



Prime Minister (2)

MS 14/10

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

18 October 1982

C J Walters Esq
Private Secretary to the
Secretary of State for the Home Office
50 Queen Anne's Gate
SW1H 9AT

Dear Colin,

THE CONTRACTING OUT OF PUBLIC SECTOR FUNCTIONS

The Chancellor wrote to the Home Secretary (copied to all members of the Cabinet) on 11 August asking colleagues to review progress on contracting out and to identify where new opportunities existed. Replies were sought by the end of October,

The first replies have now been received. We are concerned that, judging by these, not enough hard information is being provided about the scale of measures taken or planned and about the proposed timing of further action. We appreciate that it may be difficult to be precise, particularly about future plans. But, so far as possible, the replies should identify the specific services which have been contracted out in each year since the Government took office; the amount of public expenditure spent on provision prior to contracting out; and - perhaps most difficult but most interesting - the net savings in expenditure achieved or expected. As to future plans, the replies should describe any contracting out measures firmly planned in each of the financial years 1982-83 and 1983-84, again noting the amount of public expenditure involved and if possible any savings expected. Separately, possible future candidates, no matter how preliminary the plans, should be identified; some broad indication of both timing and the amount of expenditure involved would be useful.

We realise that getting this information may involve considerable work for some departments. But it is necessary if we are to prepare a paper which sets out a detailed programme of action during the remainder of the Government's term of office and summarises the main prospects in the longer term.



Can I remind you that replies should reach the Treasury by the end of this month?

I am copying this letter to the Private Offices of all members of the Cabinet, the Attorney General, the Lord Advocate, Sir Robert Armstrong and John Sparrow.

Yours sincerely,

Margaret O'Mara

MISS M O'MARA
Private Secretary

4/3V



cc Mr Burgner
 Mr Lovell
 Mr Monck
 Mr Carey
 Mr Monger
 Mr Kitcatt
 Miss Kelley
 Mr Hansford
 Mr Mountfield
 Mr Wicks
 Mr R Wilson
 Mr Grimstone
 Mr Morgan

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

23 September 1982

J D West Esq.
 Private Secretary
 Department of Energy

MBPM
 mes 7/10

Dear Julian

PRIVATISATION: SUSTAINING THE MOMENTUM

The Prime Minister wrote to the Chancellor of the Exchequer on 28 July (personal minute M6/82) asking all members of E(DL) to initiate fresh surveys of potential candidates for privatisation. This minute was subsequently circulated to all Cabinet Ministers not on E(DL), asking them to carry out similar surveys.

The Prime Minister asked Departmental Ministers to report to the Chancellor by mid September in order that a comprehensive report could be completed by the end of the recess. The Chancellor is concerned that this timetable should not slip and would be grateful if Departmental Ministers who have not yet responded could do so as soon as possible.

I am copying this letter to Private Secretaries of all Departmental Ministers who have not yet provided a full response.

Yours sincerely,
 Margaret O'Mara

MISS M. O'MARA
 Private Secretary