



10 DOWNING STREET

Prime Minister

The Policy Unit are content with these proposals.

Agree

(i) that you are content,
and ask RTA's advice on
machinery of government
aspects;

Yes
no

OR

(ii) call a meeting;

OR

(iii) are there particular
points on which you would
wish to comment in
writing?

Not
at
Present
no

DRN

9/5

cc:BG



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PRIME MINISTER

ROSKILL REPORT

At your meetings before the Roskill Report was published you asked the Chief Secretary, Treasury, to review the recommendations for a unified fraud investigation and prosecution organisation, the Home Secretary to consider the recommendation for a Fraud Commission, and the changes in criminal law to be considered by H Committee. In the event it proved best for H Committee to take stock of progress across the board. We did this on 30 April and, in general, I think we are well on course to implement the bulk of Lord Roskill's recommendations and thereby demonstrate our concern to tackle serious fraud.

Unified organisation

2. The Chief Secretary, Treasury, explained that, while he was convinced of the need for a more unified organisation in dealing with serious fraud, the great difficulty lay in securing the participation of the police. Their initial reaction had been that a more streamlined organisation was unnecessary and that there were constitutional difficulties in police serving within an organisation that they did not control. They were also concerned that it might syphon off their best officers and thus weaken their more general effort against fraud. (Some 20,000 prosecutions for fraud are brought each year, while it is only envisaged that the unified organisation would tackle the 100 or so most serious ones.) The Chief Secretary had not been entirely convinced by all these arguments but he had recognised that the wholehearted co-operation of the police was vital. He had therefore looked for means of meeting their reservations without unduly reducing the impact and effectiveness of a new organisation, and he proposed the creation of a two-part organisation. This would consist of a Serious Fraud Office (SFO), which would be staffed by lawyers, accountants and others and possess prosecuting



powers analogous to those given to DTI inspectors under the Companies Act to require the production of books and papers. It would not, however, be given police powers of search, arrest and detention. This office would be co-located with a full-time group of police officers who would retain their normal powers and would remain under the command of their chief officers for disciplinary and other purposes. The controller of the SFO would be empowered to delegate SFO powers to the police in individual cases.

3. The Home Secretary thought that the police, while still sceptical about the proposal, could be persuaded to accept it if their involvement was handled with great care. The proposal received general support from the Committee as an ingenious solution to the problem, and there was no dissent. We therefore asked the Home Secretary to pursue the matter further with the police and do his best to ensure that they are brought round to accept the proposed scheme. I reserved your position on the machinery of government aspects and, in particular, the question of who should be the ministerial head of the new organisation.

A Fraud Commission

4. The Roskill Committee's recommendation was for an independent monitoring body which would be charged with studying and advising on the efficiency with which fraud cases were conducted. The Home Secretary doubted whether that was the right model but he had concluded, on balance, that there was a case for a temporary body, with a life of only five years, to oversee implementation of the Roskill recommendations as a whole. Some members doubted the strict necessity for such an organisation and, in particular, the Chief Secretary, Treasury, and the Minister of State, Privy Council Office, had some concern that we would be establishing a new quango without being sure that it was the most cost effective method of carrying out the activities proposed. On the other hand, presentational advantages were seen both in implementing



yet another Roskill recommendation and in being seen to put our practical response to the report under some degree of independent assessment.

5. The Lord Chancellor pointed out that a number of influential judges were known to be unenthusiastic about the proposal on the grounds that it might threaten judicial independence. He thought these fears unfounded but they nevertheless needed to be taken into account. We concluded that, for the present, we should reserve our position on this recommendation and that in the meantime the Home Secretary should talk to the judiciary to assess the extent of their opposition and to persuade them that their fears were groundless. A final decision need not be hurried, and perhaps it will best be taken when we are in a position to consider the presentation of our entire response to the report.

Criminal law and procedure

6. The Home Secretary also reported his conclusions on the remaining aspects of the report. The key recommendations in this area were the proposals for the prosecution to be able to dispense with committal proceedings and to transfer a case straight to the Crown Court; for preparatory hearings; and for advance disclosure of the defence case. The point you had made about the sensitivity of the last of these proposals was taken very fully into account. We concluded that the proposals were justified and should be implemented, but that they should be confined to serious fraud trials only and that the Home Secretary's proposal that he should take power to extend them by order to other trials should be dropped.

7. The other politically controversial aspect of the Roskill report is, of course, the recommendations on juries, and especially the suggestion that juries might be dispensed with in some cases. The Committee agreed with the Home Secretary that these issues



were best considered along with other Criminal Justice Bill points on juries, on which he is to put a paper to H next month.

8. There is clearly more work to be done, but it appears to me that we shall be able to make a very positive overall response to this Report. Although we need not take final decisions until the further work has been completed, I would be grateful to know if you have any comments on the way things are developing.

9. I am sending a copy of this minute to the members of H Committee, to the Attorney General, the Minister of State, Privy Council Office, and Sir Robert Armstrong.

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Privy Council Office
8 May 1986

WILLIAMSON
COMMERCIAL

