

CF

May I have
RIM's comments
on this p.p?

Dumb
12/12

MANAGEMENT IN CONFIDENCE

PRIME MINISTER

Yes but see
4/11

Prime Minister⁽¹¹⁾: You asked for
Sir Robin Ibbes' views. Content,
subject to his points in para 4,
for the new joint unit to be
established?

CENTRAL UNIT ON PURCHASING

1. Your request for my advice on the location of the proposed central unit on purchasing has been relayed to me in Australia.
2. The test for all proposals relating to the purchasing unit is that they should enable it to achieve substantial improvements in government purchasing which lead to worthwhile savings. If it does not achieve these there is no point in having it.
3. In terms of this test I see no objection to the proposal that the unit should respond for administrative purposes to the MPO/HMT jointly.
4. However, if the unit is to serve a useful purpose two requirements are essential:

Dumb
11/12

Suggests
phrase
not

- (1) It must be led by somebody with a good track record in the private sector on large scale and varied purchasing. Only this will enable him (or her) to have the sustained confidence and credibility that is needed to influence departments.
 - (2) Whatever the formal organisation, the unit must in practice must be free-standing in advising on purchasing. In particular it must not be embroiled at all in arguments about the use to which savings achieved by better purchasing are put.
5. I am copying this to Sir Robert Armstrong.

Robin Ibbes

pp ROBIN IBBS
11 December 1984

[Agreed with Sir Robin Ibbes
and signed in his absence.]