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10 DOWNING STREET

THE PRIME MINISTER

Personal Minute

No. W/8/83

MINISTERS IN CHARGE OF DEPARTMENTS

IMPROVING FINANCIAL MANAGEMENT

Before the Election, the then Chief Secretary sent me a report on the Financial Management initiative. His minute of 9 May, copied to all Ministers in charge of Departments, assesses the response which departments have made to my minute of 17 May 1982.

The report is encouraging. Much energy and hard work have clearly been put into this important operation, and a good foundation has been laid. Please convey my appreciation to those who have been responsible.

As Leon Brittan pointed out, this stage is the beginning of a long haul. While it is being worked through, there is a risk that other, more immediate problems may distract attention and distort priorities. The Minister in charge of each department has a crucial part to play in ensuring that the impetus is kept up. I ask those Ministers who have newly taken over their departments to make themselves familiar with what is planned, and all colleagues to give their continuing personal attention to ensuring good progress over the next twelve months. As proposed in Leon Brittan's report, I shall ask for a further progress report in the summer of 1984.

The report also draws attention to the importance of devoting skilled manpower to carry through the plans effectively and quickly, and ensuring that managers both understand what is required of them and receive the necessary training. I agree that these matters are crucial. So, too, is the need to ensure

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that the flow of financial and management information is accurate, timely and properly organised to help the taking of the necessary decisions, both departmentally and for the Government as a whole. The next progress report should deal fully with what has been done on these aspects. It should also report the costs of implementation, where these are separately identifiable.

We have undertaken to publish a White Paper on the progress so far. The Chief Secretary will circulate a draft shortly.

Copies of this minute have gone to all Ministers in charge of Departments and to the Chief Secretary, the Minister of State, Privy Council Office and Sir Robert Armstrong.

*Nargant Thakur*

28 June 1983