



cc PS/Chancellor
 PS/Financial Secretary
 PS/Economic Secretary
 Mr Middleton
 Mr Bailey
 Mr Kemp
 Mr Wilding
 Miss Kelley
 Mr St Clair
 Mr N J King
 Mrs Jutsum
 Parliamentary
 Clerk
 Mr M E. Corcoran
 Mr Kitcatt
 Mr Pearce
 Mr Judd
 Mr Scholar
 Mr Rayner
 Mr St Clair
 16 December 1983

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Viscount Whitelaw CH MC MP
 Lord President of the Council
 Privy Council Office
 Whitehall
 LONDON
 SW1A 2AT

Dear Lord President,

PUBLIC SERVICES (TRANSFER OF FUNCTIONS) BILL

Following my letter of 28 June it was agreed that officials should prepare a document for discussion with the European Commission about our proposed legislation. As the Law Officers have advised, there is no certainty that the Commission can be convinced, but the attached memorandum has been prepared and agreed among the lawyers and departments. We have also taken detailed advice from UKREP on handling. I propose that it can now be handed over to the Commission, and that we continue to press ahead with the preparations.

Given the need for discussions in Brussels and later with the trade unions, I think it is ^{now} impossible that the Bill can be drafted in time to be introduced in the current Parliamentary Session. This is a pity but, as it happens, the most important cases to which it would have been relevant have been dealt with by other means. I propose therefore that I should seek a place for it in the 1984-85 Session, provisionally.

Meanwhile, it would be valuable to have an assessment from colleagues on the transfers from their departments planned over the next few years for which the enacting of the Bill in the 1984-85 Session is thought to be necessary. Given that much contracting-out is excluded anyway, and given that we can cope with the larger cases by individual legislation - as we have been doing - we are concerned mainly with the smaller cases which are legally regarded as transfers of undertakings and particularly those of them which may involve variation in terms of service including pensions. Given the way we are currently making good progress without legislation it may turn out that the number of cases for which the Bill would be needed has been considerably reduced. I should be grateful if all colleagues with potential candidates could let me have their assessment.

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I am sending copies of this to the other members of H and to other colleagues in charge of departments. I am also sending it to the recipients of John Biffen's letter to me of 28 November and I hope John Biffen will take it as a satisfactory reply to that letter.

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Yours sincerely

PR

for PETER REES

(approved by the Chief
Secretary resigned - his absence)

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DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

The Rt Hon Peter Rees QC MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON SW1P 3AG

24 January 1984

Dear Peter

PUBLIC SERVICES (TRANSFER OF FUNCTIONS) BILL

I am responding to your letter of 16 December to the Lord President.

While I shall be very receptive to any suitable opportunities for hiving-off or privatising parts of any department, I have no immediate plans for operations of this kind. I am considering the possible contracting-out of one of our activities^{*} - a relatively small one - but I am advised that it would probably not be legally regarded as a transfer of undertaking to which the Bill would apply.

If at any time in the future I did want to privatise or hive-off parts of the Department, the likelihood is that specific legislation would be needed. I can therefore see no immediate need, from my Department's point of view, for the proposed Bill.

** Contracting out work on International Heritage Permits*

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I have, however, seen Patrick Jenkin's views on the possible effect on the abolition of the GLC and MCCs of the publication of the Bill in the same session as the abolition legislation, and indeed of sending the memorandum to the European Commission at all. I am bound to say I share his misgivings on this issue. Although we must be prepared for the opponents of abolition to make some capital out of the different treatment of Civil Servants involved in privatisation exercises on the one hand and local authority staff in the GLC and MMCs on the other, there seems to be a real danger that the submission of the memorandum to Brussels could raise the question of the applicability of the Directive to our local government proposals.

Copies of this letter go to recipients of yours.

*Y
Jenkin*
Nicholas

NICHOLAS RIDLEY

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QUEEN ANNE'S GATE LONDON SW1H 9AT

24 January 1984

2 letters

Dr 25/1

PUBLIC SERVICES (TRANSFER OF FUNCTIONS)
BILL

I have read with interest your letter of 16 December to the Lord President.

attached

I am content with your proposals to hand over the memorandum to the European Commission and to seek a provisional place for the Bill in the 1984-85 Session.

So far as an assessment of the need for the Bill in the 1984-85 Session is concerned in relation to my proposals for further transferring out, I do not think that the enactment of the Bill in this timescale will be crucial to my plans.

[Handwritten signature]

The Rt Hon Peter Rees, QC., MP.

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25 JAN 1994



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Secretary of State for Trade and Industry

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23 January 1984

The Rt Hon Peter Rees QC MP
Chief Secretary
HM Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

D. Peter.

PUBLIC SERVICES (TRANSFER OF FUNCTIONS) BILL

*answered
requested*

Thank you for sending me a copy of your letter of 16 December to Willie Whitelaw about the need for a Transfer of Functions Bill.

2 In my Department, in addition to those privatizations already launched, other ideas are being considered: as envisaged at present, a Transfer of Functions Bill will not be necessary for these. However, if the present state of the law is potentially an impediment in the way of some privatization schemes or would make them more expensive than they need be, then the law should be changed.

3 Copies go to members of H Committee and Ministerial Heads of Departments.

[Handwritten signature]

NORMAN TEBBIT

24 JAN 1984

