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From the Private Secretary

Sir Robert Armstrong

PEACOCK REPORT

The Prime Minister was grateful for your minute of 3 July on the arrangements for taking forward work on the Peacock Report. The Prime Minister was content with these arrangements. She would wish the Policy Unit to be represented on the Official Group.

DN

7 July, 1986.

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Ref. A086/1948

Prime Minister 1

PRIME MINISTER

Agree these proposals?

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Yes ✓

Peacock Report

At your meeting last week you asked me to make detailed proposals for the MISC group of Ministers that will be needed to take work forward on the Peacock Report. You were particularly concerned that the arrangements for the Ministerial Group should ensure that the necessary technical expertise was fed into it, and you also noted that it could well be helpful to involve someone with commercial experience.

2. I assume that you will wish to chair the Ministerial Group. I propose that the other Ministers should be those at your meeting last week (the Lord President, the Chancellor of the Exchequer, the Home Secretary, the Chancellor of the Duchy of Lancaster, the Secretary of State for Trade and Industry and the Chief Whip) plus the Secretary of State for Wales. There seems no special need for the Secretary of State for Scotland, as there is no language issue there. I doubt if, in terms of strict departmental interest, the group of Ministers needs to be further expanded, though the Secretaries of State for Education and Science and for Employment will doubtless be amongst those who have an interest in the topic. As I mentioned at your meeting, Mr John Fairclough, the Chief Scientific Adviser here, is admirably qualified to give the Ministerial Group general technical advice in this field, and I am sure that he should attend the meetings of the Group. The Department of Trade and Industry may want their experts to attend for particular matters, but I think that we might wait and see how that develops. For the commercial adviser I can think of no better name than Sir Jeffrey Sterling, and I recommend that he should

attend meetings of the Group. For the terms of reference of the Ministerial Group I suggest:

✓ "To review policy on the regulation and financing of broadcasting services in the light of the Report of the Committee on Financing the BBC, including any implications for cable and telecommunications policy."

3. The Ministerial Group will need to be supported by an official group. I propose that this should be chaired by the Home Office at Deputy Secretary level. The only other Departments whose representation on the group is essential are the Treasury, the Department of Trade and Industry and the Welsh Office. I propose that representatives from these Departments, plus an Under Secretary from the Cabinet Office, would be enough to start with. As for technical experts, I think that Mr Fairclough should join this group as well as attend the Ministerial one, and it may be that the Department of Trade and Industry will also need to field experts on particular topics. ✓ Sir Jeffrey Sterling could also be invited to attend the official group as necessary.

4. If you agree with these proposals, I will promulgate them straight away. I will also, if you agree, invite the Home Office to ensure that the official group has a preliminary meeting before the Summer Recess to rough out the work programme and to put in hand any technical appraisals that the Ministerial Group may need when it starts work in the autumn. The broad point that I have in mind here is that the Government's approach to the immediate problems on the licence fee will be coloured by the feasibility and timescale of the radical proposals canvassed by the Peacock Committee, and I think that we need to begin testing the Peacock Committee's assumptions on those aspects before we go much further.

MS

for ROBERT ARMSTRONG

3 July 1986



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