



PRIME MINISTER

#### HANDLING OF PROPOSALS FOR NEW QUANGOS

I minuted you today about the results of the mopping up exercise. I would now like to take your mind on the handling of proposals for new quangos.

At present Departments are required to consult CSD and the Treasury about proposals for all new bodies. Where the proposal is for a new executive body it is possible for CSD and the Treasury to do a good job in ensuring that the options are properly examined. But where the proposal is for an advisory body, there are rarely resource implications and the key consideration is nearly always political. The sponsoring Minister is naturally best placed to make the judgement. The role for the central departments is not an effective one. So additional work is generated to no useful purpose.

I therefore recommend that departments should continue to consult CSD and the Treasury about proposals for executive bodies but that in future they should be consulted on proposals for advisory bodies only where there are implications for resources or the machinery of government.

Parliamentary and Press interest in quangos shows no sign of diminishing. Advisory bodies are the most numerous among the existing and new bodies. To provide a spur to keep down the numbers, I suggest that in future each Minister should be asked to review his advisory bodies annually; I should collate the results and report them to you.

I am sending copies of this only to Geoffrey Howe, and to Sir Ian Bancroft and Sir Robert Armstrong.

S.

SOAMES

3 October 1980

FBI  
REC'D  
OCT 13 1980

CONFIDENTIAL



10 DOWNING STREET

*From the Private Secretary*

6 October 1980

HANDLING OF PROPOSALS FOR NEW QUANGOS

The Prime Minister has seen the Lord President's minute of 3 October. She has agreed that Departments should continue to consult CSD and the Treasury about proposals for executive bodies but that in future central Departments need be consulted on proposals for advisory bodies only where there are implications for resources or the machinery of Government.

She has also agreed that each Minister should be asked to review his advisory bodies annually, and that the Lord President should collate the results and report them to her.

I am sending copies of this letter to John Wiggins (H.M. Treasury), Jeremy Colman (CSD) and David Wright (Cabinet Office).

N. J. SANDERS

Jim Buckley, Esq.,  
Lord President's Office.

Gov. Mach.



10 DOWNING STREET

PRIME MINISTER

You wished to mention at Cabinet the growing tendency to create new quangos. I attach Lord Soames' minute on the subject.

Beneath the minute there is a breakdown of the new bodies set up so far, with a note of costs likely to be incurred where this is known.

MA

6 August 1980



Civil Service Department  
Whitehall London SW1A 2AZ  
01-273 4400

From the Private Secretary

6 August 1980

M Pattison Esq  
Private Secretary to the Prime Minister  
10 Downing Street  
LONDON SW1

*Dear Mike,*

QUANGOS

Thank you for your letter of 4 August.

... The list of new bodies is attached. There are now 32.  
Estimated costs of the executive bodies are given. But  
we do not know what the expenditure of all the advisory  
bodies will be; but it is safe to assume that they will  
be small.

The Urban Development Corporations' annual expenditure is  
estimated at £100m. This comprises about £30m "new" money  
and £70m from existing programmes.

I am sending a copy of this letter and the list to David Wright  
in Sir Robert Armstrong's office.

*Yours sincerely,  
Jim Buckley.*

J BUCKLEY

NEW NON-DEPARTMENTAL BODIES SET UP OR AGREED TO

Notes

1. The costs of advisory bodies have been excluded from this list since they are small.
2. This list does not include bodies resulting from the merger or reconstitution of existing bodies.
3. The symbol \* means that the body has not yet been set up.

	<u>Date of Decision to set up</u>	<u>Estimated costs p/a</u>	<u>Nature of Body</u>
<u>OAL</u>			
1. National Heritage Fund	Aug 79 (proposed originally by last Government)	£12 m	Executive
2. Registrar of Public Lending Right*	Nov 79 (enabling legislation passed before May 79)	£ 2 m	Executive
3. Advisory Ctee on Business Sponsorship of the Arts	June 80		Advisory
<u>DES</u>			
4. Advisory Cttee on Micro- electronics in Education	May 80		Advisory
<u>DOE</u>			
5. London Housing Staff Commi- ssion	May 79 (proposed originally by last Government)	£0.08 m	Executive
6 Urban Development Corpora- + 7 tions (one for London; one for Merseyside)*	Sept 79	£100 m	Executive

	<u>Date of Decision to set up</u>	<u>Estimated costs p/a</u>	<u>Nature of Body</u>
<u>DHSS</u>			
8. Advisory Group on London Health Service	March 80		Advisory
9. Steering Group on Health Service Information	April 80		Advisory
10. NHS Supply Council*	Dec 79 (proposed originally by last Government)	N/K	Executive
11. National Joint Cttee on Rural Dispensing*	Jan 80		Advisory
12. Remuneration of Pharmacists Review Body*	Feb 80		Advisory
13- Central Council for Nursing, 17 Midwifery and Health Visiting (+ 4 National Boards)	June 80	£4 m (currently being spent by 6 existing bodies to be wound up 1982/3)	Executive
<u>Home Office</u>			
18. Broadcasting Complaints Commission*	July 79	costs recouped from BBC and ITV	Adjudicatory
19. Interdepartmental WG to Review Traffic Law	Nov 79		Advisory
20. Joint Cttee on Refugees in Vietnam	Oct 79		Advisory
21. Trust to Administer the Licensing Compensation Fund	May 80	N/K (will administer a trust fund of £4.3m)	Executive

	<u>Date of Decision to set up</u>	<u>Estimated costs p/a</u>	<u>Nature of Body</u>
<u>Home Office (cont.)</u>			
22. Welsh Language Television Committee*	July 80		Advisory
<u>Inland Revenue</u>			
23. Cttee to Review Powers of Inland Revenue and Customs and Excise	Feb 80		Advisory
<u>Northern Ireland Departments</u>			
24. Community Service Committee	Sept 79		Advisory
25. Visiting Cttee, Hydebank Wood	May 79	N/K	Executive
<u>Scottish Office</u>			
26. Council for Tertiary Education in Scotland	May 79 (proposed originally by last Government)		Advisory
27. Committee of Inquiry into Local Government	Dec 79		Advisory
28. Health Education Co-ordinating Committee*	July 80		Advisory
<u>Department of Trade</u>			
29. Pilotage Commission	Sept 79 (enabling legislation passed before May 79)	self financing	Executive



	<u>Date of Decision to set up</u>	<u>Estimated costs p/a</u>	<u>Nature of Body</u>
<u>Department of Trade (cont.)</u>			
30. National Metrological Co-ordinating Unit	May 79 (enabling legislation passed before May 79)	£0.3 m (to be transferred after year 1 to RSG)	Executive
<u>Department of Transport</u>			
31. Inquiry into Lorries, People and the Environment	July 79		Advisory
<u>Welsh Office</u>			
32. Housing Management Advisory Panel	May 80		Advisory



Govt Sub  
Mech  
BF 6.8.80

10 DOWNING STREET

*From the Private Secretary*

4 August 1980

The Prime Minister has seen the Lord President's minute of 31 July, about Quangos.

She shares his concern about the rate of growth of such bodies, and would like to have a list of the 30 new bodies mentioned in his minute, with a note of the costs likely to be incurred in each case.

The Prime Minister has it in mind to mention this disturbing trend to colleagues at Cabinet on 7 August, and it would therefore be most helpful to have the list requested above in the course of Wednesday 6 August.

I am sending a copy of this letter to David Wright (Cabinet Office).

M. A. PATTISON

Jim Buckley, Esq.,  
Lord President's Office.

Will mention  
at Cabinet. *mt*

PRIME MINISTER



CONFIDENTIAL

Not good news. Would you like a note of these 30 new bodies, and the money involved?

*Yes please mt. MAF 1/8.*

PRIME MINISTER

QUANGOS

In my absence abroad, you asked Paul Channon to report on progress on this front in October. I am sending this interim report as I am worried about the rate of growth of Quangos.

We decided to abolish over 240 Quangos as a result of last year's review. But since then we have set up 30 new bodies. Half are advisory and half are executive. The amount of money spent by the new Quangos is considerably greater than what we have saved by those we have abolished.

Over the past month, some of these cases have been taken to Cabinet Committees. In those cases, and in other cases settled differently, since each on its own appeared reasonable, a decision has been given in favour of the new Quango.

I thought you ought to know this as it could be raised at the Conference. Subject to your views, I will keep you informed from time to time. But I am worried about the future, because though each addition may be judged wise in itself the rate of growth is disturbing.

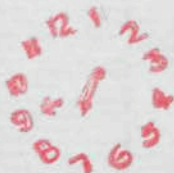
S.

SOAMES

31 July 1980

CONFIDENTIAL

31 JUL 1980



NOT STAMPED