

Prime Minister ①  
Agree Scottish Office next? →

(You will want to concentrate on the running of the Department rather than the public expenditure formula)

Yes  
CCND  
S/P...  
RTA  
11/10  
mb

PRIME MINISTER

VALUE FOR MONEY SEMINARS

It is now nearly three months since you had the first seminar with Leon Brittan and Norman Tebbit to discuss their plans for improving value for money. In the Home Office in particular my impression is that the result has been to keep up the momentum for substantial improvement and I am hopeful that we will soon see ambitious targets for doing better across a good range of Home Office functions. I am in touch with Sir Brian Cubbon about carrying the discussion forward into action and will report back to you later.

GR  
Pse type  
letter attached.  
amb  
18/10

In the case of the DTI the seminar revealed a worrying state of affairs on financial support for industry. I do not believe it is right to identify problems of this kind and to do nothing about them. When I have studied the additional material Sir Brian Hayes promised - and which has recently arrived - I will come back with a further proposal in this area.

Meanwhile I suggest it would be useful to plan a second seminar for around the end of this month. I realise that the public expenditure storm is likely still to be blowing but it is important to keep up the momentum for value for money improvements and especially to emphasise that action on this cannot be avoided through public expenditure horse-trading.

I have discussed this with Sir Robert Armstrong and our preferred choice would be the Scottish Office. We make this suggestion for four reasons:

1. The formula by which Scottish public expenditure is determined provides for comparable increases to England irrespective of whether the need is there or not.
2. Public expenditure per capita of population is significantly higher in Scotland than in England.
3. The five departments that make up the Scottish Office cover a wide range of spending programmes.
4. Willingness to look for improvements through scrutinies has been patchy (less than 1% of running costs saved) and I detect no real enthusiasm for doing more.

In view of the spread of spending to be covered I am sure that you should not seek to deal with another department on this occasion.

If you agree, I enclose a draft private secretary letter inviting the Secretary of State for Scotland to the next seminar.

I am copying this to Sir Robert Armstrong.

ROBIN IBBS  
3 October 1984



As part of this continuing programme,  
The PM would be grateful if, as your Secretary of State could take part in a seminar on Tuesday 27 November at 1700. ~~Your~~

DRAFT PRIVATE SECRETARY LETTER TO MR YOUNGER'S PRIVATE SECRETARY

VALUE FOR MONEY IN GOVERNMENT

I understand that this date and time is convenient for your SOs, who would be invited to

Your Secretary of State will recall that, following Sir Robin Ibbs's presentation to Cabinet Ministers on 10 May, the Prime Minister said that she had it in mind to hold a series of small "value for money" seminars. The intention would be for Ministers <sup>in</sup> and their Permanent Secretaries to describe examples of how value for money in operations or programmes had been improved in the past year and what improvements <sup>are planned</sup> they were planning.

~~# The first seminar was held~~

The Prime Minister started the discussions in July, with sessions involving the Home Secretary and the Secretary of State for Trade and Industry. She intends to continue the series with a further session, to be held at [ ] on [ ], at which she would be grateful if your Secretary of State would describe his recent improvements in value for money and his targets for future improvements.

The Prime Minister is keen to keep the sessions small, but your Secretary of State might want to be accompanied by his Permanent Secretary. The discussions are <sup>quite separate from the current PES round,</sup> not to be seen as part of the public expenditure negotiations, and apart from the Prime Minister, the only others present will be Sir Robin Ibbs, Sir Robert Armstrong and Robin Butler.

The Prime Minister hopes that your Secretary of State will speak for up to 15 minutes, roughly half to display the main value for money improvements actually achieved in the past year and roughly half to explain what is going to be achieved. She appreciates that the presentation will be selective - time will prevent a complete coverage of all Scottish Office business - and hopes that attention <sup>can</sup> will be concentrated particularly on transport and agriculture. <sup>We are setting aside about</sup> This would be followed by a further 30 minutes <sup>for the subsequent</sup> of discussion.

I am sending copies of this letter to Richard Hatfield (Cabinet Office) and to Sir Robin Ibbs.





10 DOWNING STREET

*From the Private Secretary*

18 October 1984

VALUE FOR MONEY IN GOVERNMENT

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David Barclay

John Graham, Esq.,  
Scottish Office.