

CONFIDENTIAL



SECRETARY OF STATE FOR ENERGY
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File with BTG.
Chairmanship papers.
DTI content that
Barker should take this
on in addition to BTG
Chairmanship

AT 5/13

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
London SW1P 3AG

24 February 1984

Dear Chancellor,

I have been concerned over the past months at the manner in which figures coming from the National Coal Board change substantially over a very short period.

I wrote to Ian MacGregor at the time we were obtaining information from them to calculate what was required for the Spring supplementary estimate.

More recently, there have been further cases of figures given only a few weeks ago being changed dramatically. I therefore spoke to Ian MacGregor privately, informing him of my serious concern at the quality, speed and reliability of the National Coal Board's financial information.

He informs me that he considers that the National Coal Board is very badly organised in terms of both financial information and their ability to forecast. It is for that reason that Colin Barker has just joined the Board to oversee this area and to get it swiftly reorganised. Barker did a similar job full-time at BSC, where Ian MacGregor has told me that the quality of financial information and forecasting was equally bad when he arrived there.

He promised me that he will give a high priority to achieving a transformation in this sphere, but I am afraid that in the coming months, until the reorganisation has been completed, we will have to be very cautious in the judgement we place upon the figures that are being currently provided. My Department will be monitoring both future figures and the improvement of the system closely.

I am copying this letter to the Prime Minister and to Sir Robert Armstrong.

Yours sincerely
Peter Walker

PETER WALKER

(approved by the Secretary of State
and signed in his absence)