

CONFIDENTIAL



PRIME MINISTER

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The attached "H" minutes, (item 2) show that Mr Hestlin got short shift from colleagues.

You should also be aware of item 1 at "H", on the census MAP 8/1.

PRIME MINISTER

ACCOUNTS COMMISSION FOR LOCAL GOVERNMENT

We had a short discussion at Home and Social Affairs Committee yesterday on the proposals of the Secretary of State for the Environment, set out in H(79)70, for an Accounts Commission for Local Government.

The Committee were fully seized of your view that it would be necessary to consider how the proposed Commission would fit into our broader strategy for improved resource management and efficiency in local government (your Private Secretary's letter of 5 November).

On the proposals themselves, there was general agreement that Ministers would need to be clearer about their practical working, including the extension of private audit in the field of local government. Treasury Ministers reminded the Committee that the current review of the Exchequer and Audit Department must consider, among other matters, the recommendations of the Expenditure and Procedure Committees of the House of Commons for the amalgamation of Exchequer and Audit and District Audit. In their view, we should not prejudge the contents of the Green Paper on Exchequer and Audit which should be ready for publication early in the New Year. The Committee concluded that it would be premature to reach any conclusions on the Secretary of State's memorandum, and invited him to arrange for full consultations to take place between Departments on his proposals. Further consideration should take place in the light of the Green Paper and the Government's wider examination of waste and efficiency in local government.

I am sending copies of this minute to the members of H Committee, to Sir Derek Rayner, to Sir Leo Pliatzky and to Sir Robert Armstrong.

*How*

*and*

8. November 1979

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