



From the Secretary of State

*G. Wood*  
Prime Minister (2)

To note

M/S 22/12

CONFIDENTIAL

Michael Scholar Esq  
10 Downing Street  
London  
SW1

22 December 1982

*Dear Michael*

GENERAL LIGHTHOUSE AUTHORITIES

In your letter of 14 December you recorded the Prime Minister's comment that my Secretary of State's proposals "will create considerable political difficulties" and asked for a full note of the Public Accounts Committee's criticisms.

Trinity House has accepted my Secretary of State's main proposal, namely that management consultants should be brought in. No difficulty is anticipated with the other bodies. So far as the wider criticisms are concerned, Trinity House has suggested the appointment of a "Consultative Committee". This we will pursue with Trinity House. But possibly the problems can be dealt with without the need for a formal committee.

The criticisms made by the PAC fall into two categories:

- 1 The power of appointment of the members of the Authorities.
- 2 The efficiency of the Authorities particularly in relation to staff and finance.

These two matters are dealt with below.

THE POWER OF APPOINTMENT

What the PAC said was this:

"7 The General Lighthouse Fund is one the Department of Trade's formal statutory responsibilities, albeit a minor one. We find it anomalous that the Department have general responsibility for marine safety and a specific responsibility for the General Lighthouse Fund but no power to appoint the Lighthouse Authorities and to regulate management of the lighthouse services themselves. We see a need for a fundamental review of the lighthouse services, which have apparently not been examined since a Royal Commission of 1906....We recommend accordingly".

This issue may well be contentious. The PAC seem to have envisaged a Royal Commission roving over the whole field. For the moment my Secretary of State has simply asked the Authorities "for their views". These will no doubt be forthcoming in due course and we can take the matter forward from there.





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*From the Secretary of State*

EFFICIENCY

On this the PAC said:

"8. We are not satisfied that the Department have adequately exercised their responsibilities for the scrutiny of the GLAs' staffing levels and estimates, particularly in undertaking comparative studies of the Authorities' efficiency. We think this has resulted in the users not being provided with an adequate basis for judging the economy and efficiency of the Authorities' operations. We are somewhat surprised, in view of the recent criticisms by the Chairman of the Lights Advisory Committee, that the Department can claim that the users have previously been content, though we note the comments of Trinity House. We endorse the need for investigation of the criticisms. In addition we trust that improved arrangements for the examination of the GLAs' staff numbers will be introduced by the Department immediately."

It was in this area that my Secretary of State suggested that, in consultation with the Authorities, management consultants should be brought in. Trinity House have accepted this.

There is always the risk that the Secretary of State will be criticised for not doing enough. The shipowners - who have to foot the bill - are pretty furious and the PAC clearly contemplated a public enquiry of the Royal Commission type. But my Secretary of State feels that practical results in terms of improving efficiency and reducing costs and staff levels will be achieved more quickly by appointing management consultants and by direct pressure by the Department: and he would expect that this would defuse criticism. But we will have to come back in due course to the question of the appointment of the members of the Authorities, as if they are to be run properly they need the right people as members.

The PAC report is quite brief. A copy is attached with the more important passages sidelined.

*Yours sincerely*  
*John Whitlock*

JOHN WHITLOCK  
Private Secretary



Lighthouse Authority - Gut Mad



5th Dec 12

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WORLDWIDE