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And Senior

10 DOWNING STREET

From the Private Secretary

MR. PRIESTLEY

I wrote to you yesterday about the attached minute to the Prime Minister from the Secretary of State for the Environment. You will see that he makes two suggestions.

- a) That the central Departments should play a more positive role in persuading departments to introduce more effective systems for controlling their staff and non-staff running costs, and that the Prime Minister should give an individual the task of negotiating the way forward department by department.
- b) That more information should be made publicly available on departments' attempts to get to grips with their staff and non-staff running costs.

As you know, the Prime Minister has asked Mr. Hayhoe to come and report to her on the value of the annual scrutiny of departmental running costs and she will probably take this opportunity to ask him for his reactions to Mr. Heseltine's proposal. At first sight, a Treasury Minister would be the natural candidate for the task that Mr. Heseltine describes. However the Prime Minister would welcome Sir Derek Rayner's views on Mr. Heseltine's suggestions.

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W. F. S. RICKETT

16 March 1982

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