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MINISTER OF STATE, PRIVY COUNCIL OFFICE

PRIME MINISTER

The Treasury will be *convinced*
early next week. MFA 31/1

PROPERTY SERVICES AGENCY

I have ~~seen~~ ^{WITH MCA} a copy of Sir Robert Armstrong's minute to you of 14 January about the future of PSA.

My officials in Cabinet Office (MPO) have been involved in the work of the Interdepartmental Committee on Property Repayment Services. I believe that the options now being considered for the development of PSA's relationship with its civil clients should command the acceptance of departments in general, especially once PSA can demonstrate clear improvements in service and value for money. I therefore agree that attention should now focus on further measures to improve PSA's performance and endorse the policy outlined in Sir Robert's paragraph 23. MPO will continue to assist as appropriate.

The relationship between the PSA and the Museums and Galleries for which I am responsible in my capacity as Minister for the Arts presents a special problem. I think it likely that as a result of the current review (see paragraph 19) I shall want to propose a fairly radical solution to it. But this need not affect the general conclusions which Sir Robert now proposes.

RICHARD LUCE

29 January 1986

CIVIL SERVICE 17182

PSA

MINISTER OF STATE POLICE COUNCIL OFFICE

COMMISSIONER

