



Chancellor of the Duchy of Lancaster

Prime Minister⁽¹⁾

Agree: (i) Foreword at A?
(ii) publication arrangements
set out below?

Yes ✓

DMS
8/11

PRIME MINISTER

GOVERNMENT PURCHASING

At the meeting on 29 October to discuss the central team's report on Government Purchasing I undertook to prepare a foreword to the report, to inform colleagues of changes to be made to the text before publication and to seek colleagues' agreement to the proposed arrangements for publication.

... 2. A draft foreword, for inclusion in the report over your name, is attached at Annex A.

... 3. A list of the amendments to be made to the report as a result of discussion at the meeting is at Annex B.

4. On publication, the earliest HMSO can prepare and distribute the final version of the report is the second week of December. I therefore propose, subject to agreement, the following timetables:

Monday 10 December

- arranged written PQ, for answer by you, announcing publication the following day; (draft to follow)
- MPO officials to speak to the Council of Civil Service Unions and provide them with embargoed copies of the report.

Tuesday 11 December

- (morning) Press Conference with selected correspondents. I propose to chair this;
- MPO to issue Press Notice;
- copies of report to be available through HMSO.

5. In order not to delay action on the report pending publication, I propose to write to Ministers in charge of departments as soon as possible, enclosing a classified photocopy of the amended report and inviting them to set in hand the preparation of action documents. While this increases the risk of a leak of our conclusions, I think it is necessary if we are to achieve results in the timescale we have set ourselves.

6. To meet the deadline of 12 December, which is in effect the last practicable publication date before the Christmas recess, we need to get the final text to HMSO by 9 November. Unless I have heard to the contrary from colleagues by that date, I shall assume that the proposed changes to the text are acceptable. I apologise for the tight timescale.

7. I should be grateful for your agreement to the foreword and to the publication arrangements set out above.

8. Copies of this minute go to Michael Heseltine, Patrick Jenkin, Nicholas Ridley, Peter Rees, Janet Young, Norman Lamont, Timothy Raison, Tony Newton, David Waddington, Robert Armstrong and Robin Ibbs.

GOWRIE
7 November 1984

DRAFT FOREWORD

Government purchasing is very big business. Each year, quite apart from military spending, departments spend more than £7,500 million pounds of taxpayers' money on an enormous variety of goods and services. Getting the best value for that money is crucial - whether we are buying computer systems, furniture or paper clips.

This report shows clearly that there is room for improvement in the purchasing methods of Government departments: improvements which save money, provide better value for the money that has to be spent, and raise the effectiveness and efficiency of the public service.

I welcome the report and am grateful to its authors. I have asked departments to draw up firm proposals for implementing the conclusions reached, and I have agreed to the setting up of a central purchasing unit. The unit's job will be to help and advise individual departments in work which the Government collectively considers most important.



Amendments to Government Purchasing

- Para 1.12 3rd line delete "...and of the savings estimated to result from them..."
- 7.16 2nd line delete "£300,000" insert "£400,000"
- 7.20 8th line delete "£5 million" insert "£10 million".
- 7.25 8th line delete "1986" insert "1985".

Annex B For each departmental summary delete in the table the lines entitled "Potential savings" and "As percentage"; and, where appropriate, delete footnotes and commentaries relating to these headings.

In the FCO list of main recommendations delete in the penultimate recommendation
"...of 2 per cent on quoted prices under £1000 rising to 5 per cent on contracts over £50,000;"

In the DHSS list of main recommendations delete in the last two recommendations "of 5 per cent" and "of 10 per cent".

FILE DA



10 DOWNING STREET

From the Private Secretary

9 November 1984

Dear Paul,

Government Purchasing

The Prime Minister was grateful for Lord Gowrie's minute of 7 November about the next steps in taking forward the report on Government purchasing.

The Prime Minister has approved a revised version of the foreword for her signature. This I enclose. She is also content with the proposals for a Written Answer on Monday 10 December, and for publication the following day. I should be grateful if you could submit a draft Question and Answer for the Prime Minister's consideration, in good time.

I am sending copies of this letter to Richard Mottram (Ministry of Defence), John Ballard (Department of the Environment), Dinah Nichols (Department of Transport), Richard Broadbent (Chief Secretary's Office), Stewart Eldon (Baroness Young's Office, FCO), Edmund Hosker (Norman Lamont's Office, DTI), Michael McCulloch (Timothy Raison's Office, FCO), Christopher Evans (Antony Newton's Office, DHSS), Jim Acton (David Waddington's Office, Home Office), Richard Hatfield (Cabinet Office) and to Sir Robin Ibbs.

Yours ever,
David.

David Barclay

Paul Thomas, Esq.,
Chancellor of the Duchy of Lancaster's Office.

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FROM; CHIEF SECRETARY
DATE; 9 November 1984

PRIME MINISTER

*nbpm
Dud
12.11*

GOVERNMENT PURCHASING

The Chancellor of the Duchy sent me a copy of his minute of 7 November, with a draft foreword and minor amendments to the text of the MPO report, and proposals for its publication next month.

2 I am content with the draft foreword. I note that the decision about where to put the new central purchasing unit has still to be taken, and I understand that officials are now preparing to advise you.

3 I have no comments on the amendments to the text, or on the general shape of the arrangements for publication. Because of our responsibility for public purchasing policy, I think it will be important for the Treasury to be represented at the Press Conference.

4 Copies of this minute go to Grey Gowrie, Michael Heseltine, Patrick Jenkin, Nicholas Ridley, Janet Young, Norman Lamont, Timothy Raison, Tony Newton, David Waddington, Robert Armstrong and Robin Ibbs.

PETER REES

Rayner
P. K.

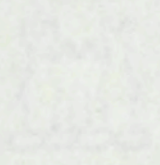


12 NOV 1984



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SECRET



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Management and Personnel Office
Whitehall London SW1A 2AZ

Telephone (Direct dialling) 01-273
GTN 273 (Switchboard) 01-273 3000

233 4173

Your reference

Our reference

Date

13 November 1984

Foreword for report on Govt. Purchasing.

Dear David,

We spoke earlier today about the foreword to our report on government purchasing.

The text of the foreword is to be set in the same typeface as the rest of the report, so I will not need to take up your kind offer to have it typed on No. 10 letterpaper.

However HMSO have agreed that it would add a personal touch if the foreword had the Prime Minister's signature under it.

X I therefore need three specimen signatures in black ink (felt-tip pen is apparently good for reproducing from) on a plain sheet of white paper.

I should be grateful if you could arrange this and send them to me in Rm 62/3, M.P.O. Govt. Offices, Gt. George St.

Yours ever,

Christopher Cloke.

OK Have we got any black signature cards - see X?

10ms
14/11



10 DOWNING STREET

From the Private Secretary

14 November 1984

FOREWORD FOR REPORT ON GOVERNMENT PURCHASING

Many thanks for your letter of 13 November.

If possible I should be grateful if HMSO could manage with cards which the Prime Minister has signed in blue, rather than black, since these are available "from stock". I enclose three, as you ask.

If it is absolutely essential to have specimen signatures in black ink, perhaps you would let me know. I should need to trouble the Prime Minister specially.

David Barclay

Christopher Cloke, Esq.,
Management and Personnel Office.