

PRIME MINISTER

POLICY WORK IN THE FMI

The Chief Secretary is proposing (Flag A) that the three final reports of the Financial Management Unit should be made publicly available.

Two are factual ("Resource Allocation in Departments - Role of the Principal Finance Officers" and "Top Management systems, second report"). The third raises wider issues. It suggests a more rigorous approach to the way Ministers and Departments approach their task; in particular, that Cabinet papers putting forward policy proposals should include a statement of how performance should be assessed. The Chief Secretary thinks this would be a useful discipline and proposes the Joint Management Unit should pursue it with the Cabinet Office. Lord Gowrie and Sir Robert Armstrong are content.

Sir Robin Ibbs agrees (Flag B) with the Chief Secretary's recommendation, but believes more specific guidance is needed to ensure that policy proposals entailing expenditure contain a clear statement of how value for money can be assessed. This should involve defining what is to be done and how it is to be measured, by when, and for what cost. Sir Robin thinks exceptions to this rule should be rare.

Content with the Chief Secretary's proposals as set out in paragraph 6 of his minute?

Agree also that it would be helpful if instructions to Departments were to indicate that all proposals with value for money implications, save in exceptional cases, should include a statement of what is to be achieved, how it is to be measured, by when, and the cost?

*Mark Addison*

MARK ADDISON

23 May 1985

VC2AGQ

*Yes*