



CONFIDENTIAL

Prime Minister (2) ✓ IV

MCS 21/9

QUEEN ANNE'S GATE LONDON SW1H 9AT

21 September 1982

Dear Jeffrey

MS

PRIVATISATION

The Prime Minister minuted you on 28 July on the need to sustain the momentum of the privatisation programme and Ministers were asked to report to you by mid-September on the action being taken within their Departments.

The scope for transferring Home Office functions entirely to the private sector is inevitably limited. Over 90% of Home Office staff are employed in the Prison, Police and Immigration and Nationality Departments, where most of the tasks are by their nature appropriate to central government and the scope for privatisation is very limited. One function that might be considered for privatisation in the longer term is the provision by the Home Office Directorate of Telecommunications of telecommunications for the police, fire, prison and civil defence services. But we could not guarantee that work given up by the Directorate would go to the private sector: it might be taken up in large part by local police and fire authorities whose duty it is by statute to see that their forces and brigades are properly equipped. And it would be vital to ensure that the communications of these emergency services were not put in jeopardy. This would rule out any early change. As a result of international agreements, the Directorate are now engaged on a nationwide programme of conversion of police and fire mobile VHF systems. It would not be feasible, save at very great risk, to contemplate any radical change in present responsibilities until completion of that programme in 1989.

In recent months officials have looked with yours at whether the work carried out by the National TV Licence Records Office could be privatised; the conclusion was that it could not. We are also examining some further possibilities for privatisation in the area of radio regulation.

It is perhaps more realistic to think in terms of considering what further scope exists for contracting out. Our principal efforts here have been directed at the contracting out of domestic services at our residential training establishments. We plan to complete this exercise in September 1983. There are also other areas where we already do a significant amount of contracting out, such as architectural design for prisons. We are looking again at the possibilities and I shall report separately on this in October in response to your letter of 11 August.

I am copying this to the Prime Minister, to members of E(DL) and to Sir Robert Armstrong.

Jeffrey

The Rt. Hon. Sir Geoffrey Howe, QC., MP.

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