



CCNO
SJ R. Ibbes

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

nbpm
Ibbes
28/3

27 March 1984

Dear David

SCRUTINIES AND VALUE FOR MONEY

Your letter of 8 March about the 1982 Resources Control Review of PSA District Works Offices came just as my Secretary of State was about to reply to Robin Ibbes' annual round up on progress on scrutinies. For background, I enclose a copy of the reply.

There are two sets of recommendations which the Review considered should lead to substantial savings. The first deals with maintenance procedures for mechanical and electrical services and on this we have implemented the recommendations. The only question that remains is whether the savings the Report assumed will result. Our preliminary view is that they have been over-estimated. The second aimed to provide a firm financial basis for 3 year programmes of work, the key requirement being that under or over-spends could be carried forward from one year to the next. This of course would mean a change in the Government's attitude to end-year flexibility on which we have held discussions with the Treasury at both official and Ministerial level (in which Mr Nigel Mobbs has taken an active role). The Treasury have not been able to agree a major change in the rules to cover over-spends and to bring in all maintenance expenditure. But they do support the idea of longer-term programming. Following a meeting with them earlier this month, we are pressing ahead with work on new arrangements covering the civil programme, which we aim to have in place later this year.

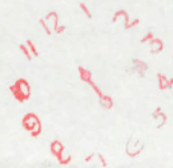
There are a whole range of smaller and largely unquantifiable recommendations arising from the Review, some of which overlap or complement with those arising from the Wardale/Touche Ross Report. The Secretary of State will be considering shortly a submission on the outstanding recommendations of this review and its overlap with WTR.

Yours sincerely
John Ballard
J F BALLARD
Private Secretary

David Barclay Esq

Govt Nach: Rayner
PT 15

F2 APR 1984





10 DOWNING STREET

From the Private Secretary

8 March 1984

SCRUTINIES AND VALUE FOR MONEY

The Prime Minister has recently been looking at the state of play on improving value for money in Government through scrutinies and closely related work. She continues to be impressed by what can be achieved in this way and hopes that Ministers will continue to target scrutinies on good areas and that Permanent Secretaries will use their best people as examining officers.

The Prime Minister feels, in addition, that we need to maintain a strong presumption that scrutinies lead to prompt decisions and action. She is concerned that, unless momentum is maintained, the system will clog up and prevent the right sense of urgency being achieved.

With everything else that is currently under discussion in the Property Services Agency the Prime Minister is anxious that steps to use scrutinies to identify improvements, and subsequent action to secure those improvements urgently, should not be overlooked. She has noted, for example, that although the main recommendations in the 1982 Resource Control Review of District Works Offices have been accepted in principle there is still no firm commitment to a date by which these useful improvements can be expected to be realised. The Prime Minister hopes that this can soon be brought to decisive action.

I am copying this letter to Sir Robin Ibbs and Sir Robert Armstrong.

David Barclay

John Ballard, Esq.,
Department of the Environment.

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N. Cates
[Signature]

PS/Mr Harrop
PS/Mr Alfred
Mr Ennals
Mr Heiser
Mr Osborn
Mr W. Suite
Mr Edmonds
Mr Atherton
Mr Hawtin
Mr Burr

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

Mr Heighland
Mrs Thomas
Miss Prest
March 1984

Dear Robin,

Thank you for your letter of 6 February about your programme of work.

I am glad to know that your unit is going to make some input to our current review of the Urban Programme. This programme is making a vital contribution to the improvement of poor living conditions in inner cities, but it is a difficult programme in FMI terms since it is hard to establish simple measurable outputs. We welcome the help that your unit will be able to give on this.

On our review of the role of finance divisions we shall look forward to receiving your comments. As we are now moving into the implementation phase on that report I hope these will not be too long delayed.

On targets for improvement in 1984/85, we will as you suggest be in touch again when the MINIS round is complete.

In the PSA we are pressing ahead with the implementation of recommendations from the Wardale/Touche Ross Report and the 1982 DWO Resources Control review. £22m of the £25m savings foreseen in the Resource Control Review came from changes in planned maintenance routines for mechanical and electrical services and in the funding and controlling of maintenance expenditure. On planned maintenance the necessary instructions were given in December 1982 and savings will have been reflected in the bids for maintenance funds in 1984-85. On funding, we have not yet been able to reach agreement with the Treasury on the easing of the annuality rules with regard to maintenance expenditure which is a prerequisite for the achievement of the savings. As far as the proposals to restructure the Agency are concerned, we expect that if these go ahead they should result in substantial improvement to customer departments once the transitional period is over.

On Ordnance Survey, I am grateful for your offer of help if we need it.

[Handwritten signature]

PATRICK JENKIN

Mr Watson

392/13
1/3/20

Sir Robin Ibbs



28 FEB 1984

