



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

12 August 1980

The Rt. Hon. William Whitelaw, CH, MC, MP
Secretary of State for the Home Department

Dear Willie

MINISTERIAL STEERING GROUP ON GOVERNMENT STRATEGY
(MISC 14)

.....
I thought that you and our Cabinet colleagues might find it helpful to have the enclosed copy of a note summarising proposals for further work recently agreed by the Ministerial Steering Group on Government Strategy, and also indicating the state of play of work to date.

As you will see, the Group has now decided to concentrate for the future on 5 key areas which we consider to be of vital importance to the improvement of the supply side of the economy, rather than to continue to seek to keep under supervision all the proposals originally suggested by colleagues. The areas on which we intend to concentrate for the future are summarised in Annex A to the note. I would welcome by the end of September any comments that you or Cabinet colleagues might have on this work programme and any suggestions that you might care to put forward (whether within your own sphere of responsibility or not) on measures to help the supply side of the economy, stimulate competitiveness more widely or make market forces work better. These might take the form either of specific work within the key areas, or possibly for further topics which you think the Group ought to examine. To avoid suggestions which duplicate work already in hand I am also attaching a copy of a checklist which was before the Group at its most recent meeting which sets out the latest state of play on all items.
.....

Although the Group intends to concentrate for the future on the topics listed in Annex A of the note, there are a number of other topics which the Group has under review and these are listed in Annexes B and C.

/There are



There are two points to which I should like to draw particular attention. The first concerns paragraph 3 of the attached note. The approach sketched out there seemed to us to be particularly important if we are properly to achieve our objective of examining critically important areas of Government policy. I hope, therefore, that you and our colleagues will seek to ensure personally that these points are taken into account in any studies for which your department may be in the lead.

My second point concerns Annex D of the note. This lists work which we understand has either been completed or is in hand satisfactorily. I have no reason to doubt that this is the case, and the Group will no longer seek to include work on these topics in its future work programme. But I would like to ask colleagues to assure themselves that they are personally content with the progress of work on these issues.

I am sending a copy of this letter and of the attached papers to the Prime Minister, our other Cabinet colleagues and Norman Fowler. I am also copying to Sir Robert Armstrong, Robin Ibbs and John Hoskyns.

A handwritten signature in dark ink, appearing to read 'Geoffrey Howe', with a large initial 'G' and a horizontal line above the name.

GEOFFREY HOWE

MINISTERIAL STEERING GROUP ON GOVERNMENT STRATEGY(MISC 14):FUTURE WORK

1. The position is summarised in the attached annexes (which between them include all items originally selected by the Group) -

Annex A sets out the key areas for future work now agreed by the Group, and indicates which of the original items might now be pursued under those heads.

Annex B lists other original items on which reports back to MISC 14 under existing remits have just been made or will be made shortly.

Annex C lists other items (some original, some not) in which MISC 14 will keep a continuing interest.

Annex D lists items on which work (as appropriate) appears to the Group to be either adequately in hand elsewhere or to have been completed.

Annex E lists items where MISC 14 has accepted that there is little or no role for Government, or that action should not proceed.

2. For a summary of state of play on each of the original items, reference (if required) should be made to the checklist (at Appendix) which indicates how each item is being handled as at July 1980.

3. Whichever department is in the lead on a particular piece of work for MISC 14 should seek to ensure (a) that responsibility for progress is clearly allocated; (b) that the topic is considered in a way which allows 'conventional' wisdom to be effectively questioned; and (c) that, where there is relevant experience outside Government, suitable steps are taken to draw on outsiders' views and experience. Departments responsible for items of work should be prepared to comment on the adequacy of each study in relation to these criteria.

Key areas for future work agreed by the Group1. Fiscal incentives

Work is in hand on a number of original proposals indicated below. MISC 14 will wish to monitor progress, and it may be appropriate for some reports to come to MISC 14 for discussion.

Original items subsumed:

Tax incentives to encourage productive investment (6.3)
Reduce bias against investment in productive assets (9.1)
Tax relief for individuals investing in small firms (10.3)
Share options for senior executives (2.7)

2. Encouraging labour mobility

CPRS to report on options for improving labour mobility.

Original items subsumed:

Reform of housing policy to encourage labour mobility; examine labour mobility in depth (5.2)

3. Reducing burdens placed on industry by Government

Official Group on Impact of Government on Industry (IGI) has been asked to produce a progress report. Secretary of State for the Environment to put a paper on planning procedures to NEDC in October.

Original items subsumed:

Review of planning procedures (7.1)
Review environmental controls, building regulations, health and safety regulations (7.2)
Health and Safety Commission/Executive review (7.4). [CPRS report taken by E(EA) on 31 July].

4. Measures to help small firms

The Chancellor is circulating a progress report from the Treasury Working Group on small firms.

Original items subsumed:

Reduce administrative burdens (10.1)

Supply of premises and land (11.3)

5. Industry/training/education

MISC 14 will wish to monitor progress on a number of remits (viz. review of options on industrial training; consultation between Secretary of State for Education, Employment and Industry on various educational changes; and review of incentives for teachers of shortage subjects).

Original items subsumed:

Review training (apprenticeships, MSC, ITB's) (1.1)

Industry and education (1.2)

NOTE: numbers in brackets refer to items as listed in Appendix.

Reports to MISC 14 on existing remits

Contracting out - CPRS progress report (13.2)	}	Taken at meeting on 5 August.
Truck Acts: CPRS report (2.4)		
Local enterprise trusts (10.4 and 10.6)		
Restrictive labour practices (3.2)	-	Autumn
Worker participation in pension funds (3.5.ii)	-	When GAD survey results available.
Redundancy payments (4.3)	-	When results of DE survey available (April 1981).

Note: numbers in brackets refer to items as listed in Appendix.

Other items in which MISC 14 retains an interest

Worker involvement in firms (3.7). (Secretary of State for Employment, in consultation with No.10 Press Office, to consider scope for improving management communications, and to consult CBI; Chancellor to arrange discussion in NEDC).

Government campaign on productivity (3.1):

Stimulate shareholders to play proper role in company performance (9.5):

Promote use of non-executive directors (9.6):

MISC 14 discussions on these items led to proposals for strengthening role of institutional shareholders in improving company performance (Chancellor wrote to colleagues on 19 May, and letters from Secretaries of State for Environment and Trade of 16 and 9 June commented Chancellor discussing with Governor of Bank of England).

Define role of little Neddys and SWPs (6.1): Secretary of State for Environment to circulate his views in correspondence.

Improving management systems in central government: Secretary of State for Environment to circulate his views in correspondence.

Breaking down industry - wide bargaining: to be further considered by No.10 Policy Unit.

Note: numbers in brackets refer to items as listed in Appendix.

Items on which work (as appropriate) is either adequately in hand elsewhere or has been completed.

- Encourage able women to enter industry (1.3)
- Widening differentials through tax changes (2.1)
- Reduction of poverty trap (2.2). (Further work on incentives by officials for Ministerial discussion in autumn)
- Clamp down on malingering (2.3)
- Reduce discouragement to women to take technical and industrial jobs (2.5)
- Employee profit sharing (2.6)
- Closed shop and ACAS (3.4)
- Review Employment Protection Act (4.1)
- Power for industrial tribunals to award costs to discourage frivolous cases (4.2)
- Product development and improved marketing (6.2)
- Change tax/depreciation provisions for companies (6.4)
- Review corporation tax (6.5)
- Phase out NIS (6.7)
- Encourage better manpower planning by firms (6.8)
- Reduce oversensitivity to environmental considerations (7.3)
- Competition policy (8.1)
- Raise threshold for referring takeovers to MMC (8.2)
- Remove tax obstacles to demergers (8.3)
- Enable MMC to examine large holding companies (8.4)
- Extend favourable tax treatment of gilts to long-term company debentures (9.2)
- Eliminate distinction between earned and unearned income (9.4)
- Elimination of exchange controls (9.7)
- Slant Government contracts in favour of small firms (10.5)
- Review enterprise zone concept (10.7)
- Review land taxation (11.1)
- Review Land Commission (11.2)
- Public sector land holdings (11.4)
- Public purchasing (12.1 and 12.2) (E to review progress in autumn)
- Public sector agencies to help private sector on exports (12.3)
- Develop nuclear power programme (12.5)

CONFIDENTIAL

Monopoly power of nationalised industries (13.1)
Deprivilege civil service and Academia (13.4.i and ii)
Diminish power of civil service unions (13.5)
Proposals for education of public (14.1, 14.4 and 14.6-8)
Accelerate inflation accounting (14.3)
Seek to change public attitudes to Europe (14.4)

Note: numbers in brackets refer to items as listed in Appendix.

Items where MISC 14 has accepted that there is little or no role for Government or that action should not proceed

- Measures to improve trade union structure (3.5)
- Visits by shop floor workers to competitors abroad (3.5.ii)
- Improve management morale by discouraging compromise in industrial disputes (3.6)
- Encourage better conditions at work as incentive to productivity (3.7)
- Application procedures for investment grants (7.5)
- Equity guarantee scheme (9.3)
- Harnessing entrepreneurial skills of immigrants (10.8)
- Concentrate staff cuts to increase administrative delays to imports (12.4)
- City institutions to help finance building of universities, polytechnics, etc. (13.3)

Note: numbers in brackets refer to items as listed in Appendix.

CONFIDENTIAL

APPENDIX

MINISTERIAL STEERING GROUP ON
GOVERNMENT STRATEGY (MISC14)

CHECKLIST OF WORK IN HAND

Attached is an aide-memoire of the position on existing items of work, with which MISC14 has been concerned. This checklist was previously circulated as MISC14(80)18.

Cabinet Office
11 August 1980

CONFIDENTIAL

Item and reference in
E(79) 24

Report/recommendations in
E(79)42, September 1979 and
E(79)84, December 1979

Further action taken or in hand
(lead department(s) shown in brackets)

1.1 Review training
arrangements especially -
i. Replace apprenticeship
system with certification

i. (see 1.2 below)

ii. Review MSC/ITBs

ii. Review in hand

Report completed: Minister to review options
in early autumn (DE)

1.2 Industry and Education
(4 specific recommendations)

Recommendations on response
to Finniston, education and
'world of work', highly
qualified manpower, appren-
ticeships, and CPRS report
on education, training and
industrial performance

E to discuss response to Finniston on
6 August. Following general endorsement
of CPRS report by MISC 14 on 23 January,
(a) revised version of report has been
published; (b) checklist of points where
action is in hand and where further work
required has been prepared by CPRS and
discussed by MISC 14: Secretaries of
State for Education, Employment and
Industry are consulting on various changes
and will report late October: review of
incentives for teachers of shortage
subjects is in hand.

1.3 Encourage able women to
enter industry

Initiatives should be
pursued

Action in hand (DOI). Green paper on
taxation of husband and wife later this
year. (Treasury)

2.1 Widen differentials
through tax changes

Start made in 1979 Budget

To be considered in future budgets:
objective of 25% basic rate remains
(Treasury)

CONFIDENTIAL

CONFIDENTIAL

2.2 Continued action to reduce poverty trap

Recommendations for review by officials of incentives for the lower paid

Budget announced that unemployment benefit and supplementary benefit to the unemployed to be taxed from 1982. Plans for taxing other short term benefits probably via legislation in 1981 Finance Bill. Further work by officials on incentives for Ministerial discussion in autumn is in hand. (Treasury)

2.3 Clampdown on malingering

Covered in report on 'priority' item 2.2

Claims at present controlled by home visit by lay officer or by reference to Regional Medical Service. Proposed new sick pay scheme will encourage employers to vet claim also. (DBSS)

2.4 Examine Truck Acts

Full-scale review not worthwhile but wider review of blue/white collar discrimination worth considering

MISC 14 on 18 February decided against wider study, but on reconsideration asked CPRS to report on Truck Acts. Report now before Group (CPRS)

2.5 Reduce discouragement to women to take technical and industrial jobs

Subsumed

See 1.3 above

2.6 Employee profit sharing

Officials should report in time for possible legislation in 1980 Finance Bill

Chancellor's paper of 7 December covered official report (E(79)76). A number of changes designed to encourage employee share ownership were announced in the Budget and included in the 1980 Finance Bill. DE are studying financial involvement of employees.

2.7 Share options for senior executives

Tax reliefs for savings-linked share option scheme in 1980 Finance Bill. Further examination of schemes specifically for senior executives like those in 1972 Finance Act.

CONFIDENTIAL

CONFIDENTIAL

- | | | |
|--|---|--|
| 3.1 Government campaign on productivity/restrictive labour practices | Officials to consider possible ways of disseminating information on good management practices | MISC 14 considered officials' report on 18 February. Shareholders role in improving company performance (see 9.5 below) endorsed. (See also item 3.2 above) |
| 3.2 Different approaches to tackling restrictive labour practices | CPRS to review | CPRS report (MISC 14(80)5) considered by MISC 14 on 18 February: decisions - (a) DE to develop during next six months proposals on publicity, and guidance on productivity deals, and to consult MSC on training contribution; (b) Treasury to arrange further discussions in NEDO; (c) DOT to develop proposals for the use of competition legislation, and for possible amendment of s.79, Fair Trading Act. MISC 14 to review progress in autumn. |
| 3.3 Measures to improve trade union structure | No major role for Government | - |
| 3.4 Closed shop and ACAS as supply constraints | Action already in hand (in Employment legislation) represents substantial progress | Secretary of State for Employment intends to publish a draft code on the Closed Shop soon after the Employment Bill receives Royal Assent. |
| 3.5 Better communications in industry, especially - | | |
| i. Worker representatives on board of pension funds | i. No major role for Government | i. Officials to report again when Government Actuary's 1979 Survey is available |
| ii. Visits by shop-floor workers to competitors abroad | ii. No major role for Government | ii - |

CONFIDENTIAL

CONFIDENTIAL

3.6 Improve management morale eg by discouraging compromise in industrial disputes

No major role for Government

Non-intervention policy is relevant eg in steel dispute

3.7 Encourage greater worker involvement in firms

Proposals coming forward separately from Secretary of State for Employment (E(79)40)

Approach set out in E(79)40 endorsed by E on 27 September. Secretary of State for Employment to proceed accordingly (DE)

Further work now commissioned by MISC 14 (MISC 14(80)4th meeting - item 1, conclusion 4)

4.1 Review Employment Protection Act

Action already in hand represents substantial progress

Employment Bill, nearing Royal Assent, contains amendments to help small firms (DE)

4.3 Good redundancy schemes for overmanned nationalised industries

Officials to study possible perverse results of redundancy payments

MISC 15 reports on 8 July to MISC 14. MISC 14 to review again after results of DE survey are available in spring 1981

5.1 Examine labour mobility in depth

Partly subsumed in review of Housing Policy (Priority item 5.2). CPRS and MSC studies in hand on geographical mobility

Report from MSC to DE Ministers now due. CPRS to report to MISC 14 on options for improving labour mobility. Threshold for stamp duty on house transfer to be reviewed annually (Treasury)

5.2 Sustained reform of Housing Policy to encourage labour mobility (10 specific proposals)

Major legislation this session will help

Legislation in progress (Housing and Local Government, Planning, Land and Tenants' Rights etc (Scotland) Bills) (DOE, SO)

CONFIDENTIAL

CONFIDENTIAL

E(79)24

E(79)42 and 84

Further action

- | | | |
|---|--|--|
| 6.1 Define what Government wants from Little Neddies and SWPs | Pressure has been applied to little Neddies/SWPs by recent review and should be maintained | Secretary of State for Environment to circulate views to colleagues (MISC 14(80)9th) |
| 6.2 Carry forward existing work on import substitution, product development and improved marketing standards | DOI to review further and report back | |
| 6.3 Tax incentives to encourage productive investment | Officials to report | E on 12 December and 13 February considered various options. The Venture Capital Scheme whereby losses on unquoted shares may be set off against taxed income was announced in the Budget and was well received. Provisions included in the 1980 Finance Bill. Further possibilities are being examined by FASE working group (Treasury) |
| 6.4 Change tax and depreciation provisions for companies to encourage profitable investment of retained capital | Subsumed | See item 6.5 |
| 6.5 Review system of corporate taxation | Under separate review | Green Paper announced in Budget speech to be published later this year (IR) |
| 6.6 Review regional policy | Review completed | Decisions being implemented over 3 years (DOI) |
| 6.7 Phase out NIS | Decision being considered separately | Under consideration (Treasury) |

CONFIDENTIAL

CONFIDENTIAL

- | | | |
|--|---|--|
| 6.8 Encourage better manpower planning by firms | More work needed on information on highly qualified manpower, and regular summaries should be published | Action in hand: first of annual series of articles on highly qualified manpower published in March DE Gazette (DE) |
| 7.1 Review planning procedures including IDC's and ODP's | Officials to consider CPRS report. (Action taken on IDC's and ODP's) | MISC20 (official group considering CPRS report) reported to E(EA) in April and approved in correspondence. Follow-up now in hand (DOE, DOI). |
| 7.2 Review -
(i) Environmental controls | (i) CPRS were proposing to report | (i) MISC20's report to E(EA) recommends against a CPRS report and this was agreed by Ministers. |
| (ii) Building regulations | (ii) Review in progress | (ii) Public consultation document issued on 6 June. Policy approval granted by H on 30 June for legislation in 1980/81 session (DOE) |
| (iii) Health and Safety Regulations | (iii) CPRS to review | (iii) CPRS report taken by E(EA) on 31 July. |
| 7.3 Reduce over-sensitivity to environmental considerations | Not easy. MISC20 report (priority item 7.2) relevant | MISC20 reported to E(EA) in April. |
| 7.4 Health and Safety Commission/
Executive - | | |
| i. Review role | i. Subsumed | i. See item 7.2(iii) above. |
| ii. Ask CBI to play more positive part | ii. Recommendations for Secretary of State for Employment to approach CBI about this | ii. Approach already made on CBI role in both MSC and HSC, and further approach made on 30 June by Secretary of State for Employment. |
| 7.5 Remove need for separate application procedures for industrial estate corporations and investment grants | Investment grant scheme discontinued in 1970. | |

8.1 Strong and effective Competition Policy	Competition Bills this session and next but need to use powers	Competition Bill 1980 enacted. Powers of Investigation under it will be used shortly once regulations come into force. DOT considering further legislation for 1981-82 session (DOT).
8.2 Raise threshold for referring takeovers to MMC	Subsumed (priority items 8.1 above)	The threshold has been raised.
8.3 Remove tax obstacles to de-mergers	Inland Revenue considering in time for possible legislation in 1980 Finance Bill	Provision made in the 1980 Finance Bill for the easing of advance corporation tax and income tax charge on distribution of shares when a company is split. Further study of "purchase of own shares". (IR).
8.4 Enable MMC to examine large holding companies	Subsumed	See item 8.1 above.
9.1 Reduce bias against investment in productive assets	Officials to report in time for legislation in 1980 Finance Bill	Chancellor wrote to E colleagues on 14 March with first report by officials (Working Group on Tax and Savings): this group is to be expanded and outsiders brought in. Will look at case for reducing tax relief for investment in insurance, and possible new reliefs for equity investment eg. Loi Moqory (Treasury)
9.2 Extend favourable taxation treatment for Gilts to long-term corporation debentures	Will be considered by officials	To be considered before next Budget by Working Group on Tax and Savings (Treasury)
9.3 Equity guarantee scheme	Not proceeded with	
9.4 Eliminate distinction between earned and unearned income	Treasury Ministers to examine in connection with review of capital taxation	Cost of abolishing investment income surcharge large. Future changes depend on priority relative to changes in capital taxation (Treasury).

- | | | |
|---|---|---|
| 9.5 Stimulate shareholders to play proper role in company performance | (a) Chancellor, with Secretary of State for Industry and Trade, to approach Institutional Shareholders Committee personally | Ministerial correspondence in train between Chancellor of the Exchequer and Secretary of State for Industry, Trade and Environment. |
| | (b) Bank of England's efforts to encourage institutional involvement to be supported | |
| | (c) Ministers (and officials) to encourage generally | |
| 9.6 Promote use of non-executive directors | Should be campaign of persuasion by Ministers, Bank and officials | Under discussion in correspondence on item 9.5. |
| 9.7 Elimination of exchange controls | Exchange controls abolished | Action complete. |
| 10.1 Reduce administrative burdens on small firms | Officials to report | Chancellor is circulating a progress report by small firms advisory group. |
| 10.2 Tax changes to benefit small firms | Officials to report in time for legislation in 1980 Finance Bill | Options discussed at E on 12 December. A number of tax changes specifically designed to help small companies were announced in the Budget and included in the 1980 Finance Bill (Treasury). |
| 10.3 Tax relief for individuals investing in small firms' equity | Officials to report in time for legislation in 1980 Finance Bill | See item 6.3 above (Treasury). |
| 10.4 Encourage large firms to help small firms | Government's role limited, but officials to consider ways of encouraging Local Enterprise Trusts | Report from DOE now available to the Group. |
| 10.5 Slant Government contracts in favour of small firms | To be covered in paper for E Committee on public spending | E Committee considered public purchasing paper on 20 February. The paper did not recommend slanting contracts in favour of |

CONFIDENTIAL

CONFIDENTIAL

10.6 Dialogue with Local Government on stimulating new and small firms	Start made in speeches by Secretary of State for the Environment	small firms, but reported work in progress on informing small firms about contracts. A booklet in the DOI's small firms series on public purchasing is likely to be published shortly (DOI, Treasury).
10.7 Review Enterprise Zone concept	Subject of separate report	See 6.3, 10.2 and 10.4 above.
10.8 Harnessing entrepreneurial skills of immigrants	No need for special Government action beyond general help to small firms	First seven zones announced 29 July; one or two more may follow. Designation expected early 1981 after Local Government Planning and Land Bill is enacted this Autumn.
11.1 Review Land Taxation	Development Land Tax modified. Other aspects to be considered in review of Capital Taxation	Finance Bill makes DIT less restrictive, particularly by removing uncertainties which inhibit development. DLT now to be kept stable. The effects of the other capital taxes will be reviewed in the Budgetary context. (One important relief - rollover for capital gains tax gifts - is included in this year's Finance Bill) (DOE, Treasury).
11.2 Review Land Commission	(Land Commission abolished 1970/71. Community Land Act to be repealed)	Community Land Act being replaced by Local Government, Planning and Land Bill (DOE) (now in Lords).

CONFIDENTIAL

CONFIDENTIAL

- | | | |
|---|--|--|
| 11.3 Inadequate supply of premises and land especially for small firms | Conclusions of existing studies (DOI, DOE) to be put to Ministers as soon as possible | Covered in progress report by small firms Working Group being circulated by Chancellor. Prime Minister is holding a meeting on small firms in autumn. (Mr Mitchell is preparing a report on "roadblocks").

A small workshop scheme, initially for three years, will enable 100 per cent industrial building allowances to be claimed on the construction of small industrial buildings. Provisions included in the 1980 Finance Bill. |
| 11.4 Public sector land holdings | Provision for register in Local Government, Planning and Land Bill | Action continuing in Local Government, Planning and Land Bill. Meanwhile first 21 authorities for registers have been announced, together with UDC area. Further list will follow in Autumn. |
| 12.1 Enlightened clientship by public purchasing | To be covered in paper for E Committee on public purchasing | Secretary of State for Industry has written to colleagues with detailed proposals on the campaigns. |
| 12.2 Arbitrary technical standards imposed by Nationalised industries | Subsumed in item 12.1 above | As for item 12.1 above. |
| 12.3 Public sector agencies to help private sector on exports | Departments (especially Trade) should give priority to this (eg through Nationalised Industries Overseas Group) particularly for railways and airports | Follow up (DOT, and other departments as appropriate). |
| 12.4 Concentrate staff cuts to increase administrative delay to imports | Not feasible without damaging exports as well | |

CONFIDENTIAL

CONFIDENTIAL

- | | | |
|---|--|---|
| 12.5 Develop nuclear power programme | Being pursued separately | Action in hand (DEn). |
| 13.1 Reduce monopoly power of nationalised industries | Few proposals received. Officials to do further work | Being considered in E(DL). Measures affecting post, telecommunications and electricity generators recently announced. |
| 13.2 Contracting out of public sector services | Officials to report for consideration by MISC14 via Secretary of State for the Environment | Reports taken by MISC14 on 28 January. Decisions: (a) Central Government and NIS: Chancellor wrote to colleagues, with CPRS report, urging review of further scope for contracting out, and asking for progress report by July; (b) Local authorities: CPRS to review ways of encouraging more contracting out; CPRS report on (b) was taken by MISC14 in April, and CPRS progress report on (a) is before the Group. |
| 13.3 Examine possibility of City institutions helping to finance the building of universities, polytechnics, etc. | Scope for more collaboration in finance for specialised buildings/equipment/chairs. Action most likely to flow from closer ties between industry and education generally (item 1.2 above) but Ministers can try to encourage | - |
| 13.4 Deprivilege | | |
| i. Civil Service | i. (a) Allowance for inflation-proofed pensions being examined

(b) Ministers should ensure that Departments identify and deal with inefficient staff | Independent inquiry under Sir Bernard Scott. Expected to report in Autumn (Treasury CSD).

Minister of State (CSD) has sought colleagues views on introducing more flexible early retirement arrangements. |
| ii. Academia | ii. DES should continue to encourage more short-term appointments and early retirements. | |

CONFIDENTIAL

CONFIDENTIAL

E(79)24

E(79)42 and 84

Further action

13.5 Diminish power of Civil Service unions (3 specific proposals)

CSD should ask Departments not to go beyond narrow interpretation of facilities agreement

More tightly drawn facilities agreement drafted and sent to trade union side. Negotiations continuing with a view to completion early in 1981.

14.1 14.2, 14.4 & 14.6-8
Various proposals for education of the public

Subsumed in communications exercise under Paymaster-General

Action in hand (PMG).

14.3 Accelerate introduction of inflation accounting

Official Steering Group on Accounting for Inflation to report to E(EA)

Chief Secretary's note with official report (E(EA)(80)10) discussed by E(EA) on 12 March. Decision not to legislate, but various other proposals endorsed. Report to be made to Ministers in spring 1981 (Treasury).

14.4 Seek to change public attitudes to Europe

Contingency planning endorsed for launching campaign at an appropriate time

OD(E) considered most recently on 28 July. Officials to continue to pursue modest practical measures to improve EC's image in the UK. Speaking note and supporting material on EC matters to be circulated to Ministers.

CONFIDENTIAL

CONFIDENTIAL

12 AUG 1980

