

MR BARCLAY

Ibbs
15/10

Efficiency: Discussion with Sir Robin Ibbs

Many thanks for your useful brief. Sir Robin Ibbs said that he wanted to have a word with me about where the efficiency exercise had got to and how he could make the best of future meetings with Departments. He said that the scrutinies were still generating enthusiasm and useful savings. But he detected less support among officials with the Ministers' efforts to achieve economy. He asked whether I had any suggestions about ways in which he could give a push to the cause.

On the meetings with Departments, I said that on the basis of what had happened so far I saw two potential gains and one danger. The two gains were that meetings forced Ministers in Charge of Departments to look periodically at the question of efficiency in order to report to the Prime Minister; and the meetings could end with remits to Sir Robin Ibbs to follow up, and report on, aspects which he wanted to pursue. The danger was that the Prime Minister might use them as occasions for general rather than specific complaints. The latter had happened to some extent with the meeting with the DTI although I thought that a very useful message had been delivered, which reflected the sincere feelings of the Prime Minister. But I said that in general it would help the Prime Minister if the briefs could direct her to particular points which the Efficiency Unit wanted a remit to follow up with the Department.

On the general state of the efficiency crusade, I said that I was surprised to hear that officials were less sympathetic to the Prime Minister's message. In the early

days of her first administration, there had been a lot of opposition, but I thought that the Prime Minister's general message about improving efficiency in the economy was now much more widely accepted. What I detected was that Ministers were suffering from "second-administration itis", i.e. they were losing their fresh first collective vigour and being taken over by their Departments. I said that the Prime Minister had felt with great disappointment during a recent public expenditure round that Ministers were not seriously prepared to solve their problems by getting more money out of the public expenditure allocated to them. If Sir Robin Ibbes wanted to suggest that the Prime Minister gave another push to the efficiency mission by either sending round a minute or - probably better - sending Sir Robin Ibbes himself round to talk to individual Ministers to express this view, it would certainly represent the Prime Minister's true feelings.

I attach a copy of a letter which I wrote to Sir Robin Ibbes dealing with two specific points which I promised to follow up.

R.R.B.

14 November 1984

PERSONAL



10 DOWNING STREET

From the Principal Private Secretary

14 November 1984

This is the answer to the two points which I said that I would follow up this morning.

There are no areas of administrative efficiency specifically affecting the Scottish Office with which the Prime Minister has recently been concerned. Two policy issues affecting expenditure are the allocation of public expenditure resources to the Scottish Office by 'regional formula' by which the Scottish Office do better than they should and the Welsh Office worse: the Scottish Secretary is, I think, sympathetic to the idea that this proportional advantage for Scotland should be scaled down provided that he can avoid the political difficulty of appearing to do so. The second is whether the Scottish Office should have a separate unit for seeking inward investment, which operates in competition with the Department of Trade and Industry, or should join forces with them. There have been policy papers on both matters and I hope that these two references are enough to enable your people to trace them: if they need any further help, please will they let me know.

As regards Anthony Rawlinson, I have looked up the papers, which came in during August while I was on holiday. It is true that the Prime Minister was not enthusiastic about it, mainly I think because the suggestion was that Sir Anthony Rawlinson should head a new small unit on this subject - and she did not want any more units. But I am sure that she would be in favour of the subject being looked at.

E. F. R. BUTLER

Sir Robin Ibbs

PERSONAL