



cc Sir D. Kayner

Paper from
Part 5
Civil Service

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PRIME MINISTER

WASTE IN GOVERNMENT

On assuming Government we set ourselves the task of cutting down on bureaucracy, and I hope that you will not mind it if I make a few observations on this subject based on our first ten months in office.

After a good start I have the impression that Ministers are becoming more subject than in the first few months in office to a multiplicity of Cabinet Committees. There is always a danger in Whitehall that the tradition of collective responsibility is carried over into a debilitating collectivism.

I recognise that it is important that policy decisions taken by individual Ministers should be subject to consultation in appropriate cases with colleagues, but undue weight sometimes seems to be given to a narrow definition in "Questions of Procedure for Ministers" of Cabinet Committee business and too little to the sentence which says:

"Matters wholly within the responsibility of a single Minister and which do not engage collective responsibility as defined above need not be brought to the Cabinet or to a Cabinet Committee unless the Minister wishes to have the advice of colleagues".

A main basis of the Whitehall paper chase seems to involve the belief that because a matter has once been discussed in E(EA) or OD(E) every subsequent development must be reported back to all the Ministers sitting on those Committees. This results in a steady flow of correspondence between Ministers with every letter being copied to 8 or more Departments. As an indication of the volume involved, in the three months October-December 1979



my office received 146 letters addressed to me by Ministerial colleagues and a further 1,203 copy letters. Given distribution around Whitehall and further copying within Departments, it seems likely that documents concerned with Cabinet Committee decisions were being circulated at an annual rate of 400,000 - that includes only documents on those subjects which it was thought appropriate that I should be consulted or informed (hopefully a minor part of the total).

I am aware of the argument in favour of the Cabinet Committee system, that it crystallises issues so that the point of disagreement or for decision is clearly set out. It also ensures that decisions are correctly recorded. But this process - far from facilitating resolution of problems - can result in the taking of inflexible Departmental positions which put Ministers in conflict. Often an informal group of Ministers can get something done whereas a formal Cabinet Committee frustrates and delays action. Meetings or telephone conversations between the Ministers directly concerned can lead to much quicker decisions.

In this context I recall my visits to Australia and New Zealand last Summer; in both countries Ministers have their offices in the Parliament building and are therefore constantly able to exchange views. I am told that the absence of proper recording of decisions and the distraction of the approaches from MPs makes for confusion in the processes of Government, but I feel we could learn something from the greater informality of the Australian and New Zealand system.

One of the causes of excessive correspondence is the concept of "sponsorship" - a peculiarly socialist notion. A good example arose at last month's meeting of NEDC when Sir John Methven referred to delays in planning permission and asked whether these could be looked into "by the Department of Industry". Why



the Department of Industry? Because there is a section there concerning itself with the "industrial implications of Government policy on environmental protection". The Department of Industry will no doubt have written to the Department of the Environment and the interdepartmental correspondence will have begun. Why should not the CBI deal direct on this matter with the Department of the Environment? Every colleague could name, I feel sure, numerous cases where one Department is monitoring, in some outside group's interest, what another Department is doing. If we could abolish the notion of "sponsorship" altogether - large swathes of Whitehall could be put to more productive work.

The Treasury occupies a special position since it has to control public finance, but here too I believe that devolution of responsibility to Departments should be carried further. I mention only a small point which has come to my attention. It concerns tourism projects involving assistance of £100,000 or more which at present need specific Treasury approval. It seems to me that once global totals for support for tourism have been decided, additional manpower resources in the Treasury are wasted on double-checking those of my Department who in turn are checking the English Tourist Board. I hope that we have sufficient talent in Departments outside the Treasury to take a suitably responsible role on the administration of public finance. Of course Departments make mistakes, but human error - even human frailty - is not unknown in Great George Street.

The CSD and PSA similarly exercise controls over the way in which individual Departments conduct their affairs. Whilst some controls over staffing are obviously appropriate to ensure consistency throughout the Civil Service, I do not see why it should be necessary to seek CSD approval every time we need to buy a motor vehicle over 1,000 cc for the Coastguards. I do not see why the



FCO posts should not be allowed to use their knowledge of overseas property markets to obtain suitable accommodation without depending on standard PSA rules and specifications. Many of our officials become numbed to the encumbrance of this kind of control, but this is no reason for complacency. Within the cash limits control on procurement could well rest under the authority of the individual Permanent Secretary in his role as Accounting Officer.

It is also proper, of course, that there should be consultation with you on matters of contention but I hope that all Ministers in charge of Departments have sufficient political instinct to recognise when you need to be informed and consulted about a particular subject. But at the present time there are many occasions which require us to consult Number 10 Downing Street on purely routine matters. I mention two: firstly, the "Questions of Procedures for Ministers" state that you should be consulted in advance about the appointment of all Chairmen and Deputy Chairmen of nationalised industry and public boards. Obviously the major appointments and the main direction of Board appointments are a matter of great political importance. But I have recently appointed a new Deputy Chairman to the Civil Aviation Authority, which is obviously a position requiring some-one with the necessary expertise and professional qualifications. Surely the rules should be operated flexibly enough so that your time, and even the time of your office, is not wasted on such a trivial matter. Secondly, when I make an overseas visit I am required to seek your approval and that of the Foreign Secretary and the Chief Whip in advance. This is absolutely proper. However, the "Questions on Procedures for Ministers" also requires that I should send a personal minute to you seeking permission to be absent from the relevant Cabinet meeting!



In this connection I am glad that it is no longer necessary to seek permission from Number 10 when my junior Ministers make short visits to Brussels, but is it necessary for you (quite apart from the Foreign Secretary and Chief Whip) to be personally involved when, for instance, Cecil Parkinson makes a 3 day trade visit to a foreign country?

My conclusion from these observations is that the attack on waste in Government should not be confined to particular areas of Departmental activity, but we should engage in a searching examination of the way we operate as a Government. Perhaps Sir Derek Rayner might be invited to look into some of the central controls I have mentioned and the efficiency of the Whitehall machine.

I am copying this minute to Keith Joseph, Geoffrey Howe, Michael Heseltine, Paul Channon and to Sir Robert Armstrong.

SN

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