

PRIME MINISTER

RESPONSE TO THE TREASURY AND CIVIL SERVICE SELECT  
COMMITTEE'S REPORT ON EFFICIENCY AND EFFECTIVENESS  
IN THE CIVIL SERVICE

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*\* Minute attached*

You approved over the weekend Lady Young's draft of the response to the above Report. Lady Young commended the draft to you as a significant step forward, a view which was shared by the Chancellor, the Chief Secretary and Sir Derek Rayner. The attached minute from Mr. Heseltine, however, which was prompted by the circulation of the draft today, makes it clear that he takes the view that the draft does not go far enough in the direction of transforming management information systems. In particular, he argues that there should be a stronger commitment to MINIS as such.

This is rather an unexpected response at this stage of proceedings and leaves us essentially with two options:-

- (i) either <sup>to</sup> ~~you/~~ accept Lady Young's view that the draft represented the best compromise between the desire to make progress and the difficulties raised by Departmental Ministers - this would essentially mean over-ruling Mr. Heseltine's objections;
- or
- (ii) to hold a meeting involving Mr. Heseltine, Lady Young, the Chief Secretary and Sir Derek Rayner.

The latter option would involve not publishing the response before the Recess (which is, of course, undesirable) not only because the meeting itself would, given the state of your diary, take time to arrange, but also because to incorporate Mr. Heseltine's suggestions in the White Paper would be strongly resisted by other Departmental Ministers. Indeed, I understand from Lady Young's office that she remains firmly of the opinion that there is no chance of agreement on a draft which goes further in the direction proposed by Mr. Heseltine than that which you have already approved.

/Similarly

Similarly, she feels that Mr. Heseltine's minute is unduly pessimistic about the impact of the response. Nevertheless, as you will see, Mr. Heseltine's reservations are very strong.

Do you wish to go for option (i) involving as it does over-ruling Mr. Heseltine's reservations, or option (ii) involving as it does a further delay with no guarantee of reaching agreement on any more advanced a draft than that already circulated?

TJ.

19 July 1982