

PART II.  
SEPARATE BOX.

M.T

The Payper Programme. Promotion of Efficiency  
& Waste

The 1982 Scrutiny Programme.

MINISTERS PROPOSALS FOR 1982 ONLY.

FILED IN SPECIAL ORDER

CONFIDENTIAL FILING

GOVERNMENT

MACHINERY

PT I May 1979

PT II FEBRUARY 1982

| Referred to   | Date | Referred to | Date | Referred to | Date | Referred to | Date |
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| <del>12</del>   |      |             |      |             |      |             |      |
| Part II Ends  | PIA  |             |      |             |      |             |      |
| <b>PREM 19/778</b>  |      |             |      |             |      |             |      |
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PART 11 ends:-

Praddy to D Rayeroalt  
(Sir D Rayer to PM) 12-2-82

PART 12 begins:-

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MR RICKETT

THE EFFICIENCY STRATEGY 1982:  
SCRUTINY PROGRAMME PROPOSALS

Ministers' proposals for the programme were slow coming in, which means that Sir Derek Rayner will be unable to report to the Prime Minister before next week. You may like to have the attached copy of a draft of his report, together with the tabular annex attached to it: and you might like to ask your people to put the letters and minutes from Ministers to the Prime Minister in a corresponding order. If you have any comments on the draft I shall of course be glad to receive them.

2. You may also like to know that Sir DR has in hand two progress reports, one on the scrutiny programme 1979-81 and the other on "lasting reforms". It seems likely that the 1979-81 report will reach the PM the week after next, the second report somewhat later.

S  
C PRIESTLEY

12 February 1982

ENC: Draft minute plus tabular annex.

SIR DEREK RAYNER

cc for optional comment

|              |      |
|--------------|------|
| Mr Cassels   | MPO  |
| Mr Russell   | MPO  |
| Mr Wasserman | CPRS |

cc for information

|               |     |
|---------------|-----|
| Mr D J Wright | CO  |
| Mr Wilding    | TSy |

THE EFFICIENCY STRATEGY 1982: THE SCRUTINY PROGRAMME

Although the deadline set by Mr Whitmore's letter for the receipt of scrutiny programme proposals was 15 January the last two were received only in the last week. Hence the delay in presenting the attached draft report to the Prime Minister.

2. The draft is supported by a tabular summary of the 23 new scrutiny proposals (three more are brought forward for 1981 - FCO, GAD and PGO), behind which you will find flagged copies of Ministers' and Private Secretaries' letters/minutes.
3. The draft is self-explanatory. Mr Beesley will complete the summary data in para. 23 and its footnote.
4. Given the delay, it is important to get the report forward to the PM quickly, so perhaps copy addressees would let me have comments by close of play on Tuesday 19 February.
5. I suggest that you send a note to the Chancellor of the Duchy of Lancaster; I am minuting separately on this.

*CP*

CLIVE PRIESTLEY  
12 February 1982

Encs: Draft minute  
Annex summarising the proposals for 1982  
Copy letters and minutes

PRIME MINISTER

THE EFFICIENCY STRATEGY 1982: THE SCRUTINY PROGRAMME

Mr Whitmore's letter to Private Secretaries of 15 December invited Ministerial proposals for the scrutiny programme by 15 January. I am sorry that delays in replying to that letter have in turn delayed this report to you.

2. It may be helpful if I set this report in the context of this year's efficiency strategy as a whole and of last year's scrutinies and Service-wide reviews. Summary information about Ministers' intentions for this year are set out in the Annex. A simple comparison of those intentions with last year is as follows:

| <u>Departmental</u><br><u>scrutinies</u> |    |   | <u>Service-wide reviews</u> |  |                                   |                                |                                 |
|--|----|---|-----------------------------|--|-----------------------------------|--------------------------------|---------------------------------|
|  |    |   | <u>Forms</u>                | <u>R&amp;D</u><br><u>Supporting</u><br><u>Services</u> | <u>Resource</u><br><u>Control</u> | <u>Running</u><br><u>Costs</u> | <u>Personnel</u><br><u>Work</u> |
| 1981                                     | 40 | * | 8                           | 8  | -                                 | -                              | -                               |
| 1982                                     | 26 | / | -                           | -  | 7                                 | 6                              | 9                               |

\* of which 3 were deferred until 1982

/ including 3 deferred from 1981

3. So we had a total of 53 exercises in 1981 and shall have a total of 48 in 1982, at least to begin with. This means that, as intended, the efficiency strategy is roughly in balance with the 1981 exercises in terms of numbers. I deal with the question of value below.

ACCEPTABILITY OF THE PROPOSALS MADE AGAINST THE CRITERIA SET

4. Mr Whitmore's letter aimed at a total of 20 - 25 scrutinies for 1982. Given the lower number as compared with 1981, it affirmed that scrutiny topics should be "significant in terms of the activities and resources or policies of the department" and said that you <sup>would</sup> have this in mind <sup>when</sup> considering the suitability of proposals for inclusion in the programme. He also suggested that certain areas were strong candidates for inclusion (ie administration of benefits, regulation and enforcement, professional advisers, the policy-making process and working relationships between departments and nationalised industries). The proposals made match those criteria reasonably well, as this analysis shows:

(A) Significant in terms of the activities and resources or policies of the department

| Proposal | Department     | Subject  | Cost                                      | No of staff       |
|----------|----------------|--|---|-------------------|
| (2)      | LCD + DHSS     | Assessment of financial entitlement to legal aid (civil) | £6m+                                      | 600 (DHSS)        |
| (3)      | FCO            | Use of Diplomatic Service                                | Not stated                                | Not stated        |
| (4)      | FCO            | Passport Office  | Not stated                                | 1,000             |
| (6)      | HM Treasury    | Civil Service Catering Organisation                      | £30m subsidy                              | 1,500             |
| (7)      | Inland Revenue | PAYE end-year procedures                                 | Not stated                                | 4,400 staff units |
| (8)      | Inland Revenue | Visits to the public                                     | Staff costs not stated. c£1m for car hire | 1,800 man years   |

| <u>Proposal</u> | <u>Department</u> | <u>Subject</u>                                       | <u>Cost</u>            | <u>No of staff</u>                     |
|-----------------|-------------------|--|------------------------|--|
| (10)            | Customs & Excise  | Processing of Customs Imports entries                | £13.5m                 | 1,250                                  |
| (14)            | NIO               | Land management                                      | Staff costs not stated | c.400                                  |
| (16)            | MOD               | Services and civilian pension administration         | £7.8m                  | c.700                                  |
| (17)            | MOD               | Services pay and records                             | £55.0m                 | c.3,700                                |
| (19)            | WO                | Administrative and grant procedures of land drainage | Staff costs not stated | 5 plus part-time involvement of others |
| (25)            | MSC               | General Employment Service                           | Staff costs not stated | 10,600                                 |

(B) Aspects of the administration of social security benefits/pensions not yet looked at

5. I here include aspects of pension and similar work.

| <u>Proposal</u> | <u>Department</u> | <u>Subject</u>   | <u>Cost</u>                 | <u>No of staff</u>            |
|-----------------|-------------------|--|-----------------------------|-------------------------------|
| (1)             | Home Office       | Criminal Injuries Compensation Scheme: administration                                      | £2.9m                       | Not stated                    |
| (22)            | DHSS              | Payment of social security benefits to people in hospital                                  | Appreciable, but not stated |                               |
| (24)            | PGO               | Need for effectiveness of periodic declarations of entitlement to (public service) pension | £0.07m                      | Part of the work of 600 staff |

(C) Regulatory and enforcement activities not yet fully examined

| <u>Proposal</u> | <u>Department</u>                       | <u>Subject</u>                                      | <u>Cost</u> | <u>No of staff</u> |
|-----------------|---|---|-------------|--------------------|
| (18)            | Department of the Registers of Scotland | Billing and collection of (deed) registration fees. | £0.04m      | 7                  |

| <u>Proposal</u> | <u>Department</u>            | <u>Subject</u>  | <u>Cost</u> | <u>No of staff</u> |
|-----------------|------------------------------|---|-------------|--------------------|
| (20)            | Department of Trade          | Practice relating to the supervision of insurance companies                   | £0.6m       | 62                 |
| (21)            | Department of Transport      | Administration and enforcement of the Goods Vehicle Operator licensing system | £8.0m       | Not stated         |
| (26)            | Health and Safety Commission | Requirement for information on accidents at work and on industrial diseases   | c.£1m       | Not stated         |

(D) The work of professional advisers

| <u>Proposal</u> | <u>Department</u>                   | <u>Subject</u>  | <u>Cost</u> | <u>No of staff</u> |
|-----------------|-------------------------------------|---|-------------|--------------------|
| (5)             | Overseas Development Administration | Professional advisers other than economists                     | £2.1m       | 55                 |
| (23)            | Government Actuary's Department     | Nature and extent of the Actuarial Services needed by Ministers | £0.6m       | 61                 |

(E) The policy-making process, with particular regard to simplicity and cost of implementation

| <u>Proposal</u> | <u>Department</u>      | <u>Subject</u>   | <u>Cost</u> | <u>No of staff</u> |
|-----------------|------------------------|--|-------------|--------------------|
| (12)            | Department of Industry | Methods of assessing the cost-effectiveness of Selective Financial Assistance. | Not stated  | Not stated         |

Recn.1 6. I recommend that, subject to exceptions noted below and to my trying to improve or clarify the scope of the proposals made where necessary, you should accept the proposals listed at A - E above.

(F) Conduct of relations between sponsoring divisions and nationalised industries

7. This issue was also raised with Ministers at a meeting of E(NI) before Christmas. The departments mainly concerned - Energy, Industry, Trade and Transport - have not made relevant proposals,



Recn. 2

although Trade is proposing to conduct an "organisation development" exercise on its sponsorship of either the British Airports Authority or British Airways. I suggest that I might on your behalf encourage Mr Biffen to convert that exercise into a scrutiny, but if he refuses the exercise could still - if done with enough vigour - help pave the way for a wider review later on. My hopes that Energy would come up with a proposal have not been justified but I am seeing Mr Lawson presently and would like your authority, please, to pursue this idea with him further. Recn. 3 The Secretaries of State for Industry and Transport have made very acceptable alternative proposals and I would not recommend asking them for additional scrutinies at this point.

8. The Chancellor of the Exchequer has proposed a scrutiny (no.11) of the services provided by the Post Office for the Department for National Savings. This is one of several scrutinies arising from scrutinies conducted last year, when DNS looked into accounting errors made by the Post Office; DNS estimate that the cost of non-accounting errors made at Post Office counters is between £1.5 and £2m, which is additional to the £61m to be paid by DNS for PO services. The Department believe that they have "insufficient influence on the quality of the service provided, despite the large staffing cost of putting the errors right".

9. The Department observe, correctly, that this scrutiny would, ideally, be done jointly with the Post Office, in which case the reporting arrangements should include the chairman of the PO Corporation as well as Lord Cockfield. I very much agree.

I think that it is well worthwhile pressing ahead in that direction and I should be very glad to give the exercise my help and support.

10. The Chancellor of the Duchy of Lancaster suggested in December that Ministers should consider scrutinies of operational areas which include agency work by the PO. The Home Secretary mentions TVlicences. He does not propose a scrutiny here this year, but says that if there were to be a single study covering the departments which use the Post Office he would be prepared to join. The Secretary of State for Transport mentions Vehicle Excise Duty licences, a small bit of PO business and only recently expanded. But he too would be interested in a general study of Departments' use of PO counter services. No other Minister mentions the issue, which - as you will recall from the social security benefits payments controversy - can be explosive if not handled with care.

Recn.4

11. I think that a modest beginning is probably the right way forward and I suggest that you agree to our exploring with the Post Office the scope and conduct of a scrutiny as proposed by DNS. If we find in discussion with the Post Office that we can widen the scope, Ministers might be encouraged to do so.

Paper and complexity of regulations

12. Paper was not one of the "areas" mentioned in Mr Whitmore's letter, but I welcome the Minister of Agriculture's proposal, as follows:

| Proposal | Department | Subject                             | Cost                              | Noof staff |
|----------|------------|-------------------------------------|-----------------------------------|------------|
| (15)     | MAFF       | Generation/use of written documents | To be established by the scrutiny |            |

13. As it happens, two scrutinies from last year's programme - the generation of information (FCO) and the dissemination of information (MOD) - also bear on this subject. I would want to encourage Mr Walker to complete the exercise soon, so that the lessons to be drawn from all three can be drawn out and disseminated.

14. I am also very interested in the complexity of regulations which can be a great trial to public and staff alike. I therefore welcome the Chancellor of the Exchequer's proposal (9) to scrutinise the many memoranda and instructions issued by the Headquarters of the Inland Revenue to local Tax and Collection Offices each year. It is worth quoting the reasons given for the selecting the subject which could probably be repeated fairly widely across Whitehall:

"Our Instruction Manuals contain some 3½ millions words, and each year around 4,000 pages are revised. In addition approximately 500 circulars on different topics are issued, with each topic requiring on average about 3 pages of instructions. The Department is aware that the mass of paper issued each year is not absorbed by local staff as well as it might be. A study in this area may not produce direct economies in terms of staff or materials but if it led to better assimilation of the material by local office staff, their work would be performed more accurately and efficiently."

Recn. 5 15. I recommend that you should approve these two proposals.

PROPOSALS OF DOUBTFUL MERIT

16. Two of the proposals are, frankly, tiddlers alongside the largest. Billing and collection of fees for the registration of deeds by the Department of the Registers of Scotland and administration and procedures under the Land Drainage Act 1976 (nos. 18 and 19) in Wales account for only 12 staff between them.

17. The Welsh Office proposal may open the door to<sup>a</sup> wider exercise in England and is interesting in its own right as a study of one part of the "mini-Whitehall" in Cardiff. But the Welsh Office is not taking part in any of the three Service-wide reviews and so is lucky to get away with this very modest proposal. So

Recn.6 I recommend that it should be accepted but that another subject be sought in addition; my own candidates would be some aspect of planning, perhaps to be examined in collaboration with the Department of the Environment (see para. 20 below).

18. By contrast the Scottish Office is taking part in the Resource Control review (the Prison Service) and Personnel Work review. The Scottish Registers Department proposal is however about the work of an Executive Officer and 6 Clerical Officers, engaged on a very simple task which should be well capable of being reviewed on scrutiny lines without the formality of inclusion

Recn. 7 in the scrutiny programme. I therefore recommend that it should not be accepted.

19. The Secretary of State for the Environment's proposal (13) is the DOE Cartographic Service, whose staff cost is £1.4m. This is fine as far as it goes - it may help should there be a question later of reviewing similar services elsewhere in Government - but it is a pretty modest proposal given that

- (1) previous DOE(Central) scrutinies have been mainly about systems - MINIS, Joubert and financial control over the water industry;
- (2) the other scrutiny (of the Regional Organisation) was of modest quality and modest effect;
- (3) DOE(Central) is not taking part in any of this year's Service-wide reviews; and
- (4) the Secretary of State will be appearing at your presentation on 24 February before colleagues who have tackled and are tackling bigger and wider issues as an exponent of good management.

Recn. 8 20. I recommend that Cartographic Services should be accepted but that Mr Heseltine should be pressed for a second subject. This might be found in the planning area, eg the value added by regional and structure planning.

#### DESIRED EXEMPTIONS

21. Ministers have requested exemptions as follows:

- (1) Chancellor of the Exchequer: "Central policy areas" of HM Treasury, given that a scrutiny

of the Civil Service Catering Organisation is proposed (no. 6, para. 6 above) and that a review of the work of the Expenditure Divisions in relation to playing their "proper part in connection with financial management in Departments" is still in progress. I agree this. (It is a long time since the Expenditure Divisions scrutiny was set in hand but I understand that it will be brought to a conclusion by May.)

(2) Lord President of the Council: Administrative Privy Council Office and Judicial Committee of the Privy Council. (The PCO has 36 staff and an estimated expenditure in 1981-82 of £0.6m.) Mr Pym says that both have "fixed and largely statutory functions". Neither has been included in the programme before and I agree that they should be left out again this year.

(3) Secretary of State for Education and Science: Sir Keith Joseph argues that DES is a relatively small department (it and the UGC have 2,545 staff and a net staff and administrative budget of £32m), that it undertook three "Rayner" exercises last year (HMI, Museums and statistics - the last of these was actually in 1980), that there will be follow-up work to do and that DES's main effort this year should be in the Review of Running Costs.

But Sir Keith Joseph adds that he will look out for a suitable area for scrutiny which might be added to the programme, subject to progress with other efficiency work. Despite the element of special pleading here, I agree with Sir Keith Joseph: the Department might be well advised to concentrate on delivering the HMI scrutiny and the Museums scrutiny, apart from which the SSRC review under Lord Rothschild may cause trouble.

- (4) Secretary of State for the Environment: Property Services Agency. I agree with this. The PSA is taking part in two of the Government-wide reviews - Resource Control (District Works Service) and Personnel Work - and will be helping with the Running Costs review. Apart from that, PSA has both a lot of other review work in hand and a new Chief Executive.
- (5) Secretary of State for Scotland: Main Scottish Office. Mr Younger asks for exemption on the grounds that the SO is taking part in two Government-wide reviews, of Resource Control (Scottish Prison Service) and of Personnel Work. I agree.
- (6) Chancellor of the Duchy of Lancaster: Management and Personnel Office. I agree with Lady Young's view that as the MPO is taking part in the

Running Costs review and is being otherwise worked over in the process of devising its first Action Document it should not be obliged to come up with a scrutiny at this point. But despite the fact that MPO (with my unit) will be co-ordinating the three Government-wide reviews, I think that it might be wise for the Department to be able to show the rest of Whitehall that it was being rigorous with itself; perhaps something in the Civil Service Commission would be found later in the year or the whole Commission included in the Resource Control Review.

- (7) Secretary of State for Energy: Mr Lawson's Department is taking part in the review of Running Costs. He explains that it is engaged in implementing points arising from the CPRS report on nationalised industries and that each of the relevant divisions (Coal, Gas and Electricity) has tasks either in hand or in prospect which militate against a scrutiny of working relationships with a nationalised industry; it is a "small" Department (actually 1,220 staff, with a wages and administration bill of £16m net). The Department's record in the scrutiny programme is not impressive and, as already suggested (para. 7 above) I suggest that you authorise me to see whether Mr Lawson can be encouraged to come up with a scrutiny in the nationalised industry area.



It would be timely so to extend the scope of the programme.

- (8) Secretary of State for Employment: Department of Employment. Mr Tebbit is, I think, right to argue that DE which is participating in both the Running Costs and the Personnel Work reviews, should not also engage in the scrutiny programme. He draws attention to the fact that a substantial scrutiny of the MSC's General Employment Service (no. 25) is in train; offers a scrutiny in the Health and Safety Commission (no. 26); and observes that his own Unemployment Benefit Service is too hard pressed recovering from last year's pay dispute, implementing decisions on the 1980 scrutiny of benefits for the unemployed and introducing the taxation of benefit to allow involvement in the scrutiny programme. I agree.

Recn. 9 22. I recommend that you should agree to the exemptions listed above, subject to the points noted.

#### OTHER OBSERVATIONS AND CONCLUSIONS

23. The range of proposals made this year is very wide. It extends from the MSC's General Employment Service with 10,600 staff and an expenditure of £135m pa at one extreme to the billing and collection section of the Department of the Registers of Scotland

with its 7 staff and a expenditure of £38,000 at the other. Overall, the value of the areas subject to scrutiny and Government-wide review this year is as follows:

| <u>Exercise</u>         | <u>Expenditure</u> | <u>Staff</u>     |
|-------------------------|--------------------|------------------|
| Scrutiny programme      | At least £250m*    | At least 20,000* |
| Resource Control review |                    | ✓                |
| Personnel Work review   | Not yet known      | c. 10,000        |

24. This year's "efficiency strategy" will accordingly cover a substantial area of central Government. If I may say so, I think that you and your colleagues may take a good deal of pride in this, not least because the "efficiency" work of earlier years has left some departments, not all, with a sizeable body of continuing implementation work.

25. I have already drawn attention to the possible extension of the scrutiny technique into some other parts of the public sector, the Post Office and the nationalised industries. I will aid this as best I can without putting success at risk by pushing too hard. May I draw your attention also to the reference in the minute to you from the Secretary of State for Social Services to his plans for scrutinies into various aspects of the National Health Service?

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\* Not all expenditures and staff numbers have been stated, so the actual numbers are much greater than shown here.

✓ Prisons, England and Wales, £400m, 25,000 staff  
 Prisons, Scotland, £36m, 2,740 staff  
 Royal Mint, £24m, staff  
 District Works, PSA, £ m, staff  
 RAF support area, £ m, staff  
 Meteorological Office, £50m, 3,900 staff  
 Coastguard Service, £11m, 600 staff

If these come off, it will be greatly to the credit of Mr Fowler and Sir Kenneth Stowe. Here, too, I am lending what support I can. It would be good if the message sent on your behalf to Mr Fowler could offer him your encouragement.

26. The Ministry of Defence is of particular interest to me as a former Chief Executive of the Procurement Executive and as someone who well recognises the problems of the Ministry's political, military and civil service heads. The Secretary of State's minute to you of 15 January offers a pretty good package, two substantial scrutinies (nos. 16 and 17, the administration of pay and pensions) and two good Resource Control reviews (RAF Support, which is an enormous area, and the Meteorological Office which, with 3,900 staff, is bigger than one might expect). Both the Chancellors of the Exchequer and of the Duchy of Lancaster have proposed that more be sought.

27. I think that, at the right time, the prospects of persuading Mr Nott to include Army and Royal Navy training in the Resource Control review are quite favourable, but I am also clear that that time is not quite yet. While, therefore, I propose that my unit should write to all other Departments conveying your decisions, I think that Mr Whitmore should respond on your behalf to Mr Nott and I shall offer you a draft for this purpose presently.

28. The Chancellor of the Exchequer notes that he is considering a scrutiny of the Customs and Excise VAT Headquarters at Southend,

Recn.10 either this year or next. I recommend that the idea should be encouraged, with a view to inclusion in this year's programme if possible.

29. As there was a Question last [December] by Mr Ray Powell MP on the involvement of Marks and Spencer staff in Government work, perhaps I may draw your attention to the fact that my Company has agreed with a request from Treasury Ministers to second someone to help with the scrutiny of the Civil Service Catering Organisation (no. 6). This will be Miss Sybil Barnes, the Head of our Staff Catering Service.

30. Finally, I suggest that you should authorise me to take a particular interest on your behalf in the following scrutinies:

| No.    | Department     | Subject   |
|--------|----------------|---|
| 4      | FCO            | Passport Office   |
| 7      | Inland Revenue | PAYE end-year procedures  |
| 9      | Inland Revenue | District Memoranda and Instructions                                       |
| 11     | DNS            | Improving the quality of Post Office Services                             |
| 15     | MAFF           | Generation and use of written documents                                   |
| 16, 17 | MOD            | Service/civilian pension administration; Service pay and records          |
| 21     | DTp            | Administration/enforcement of the Goods Vehicle Operator Licensing system |
| ?22    | DHSS           | Payment of benefit to hospital patients?                                  |
| 25     | MSC            | General Employment Service (with which I am already engaged)              |

Note: I would also help to some extent with the NHS programme (para. 25).

Summary of recommendations

31. I ask you to authorise action on my recommendations, which are as follows:

(1) Para. You should accept the proposals at A - E (paras. 4 and 5), subject to the exceptions noted below and my trying to improve and clarify the scope of proposals where necessary.

(2) Para. I should encourage the Secretary of State for Trade to convert the proposed exercise on his Department's sponsorship of the British Airports Authority or British Airways into a scrutiny.

(3) Para. I should pursue with the Secretary of State for Energy the idea of a similar scrutiny in his field of responsibility.

(4) Para. 12 We should explore with the Post Office the idea of a joint scrutiny as proposed in respect of National Savings work, and with a view to a wider study involving other Departments if that seems feasible.

(5) Para. 15 You should accept the proposals for scrutinies of the generation and use of written documents in the Ministry of Agriculture (para. 12) and of memoranda and instructions in the Inland Revenue (para. 14).

- (6) I should pursue with the Secretary of State for Wales  
Para. 17 the possibility of a second scrutiny in addition to that on land drainage.
- (7) The billing and collection of registration fees by the  
Para. 18 Department of the Registers of Scotland should not be accepted for inclusion in the scrutiny programme.
- (8) You should accept the Secretary of State for the  
Para. 19 Environment's proposal to scrutinise his Cartographic Services; but authorise pressure for a second subject, perhaps in the field of planning.
- (9) You should agree to the exemptions listed in para. 21,  
Para. 22 subject to the points noted.
- (10) The idea of including the Customs and Excise VAT HQ  
Para. 28 in the programme, preferably this year, should be encouraged.
- (11) You should authorise me to take a particular interest  
Para. 30 on your behalf in the ten scrutinies listed in para. 30.

32. I am copying this minute to the Chancellor of the Duchy of Lancaster, Sir Robert Armstrong, Sir Douglas Wass, Mr Ibbs and Mr Cassels.

Derek Rayner

Enc: Summary of proposals for 1982

| <u>DEPARTMENT</u>  | <u>PROPOSALS FOR INCLUSION<br/>IN SCRUTINY PROGRAMME</u>  | <u>COMMENT</u>  | <u>RESOURCE<br/>CONTROL<br/>REVIEW</u> | <u>RUNNING<br/>COSTS<br/>REVIEW</u> | <u>PERSONNEL<br/>WORK<br/>REVIEW</u>  |
|--|---|---|--|-------------------------------------|---|
| <u>Home Office</u>                                       | (1) Administration of the Criminal Injuries Compensation Scheme. £2.9m pa administration cost. Staff number not stated.         | Acceptable subject to the terms of reference not being too narrowly drawn.  | Prison Service                         | No                                  | Yes   |
| <u>Lord<br/>Chancellor's<br/>Department</u>              | (2) Administrative procedures for means assessment of those applying for civil legal aid (see DHSS, below).                     | Jointly with Department of Health and Social Security (see below).  | No                                     | No                                  | Yes   |
| <u>Foreign &amp;<br/>Commonwealth<br/>Office</u>         | (3) Use made of Diplomatic Service personnel overseas. To start Feb. 82.<br>(4) Passport Office (1,000 staff. Cost not stated.) | (1) Acceptable (deferred from programme for 1981).<br>(2) Acceptable.   | No                                     | Yes                                 | [Internal review of the possible integration of personnel management and financial and manpower control between FCO and ODA.] |
| <u>Overseas<br/>Development<br/>Administra-<br/>tion</u> | (5) The work of the ODA's professional advisers, other than Economists (55 staff, £2.1m pa). To start March/April 1982.         | Acceptable  | No                                     | No                                  | [ - ]   |
| <u>HM Treasury</u>                                       | (6) Civil Service Catering Organisation. 1,500 staff; annual subsidy £30m. To start 1 May 1982 (provisional).                   | Acceptable. (One of the two examining officers will be Miss Sybil Barnes, Head of Staff Catering at Marks & Spencer.) | Royal Mint                             | No                                  | No  |

| <u>DEPARTMENT</u>               | <u>PROPOSALS FOR INCLUSION<br/>IN SCRUTINY PROGRAMME</u>  | <u>COMMENT</u>   | <u>RESOURCE<br/>CONTROL<br/>REVIEW</u> | <u>RUNNING<br/>COSTS<br/>REVIEW</u> | <u>PERSONNEL<br/>WORK<br/>REVIEW</u> |
|---------------------------------|---|--|--|-------------------------------------|--------------------------------------|
| <u>Inland<br/>Revenue</u>       | <p>(7) PAYE End of Year Procedures (one of the most clerically-intensive operations in the Dept.) 4,400 staff units, with potential for saving at least 1,000 (22%). To start mid-April 1982.</p> <p>(8) Review of visits made to the public by Inland Revenue staff. 1,800 man years of effort in Local Collection Offices, PAYE Audit Units and local Valuation Offices, plus some £1m pa for car hire.</p> <p>(9) District Memoranda and Instructions to Tax and Collection Offices (ie notification of changes to procedures in year). 45 staff units at HQ. Publishing £0.3m pa. Reading time in local offices. To start 1 September 1982.</p> | <p>Acceptable.</p> <p>Acceptable</p>   | <p>No</p>                              | <p>No</p>                           | <p>Yes</p>                           |
| <u>Customs &amp;<br/>Excise</u> | <p>(10) Processing of Customs Import Entries: examination of cause, detection and correction of errors. Errors on entries are thought to involve c. 1,250 staff at a cost of £13.5m pa. To start 1 August 1982.</p> <p>Possibly also a major scrutiny of VAT Headquarters at Southend, either 1982 or 1983.</p>   | <p>Acceptable</p> <p>Year under consideration by the Chancellor of the Exchequer. Topic very acceptable.</p> | <p>No</p>                              | <p>No</p>                           | <p>Yes</p>                           |



| <u>DEPARTMENT</u>                              | <u>PROPOSALS FOR INCLUSION<br/>IN SCRUTINY PROGRAMME</u>  | <u>COMMENT</u>  | <u>RESOURCE<br/>CONTROL<br/>REVIEW</u> | <u>RUNNING<br/>COSTS<br/>REVIEW</u> | <u>PERSONNEL<br/>WORK<br/>REVIEW</u> |
|--|---|---|--|-------------------------------------|--------------------------------------|
| <u>Department<br/>for National<br/>Savings</u> | (11) Improving the quality of the Post Office service paid for by the Dept. (total cost £61m). (Cost of DNS staff required to correct Post Office non-accounting errors estimated at £1.5 - £2.0m.) To start 1 March. | Acceptable. (Might better be done jointly with the Post Office in which case the reporting arrangements should include the Chairman of the PO.)   | No                                     | No                                  | No                                   |
| <u>Department<br/>of Industry</u>              | (12) The methods used to assess the cost-effectiveness of Selective Financial Assistance. Estimated expenditure £250m in 1982-83. (Cost of staff effort not stated.)  | Acceptable, as a scrutiny of the policy function of analysis, decision-taking and evaluation.   | No                                     | No                                  | No                                   |
| <u>Department<br/>of the<br/>Environment</u>   | (13) Cartographic service in DOE, (£1.14m). To start 1 April.   | (1) Acceptable as a possible fore-runner for a Government-wide review of Cartographic Services (to be found in other departments too).<br><br>(2) But not a very impressive candidate as a single bid from DOE. | No                                     | No                                  | No                                   |
| <u>Property<br/>Services<br/>Agency</u>        | No scrutiny proposed.   | Acceptable.   | District<br>Works                      | Helping                             | Yes                                  |

| <u>DEPARTMENT</u>                                  | <u>PROPOSALS FOR INCLUSION<br/>IN SCRUTINY PROGRAMME</u>  | <u>COMMENT</u>                           | <u>RESOURCE<br/>CONTROL<br/>REVIEW</u>                                   | <u>RUNNING<br/>COSTS<br/>REVIEW</u> | <u>PERSONNEL<br/>WORK<br/>REVIEW</u> |
|--|---|--|--|-------------------------------------|--------------------------------------|
| <u>Department<br/>of Education<br/>and Science</u> | Not "desirable to start another scrutiny just yet in this relatively small department" but will "keep a look out over the next few months in case a suitable scrutiny area can be identified and, subject to progress with other efficiency work, be added to the programme". | See covering minute.                     | No   | Yes                                 | No                                   |
| <u>Lord<br/>President of<br/>the Council</u>       | No proposals in respect of administrative Privy Council Office and Judicial Committee of the Privy Council.   | Agreed.                                  | No   | No                                  | No                                   |
| <u>Northern<br/>Ireland<br/>Office</u>             | (14) Acquisition, management and disposal of land by the NI Civil Service. Preparatory work has begun (c.400 staff.)  | Already agreed in principle.             | No   | No                                  | No                                   |
| MAFF   | (15) The generation and use of written documents in MAFF. Starting date to be agreed. Costs to be established.  | Acceptable.                              | No   | No                                  | Yes                                  |
| <u>Ministry<br/>of Defence</u>                     | (16) Service and civilian pension administration. (£7.8m, c.700 posts).<br>(17) Service pay and records. (£55m, c. 3,700 posts.)  | (16) Acceptable.<br><br>(17) Acceptable. | (1) RAF support plus associated individual training.<br>(2) Met. Office. | No                                  | No                                   |

| <u>DEPARTMENT</u>                  | <u>PROPOSALS FOR INCLUSION<br/>IN SCRUTINY PROGRAMME</u>  | <u>COMMENT</u>  | <u>RESOURCE<br/>CONTROL<br/>REVIEW</u> | <u>RUNNING<br/>COSTS<br/>REVIEW</u> | <u>PERSONNEL<br/>WORK<br/>REVIEW</u> |
|------------------------------------|---|---|--|-------------------------------------|--------------------------------------|
| <u>Scottish<br/>Office</u>         | Not main Scottish Office.<br>(18) Billing and collection of registration fees. Dept. of Registers of Scotland (7 staff, £37,889).   | Acceptable.<br>(18) A worthwhile subject, but too small for inclusion in the programme? | Prison                                 | No                                  | Yes                                  |
| <u>Welsh<br/>Office</u>            | (19) Administrative and grant procedures under the Land Drainage Act 1976. (5 staff, plus part-time professional and administrative involvement). To start Feb. 82.   | Small, but acceptable.  | No                                     | No                                  | No                                   |
| <u>Department<br/>of Trade</u>     | (20) Practice relating to the supervision of insurance companies (62 staff, £600,000 pa). To start Nov. 82.<br><br>Not proposing a scrutiny of relationships between sponsoring Divisions and nationalised industries, but an "organisation development" exercise on DOI sponsorship of either the British Airports Authority or British Airways. | (2) Acceptable.<br><br>Raises wider issues: see covering minute.                        | Coast-guard Service                    | Yes                                 | No                                   |
| <u>Department of<br/>Transport</u> | (21) Administration and enforcement of the Goods Vehicle Licensing System (£8m). To start March 82.<br><br>Would be interested in a study of Departments' use of the Post Office  | (21) Acceptable.<br><br>Raises wider issues: see covering minute.                       | No                                     | No                                  | No                                   |

| <u>DEPARTMENT</u>   | <u>PROPOSALS FOR INCLUSION<br/>IN SCRUTINY PROGRAMME</u>   | <u>COMMENT</u>  | <u>RESOURCE<br/>CONTROL<br/>REVIEW</u> | <u>RUNNING<br/>COSTS<br/>REVIEW</u> | <u>PERSONNEL<br/>WORK<br/>REVIEW</u>        |
|---|--|---|--|-------------------------------------|---|
| <u>Department<br/>of Health &amp;<br/>Social Sec-<br/>urity</u> | (2) Assessment of legal aid in civil cases. (600 staff, £6+m). To start Autumn 1982.<br><br>(22) Payments of social security benefits to people in hospital. (Costs not stated.) To start as early in 1982 as possible.                            | (2) Acceptable. Jointly with LCD.<br><br>(22) Acceptable. | No                                     | No                                  | Yes   |
| <u>Management<br/>and Personnel<br/>Office</u>                  | "The whole work of the Office is being looked at pretty sharply in the course of preparing our first action document for 1982-83. It may be that subjects which can usefully be scrutinised will emerge after, but it is too early so far to say." | Acceptable.   | No                                     | Yes                                 | MPO rules and codification will be covered. |
| <u>Government<br/>Actuary's<br/>Department</u>                  | (23) The actuarial services needed by Ministers. (61 staff, £0.6m pa). Started January 1982.   | Acceptable (postponed from 1981).                         | No                                     | No                                  | No  |
| <u>Paymaster-<br/>General</u>                                   | (24) Declarations of entitlement for public sector pensions. (£0.07m, part of the work of 600 staff.)  | Acceptable (postponed from 1981).                         | No                                     | No                                  | No  |
| <u>Department<br/>of Energy</u>                                 | No reply but Mr Lawson has previously indicated he hasn't the resources to do more than the running costs review, although he does not rule out something for later in the year.   | See covering minute.                                      | No                                     | Yes                                 | No  |

| <u>DEPARTMENT</u>                            | <u>PROPOSALS FOR INCLUSION<br/>IN SCRUTINY PROGRAMME</u>  | <u>COMMENTS</u>   | <u>RESOURCE<br/>CONTROL<br/>REVIEW</u> | <u>RUNNING<br/>COSTS<br/>REVIEW</u> | <u>PERSONNEL<br/>WORK<br/>REVIEW</u> |
|--|---|---|--|-------------------------------------|--------------------------------------|
| <u>Department of<br/>Employment</u>          | "Too hard pressed in recovering from the Civil Service dispute, implementing the earlier Rayner scrutiny of employment benefit and introducing taxation of benefit to allow involvement in any further scrutiny this year." | Acceptable.   | No                                     | Yes                                 | Yes                                  |
| <u>Manpower<br/>Services<br/>Commission</u>  | (25) General Employment Service.<br>(10,600 staff, £135m).  | Already agreed and in train.  | No                                     | No                                  | Yes                                  |
| <u>Health &amp;<br/>Safety<br/>Executive</u> | (26) The arrangements for the supply and use of information on industrial accidents and diseases. (c. £1m to HSE alone.)  | Acceptable as a first step towards looking at the working of the Inspectorates. | No                                     | No                                  | In part                              |
| <u>TOTALS</u>                                | <u>26</u> (of which <u>3</u> are postponed from 1981)   | -   | <u>7</u>                               | <u>6</u>                            | <u>9</u>                             |

15 FEB 62



Gov. Maud



HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

22 Jan '82

Dear Clive,

THE EFFICIENCY STRATEGY 1982 -  
THE SCRUTINY PROGRAMME


Your letter of 15th December 1981 asked Ministers to send their proposals for the 1982 Scrutiny Programme to the Prime Minister by 15th January. I am sorry we are a little late.

The Home Office is already committed to two major scrutinies this year; a "resource control review" of prison manpower, and participation, together with half a dozen other departments, in a scrutiny of personnel management. We are therefore putting forward a proposal of comparatively limited scope for our third scrutiny: the administration of the Criminal Injuries Compensation Scheme. This seems to us to fit in well with the intention that the 1982 programme should include a number of scrutinies related to schemes which affect the individual citizen. I enclose the relevant particulars together with a copy of the Scheme.

We have seen the correspondence relating to Post Office Agency Services. The Home Office's main concern here is with television licences. We do not ourselves propose to undertake a scrutiny in this area in 1982. If anything is to be done, there might, in view of what the Secretary of State for Industry says in his letter of 12th January about the sensitivity of such studies from the Post Office point of view, be some advantage in a single study covering all the departments concerned. If it were decided to proceed in this way we would of course be prepared to participate.

I am copying this letter to Muir Russell in the Scottish Office in view of their responsibility for the Criminal Injuries Compensation Scheme in Scotland. I am also sending a copy to the private secretaries to the Chancellor of the Exchequer, the Secretary of State for Northern Ireland, the Secretary of State for Industry, the Secretary of State for Transport, the Secretary of State for Social Services, the Chancellor of the Duchy of Lancaster, Clive Priestley and David Wright.

Yours ever,

  
J. F. HALLIDAY

Clive Whitmore Esq.

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125 JAN 1882





## Criminal Injuries Compensation Scheme

The Scheme for compensating victims of crimes of violence was announced in both Houses of Parliament on 24th June 1964, and in its original form came into operation on 1st August 1964.

The Scheme has since been modified in a number of respects. The revised 1979 Scheme which applies to all incidents occurring on and after 1 October is set out below.

Requests for application forms and all inquiries should be addressed to:

Criminal Injuries Compensation Board,  
10-12 Russell Square,  
LONDON WC1B 5EN  
Tel. 01-636 2812  
01-636 4201

## THE SCHEME

### Administration

1. The Compensation Scheme will be administered by the Criminal Injuries Compensation Board, which will be assisted by appropriate staff. Appointments to the Board will be made by the Secretary of State\*, after consultation with the Lord Chancellor and, where appropriate, the Lord Advocate. The Chairman and members of the Board, who will be legally qualified, will be appointed to serve for five years in the first instance, and their appointment will be renewable for such periods as the Secretary of State considers appropriate. The Board members and Chairman will not serve on the Board beyond the age of 72, or after retirement from legal practice, whichever is the earlier, except that, where the Secretary of State considers it to be in the interests of the Scheme to extend a particular appointment beyond the age of 72 or after retirement from legal practice, he may do so. The Secretary of State may, if he thinks fit, terminate a member's appointment on the ground of incapacity or misbehaviour.

2. The Board will be provided with money through a Grant-in-Aid out of which payments for compensation awarded in accordance with the principles set out below will be made. Their net expenditure will fall on the Votes of the Home Office and the Scottish Home and Health Department.

3. The Board will be entirely responsible for deciding what compensation should be paid in individual cases and their decisions will not be subject to appeal or to Ministerial review. The general working of the Scheme will, however, be kept under review by the Government and the Board will submit annually to the Home Secretary and the Secretary of State for Scotland a full report on the operation of the Scheme, together with their accounts. The report and accounts will be open to debate in Parliament.

### Scope of the Scheme

4. The Board will entertain applications for *ex gratia* payments of compensation in any case where the applicant or, in the case of an application by a spouse or dependant (see paragraphs 15 and 16 below), the deceased, sustained in Great Britain, or on a British vessel, aircraft or hovercraft or on, under or above an installation in a designated area within the meaning of Section 1 subsection (7) of the Continental Shelf Act 1964 or any waters within 500 metres of such an installation, or in a lighthouse off the coast of the United Kingdom, personal injury directly attributable

- (a) to a crime of violence (including arson or poisoning) or
- (b) to the apprehension or attempted apprehension of an offender or a suspected offender or to the prevention or attempted prevention of an offence or to the giving of help to any constable who is engaged in any such activity.

Applications for compensation will be entertained only if made within three years of the incident giving rise to the injury, except that the Board may in exceptional cases waive this requirement. A decision by the Chairman not to waive the time limit will be final. In considering for the purpose of this paragraph whether any act is a criminal act, any immunity at law of an offender, attributable to his youth or insanity or other condition, will be left out of account.

5. Compensation will not be payable unless the Board are satisfied that the injury was one for which the total amount of compensation payable after deduction of social security benefits, but before any other deductions under the Scheme, would not be less than the minimum amount of compensation. This shall be £150 except for cases of violence within the family under paragraph 8 below, where the minimum shall be £500. The application of the minimum level shall not, however, affect the payment of funeral expenses under paragraph 15 below:

6. The Board may withhold or reduce compensation if they consider that:-

- (a) the applicant has not taken, without delay, all reasonable steps to inform the police, or any other authority considered by the Board to be appropriate for the purpose, of the circumstances of the injury and to co-operate with the police or other authority in bringing the offender to justice; or
- (b) the applicant has failed to give all reasonable assistance to the Board or other authority in connection with the application; or
- (c) having regard to the conduct of the applicant before, during or after the events giving rise to the claim or to his character and way of life — and, in applications under paragraphs 15 and 16 below, to the character, conduct and way of life of the deceased and of the applicant — it is inappropriate that a full award, or any award at all, be granted.

Furthermore, compensation will not be payable:-

- (d) in the case of an application under paragraph 4(b) above where the injury was sustained accidentally, unless the Board are satisfied that the applicant was at the time taking an exceptional risk which was justified in all the circumstances.

\* In practice this function will be exercised, as appropriate, by the Home Secretary or the Secretary of State for Scotland.

7. In order to determine whether there was any responsibility, either because of provocation or otherwise, on the part of the victim, the Board will scrutinise with particular care all applications in respect of sexual offences or other offences which arise out of a sexual relationship or where the relationship between the victim and the offender is such that there may be difficulty in establishing the facts or it seems possible that the offender might benefit from any award of compensation made to the applicant. In such cases the Board will especially have regard to any delay that has occurred in submitting the application. Compensation will not be payable unless the Board are satisfied that the offender will not benefit from an award.

8. Where the victim and any person responsible for the injuries which are the subject of the application (whether that person actually inflicted them or not) were living in the same household at the time of the injuries as members of the same family, compensation will be paid only where:-

- (a) the person responsible has been prosecuted in connection with the offence, except where the Board consider that there are practical, technical or other good reasons why a prosecution has not been brought: and
- (b) the injury was one for which compensation — as assessed under paragraph 5 above — of not less than £500 would be awarded: and
- (c) in the case of violence between adults in the family, the Board are satisfied that the person responsible and the applicant stopped living in the same household before the application was made and seem unlikely to live together again; and
- (d) in the case of an application under this paragraph by or on behalf of a minor, ie a person under 18 years of age, the Board are satisfied that it would not be against the minor's interests to make a full or reduced award.

For the purposes of this paragraph, a man and a woman living together as husband and wife shall be treated as members of the same family.

9. If in the opinion of the Board it is in the interests of the applicant (whether or not a minor or a person under an incapacity) so to do, the Board may pay the amount of any award to any trustee or trustees to hold on such trusts for the benefit of all or any of the following persons, namely the applicant and any spouse, widow or widower, relatives and dependants of the applicant and with such provisions for their respective maintenance, education and benefit and with such powers and provisions for the investment and management of the fund and for the remuneration of the trustee or trustees as the Board shall think fit. Subject to this the Board will have a general discretion in any case in which they have awarded compensation to make special arrangements for its administration. In this paragraph "relatives" means all persons claiming descent from the applicant's grandparents and "dependants" means all persons who in the opinion of the Board are dependant on him wholly or partially for the provision of the ordinary necessities of life.

10. The Board will consider applications for compensation arising out of acts of rape and other sexual offences both in respect of pain, suffering and shock and in respect of loss of earnings due to consequent pregnancy, and, where the victim is ineligible for a maternity grant under the National Insurance Scheme, in respect of the expenses of childbirth. Compensation will not be payable for the maintenance of any child born as a result of a sexual offence.

11. Applications for compensation for personal injury attributable to traffic offences will be excluded from the Scheme, except where such injury is due to a deliberate attempt to run the victim down.

#### **Basis of compensation**

12. Subject to the other provisions of this Scheme, compensation will be assessed on the basis of common law damages and will normally take the form of a lump sum payment, although the Board may make alternative arrangements in accordance with paragraph 9 above. More than one payment may be made where an applicant's eligibility for compensation has been established but a final award cannot be calculated in the first instance — for example, where only a provisional medical assessment can be given. In a case in which an interim award has been made, the Board may decide to make a reduced award, increase any reduction already made or refuse to make any further payment at any stage before receiving notification of acceptance of a final award.

13. Although the Board's decisions in a case will normally be final, they will have discretion to reconsider a case after a final award of compensation has been accepted where there has been such a serious change in the applicant's medical condition that injustice would occur if the original assessment of compensation were allowed to stand, or where the victim has since died as a result of his injuries. A case will not be re-opened more than three years after the date of the final award unless the Board are satisfied, on the basis of evidence presented with the application for re-opening the case, that the renewed application can be considered without a need for extensive enquiries. A decision by the Chairman that a case may not be re-opened will be final.

14. Compensation will be limited as follows:-

- (a) the rate of net loss of earnings or earning capacity to be taking into account shall not exceed twice the gross average industrial earnings at the date of assessment (as published in the Department of Employment Gazette and adjusted as considered appropriate by the Board);
- (b) there shall be no element comparable to exemplary or punitive damages.

15. Where the victim has died in consequence of the injury, no compensation other than funeral expenses will be payable for the benefit of his estate, but the Board will be able to entertain applications from his spouse and dependants. For this purpose, compensation will be payable, in accordance with the other provisions of this Scheme, to any person entitled to claim under the Fatal Accidents Act 1976 or any Act repealed by that Act or under the relevant Scottish law. For the avoidance of doubt "spouse" will not include for the purposes of this paragraph or paragraph 16 so-called common-law wives or persons alleged to be married by habit and repute. Funeral expenses to an amount considered reasonable by the Board will be paid in appropriate cases, even where the person bearing the cost of the funeral is otherwise ineligible to claim under this Scheme. Applications may be made under this paragraph where the victim has died from his injuries even if an award has been made to the victim in his lifetime. Such cases will be subject to the conditions set out in paragraph 13 for the re-opening of cases and compensation payable to the applicant will be reduced by the amount paid to the victim.

16. Where the victim has died otherwise than in consequence of the injury, the Board may make an award in respect of loss of wages, expenses and liabilities incurred before death as a result of the injury whether or not application for compensation in respect of the injury has been made before the death.

17. Compensation will be payable for loss of or damage to clothing and other personal adjuncts arising from the injury. Personal adjuncts do not include jewellery, watches or rings lost or damaged, whether at the time of the offence or afterwards or in the course of medical or other treatment arising from the offence. Save as aforesaid, compensation will not be payable for loss of or damage to property.

18. The cost of private medical treatment will be payable by the Board only if the Board consider that, in all the circumstances, both the private treatment and the cost of it are reasonable.

19. Compensation will be reduced by the full value of any present or future entitlement to:-

- (a) UK social security benefits
- (b) compensation awards under the Criminal Injuries (Compensation) (Northern Ireland) Order 1977
- (c) social security benefits, compensation awards or similar payments whatsoever from the funds of other countries, or
- (d) payments under insurance arrangements except as excluded below which may accrue, as a result of the injury or death, to the benefit of the person to whom the award is made.

In assessing this entitlement, account will be taken of any income tax liability likely to reduce the value of such benefits and, in the case of an application under paragraph 15, the value of such benefits will not be reduced to take account of prospects of remarriage. If, in the opinion of the Board, an applicant may be eligible for any such benefits the Board may refuse to make an award until the applicant has taken such steps as the Board consider reasonable to claim them. Subject to paragraph 18 above, the Board will disregard monies paid or payable to the victim or his dependants as a result of or in consequence of insurance personally effected, paid for and maintained by the personal income of the victim or, in the case of a person under the age of 18, by his parent.

20. Where the victim is alive compensation will be reduced to take account of any pension accruing as a result of the injury. Where the victim has died in consequence of the injury, and any pension is payable for the benefit of the person to whom the award is made as a result of the death of the victim, the compensation will similarly be reduced to take account of the value of that pension. Where such pensions are taxable, one-half of their value will be deducted; where they are not taxable, eg where a lump sum payment not subject to income tax is made, they will be deducted in full. For the purposes of this paragraph, "pension" means any payment payable as a result of the injury or death, in pursuance of pension or other rights whatsoever connected with the victim's employment, and includes any gratuity of that kind and similar benefits payable under insurance policies paid for by employers. Pension rights accruing solely as a result of payments by the victim or a dependant will be disregarded.

21. When a civil court has given judgement providing for payment of damages or a claim for damages has been settled on terms providing for payment of money, or when payment of compensation has been ordered by a criminal court, in respect of personal injuries, compensation by the Board in respect of the same injuries will be reduced by the amount of any payment received under such an order or settlement. When a civil court has assessed damages, as opposed to giving judgement for damages agreed by the parties, but the person entitled to such damages has not yet received the full sum awarded, he will not be precluded from applying to the Board, but the Board's assessment of compensation will not exceed the sum assessed by the court. Furthermore, a person who is compensated by the Board will be required to undertake to repay them from any damages, settlement or compensation he may subsequently obtain in respect of his injuries. In arriving at their assessment of compensation the Board will not be bound by any finding or contributory negligence by any court, but will be entirely bound by the terms of the Scheme.

#### **Procedure for determining applications**

22. Every application will be made to the Board in writing as soon as possible after the event on a form obtainable from the Board's office. The initial decision on the amount of any compensation awarded will be taken by one member of the Board and where an award is made the applicant will be given a breakdown of the assessment of compensation, except where the Board consider this inappropriate, and where an award is refused or reduced, reasons for the decision will be given. If the applicant is not satisfied with the decision, he will be entitled to a hearing before three members of the Board other than the member who made the initial decision. An application for a hearing must be made within three months of notification of the initial decision; however the Board may waive this time limit where an extension is requested with good reason within the three month period, or where it is otherwise in the interests of justice to do so. A decision by the Chairman not to waive the time limit will be final. It will also be open to the Single member where he considers that he cannot make a just and proper decision himself, to refer the application to three other members of the Board for a hearing. An applicant will have no title to an award offered until the Board have received notification in writing that he accepts it.

23. It will be for the applicant to make out his case at the hearing, and where appropriate this will extend to satisfying the Board that compensation should not be withheld or reduced under the terms of paragraph 6 or paragraph 8. The applicant and a member of the Board's staff will be able to call, examine and cross-examine witnesses. The Board will be entitled to take into account any relevant hearsay, opinion or written evidence, whether or not the author gives oral evidence at the hearing. The Board will reach their decision solely in the light of the evidence brought out at the hearing, and all the information and evidence made available to the Board members will be made available to the applicant at, if not before, the hearing. While it will be open to the applicant to bring a friend or legal adviser to assist him in putting his case, the Board will not pay the cost of legal representation. They will, however, have discretion to pay the expenses of the applicant and witnesses at a hearing. If one of the three designated members is unable to take part in a hearing, the hearing may proceed, if the applicant consents, with two members.

24. Procedure at hearings will be as informal as is consistent with the proper determination of applications, and hearings will in general be in private. The Board will have discretion to permit observers, such as representatives of the press, radio and television, to attend hearings provided that written undertakings are given that the anonymity of the applicant and other parties will not in any way be infringed by subsequent reporting. The Board will have power to publish information about its decisions in individual cases: this power will be limited only by the need to preserve the anonymity of applicants and other parties.

### **Implementation**

25. The provisions of this Scheme will take effect from 1 October 1979. Applications in respect of injuries incurred on or after 1 October 1979 will be dealt with under the terms of this Scheme. Applications in respect of injuries incurred before that date will be dealt with under the terms of the Scheme which came into operation on 21 May 1969, except that after 31 December 1979 applications relating to injuries incurred more than three years previously will be entertained only where the Board consider it appropriate exceptionally to waive this time limit. Where a decision by a Single Member in respect of an injury incurred before 1 October 1979:-

- (a) is notified after that date, the time limit of three months under the terms of paragraph 22 of this Scheme will apply to any application for a hearing;
- (b) was notified, but not accepted, before that date, an application for a hearing will not be entertained after 31 December 1979 except where the Board consider there is a good reason to extend this time limit.

Cases in respect of injuries incurred before 1 October 1979 may be re-opened, subject to the conditions set out in paragraphs 13 and 15 of this Scheme, for review under the terms of the Scheme which came into operation in May 1969. A decision by the Chairman not to waive or extend the time limits referred to in this paragraph will be final.

FROM THE PRIVATE SECRETARY



HOUSE OF LORDS,  
SW1A 0PW

7th January, 1982

Clive Whitmore Esq.,  
Principal Private Secretary to  
The Right Honourable  
The Prime Minister,  
10 Downing Street, SW1.

Ref: FL 07/62/13

*Dear Clive,*

The Efficiency Strategy 1982

The Scrutiny Programme

Thank you for your letter of 15th December 1981 inviting departments to offer proposals for the 1982 scrutiny programme.

Legal Aid

We have recently agreed with DHSS that it would be right to establish a joint Rayner study to look at the administrative procedures for means assessment of those applying for civil legal aid. This activity costs an estimated £5.5 million in manpower and related costs and is undertaken by DHSS on the Lord Chancellor's behalf. The present arrangements have been in force for some time and could appropriately now be reviewed: the proposed starting date could probably be Autumn 1982. The other details of the study have yet to be settled in discussions between DHSS and ourselves.

Personnel Management Scrutiny

We should also participate in the scrutiny of personnel management functions recently announced by the Chancellor of the Duchy of Lancaster.

I appreciate that the information I have given for the Legal Aid Study does not indicate the terms of reference or names of examining officers, and that the proposed starting date is not early in the New Year. But we had been given to understand that, as a small Department which had completed a full-blown management review as recently as 1981, we should not have a scrutiny at all this year, and we could not assign anyone of the right quality to this scrutiny before Autumn 1982.

*Yours sincerely,*  
*Richard Collon*  
M.H. Collon

John A. ...  
1912



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Dear Sir,

...  
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...

...

Yours sincerely,  
John A. ...  
...

*See Head*

Foreign and Commonwealth Office

London SW1A 2AH

18 January 1982

*Don Clive*Efficiency Strategy 1982 - The Scrutiny Programme

I write in reply to your letter of 15 December 1981. We have two contributions to suggest to the scrutiny programme; and I shall mention also two further contributions to the general efficiency strategy, of which you are already aware.

First, we were surprised not to see mentioned in your letter the scrutiny of the use made of the Diplomatic Service overseas which has long been agreed as a 1982 scrutiny. I enclose a copy of the agreed terms of reference. We now plan to start this scrutiny in February. It has been held up pending the release of Mr John Wilberforce, the scrutinising officer, from his post as leader of the UK delegation to the CSCE. CSCE will now resume in February. Rather than delay further we are now planning, with Sir Derek Rayner's agreement, to make Mr Martin Morland, Head of Chancery in Washington, available in place of Mr Wilberforce. He will report to Mr Douglas Hurd.

As a second scrutiny we propose a review of the Passport Office. The intention would be to go back to first principles rather than attempt to streamline existing procedures. Basic assumptions such as to what extent we have to provide a personal as well as a postal service, frequency of renewal, hard versus soft-cover passports, charging policy for both standard passports and British Visitors Passports, the introduction of a machine-readable version and the need for regional offices, all of which have political as well as practical constraints, would be tested. The Passport Office employs over 1,000 full-time people and issues well over 2 million passports a year. Demand for its services continues to increase. The new Nationality Law and the proposed introduction of an EC common passport will both further complicate the Office's procedures.

We had originally envisaged an internal review, with expert assistance from the Management and Personnel Office, but the MPO are keen that the review should become a full-scale Rayner scrutiny. We agree that the work of the Passport Office appears to lend itself to the Rayner process. I enclose proposed terms of reference. The examining officer will be Mr Mark Chapman, at present a Diplomatic Service Inspector, who would report to Lord Trefgarne and to Mr Hurd.

Our third contribution to the efficiency strategy is not

/new:





new: it is our participation in the Financial Control Review to which you refer in your letter. We look forward to receiving further information on how the review is to be conducted. The examining officer for the FCO will be Mr Andrew Green, at present Assistant Head of Economic Relations Department.

Fourthly, we have an outstanding commitment to look again at ways of taking further the outcome of the FCO/ODA Common Services Review. Mike Pattison's letter of 6 April 1981 asked that the obstacles to integration of personnel management and financial and manpower control should be re-examined in a year's time. We shall therefore be looking at this jointly with the ODA, starting in April. I shall write to you nearer the time about how we intend to conduct this internal review.

I hope you will agree that the above constitutes a full - perhaps over-full - contribution to the 1982 Efficiency Strategy. The ODA will be replying to your letter separately and intend, as suggested in your letter, to propose a scrutiny of the work of professional advisers.

I am sending copies of this letter to the recipients of yours and to the Private Secretary to Mr Marten.

*Yours ever,*  
*Brian*

(B J P Fall)  
Private Secretary

C A Whitmore Esq  
10 Downing Street

TERMS OF REFERENCE

To establish the scale and purpose of official visits, by representatives at all levels of Government Departments or Government funded agencies, to selected overseas countries:

To determine whether their cost can be justified in terms of identifiable results:

To consider the scale and purpose of the role which Diplomatic Service Posts overseas play in these visits and whether it would be feasible and desirable for these Posts to be more (or less) directly involved in achieving the purposes of such visits or to take on some of the work for which visitors have hitherto been responsible:

To recommend guidelines for implementing any new procedures.

"to examine all aspects of the work of the Passport Office and its regional offices and, taking account of the need to issue machine-readable passports conforming to European Community standards, make recommendations as to the most effective and economic means of handling passport and related work with the aid, as necessary, of the new technology."

8 JAN 1982



cc Lord Carrington  
Sir Derek Rayner

Prime Minister

THE EFFICIENCY STRATEGY 1982 : THE SCRUTINY PROGRAMME

1. You asked that proposals for the 1982 Scrutiny Programme should reach you by 15 January.
2. As far as the ODA Wing of the FCO is concerned I propose that our scrutiny for 1982 should be an examination of the work of the ODA's professional advisers (excluding the Economists). This is an important area which I believe needs very careful study; and I see from your Principal Private Secretary's letter of 15 December that the work of professional advisers generally is regarded as being a strong candidate for scrutiny. This is certainly my view, for the ODA advisers, the majority of whom occupy senior grades (ie SPSO and above), perform a central function in the management of the Aid Programme, notably in project identification and monitoring.
3. An outline of our proposal in the form requested is attached. Oversight of the scrutiny at Ministerial and Permanent Secretary level will be exercised by myself and Sir Peter Preston (and his successor).
4. I take this opportunity of confirming that we shall be undertaking this year the further examination of the personnel and finance functions in each Wing of the FCO requested in Mr Pattison's letter of 6 April 1981 to Mr Walden in the FCO about the FCO/ODA Common Services Review.
5. I am copying this minute to the Secretary of State and to Sir Derek Rayner.

N.M.

NEIL MARTEN

Overseas Development Administration  
18 January 1982



18 JAN 1962





## WORK OF THE ODA'S PROFESSIONAL ADVISERS

### Subject

An examination of the work of the ODA's professional advisers (excluding the Economists) both at HQ and in the Development Divisions, focussing on such aspects as their role and functions, the numbers required in each grade, their deployment and their relationship with administrative staff.

### Cost

There are some 55 staff (39 in London and 16 overseas) at a current annual cost of £2.1m. Their work is central to the management of the bilateral aid programme in particular.

### Reasons for selecting the Subject

Major organisational changes were made following the ODA Management Review in 1980, particularly the brigading of Advisers with Geographical Divisions and the merging of certain high level administrative and advisory posts. There has since then been an increasing emphasis on the need to monitor closely aid projects and programmes, especially in the bilateral programme. It is important to assess the role of the Advisers in this process, and the numbers likely to be required. Changes of emphasis in the Aid Programme since 1979 also make it desirable to review the role of Advisers in assisting the implementation of current policies.

### Terms of Reference

To consider the requirement for, and the role and organisation of, the ODA's professional advisers (excluding the Economists), both at HQ and in the Development Divisions in the formulation of policy and in the management of the Aid Programme, especially in project monitoring; and to recommend any changes that may be required.

/Dates



Dates

The study is expected to start in about March/April,  
and to last up to 3 months.

Examining Officer

[ To be forwarded shortly ]



19 JAN 1994

12 1 2 3 4  
10 11 8 7 6 5





*MUS*  
1. MGS might like to see  
2 PA pending P.R.'s  
Submission

*MAD 1/2*

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

PRIME MINISTER

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

You have asked for proposals for this year's Departmental scrutiny programme.

2. This year I propose that my Departments should undertake 6, or perhaps 7, individual scrutinies; 3 by Inland Revenue, 1 or perhaps 2 by Customs and Excise, 1 by the Department for National Savings and 1 by the Treasury. In addition they will be contributing substantially to 2 of the centrally-led reviews which will form an important part of the 1982 programme. Both Inland Revenue and Customs and Excise will participate in the personnel review and CCTA in the running costs exercise. The Royal Mint will also be making a contribution to the resource control review.

3. I had considered whether this might be too full a programme and I know that, in any event, my Departments would want to pursue all of their proposed topics even if they were not to form part of the formal efficiency programme. My judgement was that all should be offered as suitable candidates: no doubt Derek Rayner will be able to say how this fits in with the overall balance of this year's programme.

..... 4. I attach details of six proposals. For Inland Revenue the first, and most important scrutiny, will seek to determine whether one of the most clerically-intensive procedures in local Tax Offices - the end of year review of PAYE tax records - can be



abolished. The second scrutiny will review the need for, and the methods and costs of, visits made by Inland Revenue staff to members of the public. Finally, I propose a review of the many memorandums and instructions issued by Inland Revenue Head Office to their local Tax and Collection Offices each year notifying new procedures and revising existing ones.

5. For Customs and Excise, I am proposing this year a scrutiny of errors in Customs duties. This is a major and far reaching topic with implications for importers as well as Departmental administration, and it was identified as a serious problem by the 1981 scrutiny of Customs attendance. I am in no doubt that it is also necessary to conduct a major scrutiny of the VAT Headquarters at Southend. I am considering at present whether this should take place this year or next year: I shall let you know what I decide.

6. For the Department for National Savings I propose a review of the services provided for them by the Post Office. Their current bill is around £61 million, and the cost of the staff required in the DNS to correct the non-accounting errors made at the Post Office counter is estimated to be between £1.5 million and £2 million.

7. For the Treasury I am proposing a scrutiny of the Civil Service Catering Organisation (CISCO), which employs some 1,500 people and thus accounts for nearly 40 per cent of the total manpower of the enlarged Treasury. It was set up 9 years ago and currently runs with an annual subsidy of about £30 million. I believe it is time to take a searching look at its operations. As the attached description indicates, the scrutiny will not only look at the effectiveness and efficiency of the existing organisation, it will also specifically examine the possibility of "privatisation". For this reason we felt that it would be especially helpful to have an expert from the private sector and Derek Rayner has kindly arranged for Marks and Spencer to provide



one of the two examining officers for this scrutiny.

8. I am not proposing a new scrutiny in the central policy areas of the Treasury for 1982 since Mr. Barratt will be continuing his review of how staff in Treasury expenditure divisions can be best equipped to play their proper part in connection with financial management in Departments. Although this scrutiny does not conform in all respects to the normal scrutiny pattern, it is a project to which I attach considerable importance. So too does Derek Rayner. It involves a far reaching examination of personnel policies as they apply in expenditure divisions, with special reference to training. Mr. Barratt has already submitted an interim report and hopes to make firm recommendations quite soon.

9. I am copying this letter to Cabinet colleagues and to Sir Derek Rayner and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G.H.' with a flourish.

G.H.

29 January 1982

## INLAND REVENUE SCRUTINY FOR 1982

### 1. SUBJECT: PAYE END OF YEAR PROCEDURES - "ANZ REVIEW"

At the end of each tax year our control records (concards) for PAYE taxpayers are reviewed together with the Deduction Card, to see if an Income Tax assessment appears to be necessary; each card is marked

"A" where an assessment seems necessary;

"N" where the individual has no liability; or

"Z" where no further action is necessary.

It is proposed that the Department considers the need for this procedure.

### 2. THE COST

The current cost of the review and the associated assessing work is approximately 4,400 units. There is scope for saving approximately 1,000 units by eliminating the review together with an additional number which will depend upon the number of cases which are no longer marked "A".

### 3. REASONS FOR SELECTING THE SUBJECT

This procedure begins when the annual pay and tax details, supplied by employers on individual deduction cards, are examined against the information on the taxpayer's control records - the PAYE concard. We currently hold 26.6 million such concards. The review which is one of the most clerically-intensive operations in the Department, is normally carried out by Clerical Assistants who are required to work to well-defined procedures. Concards marked "A" (ie where an assessment seems necessary) are subsequently re-examined by a Tax Officer. Where the examination establishes that tax has been underpaid or overpaid during the course of the tax year then, subject to the assessing tolerances the taxpayer is advised accordingly. This advice may be by way of informal notification or by way of formal assessment.

We believe that it may be possible to identify most cases where an underpayment of tax is involved (ie where we are owed tax) without the ANZ review. If the onus were placed on individuals who feel they may have overpaid tax to approach the Department, there are strong grounds for thinking that the review and some of the Tax Officer's re-examination could be dispensed with. Inevitably however, abolishing the "A" marking and the Tax Officer's re-examination would mean that a number of underpayments and overpayments would not be identified.

### 4. TERMS OF REFERENCE

To review the possibility, and the consequences of abolishing the PAYE ANZ review.

5. PROPOSED STARTING AND FINISHING DATES

Mid April 1982 (to coincide with the beginning of next year's review) to [mid September 1982].

6. SCRUTINY OFFICER AND MINISTERIAL REPORTING ARRANGEMENTS

The scrutiny officer will be a fully-trained Inspector (individual to be decided) to report to the FST.

## INLAND REVENUE SCRUTINY FOR 1982

1. SUBJECT: REVIEW OF VISITS MADE TO THE PUBLIC BY  
INLAND REVENUE STAFF

The main bulk of visiting is undertaken by staff in local Collection Offices, PAYE Audit Units and local Valuation Offices. In the Collection sphere, visits are primarily confined to recovery of tax and PAYE/NIC returns; in PAYE Audit Units to checking employers' records to ensure compliance with Income Tax (PAYE/Subcontractors) and National Insurance (Class I) regulations; and in the Valuation Office to surveying and valuing properties.

2. COST

We estimate that outdoor work accounts in broad terms for some 550 man years of effort in Collection; 150 man years in PAYE Audit Units; and 1,100 man years in Valuation Office. The travelling costs include approximately £1 million per annum for car hire.

3. REASONS FOR SELECTING THE SCRUTINY

The ever-increasing costs of financing outdoor work, in particular the cost of car hire lay behind our original selection of this subject. We see scope, however, for reviewing the need for visits themselves and the scrutiny officer would be expected to examine the scope for employing alternative methods wherever possible.

4. TERMS OF REFERENCE

To review the need and methods used for making visits to members of the public by Inland Revenue staff.

5. PROPOSED STARTING AND FINISHING DATES

March 1982 to June 1982.

6. SCRUTINY OFFICER AND MINISTERIAL REPORTING ARRANGEMENTS

Choice of scrutiny officer to be decided; to report to the FST.

## INLAND REVENUE SCRUTINY FOR 1982

1. SUBJECT: DISTRICT MEMOS AND INSTRUCTIONS TO TAX AND COLLECTION OFFICES

The large number of changes in procedures etc throughout the year are notified to Tax Districts and Collection Offices, in the first instance, by circulars (District and Collection Memos). The relevant Instruction Manuals are subsequently amended quarterly to incorporate the changes.

2. COST

Approximately 45 units of staff at Head Office are involved in the production of circulars and instructions. The direct publishing cost is approximately £300,000 per annum, but the principal cost is the time spent in local offices reading the instructions issued.

3. REASONS FOR SELECTING THE SCRUTINY

Our Instruction Manuals contain some  $3\frac{1}{2}$  million words, and each year around 4,000 pages are revised. In addition approximately 500 circulars on different topics are issued, with each topic requiring on average about 3 pages of instructions. The Department is aware that the mass of paper issued each year is not absorbed by local staff as well as it might be. A study in this area may not produce direct economies in terms of staff or materials but if it led to better assimilation of the material by local office staff, their work would be performed more accurately and efficiently.

4. TERMS OF REFERENCE

To review the effectiveness of the present arrangements for issuing instructions and guidance to District and Collection Offices.

5. PROPOSED STARTING AND FINISHING DATES

The beginning of September 1982 to end of November 1982.

6. SCRUTINY OFFICER AND MINISTERIAL REPORTING ARRANGEMENTS

The scrutiny will be led by a fully-trained Inspector (individual not yet decided) who will report to the FST.



DNS RAYNER SCRUTINY FOR 1982

IMPROVING THE QUALITY OF THE POST OFFICE SERVICE PAID FOR BY  
DEPARTMENT FOR NATIONAL SAVINGS

(a) Subject

The Rayner Scrutiny of Post Office (accounting) Errors recommended that an investigation into the causes, and methods of correcting, and the cost of, other types of Post Office errors in DNS should be undertaken. The draft report of the Scrutiny, Terms and Conditions of DNS Securities, supported this.

Approximately 88% of all National Savings business (in terms of numbers of transactions) is carried out at Post Office counters. After completion Post Offices are required to forward the various documents relating to the transactions to the respective Divisional Offices of the Department for National Savings in order that the centrally maintained records can be updated.

Errors or omissions on these documents; the use of incorrect forms; failure to despatch the documents promptly; or failure to observe various rules or procedures - all result in difficulties and delays in DNS; additional work; and often the need to communicate with the saver in order to ensure that the transaction is correctly recorded.

As the main points of sales for all National Savings, Post Offices are also the places where the public are most likely to seek information on National Savings and there is evidence that this service could also be improved.

(b) Costs

The cost of the staff required in DNS to correct the non-accounting errors made at the Post Office counter is estimated to be between £1.5 and £2.0m.

(c) Reasons for selecting the subject

There are two reasons for selecting the subject:

1. The DNS is paying the Post Office about £61m this year, and at present has insufficient influence on the quality of the service provided, despite the large staffing cost of putting the errors right.
2. The effect of such errors on the saver. These can cause delays in repaying investments and if it is necessary to communicate with the saver in order to correctly identify his intention of the holding/account to be credited, this does not create a good image of the efficiency of the Department, particularly in the case of new savers.

(d) Terms of reference

1. To identify and quantify the various non-accounting errors/omissions made at post offices which prevent the saver getting an efficient service and/or throw rectification work onto DNS.
2. To consider measures which could eliminate or reduce the number of such errors with particular reference to the design of the forms/documents used, the information asked for and the instructions used by the Post Office counter clerks.
3. For those errors etc which may remain, to consider (a) methods of monitoring them and (b) alternative and less costly methods of correcting them.
4. To consider ways in which the provision to counter staff and members of the public of accurate and up-to-date information on National Savings at post offices could be improved.

5. To make recommendations accordingly.

(e) Proposed starting and finishing dates

Start: 1 March 1982

Finish: 1 July 1982

(f) Names of examining officers, if known, and reporting arrangements.

Examining officers - not yet decided.

Reporting to the Minister of State (Lords) in consultation with Sir Derek Rayner and the Director of Savings.

NOTE:

6. This is a scrutiny which could ideally be done jointly with the Post Office. In that case the starting and finishing dates would need further consideration: and the reporting arrangements would need to include the Chairman of the Post Office Corporation.

HM TREASURY: PROPOSAL FOR 1982 SCRUTINY PROGRAMME

SUBJECT: THE CIVIL SERVICE CATERING ORGANISATION (CISCO)

Cost

An annual subsidy from public funds in the region of £30 million a year.

Reasons for selecting the project

CISCO is a large executive organisation employing 1500 people and accounting for nearly ~~50%~~<sup>40%</sup> of Treasury manpower. Its operations have an important impact on the day to day life and morale of Civil Servants. Since it was set up some 9 years ago there has been no fundamental examination of its operations and the scrutiny offers the opportunity to ensure that the organisation is as efficient and effective as possible, particularly as compared with similar organisations in the private sector. The scrutiny provides an ideal opportunity to examine the possibility of privatisation.

Terms of Reference

- a. To examine the current arrangements, including cost, for providing catering for Civil Servants;
- b. To consider whether these arrangements are economical and effective and provide value for money compared with private sector practice;
- c. To recommend any changes which seem desirable.

Proposed Dates

1 May 1982 to 1 September 1982 (both dates are provisional)

MANAGEMENT IN CONFIDENCE

Examining Officers

A Treasury Principal

Mrs Susan Barnes of Marks and Spencer

Ministerial reporting arrangements

The examining officers will report to Mr Barney Hayhoe, Minister of State (Commons).

1. Subject: Processing of Customs Import Entries

The control of imported goods for customs purposes is based on a written declaration by the importer or his agent about each consignment. This declaration - the customs entry - forms the basis for the assessment and collection of import duties and levies (over £1,000 million in 1980/81), for the enforcement of regulations on prohibitions, restrictions, quotas, etc, and for the collection of trade statistics. The customs entries are subjected to checks both manually and by computer to detect errors and make corrections. The proposed review would examine the processing of entries for the detection of errors and would report on the causes of errors found and the arrangements and reasons for detecting and correcting them.

2. Costs

The processing of import documentation and the related physical examination of import consignments involves the equivalent of approximately 2,500 operational staff at a full annual cost (at 1981 rates and including overtime) of about £24.5 million.

It is difficult to be precise about the numbers of staff dealing with errors on entries as this is only one aspect of the jobs being performed. The Department's Management Information System is not currently structured in such a way as to allow accurate statistics to be produced for this work. A survey of Customs work in the Spring of 1982 should produce more reliable estimates. However, there are about 450 staff engaged mainly on the physical examination of cargo and we estimate that 60% of the remainder have jobs which are wholly or mainly concerned with the accuracy of import entries. Thus in round terms errors on entries involve about 1,250 staff at an annual cost of £13.5 million.

There are also a number of Headquarters Divisions which have an interest in the results of errors detected on entries. In general

the staff concerned are not wholly engaged with errors on customs entries and it is not possible to quantify the resource deployed on this aspect of their work.

### 3. Reasons for selecting the subject

Customs controls on imported freight are resource intensive (see 2. above). The customs requirements for entry documentation are at the heart of the present system of control and, although we have a computerised procedure at the major ports/airports for receiving information and facilitating clearance, the arrangements for detecting errors - and more especially the staff effort that goes into correcting them (whether for revenue or other purposes) - are ripe for scrutiny. Indeed a scrutiny in this area would be a natural follow-up to Mr St Quinton's review of customs attendance in which the comparative costs of different methods of entry processing were aired without explicit reference to the cost of identifying and correcting errors. It would also tie in with the work done on the main entry forms by Mr Edwards as part of the inter-departmental review of forms.

The benefits of such a scrutiny could be for the Department a more effective use of staff and computer resources and perhaps some savings at particular entry processing units and for the import trade an improvement in the speed of clearance of goods. Both the Department and the trade would benefit from a reduction in the cost of identifying and correcting errors, in terms of staff resources and delay.

### 4. Terms of reference

"To examine the processing of Customs entries for the detection of errors; to consider the main types and causes of errors found, the Department's procedures for detecting and dealing with such errors and the need for these procedures; to identify the scope for change and to make recommendations."

### 5. Proposed starting and finishing dates

Our new computerised entry processing system (DEPS) is due to

replace the existing computerised system at the major ports in April 1982. It would be appropriate to allow the new system to settle down before mounting a scrutiny bearing heavily on the entry processing units at these ports. We therefore propose an autumn start, with dates as follows:

Start    Beginning of August 1982.

Finish   End of November 1982

6. Name of examining officer

(To be advised.) The examining officer will report to Mr Jock Bruce-Gardyne, MP, Economic Secretary to the Treasury.





DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

Secretary of State for Industry

3 February 1982

Clive Whitmore Esq  
Principal Private Secretary to  
the Prime Minister  
10 Downing Street  
London SW1

Dear Clive

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY  
PROGRAMME

Your letter of 15 December 1981 asked Ministers to send their proposals for the 1982 Scrutiny Programme to the Prime Minister by 15 January. I now enclose the study proposed by my Secretary of State, with apologies for being overdue. The name of the examining officer will be passed to Sir Derek Rayner's team within the next few days.

I am copying this letter to the recipients of yours.

Yours ever

J P Spencer

J P SPENCER  
Private Secretary



RAYNER STUDY INTO THE COST EFFECTIVENESS OF SELECTIVE FINANCIAL ASSISTANCE (SFA)

- 1 Subject: The methods used to assess the cost-effectiveness of selective financial assistance.
- 2 Cost: The Department of Industry will spend about £250 million in 1982/83 on selective financial assistance.
- 3 Reasons: In view of the total amount of SFA expenditure it is important to ensure as far as possible that the Government obtains value for money from it. There is thus a good case for considering the methods used by the Department in reaching decisions on projects and in examining after the event how far the objectives sought have been attained.
- 4 Terms of Reference: To examine the methods of analysis and procedures employed by the Department for taking decisions on SFA applications and for evaluating the benefits of SFA expenditure. The study should include consideration of the information which applicants are asked to supply, of the extent to which this is made available and can be checked, of the ways in which projects are then appraised, and of the efficiency of the Department in carrying out such appraisals. The study should also examine the methods used by the Department to check after the event the extent to which the objectives of the policy have been achieved.
- 5 Dates: Study to start by 1 April and to finish by 30 June.
- 6 Names: To be selected.



63 FEB 1982





2 MARSHAM STREET  
LONDON SW1P 3EB

My ref:

Your ref:

4 February 1982

*Dear Clive*

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

Your letter of 15 December invited Ministers to submit their proposals for the 1982 Rayner scrutiny programme by 15 January. I am sorry that we are a little late in replying.

My Secretary of State proposes that his next Rayner scrutiny should examine the cartographic service in DOE (including the Regional Offices). DOE at present provides a ready service on demand of high standard cartographic work. Not all functions require work of very high quality but there is no means at present of identifying priorities or different levels of need. For certain types of work it might be possible to buy in capacity from outside, but without a detailed study it is impossible to say what is the minimum level and quality of service to fulfil the Department's essential needs. Full details are given in the annex.

My Secretary of State has also been considering whether he should put forward a Departmental scrutiny for PSA for the 1982 programme. PSA has, however, already agreed to take part in two co-ordinated reviews this year - the resources control review of executive operations and the review of personnel management. Taking into account the large number of scrutinies and reviews already carried out by the Agency as well as the many internal reviews at present in hand, my Secretary of State takes the view that it would not really be appropriate for him to offer a further PSA scrutiny for 1982.

*D A Edmonds*

D A EDMONDS  
Private Secretary

(1) Subject

Cartographic services in DOE (including the Regional Offices).

(2) Costs

Departmental staff costs: about £1.4m (including overheads).

(3) Reasons for Selection

A ready service on demand providing a high standard of cartographic work and support facilities has become accepted as normal in DOE. Not all functions require work of very high quality but there is no means at present of identifying priorities or different levels of need. For work that is straightforward, easily specified and not of high priority it might be possible to buy in some capacity from outside. But without a proper study it is impossible to say what is the minimum level and quality of service to fulfil the Department's essential needs.

(4) Terms of Reference

To examine the level and quality of service provided by DOE cartographic services; to consider what level and quality of service is needed in each area; to consider accordingly whether this service could be provided more economically, including what aspects if any might be contracted out.

(5) Proposed Timetable

About three months from 1 April 1982.

Names of Examining Officers and Ministerial Reporting Arrangements

The appointment of the scrutiny officers and details of the reporting arrangements have still to be finalised.

# MANAGEMENT IN CONFIDENCE

PRIME MINISTER

## EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

Your Principal Private Secretary has invited proposals for the 1982 programme of departmental scrutinies.

2 I have already welcomed the inclusion of the Department of Education and Science in the coordinated review of running costs and have told Janet Young (my letter of 4 December) that I think this should be the Department's main contribution for 1982. Last year, DES undertook two separate scrutinies (HM Inspectorate and the Departmental Museums) and took part in the scrutiny of Government Statistical Services. This is a heavier load than was envisaged for DES and OAL together when the programme started. The Museums scrutiny will run well into 1982 and follow-up action on others must continue. I do not think it would be desirable to start another scrutiny just yet in this relatively small department.

3 If you agree, I will however keep a look out over the next few months in case a suitable scrutiny area can be identified and, subject to progress with other efficiency work, be added to the programme.

4 I am copying this minute to Janet Young and Derek Rayner.

KJ

K J

14 January 1982

MANAGEMENT IN CONFIDENCE



PRIME MINISTER

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

1. In his letter of 15 December Mr Whitmore invited proposals for the scrutiny programme.
2. My own departmental responsibilities cover the administrative Privy Council Office and the Judicial Committee of the Privy Council. These are fixed and largely statutory functions and I therefore have no proposals to make for separate scrutiny. I am advised that this is in line with the practice of previous years, although the Privy Council Office has, of course, contributed as required to the annual reviews of running costs.
3. I am copying this minute to Sir Derek Rayner.

A handwritten signature in dark ink, appearing to be "FP", with a horizontal line underneath.

FRANCIS PYM

12 January 1982



2000  
v. 1000 - 10

1000000000



From: THE PRIVATE SECRETARY



NORTHERN IRELAND OFFICE  
GREAT GEORGE STREET,  
LONDON SW1P 3AJ

Clive Whitmore Esq  
10 Downing Street  
LONDON  
SW1

13 January 1982

*Dear Clive,*

In your letter of 15 December 1981 you invited Ministers to put forward at least one proposal to the Prime Minister for inclusion in the 1982 Rayner scrutiny programme.

Lord Gowrie, the Minister with direct responsibility under the Secretary of State for Rayner scrutinies in Northern Ireland, had already written to the Rayner Office in October 1981 with a proposal for inclusion of a Northern Ireland project in the 1982 programme. As mentioned in the fourth paragraph of your letter, the proposal related to land activities by central government departments in Northern Ireland, the precise proposed Terms of Reference being as follows:-

"To review the arrangements for the acquisition, management and disposal of land by Northern Ireland Civil Service Departments and the Northern Ireland Office and to make recommendations".

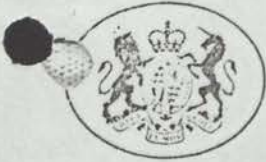
Sir Derek Rayner responded in November 1981 indicating his approval to a scrutiny of land acquisition, management and disposal arrangements in Northern Ireland and suggested that it be proposed for the 1982 programme. I attach a copy of Lord Gowrie's letter to Sir Derek Rayner which explained briefly the background to the proposed scrutiny.

The Scrutiny Team will be led by Mr D W Alexander, a Principal in the Department of the Civil Service and will report directly to Lord Gowrie. The Team has already given some thought to a Study Plan and intend to commence detailed work on the scrutiny as soon as possible.

*Yours sincerely*  
*M W Hopkins*

M W HOPKINS

LF



Minister of State

NORTHERN IRELAND OFFICE  
GREAT GEORGE STREET,  
LONDON SW1P 3AJ

Sir Derek Rayner  
Cabinet Office  
70 Whitehall  
LONDON  
SW1

21<sup>st</sup> October 1981

Dear Sir Derek,

#### EFFICIENCY AND WASTE IN CENTRAL GOVERNMENT

My team of officials working on Rayner projects are putting the final touches to an Action Plan following their Employment Service scrutiny and I hope to have this with you shortly. I am therefore in a position to propose a new area for scrutiny which the Team might undertake fairly soon.

My predecessor, Michael Alison, agreed in principle, and I support his view, that a useful area for Rayner scrutiny would be the acquisition, management and disposal of land by the Northern Ireland Civil Service. Northern Ireland Departments are involved in this area to varying degrees although those with major interests are the Departments of Health and Social Services, Environment, Finance, Agriculture and Commerce.

Some of these departments are however involved in very specialised use of land and it may be that we are attempting too much by examining it all. Nevertheless since considerable resources are being devoted towards "land" activities throughout the Civil Service, I want to ensure that these are being utilised as effectively as possible and that land is being acquired, managed and disposed of in the most cost-effective manner.

I am aware that this is setting my Team a considerable task and I am sure they would welcome any advice you or your officials might offer on how to approach such a wide-ranging assignment. I would not be keen to narrow the terms of reference to cover a single Department such as Environment because I am convinced that the exercise should be carried out on a wider basis.

/...

In the light of these comments the terms of reference which I am proposing for the Study are as follows:

"To review the arrangements for the acquisition, management and disposal of land by Northern Ireland Civil Service Departments and the Northern Ireland Office and to make recommendations".

With your approval, my Team would hope to begin work on this scrutiny soon, with the aim of having a study plan with you within three weeks of commencement. The Scrutiny Team which carried out the Employment Service scrutiny would also be responsible for this proposed Scrutiny. It would again be led by Mr D W Alexander, a Principal in the Department of the Civil Service. The Team will report to me at intervals throughout the study.

*G. S.*  
*G. S.*

LORD GOWRIE

2 pps



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

CONFIDENTIAL

PRIME MINISTER

26 January 1982

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

Your Principal Private Secretary wrote to Ministers' Private Secretaries on 15 December inviting proposals for the 1982 programme.

As I said in my letter of 27 November to Baroness Young, copied to you, we will be co-operating in the scrutiny of personnel work; and I propose a study of the use of written documents in my ... Department as in the attached detailed proposal. The aim would be to reduce the volume and cost of written documents: this is an area of work which I discussed with Derek Rayner some time ago and I know he found the idea interesting. The results will I hope be of relevance to other departments than my own in view of the general implications of the topic.

I have nothing further to propose for 1982: the relevant officials in my Department will be very much preoccupied with putting into effect the Coopers and Lybrand Report recommendations on financial planning, control and monitoring. As I said in my earlier letter, I think it is more important to press on with this than to divert effort into an additional major scrutiny covering some of the same ground.

I am copying this letter to Cabinet colleagues, Sir Derek Rayner, Sir Robert Armstrong, Sir Douglas Wass, Robin Ibbs and John Cassels.

a. Subject

The generation and use of written documents in MAFF.

b. Costs of the activity

To be established by the study.

c. Reasons for selecting this subject

The use of written documents is integral to the work of MAFF, but the daily weight of paper passing across the desks of Ministers and staff at all levels has become very burdensome. Entry to the EC has added a further dimension to the growth of paper, in view of the very large number of documents generated by the Council, the Commission and their respective services. The necessity for this weight of paper needs to be tested and challenged with a view to reducing the burden and streamlining the work of the Department without loss of control, public accountability, efficiency, reliability or any other necessary feature of Government activity.

d. Terms of reference

To examine selected posts and/or functions of MAFF in order

- (a) to identify the main purposes for which written documents are produced (or copied);

(b) to consider whether and, if so, how the preparation, copying, circulation and storage of such documents could be reduced or made less costly;

(c) to assess the financial and other advantages and disadvantages of the necessary changes; and

(d) to make recommendations.

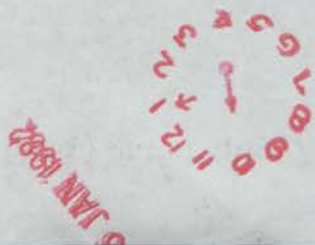
e. Proposed starting and finishing dates

Dates in 1982 to be determined dependent on availability of a suitable Scrutiny Officer.

f. Scrutiny officer and reporting arrangements

Examining officer - one Principal (to be selected), with appropriate support

Reporting arrangements - to the Minister of Agriculture, Fisheries and Food, in consultation with the Permanent Secretary MAFF and the Rayner Office. The report will be of interest to other Heads of Departments.



*I have spoken to Mr Priestley and told him to delay any meeting between Sir Derek and Mr Webb until after the defence Estimates have been published.*

cc Sir Derek Rayner

*WM  
5/2*

Mr RICKETT

THE EFFICIENCY STRATEGY 1982: MINISTRY OF DEFENCE

1. We had a word this morning about my minute to you of 26 January and the draft letter attached to it from Mr Whitmore to Mr Omand (MOD). I mentioned that Mr Beesley and I were going across to MOD for a personal talk with Sir Frank Cooper and said that I would take counsel with you afterwards on the right way to go ahead. You indicated fairly clearly to me that it would be untimely for such a letter as I have provided to be sent to the SS/Defence for the foreseeable future.
  
2. Sir FC was accompanied by his private secretary, Mr Webb, but the meeting was essentially a private one, to go through a personal letter I sent him on 21 January about a number of aspects of the efficiency strategy and other matters. I found Sir FC, for the first time in my knowledge of him, looking tired and a good deal older than he seemed only a few weeks ago, before Christmas. However, it is difficult to keep a good man down and after quite a short time much of the old sparkle came back and he seemed more like his old self.
  
3. As a senior official, Sir FC finds himself, I would think, in a position of almost unique difficulty. The complexity of defence issues is not helped by the rococo matrix organisation of MOD, with its multiplicity of vested interests, its overlapping lines of responsibility and the curious unprofessionalism to be encountered in some importance areas of the fabric. The difficulty of managing his role is not assisted by such personnel problems as the serious illness of the Chief of Defence Procurement (Sir David Cardwell), the impending disappearance of the 2/Permanent Secretary (Sir Arthur Hockaday) into the CWGC and impending changes among the Chiefs of Staff. You will be all too familiar with the political problems - the stupefying exchanges with the Treasury on the Defence budget, the very real problems which stretch ahead on the closure of the Dockyards



(where, as Sir FC said, some decent people are now upset and nothing can be done to assuage/ <sup>them</sup> and the particular personality of the present SS/Defence.

4. On the question of a letter on the efficiency strategy, Sir FC's clear advice, which I respect, was that the SS/Defence would almost certainly resist any attempt to dragoon him. He agreed with my suggestion that, in all the circumstances, a softer, face-to-face approach by Sir Derek Rayner might be much more productive. The basic points are that Mr Nott is going to carry out the reviews of Army and Navy training but he fears, and will not accept, formally exposing such areas to outside view. He also thinks, with some justice, that he has been taking some difficult management decisions (the Dockyards being the prime example), for which he should have some credit. Sir FC also thinks that the SS/Defence would prove much more amenable in conversation than he would in responding to a piece of paper which would, however well drafted, have a more threatening aspect.

5. All that being so, I think that the soft pedal is plainly indicated. As it happens, we have a number of other items of business on hand which will necessitate Sir DR writing to Mr Nott and we shall seek an informal interview as being the best means of getting inside the MOD.

6. There is another importance consideration here. Sir DR has long felt that he could be most helpful to the SS/Defence in an informal rather than a formal way. Given all that is going on, and given also our desire to reduce the flow of paper to Sir DR, we shall be seeking opportunities to influence MOD people, whether military or civilian, much more face-to-face this year than in previous years. Other points which it is timely to report on are briefly as follows.





REVIEW OF SUPPORTING SERVICES FOR R&D

7. We are now very nearly at the end of this review which, as I indicated in the attachment to my minute of 26 January, will produce some marked results in MOD. Not least, the examining officers' commentary on management arrangements will march in step with findings from a very important scrutiny from last year, that by Mr Reeves on Financial Accountability in MOD. We had a word with Sir FC about managing the product of the supporting services review to the best effect and find ourselves on all fours.

Scrutiny of financial accountability

8. The Reeves report, the second in a year - the first being on cash control, is a bone-punching critique of certain financial arrangements in MOD. A number of good marks are correctly awarded but Reeves concludes that, in general:

- MOD's financial system is not well designed to reconcile the objectives of control against cash limits and civilian manpower targets and (more widely) of economy and efficiency.
- This is partly a defect of the financial framework and partly a product of the attitude of mind (now less widespread than it was, fortunately) that once policy has been defined the money to implement it will always be found.
- The remedy lies in a form of financial control which requires line managers to manage within a cash allotment for the year set by higher management; measures their performance against a formal target; and gives them as much flexibility as possible to vary the composition of their spending to achieve the most efficient results.

9. The Reeves team has made a series of proposals which, leaving aside the purely technical, focus around a clarification of financial responsibility, from the top downwards; the assignment of responsibilities in a formal way (by "charter" to senior officials); and a system of "responsibility budgets" within each Service.

10. Sir FC would like his Ministers to go public with this report quite soon and wants to get ahead with implementation (eg with pilot schemes for "responsibility budgets") quickly. But, the field being so vast and the institutional, procedural and cultural changes being so substantial, we are here contemplating a very substantial programme of reform, extending a long way into the future. Of course, this is but one of the things which MOD has on hand.

#### Scrutiny of the Defence Sales Organisation

11. You will recall that this was included in last year's scrutiny programme at the personal wish of the Prime Minister. It took a long time to get going mainly because of the change in the Head of Defence Sales - now Mr James Blyth (43, formerly General Manager at Lucas Aerospace).

12. To cut a long story short this "scrutiny" is now really an internal MOD study with which Sir DR is associated. Sir FC and Mr Blyth had lunch with Sir DR and me before Christmas and we were left in no doubt of the competence of Mr Blyth to get ahead himself. He is being helped by a Principal from MOD and we see no reason, or prospect of success, in trying to badger MOD to go through the correct "scrutiny" hoops. Quite apart from that, there are reasons, centring around Lord Trenchard, which would make it foolish as well as unfair for us to do so. I can report on these orally if you wish.

13. Sir DR told Sir FC and Mr Blyth that he needed to know whether the exercise was in any sense a scrutiny as he would be reporting to the PM fairly early this year on progress with last



year's programme. I suggested, and it was agreed, that in all the circumstances the best course might be to report the PM, whose interest remained steady, by means of a presentation. Mr Blyth impressed us and, if she has not already met him, I think that the PM would find him interesting and impressive too. I think that a presentation is easily the best way to get over the issues as Mr Blyth sees them and the intentions of the Ministry. This idea has been carried forward inside MOD and Sir FC told me that the present intention was to offer Sir DR the presentation first, with a view to getting his advice on substance and style, before it was offered to the PM. I suggested to Sir FC this morning, and he agreed, that it would be right for MOD to take the initiative in offering a presentation to the PM when the time came, which would be quite soon.

Conclusion

14. We shall deal with the question of a formal response to Mr Nott's minute to the Prime Minister of 15 January when we put forward an analysis of the proposals for this year's scrutiny programme as a whole. This should be towards the end of next week.

15. For the rest, I ask you to take note of the state of play between ourselves and MOD. I have absolutely no reason to doubt the good faith of Sir FC, whom I respect, and I think that we should proceed on the basis I have outlined. I am quite sure that we shall help the PM's interest and the public interest better that way than by being too formal.

16. I also ask you to take note of the probability that Defence Ministers will come forward fairly soon with the offer of a presentation on Defence Sales.

17. Finally, I would be grateful if you would show the Prime Minister this minute. But if you think it would try her patience, I think that Mr Whitmore should be aware of it.

C PRIESTLEY

4 February 1982



SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

Clive Whitmore Esq  
Principal Private Secretary  
No 10 Downing Street  
LONDON SW1

15 January 1982

*Dear Clive,*

EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

I refer to your letter of 15 December. You will have seen my Secretary of State's letter of 13 January to the Chancellor of the Duchy of Lancaster explaining why he would not feel justified in undertaking a major scrutiny in addition to the participation of the Scottish Office in two of the 1982 exercises, resource control in the Scottish prison service and a scrutiny of personnel work in the Scottish Office.

Mr Younger accepts, however, that the smaller Departments outside the Scottish Office for which he is responsible should undertake scrutinies from time to time. In 1982 he proposes that the Department of the Registers of Scotland should undertake the small exercise described in the sheet attached. Mr Younger would be glad to know that the Prime Minister approves.

In your letter of 15 December you mentioned a presentation at 10 Downing Street on Wednesday, 24 February. As the Secretary of State indicated in his letter to Lady Young it seems desirable that the Scottish Office be added to the list of Departments mentioned in this connection in your letter.

A copy of this letter goes to the Private Secretaries to Sir Derek Rayner, Sir Douglas Wass and Mr Cassels.

*Yours sincerely,*

*John Wilson*

91

A MUIR RUSSELL  
Private Secretary

DEPARTMENT OF THE REGISTERS OF SCOTLAND

PROPOSED SCRUTINY 1982

Subject: Billing and collection of registration fees.

Cost: Salaries of 1 EO and 6 COs amounting to £37,859.

Reasons for selecting the subject:

At present some 1,200 deeds a day are received in the Department of the Registers. When the Department had completed the process of registration each deed is returned to the solicitor who submitted it together with a fee note which is generally typed but sometimes written by hand. Solicitors are dilatory in the payment of these fees and there is a system of reminder notices. The system is cumbersome, old-fashioned and open to error.

Terms of reference:

To devise an effective and efficient system of billing and collecting registration fees.

Proposed starting and finishing date:

As soon as approval is given - 2 months duration thereafter.

Examining Officer:

Mr David L Nicoll.

Minister responsible:

Mr Rifkind.

SCOTTISH OFFICE  
15 January 1982

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18 JAN 1982



Y SWYDDFA GYMREIG  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)  
01-233 8545 (Llinell Union)

ODDI WRTH YSGRIFENNYDD  
PREIFAT YSGRIFENNYDD  
GWLADOL CYMRU

MANAGEMENT IN CONFIDENCE

WELSH OFFICE  
GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switchboard)  
01-233 8545 (Direct Line)

FROM THE PRIVATE SECRETARY  
TO THE SECRETARY OF STATE  
FOR WALES

22<sup>nd</sup> January 1982

*Dear Clive*

THE EFFICIENCY STRATEGY 1982: THE SCRUTINY PROGRAMME

Thank you for sending me a copy of your letter of 15 December inviting proposals for the scrutiny programme.

My Secretary of State proposes that the Welsh Office contribution for 1982 should be a study of the Department's administrative and grant procedures under the ... Land Drainage Act 1976. Details are attached.

Although the staff numbers involved in the Welsh Office itself are small, such a scrutiny might lead to regrouping of work and thus to staff savings. Moreover, it might have implications for the Department's administration of other grant payments. The scrutiny seems appropriate also in the light of the Secretary of State's separate proposals for reorganising the Welsh Water Authority and might fit in with any slimming down of the Authority's Regional Land Drainage Committee and 6 Local Committees. A successful scrutiny could therefore lead to wider ranging benefits.

I am copying this to Sir Derek Rayner and also to the Private Secretaries to the Secretary of State for the Environment and to the Minister of Agriculture.

*Yours ever*  
*John Craig*  
J F CRAIG

Clive Whitmore Esq  
Private Secretary  
No 10 Downing Street  
LONDON

WELSH OFFICE

RAYNER SCRUTINY PROGRAMME 1982

Subject: The administrative and grant procedures under the Land Drainage Act 1976.

Clients served: The land drainage bodies in Wales include 2 water authorities (Welsh Water Authority and Severn-Trent Water Authority) operating programmes of work drawn up by their respective Regional Land Drainage Committees and their Local Land Drainage Committee Structure (6 LLDC's in the WWA area and 1 in the Severn-Trent WA area), 37 district councils, 8 county councils (who may act in default of districts or in their own capacity) and 14 Internal Drainage Boards (of which 11 are managed by Welsh Water Authority). The water authorities' areas extend on either side of the England/Wales border.

Finance: Capital expenditure for 1980/81 was £5.8 million and for 1981/82 is estimated to be £6.8 million backed by Welsh Office grant of £3.1 million and £3.8 million respectively. The breakdown by types of body is as follows:-

|       | <u>1980/81</u>             |              | <u>1981/82</u>             |              |
|-------|----------------------------|--------------|----------------------------|--------------|
|       | <u>Capital Expenditure</u> | <u>Grant</u> | <u>Capital Expenditure</u> | <u>Grant</u> |
|       | £                          | £            | £                          | £            |
| WWA   | 3.7m                       | 2.15m        | 5.1m                       | 3.05m        |
| STWA  | 0.1m                       | 0.04m        | 0.1m                       | 0.03m        |
| LA's  | 1.9m                       | 0.9,         | 1.5m                       | 0.7m         |
| IDB's | 0.1m                       | 0.05m        | 0.1m                       | 0.05m        |
| Total | 5.8m                       | 3.1m         | 6.8m                       | 3.8m         |

The rate of grant payable varies as between individual LLDC's within a Water Authority's area and between individual schemes promoted by Local Authorities, all on the basis of the relationship between land drainage expenditure and penny rate product.



**Manpower:**

There are 3 Welsh Office staff employed full-time on the work - 1 HEO, 1 EO and 1 CO - and 2 Engineers from ADAS. There is also significant involvement at Assistant Secretary, Principal and SEO levels.

**Reasons for Selection:**

The Welsh Office is required to approve detailed plans and sections of individual schemes submitted by the land drainage bodies for grant aid and be satisfied that the work is being or has been properly carried out (S.90 of the Land Drainage Act 1976). The purpose of the scrutiny would be to consider what simplification of, or alternative to the existing procedure might with advantage be adopted, with due regard to the position of the Accounting Officer. Although the manpower savings would be small, the project would be of interest in tackling, in a particular field, the question of continuing specific grants and the degree of control which the central government department needs to retain.

In undertaking such a survey it may prove necessary to extend it to cover grants payable under the Local Employment Act 1972 to water and local authorities in respect of land drainage infrastructure improvements to facilitate industrial development. The Secretary of State's obligations to preserve the environment under the Countryside Act 1968 and the Water Act 1973 would also have to be taken into account in any study. So would any interconnection with grant payments under the Coast Protection Act 1949.

**Terms of Reference:**

- (i) to examine the grant administration system in use to meet the Secretary of State's responsibilities under the Land Drainage Act 1976 and the methods of scheme approval;
- (ii) to review the role of the Welsh Office in grant aiding land drainage schemes in the light of the Government's policy of disengagement from activities for which responsibility lies with other authorities.

(iii) to consider the implications of any action proposed on the Local Employment Act 1972 and the environmental obligations of the Secretary of State under the Countryside Act 1968 and the Water Act 1973; and

(iv) to make recommendations for a more efficient procedure.

Proposed Starting Date: 1 February 1982.

Examining Officer: To be appointed.



*From the Secretary of State*

Clive Whitmore Esq  
Principal Private Secretary  
10 Downing Street  
London, SW1

18th January 1982

Dear Clive,

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

Your letter of 15 December invited proposals for the scrutiny programme in 1982.

Officials here have been in close contact with Baroness Young on the efficiency strategy and in consequence my Secretary of State has agreed that the Department of Trade should participate in two of the three co-ordinated reviews which are part of the strategy. The Coastguard Service will be the subject of a resource control review and we will also take part in the study of systems for estimating, monitoring and controlling Departmental running costs.

Following the meeting of E(NI) on 3 December, he has given further thought to the proposal for a Rayner scrutiny of relations between sponsoring Divisions and nationalised industries. He is not convinced that a Rayner scrutiny is necessarily the right response to the CPRS Report. Instead, officials are pursuing with MPO the idea of an "organisation development" exercise on our sponsorship of either the British Airports Authority or British Airways.

We have a contribution to make to the scrutiny programme in the form of a look at one aspect of our supervision of insurance companies. This is an important regulatory activity and fits well with the areas suggested for review in your letter, though as you will see there are good reasons for delaying its start until November.

I am copying this letter to Sir Derek Rayner and Sir Robert Armstrong.

Yours Sincerely,  
*Jonathan Rees*

J N REES  
Private Secretary



THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

(a) Subject

The Department of Trade's practice relating to the supervision of insurance companies. This supervision is at present carried out by administration group staff in Insurance Division with advice from the solicitors and accountancy services divisions (which provide a common service to the Department and the Department of Industry) and also from the Government Actuary's Department.

(b) Cost

The number of staff at present employed on this work is 62. The salary cost (1981-82) is estimated at £600,000.

(c) Reason for selection

The purpose of the review will be to consider whether supervision could be exercised equally effectively and more economically by employing a predominantly professional staff. Although experienced administration group staff are effective, those with a professional background would require less on-the-job training and might be able to work more quickly. A change in the type of staff would mean higher average salaries so it would probably not be worthwhile unless the reduction in total numbers employed was significant.



(d) Terms of reference

To review the work of insurance supervision so far as it relates to authorisation, changes of control and personnel, scrutiny of returns and intervention in company affairs, with a view to deciding whether the appropriate work could be done more economically by fewer staff in total by using more with professional qualifications.

(e) Proposed starting and finishing dates

It is not proposed to start the review until November 1 1982. From July 1982 insurance company returns will be submitted in a new form enabling much more information to be computerised and to be processed rapidly. Until this important change in working method has been brought into operation it would be pointless to review the operation of the system. Three months for the review should suffice. The time for implementation is not predictable. If it requires the recruitment of additional professional staff it will take longer than otherwise.

(f) Names of examining officers

As the review cannot begin for several months it is not proposed to nominate examining officers or settle reporting arrangements immediately.



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DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

Clive Whitmore Esq  
Principal Private Secretary to  
The Prime Minister  
10 Downing Street  
LONDON SW1

21 January 1982

*Dear Mr Whitmore*

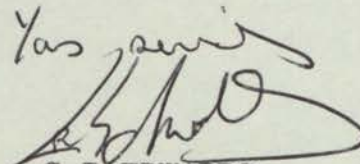
THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

Your letter of 15 December invited Ministers to submit their proposals for the 1982 Rayner scrutiny programme.

My Secretary of State proposes a study to examine all aspects of the administration and enforcement of the goods vehicle licensing system taking account of the parallel features in the PSV operator licensing system. A study in this area was in fact suggested by Sir Derek Rayner following an earlier review which looked inter alia at the forms used for goods vehicle operator licensing. Sir Derek expressed the view that such a study should include a review of the policy; but this has been the subject of a very thorough recent examination, and we shall be writing shortly to Sir Derek on this point. Full details of the proposed project are annexed.

As you know from his acknowledgement of 13 January, my Secretary of State has also been considering the suggestion made in Baroness Young's letter of 22 December that Departments should give thought to mounting scrutinies of operational areas which include agency work by the Post Office. The only relevant part of this Department's activities is the issue of vehicle excise duty licences and this is only a small part of the Post Office's counter business. Its expansion is very recent, and it is rather early to dig the arrangements up in a scrutiny. But if there were some study of Departments' use of the Post Office to provide services over the counter we should be interested. Perhaps the best way forward would be for Treasury to chair an official meeting of all Departments concerned to consider whether something could be done by way of a scrutiny from which we might all benefit.

I am copying this letter to the recipients of yours.

*Yours sincerely*  
  
C R EDWARDS  
Private Secretary



22 JAN 1962



DEPARTMENT OF TRANSPORT: RAYNER SCRUTINY 1982

(1) SUBJECT

The examination of all aspects of the administration and enforcement of the goods vehicle operator licensing system.

(2) COST

Total expenditure, including staff costs, of the licensing system is £8m p.a.

(3) REASONS FOR SELECTING THE SUBJECT

The proposed study is based upon a suggestion made by Sir Derek Rayner following an earlier review which looked inter alia at the forms used in the goods vehicle operator licensing system. The statutory independence of the Licensing Authorities has led to the proliferation of locally-produced forms supplementing those centrally provided by the Department, and to a wide variety of procedures.

(4) TERMS OF REFERENCE

To examine all aspects of the administration and enforcement of the goods vehicle operator licensing system, including its financing, with particular reference to the various forms and procedures used in the Department of Transport's Traffic Area Offices, to ensure that the implementation of Part V of the Transport Act 1968 is fully cost effective, taking account as appropriate of the parallel features of the PSV operator licencing system.

(5) PROPOSED STARTING AND FINISHING DATES

About three months from 1 March 1982.

(6) NAMES OF EXAMINING OFFICERS AND MINISTERIAL REPORTING ARRANGEMENTS

The appointment of the scrutiny officer(s) and details of the reporting arrangements have still to be finalised.




Prime Minister

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

Your Private Secretary's letter of 15 December asked for proposals for the 1982 scrutiny programme. As you know, DHSS has continued to make a large contribution to the scrutiny programme, both in terms of number of scrutinies and in terms of the savings and improvements in efficiency which have been identified. We are fully committed to improving efficiency and shall continue to play a major role in the scrutiny programme.

During 1982 we shall be heavily committed to implementing the proposals made in previous scrutinies and arising from other studies undertaken on our own initiative, including work on the slimming down of our Regional Office structure. Two major changes arising from the first of our scrutinies, "Arrangements for Paying Social Security Benefits", will be made during 1982: payment of child benefit 4-weekly will be introduced from March and the facility for those who wish to have their retirement pension or child benefit paid direct into a bank account will be available towards the end of the year. In considering proposals for the 1982 programme, I have been concerned to look at areas which seem to be staff intensive and complicated. To this end I am putting forward proposals for two scrutinies for the 1982 programme; notes setting out the required information are attached. In addition we shall be one of the Departments participating in the service-wide study of personnel work.

The proposed scrutiny into the payment of benefit to people in hospital is a study into an aspect of the administration of social security benefits which has not yet been looked at. We had originally thought of a scrutiny into an individual benefit, but these have all been reviewed recently by our own Management Services Branch, or have been the subject of major change. Rather than go over the same ground again without holding out much hope for further major saving I thought it best to have an across-the-board look at one aspect of all social security benefits.



Most of the rules for paying benefits to people in hospital were devised to cover a relatively few contributory benefits - retirement and widows pensions and sickness benefits - in 1948, and have been somewhat inconsistently applied to the much greater range of benefits and allowances which have become available since. There is a widely varying set of rules which seem expensive to administer and confusing to beneficiaries and hospital staff. I consider that this should offer plenty of scope for simplification and improved efficiency.

The second scrutiny is into the assessment of financial entitlement to civil legal aid, an area of work which we undertake for the Lord Chancellor. It is self-contained and does not impinge upon other aspects of social security administration. Nonetheless, it is important in its own right and should offer scope for improved efficiency, and administrative savings. We propose to tackle this jointly with the Lord Chancellor's Department, who are agreeable to what we have in mind provided the scrutiny takes place towards the end of the year - their resources are very limited.

If these proposals are approved, the Department will press ahead with the setting up of a study team for the first scrutiny. We shall wait to hear from Sir Derek about the timing of the scrutiny of personnel work.

I should perhaps add a few words about our plans for scrutinies into various aspects of the National Health Service on which we are - with Derek Rayner's support - about to embark. I shall be setting up within the Department arrangements for NHS scrutinies to parallel those of Sir Derek's office for the Civil Service. We shall look to the NHS at its highest levels of management to suggest subject for scrutiny, to provide able people to carry them out, and to secure their implementation when I have approved them. I shall be raising the matter with the 14 Regional Health Authority Chairman at my meeting with them on 19 January and will expect them to be ready with proposals for scrutinies when I meet them again in March. On that occasion Derek Rayner has agreed to




be present and help us to launch the NHS scrutiny programme. It will then be necessary to discuss the arrangements with NHS trade union and professional bodies. This will be a stimulating extension of the scrutiny principle into a major area of public administration, and although Derek Rayner has, I know, only limited amount of time available I am glad that he had been able to associate himself with it.

I am sending a copy of this minute to the Lord Chancellor and to Sir Derek Rayner.

NORMAN FOWLER

15.1.82

CONQUEROR



ASSESSMENT OF LEGAL AID IN CIVIL CASES

Subject

The administrative procedures for assessing a person's financial entitlement to legal aid in civil cases under the Legal Aid Scheme. This is undertaken by DHSS on behalf of the Lord Chancellor's Office which is responsible for all types of legal aid. A claim goes from an individual's solicitor to the Law Society who ask DHSS to assess means. We send our assessment to the Law Society who then decide whether the granting of legal aid is 'justified' on the legal merits of the case. They then pass the decision to the applicant's solicitor.

Cost

We employ 500 staff in legal aid assessment offices. In addition about 100 other staff in local offices interview applicants who are outside reasonable travelling distances of legal aid assessment offices. In 1980-81 DHSS administration costs were over £6m representing an appreciable figure in relation to gross expenditure on civil legal aid, which was running at about £65m.

Reasons for proposal

Legal Aid is largely a self-contained area within DHSS. We consider that a fundamental look at the arrangements for assessing legal aid in civil cases is needed in view of the seemingly high administration costs. Both the Law Society and the Lord Chancellor's Advisory Committee have stressed the desirability of simplification.

Terms of reference

To consider the administrative arrangements for assessing the means of a claimant for legal aid in a civil case. The terms of reference are tentative at this stage and need to be discussed with the Lord Chancellor's Office. The rules themselves would be looked at only in so far as they had an appreciable effect on organisation and administration.



Proposal  
starting and  
finishing dates

Lord Chancellor's Department would be associated with the study but because they are a relatively small department and could not assign anyone of the right quality to the study before the autumn of 1982.

Names of  
Examining  
Officers and  
Ministerial  
reporting  
arrangements

Not yet decided.

CONQUEROR





## PAYMENT OF SOCIAL SECURITY BENEFITS TO PEOPLE IN HOSPITAL

### Subject

The amount of social security benefit payable to a beneficiary in hospital depends upon the kind of benefit in payment, the marital status of the beneficiary, whether he or she has any dependents, and the length of time in hospital. This leads to complicated rules and administration. In reducing benefit for longer stays in hospital regard is had to the fact that food and care are being provided by the NHS.

### Cost

The administrative cost of applying complex rules is appreciable: It is estimated that over 100,000 beneficiaries are in hospital at any one time whose benefit has to be adjusted.

### Reasons for proposal

The wide variation in rules for paying benefits to hospital in-patients were recently highlighted by a Management Services Study into non-contributory disablement benefits. For example non-contributory invalidity pension follows the main contributory benefits in remaining unchanged for eight weeks and being adjusted thereafter. Attendance allowance continues for four weeks and then ceases. Mobility allowance is totally unaffected. Achieving more uniform rules, improving liaison with hospitals and considering the principles on which benefit should be paid to long-stay patients should result in simpler rules, administrative and/or benefit savings.

### Terms of reference

To study the rules and administrative arrangements for paying social security benefits for people in hospital and without incurring an increase in overall benefit payments, to consider legislative and other changes which would lead to more uniform arrangements and more efficient administration.





Proposed  
starting and  
finishing dates

The scrutiny would start early in 1982 as soon as suitable staff could be made available.

Names of  
Examining  
Officers and  
Ministerial  
reporting  
arrangements

Not yet decided.

CONQUEROR



*Chancellor of the Duchy of Lancaster*

PRIME MINISTER

EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

Your Principal Private Secretary's letter of 15 December invited departmental Ministers to send you their proposals for the 1982 scrutiny programme.

The MPO will be taking part in the Service-wide review of running costs. In our case, I want the scope of the review widened to include the department's management information system.

I have looked carefully at the scope for a separate scrutiny but there is none that I would wish to propose for the present. The whole work of the Office is being looked at pretty sharply in the course of preparing our first action document for 1982-83. It may be that subjects which can usefully be scrutinised will emerge later, but it is too early so far to say. Of course the MPO of all departments should set a good example - but I think the work we already have in hand is earnest of that.

I am sending a copy of this minute to Sir Derek Rayner.

*Baroness Young*

BARONESS YOUNG

15 January 1982

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PRIME MINISTER

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

1 Your Private Secretary's letter of 15 December asked for proposals for this programme.

2 The only new proposal I wish to make relates to the Health and Safety Executive. As regards the rest of the DE Group, my Department is already involved in the two Co-ordinated Reviews of Running Costs and Personnel Management, and is I think the only Department involved in both. A scrutiny of the MSC's General Employment Service, which will be a major exercise, is already part of the 1982 programme and is in train. The remaining part of the DE Group which employs big numbers - the Unemployment Benefit Service - is too hard pressed in recovering from the Civil Service dispute, implementing the earlier Rayner scrutiny of unemployment benefit and introducing taxation of benefit to allow involvement in any further scrutiny this year.

3 The proposal by the Health and Safety Executive is set out in the attached note. It is a review of the arrangements for the supply and use of information on industrial accidents and diseases. The data base to be reviewed is central to the effective operation of the various Inspectorates and to improving safety practice in industry. Besides its intrinsic importance, impending changes in the social security field could require extensive changes too in the HSE's system. The cost of the arrangements under scrutiny is significant both to the Government and to industry.

4 I am copying this minute to the Chancellor of the Exchequer, Sir Derek Rayner and Sir Robert Armstrong.

NT

NT  
15 January 1982

## HEALTH AND SAFETY EXECUTIVE

### PROPOSAL FOR SCRUTINY OF THE ARRANGEMENTS FOR THE SUPPLY AND USE OF INFORMATION ON INDUSTRIAL ACCIDENTS AND DISEASES

#### Introduction

When HSE was set up in 1975, the Executive decided it was essential to establish a major new data base including information on the nature and occurrence of accidents and diseases at workplaces. This seemed essential to provide a sound foundation for both policy formation and enforcement activities. A major programme involving capital expenditure on computer facilities of over £1 million was embarked on and became operational in 1981. The programme of work in this field involves annual expenditure within HSE of well over £1 million.

A review of the system is now highly desirable, not least because the source for a great deal of the information - the DHSS Industrial Injuries Scheme - is due for substantial change. We need to consider therefore both the needs for information of this kind and the most efficient and cost/effective way of obtaining the information from employers.

#### The Present Position

1. At present the Health and Safety Executive receives information in connection with industrial accidents and diseases through the following channels:
  - (1) Industrial accidents are regularly notified to the Executive by DHSS as an extension of their ordinary arrangements for payment of industrial injuries benefit. A stream of some 400,000 notifications per annum is received and computerised.
  - (2) Similarly, information is received from DHSS in relation to all cases of 51 prescribed diseases claimed to be related to occupation, which result in the payment of

industrial injuries benefit. There are some 10,000 notifications annually.

- (3) Serious accidents and certain diseases are directly notified by employers. These are defined in Regulations. Some 15,000 accidents and a negligible number of cases of particular diseases are thus notified.
- (4) Certain additional information is gained in the ordinary course of investigation and inspection.

2. Information on accidents and diseases can contribute to:

- (a) targeting inspection work by HSE and other authorities and judging the success of enforcement measures
- (b) assessing trends in accidents and disease
- (c) determining policy priorities and guiding the formulation of the Executive's programme of work.
- (d) assisting employers and workpeople in identifying problems at particular workplaces.

Need for Reappraisal

3. The HSE end of the information system has recently been computerised - further more sophisticated means of handling the data are under consideration. The internal arrangements are therefore in a relatively fluid state. The time is opportune to review the relative usefulness and cost effectiveness of the main information streams in relation to the Executive's operational and policy needs. An additional reason for a careful reappraisal is that the impending passage of the Social Security and Housing Bill, and the changed DHSS reporting procedures consequent upon the abolition of the differential rate of payment for industrial injuries benefit, will have a

significant impact upon the quantity and possibly the nature of the largest of the present information streams.

4. The task is to identify the requirements of the Executive, other enforcement authorities, and employers, workpeople and others outside "Government" and to seek to satisfy them in the most effective and economical way, taking account of the uses to which the existing stream of information is actually, and could usefully, be put.

#### Terms of Reference

5. The following Terms of Reference for a scrutiny are therefore proposed:-

"To identify the Commission's and the Executive's requirements for information on accidents at work and on industrial diseases and the present and potential uses and practical importance of this information for their work.

"To consider the interface between these requirements and uses and the information currently or potentially available within industry for its own needs.

"To report within four months".

#### Scrutiny Officer

6. To be nominated.

#### Costs of Present Activity

7. The costs of the current activity involve: (1) costs to DHSS of forwarding data received in connection with the industrial injury benefits scheme; (2) costs to employers of various kinds and (3) the costs to the Executive of computerising, analysing and putting to use the data. While it is possible therefore to provide a rough estimate of the costs within the Executive (about £1 million a year),

4.

this does not recognise the full magnitude of the costs, nor indicate the potential for savings.

Reporting Channel

8. The Health and Safety Executive, which will report to the Chairman of the Health and Safety Commission on the outcome.

for John Locke  
ARH.

JOHN LOCKE  
Director General HSE

11 January 1982



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PART ~~10~~ 10 ends:-

W R R Pready 10/2/82

PART 11 begins:-

Department Secretary Special File

