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Secretary of State for Trade and Industry

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13 January 1986

CONFIDENTIAL

The Rt Hon Kenneth Baker MP
Secretary of State
for the Environment
Department of the Environment
2 Marsham Street
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n BAM

Ken Kenneth,

WATER PRIVATISATION: WHITE PAPER

at flap

Thank you for copying to me your minute of 23 December to the Prime Minister enclosing a draft of your White Paper.

I think that the draft generally sets out well the case for privatisation on the agreed basis that integrated river management should be preserved. I am sure that it is right at this stage to leave open some of the details, so that these can be considered in the light of reactions to the White Paper.

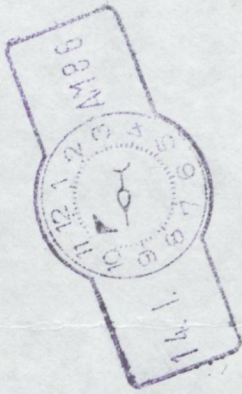
It will be important to ensure that the final arrangements contain adequate powers to achieve the objectives set out in the White Paper. My officials will need to be particularly closely involved in the working up of the detailed arrangements for regulation and customer protection, and the relationship between the new Director General of Water Services, the Director of Fair Trading, and the Monopolies and Mergers Commission. One possibility which we shall need to look at is some form of co-ordination at national level between the proposed regional consumer consultative committees.

I am copying this letter to the Prime Minister, Members of Cabinet, John Wakeham, Bertie Denham, Sir Robert Armstrong and Brian Griffiths.

Lev,
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LEON BRITTAN

LOCAL GOVT PT3
Water Industry





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My ref:

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21 January 1986

Jim Kern,

NBPM

WATER PRIVATISATION - DRAFT WHITE PAPER

Thank you for your letter of 13 ^{*January*} January about water privatisation.

Detailed arrangements for customer protection, and the inter-relationship of the various bodies you refer to, will certainly need to be the subject of further discussion between officials. A national water consumer consultative committee is not envisaged as such in the White Paper and I can foresee difficulties (eg Richard Luce has commented on the dangers of quango-creation) but this point also can be considered in further discussion.

I am copying this letter to recipients of yours.

Jim Kern

Kenneth Baker

KENNETH BAKER

LOCAL GOVT PB
Water

