

CONFIDENTIAL



*See Minutes for circulation*

10 DOWNING STREET

From the Principal Private Secretary

17 May 1979

*Ref 7.6 77*

*Dear Private Secretary.*

Review of Quangos

At Cabinet on 10 May, it was agreed that Ministers should, inter alia, consider a reduction in the "quasi autonomous non-governmental organisations" (or "quangos") for which they are responsible and submit progress reports on this (and on measures for eliminating waste and promoting efficiency) by 7 June.

The term "quango" has no generally accepted definition but for the purpose of the present review it can be taken as covering those non-Ministerial public bodies which lie outside the "cores" of central government and local government. They therefore exclude on the one hand Government Departments (and units within them), the Royal Household, Parliament, the Judiciary, the Armed Forces and the National Health Service and on the other, Local Authorities, educational authorities (and educational institutions), police authorities, the fire services and water and sewage authorities. They include the following categories:

- a. nationalised industries and commercial companies in which Government has a shareholding: the Prime Minister would be grateful if the Chancellor of the Exchequer and the sponsoring Ministers would consider and advise on their review;
- b. administrative tribunals and other quasi-judicial bodies, including those under the general supervision of the Council on Tribunals: the Prime Minister would welcome the Lord Chancellor's advice on the most appropriate manner of review;
- c. agricultural marketing boards: their position has to be considered in relation to the EEC common agricultural policy and the Prime Minister would welcome the advice of the Agricultural Ministers on them;

CONFIDENTIAL /d.

- d. various Committees and Commissions with purely advisory functions;
- e. the remaining non-Ministerial public bodies with administrative, executive and regulatory functions, generally described as "fringe bodies".

There may be other bodies which Departments sponsor or fund which should also be reviewed. But, for the present at least, the review is not to cover bodies which may have been created by the Crown or Parliament but which are entirely independent of Government, e.g. the General Medical Council and similar professional registration bodies; or voluntary bodies even though these may be in receipt of government financial assistance.

So far as "fringe bodies" are concerned, officials in the Civil Service Department will shortly complete a report for the Lord President, setting out proposals for a framework for bodies of this kind established in future and for the regular review of the need for, and operation of, existing bodies. This should provide a basis for Ministers to consider in due course the arrangements for keeping "fringe bodies" under review in the longer term, once the present initial study by Ministers in their own Departments has been completed.

I am copying this letter to the Private Secretaries to Cabinet Ministers including the Minister of Transport and to Sir Ian Bancroft, Sir John Hunt and Sir Derek Rayner.

*Yours sincerely,*  
*Kenneth Stowe.*

The Private Secretary