

Govt Machinery

PRIME MINISTER

I attach the papers submitted to you by Sir Ian Bancroft following your agreement that Sir Leo Pliatsky should do some special work on quangos for you. You are meeting Sir Leo, with Sir Ian and Sir Derek Rayner, at 1500 hours on Tuesday. Sir Ian's minute is flagged A, the draft press notice B, and the draft circular to Departments - about which I understand you are unenthusiastic - is at C.

You might like to have with you Mr. Heseltine's report of his own review of quangos for which he is responsible. This is at D. At E, there is a comment from Sir Leo about this. As you instructed, I have told Mr. Heseltine's office that he may go ahead with his individual announcements about his review, but, in view of Sir Leo's comment, I have emphasised that this should not close the door on further consideration of those Mr. Heseltine proposes to retain for the present.

MAD

24 August 1979

MANAGEMENT IN CONFIDENCE



CIVIL SERVICE DEPARTMENT  
WHITEHALL LONDON SW1A 2AZ

TELEPHONE 01-273 3434

*Sir John Herbecq K.C.B*  
*Second Permanent Secretary*

24 August 1979

M A Pattison Esq  
No 10 Downing Street  
LONDON SW1

Dear MIRE

SIR LEO PLIATZKY

As agreed on the telephone this morning I attach a revised draft press notice and supplementary notes about the employment of Sir Leo Pliatzky after his retirement, referring explicitly to his remit on QUANGOS. These have been cleared with Sir Leo.

*Yours sincerely*  
*Sally F Badham*

Miss S F Badham  
Private Secretary

MANAGEMENT IN CONFIDENCE

For use in reply to inquiries

1. The Prime Minister feels that someone with Sir Leo's experience of public expenditure can be of special use to her in considering the future of quangos.
2. Sir Leo will not be taking part in the exercise to secure further reductions in the size of the Civil Service or other reductions in Government spending.
3. His remit is distinct from that of Sir Derek Rayner, but they will of course be in touch with each other over any matters of common interest.
4. While he is undertaking these duties Sir Leo will be a Permanent Secretary in the Civil Service Department.

PRIME MINISTER

I understand that the Sunday Express has picked up a report that Sir Leo Pliatsky is being kept on in Government service as hatchet man on quangoes and manpower.

Some comment is necessary to avoid speculation about any manpower role, as this could lead to unnecessary agitation from the Staff Side.

The precise terms of reference for Sir Leo's quangoes assignment will not be settled until you have discussed it with him next week. I have told the CSD that they may confirm that a further assignment for Sir Leo on quangoes is under discussion, and an announcement will be made when this has been settled. I hope that this will prevent incorrect and possibly harmful speculation before your meeting next week.

24 August 1979

*MP*  
*Thanks on MS.*

MAP advised BE 24/87A PRIME MINISTER

*I think it is  
Leo's intention  
will take much  
to long*

*Content with Sir Leo's  
approach? You will  
want to emphasize, when  
you see him, your wish  
to remove the obvious  
first. MAP 10/11/77*

MR C A WHITMORE

REVIEW OF QUANGOS

Thank you for your minute of 27/July, recording the Prime Minister's views on a consistent and searching review of Quangos.

2. I note that the Prime Minister would like to see Sir Leo Pliatzky with Sir Derek Rayner and me before Sir Leo makes contact with Ministers, and I understand that a meeting has now been arranged for Tuesday 28 August.

3. The Prime Minister has approved the proposals for publicity for Sir Leo's appointment and I attach the draft of a Press Notice. I assume that the Prime Minister would not intend that this should go out until after the meeting on 28 August, and I suggest that it might appropriately issue from CSD.

4. The Prime Minister has asked to see before the meeting a list of the questions which Sir Leo will use as a basis for his discussions with Departments.

5. Sir Leo has seen the earlier papers on the Quango review and has had some discussion with Sir Derek Rayner and myself.

6. He proposes that the exercise should have the following three objectives:

a. A preliminary objective would be to carry out a comprehensive survey of the field and bring all the information together in a more systematic way than has so far been done. *Takes too long.*

b. The central objective will be to establish the scope for eliminating further non-Departmental bodies and the case for retaining those which are to continue. *Yes - but quickly*

c. A supplementary objective should be to consider whether any change is called for in the regimes for the various types of body and for their accountability to Ministers and Parliament.

7. For the first of these objectives, a number of factual questions will need to be addressed to Departments, to supplement the information which is already readily obtainable within CSD. It would help if the request for this information could be made in the letter from No 10 informing Ministers of Sir Leo's appointment and we have accordingly incorporated the point in a revised draft which I attach as Annex A to this minute. Sir Leo Pliatzky considers that, as the degree of information so far provided in Ministerial replies is so variable, it is important to carry out this further but simple piece of fact-finding as quickly as possible, to clear the ground for further work.

*General round-robin  
letters never produced  
much information.*



8. The questions relating to the second objective of the study would naturally call for judgements by Ministers and officials on the value of quangos. A list of such questions is attached at Annex B. Sir Leo feels that it would not be productive to put these to Departments in the form of a questionnaire, but they indicate the points which he would wish to cover in discussions with Ministers and officials. I agree with him.

9. The third area of his study, ie the arrangements for accountability etc, should not require the provision of any additional information by Departments, but would flow naturally from the first two parts of the exercise, and from work already undertaken by the CSD and the Treasury in consultation with Departments.

10. Sir Leo envisages that his Report would be in a form suitable for publication, though he would almost certainly wish to make a number of observations in a covering Memorandum which would necessarily remain confidential.

11. I am sending copies of this minute to Sir John Hunt, Sir Derek Rayner, Sir Leo Pliatzky, Mr Buckley and Mr Battishill.

*IBB*

IAN BANCROFT  
7 August 1979

*Before we go any further - think we had better see Sir Leo re: not.*

DRAFT PRESS NOTICE

Sir Leo Pliatzky has been retained in the public service to undertake further special duties at the Prime Minister's request. He will assist the Prime Minister in the Government's review of quangos until about the end of the year.

Civil Service Department  
Whitehall London SW1  
August 1979

Note for Editors

Sir Leo Pliatzky, aged 60, has retired as Permanent Secretary in the Department of Trade where he has been engaged, since the merger of the Departments of Trade and Prices and Consumer Protection in May, on special duties on behalf of the Secretary of State.

Sir Leo Pliatzky was educated at Manchester Grammar School, the City of London School and Corpus Christi College, Oxford. After service in RAOC and REME from 1940-45, during which he was Mentioned in Despatches, he joined the Ministry of Food in 1947, transferring to the Treasury in 1950. He was promoted to Under Secretary in 1967 Deputy Secretary in 1971, and was appointed a Second Permanent Secretary in the Treasury in 1976. He transferred to the Department of Trade as Permanent Secretary in 1977.

## DRAFT LETTER FROM PRIVATE SECRETARY (NO. 10) TO DEPARTMENTS

## REVIEW OF QUANGOS

The Prime Minister has now had an opportunity to consider how best to carry forward the review of Quangos agreed upon at Cabinet on 10 May. Many of the reports which Ministers have submitted have understandably been ad interim and Ministers will have been considering further what steps they can take to eliminate Quangos from among those for which they currently carry responsibility.

2. The Prime Minister believes that the Government must aim at securing as large a reduction as possible in the number of these bodies. From this point of view, it is disappointing that so few candidates for abolition have been positively identified so far. In order to help achieve a consistent and searching scrutiny, the Prime Minister has appointed Sir Leo Pliatzky to carry out the next step of the exercise in consultation with Ministers and their Departments and, as appropriate, some of the Quangos themselves. He will prepare a report for her by the end of the year - earlier if possible. As you will know, Sir Leo has been until recently Permanent Secretary at the Department of Trade. He will be establishing contact direct with Ministers and their departments about the conduct of his review. He will be located in the CSD.

3. Sir Leo will deal with the whole field of quangos (as defined in Mr Stowe's letter of 17 May) except nationalised industries and agricultural marketing boards which are being separately studied by the Chancellor of the Exchequer and the Minister of Agriculture, Fisheries and Food respectively in consultation with appropriate colleagues. He will have three objectives :

- X a. to provide a comprehensive and reliable survey of the field;



- b. to establish the scope for eliminating further bodies and the case for retaining others;
- c. to consider whether any changes should be made in the regimes for the various types of quango and for their ~~responsibility~~ accountability to Ministers and Parliament for the future.

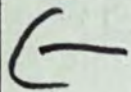
4. To assist him in the first of these objectives, Departments are invited to provide him as soon as possible with information, where this has not already been supplied, on each of the quangos for which they carry responsibility in answer to the following questions:

- i. When was the body established, and on what basis (eg statutory or non-statutory)?
- ii. What purpose does it serve?
- iii. What is the current number of its staff and of the annual cost of its staff and other expenditure; financed either by the government or from other funds?
- iv. What costs are incurred by the Department in looking after the body?
- v. Does it involve any other bodies in activity and expenditure? If so, of what kind?

5. A letter at official level will follow about the arrangements and timetable for collating this information.

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

*Have we  
not got  
this  
information  
already?  
oh!*



QUESTIONS ON BASIS OF WHICH DISCUSSIONS WITH MINISTERS AND DEPARTMENTS WILL BE HELD

Questions in respect of Administrative Tribunals etc

1. Is its function worthwhile?
2. If so, need the function be performed by an independent tribunal?
3. If so, could the Tribunal be amalgamated with another in the same field?

Questions in respect of Advisory Bodies

4. Is it essential to have formalised arrangements for advice in this field from outside the Department, or can any need for advice be met satisfactorily through ad hoc requests to appropriate outside authorities or experts?
5. If formal machinery is required, must there be a separate body for this purpose alone, or is some rationalisation of existing advisory committees possible?

Questions for Bodies with Administrative, Executive and Regulatory Functions

6. Do the original reasons for setting up the body still apply and does it perform an essential function or could it be abandoned or left to the private sector?
7. If the function is essential, must it be undertaken by a separate, self-contained body; is there scope for a merger with some other body; or would it be more satisfactory for the task to be undertaken by the Minister's Department itself?

-8 AUG 1979

0 1 2 3  
4 5 6 7 8 9





*CSD to suggest  
meeting date.  
BF 7/10 to chase  
MAJ*

10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

REVIEW OF QUANGOS

The Prime Minister has seen your minute of 23 July 1979 about the review of Quangos.

The Prime Minister is glad to learn that Sir Leo Pliatzky is ready to take on the task of following up with Departmental Ministers the possibilities of eliminating Quangos within their field of responsibility. She would like to see Sir Leo, together with you and Sir Derek Rayner, before he begins to make contact with Departmental Ministers, and we will arrange a meeting towards the end of August. In preparation for that meeting, she would be grateful if you could let her have the list of questions which will be given to Sir Leo as a basis for his discussions with Departments.

The Prime Minister agrees that Quangos should be abolished as and when they are identified as dispensable and not reserved for some comprehensive act of disposal. You also said that it would be important for Sir Leo Pliatzky to know the Prime Minister's view at the outset of his exercise on whether his main objective was to save money and manpower, or to reduce the absolute number of Quangos. The Prime Minister is aware that there are many Quangos which cost very little indeed and which keep particular interest groups happy, and she has said that there is no point in hurting people's feelings unless there is a positive gain to be achieved from abolition which cannot be ignored. This is something which she will wish to discuss further with Sir Leo at the meeting at the end of August.

The Prime Minister agrees with your proposals for publicity for Sir Leo's appointment. She also agrees that I should write to Departments on the lines you have suggested, but thinks that the letter should issue immediately after the August meeting so that its contents are fresh in people's minds when Sir Leo starts his round of visits to Departments.

Finally, the Prime Minister agrees that the time which Sir Leo will be devoting to his work on Quangos should count against his "cooling off" period before he takes up any appointments outside the Civil Service.

I am sending copies of this minute to Sir John Hunt, Sir Derek Rayner, Mr. Buckley and Mr. Battishill.

*JWS*

27 July, 1979

PRIME MINISTER

You asked Ian Bancroft to suggest some one to tackle Quangos by discussion with the individual Departmental Ministers.

Sir Ian's attached minute proposed Sir Leo Pliatzky. You were earlier told that Sir Leo had turned this down. His immediate plans have now been altered by his wife's illness, and he is therefore available after all. He has to be at home for most of August, but would use that time to read himself in. Thereafter, he would aim to report to you no later than the end of the year. I hope this timetable is acceptable.

You suggested that the person selected should see you, with Sir Derek Rayner, before he starts work. If you are content with the selection of Sir Leo, could we arrange this for the end of August, after he has done his homework? I will ask Sir Ian to provide you with the list of questions which would be given to Sir Leo as a basis for his discussions with Ministers. I will also ask that it be emphasised to him that you want him to aim initially for the abolition of obvious candidates and that you do not want him to start with a comprehensive review which will produce no early results. You have already agreed that Quangos identified as dispensable should be dispensed with promptly, and not reserved for a grand execution ceremony.

One other point that arises is what attitude to take to those Quangos which cost very little but keep a particular vested interest group happy. Sir John Hunt's minute at Flag A records that most Departments have concluded that these should be retained. He points out that these bodies probably still have an economic cost and certainly waste people's time. He suggests that Sir Leo should be told to start with a presumption towards abolition unless a clear case for retention can be made. I take it that you would share this view? You will want to discuss this further with Sir Leo when you see him, but may we tell him that this is your own preference?

*It is not the way of the Quangos. But the back of cost. I would want to leave this to Sir Ian's judgment. We think in no point in hunting people unless they are possible. I am sure Sir Ian can't do it. But*

Sir Ian

Sir Ian suggests that Sir Leo's appointment for this specific role need not be publicised. But he suggests that I should write to Ministers themselves on your instructions to ensure that Sir Leo has the necessary access. Do you agree that no public announcement should be made of his Quangos role? Are you content that I should write around to Ministers themselves immediately after you see him, thus ensuring that instructions can take account of your conversation with him, and are fresh in mind when he starts seeing Ministers?

Yes  
Yes  
Yes

Sir Leo has raised with Sir Ian the question of his "cooling off period". The work that he has been doing since he gave up the Permanent Secretary post at Trade has already removed him from mainstream Whitehall activities and he asks that this further assignment should not be seen as interrupting this if he later wishes to take up appointments where the business appointments rules apply. I hope that you will see no difficulty over this.

Agreed  
out

May we tell Sir Ian Bancroft to go ahead on this basis?

Yes  
out

Yes.

26 July 1979



PRIME MINISTER

REVIEW OF QUANGOS

When Sir Derek Rayner and I saw you on 16 July one of the matters we discussed was how to carry forward the current review of Quangos.

2. You have concluded that it would be best not to follow the course which I had earlier suggested of a further letter from your office to departmental Ministers calling for fresh returns from them on the Quangos for which they are responsible. Instead you said that a suitable individual should be appointed to follow up directly with departmental Ministers the possibilities for eliminating Quangos within their field of responsibility. You subsequently asked me to sound out Sir Leo Pliatzky to see if he would be prepared to take on this task. I have now spoken to him and am glad to report that he is ready to do so.

3. Sir Leo will have to spend most of August at home, for family reasons. But he will use this time to familiarise himself with the papers and to set in hand getting certain further information. I am sure it would be right to give him a free hand, though he will of course keep in touch with Sir Derek Rayner and myself. His aim is to present his report to you by the end of the year - earlier if possible. He has got copies of the draft questions which it had originally been envisaged might go to Ministers from your office. As soon as he has taken stock, he will decide whether to go for particular areas. We both assume that you would want Quangos which are agreed for slaughter to be abolished without delay, ie without waiting for the presentation of his report to you.

4. It will be important for him to know your view at the outset on whether his main objective is to save money and manpower, or to reduce the absolute number of Quangos. Some of them, as you know, are inexpensive but may have been set up to pacify a particular interest group. The abolition of some of these may throw more work on to Ministers and Departments.

5. As far as publicity goes, we feel that all that is needed is a brief press notice saying that he is being retained at your request to undertake further special duties. The nature of these would not be revealed. But it would obviously be helpful to him for your office to notify Departmental Ministers about his appointment so as to ensure that he has access to Ministers, senior management and, as appropriate, some of the Quangos themselves.

... 6. I attach a draft of a letter to Departments for this purpose.

... 7. I also attach a copy of a minute from Sir Leo to myself. You will see that he emphasises the importance, from his point of view, of the time he has spent, and will be spending, on special duties should count against any cooling off period before he takes up any appointments outside the Civil Service. The Business Appointments rules were not framed with



cases such as his in mind. So I for my part would agree that they should not be applied in his case, on the assumption that there was no special difficulty about the nature of the business appointment itself. I hope you would agree with this.

8. I am copying this minute to the Lord President, Chancellor of the Exchequer, Sir John Hunt and Sir Derek Rayner.

*IAN*

IAN BANCROFT  
23 July 1979



DRAFT LETTER FROM PRIVATE SECRETARY (NO 10) TO DEPARTMENTS

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



*NAB 23/vii*  
Sir Ian Bancroft

## REVIEW OF QUANGOS

I am grateful for the Prime Minister's invitation to me to carry out a piece of work on reducing the proliferation of quasi-governmental bodies and I am glad to respond.

At the same time there are two points which I should like to register. First, I have not been involved in this exercise so far, and my particular experience and skills are not as directly relevant to it as to the assignments which I have carried out for Mr Nott. I cannot therefore say, until I have taken stock, what results I would expect to produce. However, I will apply my energies to the exercise and I take it that others involved will not slow it down. I will work best if I can have the same latitude as was given to me by Mr Nott in pursuing the objectives set by Ministers.

Second, until you conveyed the Prime Minister's invitation to me the other day, my plans had been directed to work outside the Civil Service after retirement, which has been formally due to take place at the end of August. It will then be four months since my involvement in mainstream Whitehall activities, and in this time I have met no one and seen no papers except in connection with my two special assignments. It would be reasonable to count this time against any cooling off period before I take up any appointments outside the Civil Service, and I understand that Mr Nott and you yourself accept this view.

I have so far only two specific possibilities:

- (a) City University are to consider offering me a Gresham Fellowship, carrying with it only nominal



renumeration, or none at all, but a place in the University in which I can write a book which I have in mind and keep my wits sharp. The University cannot decide on this until October.

- (b) Mr Nott has it in mind to appoint me as a part-time member of the Board of British Airways but, in view of my close connection with the subject matter, he has envisaged a gap of 6 months after my formal departure from <sup>the</sup> Department of Trade before the appointment takes effect in February. He would also wish the Civil Aviation Bill to have had its Second Reading before the appointment.

It is possible that, in addition, one or two private sector companies may consider offering me part-time appointments in the near future. If the assignment on quasi-governmental bodies extends until the end of the year, it will then be 8 months since I was involved in Whitehall matters generally. It would be reasonable that this should count for cooling off purposes and that the assignment should not be a reason for postponing my then taking up other work, given that there was no special difficulty about the nature of the work itself. Mr Nott has told me that he would be content with this.

L.P.  
LEO PLIATZKY  
23 JULY 1979