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PRIME MINISTER.
This is about the Institute of
Development Studies, one of
Foreign and Commonwealth Office

London SW1A 2AH

19 December 1979

ms

*the 30 bodies listed for
abolition / withdrawal of support
in Sir Leo's report. I have
asked Sir Leo to keep it in the
report with a footnote,
as at "b" over the page*

Dear Mike,

Non-Departmental Public Bodies

MA 20/189

You sent us a copy of your letter of 11 December to John Chilcot about Sir Leo Pliatzky's report on non-departmental bodies. Lord Carrington is content for the text of the report to be cleared out of Cabinet. He has one drafting change to suggest.

The passage in question concerns the Institute of Development Studies (IDS). At present the paragraph on IDS in Part II of the FCO chapter ends with the sentence:

"As part of the review for the quinquennium starting in August 1981, it will be the intention of ODA to reduce progressively the level of financial support to the core budget, in order that it will not be a charge to the aid programme after July 1986".

Following representations made to him by the Governing Body of IDS, Lord Carrington has agreed that a final decision on the future of the grant to IDS from the aid programme should be deferred until the Review Body established earlier this year has completed its work (which it will be asked to expedite). On the basis of that report, further consideration will be given to the level of financial support from HMG over the next quinquennium. It will be made clear to the Institute that this is without prejudice to Ministers' final decision and that the option of phasing out the government grant altogether is not foreclosed.

Accordingly Lord Carrington proposes that the final sentence in paragraph 6 of the FCO chapter of the Report should now read:

"As part of the current review for the quinquennium starting in August 1981, alternative methods of substantially reducing the level of financial support from the aid programme to the core budget are being examined."

/It is also

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It is also necessary to consider the reference to the IDS in Part I where it features on page 7 in the table of bodies which are to be wound up, rationalized or have their funds withdrawn. There are two alternative ways of dealing with this in the light of the deferment of the final decision about IDS:

- a. to remove IDS from the table on page 7 on the grounds that no final decision has yet been taken; or
- b. to retain the reference to IDS in the table but to append a footnote as follows:

"The Institute have been given an opportunity to put forward alternative proposals for a substantial reduction in financial support before a final decision is reached."

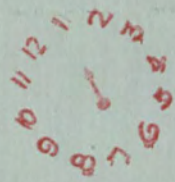
On balance the first course is preferred here but if the Prime Minister thought that the second course was preferable we would not object.

I am copying this letter to the recipients of yours and to Sir Leo Pliatzky.

Yours WEL

(P Lever)
Private Secretary

20 DEC 1979



FILE

21 December 1979

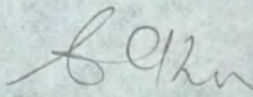
The Prime Minister has seen your letter to me of 19 December, about treatment of the Institute of Development Studies in Sir Leo Pliatzky's Report on Non-Departmental Public Bodies. She has asked Sir Leo to retain the reference to I.D.S. in the table in his Report, but to include the footnote proposed in your letter.

I am sending a copy of this letter to Sir Leo Pliatzky.

M A PATTISON

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

31st December 1979

Dear Mike,

NON-DEPARTMENTAL PUBLIC BODIES

The Chancellor of the Exchequer has seen Paul Lever's letter to you of 19th December, suggesting an amendment to the parts of Sir Leo Pliatzky's report on non-departmental bodies which relate to the Institute of Development Studies at the University of Sussex.

The Chancellor would wish to see the present subsidy to this body, of some £1 million a year, eliminated at the earliest possible date (1986 seems remarkably remote); and he would have preferred it if the report had originally said as much. He would certainly be most reluctant to see an amendment made which would leave open both the elimination of the subsidy and the date by which that is to be secured. If the Foreign Secretary wants to retain the reference to "alternative methods of substantially reducing support", the Chancellor would be content with the following form of words:-

"As part of the current review for the quinquennium starting in August 1981, alternative methods of substantially reducing the level of financial support from the aid programme to the core budget are being examined, with the intention of discontinuing any such support not later than July 1986".

It follows that the Chancellor would wish the IDS to be left in the table on page 7, without a footnote.

I am copying this letter to Paul Lever (FCO) and Sir Leo Pliatzky.

Yours sincerely,

Richard Tolkien,

(R.I. TOLKIEN)

M.A. Pattison, Esq.,
No.10, Downing Street

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