

C O N F I D E N T I A L

TranspA



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

The Rt Hon John Nott MP
Secretary of State for Trade
Department of Trade
1 Victoria Street
LONDON
SW1

R

7 June 1979

12/6

John

I have been giving thought to the present arrangements for consumer representation in the nationalised surface transport industries.

At present we have a Central Transport Consultative Committee (CTCC), chaired by Mr Frank Higgins, and 11 Area Transport Users Consultative Committees (TUCCs) which are empowered under the Transport Acts 1962 and 1968 to consider the services provided by the British Railways Board, the National Freight Corporation and the British Transport Docks Board (but not fares and charges). The TUCCs have an additional function, to consider the hardship which might be caused by any closure of a passenger rail service or station that the Railways Board propose, and to report to me so that I can consider their comments before reaching a final decision.

C O N F I D E N T I A L

C O N F I D E N T I A L

These arrangements are not very effective. The reports produced by the CTCC are generally superficial. The Committee is inclined usually to accept and support the excuse that shortcomings in services result solely from restrictions on investment. Under the present Chairman the CTCC is becoming part of the "rail lobby". The TUCCs seem to me to fulfil no very useful function. They do deal with complaints about BR's services (about 1,500 last year), but they are not well-known and most dissatisfied customers complain, rightly enough in my view, direct to BR. I am told that last year BR had 55,000 letters from members of the public.

I understand that these arrangements will cost about £300,000 in the present financial year for the CTCC and the TUCCs - as matters stand, on your Department's Votes. There are also the hidden administrative costs to your Department and to mine of dealing with these bodies - in making appointments, briefing on reports etc; and also substantial costs to the Railways Board. Furthermore, since the committees are now appointed by you in consultation with me and report to both of us, there is clearly quite a lot of duplication of effort between our two Departments. I am sure you will agree that these arrangements must be capable of improvement.

It seems to me that it would be sensible for responsibility for the CTCC and the TUCCs to revert to this Department. Their functions are specially relevant to Government transport policy, because of the large subsidy to the passenger railway

C O N F I D E N T I A L

C O N F I D E N T I A L

and the special controls on closures. I hope you will be prepared to agree to this change, which would restore the position changed by the last Government, and eliminate the present duplication of work between our two Departments.

I see a need for the consumer view to be more effectively represented in the making of rail policy. For this, the CTCC would need to be strengthened - through the appointment of an effective and able Chairman and members and a secretariat of higher calibre. I doubt whether it is sensible to draw the secretariat, as at present, from British Rail by secondment. To concentrate its efforts on the subject area inside railways that really matters, I would like to limit the remit of the CTCC to passenger services.

On the other hand it is difficult to see a genuine role for the TUCCs. They have never managed to make any real impression and I do not think that their abolition would be noticed by the travelling public, though possibly some consumer interests would make a fuss. To get rid of them would advance our general policy of abolishing quangos.

The present role of the TUCCs in railway passenger closures seems to me anachronistic, when at the same time county councils are developing their new responsibilities for local public transport with extensive arrangements for public consultation. If we were to abolish the TUCCs I would want to consider taking advice from local authorities concerned on the implications of any rail closure proposal.

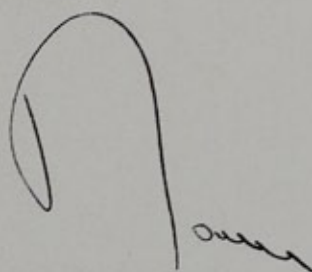
C O N F I D E N T I A L

C O N F I D E N T I A L

The legislation needed will not be uncontroversial, but could be handled in the context of our transport policies. Our colleagues will want to think further about these wider changes, and I would bring proposals to them in due course after I have had an opportunity to talk to the Secretaries of State for Scotland and Wales about their special interests. Meanwhile I should be glad to know whether as the first step you would be prepared to join me in recommending that responsibility for these bodies should revert to my Department.

I am copying this letter to the Prime Minister, the Chief Secretary, the Lord President, the Secretaries of State for the Environment, Energy, Industry, Scotland and Wales and Sir John Hunt.

You see.



A handwritten signature in cursive script, appearing to read 'Norman Fowler', with a horizontal line underneath.

NORMAN FOWLER

C O N F I D E N T I A L

CONFIDENTIAL

17 JUN 1979

The legislation needed will not be uncontroversial, but could be handled in the context of our transport policies. Our colleagues will want to think further about these wider changes, and I would bring proposals to them in due course after I have had an opportunity to talk to the Secretaries of State for Scotland and Wales about their special interests. Meanwhile I should be glad to know whether as the first step you would be prepared to join me in recommending that responsibility for these bodies should revert to my Department.

I am copying this letter to the Prime Minister, the Chief Secretary, the Lord President, the Secretaries of State for the Environment, Energy, Industry, Scotland and Wales and Sir John Hunt.

[Handwritten signature]

NORMAN FOWLER

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

3 July 1979

Dear Annie

I wrote to you on 18 June with the Prime Minister's comments on your Minister's letter of 7 June about arrangements for consumer representation in the nationalised surface transport industries. The Prime Minister has now seen the Secretary of State for Trade's reply of 19 June. She has considered the machinery of Government issue raised by this exchange. She has concluded that departmental responsibility for the consumer interests involved should remain with the Department of Trade, although the future of the existing machinery for handling these interests must, of course, be carefully considered in the current review of quangos.

I am sending copies of this letter to the Private Secretaries to the Lord President, the Secretaries of State for Trade, Environment, Energy, Industry, Scotland and Wales, the Paymaster General and to Martin Vile (Cabinet Office).

Yours ever
Mike Pitterson

Mrs. E. C. Flanagan,
Department of Transport.

25C

PRIME MINISTER

I showed you earlier Mr. Fowler's proposals about a re-organisation of consumer representation for the nationalised surface transport industries (flag A). You agreed that, if such re-organisation was to go ahead, presentation would have to be carefully handled.

After a delay, the Secretary of State for Trade responded ^(Flag B) to the proposals, arguing that responsibility for all nationalised industry consumer councils should stay with his Department, as part of its responsibility for consumer affairs. In the attached minute, Sir Ian Bancroft supports maintenance of the present machinery of government arrangements in this field: he argues both that there is a potential conflict of interest if a Minister with a responsibility for an industry is also responsible for ensuring that consumer complaints against it are effectively handled; and that, if the Department of Trade begins to lose aspects of its consumer affairs responsibilities, its role in the consumer field would be called into question.

Do you wish to support maintenance of the status quo?

MAP

Yes - and I hope
the SRS for Trade will
set about reducing the
transport tax charges
etc.

29 June 1979

*papers please
MAD*

MR PATTISON

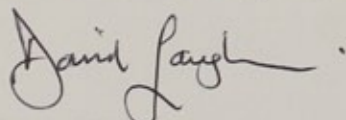
RESPONSIBILITY FOR TRANSPORT CONSULTATIVE COMMITTEES

Sir Ian Bancroft has seen copies of the exchange of correspondence between the Minister of Transport and the Secretary of State for Trade about Consumer consultative machinery for transport. He offers the following view on the machinery of Government issue which is raised there.

2. The Minister of Transport has proposed the transfer of responsibility for the transport consultative machinery to himself from the Secretary of State for Trade. He argues that the interests of consumers represent only one aspect of the operations of a nationalised industry which he feels can best be dealt with at Government level in a comprehensive way by the Minister responsible for the industry as a whole. Sir Ian Bancroft believes on balance however that that argument is outweighed by considerations in favour of the present arrangements.

3. There is a potential danger of conflict of interest if the Minister with general responsibility for the industry also carries responsibility for ensuring effective machinery for consumer complaints against that industry. It would moreover be difficult to transfer responsibility for the Central Transport Consultative Committee without similarly transferring responsibility from the Department of Trade to the sponsor departments for other nationalised industry consumer machinery (eg the National Gas Consumer Council, the Domestic Coal Consumer Council, the Post Office Users National Council and the Electricity Consumer Council). But this would be bound to diminish the credibility of the Department of Trade and in particular of the Minister for Consumer Affairs within it as an effective focus in Government ensuring that the interests of consumers are fully taken into account. Indeed to strip the Department of Trade of its responsibilities for consumer machinery in the nationalised industries would be bound seriously to call in question its role in the consumer field generally.

4. For these reasons Sir Ian Bancroft supports the arguments for the present machinery of government arrangements in this field advanced by the Secretary of State for Trade in his reply to the Minister of Transport of 19 June.



DAVID LAUGHRIN
PS/Sir Ian Bancroft
25 June 1979

NBPM
BMF
20/6CONFIDENTIAL*From the Secretary of State*

The Rt Hon Norman Fowler MP
Minister for Transport
2 Marsham Street
London SW1P 3EB

19 June 1979

Dear Norman.

Thank you for your letter of 7 June in which you suggest the transfer to your Department of responsibility for the Central Transport Consultative Committee (CTCC) and the 11 area Transport Users' Consultative Committees (TUCCs), to be followed by the strengthening of the CTCC and abolition of the TUCCs.

As I indicated in my minute to the Prime Minister of 6 June on the review of Quangos, we are reviewing the functions and structure of the Nationalised Industries Consumer Councils and I shall put proposals to colleagues as soon as possible. As you know we have already announced the ending of grants to Consumer Advice Centres, and I will not be afraid to suggest the abolition of some of these bodies too if it is desirable. But - and bearing in mind that legislation will be required - I am sure that we must look at the whole picture and not reach decisions piecemeal, Council by Council.

As for the proposal to transfer responsibility for the CTCC to your Department, I would regard this - and I am sure that it would be so regarded publicly - as a retrograde step. The transfer of responsibility for all the Nationalised Industries Consumer Councils to a Department charged with consumer affairs was made to allay widespread feelings that the Councils were not independent. To transfer one of them



10 DOWNING STREET

From the Private Secretary

18 June 1979

The Prime Minister has seen the Minister of Transport's letter to the Secretary of State for Trade about arrangements for consumer representation in the nationalised surface transport industries.

The Prime Minister recognises that the revised arrangements which Mr. Fowler has in mind may well be more economical and efficient. She has, however, commented that the presentation of any such re-organisation will require careful handling, especially if further rises in public transport fares come through later in the year.

I am sending copies of this letter to the Private Secretaries to the Lord President, the Secretaries of State for Trade, Environment, Energy, Industry, Scotland and Wales, the Paymaster General and to Martin Vile (Cabinet Office).

MAP

Mrs E.C. Flanagan, Esq.,
Ministry of Transport.

CONFIDENTIAL

S1



10 DOWNING STREET

PRIME MINISTER

Mr. Fowler is proposing to abolish the Transport Users Consultative Committees and to strengthen the Central Transport Consultative Committee.

I am sure there are strong efficiency grounds for this. But it will need careful handling at a time when public transport fares will probably be rising fast.

1 copy.

am.

15 June 1979



Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Norman Fowler MP
Minister of Transport
Department of Transport
2 Marsham Street
London SW1P 3EB

14th June 1979

Dear Norman

NATIONALISED SURFACE TRANSPORT INDUSTRIES: CONSUMER REPRESENTATION

You copied to me your letter of 7 June to John Nott suggesting certain changes in the arrangements for consumer representation in the nationalised surface transport industries.

I fully support your suggestion that duplication of effort between your department and his should be avoided. Your proposal would be consistent with our approach to public expenditure and the elimination of wasteful administration.

Similarly, I see merit in your suggestion that the CTCC/TUCC's arrangements should be streamlined by cutting out the latter and making the former a more useful body. We will however need to consider in more detail the CTCC's future remit.

I am copying this letter to the Prime Minister, the Lord President of the Council, the Secretaries of State for Trade, Environment, Energy, Industry, Scotland and Wales and to Sir John Hunt.

John Biffen

JOHN BIFFEN

6 11 12 1
5 4 3 2
6 5 4 3 2 1

15 JUN 1979