

Civil Service
System P413
cc Minister SST



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10 DOWNING STREET

From the Principal Private Secretary

14 September 1983

At his talk with the Prime Minister this evening, your Secretary of State mentioned the Wardale Touche Ross report on PSA. He said that in his view the report would have to be published, but it would require careful handling, both in relation to the forth-right criticisms which it contained and in relation to PSA's morale, of which the fragility had been demonstrated by a recent report on the image of PSA in the eyes of its own employees and of those who had to deal with it. Your Secretary of State said that he was proposing to publish the report after Parliament had reassembled, by which time he hoped that it would have been possible to formulate proposals about re-structuring which would demonstrate that the Government had been getting to grips with the problems highlighted in the Wardale Touche Ross report. Your Secretary of State said that he would also be consulting the Secretary of State for Defence and the Secretary of State for Transport, as previous Secretaries of State for the Environment, about their reactions to the report.

The Prime Minister noted the way in which your Secretary of State proposed to handle this report, and agreed with his view about the desirability of being able to announce the action which the Government was taking to deal with the problems identified in the report by the time it was published.

F. E. R. BUTLER

John Ballard, Esq.,
Department of the Environment.