

DM 2/6 over  
weekend  
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Prime Minister: E



You already have  
Michael Heseltine's minute;  
The Chancellor argues in  
favour of Lady Young's  
draft response

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TF

PRIME MINISTER

The Chancellor has asked me  
to point out that his Departments  
have achieved a manpower saving of 11.3%  
whereas discounting living costs, DOEs have  
achieved only 9.5%!

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

P.M. Box

Michael Heseltine sent me a copy of his minute to you of 19 July.

2. I entirely agree with Michael about the crucial importance of establishing good management information systems in the Civil Service and I admire what he has done in his own Department. I also agree with him on the desirability of publishing the information which is produced, and I welcome the commitment in paragraph 25 of Janet Young's draft to go as far as practicable in this direction.

3. I first approached these issues with a view very similar to Michael's. And I still have a lot of sympathy for what he says. But as a Minister with direct responsibility for a range of Departments with quite different responsibilities, functions and methods of work, I have found after careful examination that a common form of management information system would not in fact be appropriate to them all. At my request Arthur Cockfield last year explored the possibility of introducing a MINIS-type system in all my Departments: his clear conclusion was that while there were important lessons to be learned - such as the need for coherent management plans bringing together a number of separate management and efficiency exercises - it would be a mistake to seek to impose a common system based on MINIS principles, and we should instead seek to improve existing management information systems in each Department, tailoring them to the particular - and very different - job each Department has to do. With some regret, I concluded that this was right; and it is now being done.

4. More generally, Michael's proposal is, I believe, difficult to fit alongside the initiative on financial management which Leon Brittan



is leading and which - in your minute of 17 May - you asked all Cabinet colleagues to push forward. One of the main objectives of that initiative is to knit management information and financial information together. The reasons for that, and the disadvantages of considering cost and value for money separately from the deployment of staff and other resources, are all too familiar to you. They mean, in my view, that it would not be right, even if if were practicable, to separate the two in the interests of a crash programme to introduce new common management information systems for next year.

5. Our objectives are the same, and I entirely share Michael's concern about credibility. But the systems which Departments develop will be much more useful, and therefore in the end more genuinely credible, if they are carefully designed to bring financial and other information together in a way which actively promotes the sound and cost-conscious management of all resources.

6. Copies go to the recipients of Michael Heseltine's minute.

G.H.

21 July 1982