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Treasury Chambers, Parliament Street, SW1P 3AG  
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PRIME MINISTER

ORGANISATION OF THE CENTRAL DEPARTMENTS

I have seen your Private Secretary's minute of 20 January inviting comments on the draft White Paper attached to Sir Ian Bancroft's minute of 20 January. I have also seen Sir Derek Rayner's comments in his minute of 22 January.

2. No doubt the Civil Service Department will be looking again at the draft in the light of your comments and those of Derek Rayner. As regards the parts of the draft which most directly concern the Treasury, principally the section on the relationship between the CSD and the Treasury (paras. 21-31), I am generally content with what the draft says. I take Derek Rayner's point about para. 31 and like the more positive tone of his version - which exactly describes my present anxieties, as I described them to you the other day. Even so, we may possibly need some drafting changes to avoid two implications which might be read into his draft. One is that efforts by the Treasury and CSD to improve financial control and management are an entirely new initiative: the other is the implication that a large part of the responsibility does not lie with the Departments themselves.

3. In the light of your comments and those of Derek Rayner,  
... I attach a revised version of paragraph 20 about programme

/evaluation, which

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evaluation, which was originally prepared in the Treasury. It is not easy to encompass in a short paragraph the diverse work which is being done in this area and since the Committee's references to programme review consisted of only a couple of incidental remarks, rather off the main theme, it might be better to omit the paragraph altogether.

4. I am copying this minute to recipients of the earlier correspondence.

A handwritten signature in black ink, appearing to be "G.H.".

(G.H.)

27 January 1981



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REVISED DRAFT OF PARAGRAPH 20

The Committee commented (paragraphs 31 and 37) on the need to evaluate programmes in terms of their "final effectiveness". The Government agree. In addition to the review of all programmes each year in the public expenditure survey, much work, using a variety of techniques, goes into reviewing the effectiveness of particular programmes. The central departments take part in a number of these reviews. One current objective is to develop and improve the measurement of "output" where this can usefully be done in the public services. The scrutinies of departmental activities directed by Sir Derek Rayner are intended as a major stimulus to departmental efficiency.