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Blind cc:- C Priestley
J Colman
D Wright
J M Taylor, Sir D Wass^t
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And fence

10 DOWNING STREET

From the Private Secretary

14 July, 1981

Scrutiny of Departmental Running Costs

You will have seen my letter to Jim Buckley of 1 June reporting the Prime Minister's response to the Lord President's report on the 1980 Scrutiny of Departmental Running Costs.

In addition to the points set out in that letter, the Prime Minister has said that she would find it very useful to call in a department, and to discuss with the Minister and Permanent Secretary concerned the methods they use to control running costs. The sort of questions she would like to explore at this meeting are:-

- what plans they make for controlling running costs;
- how they compare actual performance with the plan;
- how they find out the reasons for any difference between the plan and actual performance; and
- what happens as a result.

She has suggested that the meeting or presentation might start with an over-view from the Minister and then turn to presentations by officials at key levels in the hierarchy, e.g.:-

- The Permanent Secretary;
- his Establishment Officer;
- the "line" manager of a large or small cost centre, e.g. the head of an R&D establishment or the manager of a local office.

/The Prime Minister

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The Prime Minister has asked if your Secretary of State would be willing to give such a presentation with his officials. She is aware of the excellent work which Mr Joubert of your department has been doing on the control of running costs in the context of the 1981 Rayner Scrutiny Programme. I might add that if your Secretary of State is happy to give this presentation, the Prime Minister would be glad if Mr Joubert could take part.

If your Secretary of State is content to give this presentation, I would like to propose 1500 hrs on Wednesday, 16 September as a possible time.

W. F. S. RICKETT

D Edmonds, Esq
Department of the Environment

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