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10 DOWNING STREET

THE PRIME MINISTER

30 July 1979

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I am grateful to you for writing to me on 24 July with your frank comments about examples of local government extravagance within Plymouth City Council.

I recognise that you will want this treated as private correspondence at this stage, given your position as Lord Mayor. I will of course respect this. But I would like you to know that I, too, am most seriously concerned by extravagance and waste at all levels of Government. You will know that I have asked Sir Derek Rayner to do some work on this. Initially, he is looking at specific functions of Central Government where there may be scope for greater efficiency and less waste. Within a few months he will also be helping Ministers to look at some of the activities of local government which fall within their responsibility. I hope you will not mind my drawing his attention to your letter.

Councillor Graham J. Jinks, F.C.A.

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