

Bem

MASTER



CIVIL SERVICE: Long term  
policy: Pt 16

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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBIN IBBS

INSPECTION AND MANAGEMENT CONSULTANCY IN DEPARTMENTS

The Prime Minister held a meeting today to discuss your minute of 27 July covering the report of the Efficiency Unit on Consultancy, Inspection and Review Services in Government Departments. The Chief Secretary, the Chancellor of the Duchy of Lancaster, Sir Robert Armstrong and Sir Peter Middleton were present in addition to yourself.

In discussion, there was general acceptance of the principles of putting responsibility on line managers for improving efficiency and of organising the management services to assist them in doing so. Line managers must be encouraged to make constructive use of management support services and not, as now, regard them as an imposition from outside producing recommendations for reductions in staff against which rearguard actions had to be fought. The Chief Secretary and Sir Peter Middleton said that the Treasury fully endorsed these objectives. The Treasury were concerned about two aspects. One was timing: they would not wish to see traditional methods of central control dismantled before new methods of control were seen to be working effectively. The other was that the Treasury needed to retain sufficient management services under its direct control to support its central responsibility for resource allocation.

Summing up the discussion, the Prime Minister said that there was general agreement with the conclusions of the report. The Treasury and the Efficiency Unit were in touch with each other about its implementation. She was still not impressed by the present standard of financial management in spending departments. It was essential to increase the sense of financial responsibility among line managers and to reward those who were effective, without weakening the Treasury's knowledge and control.

I am copying this minute to Mr. Broadbent (Chief Secretary's Office), Mr. Thomas (Chancellor of the Duchy of Lancaster's Office), Sir Robert Armstrong and Sir Peter Middleton.

H.R.B.

17 October 1984