

CONFIDENTIAL

Prime Minister

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Secretary of State for Industry

8 February 1982

The Rt Hon The Baroness Young  
Chancellor of the Duchy of Lancaster  
Privy Council Office  
Whitehall  
SW1

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Dear Janet,

At the meeting of E(NI) on 3 December it was agreed that the Ministers concerned should write to let you know whether we would welcome a Rayner Scrutiny of one of the nationalised industry sponsoring divisions in their Departments, on the lines proposed in your minute of 2 December to the Prime Minister.

2 I have considered this proposal carefully but I very much doubt whether it would produce useful results. There has, of course, been no shortage in recent years of studies of various kinds of the relationship between Government Departments and the nationalised industries and it seems very unlikely that a Rayner Scrutiny would break any new ground. The subject is not in any case one to which the Rayner approach is particularly suited. My main aim is to get ahead rapidly with the various significant changes affecting our relationships with the nationalised industries which we have decided upon following the CPRS's Report. In particular I attach importance to bringing into the Department more outside business experience so that our decisions will be based on a better understanding of the problems and constraints of commercial life. I am therefore seeking to recruit two more businessmen to my Industrial Development Unit.

3 The sponsoring divisions will need to work hard in the coming months to make these new arrangements operate effectively and any new study would be bound to distract them from this task. Moreover, a Rayner Scrutiny would need to be carried out in co-operation with the industry concerned and could well create the impression that we remained dissatisfied with the outcome of the CPRS Report. Nevertheless, although I would be opposed to launching any new formal study, I would be content for our officials to continue their exploratory discussions on organisation development which, as you noted in your minute to the Prime Minister, they have initiated.

4 I am copying this to the Prime Minister, other members of E(NI) Committee, to Sir Robert Armstrong and Robin Ibbs.

*Young*  
*1982*



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