	
Budget forecast: FSBR 1978-79	11.4.78		(5.7p)	8.5	
Industry Act Forecast	Nov1978			8.0	8.5
Budget Forecast: FSBR 1979-80	12.6.79			(9.2p)	8.3
Industry Act Forecast	Nov1979				8.3
Outturn (Financial statistics Dec.1979)		8.5	5.6	9.3	

Provisional or
estimated
outturns

* This table should be read in conjunction with the fiscal measures contained in annexes C and D.

PUBLIC EXPENDITURE AND CASH LIMIT EVENTS BETWEEN 1 JANUARY 1977 and 31 DECEMBER 1979

- January 1977 Publication of Cmnd 6721 Volume I:
"The Governments Expenditure Plans".
- February 1977 Publication of Cmnd 6721 Volume II:
"The Governments Expenditure plans".
- 29 March 1977 Publication of Cmnd 6767:
"Cash Limits 1977/78"
- August 1977 Publication of Cmnd 6902:
"Cash Limits 1976/77 Provisional Outturn".
- 26 October 1977 Chancellor's Statement on increase in Public
Expenditure of £1bn in 1978/79 (at 1977 survey
prices) (OR Cols 1438-9).
- January 1978 Publication of Cmnd 7049 Volumes I and II:
"The Government's Expenditure Plans 1978/79
to 1981/82".
- 11 April 1978 Budget Statement involving an increase in expenditure
on programmes of approximately £550m (at 1978 survey prices)
met a reduction in the contingency reserve.
- April 1978 Publication of Cmnd 7161:
"Cash Limits 1978/79".
- July 1978 Publication of Cmnd 7295:
"Cash Limits 1977/78 Provisional Outturn".
- January 1979 Publication of Cmnd 7439:
"The Governments Expenditure Plans 1979/80
to 1982/83".
- 23 February 1979 Statement by Chief Secretary on cash limit policy
for 1979/80 (OR WA 334-5).
- April 1979 Publication of Cmnd 7515:
"Cash Limits 1978/80".
- 22 May 1979 Chancellors Statement on cash limits policy
(OR cols 903-5).
- 22 May 1979 Minister of State CSD's statement on the governments
policy on adjusting the 1979/80 cash limits to meet
civil service pay increases and the recruitment ban
(OR WA 77).
- 12 June 1979 Budget measures including £1.75 billion in specific
cuts in public expenditure in 1979/80, the expected
cash limit squeeze of about £1 billion and the
programme of asset disposal (figures at 1979 survey
prices).

October 1979

Publication of Cmd 7681:
"Cash Limits 1978/79 Provisional Outturn".

November 1979

Publication of Cmd 7746:
"The Government's Expenditure Plans 1980/81".

MAIN TAX MEASURES: DECEMBER 1976 TO DECEMBER 1979

Budget of 29 March 1977

2. Chancellor proposed reductions in direct taxation of £1.8 billion for 1977-78 (mainly on the income tax allowances with the personal allowances to be raised between 9 and 13 per cent, and the basic rate, which was to be cut by 2 pence). Increases in indirect taxation of £0.8 billion proposed (mainly on the specific duties).

3. During debate, the Finance Bill was amended, the principal changes being:-

- (a) income allowances further increased by about 5 per cent;
- (b) the proposed increase in the duty on road fuel was not approved; and
- (c) the proposed reduction of 2p in the basic rate of income tax was limited to 1p.

Mini-Budget of 26 October 1977

4. Income tax personal allowances raised by about 12 per cent at a cost in the financial year 1977-78 of £0.8 billion.
Measures introduced to help small firms.

Budget of 11 April 1978

5. Chancellor proposed £2 billion cut in personal taxation mainly by introducing a lower rate band of 25 per cent on the first £750 of taxable income and raising thresholds, the personal allowances being increased by about 5 per cent. Further measures introduced to help small firms.

6. In debate, the basic rate of income tax was reduced by 1p and the threshold for the higher rates was raised by a further

£1000. The National Insurance Surcharge was increased from 2 to 3½ per cent from 2 October 1978.

PRT measures of 2 August 1978

7. Changes proposed in the Petroleum Revenue Tax, including increasing the rate from 45 to 60 per cent from 1 January 1979. Legislation in 1979 Finance Bill.

Budget of 3 April 1979

8. Caretaker Budget because of impending General Election.

Budget of 12 June 1979

9. Direct tax reductions of £3.5 billion in 1979-80 mainly through increases of 18 per cent in income tax personal allowances and a 3p cut in basic rate. Highest rate of tax on earned income reduced from 83 to 60 per cent. Indirect tax increases of £2.5 billion mainly through unification of the 8 and 12½ per cent VAT rates at 15 per cent. PRT measures, which had been announced in August 1978, to be implemented.

PRT measures of 15 November 1979

10. Changes proposed to speed the flow of PRT revenue by requiring payment on account, effectively advancing the due date for collection by 2 months.

1. Rate of Growth of GDP		Year on Year % increase, Average estimate
	1976	3.1
	1977	1.9
	1978	2.7
1st 3 qtrs 1979 on same period 1978	(1979)	2.0

2. Balance of payments current account £m		
	1976	- 1152
	1977	- 202
	1978	+ 714
	1979 (provisional)	- 2418

3. Unemployment		UK, seasonally adjusted, excluding school-leavers	
		000's	%
	1976 Mar	1243.6	5.2
	Jun	1278.6	5.4
	Sep	1297.7	5.4
	Dec	1317.5	5.5
	1977 Mar	1336.3	5.5
	Jun	1376.5	5.7
	Sep	1417.5	5.9
	Dec	1421.0	5.9
	1978 Mar	1411.4	5.8
	Jun	1378.1	5.7
	Sep	1360.2	5.6
	Dec	1319.6	5.5
	1979 Mar	1361.5	5.6
	Jun	1278.7	5.3
	Sep	1263.9	5.2
	Dec	1294.6	5.3

Sources

- 1,2. Economic Trends and Press Notice
3. D E Gazette

Economic prospects for 1980

The Industry Act (1975) requires the Government to publish economic forecasts twice yearly. This supplement reviews economic developments so far this year and looks at the prospects up to the end of 1980.

Summary

In difficult world conditions and with a recent history of rising inflation, the UK economy is likely to experience some decline in economic activity in 1980. The priority in economic policy is to counteract inflation by adherence to a declining path of monetary growth combined with the necessary fiscal restraint. This long-term policy should begin to bear fruit in 1980, with the annual increase in the retail price index (RPI) declining from about 17 per cent in the fourth quarter of 1979 to some 14 per cent in the fourth quarter of 1980. During the period of adjustment to a lower rate of inflation some adverse effects on international competitiveness, profitability and personal real incomes are almost inevitable. Any quantitative assessment of the economic prospect is subject in present circumstances to very large uncertainties. The figures put forward should not be interpreted as indicating anything more precise than that the rate of inflation next year — though declining — is likely to remain in double figures and that there will probably be some fall in real gross domestic product (GDP).

Recent developments

The higher rate of inflation over the past twelve months has reflected both high pay settlements and rises in oil and other commodity prices. Prices of materials and fuel used by manufacturing industry rose by some 20 per cent in the year to October, indicating the significant non-wage element in rising costs, even though this was greatly mitigated by the strength of sterling, for which the effective rate appreciated by nearly 10 per cent in the same period. The domestic rate of inflation, as measured either by retail prices or the wholesale price of (non-food) manufactures stood at about 17 per cent over the twelve-month period. The tax and price index, which takes account of direct as well as indirect taxation, had risen by a little under 15 per cent. Taken in conjunction with pay increases of some 15 per cent to 16 per cent on an underlying basis the real value of earnings was still increasing, though by less than in 1978 or the early months of 1979 when the trend of commodity prices had been much more favourable. An appreciating exchange rate and a relatively high rate of domestic inflation has led to a sharp loss of international competitiveness in terms of both prices and costs.

The money supply has increased by over 13 per cent over the last 12 months. And, as the Chancellor of the Exchequer explained to the House of Commons on 15 November, it was still

outside the Government's 7 per cent to 11 per cent target range by mid-October. This reflected a high public sector borrowing requirement (PSBR) in the first part of the financial year and continued high bank lending. It was expected that measures taken in the Budget which increased the PSBR, such as the reductions in personal taxation, would come through faster than those which reduced it, such as higher value added tax (VAT) and sales of public sector assets. But in the event, public borrowing, especially by the local authorities and public corporations, has been higher than expected — largely as a result of industrial action which has delayed the payment of telephone bills and VAT. The rapid increase in bank lending to some extent reflects an unexpectedly buoyant rate of stockbuilding. On 15 November the Bank of England's minimum lending rate was increased from 14 per cent to 17 per cent and measures were taken to bring the forecast PSBR back to the Budget estimate of £8.3 billion. The monetary target was rolled forward for a further six months; the target range for the growth of sterling M3 is now 7 per cent to 11 per cent at an annual rate from mid-June 1979 to mid-October 1980. At the same time the supplementary special deposits scheme was extended for six months.

The weak recovery from the 1974/75 recession was checked in the autumn of 1978 and followed by a fall in activity in the early months of 1979, largely because production was disrupted by bad weather and industrial disputes. There was a marked rebound in output in the second quarter, followed by a fall in the third quarter partly as a result of the engineering industry dispute, and the trend of activity over the past 12 months has probably been fairly flat. The manufacturing sector has followed a broadly similar pattern to total GDP. Despite the lack of output growth, employment in industry has declined only marginally. Unemployment was on a downward trend until the summer of 1979, though this appears to have been checked in recent months.

Personal consumption has added to demand but there appears to have been little change in public sector demand or in private sector investment. An increasing share of consumption has been met by imports rather than by domestic production.

The growth of personal consumption reflected brisk growth in real personal disposable incomes in the period up to mid-1979. The precise timing of both income and consumption movements are complicated by the short-term effects of Budget changes. Taking the first nine months of 1979 the level of personal consumption rose by some 4½ per cent compared with a year earlier; this was probably a little below the growth in real incomes over the same period. The fall in consumption in the third quarter of 1979 partly reflected the effect of the Budget which had brought forward expenditure into the second quarter. In view of the trend in prices and real incomes the strong upward movement in consumption has probably now ceased.

ector investment in distributive and service industries strong upward trend until mid-year, but manufacturing investment appeared to have passed a cyclical peak and private housing investment has declined sharply since the end of year. Stockbuilding has remained at a fairly high level so far year in with erratic quarterly fluctuations. Public sector expenditure on goods and services has remained roughly constant.

The quarterly path of overseas trade has been greatly obscured and damaged by industrial disputes. It may be best to compare the first ten months of 1979 with the equivalent period of 1978. In this period export volumes (excluding fuel) rose only marginally (three-quarters per cent) while import volumes (excluding fuel) rose by 14 per cent, with a substantially larger growth in imports of manufactures. These movements reflected strong consumer demand and worsening competitiveness and, probably, the permanent loss of some exports as a result of industrial disputes. Despite favourable terms of trade (reflecting the strong exchange rate) and continuing improvement in the balance of trade in oil, the visible balance deteriorated and over the first ten months of 1979 was in deficit by some £3 billion; of this £1½ billion was in the first quarter. The invisible surplus, on provisional figures, has also deteriorated. This reflects an estimated worsening of the services balance as well as rising North Sea oil profits accruing to foreign-owned companies and some further increase in UK net contributions to the EEC. Over the first ten months of 1979 the current account is provisionally estimated to have been in deficit by some £2½ billion. It remains highly uncertain to what extent this deficit reflects temporary disturbances.

Prospects for 1980

Policy assumptions

The forecast takes account of the measures announced on 15 November and assumes that monetary growth is held within the new target range. The public expenditure forecasts for 1980-81 are based on the recent White Paper *The Government Expenditure Plans 1980-81* (Cmnd 7746). For the purpose of this forecast tax receipts are projected on the conventional assumption that allowances, thresholds and specific tax rates are uprated in line with the RPI growth during the previous calendar year.

Inflation

Prices in the UK are rising at or a little above 1 per cent per month. In the current quarter, the retail price index is likely to be a little over 17 per cent higher than a year earlier (consistent with the Budget forecast), an increase which includes the once-and-for-all effects of the rise in VAT. The effective exchange rate is assumed to remain close to its present level in 1980, so that future import prices follow movements in world prices: although the expected recession in industrial countries may limit any rise in commodity prices, some of the effects of higher import prices that have occurred so far this year will still be feeding through into domestic prices in the early part of next year. The growth of domestic costs depends, essentially, on the climate of pay negotiations. This forecast allows for a progressive reduction in the level of settlements over the coming year in response to the Government's fiscal and monetary policies. It leads to a forecast reduction in the rate of retail price inflation (over a 12-month period) to 14 per cent in the fourth quarter of 1980. With the share of profits already exceptionally low and adversely affected by the continued rise in labour costs and by the fall in economic activity, a significant fall in the rate of inflation implies a slower growth of costs.

Demand, trade and activity

Taking account of the weakness of activity, a small fall in real personal incomes is likely in 1980, despite the prospect of large pay increases in the public services, largely based on the reports of the Clegg Commission. However, consumer confidence

Table 1: Economic Prospects to end-1980

	percentage changes	
	1978 to 1979	1979 to 1980
A. Output and expenditure at constant 1975 prices		
Gross domestic product (at factor cost)	1	-2
Consumers' expenditure	4	½
General Government expenditure on goods and services	½	0
Public corporations' fixed investment	-4½	-4½
Private sector investment	-2	-1
Exports of goods and services	1½	0
Stockbuilding (as per cent of GDP)	¼	-2
Imports of goods and services	11½	-2½
B. Balance of payments on current account		
	1979	1980
	£ billion	
	-2½	-2
C. Retail price index		
	percentage changes	
	4th quarter 1978 to 4th quarter 1979	4th quarter 1979 to 4th quarter 1980
	17½	14

†This margin applies to General Government consumption.

Table 2. Forecasts of expenditure, imports and gross domestic product, £million at 1975 prices, seasonally adjusted

	Consumers' expenditure	General Government expenditure on goods and services			Other fixed investment
		Final consumption	Fixed investment	Total	
1977	63,350	23,250	3,950	27,200	16,200
1978	66,700	23,650	3,350	27,000	17,150
1979	69,300	23,900	3,200	27,100	16,650
1980	69,650	24,150	3,000	27,150	16,400
1978 First half	32,950	11,750	1,750	13,500	8,650
Second half	33,750	11,900	1,600	13,500	8,500
1979 First half	34,900	11,850	1,650	13,500	8,200
Second half	34,400	12,050	1,550	13,600	8,450
1980 First half	34,900	12,100	1,500	13,600	8,200
Second half	34,750	12,050	1,500	13,550	8,100
Percentage changes					
1977 to 1978	5½	1½	-15	-1	6
1978 to 1979	4	1	-4	½	-3
1979 to 1980	½	1	-7	0	1½

*The errors relate to the average differences (on either side of the central figure) between forecast and outturn. The method of calculating these errors has been explained in earlier publications on government forecasts, notably in November 1978 (see *Economic Progress Report Supplement* or *Economic Trends* No. 301, November 1978). The errors are after adjustment for the effects of major changes, where excluded from the forecasts, in fiscal policy and hire purchase terms controls. Quarterly forecasts are grouped so as to be comparable with the changes between calendar years as shown. For a forecast made in quarter 0 the errors (both for the constant price magnitudes and for the current account) relate to the forecast changes between the 'base year' (quarters -1 to -4) and the forecast period (quarters 1 to 4). The strict comparison with the present calendar year forecast would, of course, involve a base year comprising quarters 0 to -3. For the retail price index the margin relates to the percentage change between quarter 0 and quarter 4.

Although roughly appropriate in respect of time horizon and period covered these figures are likely to understate the true margins of error for the general reasons indicated in the concluding paragraphs of the text.

1½
1½
1½†
6½
4
3½
¾
2½
billion
2
per cent
4

inflation, and the savings ratio is likely to fall. On balance, little change in personal consumption is forecast for next year.

Industrial and commercial companies are likely to meet difficult trading conditions next year, reflecting weak world demand and unfavourable UK competitiveness. The adverse effects on output and profitability, combined with tight monetary conditions, may lead to a downturn in private investment and stockbuilding, both of which appear, in any case, to be close to cyclical peaks. The forecast of private sector investment is strongly influenced by the latest surveys of firms' investment intentions undertaken by the Department of Industry and the Confederation of British Industry (CBI). Private manufacturing investment is expected to show little change this year and then fall by about 7 per cent next year, rather less than in some previous downturns. Little change is forecast for other private investment in 1980. Stockbuilding was unexpectedly high in the first half of 1979. A turning point is forecast around the end of this year as companies react to the falling away in demand and to financial pressure. The forecast is for destocking on a significant scale during 1980, implying a large turnround (some 2 per cent of GDP) between 1979 and 1980.

The forecast is for little change in the volume of General Government expenditure on goods and services in 1980. This is consistent with the White Paper on public expenditure in 1980-81 (Cmnd 7746).

Many governments overseas are tightening policies in order to contain the inflationary impact of higher oil prices, with the result that inflation may be better contained than after the 1973-74 oil price rises. In common with most international economic organisations, we expect a slowdown in world economic activity next year. The US is expected to enter a period of recession and growth in the other industrial countries is expected to slow down, but without coming to a halt altogether. Economic growth in the main industrial countries is forecast to drop from 4 per cent in 1978, to under 3 per cent in 1979 and to around 1 per cent in 1980. The growth in the volume of world trade is expected to be very slow but the growth of UK markets should be less affected and the imports of smaller OECD countries and OPEC — relatively more important to the UK — are expected to grow faster than trade in general. UK-weighted trade in manufactures, estimated to have risen 5 per cent to 6 per cent in 1979, may rise a further 4 per cent in 1980. The implication of the forecast for UK inflation combined with the assumption of a constant effective exchange rate, is that the UK's cost and price competitiveness does not change greatly from its recent level.

After a period of stability, the share of UK exports of manufactures in world trade appears to have fallen in 1979, with the disruptions caused by industrial disputes in the UK, and probably some effects of worsening competitiveness, adding to the longer-term tendency of the UK to lose share in world markets. In 1980, world trade growth is liable to be weaker and the lagged effects of changes in competitiveness more strongly unfavourable, so that there may be little change in the volume of manufacturing exports.

For both import and export volumes this forecast gives some weight to the views of outside forecasters but it is still less optimistic than most on short-term trends in trade volumes. The import propensity has moved upwards in recent years, and fluctuates cyclically though erratically from year to year. With the fall in demand forecast for 1980, the volume of imports should decline. There is particular uncertainty about the forecast for imports of manufactures.

With exports forecast to change little next year and with the prospect of a substantial fall in domestic demand — notably for stocks — the prospect is inevitably for some fall in economic activity. However, largely for cyclical reasons, there may be no further growth next year in the share of demand met from overseas. The forecast, subject of course to a large margin of error, is for a fall in GDP of the order of 2 per cent — of the same order as occurred in 1974. The implication of this forecast is that there is likely to be some rise in unemployment.

fact

	Total final expenditure	less Imports of goods and services	less Adjustment to factor cost	Statistical adjustment	Gross domestic product at factor cost	GDP index 1975 = 100
1,250	139,700	30,400	10,850	-200	98,250	105.1
1,100	144,300	31,600	11,850	0	100,850	107.9
1,450	147,350	35,300	12,300	2,200	101,950	109.1
-450	145,600	34,400	12,250	1,100	100,050	107.0
600	71,600	15,700	5,900	-50	49,950	106.9
500	72,700	15,900	5,950	50	50,900	108.9
800	73,350	17,600	6,200	1,400	50,950	108.9
650	74,000	17,700	6,100	800	51,000	109.2
-50	73,300	17,300	6,150	550	50,400	107.8
-400	72,300	17,100	6,100	550	49,650	106.2
	3½	4	9½			2½
	2	11½	3½			1
	-1	-2½	0			-2

account

of trade improved between 1977 and 1979 by about 7%. With little change assumed in the exchange rate and commodity prices rising only slowly, some further improvement in the terms of trade may take place in 1980. On balance, the outturn so far this year is, on very provisional figures liable to substantial revision, a good deal less favourable than in 1978, partly as a result of higher government payments, notably to the EEC, higher profits earned by foreign companies operating in the North Sea, and higher interest rates in the UK. While there should be an improving trend in the balance of services, higher North Sea profits will continue to reduce the net balance on interest, profits and dividends. There could be some further deterioration in the total balance on invisibles next year.

In total, the current account of the balance of payments seems likely to be in substantial deficit this year, perhaps by some £2½ billion. The figure has been affected to a considerable but incalculable extent by the effects of major industrial disputes such as those in the road haulage and engineering industries. Continuing poor performance by the motor industry has also been an important factor. Unless there are disputes on a comparable scale next year, the fall in demand for imports will probably be sufficient to bring about some improvement in the current account, though a significant deficit — possibly of the order of £2 billion — is still forecast.

Public sector borrowing

In the first six months of the current financial year the PSBR is provisionally estimated at £6½ billion. This is high in relation to the Budget forecast of £8¼ billion for the year as a whole and reflects, in particular, higher than expected borrowing by local authorities and public corporations; the latter is mainly due to the Post Office. There are, however, strong reasons for expecting a big reduction in the PSBR in the second half of the year: receipts from the higher rate of VAT and from the planned £1 billion of asset sales will be almost entirely in the second half of the year and the loss arising from the delays to telephone bills should be partially recovered, though the forecast assumes that £400 million is still outstanding at the end of the financial year. With great uncertainty still remaining, the estimated outcome was in the region of £9 billion before the acceleration of payments of petroleum revenue tax (PRT) announced on 15 November, which will reduce the PSBR by about £700 million in 1979-80, and by smaller amounts in later years.

Most of the factors which, even now, make it hazardous to forecast the 1979-80 PSBR create comparable uncertainty about the figures for 1980-81, and many other factors make the margins of error for that year even greater. The prospect for 1980-81 is affected both by the large 'Clegg' increases in public service pay and by the poor outlook for economic activity. There are, however, favourable factors too, such as a full year's receipts of VAT at the higher rate, the build-up of revenue from North Sea taxation and the recovery of the remaining backlog of Post

Office receipts. On the assumptions adopted for this forecast the prospect — subject of course to a very high margin of error — is for little change from the 1979-80 level in the PSBR as a percentage of GDP. In the absence of a fall in economic activity the prospect — given the same policy assumptions — would, of course, be more favourable. If, for example, stronger private sector activity led to no change in real GDP next year rather than the forecast 2 per cent fall, the PSBR would be likely to fall by at least half per cent of GDP. With rising GDP the PSBR would be reduced still further. It should also be noted that any projection of the PSBR at this stage reflects not only very high margins of error (past experience would suggest an *average* margin of error in either direction of some 2 per cent of market price GDP) but also involves necessarily arbitrary or conventional assumptions about future policy decisions. The objective for the PSBR in 1980-81 will be determined at the time of the Budget in the light of developments in the economy and, above all, of the requirements for meeting the Government's monetary target.

Margins of error

At present any assessment involves unusually large uncertainties. In particular, there is no reliable way of using past experience to assess the pace at which inflation responds to the present emphasis of monetary and fiscal policy. This applies particularly to the effects of policy on expectations, both insofar as they influence pay settlements directly and insofar as they influence financial markets and hence, in turn, the exchange rate, domestic prices and pay settlements. Similarly, because of the loss of trading competitiveness, which has occurred and is assumed not to be corrected, the forecast is particularly sensitive to fallible estimates of cost and price elasticities. Given the strong cyclical downturn the response of investment and stockbuilding to movements in output, profitability and financial conditions is both important and more than usually difficult to predict.

In the circumstances it is not sufficient to use margins of error based on the record of past forecasts and the assessment of uncertainty has to be fairly subjective. Nevertheless, the final column of Table 1 shows the average errors obtained from past forecasts with a time horizon comparable to the present forecast for 1980. In addition to the arguments for believing that margins of error are bigger in present circumstances it should be emphasised that these are *average* errors which, by definition, have frequently been exceeded.

Given these qualifications the forecast should not be interpreted as suggesting much more than that retail price inflation is likely to slow down but to remain in double figures next year and that there will probably be some fall in real GDP.

Additional copies of this supplement may be obtained from Information Division, HM Treasury, Parliament Street, London SW1P 3AG.

Parliament

SIR DEREK RAYNER

Advance copy

Mr Pattison

cc for information*

Mr Laughrin

Mr Allen

* without draft minute

SELECT COMMITTEE, 20 FEBRUARY

1. I attach a paper (prepared by Mr Allen) for your approval, together with a minute to the Prime Minister seeking hers.
2. I shall be grateful for a quick turn round as you need to get the paper to the Prime Minister and then on to the Committee in fairly short order.
3. We are preparing briefing for your appearance, which we can discuss with you separately.

C PRIESTLY

Encs: Paper (minus annexes)
Minute to Prime Minister

PRIME MINISTER

SELECT COMMITTEE ON THE TREASURY AND CIVIL SERVICE

1. You kindly agreed that I should accept an invitation from this Committee to give evidence. I am called for Wednesday 20 February - I only hope that I can make my way through the lobby of sub-postmasters protesting against the DHSS "Rayner project"!
2. You may like to see the attached paper which I propose to submit beforehand and for which I should be grateful for your approval.
3. I should also very much value your agreement that I should speak frankly in response to questions.
4. Following your earlier confirmation that I should use publicity judiciously, I think that the Government's efficiency drive has gained some assistance from my PLATFORM ONE (BBC1) interview with Professor McKenzie on 24 January and the NEWSWEEK (BBC2) programme on 7 February, in which Mr Channon and two of the "Rayner" officials were interviewed, among others.
5. The Select Committee is attracting some attention and I would hope to use my appearance to spread the word a bit, in order to keep up the general pressure on departments and to encourage Members of Parliament to play a constructive part. I think and hope that you would see no difficulty over this; so far I have been involved in almost nothing that is truly confidential and, as you know, I do not believe that many of Whitehall's administrative practices need or should be cloaked in the mantle of secrecy.

DEREK RAYNER

Enc: Paper for Select Committee

SELECT COMMITTEE ON THE TREASURY AND CIVIL SERVICE

Note by Sir Derek Rayner

1. I was appointed on 8 May 1979 to advise the Prime Minister and her colleagues on ways to improve efficiency and eliminate waste in government. I am supported in this by a small central team comprising 2 Staff Officers (an Under Secretary and an Economic Adviser), an Executive Officer and a Personal Secretary. I also consult, as necessary, the central departments (Civil Service Department, HM Treasury, and the Central Policy Review Staff).

Rayner Projects

2. My first task was to launch a number of so-called "Rayner projects". Each Government department was asked last June to examine radically and searchingly a particular activity or function with the object of identifying ways in which it could be carried out more efficiently, more effectively and at less cost. The investigations were to last, in general, no more than 60 working days.
3. Each project was carried out by one or two officials from within the Department concerned. The officials, who were at about Principal grade, were free of steering committees and hierarchy. They reported direct to a Minister (in most cases a Minister of State) in consultation with their Permanent Secretary and me. They were free to ask awkward questions (eg "Why is this work done at all? Why is it done as it is?"), and to do so at the point where the job is actually done. They were told to come up with recommendations for action, not simply to identify problems.
4. There were 29 projects undertaken. A complete list is at Annex 1. I associated myself with all the projects from inception to conclusion: the study plans were agreed by me; I was available for consultation throughout, accompanying

some of the officials on their visits to the "sharp end"; the reports were copied to me at the same time as they went to the departmental Minister concerned.

5. All the reports are now with Ministers, along with my comments and advice, and most results have been reported to the Prime Minister. The potential savings suggested by project officers are around £80 million a year and £50 million once-for-all. The next and crucial stage is for the reports to be converted into "proposed action" documents, showing which recommendations are accepted, how and by when the savings will be realised and who will be responsible for seeing the recommendations through to implementation. I have the opportunity to comment and advise on these documents before circulation/publication.

6. Throughout my role has been that of adviser. The recommendations are those of the officials nominated to carry out the projects. The reports are the property of Departmental Ministers. It is for individual Ministers to decide what should be done as a result of the reports made to them and to implement the recommendations accepted or action based upon the recommendations made.

7. The Minister of State in the Civil Service Department (Mr Paul Channon MP) has the responsibility for drawing out lessons that might be usefully applied elsewhere within each department and across departments.

Annual Scrutiny Programme

8. On the basis of this experience the Government has decided that there should be an annual scrutiny by departments of specific activities. Each department will examine at least one area of its administration. The programme of each year's scrutinies will be decided upon after the Prime Minister has been informed of the proposals for it. The method of investigation will be the same as that

adopted in the previous exercise - a copy of the note of guidance issued to scrutineers is at Annex 2.

9. A list of subjects for examination in the first year is at Annex 3.

I shall be generally associated with all the projects but more closely with 14 of them (asterisked in the Annex) on which I shall be reporting to the Prime Minister. These are projects which are either intrinsically important or likely to raise issues of general principle.

Statistical Reviews

10. In addition, Departmental Ministers are this year being asked to review their statistical services. This follows the very useful project in the last round which looked at the statistical services of the Departments of Trade and Industry. I shall oversee and co-ordinate these studies, supported by an official in the Civil Service Department and in the Central Statistical Office. The officials in the departments with the responsibility for carrying out the individual studies will adopt the same method of working as in the scrutiny programme.

11. Drawing upon the departmental studies I will assess centrally the statistical services which meet wider needs than those of one department, including the work of the Central Statistical Office.

12. The statistical review will be completed by the end of the summer when I shall report to the Prime Minister.

Cost Information

13. The annual scrutiny of specific activities will be a necessary and important instrument for Ministers in seeking to improve efficiency and reduce waste in their Departments. It supplements the existing machinery, eg for staff inspection and O and M studies. But it is not sufficient. Ministers need also to have available to them management information on the cost of having a Department that is, of its staff, of its buildings and of supplying it with goods (eg stationery, furniture and equipment) and services (eg heating and lighting). This is because in order to run anything one needs first to know and then to question his costs.

14. The Government has decided that each Minister in charge of a Department should scrutinise such costs at least once a year. Cabinet will also consider collectively an annual statement of the cost of running central government. I am currently advising Ministers on the provision and use of cost information systems. It is the intention that there should be a pilot run this year with a view to being fully operational by next year.

Rules and procedures which inhibit effective management

15. A paucity of management information has been one barrier to the effective management of resources in central government departments. Over the coming months, I shall be considering a number of other areas in which existing rules or procedures could inhibit good and efficient management eg:

- the present system of providing certain goods and services, notably accommodation, free to Departments on "allied service" terms;
- the distribution of responsibilities for the management of resources within Departments including the use of professionally qualified staff;

- the role of the central departments in the management and control of resources;

- personnel practices

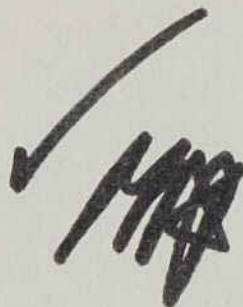
General

16. I should be glad to have comments and advice from members of the Select Committee.

12 February 1980

11 12 1
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13 FEB 1980



with compliments

Private Secretary to
CHANCELLOR OF THE DUCHY OF LANCASTER
68 Whitehall London SW1A 2AS
Telephone 01-233-7113



Chancellor of the Duchy of Lancaster

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AF

8 February 1980

How large

FOREIGN AFFAIRS COMMITTEE

Thank you for copying to me your letter of 4 February to Michael Alexander.

We were interested to see that Lord Carrington had agreed to appear from time to time before the Foreign Affairs Committee. Their request is very much in line with the developing practice of other Select Committees. No doubt you will be making the necessary arrangements to obtain the formal leave of the House of Lords for Lord Carrington to appear before a Commons Committee.

I am copying this to Michael Alexander.

J W STEVENS
Private Secretary

G G H Walden Esq
Private Secretary to the Secretary
of State
Foreign and Commonwealth Office

FEB 11 1960





CONFIDENTIAL

Parliament
2 MARSHAM STREET
LONDON SW1P 3EB

VMS
My ref: H/PSO/10831/80

Your ref:

7 February 1980

Du Cann

DEPARTMENTAL SELECT COMMITTEES

Thank you for your letter of 28 January.

I quite agree with your inclination to put the argument to Bruce Douglas Mann in general terms in the first instance, citing council house sales as an example. I had not intended that you should, as it were, present a list of "proscribed" subjects. My main purpose in giving you a list of the main items in the Housing and Local Government Bills was as an aide-memoire for your own use, should other possible topics come up in the discussion.

You asked to be kept informed of developments as far as the Select Committee on the Environment was concerned. The Committee have now decided on the appointment of three advisers on council house sales; and we have heard off the record that they are likely to ask formally for evidence on the subject from the Department (amongst others) this week or next. You may also have seen that John Sever has been appointed to fill a vacancy on both the Environment Committee and the Housing Bill standing committee. This can only aggravate the difficulties we had in mind when we discussed these issues in Cabinet. These developments make it the more important that there would be no delay in your discussions with the Chairman.

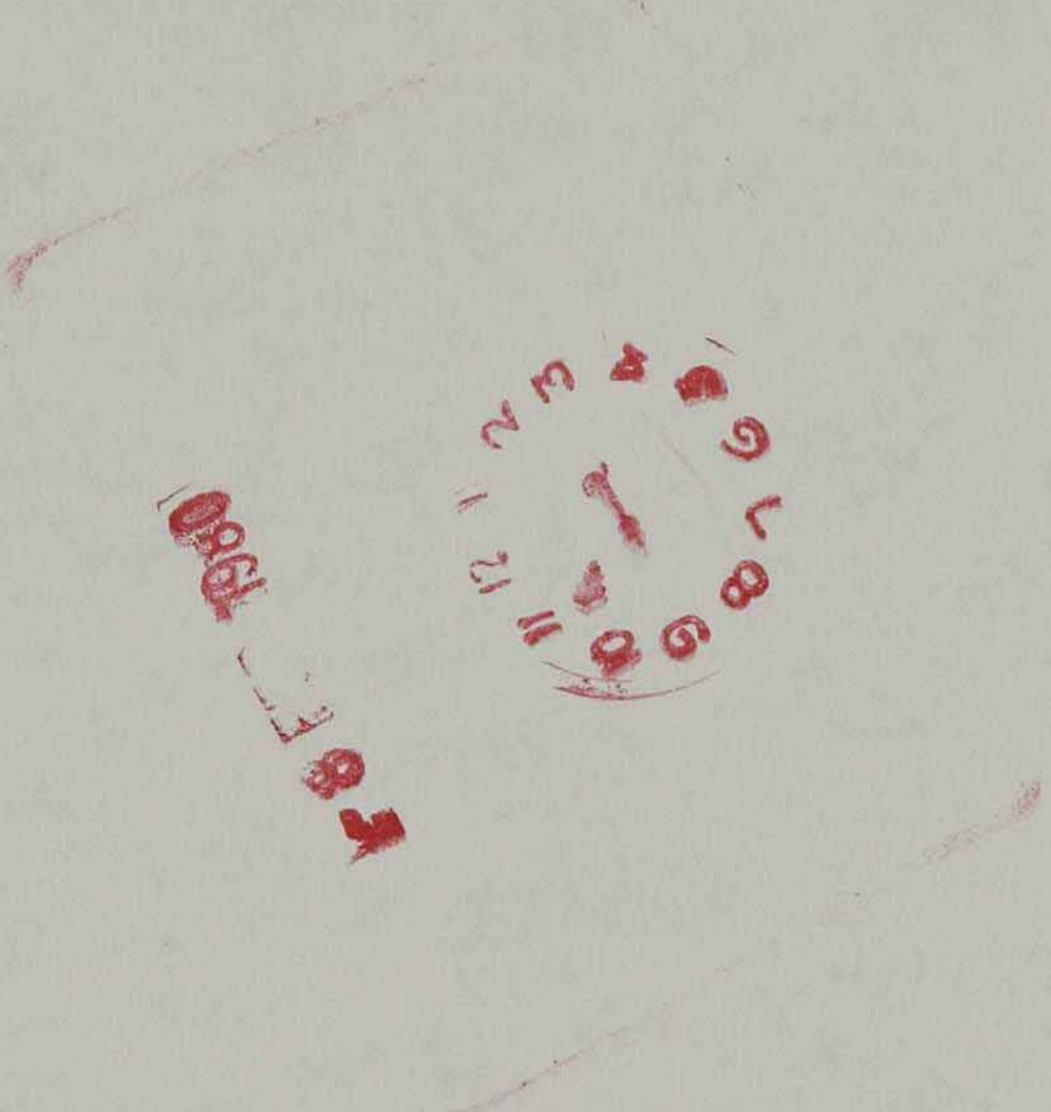
I shall be interested also in the outcome of your talk with Edward Du Cann about the PAC's intended consideration of the sale of council houses. My Accounting Officer is, as I mentioned in my letter of 24 January, appearing before the PAC on 18 February on this, so there is a certain urgency.

I am copying this letter to the Prime Minister, Cabinet colleagues and Sir Robert Armstrong.

Yes we

MICHAEL HESELTINE

The Rt Hon Norman St John Stevas MP



18 FEB 1961





Minister of State

Parliament
Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

VMS

5 February 1980

J W Stevens Esq
Private Secretary
Chancellor of the Duchy of Lancaster
Privy Council Office
Whitehall
LONDON SW1A 2AT

Dear John

Requested again 6.2.80

SELECT COMMITTEES: REVISED MEMORANDUM OF GUIDANCE

Following the Chancellor of the Duchy's letter to the Minister of State on 21 January, it was agreed that the Chancellor should send an advance copy of the revised Memorandum of Guidance to Mr Du Cann. Your letter to me of 1 February confirms that Mr Du Cann considers it would be right for Chairmen of Select Committees to see copies of the Memorandum. We have arranged to provide you with copies for the Chancellor of the Duchy to send to Chairmen of the House of Commons Committees, and have made a similar arrangement with Charles Cumming-Bruce for the House of Lords Committees.

The Memorandum will be distributed to departments on Thursday 7 February and all should have received it by the following Monday at latest. We suggest, therefore, that the Chairmen's copies might be sent to them on Monday 11 February.

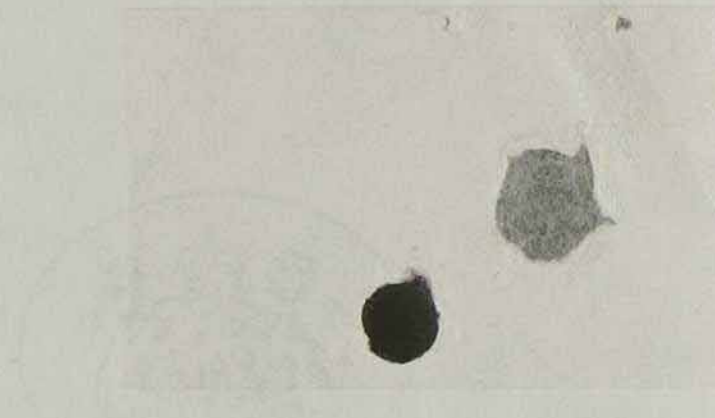
I am sending copies of this letter to Charles Cumming-Bruce, to Private Secretaries to the Prime Minister, Ministers in charge of departments and the Chief Whip, and to Sir Robert Armstrong.

Yours sincerely

G E T Green

G E T GREEN
Private Secretary

~~6~~ FEB 1980





Parliament

Foreign and Commonwealth Office

London SW1A 2AH

Mr Sanders M/S

H.A.

4 February 1980

(2)

ms

Prime Minister

Dear Michael,

Ans 4/2

Foreign Affairs Committee

You should be aware that the Chairman of the Foreign Affairs Committee has suggested to Lord Carrington that he might appear before the Committee at least four times a year to answer questions on foreign affairs, perhaps once each Parliamentary term, to answer questions over the whole range of foreign affairs.

Lord Carrington has replied that he would be glad to appear before the Committee from time to time, but would prefer not to commit himself to too regular arrangements: partly because his own programme tends to be unpredictable, and partly because a more flexible arrangement would enable him to see the Committee at times when something of particular interest to them was taking place. He has in the meantime agreed to appear before the Committee at their next meeting, which is on Wednesday, 6 February.

I am sending a copy of this letter to Stevens, Private Secretary to the Chancellor of the Duchy of Lancaster.

*Yours
G.G.H.*

(G G H Walden)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
London



Vertical red ink stamp impression, possibly containing a date or location, oriented vertically.

M.S.

1 FEB 1980 E 12



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

1 February 1980

How Jeffrey

M O'Shethly
PS/Lord President *M Widding*
PS/Perm Sec *M Pearce*
PS/2nd Perm Sec *M Dane*
M Cumming-Bruce
Ms.

SELECT COMMITTEES - REVISED MEMORANDUM
OF GUIDANCE

As you know, with the agreement of your Minister of State, the Chancellor of the Duchy sent an advance copy of the revised Memorandum of Guidance to Mr Edward du Cann, and also suggested that when the guidance was finally printed, copies should be sent to the chairmen of all Select Committees.

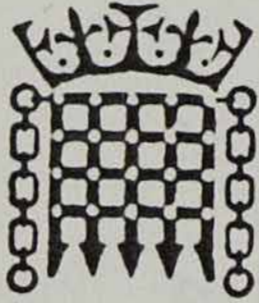
... Your Minister of State may be interested to see the attached letter from Mr Edward du Cann, in which he confirms that it would be right for the chairman of committees to see copies.

John W Stevens

J W STEVENS

G E T Green Esq
Private Secretary to the
Minister of State
Civil Service Department
Old Admiralty Building
Whitehall

From: the Rt. Hon. Edward du Cann, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

30 January 1980

L. Norman

Thank you for sending me an advance copy of the Revised Memorandum of Guidance for officials appearing before Select Committees. This is certainly something that should be considered by the Liaison Committee, and I am sure it would be right for Chairmen of Committees to see copies as promptly as possible.

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The Rt Hon Norman St John Stevas, M.P.
Privy Council Office
WHITEHALL
SW1A 2AT

PART _____ 1 _____ ends:-

CDL to 8/5 ENW 28. 1. 80

PART _____ begins:-

PCO to CSD 1. 2. 80

