

SUBJECT



10 DOWNING STREET

From the Private Secretary

2 August 1982

The Prime Minister met the Chancellor of the Exchequer, the Chief Secretary and the Lord Privy Seal at 1030 today to discuss the Government response to the Report of the Treasury and Civil Service Select Committee on efficiency and effectiveness in the Civil Service. The Prime Minister said that she remained concerned that the existing draft allowed too much room for variation between Departments which would result in ineffective systems being established and would inhibit the movement of officials between Departments. The MINIS had demonstrated its effectiveness in the Department of the Environment not only in producing manpower reductions but also in dispersing managerial responsibility to the operational level. While she accepted that there were differences between the activities of the various Departments such differences seemed insufficient to justify the degree of variation envisaged. In discussion it was agreed that it was important that the same principles should be applied in each Department even if MINIS in its original form was not entirely appropriate. Differences in detail between Departments were acceptable; differences in substance would have to be justified by the most stringent of criteria. Each Department was being asked to respond to the Prime Minister's financial management initiative by January 1983. Those responses would have to demonstrate a firm commitment to a proper management information system which should conform to the same principles as MINIS. Consideration would need to be given urgently to the means by which Departmental responses should be appraised; the possibility of outside assistance in that process should not be ruled out. The draft response to the Report of the Select Committee should make it clear that Departments were being required to produce a viable and effective system and that the results of the financial management initiative were to be published.

The Prime Minister noted that the need in the long term was for genuine improvement in managerial skills in the Civil Service which remained generally inadequate. The Lord Privy Seal should consider for example whether recruitment policy could be altered to increase the proportion of science and mathematics graduates and those with business experience.

/The Prime Minister said

The Prime Minister said that the draft response to the Select Committee's Report should now be revised so as to set out clearly the principles on which MINIS was based and commend its effectiveness. The draft should give more emphasis wherever possible to the need for common principles rather than on acceptability of variation. It should also stress the requirement for Departments to respond constructively to the financial management initiative. The response should be published in September.

I am sending copies of this letter to Terry Mathews (Chief Secretary's Office, H.M. Treasury), Jim Buckley (Lord Privy Seal's Office), David Wright (Cabinet Office) and Clive Priestley (The Rayner Unit).

John Kerr, Esq.,
H.M. Treasury.

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