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Subject

RECORD OF A MEETING AT 10 DOWNING STREET, AT 1500 HOURS, ON  
TUESDAY, 28 AUGUST 1979

Present

- Prime Minister
- Sir Ian Bancroft
- Sir Leo Pliatzky
- Sir Derek Rayner
- Mr. David Wolfson
- Mr. M.A. Pattison

The Prime Minister thanked Sir Leo Pliatzky for agreeing to help her tackle the reduction of quangos. She asked how news of the appointment had leaked to the Press. Sir Ian Bancroft said that the Press had speculated that Sir Leo was to be retained to work on quangos and expenditure cuts. The Department had therefore briefed the Press to eliminate the reference to expenditure cuts. The Prime Minister commented that, if work on quangos was successful, expenditure cuts would inevitably follow. She asked why the Staff Side should be so frightened of this kind of activity. She would always want to be part of an efficient organisation. Only those who knew that they were undeservedly drawing pay for worthless jobs need feel nervous. Sir Derek Rayner commented that, during his exercise, there was a steady flow of correspondence on this theme. Sir Leo Pliatzky agreed with the Prime Minister.

Sir Leo Pliatzky said that he was keen to be able to talk through his assignment with all those who might be directly involved. This was essential if he was to complete his task effectively. The Prime Minister said she had no objection to this, provided the whole process would not take too long. But she noted signs that some groups saw the right to be consulted as the right to apply a veto. What was needed was for the authority to get things done. Sir Leo Pliatzky asked for confirmation that <sup>he had</sup> the Prime Minister's authority to get things done in this way. The Prime Minister confirmed that this was so.

/Sir Leo Pliatzky

Sir Leo Pliatzky said that he would start from information collected by Mr. Philip Holland, M.P. The Prime Minister said that Mr. Holland had collected a great deal of information. She was horrified to learn that the Government appeared not to have this information in one place. She wanted to be assured that there would be no duplication of effort in Sir Leo's proposed comprehensive survey. Sir Leo Pliatzky said that comprehensive information would be necessary if his work was to allow the Government to take decisions, and finally to give definitive answers on the numbers of quangos, those that had been abolished, those that remained, and, for the latter, the reasons behind their continued existence, their levels of staff, their costs, and the funds at their disposal. The Prime Minister said that she had a different approach. She would tackle the large and obvious targets before going for a comprehensive survey. After further discussion on this point, the Prime Minister accepted Sir Leo's wish to devote three working weeks to the collection of comprehensive information. She emphasised that her concern was for early and effective action, involving a reduction in the number of quangos and in their staffs and costs. Sir Leo Pliatzky emphasised that he could not make a promise about the scale of reductions that might be possible on the basis of his advice, as he could not pre-judge the work. But he would provide thorough advice as a basis for action by Ministers. The Prime Minister emphasised that much of the information already gathered by Mr. Holland was the result of Parliamentary Questions. Sir Leo Pliatzky pointed out that Mr. Holland's interest was more on the patronage aspects than on the staffing and expenditure questions. Sir Leo Pliatzky also pointed out that the only substantive response so far provided by a Minister, Mr. Heseltine, failed to give the staffing and cost levels for each of the three categories in his review. Sir Ian Bancroft pointed out that only one of those which Mr. Heseltine proposed to wind up was a significant spender, the Location of Offices Bureau.

Sir Leo Pliatzky commented that the Commission for the New Towns and the Housing Corporation were the keys to saving staff and money among DoE quangos. For this reason he hoped that Mr. Heseltine would not be allowed to opt out on the

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basis of his internal review. The Prime Minister agreed that the Housing Corporation needed to be brought under control. This was a Manifesto commitment, and Ministers were now working on it. Concluding this part of the discussion, the Prime Minister acknowledged that Sir Leo approached his assignment in a way which differed from her own views. They would doubtless respect one another's integrity and express their disagreements forcefully as work progressed.

Sir Leo Pliatzky said that his intention was to deal first with the Permanent Secretaries. He wanted to see what work was in hand. He would then wish to pursue cases where what was in hand seemed inadequate. The Prime Minister said that she would personally inform Ministers of Sir Leo's appointment at Cabinet on Thursday 30 August. Sir Leo Pliatzky said that DHSS and the Department of Employment were amongst the Departments he would tackle early on. The machinery of government had been affected by the "hiving off" policy of the previous Conservative administration, and much of the legacy of that now needed considering. Once his questionnaire had been answered he would start work on major candidates. In discussion, the Manpower Services Commission, the Advisory, Conciliation and Arbitration Service, the Health and Safety Executive and the Water Board were identified as candidates which needed attention.

The Prime Minister said that she had found the suggested terms of reference too complex. She wanted a rapid, significant reduction in quangos and their staff and costs. Sir Derek Rayner commented that in some cases surgery, not total abolition, was required. In response to the Prime Minister's enquiry about accountability, Sir Leo Pliatzky said that accountability arrangements could not be identical for every type of body. The Prime Minister acknowledged this. The Prime Minister commented on the efficiency of the structure of the social security system. In discussing this and other examples, Sir Leo Pliatzky said that there were limits to how much he could pull up government policy from the roots in the guise of reviewing quangos. The Prime Minister accepted this,

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but said that she would critically examine all proposals in respect of Departments in which she had served. Sir Leo Pliatzky mentioned the Schools Council, and the Prime Minister said that she had no wish to defend it, although the NUT would undoubtedly do so vigorously. After further discussion of individual cases, the Prime Minister commented that there were a number of quangos in the scientific field which required attention. Sir Leo Pliatzky confirmed that this area was on his list as requiring attention.

Sir Leo asked that, when the Prime Minister informed Cabinet of his appointment, she should cover three points. First, that the central objective was a reduction in numbers, staffs, and costs. But that the approach would include two further objectives, one of fact-finding and another of determining accountability arrangements. The Prime Minister agreed to do so.

28 August 1979