



Prime Minister: Lady Young proposes the publication of the attached response to the Select Committee's report: I have flagged the summary of conclusions. Sir Derek Rayner has agreed the draft and the Chancellor and Chief Secretary have approved it.

PRIME MINISTER The draft goes further than Departments would like on the three points mentioned by Lady Young: the draft represents Lady Young's view as the best possible rather than the ideal. Do you agree i) to the publication as the draft and ii) that Lady Young should circulate it with your endorsement rather than circulate it yourself.

On 1 April the Select Committee on the Treasury and the Civil Service published a report, prepared by its Sub-Committee under the chairmanship of Dr Bray, on "Efficiency and Effectiveness in the Civil Service". We have the opportunity in replying to draw together into a White Paper all the action we are taking to improve management in the Civil Service. A draft is attached.

TF
15/6

The Government has a good story to tell and the draft deals with the recommendations in the order most convenient for the telling of it (although a key takes the reader to the response to each recommendation). We can extend a wholehearted or qualified welcome to most of the Committee's recommendations - and where we cannot, nearly all the points at issue are under consideration elsewhere.

The draft reply has been prepared after thorough consultation with departments. They have contributed many practical examples that greatly improve the solidity of the evidence. Not surprisingly they do not necessarily see eye to eye with central departments in all respects. There are 3 points in particular on which I believe we must stand firm.

The Select Committee specifically recommended that the prescriptive role of the central departments should be strengthened. Something more than "advice" and "information" from the centre is certainly necessary - the financial management initiative is an example. I think that paragraphs 17 and 18 state the centre's role in suitably forthright terms.

I attach particular importance to disclosure of factual management information to the maximum possible extent. Departments are nervous of this and the draft (paragraph 25) makes clear there are some real difficulties of confidentiality, but I am convinced of the value of openness for the reasons mentioned in the Secretary of State for the Environment's minute to you of 15 March and your Private Secretary's reply of 26 March. Above all, it will bring pressure to bear on departments whose approach falls short of an adequate standard. Paragraph 25 makes clear that the MPO and the Treasury will be pursuing this vigorously.

The Select Committee recommended that all departments should adopt MINIS or a clear equivalent. The line taken in the draft is that each department needs a comprehensive system of management information suited to the kind of businesses they run, not necessarily one identical with MINIS. I know that the Secretary of State for the Environment believes that other departments may not so much "adapt" MINIS as water it down. The key to this lies in the financial management initiative. The central departments must examine very critically the plans put forward by departments, and I see it as crucial that they should publish a report on the exercise to a specific timetable, as promised in paragraph 14.

In sum, I see our response to the Select Committee as an opportunity to take a step forward. I do not have the slightest doubt that this can only be done with your personal backing and I suggest that, if you are content with it, you circulate the draft to Cabinet colleagues for information. Meanwhile, we shall press ahead with arrangements for publication before the Commons rise. If you wish, I should of course be very glad to discuss all this with you.

I am sending copies of this minute and of the draft paper to the Chancellor of the Exchequer, the Chief Secretary, the Minister of State, Treasury (C), Sir Robert Armstrong and Sir Derek Rayner.

Baroness Young

BARONESS YOUNG

14 July 1982