

PRIME MINISTER

RAYNER PROGRAMME

I attach the submission from the Rayner Unit about the scrutiny programme for 1983. The returns from departments bear out Clive Priestley's comment that the rate at which good scrutiny projects are coming forward is slowing down.

Do you agree with the responses to the proposals of the departments which are recommended in the minute below and which are set out in the proposed letters over Clive Priestley's signature which are attached to the minute?

A particular issue discussed in paragraph 12 of the minute and in the covering minutes by Sir Robert Armstrong and Mr Cassels is the vexed issue of who should be charged with exercising a particular interest in certain scrutinies on your behalf. My own view is that there is no need for you to nominate any particular person to do so, and that we use a formula like

"The Prime Minister has decided to take a special interest in scrutinies [A, B and C] and has asked the Rayner Unit to keep her in close touch with the progress and outcome of these scrutinies".

I have consulted Clive Priestley who agrees that this would be a good way round the problem. Do you agree that we should deal with this problem in this way?

Yes
me
FERB

11 March 1983



10 DOWNING STREET

200 AH

CCS LPSO
CO
MPOX2

From the Principal Private Secretary

MR BEESLEY
MANAGEMENT AND PERSONNEL OFFICE

SCRUTINY PROGRAMME 1983

The Prime Minister has now had an opportunity to study your minute of 28 February. She agrees the subjects recommended, and is content that the responses attached in the form of letters over Mr Priestley's signature should be sent. Mrs Thatcher is also content with the recommendations about scrutinies in which she should take a particular interest. As regards the handling of scrutinies in which she is to take a particular interest, her view is that it is not necessary to nominate a particular person to exercise that interest on her behalf: she would prefer that departments should simply be told that the Prime Minister has decided to take a special interest in particular scrutinies and has asked the Rayner Unit therefore to keep her in close touch with their progress and outcome.

I am copying this minute to Mrs Brown, Sir Robert Armstrong, Mr Cassels and Mr Priestley.

F.R.B.

14 March 1983

AH



Ref. A083/0809

MR BUTLER

cc PS/Lord Privy Seal
Mr Cassels
Mr Priestley
Mr Beesley

Scrutiny Programme 1983

Mr Beesley sent me a copy of his submission of 3 March, seeking the Prime Minister's approval for the 1983 scrutiny programme.

2. As to how to give practical expression to the Prime Minister's particular interest in the scrutinies set out in paragraph 11, I think that the choice has to be between the Head of the Civil Service and the Second Permanent Secretary, Management and Personnel Office. I should of course be very ready to undertake this, if the Prime Minister decided that that was what she would like; but, inevitably I should be able to give less time to it than the Second Permanent Secretary at the MPO, and I have no doubt that he would be able to give the Prime Minister's interest appropriate weight and expression.

REA

ROBERT ARMSTRONG

10 March 1983

MR BUTLER

I am sorry to trouble you with another post-Rayner problem. The attached minute from the Rayner Unit comments on the proposals we have received for centrally co-ordinated efficiency exercises for 1983 which were elicited from Departments by your Private Secretary letter of 25 January. The submission itself should not cause great difficulty although it reveals a less than enthusiastic response to the scrutiny programme for 1983 than in past years. The Unit proposes a number of approaches to Departments which it considers have responded inadequately to your request; for example it proposes that the MOD request for exemption on the grounds that minis is being introduced there should be converted into a postponement. Unless the Prime Minister has any particular points to make I think we shall be able to authorise the Unit to pursue matters with Departments as they suggest.

What is much more difficult and will require careful handling is the content of Mr. Cassels covering minute together with paragraphs 12-13 on the handling of scrutinies in which the Prime Minister will take a special interest. You will clearly have a better idea than I on how to play this at the moment. At the time of your earlier minute, no decision was taken. The PM implied that she did not wish anyone to look after her "special interest" scrutinies; but that is surely incompatible with the notion of a "special interest".

7 March 1983

TJ



MR FLESHER

cc PS/LORD PRIVY SEAL
Mr Priestley
Mr Beesley

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983 -
SCRUTINY PROGRAMME

*Submissions
in folder attached to file.*

I support this submission about the 1983 scrutiny programme.

Paragraph 12 rehearses the options for exercising responsibility on the Prime Minister's behalf for certain "special interest" scrutinies. I earlier recommended that the Lord Privy Seal might do this. If this is not thought desirable because of the extra workload it would impose on the Lord Privy Seal, I consider that this responsibility would best be discharged by the Second Permanent Secretary of the MPO. In my view it is best to assign responsibility at this level in order to signal the weight attached by the Prime Minister to the successful carrying out of the scrutinies in question and to ensure that any discussion that may be necessary with another department is conducted on a reasonably equal level in terms of rank - a consideration which perhaps should not, but in practice will, weigh with departments.

J S Cassels

J S Cassels

4 March 1983

MEMORANDUM

FROM

IAN BEESLEY

TO

Mr Fletcher (No. 10)

SUBJECT

Sentiment programme 1983

DATE

3/iii/83

You might like to have an advance
copy of my submission on a personal
basis.

33 3/iii

MANAGEMENT IN CONFIDENCE

*see minute attached
M
4/3/83*

1. MR CASSELS
 2. MR FLESHER (No 10 Downing Street)
- cc PS/Lord Privy Seal
Mr Priestley

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983 - SCRUTINY
PROGRAMME

This minute seeks the Prime Minister's approval for the 1983 scrutiny programme. Proposals were requested by 11 February and all bar three (Employment, Environment and Wales) are now in. These outstanding submissions are being chased.

2. I have discussed this submission with the Head of the Rayner Unit, Mr Priestley, who agrees with it.

Shape of the programme

3. The scrutiny programme is one element in the efficiency exercises for 1983 approved by the Prime Minister on 29 November 1982 and which comprise:

- Three multi-department reviews (audit capabilities in departments, support for administrative work, contracts and procedures) involving approximately 18-20 departments.
- Up to 30 scrutinies.
- A continuing programme of effectiveness reviews of common services.

4. Departmental Ministers were asked to look for scrutiny topics predominantly in six areas:

Policy processes

Large executive operations

Specialist groups

Advice and information
provided to the public

Administrative tribunals

Non-departmental public bodies

5. There are 19 nominations so far (two of which are postponed from 1982). They are summarised in the attached table. We have long recognised that suitable topics for 1983 do not lie thick on the ground and in total the proposals cover activities which only cost £180m a year and require 5,800 staff. This compares with £480m a year and 14,000 staff in 1982. The scrutinies must not be considered in isolation from the multi-department reviews, of course, but the sum result is on ^{the} thin side. There are few proposals in policy areas, no department is tackling a non-departmental public body, and some of the topics nominated are suspiciously like a re-run of earlier scrutinies.

6. On the other hand, two important Departments have yet to make proposals (MOD, DOE). And the scale of centrally co-ordinated efficiency work cannot continue at the pace of earlier years. We need to find a sustainable level and the programme so far for 1983 is perhaps not unreasonable at a time when large exercises, such as the Financial Management Initiative, are still at an early stage. Subject to the improvements indicated I therefore recommend that the Prime Minister accepts it subject to seeking improvements described in paragraphs 8-9 below.

Proposals which are generally acceptable

7. There are 14 proposals which are either wholly acceptable or broadly acceptable, subject to relatively minor amendments. These are listed in annex A and cover activities which involve around 5,500 staff.

Proposals which are dubious

8. Five nominations have serious flaws. These cover 300 staff:

8.1 Department of National Savings - The arrangements for withdrawal of National Savings Certificates (cost unstated but small). Any solution would have a limited life because the operation is shortly to be computerised. The proposed timescale (4 months) seems excessive for something which probably ought to be undertaken as part of the normal management of the department. Acceptance can only be recommended if the scrutiny is seen as of very limited scope and is done in rather less than 90 working days.

8.2&3 Foreign Secretary - The procurement procedures associated with communications in the FCO and the bilateral aid programme in the ODA (60-70 staff). Acceptable in themselves but should be undertaken as part of the multi-department review of procurement procedures. This would leave the FCO without a scrutiny proposal and it would be worth asking the Foreign Secretary to consider if one can be found.

8.4 Northern Ireland Office - The stores operation of the Northern Ireland Department of the Environment (cost £2m a year, 220 staff). This is well tilled ground. The department might be expected to apply the lessons of earlier work for itself. But the Secretary of State sees added force from the scrutiny clout and also offers to look for policy areas which will be suitable for consideration as scrutinies later in 1983 or early 1984. I propose acceptance subject to a determined effort to find a second subject for later in the year.

8.5 Department of Education and Science - The payment of grants to voluntary colleges and direct grant schools (only eight staff are involved but the total payment of grant is £95m a year.) There are a number of problems: (1) The proposed scope concentrates on accounting procedures and propriety with insufficient regard to value for money. (2) It is suggested that management consultants should be in the lead whereas one of the most important features of scrutinies is reform from within. It is essential that a DES official is put in charge of the exercise - especially with widened terms of reference - if it is to be accepted into the programme.

Requests for exemption

9. Six departments seek exemption:

9.1 Treasury - The Chancellor says that most areas of the department's work have been reviewed over the last 4 years. This year the role of the CCTA will be formally reviewed by its new Director, starting in the Spring. It is not obvious why the review should be outside the scrutiny programme.

*This is being
discussed between
Treasury and
MPD officials
gn
4/13*

9.2 MOD - The Secretary of State makes the reasonable point that he is introducing MINIS on an urgent timescale and would prefer to look for scrutinies when he has the results of the first round. It is unclear whether this will be during 1983. Exemption throughout the year would not be acceptable from such a large department. Hence, I suggest that the Secretary of State should be asked to make nominations after the first validation round of MINIS (March to July 1983).

9.3 Department of Energy - The Secretary of State says he does not wish to commit himself to a scrutiny at this stage because he wants to complete existing tasks before starting new ones. He indicates, however, that there are areas where he shall want further reviews to be

considered, such as the scope for extending computerisation. Whilst it is true that the department has at least one major scrutiny still to implement (on energy conservation) it would still be worthwhile seeking a nomination later in the year.

9.4 The Paymaster General's Office - This is a relatively small department (930 staff) which did a scrutiny in 1982 and is proposing to find another one for 1984 or 1985. In all the circumstances that seems reasonable.

9.5 Attorney General - The Law Officer's Department have not hitherto made any proposals. The Attorney General says, "It would not be appropriate to propose a scrutiny of any aspect of the work of [The Law Officers'] department (22 staff), the Treasury Solicitor's Department (430 staff) or the Director of Public Prosecutions Department (230 staff)," because, "the work of all three is simply demand orientated." Such a description would apply to many areas where scrutinies have been successful (for example, social security benefits). I propose that the Law Officer's Department be asked to reconsider for later in the year.

9.6 Lord President - The Privy Council Office (35 staff) has been exempt hitherto - I recommend no change.

Handling

10. Your minute of 26 January recorded that the Prime Minister will want to take a personal interest in some of the scrutinies but, following Lord Rayner's departure, just how Mrs Thatcher can be kept in touch with those scrutinies should be considered when the programme was submitted to her for approval.

MANAGEMENT IN CONFIDENCE

11. I suggest that the following topics are of sufficient significance to warrant the Prime Minister's particular interest:

Home Office - training	LCD/DHSS - Administration of legal aid
LCD - investment activity	Inland Revenue/DHSS - Occupational Pensions Board and Super-annuation Funds Offices
MAFF - the agricultural and food science laboratories	DHSS - reclaiming overpaid social security benefits
Department of Transport - driving tests	DES - grants to voluntary colleges etc

and if nominated

HM Treasury - review of the CCTA

This leaves scope for further nominations if the suggestions from the Secretaries of State for Employment, Environment and Defence are significant.

12. As regards how the Prime Minister's interest can be given practical expression, you may wish to consider the following points. The main choices are:

- A special adviser as replacement for Lord Rayner who would continue the established pattern. He could give the required priority to the task and, depending upon who was appointed, could bring expertise and an established track record which would make him acceptable to Ministers and officials.
- The Lord Privy Seal, as the Minister who proposed the 1983 Centrally Co-ordinated Efficiency Exercises, is the obvious central Minister to take on the task. This

course would maintain the scrutiny programme as a Ministerial concern. On the other hand, the Lord Privy Seal is already heavily loaded and in relation to her colleagues would inevitably be seen - possibly unhelpfully - as a central Minister identified with central policies.

- The Head of the Civil Service might be an acceptable alternative. His position has the advantage that he speaks directly to Ministers and is logically the most appropriate official to assume the task. He is also seen to be close to the Prime Minister. His position also has the very great strength that it is less tied to a departmental interest than any other senior official. The drawback would be whether he has the time to be seen to be taking a personal interest in the designated scrutinies.
- The Second Secretary, MPO should have the time to take an interest in the scrutinies but is some way removed from the Prime Minister. He does not talk directly to Ministers. This route may therefore be seen as a diminution of the importance of the scrutiny programme. The Second Secretary is also, of course, tied to the MPO departmental role in setting standards and requiring departments to undertake certain business in prescribed ways.
- One way of overcoming the latter difficulty would be to put the responsibility on the shoulders of the Head of the Rayner Unit who is already charged with the co-ordination of the scrutiny programme. This would emphasise continuity in the running of the scrutinies though, of course, he would have less authority than Lord Rayner.

13. Subject to the Prime Minister's approval of the programme, the Rayner Unit will co-ordinate the necessary tasks and - as in all previous rounds of the scrutiny programme - the Head of the Unit will convey the Prime Minister's decisions to the Private Offices of the Ministers concerned. (I attach copies of the intended letters.) Decisions about how the Prime Minister's particular interest in certain scrutinies will be handled can, if necessary, be announced later.

Conclusion

14. The scrutiny nominations are a little disappointing so far, but there are some good topics among them and others can hopefully be improved. I should be grateful for the Prime Minister's approval for the subjects indicated above - subject to seeking the improvements indicated.

15. The Prime Minister may wish to indicate how her interest in particular scrutinies should be handled.

IB

IAN B BEESLEY

28 February 1983

Nominations which are wholly or mainly acceptable

Home Office - Training of staff (cost £5m a year, 60 staff) - subject to including training in financial management.

LCD - Investment activity (125 staff) - to be undertaken by a Rayner Unit staff officer (Mr Ian Trumper, FCA).

LCD and DHSS - Administrative arrangements for means testing for legal aid (cost £6m a year, 690 staff) - postponed from 1982.

Customs and Excise - The VAT central unit (cost £1.5m a year, 150 staff).

Inland Revenue and DHSS - Occupational Pensions Board and the Superannuation Fund Office (cost £6m a year, 400 staff) - where work is sometimes alleged to be insufficiently co-ordinated and burdensome on the private sector.

Departments of Industry and Trade - The use of Accountants (cost £2m a year, 120 staff) - a marginal subject but just worthwhile given the Parliamentary and public interest.

Management and Personnel Office - An aspect of the work of the Civil Service Commission (360 staff - as yet undefined pending appointment of the new First Civil Service Commissioner). Management and Personnel Office - the Lord Privy Seal also offers the prospect of a second scrutiny about the Civil Service College.

MAFF - The agricultural science and food science central laboratories (cost £9m a year, 500 staff). These are possibly a re-run of the 1981 topic (fisheries laboratories) but nevertheless acceptable.

The communication
to the Lord Privy
Seal should I
think be modified
for the reasons indicated
in the proposed
minutes flagged MPO.
gr
4/3/82

Scottish Office - The work of the publicity section (cost £0.8m a year, 10 staff). Relatively small, but might lead to further work in other departments. Must cover need as well as effectiveness.

DHSS - Policy for recovery of overpayment of social security benefits (cost £14.4m a year, 1,200 staff). Aimed at simpler, more universally applicable rules but potentially sensitive.

Trade - The supervision of insurance companies (cost £0.6m a year, 62 staff) - postponed from last year.

Trade - The National Weights and Measures Laboratory (cost £1.2m a year, 60 staff).

Transport - The Driving Test Organisation (cost £27m a year, 1,750 staff).

MINISTERIAL PROPOSALS FOR SCRUTINIES

DEPARTMENT	PROPOSAL	COMMENT	PRO-POSED STATUS	PARTICIPATION IN MULTI-DEPARTMENT REVIEWS IN 1983		
				SUPPORT SERVICES FOR ADMINIS-TRATIVE WORK	PROCUREMENT AND CONTRACT PROCEDURES	CONSULTANCY, INSPECTION AND REVIEW CAPABILITIES
Home Office	(1) Examination of staff training (60 staff, £5m pa administration cost)	A good topic in view of the training needs following the Personnel Work Review and the FMI	P	Yes	Yes	No
Lord Chancellor's Department	(2) Investment Activity (125 staff, cost 1.3m pa)	Acceptable: started February 1983	P	No	No	No
	(3) Assessment of legal aid in civil cases (690 staff, cost £6m pa)	Jointly with DHSS. Acceptable (deferred from 1982 programme started February 1983)	P			
HM Treasury	"Most areas of the department's work have been reviewed over the last four years ... "	Review of the role of CCTA (planned for Spring) would make a good topic for the scrutiny programme	<u>P</u> if nominated	No	Yes (CCTA)	Yes
Inland Revenue	(4) Control and supervision of Occupational Pensions Schemes (300 staff in Inland Revenue, 100 staff in DHSS, cost £6m pa)	Jointly with DHSS Acceptable	P	Yes	No	No

DEPARTMENT	PROPOSAL	COMMENT	PRO-POSED STATUS	PARTICIPATION IN MULTI-DEPARTMENT REVIEWS IN 1983		
				SUPPORT SERVICES FOR ADMINIS-TRATIVE WORK	PROCUREMENT AND CONTRACT PROCEDURES	CONSULTANCY, INSPECTION AND REVIEW CAPABILITIES
Customs & Excise	(5)VAT Central Unit, Southend (150 staff, £1.5m pa)	Acceptable	G	Yes	No	No
Department for National Savings	(6)Withdrawal arrangements for National Savings Certificates (Cost unstated, but small)	Barely acceptable if put on a shortened timescale	G	No	No	No
Foreign and Common-Wealth Office	(7)Procurement and technical support services in the communications division (62 staff, £14m pa)	Ought to be included in Procurement and contract procedures review	-	No	<u>/Yes/</u>	No
Overseas Development Administration	(8)Procurement of goods and services financed under bilateral aid programmes	Ought to be included in procurement and contract procedures - review	-	No	<u>/Yes/</u>	No
Department of Education and Science	(9)Payment of grant to voluntary colleges and direct grant schools (8 staff, £95m pa)	Acceptable subject to tightening of terms of reference	P	No	No	No

DEPARTMENT	PROPOSAL	COMMENT	PRO- POSED STATUS	PARTICIPATION IN MULTI-DEPARTMENT REVIEWS IN 1983		
				SUPPORT SERVICES FOR ADMINIS- TRATIVE WORK	PROCUREMENT AND CONTRACT PROCEDURES	CONSULTANCY, INSPECTION AND REVIEW CAPABILITIES
Northern Ireland Office	(10) Review of stores in the Department of the Environment (NI) (220 staff, £2m administration costs, £8m stores expen- diture)	Barely acceptable as the lessons have already been identified else- where	G	No	No	No
MAFF	(11) Agricultural Science and food science central laboratories (500 staff, £9m pa cost)	A good topic of significance	P	Association with the review	No	No
Ministry of Defence	"I propose that the introduction of MINIS should be the centrepiece of my 1983 programme."	Reasonable as a first step, but MOD might be able to find a couple of good topics for later in the year. The scrutiny programme without MOD would be a weakling.	-	No	Yes Will associate MPO with the Management Audits starting on contracts organisation	Yes

DEPARTMENT	PROPOSAL	COMMENT	PRO-POSED STATUS	PARTICIPATION IN MULTI-DEPARTMENT REVIEWS IN 1983		
				SUPPORT SERVICES FOR ADMINIS-TRATIVE WORK	PROCUREMENT AND CONTRACT PROCEDURES	CONSULTANCY, INSPECTION AND REVIEW CAPABILITIES
Scottish Office	(12)Publicity section of the Scottish Information Office (10 staff, cost £760,000	A little thin but could open up issues with wider significance. Must tackle need for the service	G	No	No	Yes
Welsh Office	No reply yet seen			No	No	No
Department of Industry	(13)Provision of accountancy services to the Departments of Industry and Trade (120 staff, cost £2m pa approx.)	Thin but just about acceptable	G	No	No	Yes
Lord President of the Council	No proposals in respect of administrative Privy Council Office and Judicial Committee of the Privy Council	Small departments. Suggest accept continuation of exemption	-	No	No	No

DEPARTMENT	PROPOSAL	COMMENT	PRO-POSED STATUS	PARTICIPATION IN MULTI-DEPARTMENT REVIEWS IN 1983		
				SUPPORT SERVICES FOR ADMINISTRATIVE WORK	PROCUREMENT AND CONTRACT PROCEDURES	CONSULTANCY, INSPECTION AND REVIEW CAPABILITIES
Department of Transport	(14)The driving test organisation (1750 staff, cost £27m pa)	A good topic. (The status of the proposed examining officer needs clarification)	P	Associated with the review through PRIMUS information handling project	Yes	No
Department of Health and Social Security	(15)Policy for recovering overpayments of social security benefits (1200 staff, £14m pa) (3)Assessment of legal aid in civil cases (4)Control and supervision of Occupational Pensions Schemes	A good but sensitive topic Jointly with LCD see above Jointly with Inland Revenue see above	P	No	Yes	Yes

DEPARTMENT	PROPOSAL	COMMENT	PRO-POSED STATUS	PARTICIPATION IN MULTI-DEPARTMENT REVIEWS IN 1983		
				SUPPORT SERVICES FOR ADMINISTRATIVE WORK	PROCUREMENT AND CONTRACT PROCEDURES	CONSULTANCY, INSPECTION AND REVIEW CAPABILITIES
Management and Personnel Office	(16) Central recruitment activities provided by the Civil Service Commission (360 staff, cost £10m pa)	Fits in well with follow up to the review of personnel work	G	Yes (also providing Central Team)	Central Team	Central Team
	(17) Possibly a second subject: Civil Service College training arrangements	A good topic which needs doing to clear room for new initiatives	G			
Department of Energy	"... The best course would be ... to complete existing tasks before starting new ones."	Implementation of the scrutiny of energy conservation is outstanding - but the department could be lining up topics for later in the year	-	No	No	No
Department of Employment Manpower Services Commission Health and Safety Executive	No reply yet seen			Yes	No	Possibly one of the two
No				No		
No				No	No	

DEPARTMENT	PROPOSAL	COMMENT	PRO-POSED STATUS	PARTICIPATION IN MULTI-DEPARTMENT REVIEWS IN 1983		
				SUPPORT SERVICES FOR ADMINIS-TRATIVE WORK	PROCUREMENT AND CONTRACT PROCEDURES	CONSULTANCY, INSPECTION AND REVIEW CAPABILITIES
Paymaster General	Expects to put another topic forward in 1984 or 1985	Acceptable given the size of the Department	-	No	No	No
Department of Trade	(18) Practice relating to the supervision of insurance companies (62 staff, £600,000 pa) (19) National Weights and Measures laboratory (60 staff, £1m pa) (13) Provision of accountancy services to the Departments of Industry and Trade.	Acceptable (deferred from 1982 programme) Acceptable Jointly with DOI see above		No	No	Yes
Department of Environment Property Services Agency	} A holding reply only }			Yes No	No Yes	Possibly Yes

DEPARTMENT	PROPOSAL	COMMENT	PRO-POSED STATUS	PARTICIPATION IN MULTI-DEPARTMENT REVIEWS IN 1983		
				SUPPORT SERVICES FOR ADMINIS-TRATIVE WORK	PROCUREMENT AND CONTRACT PROCEDURES	CONSULTANCY, INSPECTION AND REVIEW CAPABILITIES
Law Officers' Department	"The work is essentially demand orientated and does not look a profitable area for a scrutiny of this kind."	Not a sufficient reason to be exempt		No	No	No



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

C J Walters Esq
PS/Home Secretary

Dear Walters,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for the Home Secretary's nomination of a scrutiny of the arrangements for staff training in the Home Office.

2. Mrs Thatcher considers that, taken with the Home Office's participation in two multi-department reviews in 1983 and the continuation of the important Resource Control Review of the Prison Service, this represents a good contribution to the Government's efficiency programme. She has commented that it will be important for the review of training to pay particular regard to the requirements identified as a result of the Review of Personnel Work and as part of the developments envisaged under the Financial Management Initiative. In view of the importance of this topic for the future good management of the department the Prime Minister will wish to take a particular interest in this scrutiny.

3. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C. Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

M H Collon Esq
PS/Lord Chancellor

Dear Colan,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for the Lord Chancellor's letter of 11 February proposing two scrutinies this year. Mrs Thatcher notes that the scrutiny of the administration of means testing for legal aid has been postponed from 1982 and very much hopes that it will be possible to make rapid headway with the work. She is grateful to the Lord Chancellor for nominating a further subject for 1983 and has no difficulty in accepting it for the programme.

2. The Prime Minister has commented that she is particularly pleased that the expertise of the private sector will be brought to bear on the investment activity of the Department. *
3. In both cases the Prime Minister would like to be kept informed as the scrutinies develop and will take a particular interest in them.
4. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

Cwri Priestley

C PRIESTLEY
Head of the Rayner Unit

** One of my staff, Ian Turner, is helping you
out on this and I hope that the scrutiny is
going well from his point of view.*



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

J Kerr Esq
PS/Chancellor of the Exchequer

Dear Sir,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for the Chancellor's minute of 18 February nominating the scrutinies in Customs & Excise, DNS and the Inland Revenue.

2. Mrs Thatcher welcomes the suggested topics for the Customs & Excise and the Inland Revenue. In both cases she judges that the proposals should maintain the departments' excellent record of contributions to the Government's efficiency programme and will wish to take a particular interest in the joint Inland Revenue/DHSS scrutiny.
3. The Prime Minister considers the Department of National Savings suggestion to be, at best, marginal. She would have thought that this kind of limited issue could be handled as part of the day-to-day management of the department and she is surprised that it is envisaged to spend a full 4 months of the examining officer's time on it. The Prime Minister would be grateful, therefore, if the Chancellor would consider whether this work might be done in a much shorter timescale, say, 60 working days, in which case she would be willing to include it in the programme as a limited scrutiny. Mrs Thatcher would also be grateful if a more substantial topic could be sought - possibly to start later in the year.
4. The Prime Minister agrees that the main Treasury need not undertake a scrutiny in 1983. She notes that Dr Freeman will be surveying the role and operation of the CCTA. She believes that the scrutiny approach would have much to commend it for undertaking such a review and would be grateful if the Chancellor would consider bringing this study into the scrutiny programme - in which case she would be pleased to take a particular interest in its conduct. Mrs Thatcher believes that the development of technologies

for application in the civil service offers scope for systematic improvement in civil service productivity. She is keen that the role and procedures associated with the central departments should be designed to encourage departments to make cost-effective gains urgently.

5. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours truly,

C Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

B J P Fall Esq
PS/Foreign Secretary

Dear Fall,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for the Foreign Secretary's nominations of scrutinies into procurement in the FCO and the ODA, contained in your letter of 14 February.

2. Mrs Thatcher believes these are excellent proposals which would fit well with the multi-department review of contracts and procurement procedures which will start in the Spring and would be grateful if they could be included in that programme.

3. As regards the scrutiny programme, the Prime Minister wonders whether there would be a suitable topic in one of the London-based operations of the department (say, taken from the functional departments rather than the geographical departments). She would be grateful to know if the Foreign Secretary would see a prospect of carrying out such a scrutiny, possibly later in the year.

4. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

Mrs I Wilde
PS/Secretary of State for
Education and Science

Dear Mrs Wilde,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for your Secretary of State's scrutiny nomination described in your letter of 15 February. Mrs Thatcher believes that the suggested topic could make an exemplary contribution to the work to follow-up the Financial Management Initiative. She does, however, have two reservations:

- She thinks that the proposed terms of reference too easily assume that common (rather than consistent) procedures are required and is surprised that the proposals do not make any reference to ensuring that good value for money is obtained;
- She thinks that a DES official should be in the lead, supported as necessary by consultants.

2. The Prime Minister would be grateful if these points could be reflected in revised terms of reference and arrangements for carrying out the scrutiny. Perhaps I might offer a suggested redraft of the former, which might now read,

"To devise and secure the adoption of consistent, straightforward and appropriate accounting and control procedures; and to review the arrangements ensuring that good value for money is obtained from public funds provided to the colleges."

3. Mrs Thatcher has also indicated that she would like to take a particular interest in this scrutiny.

4. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,
C. Priestley
C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

S W Boys Smith
PS/Secretary of State for
Northern Ireland

Dear Boys Smith,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for your Secretary of State's letter of 10 February nominating a scrutiny of the stores in the Department of the Environment (Northern Ireland). Mrs Thatcher is aware that a great deal of progress has already been made on this topic in departments in Great Britain. She hopes that the lessons will be applied here too and, with that in mind, would be grateful if the experts in these matters in the Management and Personnel Office could be closely associated with the work.

2. The Prime Minister notes that the Secretary of State is considering identifying one or two policy areas which would be suitable for consideration as scrutiny areas later in 1983 or early in 1984. She would be very appreciative if an attractive topic of this sort could be included in the programme later in the year. Meanwhile, she is content to include the nominated subject in the 1983 programme as a "general interest" scrutiny.

3. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508

GTN 273

Switchboard 01-273 3000

Miss V K Timms
PS/Minister for Agriculture,
Fisheries and Food

See Kate,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for your Minister's letter of 11 February nominating a scrutiny of the agricultural science and food science central laboratories. Mrs Thatcher agrees that it would be appropriate to have a thorough investigation of the activities of the laboratories at this time. She would expect, for example, that the examining officers will consider whether the tasks carried out are essential and whether they need to be done in government or could be contracted out-especially given that your Minister suggests that there may be a need for capital investment. Mrs Thatcher has noted that this will be the third scrutiny exercise in MAFF scientific laboratories. She believes it is excellent that the activities of these institutions should be examined rigorously but has also commented that the scrutiny process is applicable more widely in departments and she hopes it will not become typecast as a means of investigating scientific laboratories. Nevertheless, the Prime Minister considers the proposals for 1983 to be sufficiently important for her to take a particular interest in the scrutiny.

2. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours ever,

C Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

R C Mottram Esq
PS/Secretary of State
for Defence

R C Mottram,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for the Secretary of State's minute of 11 February. Mrs Thatcher is pleased that the Ministry of Defence will be participating in the multi-departmental reviews of inspection and review and of procurement and contracts procedures. She also notes that you will be undertaking a review of stocktaking and of productivity schemes. As regards the Resource Control Review of RAF support Mrs Thatcher has commented that she understands stage 2 of the review is now almost completed and wonders whether what your Secretary of State has in mind is to extend the operation further into RAF support or wider into the other services.

2. Mrs Thatcher fully understands why your Secretary of State wishes to give first priority to introducing MINIS into the Ministry and is content, for the time being, for there to be no specific scrutiny nominations. But, given the size and importance of the Ministry of Defence, the Prime Minister thinks it would be inconceivable to have a satisfactory scrutiny programme without MOD participation. She would be grateful, therefore, if your Secretary of State could make proposals in the Summer (when the first validation round of MINIS will have taken place) for scrutinies to start later this year.

3. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C P Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

J S Wilson Esq
PS/Secretary of State
for Scotland

Dear Wilson,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister has seen the scrutiny nomination from your Secretary of State attached to your letter of 10 February and is content for the proposal to be included in the scrutiny programme provided that the terms of reference are amended to make clear that the examining officer should consider the need for the work to be done at all. You may wish to reflect on how best to amend the terms of reference to reflect the Prime Minister's point. Perhaps it would be sufficient to insert into the third line, " ... to consider what are the essential requirements for the work; to consider what should be the relationship with other parts ... ".

2. This point should clearly also be reflected in the examining officer's study plan.
3. Subject to this amendment you may also care to know that the scrutiny will be handled as a "general interest" topic.
4. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C. Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

I K C Ellison Esq
PS/Secretary of State
for Industry

Dear Ellison,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for your Minister's minute of 11 February nominating a scrutiny of his department's accountancy needs (to be conducted jointly with the Department of Trade). Taken together with your intended participation in the multi-departmental review of internal consultancy, inspection and review the Prime Minister accepts that this is a reasonable contribution to the scrutiny programme for the present time. She hopes that in following through the Financial Management Initiative due regard will be paid to how topics for scrutiny are best identified.

2. You may also like to know that the scrutiny of accountancy needs will be handled as a "general interest" topic.

3. I am copying this to Mr Rhodes (PS/Secretary of State for Trade) and to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,
Cwi Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE
WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

D Heyhoe Esq
PS/Lord President of the Council

Dear Heyhoe,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for the Lord President's minute of 4 February. In the circumstances she agrees that the Privy Council Office should not be included in the scrutiny programme for 1983.

2. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C. Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

R A J Mayer Esq
PS/Secretary of State for
Transport

Dear Major,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for your Secretary of State's nomination for the scrutiny programme 1983. Mrs Thatcher considers that a scrutiny of the Driving Test organisation will be an excellent contribution to the programme and is very pleased to accept it.

2. You will wish to know that the Prime Minister will wish to take a particular interest in this scrutiny.
3. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C. Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

D J Clarke Esq
PS/Secretary of State for
Social Services

Dear Clarke,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful to know of the scrutiny topics proposed by the Secretary of State for the 1983 programme. She has commented that the Department of Health and Social Security has an enviable record in nominating scrutiny topics and has once again put forward proposals of a good standard.

2. Mrs Thatcher will be pleased to include all three nominations in the programme. She notes that the scrutiny of the administration of means testing for legal aid has been postponed from last year and hopes that further delay in this and other nominations can be avoided.

3. The Prime Minister believes that the scrutiny of policy on the recovery of overpayment of social security benefit will need careful presentation and handling. But the effort and expenditure involved are large and the Prime Minister believes it is right they should be subject to scrutiny.

4. You may care to note that the Prime Minister has indicated she will wish to take a particular interest in all three nominations.

5. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C. Priestley

C PRIESTLEY
Head of the Rayner Unit

MRS BROWN

PS/Lord Privy Seal

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for the Lord Privy Seal's minute of 11 February and is pleased that there is a prospect of two good scrutinies in the MPO for 1983. She notes that the precise topic in the Civil Service Commission will not be nominated until about the middle of the year - which presumably means that the scrutiny itself will take place in the Autumn. In these circumstances, she very much hopes that the MPO can mount an earlier scrutiny along the lines suggested for the Civil Service College and would be pleased to include both topics in the 1983 programme. The Prime Minister feels that training is an important element in securing the changes in the civil service that are essential^{and} believes that a scrutiny along the lines indicated would hold out the prospect of some progress.

2. You may find it helpful to know that in both cases the scrutiny would fall into the "general interest" category.

SP
C PRIESTLEY
Head of the Rayner Unit

The College study may need for various reasons, including credibility to the outside world, to be done by an outsider and I think it would be better not to try and commit the Lord Privy Seal further to an early scrutiny at this stage.

JR

4/3/83



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

J D West Esq
PS/Secretary of State
for Energy

Dear Julian,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister has seen your Secretary of State's minute of 15 February seeking exemption from the scrutiny programme 1983. She entirely agrees that it is essential to complete existing tasks but hopes that this can be done without delay so that a possible scrutiny can be considered for later in the year. Mrs Thatcher wonders, for example, whether an aspect of the operations of the United Kingdom Atomic Energy Authority would provide a suitable area.

2. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

A K Galloway Esq
PS/Chancellor of the Duchy of
Lancaster and Paymaster General

A K Galloway,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister has noted your Minister's request that the Paymaster General's Office should not undertake a scrutiny in 1983. Bearing in mind that there was a scrutiny in the office in 1982, and that the Paymaster General would expect to put forward another proposal in 1984 or 1985, she is content for there to be no contribution this year.

2. I am copying this letter to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C. Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273 3508
Switchboard 01-273 3000

J M D Rhodes Esq
PS/Secretary of State
for Trade

J M D Rhodes,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for your Minister's minute of 11 February nominating two new scrutiny topics for 1983. She has also noted that the scrutiny of insurance supervision has been postponed from 1982 - leaving the department without a scrutiny in that programme - and hopes that further delay can be avoided.

2. Mrs Thatcher is appreciative of the nominations. In association with your participation in the multi-department review of internal consultancy, inspection and review and your efforts to develop the Financial Management Initiative, she believes they are a good contribution to the Government's efficiency programme.

3. You might like to know that all three scrutinies will be handled as "general interest" topics.

4. I am copying this to Mr Ellison (PS/Secretary of State for Industry) and to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,
C P Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

Helen Ghosh
PS/Secretary of State
for Environment

Helen Ghosh,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister has seen your letter of 15 February indicating the Secretary of State's intention to put forward a proposal shortly for a scrutiny in the 1983 programme. Mrs Thatcher is anxious that the programme should be put together as soon as possible. She believes that the Department of the Environment has a special place in the government's efficiency programme - especially as it would claim to be in the forefront in the development of a Ministerial information system for management. She very much hopes that the Secretary of State will be able to come forward soon with a substantial topic for the 1983 programme.

2. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C Priestley

C PRIESTLEY
Head of the Rayner Unit



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 3508
GTN 273
Switchboard 01-273 3000

J Nursaw Esq
Legal Secretary
Law Officers' Department

Jen Nursaw,

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983: THE SCRUTINY PROGRAMME

The Prime Minister was grateful for the information in your letter of 10 February. She appreciates that in view of the size of the Law Officers' Department it would be unreasonable to expect a scrutiny contribution each year. But the Prime Minister would be grateful if the Attorney General would consider whether, from time to time, he might seek to apply the scrutiny technique to the procedures in his departments. She has commented that "demand orientated" activities are not necessarily suitable for exemption and that there have been many excellent scrutinies in such areas as social security payments and other demand determined areas.

2. Mrs Thatcher would appreciate hearing from the Attorney General again on this matter.
3. I am copying this to Mary Brown (Lord Privy Seal's Office).

Yours sincerely,

C Priestley

C PRIESTLEY
Head of the Rayner Unit