

Prime Minister:

Mr FLESHER

Do you agree i) that
the Nature Conservancy Council should
be accepted for the scrutiny programme and
ii) that Mr Priestly should suggest structure
planning as a subject for a special
scrutiny.

SCRUTINY PROGRAMME 1982: DEPARTMENT OF THE ENVIRONMENT

13/7

The Prime Minister agreed in February that Mr Heseltine should be pressed to offer a second scrutiny over and above his Cartographic Services. I wrote to Mr Edmonds saying that the PM thought

"..... that such a subject might be found in the area of regional/structural planning or in the value for money [which DOE] obtains for the taxpayer from the fringe bodies which it finances."

2. The purpose of this minute is to seek the PM's agreement to what DOE have recently proposed in reply, namely a scrutiny of the Nature Conservancy Council (NCC), subject to the qualifications noted below.

PLANNING DISCOUNTED

3. Mr Heseltine would prefer to dismiss the idea of a scrutiny of planning because:

- (1) DOE is no longer undertaking any strategic regional planning.
- (2) On structure planning, Mr Heseltine is considering how best to go about improving the existing system operated by the County Councils. Work on this will be wide-ranging and DOE considers that the "time and manpower needed as well as the policy implications put it beyond the scope of a normal scrutiny".

4. I do not dispute the reference to "time and manpower" in 3(2) above. Typical scrutinies involve one examining officer and last 90 days. But the Cabinet set aside PAR in October 1979



in preference for the scrutiny programme, with the clear implication that the new programme should include policy subjects. And we have had several scrutinies undertaken by a team and lasting more than 90 days. The Prime Minister may recall that she received a first-class presentation from the team which undertook the joint DE/DHSS scrutiny of the delivery of benefits to the unemployed in 1980.

5. I therefore recommend that, while accepting the NCC proposal, the PM should authorise me to suggest that structural planning should be considered for a special scrutiny. The subject is an ideal one for the scrutiny technique, but is still a bird in the bush compared with the NCC which has been put into our hands.

NATURE CONSERVANCY COUNCIL OFFERED

6. A factual note on the NCC, and also on the Countryside Commission, is attached. In case the PM knows him, I draw your attention to the name of the NCC's chairman, Sir Ralph Verney.

7. The offer is welcome, but faintly curious.

8. First, we have been after the Countryside Commission for some time. It (presumably) is included among fringe bodies considered but not offered by DOE, because

"..... there are initiatives already being taken to tighten manpower control and financial budgeting. Other bodies have recently undergone re-organisation and need a settling down period."

9. The status of the CC was changed by the recent Wild Life and Countryside Act to that of a grant-in-aid body, one effect of which was to remove its 100 staff from the Civil Service manpower count.



10. Secondly, although the Act also had some bearing on the work of the NCC, the DOE letter says that Mr Heseltine has been

" concerned for some time that its management systems are not as sharp as they might be. There has been a trend of increasing staff numbers. A Rayner scrutiny would be a very satisfactory means of looking at these matters and one which could go rather wider looking at all the NCC's systems of resource control - budgeting, monitoring and accounting for financial and manpower resources."

11. The proposed terms of reference provide a satisfactory basis for a scrutiny, chiefly of internal control systems and the scope for reducing in-house effort. But there would be advantage in two possible extensions, namely to the NCC's working relationships with

(1) The DOE: relationships between fringe bodies and their "sponsor" departments are often unsatisfactory. In this case, I understand also that there may be tensions between the DOE policy division (Rural Affairs, based in Bristol) and the finance divisions.

(2) Other bodies in the same field.

12. The extension at (2) above would need arguing with some tact. Rural conservation is, rightly, one of the most active and highly regarded of present-day "Good Things", as well as the favourite son of numerous lobbies. The main bodies do have somewhat different functions - the NCC conserves wild life and land, while the CC and the Sports Council are more interested in recreation, as is the Forestry Commission in addition to its industrial responsibilities. The main distinction between the NCC and the CC is that the latter enables others to do things, 70% of its budget going in grants compared with a tiny fraction of that of the NCC. But



there are common interests too - in information, research, giving advice and the management of protected areas.

RECOMMENDATION

13. I should be grateful if the Prime Minister would authorise me to tell DOE that:

- (1) The NCC is accepted for the scrutiny programme now, provided that the terms of reference include its relationships with DOE and with other bodies in the same field.
- (2) Structure planning should be considered as the subject of a special scrutiny.

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C PRIESTLEY
12 July 1982

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Enc: Note as indicated

ANNEX

NATURE CONSERVANCY COUNCIL

1. Hived off from the Natural Environment Research Council in 1973. Responsible for the conservation of flora, fauna and geological and physiographical features throughout Great Britain. Establishes, maintains and manages Nature Reserves; empowered to grant-aid other bodies to do so too (budget £300,000 in 1981-82). Advises Government on nature conservation; provides a source of advice and knowledge for those whose activities affect the natural environment. Commissions, supports and undertakes research (budget £1.1m in 1981-82).
2. Cost: £11.27m in 1982-83. Staff: 540 full-time, 44 part-time.
3. Head Office in London (Belgrave Square); HQs for England in Banbury, Scotland in Edinburgh and Wales in Bangor; 8 regional offices in England, 4 in Scotland, 3 in Wales.
4. Chairman, Sir Ralph Verney Bt., inter alia a Vice-Lord Lieutenant of Buckinghamshire and a member of the Chequers Trust; Director-General, Mr R C Steele, ex-Natural Environment Research Council.

COUNTRYSIDE COMMISSION FOR ENGLAND AND WALES

5. Status recently changed to that of a grant-in-aid body. Responsible for encouraging and promoting measures to ensure and enhance the natural beauty and amenity of the countryside; providing and improving facilities for the enjoyment of the countryside; and securing public access. Empowered to make grants to local authorities, private bodies and individuals (budget of £7.2m in 1982-83); conducts experimental schemes; provides information services; designates National Parks and Areas of Outstanding Natural Beauty; formulates proposals for long-distance footpaths; commissions or carries out research (budget of £0.5m in 1982-83).

6. Cost: £10.84m in 1982-83. Staff: some 100.
7. Head Office in Cheltenham, 9 regional offices.
8. Chairman, Mr D Barber; Director, Mr A Phillips.

NB: Both the NCC and the CC are due for review in 1984 under the procedures established by the Government on the publication (1981) of the Guide to the Management of Non-Departmental Public Bodies, but this could be brought forward and included in the scrutiny programme.

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10 DOWNING STREET

From the Private Secretary

MR. PRIESTLEY
Sir Derek Rayner's Office

The Prime Minister has now seen your minute of 12 July about the scrutiny programme for the Department of the Environment and has agreed that you should tell DoE that the Nature Conservancy Council is accepted for the scrutiny programme, provided that its terms of reference include its relationships with DoE and with other bodies in the same field, and that structure planning should be considered as a subject for a special scrutiny.

TIMOTHY FLESHER

19 July, 1982

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Prime minister 4

Content that the PSA Advisory Board should continue its work? I suggest your agreement should be for a further one year, after which the Board's work can be reviewed again.



PRIME MINISTER

PSA ADVISORY BOARD

When you agreed in December 1980 to my setting up the PSA Advisory Group (renamed the PSA Advisory Board) under Nigel Mobbs' chairmanship, you did so on the basis that appointments should not continue beyond one year without further reference to you. More than a year has since passed, but I wished before coming back to you to reach a view on the continued need for the Board given the appointment of the new Chief Executive from the private sector.

I have concluded that the Board remains necessary, and I seek your agreement to continue its work.

PSA is a major slice of my responsibilities and I have been giving it a good deal of my attention. We are seeing results. For example:

Staff: reduced from 38,819 at April 1979 to 30,154 at April 1982, a reduction of 22%.

Property Disposals: receipts of some £203m over the last 3 years.

Office Rationalisation: for example, a major programme of reorganisation of London offices which has freed 1.4 million square feet, and should produce a further 4.5 million square feet of savings by 1985. This will reduce the annual London rent and running costs by 29% compared with 1979 (saving £50m per annum at 1979 prices): well ahead of the fall in Civil Service numbers.

I am concerned to maintain this momentum.

Is this all?

The Advisory Board has done valuable work for me. They have produced 3 useful reports and they are now thoroughly familiar with PSA and its work. They have identified a number of areas of PSA as needing detailed scrutiny, and I would like to have their comments on these.

More importantly, the new Chief Executive and I have a number of ideas for radical changes in PSA about which I hope to write to colleagues shortly. Both the Chief Executive and I regard the Advisory Board as an important source of support and wider private sector experience in developing and hopefully introducing these concepts.

I have no immediate proposals for changing the membership. But I feel that the Board may be light on property management expertise, and I am keeping this under review.

I should say that Board members receive no fee, and their costs have totalled less than £3,000, with is tiny set against the time which Nigel Mobbs and his colleagues have freely given.

I should be grateful for your agreement to the Board continuing its work.

For one more year

MH



10 JUN 1962



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RW

10 DOWNING STREET

From the Private Secretary

14 June, 1982

PSA ADVISORY BOARD

The Prime Minister has seen your Secretary of State's minute of 9 June. She is content for this Advisory Board to continue its work, but she would like your Secretary of State to review the question of the Board's continued existence in a year's time.

J. W. F. S. RICKETT

Mrs Helen Ghosh
Department of the Environment

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