

« Relations. 1
Local Govt. Pt 27

PRIME MINISTER

SIR KENNETH BOND

To forestall any complaint from Lord Weinstock that we were not acting quickly enough on his suggestion, which came through Woodrow Wyatt, that Sir Kenneth Bond might undertake some work on value for money for the Government, I thought it best to have a word with Lord Weinstock direct.

Lord Weinstock said that the thought had come to him because he had read that, if the Audit Commission's Reports on Local Government were implemented, £1 billion of savings could be achieved. He had thought that Sir Kenneth Bond would be just the man to follow ^{up} such reports. Sir Kenneth is already on the Audit Commission, but the time is coming when Lord Weinstock could release him more continuously. Lord Weinstock said that he had not discussed the suggestion with Sir Kenneth Bond and had no idea whether it would appeal to him.

I explained that the achievement of the savings in local government was not so much a question of having the right man to follow them up but of having the necessary powers. The Audit Commission could follow up their recommendations by further reports on the extent to which the savings were being achieved by particular local authorities; but, apart from publicity of this sort, there was no other way at present of ensuring that local authorities made the possible savings. It was not therefore a case of needing someone with the time and energy to follow them through: the Audit Commission was already doing everything which there were powers to do.

I said to Lord Weinstock that we had wondered whether Sir Kenneth Bond could do something similar to the work of the Audit Commission in the Health Service or Central Government field, if this fitted in with Victor Paige or Sir Robin Ibbs. Lord Weinstock repeated that he did not know whether

Sir Kenneth Bond would be interested in doing anything of this sort, but said that his gift was to achieve results rather than to deal in bureaucratic processes.

Andrew tells me that you floated with the Secretary of State for Social Services and Mr. Paige the other day the idea of extending an Audit Commission activity to the Health Service. Do you think that the right course is to follow this up in writing with Norman Fowler and ask him to discuss with Mr. Paige whether a project of this sort could be defined and mounted in the Health Service? (Since Sir Kenneth Bond is already on the Audit Commission, one way of doing it might be to extend the remit of the Audit Commission to the Health Service and put Sir Kenneth Bond specifically in charge of this part of the remit.)

Would you like us to follow up the proposal in this way with Mr. Fowler?

Yes please

F.R.B.

24 July 1985

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10 DOWNING STREET

25 July, 1985.

From the Principal Private Secretary

The Prime Minister mentioned at her meeting with your Secretary of State, Mr. Clarke, and Mr. Paige on Monday the idea of launching a scrutiny of comparative operations in the health service on the lines of the technique used by the Audit Commission in local government. The Prime Minister mentioned a particular name of someone who is at present a member of the Audit Commission who might be invited to supervise its activity if a viable project could be established.

The Prime Minister would be grateful for your Secretary of State's thoughts, as soon as they can be reasonably provided, on whether he and Mr. Paige think that a viable project of this sort could be mounted. If so, soundings could be made of the person whom the Prime Minister mentioned to your Secretary of State to establish whether he would be interested in taking it on. Since that person has not yet been sounded, and his attitude is unknown, it is not necessary at this stage to spend a large amount of effort in specifying the project; all that is necessary is to establish in principle whether such a project is practicable and desirable.

F.E.R. Butler

Tony Laurance, Esq.,
Department of Health and Social Security.

CONFIDENTIAL

SPW



10 DOWNING STREET

MR. TURNBULL

Agree that I should write on these lines?

FRB

~~FRB~~

I assume you are providing
a bit more background on this.

AT
25/7

25 July, 1985.