



File TAP

10 DOWNING STREET

From the Private Secretary

7 May 1982

FINANCIAL MANAGEMENT

The Prime Minister was grateful for the Chief Secretary's minute of 28 April. She is content that Mr. Brittan should let her have a draft covering minute to Ministers in charge of departments launching the initiative. But she has asked me to make three other points.

First, Mrs. Thatcher thinks that the joint note, or the covering minute, should say something about the cost of the initiative. It would be better to anticipate criticism on that score than to have to respond to it. The Prime Minister's own view is that the cost should be slight in comparison with the expected benefits.

Secondly, the Prime Minister sees no prospect of an early meeting on co-ordination. If there is an opportunity later, she would like to come back to this. In the meantime, she would like Sir Derek Rayner to represent her interest in the organisation of the initiative and she would be very grateful if the Chief Secretary could arrange for Sir Derek and his unit to be closely involved. Mrs. Thatcher has also asked me to say that she would welcome a brief note in due course on the outstanding questions on the control of departmental running costs, which were set out in my letter to Adrian Carter of 15 March, and which were originally to have been discussed at the meeting fixed for 27 April.

Finally, the Prime Minister regards the quality of people as critical to good financial management. She welcomes what is said about training in the Chief Secretary's note, and in the Lord Privy Seal's minute. But she would like to suggest that when the note is sent to departments it should include a firm policy statement by the Treasury and MPO on the background of training and experience needed by candidates for appointment as Principal Finance Officer, and about that needed by officers taking up other key posts as financial managers or advisers in departments.

I am copying this to the Private Secretaries of the Lord Privy Seal, the Minister of State (Commons) (Treasury), Sir Robert Armstrong, Sir Douglas Wass, Sir Anthony Rawlinson, Sir Derek Rayner and Mr. Cassels.

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