

Please read  
analysis. I have  
many speakers to do it  
before and it takes 4/2  
lot of time  
and

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To bring you up to date  
on the Financial Management  
Initiative. Robin and I think  
a presentation would be helpful  
possibly with the  
Chief Secretary and the  
Rayner Unit

MR FLESHER

DF

is/t

FMI: END-APRIL REPORT TO THE PRIME MINISTER

The purpose of this minute is to bring you up to date on the FMI generally and on its aspects in which the Prime Minister has expressed a particular interest. They include high-level information systems; the people/training aspects; and its cost. The work of the Treasury and the MPO and other departments on the Financial Management Initiative is now well advanced: the Treasury expenditure divisions have had their follow-up meetings with departments, as a result of which departmental programmes of work are now generally acceptable; departments are drafting summaries of their reports to a standard format for inclusion in the White Paper; drafting of the main text of the White Paper by the central Treasury/MPO team is proceeding on schedule for publication by the end of June; and preparation of a report to the Prime Minister, for submission by the Chief Secretary and the Lord Privy Seal before the end of this month, is under way.

2. We believe that a serious effort has been made by departments to improve their financial management. Although the progress made so far varies greatly among departments, the effect of the campaign over the last 11 months has been to bring the less advanced departments onto the path of improvement and to broaden the efforts of the more advanced departments into areas that they had previously neglected. Perhaps of equal importance have been the process of education experienced by the Treasury, and the introduction of coherence into the MPO's policies in the staffing and training fields.

3. We believe that all departments are either introducing, or have plans to introduce, high-level information systems equivalent to MINIS. Indeed, some of the systems being developed (as the attached chart shows) are an improvement on MINIS in its present state of development.

4. On the question of a "sufficient scheme of education and training" the initial programmes of work were deficient, but enough has since been done to bring about a realisation of what is likely to be required, even if we cannot yet see how some departments are going to make good the present weaknesses in their management lineup. However, we have to work with what we have got, and it was never envisaged that a "sufficient scheme of education and training" would be a short-term task. It is undoubtedly in this area that the greatest pressure will have to be exerted during the follow-up to the FMI.

5. The minute from the Lord Privy Seal to the Prime Minister of


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29 March shows what the Review of Personnel Work has contributed, how its recommendations support the thrust of the FMI, and what priorities the MPO is concentrating on in the field of personnel work. In the training field, the Senior Finance Course has run through one cycle of modules and has come under critical scrutiny. The verdict is mixed, but future cycles will be better as a result.

6. The Prime Minister has also expressed an interest in the **cost** of the programmes of work. So far we have only a sketchy idea of what it will be (departments are to provide more accurate estimates for the White Paper), but we believe the cost of implementation may be of the order of £20m. That is small in relation to the savings that may be expected to flow from substantially improved management of the £90,000m (including some £12,000m in administrative costs) of annual expenditure, but large enough to demonstrate seriousness of intent, given the other short-term pressures on departments' resources.

7. I believe the Prime Minister may find it useful to have an oral presentation by the Chief Secretary and the Lord Privy Seal as a follow-up to the end-April report, to give her an opportunity to probe it and (I hope) to satisfy herself that the initiative has brought about real change (and irreversible change) rather than just a mass of words.

8. Alternatively, she may wish the Rayner Unit to give her an oral briefing on points of particular concern to her. If so, perhaps we could discuss how the Rayner Unit may be most helpful in setting up such a presentation.



C J P JOUBERT

7 April 1983

Why not  
both the CST and  
the Rayner Unit?

15/4.

FIGURE 1: DEPARTMENTAL HIGH LEVEL MANAGEMENT INFORMATION SYSTEMS

Department	Name given to its System	Type of expenditure covered	Timespan covered forward/back	Level at which statements produced	Cost inf. given to line managers	Provision for showing objectives	Provision for performance measures	Timing of introduction
Agriculture	MINIM	Administrative and programme	1 year forward and back	Under Secretary	[MAIS reports monthly]	to be developed	to be developed	complete by 1985-86 after piloting
Customs	Improved from current systems MIS and RA	administrative (department has negligible programme expenditure)	1 year forward and back in due course	collection	varies at present; future system to be decided	Yes - to be developed further	Yes - to be developed further	complete by 1985-86
Employment	RIS (Resource Information System)	Administrative (detail on non-staff costs to be developed) and programme	1 year forward and back, longer if necessary	Assistant Secretary or Senior Principal	[?]	Yes	Yes - with special attention in first round	complete by 1986-87; dry run in 1983
Environment	MINIS (Management Information System for Ministers) being developed into MAXIS	MINIS has not generally included programme costs. Improvement envisaged	1½ years forward 6 months back	Under Secretary	MINIS not designed to do this fully; MAXIS will give quarterly or monthly information	Yes	not systematically - to be developed in 1983-84	MAXIS in operation from April 1983
Health and Social Security	DMA	administrative and programme	1 year forward and back	Under Secretary	monthly to 800 cost centres	Yes	Yes	initially run in 1982-83
Home Office	APR	cost information to be covered under consideration	left to discretion of head of division initially	Assistant Secretary (heads of division)	system not yet sufficiently developed for this	Yes	not yet	initial run in 1982
Industry	ACT supported by MIS	administrative and programme	1 year forward and back	Assistant Secretary (heads of division)	monthly (to divisions) quarterly (at departmental level)	Yes	Yes	trial run in 1983-84; complete by end 1985
Inland Revenue	SMIS	Administrative (department has no programme expenditure)	1 year forward and back	Assistant Secretary (heads of division)	[?]	Yes	Yes - but to be developed	pilot run 1983-84
Scottish Office	SOMPS	[administrative only at present]	1 year forward and back	Assistant Secretary or Senior Principal	monthly for costs controlled by line managers	Yes	not yet - under development in 1983	management planning system revised from 1983; information system to start from 1984-85
Trade	RAR supported by MIS	administrative and programme	1 year forward and back	Under Secretary	monthly (to divisions) quarterly (at departmental level)	Yes	Yes	trial of RAR in 1983 MIS to be complete by 1985

[MOD]?

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MR. JOUBERT  
RAYNER UNIT

FMI: END-APRIL REPORT TO THE PRIME MINISTER

Thank you for your minute of 7 April about the Financial Management Initiative. The Prime Minister was grateful to be kept informed about the progress of the FMI. She does not rule out the possibility of an oral presentation, possibly by the Chief Secretary, the Lord Privy Seal and the Rayner Unit some time after the submission of the report expected by the end of this month.

T. FLESHER

18 April, 1983

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NIR

MR. BUTLER

Noted  
pa  
JZ.

You may be interested to see the attached note from Christopher Joubert about progress with the Financial Management Initiative. If you agree I am inclined to show it to the Prime Minister as an endorsement by the Rayner Unit of the value of the FMI which the Prime Minister has on occasion been inclined to doubt. Before doing so I will query with Mr. Joubert the reference to the cost of the programme of work being of the order of £20 million, unless you can throw any light on this figure.

Mr. Joubert also suggests that the Prime Minister might like an oral presentation either by the Chief Secretary and the Lord Privy Seal or by the Rayner Unit. I think that an oral presentation would be useful and subject to your views I do not think that the possibilities proposed by Mr. Joubert are mutually exclusive. Since the Chief Secretary has taken personal charge of the FMI he ought to take the lead in any presentation but leave the detail to the Rayner Unit.

JZ

11 April 1983