



*Chancellor of the Duchy of Lancaster*

PRIME MINISTER

TREASURY AND CIVIL SERVICE SELECT COMMITTEE'S REPORT ON EFFICIENCY AND EFFECTIVENESS IN THE CIVIL SERVICE

The Select Committee's Report on Efficiency and Effectiveness in the Civil Service will be published at noon tomorrow, 1 April. A Confidential Final Revise of the Report is attached. *- Inside front cover*

The Report makes 26 recommendations in all, some of which go right to the heart of the role of the central departments and the way in which departments generally manage their operations.

(i) One of the Select Committee's primary concerns is that the pursuit of efficiency and effectiveness should be systematic and comprehensive, and cover not just Government departments but also non-departmental public bodies. In particular the Committee favour a common framework of programme analysis which should be developed by the MPO and Treasury, and which all departments should observe, for the proper management and evaluation of programmes. An associated recommendation is that all departments should adopt MINIS or a very near equivalent.

(ii) The Committee seek not only greater Ministerial involvement but greater Parliamentary scrutiny. This includes efficiency and effectiveness audits by the Comptroller and Auditor General at the instance of departmental Select Committees (here the Select Committee underline the position taken by the PAC).

(iii) There should be a sharp move away from guidance to prescription by the central departments; here, the Committee note, the MPO will depend on a close relationship with the Prime Minister.

In addition, there are recommendations dealing with various aspects of Civil Service personnel policy, including: an intensive course (compulsory before entering the deputy secretary grade) covering financial and general management as well as policy areas; greater scope for newly appointed ministers to change their permanent secretaries; and observations on the state of morale and on pay arrangements.

Obviously a number of these recommendations are not perfectly conceived. But the Report is a thoughtful document and, as I mentioned in my minute of 22 March, I am sure that we shall do well to publish the Government's reply in the form of a White Paper, using the opportunity to draw together all the action the MPO and the Treasury are taking to improve management in the Civil Service. The sooner we can do this the better, and work is in hand to that end. The MPO's programme of early tasks in 1982-83 will also be highly relevant and I shall have a draft with you shortly.



MANAGEMENT IN CONFIDENCE

Your office already has a short background note and line to take in case the Report should be raised at Questions tomorrow.

I am sending a copy of this minute to the Chancellor of the Exchequer, the Joint Heads of the Civil Service and Sir Derek Rayner.

*Baroness Young*

BARONESS YOUNG

31 March 1982