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Chancellor of the Duchy of Lancaster

22 February 1982

The Rt Hon Leon Brittan, QC, MP  
Chief Secretary to the Treasury  
Parliament Street  
LONDON SW1P 3AG

Dear Sir,

#### SCRUTINY OF DEPARTMENTAL RUNNING COSTS

I read with interest your minute of 1 February to the Prime Minister about the 1981 scrutiny of departmental running costs, and the way this work might be carried forward. Your minute brought out the close relationship between this exercise and some of the main elements of the efficiency strategy for 1982. But there is another aspect of the work of the Management and Personnel Office which struck me as relevant, particularly in view of the need which the Prime Minister has underscored to reduce costs as well as keep track of them.

I have in mind the programme of reviews by MPO and departments of the cost-effectiveness of common activities such as stores, transport, typing and messengerial services, telecommunications and so on. Together, these activities make up as much as 15% of the total running costs of departments. The studies in the programme so far suggest cost reductions in the range of 30% to 40% for messengerial services and stores, and 10% to 20% in typing, telecommunications and transport. It has been possible to cover only limited areas so far and we must now try to spread best practice across the board as quickly as possible. MPO officials are therefore preparing guidance on the management of these activities, firmly based on the results of completed MPO/departmental studies. Discussions with departments about guidance of this kind will begin soon in order to ensure that real and widespread improvements flow from it.

I am copying this letter to the Prime Minister, Cabinet colleagues, Sir Robert Armstrong and Sir Derek Rayner.

Yours etc

Baroness Young

BARONESS YOUNG



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