



WR

Treasury Chambers, Parliament Street, SW1P 3AG
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PRIME MINISTER

1980 SCRUTINY OF DEPARTMENTAL RUNNING COSTS

I agree with the Lord President's proposals (his note to you of 11 May) following the further work on this exercise. I have also seen Derek Rayner's minute to you of 18 May.

2. In particular I am sure it is right to look at the exercise in relation to other financial and management information systems. The reactions from Ministerial colleagues show that a scrutiny of running costs is valuable, especially within departments where disaggregated information and departmental systems should underpin the information required by the centre. But we must ensure that any central exercise associated with departmental running costs does not become over elaborate and expensive. I agree that the Financial Management Co-ordination Group of officials should examine the question of integrating the running costs exercise with other work on management information systems. Treasury and CSD officials will of course involve other departments with this as necessary.

3. I am copying this to recipients of the Lord President's minute.

R. Tothier,
for,
(G.H.)

28 May 1981

[Approved by the
Chancellor and
Signed in his absence.]