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CABINET OFFICE
Central Policy Review Staff

70 Whitehall, London SW1A 2AS Telephone 01-233 7765

From: J. R. Ibbs

PERSONAL - COMMERCIAL IN CONFIDENCE

Qa 05794

27 January 1982

Dear Secretary of State,

BL Future Structure

I heard this morning from Sir Peter Carey that the Prime Minister had accepted the terms of reference for consultants and also the draft objectives attached to your minute dated 26 January. I understand you would therefore like me to proceed immediately on the basis agreed at the meeting in your office on 19 January, namely that the CPRS should commission the consultants and subsequently report the findings of the study to the Group of Ministers concerned.

Accordingly, I have this afternoon seen the senior partners of the Corporate Consulting Group and commissioned such a study to be completed in four weeks' time.

I confirm I shall bring the consultants to see you at 3.00 p.m. tomorrow so that you can explain the Government's objectives for BL. I have also made arrangements to take the consultants to an initial meeting with Sir Michael Edwardes later that afternoon.

I am sending copies of this letter to the Prime Minister, Chancellor of the Exchequer, Secretary of State for Trade, Secretary of State for Employment and Sir Robert Armstrong.

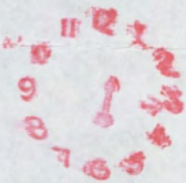
J R Ibbs

yours sincerely,

The Rt Hon Patrick Jenkin MP
Secretary of State for Industry
Ashdown House
S W 1

PERSONAL - COMMERCIAL IN CONFIDENCE

28 JAN 1962





cc AD. Ind. 201
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Prime Minister

I have asked that

you be consulted

about the terms

of reference of the study.

Ms 201

CABINET OFFICE

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70 Whitehall, London SW1A 2AS Telephone 01-233 7765

From: J. R. Ibbs

Qa 05780

COMMERCIAL IN CONFIDENCE
and PERSONAL

20 January 1982

Dear Secretary of State,

BL Organisation

In the light of the meeting in your office yesterday morning with Michael Edwardes and the non-executive directors of BL, I believe that the Corporate Consulting Group (CCG) would be suitable consultants to make recommendations on the future organisation of BL. The problem is very much in the area in which they specialise and they are well regarded by people who have used them.

CCG is run by the two senior partners, Leslie Dighton and John Scott-Oldfield. These two came to see me yesterday evening. I discussed the problem with them and they are prepared to undertake a four week investigation starting next Monday. They displayed a rapid grasp of the nature of the problem and appeared well qualified to tackle it. They are willing to clear their own programmes so that they themselves, together with one of their senior colleagues, would do the whole job. They fully understand the need for confidentiality and for working at Board level only. They estimate that the cost would be £65,000 to £70,000. This is a fairly high figure but is, I believe, understandable since we would get the full time attention of the top people. I cannot see a substantially cheaper way of arriving quickly at a solution.

Because there would be a need for major re-arrangement of other parts of their work, Dighton and Scott-Oldfield asked if they could have an indication as early as possible this week of whether or not they were to be asked to do this work. If you and your colleagues wish it to go

The Rt Hon Patrick Jenkin MP
Department of Industry
ASHDOWN HOUSE
S W 1

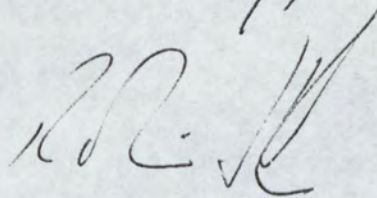
COMMERCIAL IN CONFIDENCE
and PERSONAL

ahead CCG would nominally be advising the CPRS and I would go with them for initial discussions with Michael Edwardes and would present their findings. They also asked whether at the start of the study the three of us could call on you for fifteen minutes so that they can fully understand the objectives that Ministers have for BL by hearing directly from you some amplification of a formal written statement of these. Because the question of objectives is central to resolving any differences between the Government and the Board, this seems to me a sensible suggestion.

I understand that good progress is being made on setting down a revised statement of objectives and also on drawing up the study terms of reference on which the Prime Minister asked to be consulted.

I shall be grateful for an indication as soon as possible of whether I should ask CCG to take on this task.

I am sending a copy of this letter to Sir Robert Armstrong.

yours sincerely,


J R Ibbs