



10 DOWNING STREET

*cc Madie*

*JR*

*file*

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

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The Prime Minister had a meeting with Sir Robin Ibbs and yourself this morning.

The Prime Minister said that she was delighted that Sir Robin Ibbs was to become her Adviser on Efficiency. She felt that, while real progress had been made on Civil Service numbers and on controlling expenditure within cash limits, not enough had so far been done to improve real management efficiency. More needed to be done to motivate managers at all levels. We needed to explore whether, for example, the staff of the revenue departments could be made more effective in collecting revenue and whether regulations imposed by Government on the private sector could be further simplified and diminished.

Sir Robin Ibbs said that one difficulty was that the Civil Service could not feel, as a company felt, that if they were not efficient the organisation faced bankruptcy. You added that a scheme would shortly be coming forward for performance-related pay. It was also pointed out that there was a newer generation of Permanent Secretaries, many of whom had greater experience in management than had been usual in the past.

*BF*

The Prime Minister asked Sir Robin Ibbs to discuss arrangements with Mr. Priestley and to consider whether he wanted Mr. Beesley to be in day-to-day charge of the Rayner Unit. It would also need to be determined whether Sir Robin Ibbs and the Rayner Unit should be located with the MPO in Great George Street or in the Cabinet Office. In either case, the Prime Minister said that she thought it essential that Sir Robin Ibbs should have, and be seen to have, direct access to her: nothing else would give the Rayner Unit the impact which they needed to achieve their objectives in Whitehall. The Prime Minister said that she would also like to have a further dinner with Permanent Secretaries in October: could your office please negotiate with ours and let us have proposals for such a dinner?

8 July 1983