

How many more  
system changes to Prime Minister.  
under - No  
matter what  
say about good management agree to  
endorse the Chief Secretary's minute  
as David Willetts proposes,

PRIME MINISTER

26 March 1986

BUDGETING IN GOVERNMENT DEPARTMENTS

at help  
New names still  
seems to turn out subject to colleagues?  
to be shared

Central Government now has almost 10,000 cost centres -  
benefit and tax offices, MOD establishments etc. But some of  
their budgets are merely for show - like children playing  
shops at school. The Chief Secretary's admirable note  
summarises a report by Tony Wilson, the Head of the Government  
Accountancy Service, on how to breathe life into these budgets.

Paragraph 6 sets out four important principles:

- that individual managers should be given  
responsibility for setting budgets;
- budgeting should be linked with the PESC round;
- we should measure outcome against plan;
- top management should get a grip on the whole process.

We have been  
saying this for  
years.

I recommend that you endorse them.

I do not recommend that you read the glossy report itself.  
Its appalling management jargon makes one realise why the Head  
of the Government Accountancy Service is entitled HOTGAS. The  
cause of better budgeting would suffer considerable harm if  
this report were widely circulated. You might therefore check  
that the Treasury are preparing a short summary and that the  
report itself will languish in obscurity.

David Willetts  
DAVID WILLETTS