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QUEEN ANNE'S GATE LONDON SW1H 9AT

4th
October 1985

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Dear Tony,

Thank you for your letter of 6 September about the enforcement of requirements under the new pension arrangements proposed in the Green Paper.

The proposed new powers for your inspectors are of course quite sweeping in appearance, though I recognise that so far as employers are concerned the powers already exist, and the proposals represent no more than a widening of the matters in respect of which they may be exercised. The issue is a little different when it comes to the trustees and managers of pension schemes. You will understand my concern to avoid anything which could be seen either as a fresh state burden on businesses, or as an intrusion into confidential professional relationships. You will recall the anxieties generated during the Parliamentary passage of the Police and Criminal Evidence Act over the suggestion that the police might be gaining unrestrained access to the records, for example, of accountants and financial institutions - to meet which fear we were forced to provide a number of additional safeguards, including a requirement for access to be gained only on the authority of a circuit judge. You will be relieved to hear that I am not going to suggest a similar mechanism here. I think a distinction can be made between the police gaining access to traditionally confidential areas of business and professional relationships, and a new sort of relationship (between employers and pension providers) which both parties will enter in the knowledge that they will be subject to the oversight of your inspectors. I would hope that on those grounds the powers could be defended in the face of any objections there may be. But I gather that this is an aspect of the proposals which has not yet received a public airing, so that it is not possible to judge at this stage what the possible reaction might be. If it were to prove unexpectedly controversial - either in the minds of those likely to be professionally involved in the new arrangements, or of the public generally - then I think it might be necessary to consider modifying this aspect of the powers. But with that proviso I am content with the proposed extension of your inspectors' powers of entry in the form you have suggested.

I welcome your assurance that the new offences you propose would be involved only sparingly. On this understanding, I am broadly content with the offences and penalty levels you suggest. I agree that we can leave it to officials to sort out the details.

I am copying this letter to recipients of yours.

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Tony Newton, Esq, OBE, MP

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