

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.

Do



HOUSE OF LORDS,  
SW1A 0PW

CONFIDENTIAL

22 April, 1985

NBPM

22/4

*My dear Peter.*

RUNNING COSTS TARGETS

Thank you for sending me a copy of your minute of 3 April to the Prime Minister.

There are clearly a number of difficult questions to consider in introducing running costs targets, whether in addition to or in place of control by manpower numbers. For the present I will confine my comments to problems which arise from the nature of courts administration.

As you know the growth of court business is determined by factors almost wholly outside my Department's control. On the criminal side running costs by way of rents and rates etc. as well as manpower are rising with the new court building programme. The scope for real reductions in running costs are therefore severely limited. Civil business is largely self-financing through fees and an arbitrary constraint on gross running costs could lead to inefficiency and a worsening of staff morale - the very opposite of what is intended. I have been able to accommodate reductions in manpower by contracting out and privatisation and the prospect of substantial computerisation. But in the short term contract prices are inflexible and computerisation involves more expenditure, not less.

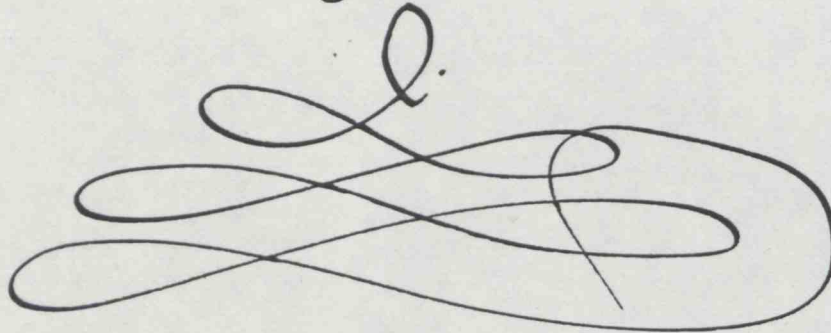
/2...

Chief Secretary to the Treasury,  
H.M. Treasury,  
Parliament Street,  
London, SW1P 3AG.

I need not labour these points. Our officials will be discussing the effect of your proposals on courts administration in the near future. I will write again later. In the meantime I need only say that it seems right to proceed as you suggest in paragraph 6 of your letter.

I am copying this letter to the Prime Minister, Cabinet colleagues, Grey Gowrie, Sir Robin Ibbes and Sir Robert Armstrong.

yrs :

A large, highly stylized and cursive handwritten signature, possibly reading 'L. I.', written in black ink.

ECON for: Public Exp  
# 31

22 APR 1985

10 11 12 1 2 3  
9 4 8