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Secretary of State for Industry

15 February 1982

The Rt Hon Leon Brittan QC, MP  
Chief Secretary  
HM Treasury  
Parliament Street  
LONDON  
SW1P 3HE

Dear Leon,

#### SCRUTINY OF DEPARTMENTAL RUNNING COSTS

I was interested to see the analysis of the 1981 Scrutiny of Departmental Running Costs circulated with your minute of 1 February to the Prime Minister.

2. As you acknowledge, our present approach is deficient in a number of ways and I was glad therefore to see that you propose to ask officials to consider the form that the 1982 Scrutiny might take. I hope that my officials can be fully associated with this work and that it will cover the various suggestions for improvement that I made in my letter of 6 January to Barney Hayhoe - in particular those about the form and content and not least the timing of the exercise.

3. I await with interest the report by officials on the possibility of devising key ratios and performance indicators. As I said in my letter to Barney Hayhoe, interdepartmental comparisons are immensely difficult, and if the whole process is not to be discredited we must be very careful not to put more weight on the concept than it will bear.

4. You suggest that for the 1981 Scrutiny we should publish a summary paper on the lines of that for 1980 included in the Annex to Cmnd 8293. I can see the reasons that led you to suggest this but I am not sure that we should give a public airing to figures whose basis of calculation, reliability and comparability are so questionable. If a summary is published it would certainly seem desirable to accompany it with adequate explanatory and qualifying notes. But perhaps we should include this issue in the work you are commissioning from officials.





- 2 -

5. I am copying this letter to the Prime Minister, John Biffen (whose Department shares Common Services with mine), Sir Robert Armstrong and Sir Derek Rayner.

Your love  
Patrol

11 FEB 1982

