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This is no longer an issue. The matters will be dealt in a debate on 19/xi.  
MAP 11/xi.

Treasury Chambers, Parliament Street, SW1P 3AG Supply day debate on 19/xi.

The Rt Hon Francis Pym Esq MP  
Lord President of the Council  
68 Whitehall  
LONDON  
SW1

11 November 1981

Dear Francis

#### DEBATE ON THE ROLE OF THE C & AG

I understand that following Monday's deliberative meeting of the PAC which I attended Joel Barnett has approached you and has asked if the Government would agree to a full day's debate at an early date on the Government White Paper on the Role of the C & AG (Cmnd 8323) and the previous PAC Report. This is much as expected. The urgency from the Committee's point of view is that they want a debate on their own proposals, and the Government's counter proposals, for local government audit before the Local Government Finance Bill gets to the point of substantive discussion on the floor of the House.

Clearly we have to be sympathetic to the bid for a debate. But the request for a very early debate is doubly awkward. As regards local government audit, there is I think a case for saying that, after a Government Green Paper, followed by a PAC enquiry and a Government White Paper which in turn has led to the introduction of draft legislation, the time for wide-ranging review of options is passed, and the focus for debate should now be the Government's Bill. Subject to Michael Heseltine's views, however, I would not wish to stand on that point.

A more serious problem arises on the nationalised industry side. The Government White Paper was inconclusive on this point, and made it clear that there would be a further Government statement shortly on improvement of efficiency audit in the nationalised industries. As luck would have it, E(NI) Committee will next Thursday be considering proposals, on the basis of a paper from the Chief Secretary which, if agreed, would allow us to fill this important gap in the White Paper. We have always recognised that the Government's posture in debate about the White Paper would be necessarily a defensive one. It will be even more so if the debate takes place before we have announced our full proposals for efficiency audit of the nationalised industries. Nor can I see much profit for the PAC or the House as a whole in a debate on that basis.



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What I would like to suggest therefore and Leon Brittan wholeheartedly endorses this, is that we should agree to Joel Barnett's request for his debate on condition that it is delayed long enough to allow us to announce to the House our further proposals on nationalised industries efficiency audit. From my point of view an extra week would probably suffice for that purpose, though I understand this could cause problems for the future timetable of business in the House. But my own impression from attending the PAC discussion the other day is that if necessary the PAC would be well content with a half day's debate. It surely should not be beyond our powers to make room for that within the next two or three weeks.

I am copying this letter to members of the Cabinet and to Sir Robert Armstrong.

*Yours*  
*Nicholas*

NICHOLAS RIDLEY





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PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

17 November 1981

Dear Nicholas,

Thank you for your letter of 11 November about the timing of any debate on the Role of the Comptroller and Auditor General. I indicated during questions on the business statement last Thursday that I was sympathetic towards the case for a debate in the near future, and I will keep in touch with you about the precise timing. I note what you say about the desirability of waiting until we have announced our proposals for the efficiency audit of the nationalised industries; a further factor will obviously be the timetable for debating the Audit Commission proposals in the Local Government Finance Bill.

I am copying this letter to members of the Cabinet, the Chief Whip, and Sir Robert Armstrong.

*Handwritten signature*

*Handwritten signature*

FRANCIS PYM

The Hon Nicholas Ridley AMICE MP  
Financial Secretary to the Treasury  
Treasury Chambers  
Parliament Street  
London SW1P 3AG



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*See Mac*



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The Rt Hon Francis Pym MP  
Lord President of the Council  
Privy Council Office  
68 Whitehall  
LONDON SW1

18 November 1981

*✓*  
*MA*  
*Dear Francis*

DEBATE ON THE ROLE OF THE C&AG

I have seen Nicholas Ridley's letter to you of 11 November about the possibility of an early debate on the White Paper.

I agree that a debate on the PAC's proposals for a wider role for the Comptroller and Auditor General would be difficult to handle if we were not in a position to announce our own plans for strengthening the scrutiny of nationalised efficiency. At the same time, it will not help our dealings with the nationalised Chairmen, if the various changes we have in mind in the Government's relations with them emerge in a piecemeal fashion. Provided that we allow sufficient time before the debate for our proposals on the Monopolies and Mergers Commission and management consultants to be put to the Chairmen, as part of the wider package of changes recommended by the CPRS in the discussion document currently being considered, I see no difficulties about what Nicholas Ridley is suggesting.

Copies of this letter go to the other Members of Cabinet and to Sir Robert Armstrong.

*Yours*  
*David*

DAVID HOWELL

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