

PREM 19/1519

How to do a scrutiny

A guide for examining officers and their teams

The scrutiny process

Setting up
a Scrutiny

Doing the
Investigation

Action
Plan

Implementation

Implementation
Report

← 24 months maximum →

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The Efficiency Unit
October 1985

Doing a scrutiny

This guide aims to help you carry out a successful scrutiny. If you are new to the scrutiny approach it will tell you what you must do, and where you are free to pursue issues in your own way. If you feel you know the scrutiny approach already use this guide to check your assumptions about what you should do.

You will see that the procedures common to all scrutinies are kept to a minimum. You will be left as free as possible to pursue the issues which you think are important.

What Makes A Scrutiny Special?

When you work on a scrutiny you are in a special position.

You will be working directly for the Permanent Secretary who will look after the scrutiny on behalf of the Minister. You may have a small team but in many ways you will be on your own.

You will start with a specification for your work which will set out the context in which your scrutiny is to be done and the terms of reference. You should regard these as signposts and not a straitjacket. You will be expected to question radically the work that your department does. Your task will be to look at all the ways value for money can be increased and to make practical recommendations for action. And remember, value for money does not just mean reducing costs; it also means doing more for the same or even less cost.

Your method will be to study what actually happens. Your recommendations must be based on evidence you have obtained at first hand.

The Importance Of Communication

The decision on implementation will be taken by your Minister and the Permanent Secretary. Your task is not to produce a consensus report but your scrutiny will be more successful if the line managers involved are persuaded of what you are likely to recommend and why.

The line manager with overall responsibility for making sure that change takes place as a result of your scrutiny is called the action manager. He or she will be identified by the Permanent Secretary at the outset and will take a close interest in your findings, conclusions and recommendations.

You will find it helpful to have a meeting with the action manager and his staff, at an early stage in the scrutiny process, at which you can discuss terms of reference, key issues and your proposed approach.

What Will The Efficiency Unit Contribute?

The Efficiency Unit is available to give you any help you need. A member of the Unit will be assigned to keep in touch with you on the scrutiny. He or she can give you the benefit of experience gained on scrutinies carried out elsewhere, and will join you on some of your fieldwork.

Planning

Your timetable will be tight. You will have a lot of ground to cover. And if you are at all typical you will feel under pressure.

The key to success in this context is thorough planning. It will save you time and it will provide a basis for your actions.

We suggest you handle the planning in five stages:

- review the key questions
- plan the work
- draft your study plan
- consult widely
- circulate your final study plan

You will find the study plan useful when you are doing your fieldwork to give to people as a brief summary of what you are doing.

Review The Key Questions

To produce a useful plan you should first think through these questions:

Scope

- What precise area do I need to cover?
- Where are the boundaries?

Issues

- What major issues will I be investigating?
- Are they the heart of the matter?
- What will be relevant evidence?

Tasks

- What are the main tasks?
 - how long will each one take?
 - which ones depend upon the results of others before they can be started?
 - which ones can be done in parallel?

Techniques

- How will I do all this?
 - what techniques will I use for gathering and analysing data?
 - what sources will I use?
 - who will I need to consult?

Resources

- What resources will I need in terms of
 - people on the scrutiny team?
 - facilities?

Plan The Work

Select your team

Make sure you have the final say in selecting your team. Think about the people and skills you will need. Remember, too, that personal qualities can count for a good deal when working under pressure.

Plan the tasks

Draw up a detailed but flexible timetable. You may find it helpful to use a bar chart or network diagram.

Ensure that you allow yourself enough time for:

- collecting statistical or financial data
- fieldwork visits
- wider discussions
- writing the report

Make sure that data collection begins early. It can take a long time to get non-routine data which you may need for your final report.

Set up the support you need

You will need secretarial support and access to word processing. You may need computing help. It is prudent to 'book' these well in advance.

If you need expert advice in any field your department will help you obtain it. If they cannot provide it the Efficiency Unit will help you find what you need.

Find out the costs

You will need detailed figures on costs and potential savings. Remember that in your final report you must include:

- estimates of the present cost of each activity in money and manpower
- estimates of any savings you expect to achieve
- your costs for the scrutiny

Draft Your Study Plan

Within three weeks of starting work you should produce a study plan. The table below shows what it should contain.

Study Plan Contents

- A brief description of your topic
- Terms of reference
- A brief outline of the major issues as they appear to you at this stage
- The names of the study team
- Your intended method of working
- The timetable: fieldwork, synopsis of findings, drafting time

Consult The Trade Union Side

You should get in touch with your departmental Trade Union Side to discuss your study plan. (They will have been told of the scrutiny by the scrutiny liaison officer, will have a copy of your terms of reference and know that you are undertaking the work.) Be sure to consult them about any local Trade Union Side involvement.

Circulate Your Study Plan

Send the study plan to:

- the Permanent Secretary
- the Efficiency Unit
- the Trade Union Side

The Permanent Secretary will discuss your study plan with you. He or she will consult the Minister as necessary. The Efficiency Unit will aim to let the Permanent Secretary and you have any comments within 5 working days.

After it has been approved send the study plan to those affected by the scrutiny. Remember, the study plan is all your department will have about the way you are tackling your scrutiny until you produce your synopsis. Do not let it constrain you, but if you do decide to change course later, for example, to explore substantial new areas or change the timetable be sure to give some warning to those concerned.

Fieldwork

At this stage bear in mind three basic rules:

- see for yourself
- ask the right questions
- explain what you are doing

See For Yourself

Do not rely on the views of others—especially when people disagree. Talk to people in head offices and to senior officials. But spend much of the time gathering and assessing evidence by visiting local offices and local sites and talking to the people directly involved in spending money or carrying out a function.

Make sure you 'go and see' for yourself what actually happens and trace the activity you are looking at from beginning to end. Above all, do not rely on paper; a scrutiny is not a desk study.

Do not accept anything until you have seen it. Your first priority is to find out how things really work. You will only do this by looking at the details and questioning assumptions—especially at the point of delivery to the customer. You must be certain about your facts and evidence—they will form the basis of your recommendations.

Ask The Right Questions

To get at the facts you need to ask radical questions. Aim to find out:

- | | |
|-------------|--|
| Who | <input type="checkbox"/> Who is responsible for the work? Are lines of accountability clear and as short as they can be? |
| | <input type="checkbox"/> Who does the work? |
| | <input type="checkbox"/> Who is the customer? |
| | <input type="checkbox"/> Who else benefits? |
| Why | <input type="checkbox"/> Why is the work done by Government? |
| | <input type="checkbox"/> Why is it done in the way it is? What alternatives are there? |
| What | <input type="checkbox"/> What does it cost—in money and manpower? |
| | <input type="checkbox"/> What most affects the costs? |
| | <input type="checkbox"/> What value is added by each activity? |
| | <input type="checkbox"/> What would happen if any activity stopped? |
| How | <input type="checkbox"/> How are decisions made? Are they made by the right people with the right information? |
| | <input type="checkbox"/> How are things really done? |
| | <input type="checkbox"/> How can we tell if they are done well? |
| | <input type="checkbox"/> How are the results assessed? |
| | <input type="checkbox"/> How can value for money be improved—and the improvement be seen? |

Explain What You Are Doing

You will need to carry some people with you at every stage if your scrutiny is to produce the results you seek.

During fieldwork you should therefore

- explain what you are doing and why*
- show a real interest in the activities you study.* People will respond to this and be more likely to help you get to the bottom of any problem. If they are suspicious when you and any colleagues first arrive do not let this throw you. Remain open and positive
- encourage contributions* from all members of staff and the Trade Union Side, either in writing or through a meeting
- make yourself available to all* when you visit local offices
- keep in touch with the action manager*

Your time is scarce and you need to use it effectively. Keep control of it. Avoid bureaucratic procedures which do not add value. The choice of how you use your time is yours.

Taking stock

About two thirds of the way through your scrutiny, you should take stock of your emerging findings and the direction of your likely recommendations. Do this in the form of a short synopsis and discuss it with the action manager, Permanent Secretary and the Efficiency Unit. This will help ensure they remain in touch with the way your thoughts are developing.

Consider whether it would help to issue your synopsis more widely. This can be an effective way of sounding out a larger audience on your views. But remember the report is yours and no one else's, and no one will be more radical than you. Now is the time to try out your ideas.

You should consult the Trade Union Side at this stage over issues which affect staff, but you should also protect the confidentiality of policy advice to your Minister.

Recommendations

As you review your findings remember your purpose: to increase value for money, not just to find problems.

Your recommendations are the most important part of your report. They are the pegs upon which future action will hang. Your commitment must come through clearly.

Your recommendations must be

- clear and decisive—what is to be done and who is to take action
- based firmly on the evidence
- precise about the related costs, savings and timetable for action, and above all
- practical, and leading to visible action

If you cannot find a sound long term solution say so and set out interim targets for action to deal with any shortcomings you have found.

Avoid recommending further studies—unless there is work which cannot be done within your timetable or resources. If you feel further studies are really needed, make sure you spell out what should happen and when. Draw up concise and practical suggestions for terms of reference, a timescale and a target date for action.

Do not recommend further study because decisions are difficult.

Writing your report

You want your report to influence people so make sure that it is short and easy to read. Try to make its appearance do justice to the work you have done. Use the following checklist to help you.

Characteristics of successful scrutiny reports

- Easy to read
- Convincing but not pedantic
- Up to 25 pages with detailed supporting material in annexes—or even a supplementary volume
- Gives a fair picture and uses evidence that is accurate
- Recommendations flow from conclusions and conclusions flow from evidence
- Includes data on costs, outputs and savings
- Spells out how you will know that your solutions have worked
- Uses tables, charts and graphs for emphasis and clarity
- Proposes action
- Records significant Trade Union Side views in the report and includes written Trade Union Side material in an annex

Issuing the report

Send the report to

- the Minister
- the Permanent Secretary
- the Efficiency Unit

and send copies to

- the action manager
- your scrutiny liaison officer
- other senior line managers who need to know about it

Implementation

Once you have issued your report the action manager will prepare the action plan and get decisions made on your recommendations. He or she will then make sure that the accepted recommendations are acted on and will report on the results within two years of the start of the scrutiny.

What makes a successful scrutiny?

You will have a good deal of freedom as you run your scrutiny. Experience shows that this freedom can bring risks as well as advantages. Here are some tips based on the experience of several hundred scrutinies.

- Make a detailed plan of work before you start and then stick to it. For a complex project consider drawing up a network diagram. (The Efficiency Unit can advise you on this.) Leave time to check your data
- Study some scrutiny reports to gain a feel for the way issues can be handled
- Before you begin fieldwork, sketch an outline structure of the report you will need to write. This will help ensure your fieldwork will focus on what matters
- Set realistic aims; don't try to cover too much ground
- Keep your team small—and keep it working closely together
- Check your progress against plan regularly
- Discuss your study widely
- Challenge radically but be fair in what you say
- Make sure your recommendations are realistic as well as precise. Chart the way forward so that the action manager can see what he or she has to do and what you expect to happen as a result
- Make your report short, readable and to the point

Stages in a scrutiny

1 Setting Up A Scrutiny

- | | |
|---------------------------------|---|
| The Minister | <input type="checkbox"/> Approves subject for scrutiny |
| Permanent Secretary | <input type="checkbox"/> Identifies the action manager
<input type="checkbox"/> Chooses the examining officer
<input type="checkbox"/> Issues the specification |
| Scrutiny Liaison Officer | <input type="checkbox"/> Informs the relevant staff and the Trade Union Side
<input type="checkbox"/> Coordinates the starting brief |

2 Doing The Investigation

Study Plan

- | | |
|---|---|
| Examining Officer with support and advice from the Efficiency Unit | <input type="checkbox"/> Plans the scrutiny
<input type="checkbox"/> Approves the team
<input type="checkbox"/> Drafts the study plan
<input type="checkbox"/> Consults those concerned including Trade Unions
<input type="checkbox"/> Circulates the study plan within 15 working days of starting the scrutiny |
| Minister and Permanent Secretary | <input type="checkbox"/> Review the study plan with the scrutiny team |

Fieldwork

- | | |
|---|---|
| Examining Officer with support and advice from the Efficiency Unit | <input type="checkbox"/> Collects evidence
<input type="checkbox"/> Organises team |
| Action Manager | <input type="checkbox"/> Assists the examining officer |

Synopsis

- | | |
|---|---|
| Examining Officer with support and advice from the Efficiency Unit | <input type="checkbox"/> Prepares the synopsis after 60 working days
<input type="checkbox"/> Discusses the synopsis with the Permanent Secretary
<input type="checkbox"/> Consults the Trade Union Side on emerging findings affecting staff |
| Permanent Secretary | <input type="checkbox"/> Reviews the synopsis with the scrutiny team |

Report

- | | |
|---|--|
| Examining Officer with support and advice from the Efficiency Unit | <input type="checkbox"/> Drafts report
<input type="checkbox"/> Informally consults interested managers
<input type="checkbox"/> Issues report to the Minister and Permanent Secretary |
| Permanent Secretary | <input type="checkbox"/> Discusses the report with the scrutiny team |
| Efficiency Unit | <input type="checkbox"/> Comments on the report |
| Minister | <input type="checkbox"/> Accepts the report |

3 Action Plan

- | | |
|---|--|
| Action Manager | <input type="checkbox"/> Prepares the action plan
<input type="checkbox"/> Consults Trade Unions and other interested bodies |
| Minister and Permanent Secretary | <input type="checkbox"/> Decide on recommendations
<input type="checkbox"/> Decide whether and how to publish
<input type="checkbox"/> Approve the action plan |
| Efficiency Unit | <input type="checkbox"/> Comments on the action plan |

4 Implementation

- | | |
|---------------------------------|---|
| Permanent Secretary | <input type="checkbox"/> Responsible for implementation |
| Action Manager | <input type="checkbox"/> Ensures approved recommendations are implemented |
| Scrutiny Liaison Officer | <input type="checkbox"/> Acts as Permanent Secretary's agent |

5 Implementation Report

- | | |
|----------------------------|--|
| Action Manager | <input type="checkbox"/> Prepares final implementation report within two years |
| Permanent Secretary | <input type="checkbox"/> Ensures that implementation report is accurate and implementation is achieved |
| Efficiency Unit | <input type="checkbox"/> Comments to the Minister on results achieved |
| Minister | <input type="checkbox"/> Accepts implementation report |

Managing scrutinies

A guide for Ministers and managers

The scrutiny process

Setting up
a Scrutiny

Doing the
Investigation

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Report

← 24 months maximum →

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The Efficiency Unit
October 1985

What is a scrutiny?

A scrutiny is a method of reviewing an area swiftly and in depth and taking a fresh look at the issues. Scrutinies have been developed to help departments get greater value for money from their resources. They can be used by Ministers or by a department's top management to ensure that options are explored sensibly and intelligently—and that radical questions are asked. The value of the scrutiny technique is now well proven. It can probe settled assumptions and break through a log-jam of unsatisfactory procedures. It looks for speedy improvements in value for money and seeks to identify necessary wider reforms. It is not a substitute for normal management activity.

This guide and its companion 'How to do a scrutiny' have been written for scrutinies involving the Efficiency Unit but the general principles are applicable to all reviews.

Because the scrutiny process is unique in government it lays upon many people tasks that may be new to them. This guide is to help all involved to manage the process effectively.

The Key People

Five people play key roles in the scrutiny process in departments: the Minister in charge of the department, the Permanent Secretary, the scrutiny liaison officer, the examining officer and the action manager.

The Minister in Charge of the Department

The Minister's role is to identify the priorities for improving cost effectiveness and to set targets for increasing value for money.

The Permanent Secretary

As top manager the Permanent Secretary or Head of Department is responsible on behalf of the Minister for the efficient and effective management of the department. This includes ensuring that scrutinies are carried out, that their recommendations are implemented and that value for money targets are achieved.

The Scrutiny Liaison Officer

The scrutiny liaison officer provides advice and support on all aspects of the scrutiny process to the Permanent Secretary and the Efficiency Unit.

The scrutiny liaison officer should normally be the head of the secretariat for the top management group.

The Examining Officer

The examining officer is responsible for the scrutiny investigation: for identifying the key issues and finding appropriate solutions to problems. The examining officer is personally responsible for the report. He or she may be supported by a small team.

The Action Manager

The action manager is chosen at the beginning of the process by the Permanent Secretary. He or she will normally be the line manager with primary responsibility for the area under scrutiny. The action manager is the person with overall responsibility for managing change and delivering results from the scrutiny. He or she will be required to produce an implementation report within two years on what has been achieved.

The Role Of The Efficiency Unit

The Prime Minister has a continuing interest in the use of scrutinies to improve value for money in departments. This interest is represented by the Prime Minister's adviser on efficiency and the staff of the Efficiency Unit.

The Prime Minister's adviser will

- agree the scrutiny subject and the specification with the Minister
- discuss the emerging findings with the scrutiny team
- comment to the Minister and Permanent Secretary on the report and the action plan
- comment to the Minister on the implementation report
- report to the Prime Minister on progress on implementation in all departments

The Efficiency Unit in addition

- for the scrutiny programme as a whole
 - co-ordinates the programme
 - provides help and advice to departments
 - monitors implementation
- for each scrutiny
 - holds initial briefing meetings with the scrutiny team
 - advises the Permanent Secretary on the study plan
 - meets with the team regularly and accompanies them on at least one field visit
 - advises and assists the action manager in implementation

Consultation With The Trade Union Side

The Departmental Trade Union Side has an interest in scrutinies which affect working conditions or other staff interests. It should be informed at the outset and given an opportunity to contribute during the scrutiny and after the report has been issued.

Key Elements in Scrutinies

- The aim is greater value for money** by improving the efficiency and effectiveness with which departments deliver policies, programmes and services
- The focus is priorities for improvement**
- The Permanent Secretary supervises the process** in association with the Minister
- The scrutiny takes nothing for granted** but looks directly at what actually happens at all levels of the area under study
- The examining officer comes from within the department** but not from the area to be reviewed
- The examining officer is independent** and reports direct to the Minister and Permanent Secretary
- The scrutiny process has a tight schedule** and is in 4 parts: investigation; action plan; implementation; implementation report
- The action manager converts the report into results** and delivers a report on what has been achieved within 2 years of the start of the process
- The Efficiency Unit will be involved throughout the process**

Setting up a scrutiny

Selecting Scrutiny Topics

Scrutinies are chosen by managers at all levels in departments. As they regularly review the costs, results and plans for all that they do each year, they should highlight areas where scrutinies can help them improve value for money.

Substantial savings can be made in the big businesses but almost every area—no matter how small—can be better run. Experience suggests that a thorough review of procedures and policies will nearly always produce improvements in service and/or reductions in costs.

The Specification

For each scrutiny topic the top management secretariat must produce a specification which should be agreed by the Permanent Secretary and Minister and sent to the Prime Minister's adviser on efficiency. It should include

The specification

- the aim of the scrutiny
- its terms of reference
- the name of the action manager
- the name of the examining officer
- the timetable for producing the scrutiny and implementation reports

The Timetable

The scrutiny process works best under pressure and real results should be achieved within two years. Up to 90 working days should normally be allowed to carry out the investigation and produce a report and a further three months for the action plan. This leaves nearly 18 months to convert the report into results.

Selecting The Examining Officer

The examining officer usually comes from within the department and should normally be at Principal or Assistant Secretary level. He or she will be selected by the Permanent Secretary and should always be assigned full-time to the scrutiny. The choice of the right person is essential: it will have a critical bearing on the success of the scrutiny.

The examining officer will work under pressure. He or she must be prepared to question, challenge and investigate thoroughly. Communication skills will also be important; both for collecting the evidence and selling the solutions.

As soon as the examining officer is appointed, he or she should receive a copy of this guide and the companion, 'How to do a scrutiny'.

Supporting The Scrutiny Team

The scrutiny liaison officer should see that the team have

- adequate secretarial support
- access to word processing and computer equipment
- access to any necessary expert advice (eg consultants)

Briefing The Scrutiny Team

The examining officer must have the final say in selecting the scrutiny team. Its size and skills will vary with the subject of the scrutiny. In some cases specialist knowledge will be essential.

As soon as the team starts work the scrutiny liaison officer provides them with a starting brief

- the specification
- a factual brief on the area to be studied (to help the team gather material rapidly)

Informing The Trade Union Side

The scrutiny liaison officer should give the Trade Union Side the terms of reference and the name of the examining officer.

During the scrutiny itself the examining officer should provide the Trade Union Side with a copy of the study plan. The examining officer should also ensure that they have an opportunity to put forward and discuss their views on the issues under scrutiny affecting staff and relevant emerging findings.

Doing the investigation

Details of this stage are provided in the companion guide 'How to do a scrutiny'. The main steps and typical timescales are

- the study plan—after 15 working days
- a synopsis of the emerging findings—after 60 working days
- the final report—after 90 working days

Contact With The Team

The Minister should meet the team at an early stage of the scrutiny eg when the study plan is submitted. The meeting should discuss how the scrutiny will be carried out and the team should be assured of top management's support.

The Permanent Secretary will

- encourage and help the scrutiny team to question the activity under study radically, sensibly and fairly
- ensure access to whatever information the scrutiny team need and co-operation and assistance from all relevant staff
- make it clear that the terms of reference are a guide for the scrutiny team and not a straitjacket

The Action Manager will also keep in close touch with the team and will focus on the practical implications of the team's findings.

The Efficiency Unit will

- meet with the team regularly to discuss progress
- advise on lessons from other scrutinies
- provide a sounding board for the team's ideas
- discuss the draft study plan, synopsis and report with the examining officer

The Examining Officer must send the report to:

- the Minister
- the Permanent Secretary
- the Efficiency Unit

The Report

Many people in the department may be affected by the scrutiny report and the action arising from it. The action manager should ensure that all these people see copies of the report.

The Minister and Permanent Secretary should discuss the report with the team.

The Minister will then decide on

- whether and how to issue the report publicly
- consultation with the Trade Unions
- the action required in response to the report

Wherever possible scrutiny reports should be published.

Action plan

The action manager produces a draft action plan for the Minister and Permanent Secretary to approve. This action plan should be produced by no later than three months from the date the scrutiny report was sent to the Minister.

The action plan is a summary of the decisions taken and action needed to produce results. It should not be a timetable for decision taking.

Before the plan is completed the action manager should invite the Trade Union Side to give its view on recommendations which affect staff interests.

Some recommendations may require consultation with the Trade Union Side or outside bodies. This process should be carried out to a closely defined timetable like the other implementation activities.

Content Of The Action Plan

The action plan

- A brief general commentary on
 - the key issues identified by the scrutiny
 - the overall solution for each area
 - the department's reaction to the main recommendations for each area
- An implementation timetable including a date for the implementation report
- For each accepted recommendation
 - the name of the person responsible for carrying it through
 - targets and dates for implementation
 - costs in money and manpower
 - savings in money and manpower
 - other improvements and how they will be observed
- For each rejected recommendation
 - the reasons for rejection
 - the savings in money and manpower which are not going to be realised
 - what is to be done to tackle the identified problem
- For each recommendation for further study
 - the name of the person responsible for the study
 - the terms of reference
 - the study timetable

Implementation

The Permanent Secretary is responsible for ensuring that implementation takes place briskly. The action manager is responsible on his or her behalf for making sure that decisions are made and turned into action.

The action plan will provide the framework within which implementation takes place.

It will be the action manager's responsibility to make sure that the action plan sticks and that the identified improvements in efficiency and effectiveness are achieved on time.

The action manager's role will be more than one of co-ordination. He or she will have full and final responsibility for the success of the implementation.

He or she will need to monitor progress on implementation closely and should keep the Permanent Secretary and Efficiency Unit informed. If things start to go wrong the action manager will need to take remedial action to bring the implementation back on to course. This may involve setting new target dates, reorganising the use of resources or amending, or even proposing new, solutions to the identified problems.

Implementation report

Within two years of the start of the scrutiny the action manager should make an implementation report which will complete the scrutiny process. This goes to the Permanent Secretary and the Minister with a copy to the Efficiency Unit.

Contents Of The Implementation Report

The report should be short and factual. It should be signed by the action manager and should cover

The implementation report

- A general statement of the problems identified by the scrutiny and the implemented solutions
- For each major recommendation
 - a record of action taken
 - the results achieved
 - a note of work yet to be done
- A report on how well the expected improvements in value for money have been realised and on any emerging new circumstances
- An annex with the scrutiny specification

The implementation report completes the scrutiny process but departments will wish to continue to monitor performance in the future. This should be done through the normal management process including the Top Management System.

Key Elements in Implementation

- The action manager has clear personal responsibility.** Other divisions and departments may be involved in implementation but it is the action manager's own responsibility to take the issues forward and produce results
- Top management shows a commitment to getting results.** The action manager will rely on the performance of other line managers to achieve a successful implementation and will need the visible support of top management to ensure that he or she receives their full co-operation and that his or her needs are given the right priority
- A detailed and tightly controlled timetable** is essential to maintain the urgency of the scrutiny process – particularly if the implementation involves a large number of related tasks spread over different parts of the organisation
- The action manager involves all people affected by implementation** at an early stage and explains
 - what is proposed and why
 - when it will be implemented and by whom
 - how people will be affected
- Monitor the achievement of results** by checking that
 - costs and savings are achieved and reflected in the relevant budgets
 - improved performance is achieved
 - implemented recommendations have solved the identified problems

Who does what?

The central responsibility for carrying out a scrutiny is with the examining officer supported by the Efficiency Unit. Other departmental responsibilities are:

Stage	Minister	Permanent Secretary or Head of Department	Scrutiny Liaison Officer	Action Manager
Setting up a scrutiny	<input type="checkbox"/> Approves topics for scrutiny	<input type="checkbox"/> Identifies topics for scrutiny with top management group <input type="checkbox"/> Selects action manager <input type="checkbox"/> Selects examining officer <input type="checkbox"/> Issues the specification	<input type="checkbox"/> Informs the relevant staff and the Trade Union Side <input type="checkbox"/> Coordinates the starting brief	
Doing the investigation	<input type="checkbox"/> Reviews the study plan with the scrutiny team <input type="checkbox"/> Accepts the report	<input type="checkbox"/> Reviews the study plan with the scrutiny team <input type="checkbox"/> Reviews the synopsis with the scrutiny team <input type="checkbox"/> Discusses the report with the scrutiny team	<input type="checkbox"/> Keeps in touch with progress	<input type="checkbox"/> Works closely with the scrutiny team
Action plan	<input type="checkbox"/> Decides whether and how to publish the scrutiny report <input type="checkbox"/> Decides on recommendations <input type="checkbox"/> Approves the action plan	<input type="checkbox"/> Advises the Minister on publication <input type="checkbox"/> Advises the Minister on recommendations <input type="checkbox"/> Approves the action plan	<input type="checkbox"/> Keeps in touch with progress	<input type="checkbox"/> Consults the Trade Union Side and other bodies <input type="checkbox"/> Prepares the action plan
Implementation		<input type="checkbox"/> Ensures implementation	<input type="checkbox"/> Keeps in touch with progress	<input type="checkbox"/> Ensures approved recommendations are implemented
Implementation report	<input type="checkbox"/> Receives advice from Permanent Secretary and Efficiency Unit on implementation report	<input type="checkbox"/> Ensures that implementation report is accurate and implementation is achieved		<input type="checkbox"/> Prepares final implementation report

The Efficiency Unit is responsible for informing the Prime Minister about the content of the scrutiny programme and progress in the implementation of scrutiny recommendations.

Stages in a scrutiny

1 Setting Up A Scrutiny

- | | |
|---------------------------------|---|
| The Minister | <input type="checkbox"/> Approves subject for scrutiny |
| Permanent Secretary | <input type="checkbox"/> Identifies the action manager
<input type="checkbox"/> Chooses the examining officer
<input type="checkbox"/> Issues the specification |
| Scrutiny Liaison Officer | <input type="checkbox"/> Informs the relevant staff and the Trade Union Side
<input type="checkbox"/> Coordinates the starting brief |

2 Doing The Investigation

Study Plan

- | | |
|---|---|
| Examining Officer with support and advice from the Efficiency Unit | <input type="checkbox"/> Plans the scrutiny
<input type="checkbox"/> Approves the team
<input type="checkbox"/> Drafts the study plan
<input type="checkbox"/> Consults those concerned including Trade Unions
<input type="checkbox"/> Circulates the study plan within 15 working days of starting the scrutiny |
| Minister and Permanent Secretary | <input type="checkbox"/> Review the study plan with the scrutiny team |

Fieldwork

- | | |
|---|---|
| Examining Officer with support and advice from the Efficiency Unit | <input type="checkbox"/> Collects evidence
<input type="checkbox"/> Organises team |
| Action Manager | <input type="checkbox"/> Assists the examining officer |

Synopsis

- | | |
|---|---|
| Examining Officer with support and advice from the Efficiency Unit | <input type="checkbox"/> Prepares the synopsis after 60 working days
<input type="checkbox"/> Discusses the synopsis with the Permanent Secretary
<input type="checkbox"/> Consults the Trade Union Side on emerging findings affecting staff |
| Permanent Secretary | <input type="checkbox"/> Reviews the synopsis with the scrutiny team |

Report

- | | |
|---|--|
| Examining Officer with support and advice from the Efficiency Unit | <input type="checkbox"/> Drafts report
<input type="checkbox"/> Informally consults interested managers
<input type="checkbox"/> Issues report to the Minister and Permanent Secretary |
| Permanent Secretary | <input type="checkbox"/> Discusses the report with the scrutiny team |
| Efficiency Unit | <input type="checkbox"/> Comments on the report |
| Minister | <input type="checkbox"/> Accepts the report |

3 Action Plan

- | | |
|---|--|
| Action Manager | <input type="checkbox"/> Prepares the action plan
<input type="checkbox"/> Consults Trade Unions and other interested bodies |
| Minister and Permanent Secretary | <input type="checkbox"/> Decide on recommendations
<input type="checkbox"/> Decide whether and how to publish
<input type="checkbox"/> Approve the action plan |
| Efficiency Unit | <input type="checkbox"/> Comments on the action plan |

4 Implementation

- | | |
|---------------------------------|---|
| Permanent Secretary | <input type="checkbox"/> Responsible for implementation |
| Action Manager | <input type="checkbox"/> Ensures approved recommendations are implemented |
| Scrutiny Liaison Officer | <input type="checkbox"/> Acts as Permanent Secretary's agent |

5 Implementation Report

- | | |
|----------------------------|--|
| Action Manager | <input type="checkbox"/> Prepares final implementation report within two years |
| Permanent Secretary | <input type="checkbox"/> Ensures that implementation report is accurate and implementation is achieved |
| Efficiency Unit | <input type="checkbox"/> Comments to the Minister on results achieved |
| Minister | <input type="checkbox"/> Accepts implementation report |

Department of the Environment (Central)

MINIS 7

GUIDANCE NOTES

FOR DIRECTORS, LIAISON OFFICERS
AND LINE MANAGERS

MINIS Unit
CPPU
2 Marsham Street

August 1985

FOR OFFICIAL USE ONLY

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INTRODUCTION

General

1. This is the handbook for preparing Directorate Reports for MINIS 7. It is addressed primarily to **Directors**, who will be responsible personally for drafting key sections of the Report as well as for production overall; but it is also for use by **MINIS Liaison Officers**, who will be assembling some of the basic material, and by the Directorate's **line managers**, who will be providing it.
2. The **purpose** of MINIS is to enable Ministers annually to review the Department's current performance, to agree the objectives for plans, policies and programmes in the forthcoming year, and to decide on the deployment of budgetted manpower resources, in accordance with their priorities. The Report provided by each Directorate is the basic document for this annual review.
3. For MINIS 7, the Directorate Report will be briefer, and in some important respects freer in content and format than in previous rounds, with the Director able to exercise more choice in coverage and presentation. This Guidance gives a general steer on how a MINIS 7 report should be put together, but you may also find it useful to refer to the two specimen reports (prepared by Water Directorate and Housing B) that have been circulated to Directors. There will, of course, continue to be some standard forms with standardised contents in MINIS 7: the annex in this booklet will guide you through the details.
4. The MINIS **process** will continue to fall into three stages:
 - preparation of Directorate Reports
 - meetings with top management, then Ministers
 - preparation of action statements.

Timetables

5. So that the reports are as up to date as possible by the time they are considered, there is a phased timetable for the final submission of forms to the MINIS Unit. The cycle is as follows:

	<u>Latest date for reports to go to CPPU for printing</u>	<u>Permanent Secretary's Meeting</u>	<u>Secretary of State's Meeting</u>
Establishments	8 Nov 85	18 Dec 85	13 Jan 86
Heritage	15 Nov 85	8 Jan 86	20 Jan 86
Information, Legal, Statistics	22 Nov 85	15 Jan 86	27 Jan 86
Water	29 Nov 85	22 Jan 86	3 Feb 86
CID/BRE	6 Dec 85	5 Feb 86	17 Feb 86
Environment	3 Jan 86	12 Feb 86	24 Feb 86
Planning	10 Jan 86	19 Feb 86	3 Mar 86
Finance/LG	24 Jan 86	5 Mar 86	17 Mar 86
Housing	31 Jan 86	12 Mar 86	24 Mar 86
Regions	7 Feb 86	19 Mar 86	7 Apr 86

However all Directors will need to submit completed copies of the two manpower forms to Manpower Division by 8 November, even if the final versions of these forms which follow in the full report are likely to differ in detail. Manpower budgetting is dealt with fully in pages 34-39.

Contacts

6. Technical help is available from the MINIS Unit:

Roger Reason	N10/21	212 3353
Ray Desson	N10/19	212 3352
Bob Ryder	N10/19	212 3351

Requests for blank forms should be made to:

Nicholas Winford	N10/21	212 3354
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MINIS 7: THE BACKGROUND

7. The reports prepared for earlier MINIS rounds had drawbacks which are now familiar to users: they were often too detailed for the purposes of Ministers and top management, but too generalised to meet the day-to-day needs of line managers. Last year the Permanent Secretary set up a review group, drawn from a wide cross-section of MINIS users, which recommended the basic reform that is now taking place: the streamlining of MINIS as a top management system, and its underpinning by detailed systems operating at line management level. This was promulgated in a set of notes from the Permanent Secretary in October 1984 (which you may wish to refer back to) and the message was taken forward in a series of seminars and video showings involving staff at all levels.

Line Management Systems

8. The first part of the change is already well established. In the earlier part of this year line managers worked to introduce new arrangements, or to formalise existing arrangements, for gathering management information and reporting it up the line. Descriptions of these line management systems (LMSs) were drawn up by heads of division and submitted by Directors to their Deputy Secretaries in May. CPPU compiled a short preliminary report on LMSs generally (ring 212 3353 if you would like a copy) and will be offering more detailed comments to each Director over the next few months. Finance divisions will similarly be discussing with Directors who have responsibility for major public expenditure programmes how the objectives and results of these programmes can most usefully be recorded in LMSs and presented in the new MINIS reports (see the Permanent Secretary's minute of 17 July to Directors).
9. It is crucial to the success of the new tiered management system that the LMSs for each directorate should mesh in with the Director's management requirements and deliver the information needed for the MINIS report. LMSs should contain a regular reporting mechanism to the Director on the performance of policies and programmes in the outside world, and internally on such matters as the progress of priority work, performance statistics on routine work, the deployment of resources, and the tracking of administrative costs. As you start to put your MINIS 7 report together, you may discover some missing links in the LMS. These will need to be rectified - otherwise there will be identifiable weaknesses in the report that goes forward to top management.

MINIS 7: GENERAL PRINCIPLES

A New Style

10. You will see from the two specimen reports that the appearance of MINIS has changed quite considerably. There are changes of substance, as well as layout, and both reflect what Ministers and top management want to get out of the reports under the revised system. There is a **greater selectivity in the type of information reported**, reflecting a new emphasis on key issues and the essential data to illustrate them; and there is **streamlining of the quantity and presentation** of the material, for quicker focus and easier handling.
11. The point of these changes is to produce reports which are free of unnecessary functional or operational detail, and concentrate on:
 - setting out the policy **aims** and **objectives** of each Directorate
 - reviewing and measuring **performance**: both the achievements of the policies themselves, and the progress against targets of the Directorate in working to develop, promote or implement them
 - **future plans**: policy objectives for the next year, together with (internal) **targets** and (external) **expected outputs**; and the **manpower budget**.

The quality of the report will, of course, in many respects reflect the Director's own management style and performance.

Performance Review

12. The core of the MINIS 7 report will be the "Director's review of performance" (of which more detail on pages 24-26 below). The scope of "performance" in this context is much wider than in earlier MINIS rounds. It should start from relevant facts about the outside world and the effects of our policies (eg, using statistics to show trends) and the performance of public expenditure programmes (eg, what the money has brought, what value has been obtained). It should then go into more detail on the performance of staff in the directorate, eg the objectives achieved, the efficiency in handling casework). In this way the new MINIS report will amalgamate the material presented separately in the MINIS and PRR reports in the last two rounds (there will be no separate PRR reports in the MINIS 7 round). The object will be to show what our policies and programmes are intending to achieve, together with measures of how far they are being successful; and how far the Directorates' own activities are well targetted to further the objectives of these policies and programmes, as well as how efficiently its tasks to that end are being carried out.

13. The successful achievement of the objectives of many of our policies and programmes is of course frequently dependent on other bodies as well as ourselves. Individual Directors cannot therefore be held directly responsible or accountable in these cases for success or failure of the policies or programmes. They are, however, responsible for:

(i) keeping under regular review the objectives of the policy or programme, and seeking guidance from Ministers where any changes, clarifications, quantifications, etc, seem necessary;

(ii) keeping under review the extent to which it is possible or desirable to use or to develop policy instruments to secure delivery of the objectives;

(iii) establishing and developing as necessary an adequate system for assessing and measuring the scale of the problem which the policy or programme is intended to deal with, and the level of resources needed for it;

(iv) establishing and developing an appropriate means for assessing and monitoring (with measurements where possible) the outputs or achievements of the policy programme, and the extent to which they are dealing with the underlying problem;

(v) establishing whose responsibility it is to pursue value for money in the policy or programme area, and where appropriate, to encourage them to do so.

The new MINIS process will provide Directors with an opportunity to report on their discharge of these responsibilities and to review how far the activities of their Directorate are contributing to policy or programme objectives.

Manpower

14. Earlier MINIS rounds have sometimes become overburdened with too much detail on manpower. The arrangements for manpower budgetting are to be improved for MINIS 7 to reduce the amount of detail that needs to be considered at MINIS meetings. Nevertheless, manpower is the major resource in the Department's internal management and Directorate reports will still have to account for how it is deployed and to be kept within target. The arrangements for doing this in MINIS 7 are described on pages 34-39 below.

The MINIS Agenda

15. It will be for Directors themselves to take the initiative in putting forward agenda topics for the meetings with top management and with Ministers. These will be included in the 'cover note' that the Director puts forward with the MINIS 7 report (more details in paragraphs 24-5 below). The

Deputy Secretary will assemble a marshalled list of items, with his own comments and assessment, for the Permanent Secretary. After his meeting, the Permanent Secretary will minute the Secretary of State with a suggested final agenda and his own comments on the issues identified.

16. The role of CPPU will be more limited than in the past. CPPU may submit comments to the Permanent Secretary (copied to Directors) for the first MINIS meeting, and may also assist in the preparation of the Permanent Secretary's minute to the Secretary of State. But the standard 'CPPU Brief' previously used for discussion throughout the round will be discarded: Directors themselves will recommend the basic agenda.
17. The role of finance divisions will be to assist directorates in identifying issues and covering the ground set out in paragraph 13, following the pattern with the PRRs that accompanied MINIS 6. Finance may also offer contributions to the CPPU comments mentioned above.

Involving Your Staff

18. The Permanent Secretary is concerned to improve the feedback to staff on MINIS matters. This can be done partly through regular reporting channels, both for downward and upward flows of information, built into individual LMSs. But it would be helpful to let staff in the Directorate (at least down to Head of Branch level) have a copy of the complete report at an early stage in the round. CPPU can assist in the printing of extra copies (see "general points" in the annex).
19. Because MINIS 7 is designed to be more of a true top management system than its predecessors, concentrating on key objectives and selected issues rather than accounting for every activity in equal depth, the work of some staff may not feature as prominently in the Directorate Report as it has in previous years. This is not by any means to undervalue such work: it is still as important as ever that statutory functions and allied casework, for example, are carried out efficiently and to a high standard. Directors will wish to include key indicators of performance in these fields in the "review" section of their MINIS 7 reports - and the source of information about performance will, of course, be the individual LMSs operated at divisional and branch level. It is important, therefore, that Directors and their line managers make clear to staff the distinct purposes of MINIS and LMS, and the continuing need for work that is not among the most visible to Ministers and top management in the MINIS 7 documents to be carried out well.

Publication

20. The MINIS 7 reports will be sent to the Trade Union Side before the round of meetings and will probably be published for sale in Summer 1986. They should therefore not include any classified or sensitive material. If any confidential material is relevant to the report, it should be annexed to the "Director's cover note" with the appropriate security classification. Advice on particular points can be sought from your Finance contact, or from CPPU (212 8219), as appropriate.

THE DIRECTORATE REPORT: AN OUTLINE

21. The form of the Directorate Report under MINIS 7 is freer than in the past. Many of the standard forms are in fact simply a sheet with a title at the top, a border around the edge and a space in the middle. The only reasons for printing the titles and borders on these forms are to retain a "house style" and to make your job and the printers' easier. If you feel you need to extend boxes, add lines, introduce more tabular material, or use graphs or illustrations to make things clearer, then please do.
22. Most of the opportunity for an individual approach is in the core section - the facing pages called "Director's review of performance" and "Key information on performance, expenditure and costs". You can use these forms or adapt your own form of presentation (within technical limits and provided that the type of information illustrated in the specimen reports is covered - see pages 24-27 below).
23. There is less freedom in the rest of the report. This is because Ministers and top management will be looking at over 40 Directorate Reports and will need to have a reasonably recognisable pattern of sequence and layout; and also because there is a certain minimum of information about some matters (eg manpower) that they will want to consider. But the sorts of minor variations and additions mentioned in para. 21 above are quite acceptable. If in doubt, please contact the MINIS Unit.
24. The annex which follows gives a page-by-page guide to the completion of MINIS 7. Broadly, there are three sections to the report (each distinguished by coloured paper) - the factual material about the Directorate at present (white); review of performance to date and continuing progress (blue); and proposals for the year ahead (yellow). In addition (please see pages 42-43) there is a cover note from the Director (on pink paper), suggesting issues for discussion at the MINIS meetings, dealing with any sensitive management or policy issues, and covering any classified material. This cover note will go forward both to the Permanent Secretary's meetings and the Secretary of State's meeting, It will not be copied to the Trade Union Side or be included in the material eventually published.
25. The detailed guidance indicates the kind of ground to be covered in the (published) Directorate report and the (internal) Director's cover note. It is essential to understand the difference between these two documents and the relationship between them. The **Directorate Report** should be self-contained and give a clear and reasonably full account of each of the Directorate's main areas of work, well related to its stated aims and objectives - the "review of performance" is the key element in this. The Directorate report should not include any classified information or other material not intended for publication.

The Director's cover note should focus clearly on the main points that the Director feels should be brought to Ministers' attention at the MINIS meeting - particularly any serious difficulties that have prevented the achievement of planned objectives and any other important issues concerning the year ahead on which the Director feels that Ministerial guidance is needed. It should not add factual information to what is already in the Directorate report unless it is classified material that cannot be included in the published report.

THE DIRECTORATE REPORT: A DETAILED GUIDE

General Points

Please bear in mind that:

- (a) **responsibility** not only for the content of the report, but also (at least in the "free" parts) for its layout and clarity, rests with the Director. CPPU will be happy to advise during the preparatory stages and, as usual, to supervise the printing, but the quality of the material itself is a matter for the Director.
- (b) the report can be drafted on photocopies of the forms, but when the final version is being typed you should use only the **printed blanks supplied by CPPU** (which can be ordered on Form LO/1, enclosed with this booklet) to ensure a decent quality of reproduction.
- (c) there is no longer any firm rule about the **typeface** to be used in the report, but please aim for a reasonable standard of consistency and legibility throughout. However, if you would like CPPU to organise photo-reduced copies of the report for distribution within the Directorate (see note h below) then "10 point" typeface will be the best bet.
- (d) you need to keep the **typescript within the borders** on the printed forms, or words will get lost in the copying and binding processes. This is especially important if you are adapting any of the forms (eg, for the "review of performance") or inserting any tables, graphs or illustrations.
- (e) because MINIS 7 will probably be made available to the public, you will need to be careful with the use of the less obvious **acronyms and abbreviations**. CPPU will bind a short glossary into the published volumes (explaining, for example, MAXIS, FMI, LMS) but, for abbreviations more specific to the Directorate's work, the Cabinet Office convention (spell out the title in full at the first mention, followed by the abbreviation in brackets; then use the abbreviation for all subsequent mentions) should do the trick.
- (f) regional offices will continue to use the **MAXIS computer** to provide them with detailed information about staff effort and costs, and other Directorates may choose to do so. The procedure is similar to that in earlier years and a separate guidance note (LO/3) is available on request from FDS3 (telephone 212 0338). However, FDS3 will be sending this note automatically to Liaison Officers in the regional offices and other directorates which used the computer process for MINIS 6. The note will include full instructions on how to operate the computer program and MAXIS Liaison Officers are being asked to cooperate on the inputting and extracting of data.

- (g) at the end of the round we shall need to compile an estimate of the **time spent and costs incurred** in the preparation and completion of MINIS 7. CPPU will issue a standard form (LO/2, familiar from earlier years) in April 1986, but you may wish to warn staff now to keep a note of the time spent on MINIS as they go along.
- (h) to assist **feedback** to line managers, you may want to issue copies of the Directorate Report to staff. CPPU can organise the printing of extra copies at the same time as the copies for Ministers are produced. Photo-reduced copies may be preferable for this purpose, to keep down costs (which will be re-charged to Directorates for copies over and above those required for MINIS meetings). Please let CPPU know your requirements when you submit the final draft of your report.

PART 1: THE DIRECTORATE AT PRESENT

Policy Aims

(Form 1.01)

The purpose of this page, which will come at the front of the report, is to give a succinct account of what the work of the directorate is geared to.

The aims for your own directorate will probably be very similar to those developed through MINIS 5 and 6 (including those contained in PRRs), but this is the opportunity both to review their content and to see if they can be drawn more positively and clearly.

NB

The examples of completed sheets shown on the following pages have mainly been lifted from the two specimen reports accompanying this booklet. They are, of course, for illustration only - to demonstrate the MINIS 7 approach rather than give an accurate account of the directorates' work - and to that end they may contain dummy information.

PART 1 : The Directorate at present

Policy aims

- : to maximise the contribution of the public sector to increasing home ownership
- : to improve the quality of life on rundown council estates
- : to improve the management of public sector housing stock generally
- : to ensure that the council housing stock is repaired and improved to a satisfactory standard
- : to assist owners of defective dwellings purchased from the public sector
- : to promote improvement in architectural and environmental quality
- : to secure higher quality and better cost effectiveness in housing construction and maintenance
- : to promote energy efficiency in housing and administer the Homes Insulation Act 1978

1.01

Present organisation

(Form 1.02)

Summary of divisional functions

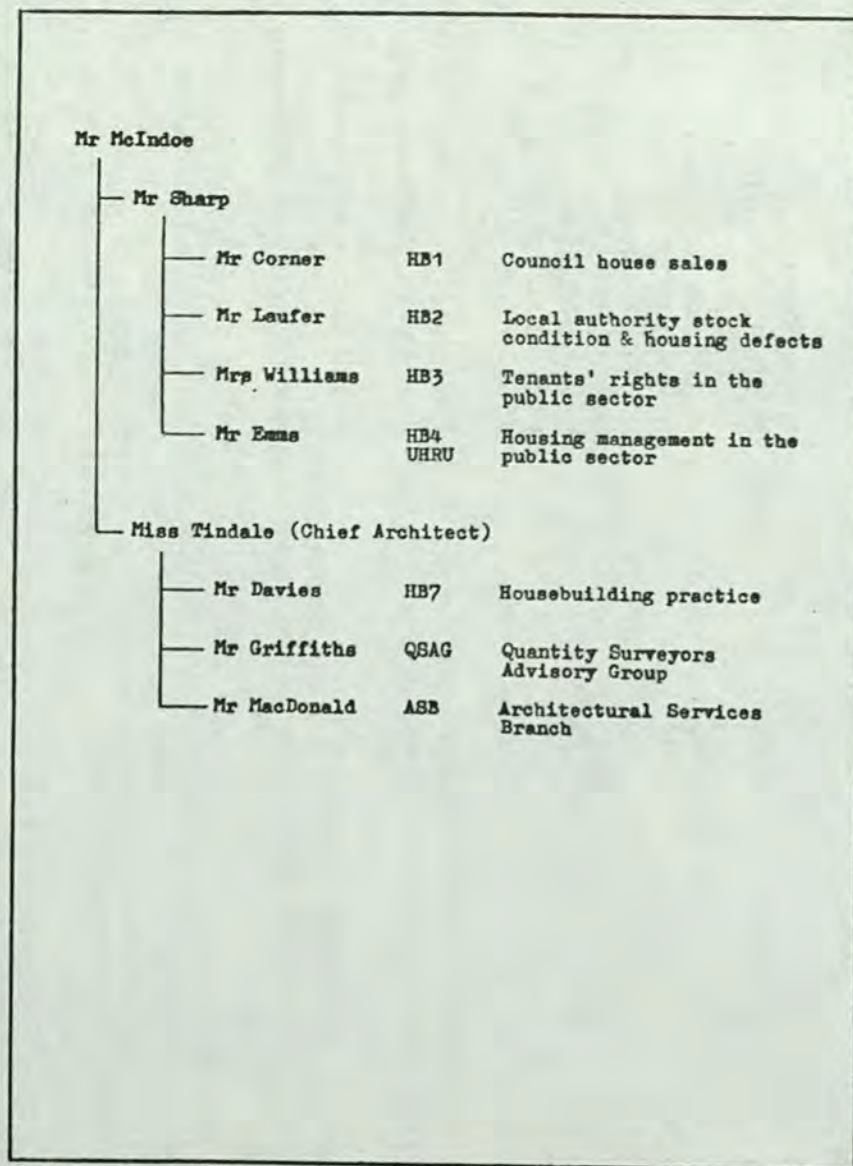
(Form 1.03)

This pair of facing pages is designed to show Ministers and top management at a glance how the directorate is organised, what the main functions are and what resources they consume. The presentation should be crisp and uncluttered with detail. It may improve clarity to align the information between the two sheets.

The **left-hand page** is for showing the main reporting lines between HODs, the Director and top management, with a brief mention of divisional acronyms or titles.

The **right-hand page** should summarise concisely the functions carried out by each division or its main areas of responsibility. It should be the aim to get this information onto one (uncrowded) sheet. The details on the far right are simply to give Ministers a quick idea of the resources consumed by each division. The manpower figure should be the actual number of staff in post at the time of writing the report. The "total running cost" figure should normally be estimated outturn (net of receipts) for the cost centre over all MAXIS expense types for 1985-86. If there are any difficulties or queries, please contact FDS1 (212 4739 or 212 5034).

Present organisation



1.02

Summary of divisional functions

	Resources	
	Staff	Total running costs 1965/66 (£m)
Directors and support staff	4	.045
<u>HB1</u> : sale of council houses under RTB : voluntary sale of council houses & land : coordination of legislative work	13	.280
<u>HB2</u> : housing defects : condition of the local authority stock	11	.192
<u>HB3</u> : monitoring progress of RTB sales : securing satisfactory performance from RTB vendors : tenants' rights (Tenants' Charter, etc)	14	.162
<u>HB4</u> : promoting better management of the local authority housing stock : reducing the number of empty public sector dwellings	16	.229
<u>HB7</u> : energy efficiency in housing (including the Homes Insulation Scheme) : housebuilding practice	14	.251
<u>QSAG</u> : monitoring and advice on building costs and standards in the public sector : professional advice on fees and contracts	3½	.063
<u>ASB</u> : architectural and environmental quality (support to Chief Architect) : sponsorship of Royal Fine Art Commission	1	.040
Total	76½	1.262

1.03

Responsibility for resources

(Form 1.04)

This is another "at a glance" sheet - the aim being to present clearly the internal resources for which the director is responsible, the wider public expenditure for which he or she is answerable, and the scale of the sponsorship role for any external bodies.

"**Running costs of directorate**" should be MAXIS actual outturn for 1984-85 and estimated outturn for 1985-86 (covering all MAXIS expense types).

"**PESC responsibilities**" should tie up with the published White Paper figures, or otherwise be presented in a form agreed with your finance division.

Under "**Vote responsibilities**" please name the subheads on Votes for which you have responsibility. Use the latest aggregate Supply Estimates for 1985-86 (checking if necessary with your finance division). If space is short, the smaller items can be combined under a "miscellaneous" heading. If in doubt, consult your finance division.

Under "**Sponsored bodies**" give details of their total budget, in a form agreed with your finance division, in addition to any entries made under "PESC" or "Vote" above. A few directorates (eg, WD with its 9 RWAs and other bodies - see specimen statement) may need to set the information out on a facing page.

Responsibility for resources

	Outturn 1984-85 £m	Estimated outturn 1985-86 £m
Running costs of Directorate		
Staff costs	.904	1.053
Other administrative expenditure (net)	.207	.209
	1.111	1.262

PESC responsibilities	1985-86 £m
Housing Revenue Account (HRA) - renovation	1,060
- acquisitions	60
Homes Insulation Scheme	31
	1,151

Vote responsibilities	
Housing Defects payments	4.63
Homes Insulation Grant payments	26.00
Housing mobility and tenants exchange scheme	.28
Priority Estates Project	.32
Research on housing management	.18
Other	.10
	31.51

Sponsored bodies	
Royal Fine Art Commission	.074
	.074

1.04

This form is meant to give a quick up-date of functions added or subtracted since the last directorate report (and thus reflected in form 1.03) and a glance into the foreseeable future.

Section "**a) since MINIS 6**" should cover any significant changes to the directorate's functions between the writing of the MINIS 6 report and the writing of the MINIS 7 report. It is not concerned with changes in the volume or intensity of existing workloads - these should be covered, if significant, in the performance review in Part 2 of the report.

Section "**b) in prospect**" deals with the remainder of 1985-86 - and beyond, if you can see changes in function over that horizon. Again, only significant changes should be mentioned and nothing about possible changes in existing workloads. The wording should make it clear whether the change in function is fairly certain to take place, or whether it is only a possibility at this stage.

Changes in function

a) since MINIS 6

	<ul style="list-style-type: none">+ Establishment of Urban Housing Renewal Unit (UHRU)+ Inquiry into local authority stock condition+ Further work on housing legislation(+) (QSAG transferred to this directorate from GLHP)
--	--

b) In prospect

	<ul style="list-style-type: none">(+) (Transfer of responsibility for municipalisation policy from HC directorate to this directorate)
--	--

1.05

PART 2: PERFORMANCE REVIEW

The two pairs of forms, 2.01-2 and 2.03-4 have been designed to allow a comprehensive review of the performance of the directorate and of the policies and programmes for which it is responsible. The two specimen reports give an illustration of how the forms can be used to achieve this. Each director will need to take a view on the general approach before seeking the assistance of line managers in assembling the draft material.

These guidance notes are based on a standard approach (exemplified in the Housing B report) which uses forms 2.01 and 2.02 to deal briefly, factually and seriatim with all the key objectives, and then moves on to use forms 2.03 and 2.04 to provide a fuller, qualitative account of the performance of policy and public expenditure, and the achievements of the directorate itself, with illustrative key data.

A general point of guidance on this part of the report is the need to avoid duplication between sections. For example, please bear in mind that form 2.02 is intended as a summary of progress and forms 2.03 and 2.04 for a fuller report. There are also likely to be some differences in the type of information covered in the two pairs of forms. For example, insofar as they cover targets, forms 2.01 and 2.02 may tend to deal more with information about the achievements of the directorate; while forms 2.03 and 2.04 will probably include more about the wider performance of policy and programmes.

Key objectives & targets, 1985-86

(Form 2.01)

This form faces form 2.02 ("summary of progress so far and performance expected") and the matching items on each should be properly aligned in the final version.

The **key objectives** should essentially be those proposed for 1985-86 in your MINIS 6 and PRR statements, but you will need to reflect changes arising from the MINIS 6 discussions and may also wish to reconsider the drafting and make any other changes that might be needed because of events since MINIS 6.

If there is a particularly important **target** attaching to any of the objectives, enter it as an indented item below the objective.

Key objectives & targets, 1985-86

5. Public sector housing management and tenants rights

Objectives

To advise public sector landlords on best practice in housing management in order to make best use of resources and to provide an efficient service for tenants.

To implement the tenant's right to repair and right to information about heating charges; and to monitor and develop mobility schemes.

Targets

Issue LA circular on empty dwellings by June

Set up housing education bursaries in conjunction with new LSE course

Carry out research projects on extent of difficult to management estates and other management topics related to PEP

Make right to repair regulations operational by October, heating charge regulations by March 1986

Ensure future of mobility schemes in wake of abolition of GLC.

6. Energy efficiency in housing - Homes Insulation Act

Objective

To encourage owner-occupiers, landlords and tenants to adopt measures which will provide adequate heating at lowest cost and with minimum consumption of energy.

Targets

Draw up revised scheme under Homes Insulation Act to phase out 66% loft insulation grants but extend 90% to all disadvantaged for introduction in 1986-7.

Investigate feasibility of extension of scheme to draught proofing.

Disseminate results of research on measures to combat condensation and damp in housing

Assess information on condition of the housing stock with regard to heating, insulation and condensation by May.

2.01

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Summary of progress so far and performance expected

(Form 2.02)

The items on this form must line up with the relevant objectives and targets on form 2.01.

Please bear in mind that this is to be a **summary** of progress, reported purely **against objectives** - the much fuller review of performance follows on forms 2.03 and 2.04. The progress reported here should be of the significant landmarks in performance up to the time of writing, including performance measured against key targets to date.

Similarly, you should briefly mention here any **significant** elements of performance expected in the remainder of 1985-86, together with any factors which have seriously impeded progress so far or might do so in the coming months.

The column on the right is to give Ministers and top management a quick appreciation of the resources being consumed in carrying out a key objective. The "**staff**" figure should be an estimate (to the nearest whole number, or more precise if you wish) of the full-time equivalent number of people you expect to be deployed on the particular objective over 1985-86 as a whole. In order to arrive at a **total** at the end of your 2.02 forms which accounts for 100% of the directorate's staff, you may need to enter a balancing item. This will arise when some functions - eg, statutory and other traditional casework - cannot be ascribed to any particular key objective. The labelling of any balancing items (eg, "other activities", "statutory work not recorded under objectives above", "work undertaken for DTp") is left to your judgement.

Summary of progress so far & performance expected

		No. of staff deployed
<p>resources</p> <p>to</p> <p>and</p> <p>tion with</p> <p>difficult to</p> <p>s related</p> <p>y October,</p> <p>alition</p>	<p>Circular issued in July, delayed to include announcement of further relaxation of Mini-HAG rules to promote use of short-life empty property</p> <p>Bursary scheme established with 15 places; 200 students applied for course beginning July 85</p> <p>Research on estates delayed to make way for stock condition inquiry; reasonable progress on other projects</p> <p>Right to repair regulations further delayed to take account of legal comments. New <u>target</u>: lay in October, commencing January.</p> <p>Active work on negotiations in Autumn.</p>	4
<p>Act to</p> <p>end 90% to</p> <p>to draught</p> <p>combat</p> <p>stock</p> <p>ion by</p>	<p>Work delayed by investigation of alleged malpractice by HIS material supplier.</p> <p>Assessment of draught proofing performance complete</p> <p>Regional seminars to be held in Autumn. Research material published</p> <p>Report prepared by May</p>	6

2.02

This is the core of the report. It is to be more than just a commentary on the other facts and figures in the report. It should give the **director's personal assessment** of how well policies are working in meeting aims and objectives, what is being achieved for the money being spent by the directorate itself and in the programmes for which it is responsible, and how the directorate itself is performing its work. Security considerations apart, it must strike a balance between being both candid and publishable. It is primarily the director's own statement: the final draft cannot successfully be produced by anyone other than the director, drawing together all the key information from divisional LMSs and putting an individual stamp on it.

Similarly, the **format** of this part of the report is a matter for the director's own judgement. He or she may wish to use the forms provided (as in the specimen from HB) or adapt their sequence (as in the specimen from WD, which chooses to read across directly from the preceding material on objectives) or replace them with some other format. The style, as well as the content, is something for the director to decide - and, if necessary, to justify.

If your directorate is going to use adapted forms, there is one important technical limitation to observe: the material should not extend beyond the margins used in the CPPU forms, or else some of it may get lost in the printing and binding process. CPPU will supervise the printing of any material on the standard forms, or any adapted sheets, including any tables, graphs or line diagrams, if presented for reproduction in black and white on A4 paper. If you want to introduce photographic material, or fold-over sheets larger than A4, please liaise with CPPU (212-3353): we may have to leave production of those sheets for you to supervise.

The rest of these notes assume that you are following the standard CPPU format of facing pages of upright A4 paper, with text on the left-hand page and supporting facts and figures set out in parallel on the right; but similar principles will apply however you choose to present the review.

The **period of review** is not precisely constrained by dates. Broadly, it is "a review of what has happened since the last directorate report, what is currently going on and what is projected to happen in the remainder of the financial year 1985-86."

The **structure of the text** is a matter for the director's judgement. It will often be convenient to deal sequentially with the work of each division (broadly like HB) but it is equally valid to report in the same sequence as the key objectives for 1985-86 (like WD) or by groupings under the wider policy aims.

The content of the text should deal with the effects of policies and programmes in the outside world, and also with the inner workings of the directorate. There should be comments on the development of policy and programmes, and their effectiveness; views on the value being obtained from the Department's vote expenditure or from the public expenditure undertaken by other bodies as the Department's agents; and an assessment of what staff have achieved in the work of the directorate.

The text should include a section on **management of the directorate** - eg, the progress in introducing line management systems and their effectiveness so far; performance within the MAXIS regime; changes made, or in the offing, for re-organisation or improving efficiency; the adequacy of staff resources and other administrative resources for the tasks in hand or in prospect.

The text should also pick up any issues of a general policy nature that are of current interest to Ministers. In MINIS 7, for example, they will wish to have a brief account of any action you have taken under the exercise to reduce the administrative and legislative burdens on small firms; or, more generally, if your directorate has contributed to any inter-departmental scrutiny, eg under the "Rayner" programme.

The selection and presentation of the **numerical material** is of particular importance and will require a good deal of thought. There is no value in presenting a rag-bag of statistics that leaves the reader puzzled. The figures reproduced in the report should not be too detailed, but should home in on key items; they should be easy to read, as far as possible in alignment with the text to which they relate on the opposite page; and, above all, the figures should **support, illustrate and exemplify the statements made by the director** in that text.

More specifically, here are some examples of the kind of figures worth reporting under "key information":

a. the world outside the directorate

- statistics to show major trends relevant to policy - eg, "number of dwellings in disrepair", "number of dwellings repaired with aid from Exchequer grant" - over a run of years;
- figures to show the directorate's own financial performance - eg, income and running costs of the Royal Palaces open to the public;
- figures to show the trends in public expenditure programmes for which the directorate is responsible, and what the programmes are achieving - eg, houses built or renovated by LAs per annum, with associated unit costs;

- figures to demonstrate the performance of other public bodies sponsored by the directorate - eg, trends in the manpower and operating costs of Regional Water Authorities;

b. administrative resources

- the directorate's absolute costs in carrying out a certain function - eg, "cost of personnel management services (April - Sept 1985): £1.35m";
- ratios of performance, comparing inputs (eg, staff time or total costs) with outputs (eg, numbers of cases handled) - eg "250 applications handled, at an average of 12.5 staff days (£620) per case";
- comparisons of the handling time for pieces of work with targets previously set - eg, "mean processing time: 5.2 weeks (target: 8 weeks)"; or "90% of all cases decided within 2 months (target: 85%)" - and against performance in earlier years.

If there are several functions that can be reported on in this way, it may help the reader if you can knock the figures into the form of a table.

In the case of directorates which have previously been involved in PRR exercises, the relevant finance division will be making contact to discuss the specific indicators of performance that might be most appropriate for inclusion in your report. Other directorates seeking advice on the selection of key financial indicators should use their usual finance division contacts. Advice on matters connected with administrative resources (eg, the suitability of a particular "efficiency ratio" that you are considering) can be sought from CPPU.

Please bear in mind throughout the scope for using forms of presentation that put your points across clearly and quickly. Simple histograms, graphs, pie charts and diagrams can be used very effectively to illustrate key points both about internal resources (eg, caseload and manpower trends) and external performance (eg, expenditure trends and volume activity). They obviously take time and effort to devise and draw up, but there are valuable pay-offs in making key points clearly visible both to Ministers and top management on the one hand, and to staff right down the directorate's own management line on the other.

Director's review of performance

Council house sales

Sales to tenants in the 12 months to March 1985 totalled 100,000 as against 125,000 in the 12 months before that. Although this level is somewhat lower than that forecast by the Department both in the number of applications in the pipeline, over 100,000, demonstrate a remarkably high continuing interest in purchase by tenants.

Total sales since 1979 have reached 625,000 to local authority tenants plus 70,000 to housing association and new town tenants, 50,000 under low cost home ownership and 20,000 empty, making 775,000 sales in England altogether or 15% of the stock. The numbers of flats sold at 25,000 is growing but represents less than 2% of the stock of 1.5 million flats.

Bearing in mind that 65% of the remaining 4.5 million tenants receive housing benefit and many others are too old to consider buying or would not buy their present home only another 400,000 sales can be expected over the next 5 years. Initial receipts and repayments of capital total £4.3 billion so far out of disposal values of £8 billion, making the policy the most valuable of all privatisation schemes in reducing net public expenditure and the most successful in its wide distribution of equity to individual citizens.

Only a very small number of purchasers have run into difficulty with mortgage repayments, although numbers have increased in line with those for mortgagors generally. A national research project just beginning will provide by mid-86 much more information about the experience of purchasers and the attitudes of potential purchasers.

Unless there is a major change of policy to enable housing benefit recipients to become owners the number of sales will in due course settle down to around 50,000 per year. Rent levels and mortgage interest rates will have more influence on short term fluctuations in the rate of sales than any direct action the Government can take.

Departmental activity in monitoring authorities and pursuing tenants' complaints has been greatly reduced but must remain at a minimum level in view of the Secretary of State's responsibilities under the Act. Until mid-86 further effort will be required on the new legislation. Casework on exemptions for the elderly will continue indefinitely.

Key information on performance, expenditure & costs

Council house sales

Annual sales - England LA & NT (including vacants)

1979-80	55,000
1980-81	72,000
1981-82	132,000
1982-83	185,000
1983-84	126,000
1984-85	95,000

665,000

Average value of dwellings sold: £24,000

Average discount: 40%
 Average price after discount: £14,400
 Proportion of private finance: 65%
 Expected sales 85-86: 85,000
 Expected receipts 85-86: £850m
 Proportion of stock sold: Average 14%
 Lowest: Tower Hamlets 1.3%
 Highest: Havant 31.5%

RTB applications by quarter: England LA/NT

1983-4	Q1	39,000	1984-5	Q1	31,000
	Q2	27,000		Q2	30,000
	Q3	22,000		Q3	35,000*
	Q4	33,000		Q4	28,000

Exemption of elderly persons' dwellings

	1980 Act	1984 Act
(a) Applications	2,473	405
(b) Withdrawals	556	56
(c) Out of time	211	27
(d) Refusals	1,509	85
(e) Granted	186	20
(f) % Granted (of (d) & (c))	11%	19%

as at June 1985

Publicity campaigns

Major TV and Press campaigns in 1980 and 1984 following legislation

Reminder campaigns in 1981 and 1982

Total cost: £2.2 million

This form is designed to help Ministers and top management pick out the results of recent reviews across the Department, keep tabs on what is in progress, and form a view on priorities for further review work.

"Review" for these purposes means:-

either a special review of a policy matter, probably commissioned by Ministers (eg, should a grant system be overhauled or abolished; should a major function be dropped, delegated or transferred elsewhere) rather than the policy issues dealt with in the day-to-day work of the directorate. The review may have been carried out "in house", or by consultants or a sponsored body, or as part of a wider scrutiny programme (eg, the current exercise on burdens affecting small businesses) - the wording should make clear which.

or a review into the internal operation of the directorate, probably carried out by a management services division (eg, staff inspection, OM, COM, internal audit, CPPU), or by consultants, or as part of a wider scrutiny (eg, "Rayner"). Please make clear which - and don't bother with reviews of organisation and methods carried out by line managers within the directorate as part of their everyday duties: these can be mentioned, if appropriate, in the review of performance (form 2.03).

Under "a) since MINIS 6" enter reviews undertaken between the writing of the MINIS 6 report and the writing of the MINIS 7 report - plus reviews that have definitely been commissioned but have not yet been completed. "Outcome" can cover, for example, effects on staffing, efficiency, the quality of performance, or improvements in the outside world brought about by policy changes. (If the review has not yet been completed, please indicate - eg, "Staff Inspectors due to visit in June 1986; report due in July 1986.")

Under "b) suggested" please enter ideas for reviews that are still in the "non-commissioned" stage, plus thoughts on what could most usefully be tackled in a review in the foreseeable future (on the assumption that resources will be available within the directorate or from other sources to carry out the work). Be as specific as possible in trying to quantify possible gains from such reviews.

Formal reviews of policy & efficiency

a) since MINIS 6

Area reviewed	Outcome
<p>RTB monitoring - general review for Ministers of progress made by local authorities and the performance criteria applied by the directorate</p> <p>Homes Insulation Scheme - its scope and targetting</p>	<p>Fewer authorities now monitored on a formal basis and simplified indicators now in place for future monitoring. Two posts to be released in the directorate plus a possible 2-3 in Regional Offices.</p> <p>Continuing. Aim to report to Ministers in Spring 1986.</p>

b) suggested

Area for possible review	Possible gains
<p>Scope for using micro-computer in the monitoring of RTB performance among local authorities.</p>	<p>No manpower implications, but would improve the quality of monitoring and clarify the usefulness of other statistics returned by local authorities.</p>

2.05

PART 3: PROPOSALS

Proposed objectives, 1986-87

(Form 3.01)

This form faces form 3.02 ("Targets and planned performance") and the matching items on each should be properly aligned in the final version.

The objectives proposed here will be examined critically by Ministers and top management, and are likely to be discussed at the MINIS meetings. The proposals should not be just a rolling forward of the current objectives (form 2.01). This is the opportunity to take a radical look at the standards by which next year's performance will be judged, and to seek Ministers' endorsement of them.

In particular, you will need to ensure that the proposed objectives:

- are fully geared to the stated policy aims
- cover both the external performance of policy and programmes, and the internal performance of the directorate
- take on board movements in policy and tasks that have occurred since MINIS 6, and developments now under way
- take full account of wider Government initiatives (eg, on the promotion of employment opportunities and the lifting of burdens from business)
- are clearly expressed, in a way that will allow a hard assessment of performance to be made in MINIS 8.

As a rule of thumb, the proposed objectives should be expressed in no more than 10 items - otherwise you will probably be going into more detail than is needed for a report to top management.

Proposed objectives, 1986-87

Urban Housing Renewal Unit

To complete the appraisal process with the 70 target local authorities and any others who become involved, and agree and pursue schemes for privatisation and better management of their tenanted housing, in conjunction with Regional Offices

To report on the overall scope for new disposal and management initiatives and any new instruments required to achieve them

To review the future of the Unit

Energy efficiency in housing

To administer the Homes Insulation Act in order to secure further cost effective methods of conserving energy

To promote energy efficiency and reduce fuel poverty in public sector housing by considering the inter-relationship of investment in the housing stock with income-related assistance to tenants

Target

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3.01

Targets and planned performance

(Form 3.02)

The items in this form must line up with the relevant objectives proposed on the facing form (3.01).

What is needed here is an account of the key elements of the performance you want to demand of the directorate, and which you are expecting of the policies and programmes for which it is responsible. The progress made on these items will be among the key information reported regularly to the director by line management systems, and will form the basis for performance review in MINIS 8.

"Planned performance" covers the activities in the world outside the directorate - the expected effects of policy and the planned level of performance by sponsored bodies and under public expenditure programmes. This ties in with the sort of information being reported on these matters in the "Director's review of performance" (forms 2.03 and 2.04) and, for directorates with major expenditure programmes, with the assistance currently being given by finance divisions in the working up of key performance indicators.

"Targets" will tend to be more about administrative activity (the performance of the directorate). They should be crisp and quantified - either as in the kind of examples suggested under (b) on p.26 above, or in the form of deadlines for the successful completion of major items of work.

"Likely no. of staff deployed" is intended to give Ministers and top management a quick idea of the resources likely to be consumed by the key objectives proposed. The figure against each objective should present the full-time staff equivalent over the whole of 1986-87: it need only be estimated to the nearest whole number (but more precisely if you wish). The **total** staff figure should take account of the "net change" you are proposing to make in 1986-87 (reported in the last box on form 3.03). In order to account for all of your staff you may well need a "balancing item" as the last entry before the total (refer back to the notes on form 2.02).

Targets & planned performance

Likely no. of staff deployed	
<p>Complete any outstanding initial appraisal visits to 70 target authorities</p> <p><u>Target:</u> May 1986</p> <p>Agree outstanding outline schemes with all 70 authorities</p> <p><u>Target:</u> June 1986</p> <p>Work up individual components of agreed schemes</p> <ul style="list-style-type: none"> - Trusts, Cooperatives, Community Refurbishment Schemes, Local management projects - in cooperation with local authorities consultants and Regional Offices <p><u>Target:</u> September 1986</p> <p>Follow through and monitor progress of agreed schemes on a regular basis in conjunction with Regional Offices</p> <p>Maintain existing and make new contacts with developers and financial institution</p> <p><u>Target:</u> 15,000 disposals of empty and tenanted housing 10,000 dwellings in new PEP-style schemes 3,000 dwellings in new CRS projects</p>	16
<p><u>Targets:</u></p> <p>implement new scheme to phase out 66% loft insulation grants and extend eligibility for 90% grants to all disadvantaged for introduction in 1986-87</p> <p>Monitor progress of existing scheme</p> <p>Up date assessment of condition of stock with regard to heating, insulation, and the incidence of condensation</p> <p>Continue to develop policies on affordable heat for housing generally.</p>	6
<p>Other activities</p>	14
<p>TOTAL</p>	80

3.02

Forms 3.03 and 3.04 are designed to help Ministers and top management discuss with the director, if necessary, ways of keeping within the Department's overall manpower budget.

There will be two targets:

i) the "operational target" (Form 3.03)

This is the manpower target which PMG has decided directors should be able to achieve. It has been set following consultations between DGOE and deputy secretaries (the "bilateral" meetings) on the basis of known Ministerial priorities, prospects of new work arising or existing work diminishing, adjustments identified through staff inspections and other studies, and points made in earlier MINIS rounds.

ii) the "options target" (Form 3.04)

The aim of this second, more testing target is to identify additional savings against the possibility that the Department's overall manpower target proves to be at risk either initially or later on. The main feature of the options savings is that they would require the policy agreement of Ministers before being put into effect.

Notification of targets

The two target figures will be notified formally to directors by Manpower Division (MAN) by the end of September 1985. Please use only the figures so notified in the boxes labelled C and E in the specimen forms shown in these notes.

MAN will be responsible for taking an early view on prospects for the Department's budget as a whole, for consideration by PMG, so they will require a sight of these forms in advance of the return of your full MINIS 7 report. **Please send a completed copy of forms 3.03 and 3.04 to MAN (room C16/08) by 8 November 1985, with a copy also to your deputy secretary.** These need not be the final version of your forms - you may be able to make more progress, or circumstances may change, between 8 November and the date your full report is due back with CPPU for printing (see timetable on p.2). In any case, the papers finally delivered to CPPU should include the top copy of these two forms.

Definition of complement figures (as labelled on the specimen forms)

- A. **"Complement: 1.4.85"** is the number of complemented posts in your directorate at 1.4.85. It should take no account either of supernumerary or "overborne" staff actually in post. The figure is included here in the report for comparison with the figures in the following boxes. (Longer runs of staff figures have been dropped, because the number of inter-directorate transfers and reorganisations in recent years has made them increasingly misleading. If you want to illustrate a longer run of manpower information, this can be done in the management section of the "Director's review of performance".)
- B. **"Authorised complement: 1.4.86"** is the number of complemented posts to which your directorate is entitled at that date, as agreed at the conclusion of the MINIS 6 round or with any amendment specifically approved by MAN between then and the end of September 1985. It is not a projection of staff in post and therefore should not include any supernumerary or overborne staff (who are to be accounted for in form 3.05).
- C. **"Operational target: 1.4.87"** is the figure PMG considers to be attainable by changes within the director's control.
- D. **"Net change required, 1986-87"** is simply the difference between boxes B and C.
- E. **"Options target"** is the manpower complement that would entail new policies or the dropping of functions, requiring the agreement of Ministers.

Changes to staffing requirements since bilateral meetings

If new demands have emerged since the operational target was set which cannot be absorbed within the existing figures, you should first seek to obtain offsets from your deputy secretary. Failing this, the resources needed to meet the demand should be shown on form 3.03 and PMG will need to take a view on the strength of the bid against the contingency reserve which it is hoped to create through directors meeting their operational targets.

Contingent threats

Manpower demands arising from Ministerial initiatives should always be drawn to the attention of Ministers at an early stage in policy formation. It would help in MAN's resource planning if such contingent threats could be clearly identified by means of a footnote to form 3.03 (ie, excluded from the arithmetic of the form itself).

"Director's proposals to achieve operational target"

(Form 3.03)

This part of the form is concerned with changes in manpower which the director proposes to bring about by 1.4.87 without the need for decisions from Ministers - described here as "operational changes". Such changes may arise, for example, from:

- the effects of policy decisions or changes in function already agreed by Ministers before MINIS 7
- trends in workload (eg, old tasks completed or new ones begun; increases or decreases in the volume of casework)
- reorganisation within the directorate
- improvements in efficiency.

The changes may be either **pluses** (ie, bids for new posts to deal with new functions or increases in existing workload) or **minuses** (ie, posts to be saved because of reduced functions or workload, or through increased efficiency in carrying out existing tasks). The net result should be shown in the box labelled F. Since prospective workload has already been taken into account in setting the operational target, the two "net change" boxes (labelled D and F) should contain the same number.

If you can meet your operational target, or if you consider you will be able to manage with a lower complement at 1.4.87 than the target, it should not be necessary to discuss the underlying bids or savings at the MINIS meetings. If, however, the figures are different because circumstances have moved on and you need a higher complement than the operational target (and this cannot be offset by savings elsewhere in the deputy secretary's command, in order to remain within the figure agreed by him at the bilateral meeting with DGOE) or because you believe you cannot achieve the target without the help of a policy decision or executive direction from Ministers and top management, then the problem may need to be discussed at the MINIS meetings. It may then be necessary to look in some detail at the options which you will have set out in table (b) - see next section.

NB: Legislative Programme. Additional staff needed to form a Bill team are normally excluded by MAN from the arithmetic of a directorate's complement figures. If you are likely to have such a requirement, please enter the details as a footnote to Form 3.03 with an indication of the likely timing.

"Options for policy consideration"

(Form 3.04)

The purpose of this form is to present a set of possible changes which Ministers may wish to consider and for which their authority would be needed. The controlling figure for this exercise is the "options target", which should be entered in the boxes labelled E on the specimen forms. Directors will wish to ensure that they have identified options which are specific, realistic and achievable and whose consequences are clearly indicated. They should show the timescale by which the changes could be made. The kinds of options which might be included are:

- changes in quality or service levels (eg in the amount of checking or the turn-round time for casework)
- reducing functions or deferring work in areas where Ministerial priorities are known to be relatively lower
- devolving responsibilities to other agencies (eg delegating functions to NDPBs, contracting out).

You should note that the options might feature in MINIS discussions if:

- the result of your figures in table (a) would be an excess over the "operational target" for 1.4.87
- similar failures in other directorates were threatening the Department's ability to meet its overall target
- there are particular features about the options to which you call attention in the "Director's cover note".

On the internal arithmetic of the form, please bear in mind that the individual manpower figures in the column labelled G (which can comprise both pluses and minuses) should be brought to a net total in box H. It is **essential** that this total should be in balance with the three other main boxes (B, F and E). In other words, **H must equal E - (B + F)**. (The point of bringing in B and F is to take account of the progress already proposed by the director, without the need for decisions by Ministers, in table (a).)

You may find it helpful to discuss the completion of these forms with MAN.

b) options for policy consideration

Description of option	Staff	
	No.	Grade
Authorised complement 1.4.86	65	
Net change from Table (a)	-3	
Delegate detailed grant approval to local authorities - secondary legislation would be needed (F3 Division)	-1 -1 -2	HEO EO CO
Strengthen professional input on investment appraisal of capital programme proposals (F4 Division)	+1	Ec Adv.
Further net change	-3	
Options target	59	

B

F

G

H

E

Staff	
No.	Grade
-2	CA
+1	CO
-1	SEO
-1	G.6
-3	

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3.04

"Headcount" - analysis of probable staff total at 1 April 1986

(Form 3.05)

This form serves two purposes:

- for reference - to enable Ministers and top management, if the need arises, to examine some of the detail underlying such forms as 1.03, 3.03 and 3.04
- to account for any divergence which you are expecting will appear between the "authorised complement" for 1.4.86 and the likely "staff in post" position.

You will probably be using some similar "stocktaking" form as part of your line management system. The printed blank which you will receive from CPPU has been left half-finished so that you can make up the grid to suit the circumstances of your directorate. Alternatively, you can superimpose your own typed table over the printed area if this will give a better result. If space is short, you may need to aggregate certain grades (eg, SPS/PS, CO/CA). It is not necessary to account for any casual staff here: they are treated entirely within the MAXIS budget.

If the likely number of heads on 1.4.86 differs from the authorised complement shown in the box labelled B on the previous forms, you should make the reasons clear with foot-notes - eg, because MAN have agreed additional posts on a supernumerary basis or as a temporary over-bearing against complement, or because of long-term difficulties in filling certain specialist vacancies. The notes should also make clear when the divergence from complement is due to be rectified - eg, the "expiry date" set by MAN for supernumerary posts.

"Headcount" - analysis of probable staff total at 1 April 1986

Grade	Division				TOTAL
	WFE	WQ	WA	WT	
3					1
5	1	1	1	1	4
6	1	1	1 ^(a)	3	6
Prin	3	2	3	1	9
HEOD	1				1
HEO	2	3	5 ^(b)	1	11
AT	1				1
EO	4	4	6	2	16
EcAd	1				1
SEcA	1				1
Stat		1			1
FPTO		4	1	6 ^(d)	11
PTO1		1		1	2
SSO		1			1
HSO		1			1
SPS					1
CO	2	3	3 ^(c)	3	11
PS	2	1	1	1	5
CA			1	1	2
TOTAL	19	23	22	20	86

- NOTES
- (a) Overbearing (expiry date uncertain)
 - (b) 2 supernumerary posts (1xEO, 1xCO) on
 - (c) RWSS Act casework. Decision being sought from Ministers on the future of this work.
 - (d) Includes one overbearing (expiry date uncertain)

Confidential annex to Directorate Report

This part of the guidance comes at the end of the booklet because the "Director's cover note" will be the last item for the Director to draft, when the contents of the report itself have been more or less pulled together. The cover note and annex should be forwarded to CPPU at the same time as the rest of the Directorate Report (ie, no later than the date shown on p. 2).

When it comes to the first printing of the MINIS documents (before the two meetings) the cover note and annex will be attached to the front of the Directorate Report. They will go forward to both the Permanent Secretary's MINIS meeting and the Secretary of State's. They will not be attached to the volume sent to the Trade Union Side, nor will they appear in the version eventually published.

The purpose of the cover note is not for the Director to give a personal review of the directorate's performance - that should largely be contained in forms 3.03 and 3.04. The cover note is not, therefore, a direct replacement for the old-style "personal minute" to the Permanent Secretary. It is concerned instead with:

- pointing up key issues emerging from the report itself (eg indicating where Ministerial guidance about priorities is needed)
- presenting some of those issues as suggested agenda items for the two MINIS meetings
- dealing briefly with any relevant matters of a confidential or sensitive nature that cannot (even with careful drafting) be included in the report itself.

If it is to serve this purpose effectively, the cover note is unlikely to exceed 2-3 sides. (Please use the continuation form, DCN/A, if going beyond one side).

Any items which could not, for security reasons, be mentioned in the Directorate Report may be recorded in the **confidential annex** (form DCN/B and continuation form DCN/C). In the left-hand column please enter the reference number of the form where the item would, but for security classification, have appeared in the Directorate Report.

Please ensure that all completed DCN forms are marked with the appropriate security classification in the panels provided at the top and bottom of each sheet.

CLASSIFICATION

Confidential annex to Directorate Report

Corresponding form no.	Classified item not included in Directorate Report
2.01	This is the handbook for preparing Directorate Reports MINIS 7. It is addressed primarily to Directors, who be responsible personally for drafting key sections of Report as well as for production overall; but it is for use by some of the managers,
2.02	The purpose review the objectives forthcoming budgetted priorities basic docu
3.01	For MINIS some impor previous choice in general s together, two speci Housing B will, of standardi will guide

CLASSIFICATION

Director's cover note

Directorate MINIS 7

Director A SPECIMEN-PAGE

The detailed guidance indicates the kind of ground to be covered in the (published) Directorate report and the (internal) Director's cover note. It is essential to understand the difference between these two documents and the relationship between them. The Directorate Report should be self-contained and give a clear and reasonably full account of each of the Directorate's main areas of work, well related to its stated aims and objectives - the "review of performance" is the key element in this. The Directorate report should not include any classified information or other material not intended for publication.

The Director's cover note should focus clearly on the main points that the Director feels should be brought to Ministers' attention at the MINIS meeting - particularly any serious difficulties that have prevented the achievement of planned objectives and any other important issues concerning the year ahead on which the Director feels that Ministerial guidance is needed. It should not add factual information to what is already in the Directorate report unless it is classified material that cannot be included in the published report.

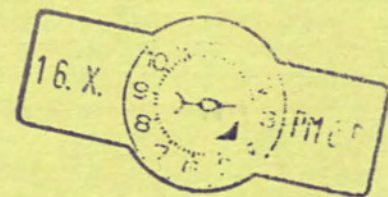
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CLASSIFICATION

DCN



CONFIDENTIAL

1985/86 EFFICIENCY PROGRAMME

**A summary of Departments'
value for money targets
for 1984/85 and 1985/86**

**Efficiency Unit
August 1985**

CONFIDENTIAL

1985/86 EFFICIENCY PROGRAMME

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EFFICIENCY PROGRAMME 1985/86

Departments. Ministry of Agriculture Fisheries and Food

Targets recorded for 1984/85

Achievements

MAFF

1. To amend capital grants schemes in the light of EC review of structures policy

EC council decisions taken in March 1985. New capital grants schemes to be introduced by Oct 1985

2. Review of organisation of R&D to improve vfm

Reorganisation completed with establishment of Priorities Board in June 1984

3. Review by new Director General of ADAS to decide its future role

Director General's report issued Sept 1984. Further action in 85/86

IBAP

1. Proceed with computer development programme

1. Additional resources needed to recover slippage: awaiting 1985 PES

2. Concentrate HQ staff in a single building

2. Most staff now in one building

3. Improve operational cost effectiveness

3. Additional work absorbed without commensurate increases in staff

1984/85 Scrutinies

Results

Veterinary Investigation Service

Good scrutiny: identified potential savings of £984,000 pa (70 staff).

Targets for 1985/86

MAFF

1. ADAS. In support of PES target of £16.6m savings in 1987/88, carry forward fundamental changes recommended by Director General:

- a) draw up initial action plan by June 1985
- b) report on marketing study by Autumn 1985
- c) prepare draft legislation by November 1985

2. Structural Policy.

- a) reduce provision for capital grants by £40m
- b) introduce new capital grants scheme by October 1985, within framework of EC legislation

3. Fisheries Protection. Achieve savings of £7m (rising to £12m in 1986/87) by privatisation, subject to discussion in Cabinet Office Official Committee.

4. Purchasing. 5% improvement in vfm from spending on purchasing by April 1987.

Efficiency scrutinies planned for 1985/86

Departmental arrangements for the protection of agricultural land

Other major review work

Financial management reviews of 3 quangos: Sea Fish Industry Authority
Food from Britain
Eggs Authority

EFFICIENCY PROGRAMME 1985/86

Department H M Customs and Excise

Targets recorded for 1984/85

Achievements

VAT

- | | |
|--|--|
| 1. 4% increase in visit sessions | 1. Achieved and slightly exceeded |
| 2. 7½% real increase in additional tax from visits | 2. Substantially exceeded (12%) |
| 3. 25% reduction in payment delays by large payers | 3. Achieved |
| 4. 20% reduction in time-to-pay requests granted | 4. Target proved inappropriate in this form; other indicators show significant improvement |
| 5. Computer terminals in all LVO's | 5. Achieved |
| 6. Withdrawal of postponed accounting for imports by 1.10.84 | 6. Achieved 1.11.84; some teething troubles but generally satisfactory |
| 7. Achieve expected revenue from budget changes to tax base | 7. Not measurable in this form; total revenue from VAT exceeded forecast |

Customs

- | | |
|--|--|
| 1. Improve preventive control of drug smuggling | 1. Review of effectiveness near completion |
| 2. Identify ports willing to use Direct Trader Input (DTI) | 2. Positive response from 7 port communities |
| 3. Detailed user requirement for successor DTI system (DEPS 2) | 3. Achieved |

Excise

- | | |
|--|----------|
| Restructure oils duty to enable de-bonding of most warehouses in 85/86 | Achieved |
|--|----------|

1984/85 Scrutinies

Results

1. Handling enquiries from the public
2. Identifying internal talent (MDR)
3. Burdens on businesses (MDR)
4. Accommodation (MDR)

Targets for 1985/86

VAT

1. 7% (£26m) real increase in additional tax from visits
2. 18% increase in productive time on visits (over 2 years)
3. 5% real reduction in debts needing enforcement action
4. 10% reduction in payment delays by large payers

Customs

1. Complete review of effectiveness of drugs prevention and reach conclusions on action needed
2. Start fixed trials of new technical aids by 30.9.85
3. Implement DTI in 5 port communities with savings of 46 posts

Excise

Implement new oils duty system with savings of 50 posts

Admin

1. Design departmental management accounting system
2. Speedy implementation of accommodation review
3. Develop departmental IT strategy
4. 50% reduction in EO vacancies in areas of staff shortages

Efficiency scrutinies planned for 1985/86

1. Solicitor's Office
2. Budgetary management (MDR)

Other major review work

1. Joint study with Home Office of manning at ports
2. Review of CIR services in the department
3. Review of the function and organisation of Personnel Directorate
4. Review of the organisation of IT work in the department
5. Development of a new IT strategy

EFFICIENCY PROGRAMME 1985/86

Department Ministry of Defence

Targets recorded for 1984/85

1. Hold second round of MINIS starting Feb 84
2. Introduce staff responsibility budgets for 90% of civilians by 1.4.84 and examine arrangements to apply SRBs to military staff
3. Improvements in long term costing system
4. Work on budgetary framework of dockyards
5. Speed up introduction of Executive Responsibility Budgets
6. Further examination of procurement work
7. 'LEAN LOOK' exercise on army support

Achievements

MINIS 2 started mid March 84, covering 190 senior officers and 470,000 service and civilian staff, with returns by June and Ministerial review, commencing Autumn largely completed in 84/85 and now being drawn to a close

SRB coverage from 1.4.84 for civilian staff was essentially complete - covering all civilian staff. SRBs also introduced for military staff, covering 60,000 uniformed personnel in support areas.

Improved LTC procedure implemented, based on 12 discrete cost building blocks as opposed to 5 target heads previously used. To take effect from 1986/87

Work has proceeded on 2 levels. A continuing refinement of Dockyards internal budget system and production of Mr Levene's re-organisation options. These currently under review as part of dockyard consultation process

1984/85 was the first trial year for ERBs. Based on experience gained during this period an accelerated programme for formal ERBs was introduced from 4/86

Both the organisation and the method of procurement have been examined. Mr Levene as new CDP reviewing the organisation and role of PE, and with competition between services and industry and within industry, given full endorsement and widest possible application. Contracting out and privatisation have also formed part of this continuing review with ROFs privatised wef from Jan 1985

Exercise completed. Total of 22 studies examined all support areas, seeking 4000 posts for transfer to front line units. Total of 4176 identified for transfer in period to 1990

1984/85 Efficiency Scrutinies

Manpower Control

recommended abolition of
separate civilian manpower
controls

Marine Services

Savings of at least £6.5m
and 2,000 posts identified

Targets for 1985/86

[examples of MOD value for money targets on attached sheet]

Efficiency scrutinies planned for 1985/86

Administrative transport in Germany
Ship acceptance procedures

Other major review work

MANAGEMENT AND COMMERCIAL IN CONFIDENCE

EXAMPLES OF PERFORMANCE TARGETS 1985/86

1. The Army intends to contract out 36% of UK base repair by 1988; this compares with the present level of some 20%.
2. The Army also intends to ensure that 85% of general stores items are available on first presentation at base depots; this compares with last year's figure of 76.95%. The Services have also established targets for meeting given percentages of demands for stores in different categories within a fixed timescale.
3. In accordance with the findings of the LEAN LOOK studies 4000 soldiers' posts will be transferred from the support area to the front line by 1990. There are no firm intermediate targets but it is expected that the bulk of the savings in the support area will fall towards the end of the period.
4. The Naval Aircraft Repair Organisation has set a target for its Fleetlands yard of a 10% reduction in engine repair times this year over the 1984/5 performance.
5. The Royal Naval Aircraft Workshop at Perth has a target of a fivefold increase in its throughput of Buccaneer hydraulic pumps, to be achieved at a unit cost of £810 (compared to about £2,050 cost in industry), and aims to recondition Sea King rotor heads at a unit cost of £7,100 (less than half the cost quoted by industry - £11,500).
6. In the first tranche of Executive Responsibility Budgets targets have been set for Princess Mary's Hospital RAF Wroughton of £184.97 cost per in-patient day and £924.84 per in-patient case. Examples of targets for Number 16 Maintenance Unit, Stafford in its ERB are £5.28 average cost per issue and £12.22 average cost per receipt, although comparable data for previous years is not available.
7. The Defence Research Information Centre established performance targets last year, including completing and despatching searches within one month of receiving a request and obtaining approval to release reports within one month. They have adopted the same targets this year despite the disruption which is bound to be caused by staff reductions and their move to Glasgow.

MANAGEMENT AND COMMERCIAL IN CONFIDENCE

EFFICIENCY PROGRAMME 1985-86

Department: DES

Targets recorded for 1984/85

Achievements

[Schools] Secure removal of 150,000 places	on target
[Schools] Press LEAs to secure further reduction in net cost of school meals service	actual reduction estimated to be 6%
[Research Councils] Get Research Councils to implement agreed recommendations of scrutiny of support services	action plans have been prepared, and 6 monthly progress reports in hand

1984-85 Scrutinies

Results

Universities - through CVCP reviews to provide basis for increased efficiency	Implementation of potentially important important reforms under consideration
Open University - through OU review to provide basis for increased efficiency	

Targets for 1985-86

Secure removal of 168,000 school places for 1985/86 and set new targets for later years.

Establish base-line for monitoring effects of policies on pupil performance.

Teacher-training: half of all courses to be scrutinised by September 1986.

Higher Education: develop unit cost indicators and output measures to encourage value for money.

Science: secure implementation of action plans from Research Councils' scrutiny of support services, saving £2.9m once for all and £1.9m a year.

Scrutinies planned for 1985-86

Architects and Buildings branch

Advanced Further Education - under aegis of NAB

Non-advanced Further Education - in partnership with local authorities

EFFICIENCY PROGRAMME 1985/86

Department Department of Employment Group

Targets recorded for 1984/85

Achievement

DE

- | | |
|---|--|
| 1) Develop performance indicators and output measures | More detail available in 1984 FMI Implementation Report than in 1983 version. Also more coherent approach to setting out measures in material for 1985 Top Management Reviews. |
| 2) Integrate FMI with PES process | Some advances during 1984/85 - eg Senior Management Group review of PES bids for particular commands and DE as a whole. |
| 3) Clarifying responsibilities of appropriate DE commands for MSC programmes. | Some organisational changes to assist in this process. |

UBS

- | | |
|---|--|
| 4) Implement Staffing Basis Scheme review findings (1000 staff savings) | By 1 April 1985 1100 posts saved. |
| 5) Improve Management Information System | A speed of payment indicator was introduced in January 1985 for use by all levels of management. Work is in hand on finding an effective accuracy of payment indicator for use by local management. Unit cost indicators for eg overall costs, telephone costs, premises maintenance are now being trialled with a view to use as monitors in 1986/87. |
| 6) Staff to claimant ratio - 1:117 | 1:122 (ratio depressed by additional staff recruited because of DHSS dispute at Newcastle) |

HSE

- | | |
|--|--|
| 7) Introduce system of performance indicators for field operations | A system of recording time spent on various field activities was introduced on 1 April 1985. |
|--|--|

Develop new financial information system.

In place since 1 April 1985

ACAS

9) Bed in FMI mechanisms

Cycle of reviews by ACAS management and reports to DE established. Devolved budget arrangements applied.

MSC

10) Output per staff unit in Employment Division for various activities:-

	<u>Target</u>	<u>Actual</u>
Vacancies notified	- 1274	1360
Placings	- 594	623
Training Applications taken	- 358	343
Community Programme Places (filled monthly average)	- 184	180
Enterprise Allowance Scheme (places)	- 167	184

11) Skillcentre Training Agency

Balance costs and income ceiling on a deficit grant of up to £24m

only £10.5m deficit grant needed

Staff in post 1 April 1985 - 3900

3810

Place weeks available - 630,000

655,000

Place weeks occupied - 550,000

520,000

Place weeks invoiced - 640,000

640,000

12) Training

Cost per YTS start - £2117

£2032

Cost per adult training place start - £2746

£2610

1984/85 Efficiency scrutinies

Identification of Internal Talent (MDR)
Accommodation (MDR)
Burdens on Businesses (incl MSC) (MDR)

Targets for 1985/86

[see enclosure to Secretary of State's letter of 17.6.85 attached]

Efficiency scrutinies planned for 1985/86

European Social Fund
MDR on Budgeting (DE and MSC)
Use of Paper (MSC)

Other major review work

Wages Council Machinery
Redundancy Payments System
Energy Costs
Assistance to Disabled People
Management of Industrial Tribunals
Future Organisation of MSC

MAIN DE GROUP TARGETS FOR 1985/86 AND BEYOND

DEPARTMENT OF EMPLOYMENT

1 Running costs

Target: To improve on the Treasury's target of increasing running costs by GDP deflator minus ½ per cent. Thus:-

	1985/86	1986/87 % increase	1987/88 % increase	1988/89 % increase
Treasury ceiling		4	3	2.5
DE/(including £320m) <u>£320m</u> UBS		2.6	-0.8	0.8

2 Unemployment Benefit Service

Target: To improve staff/claimant ratios from 122:1 in 1984/85:

1985/86	1986/87	1987/88	1988/89
119:1	121:1	126:1	130:1

To improve cost per payment in real terms from £3.20 in 1984/85:-

(cash prices) 1985/86	1986/87	1987/88	1988/89
£3.32	£3.43	£3.39	£3.38

3 Employment Protection Payments

Target: To improve the unit costs of making payments as follows:

Administration costs as a Percentage of Total Expenditure

	1984/85	1985/86
Redundancy Payments	1.7)	3.9
Insolvency Payments	N/A)	
Maternity Payments	1.4	1.2

DE Staff Costs Per Payment

1984/85	1985/86
£5.84	£5.23

Number of Claims Processed Per Staff Unit

	1984/85	1985/86
(i) Payments	1630	1726
(ii) Claims received/processed	1938	2302

4 Job Release Scheme

Target: To improve real unit costs as follows:

	1984/85	1985/86
Cost Per Payment	£0.91	£0.89
Ratio of applications to staff	1524:1	1530:1
No of overpayments per 1000 payments	0.96	0.93

MANPOWER SERVICES COMMISSION

1 Running costs

Target: To improve on the Treasury's ceiling of increasing running costs by the GDP deflator minus ½ per cent. Thus:-

<i>1985/86</i>	1986/87 % increase	1987/88 % increase	1988/89 % increase
<i>£340m</i>	9.1*	1.8	1.8

* includes special costs of closing skillcentres and expanding Youth Training Scheme and Community Programme.

2 Youth Training Scheme

Target: To improve real unit costs of the programme in 1985/86 and establish 2 year programme thereafter with improving trend of placing rates:-

	1984/85	1985/86	(Cash prices)
Cost per entrant	£2152	£2164	
Net exchequer cost per entrant	£1292	£1298	
Entrants per member of staff	108.4	110.6	
Admin cost per entrant	£136	£135	

3 Adult Training Schemes

Target: To improve real unit costs of Training programmes as follows:

	1984/85	1985/86	(Cash prices)
Cost per entrant	£2193	£1388	
Net exchequer cost per entrant	£1206	£763	
Entrants per member of staff	77.8	130.2	
Admin cost per entrant	£189	£115	

4 Employment_Division

Target: To improve performance and real unit costs as follows:-

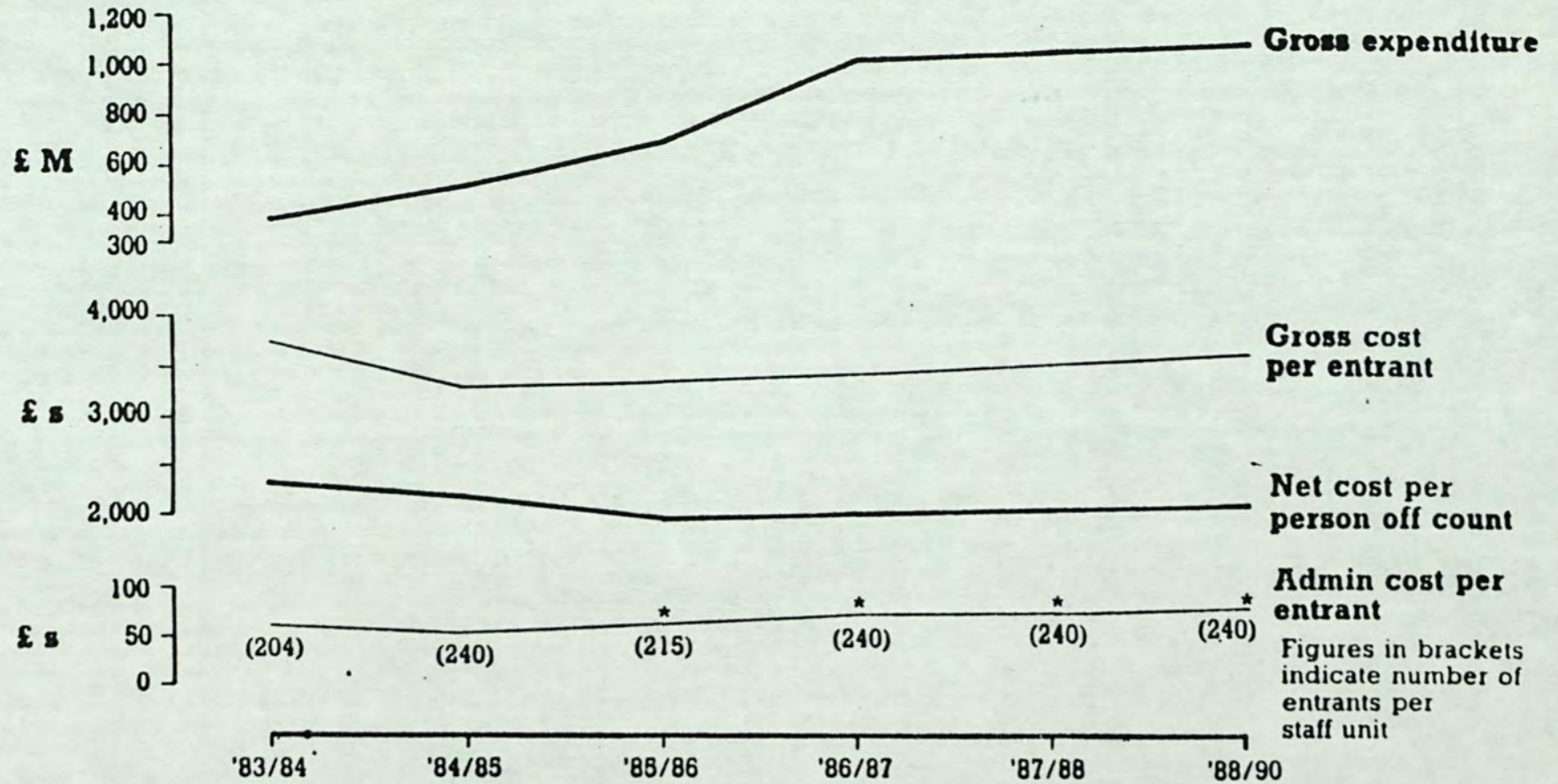
		1984/85	1985/86
output	(Vacancies notified	1360	1412
per	(Placings	623	652
member of	(Training applications	343	437
staff			

5 Community Programme

6 Enterprise Allowance Scheme

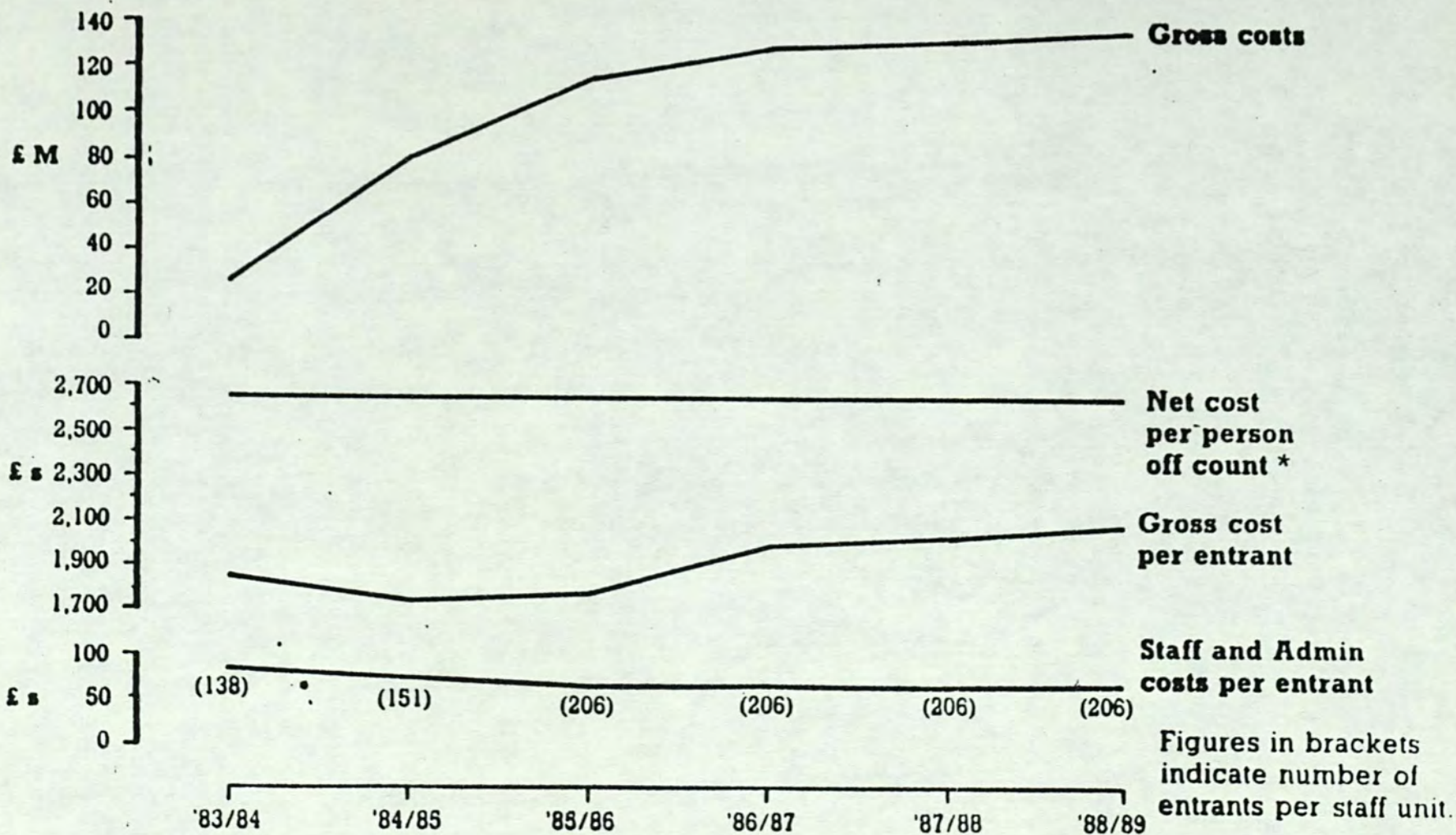
) Target: To improve performance
) and unit costs as shown on the
) attached charts.

Community Programme



* Figures for administration costs are provisional; for 1985/86 and 1986/87 they include elements for other costs such as the experiments, and from 1986/87 they include work arising from changes in the eligibility rules for participants.

Enterprise Allowance Scheme



* Accounts only for savings which occur during year the allowance is in payment. In the case of the Enterprise Allowance Scheme there will be a continuing gain to the Exchequer for many years after.

HEALTH AND SAFETY EXECUTIVE

ADVISORY, CONCILIATION AND ARBITRATION SERVICE

Running costs

Target: To keep running costs increases below the Treasury ceiling:-

	1986/87 % increase	1987/88 % increase	1988/89 % increase
HSE (83.7m)	0.7	2.5	2.4
ACAS (14.2m)	3.5	2.7	2.7

EFFICIENCY PROGRAMME 1985/86

Department Department of Energy

Targets recorded for 1984/85

1. Reduction of administrative costs by 1% in real terms over 1983/84
2. Staff inspection of central departments

Achievements

Reduction of 5.7% achieved (1983/84 prices).
Savings of about 15% of relevant staff have enabled the department to accelerate progress to 1988 manpower target.

Reviews

1. Participation in accommodation MDR
Recommended savings of £600,000 pa.
2. Review of the role and structure of UKAEA.
UKAEA to become a trading fund and relationship with Department of Energy to be transferred onto contractor/customer basis.
3. Strategic reviews of the UKAEA fusion programme, coal technology and the offshore research and development.
All reviews completed although the results of the coal technology review were set aside for the period of the coal strike.
6. Chief Scientist study of balance between nuclear and non-nuclear programmes.
A unified R&D budget has been created to enable decisions to be taken within a common framework. Recommendation to create strengthened Advisory Council on Research and Development (ACORD) to assist Secretary of State judge the appropriate size, content and balance of total R&D programme.
7. Strategic review of energy efficiency work.
Deferred to 1985/86.

Targets for 1985/86

Programme Expenditure

[Nationalised Industries]

British Gas Corporation

- a rate of return compatible with achievement of the Corporation's financial target of a pre-tax, pre-interest return averaging 4% on CCA net assets over the period 1983/84 to 1986/87
- appropriate progress towards the medium term target of reducing net trading costs per therm of gas sold by 12% between 1982/83 and 1986/87.
- introduce legislation for the privatisation of the British Gas Corporation in autumn 1986.

Electricity Supply Industry

- A rate of return compatible with achievement of the industry's financial target of a pre-tax, pre-interest return averaging 2.75% on CCA net assets over the period 1985/86 to 1987/88.
- Maximum progress towards the medium term target of reducing controllable costs per unit of electricity sold by 6.1% between 1985/86 and 1987/88.

National Coal Board

- Maximum progress towards the achievement of financial break even by 1987/88.

[Other programmes]

UKAEA

- To establish the Authority as a trading fund with a financial target by 1 April 1986, and with Programme Letters establishing a customer-contractor relationship across the whole range of vote-funded research.

Non-nuclear R&D and industrial support

- To implement the cut of £5m in the Department's then baseline provision for 1985/86, 1986/87 and 1987/88 with minimum impact on departmental policy objectives.

Running Costs

To hold the gross cash provision for administration at no more than 1% higher than the 1984/85 level, representing a reduction in real terms of about 4%.

Efficiency scrutinies planned for 1985/86

-

Reviews

Chief Scientist review of the prospects for the exploitation of renewable energy technologies.

ACORD evaluation of all R&D against a common set of criteria.

Strategic review of Energy Efficiency Office

EFFICIENCY PROGRAMME 1985/86

Department Department of the Environment

Targets recorded for 1984/85

[none reported]

Achievements

1984/85 Scrutinies

Results

The Urban Programme

City Action Teams (CATs) now set up

Identifying Internal Talent
(MDR - joint with DTP)

A poor report

Accommodation (MDR - joint with DTP)

Good report: £920,000 pa
space savings identified

Targets for 1985/86

Local Government Finance. In 1984/85 local authority spending exceeded DOE ceilings by 4%. For 1985/86 local authorities have budgeted for a 1% overspend. Target is to keep outturn below this budget.

Housing. Urban Housing Renewal Unit to set targets for disposal of council housing to private sector and promotion of estate-based management on council estates (Priority Estates Project)

Inner Cities. CATs to develop targets for each partnership area

Nature and Countryside. Nature Conservancy Council to re-notify 1250 Sites of Special Scientific Interest in 1985/86, and the rest by the end of 1987.

Environmental Pollution. Targets include elimination of antifouling paint containing tri-butyl tin (damaging to shellfish) from the bulk of small boats in 1986.

Planning: - Continue improving trend in proportion of applications cleared by authorities within 8 weeks (60% in 1979, 70% in 1984).
- Set targets for dealing with planning appeals (see scrutinies).

Water Industry. All regional water authorities to hit specific financial and efficiency targets while maintaining and improving service levels eg water quality at tap and in rivers.

Heritage. 20% increase in visitors in next five years; 30% increase in sales in 1985/86.

Sports and Recreation. Sports Council has targets for participation rates in a wide range of sports.

Efficiency scrutinies planned for 1985/86

Speeding planning appeals
Attendance and sickness records (MDR)
Slum clearance grants
Co-ordination of research

Other major review work

Local government finance studies

Housing policy review

Countryside and pollution policy

Water industry privatisation

New Towns (consultancy on financial targets)

National Heritage Memorial Fund

Waste disposal

Library services

Location and organisation of Housing Statistics work

[14.6.85]

EFFICIENCY PROGRAMME 1985-86

Department: Foreign and Commonwealth Office

Targets recorded for 1984-85

Achievements

- | | |
|---|---|
| To introduce an interim top management system | achieved |
| To delegate a progressively greater proportion of running costs to line managers | 22% of overseas posts local costs now devolved |
| To seek agreement with BBC on hiving off to BBC of FCO Broadcasting Group | agreement in principle reached at official level. Details being worked out. |
| To introduce a standard overseas computer system in Bonn (and subord. posts), Paris, Zurich, Geneva, Rome and Milan | achieved - also installed system in Berne and Naples |
| To achieve further rationalisation of overseas estate | asset recycling scheme agreed with Treasury |
| To contract out cleaning of main FCO building | achieved with saving of 37 staff |

1984-85 Scrutinies

Results

- | | |
|-------------------------------------|-------------------|
| Furnishings for the overseas estate | Not yet completed |
|-------------------------------------|-------------------|

Targets for 1985/86

- To introduce the computerised Message Handling Switch this Spring and save 40 staff by 1 4 86.
- To complete transfer of the FCO Broadcasting Group to the BBC saving 126 staff and £300,000 pa. net.
- To extend the standard overseas computer system to a further 25 overseas Posts. Result: improved performance.
- Computerise the Post accounting system and move the two Management Information Systems to in-house computers: prepare to streamline other systems.
- Bring the full TMS into operation in time for the 1986 Survey.

Efficiency scrutinies planned for 1985-86

- Output measurement
- Security of missions

EFFICIENCY PROGRAMME 1985/86

Department DHSS

Targets recorded for 1984/85 and Achievements

Manpower control within DHSS

Dept's manpower planning level for 1.4.85 was 90,000 (as part of the progression down to the 1 April 1988 target of 87,500). Subsequently Treasury gave authority for the 1 April 1985 target to be increased by 3,000 to meet the extra work resulting from the effects of the Newcastle Central Office industrial dispute. The staff in post figure at 1 April 1985 was 92,778.

Management of NHS

Since 1984, all health authorities have had cost improvement programmes. Proposals by Regional Health Authorities for 1984/85 amounted to £100M. Information on savings actually achieved will be collected shortly, but broadly this target will be met

Internal management of DHSS

Top Management advances during the year have included:

- i. setting up the NHS Management Board; preparing for the Social Security Management Board, which has now been announced; and setting up the Social Services Inspectorate. In each case there will be external members with relevant expertise. With the DMB they virtually complete the top management structure.
- ii. Improved support arrangements for the DMB and its members (four Permanent Secretaries and the Principal Finance and Establishments Officers) through the Central Departmental Secretariat;
- iii. establishment of a new CIRC command
- iv. further development of the Divisional Management Accounts system, incorporating manpower control;
- v. development of budgetary control system
- vi. programme of in-year monitoring by the DMB of 25 key objectives

1984/85 Scrutinies

Registration Service

Major structural changes recommended, resulting savings of £5m identified

Targets for 1985/86

1. Social Security Target is a 1% reduction in running costs. with most of the savings being redeployed in consultancy for the Social Security Operational Strategy
2. Hospital and Community Health Services Regional Health Authority Programmes for 1985/86 to include cost improvement targets worth £145m.
3. Family Practitioner Services A target saving of £60m has been set for prescription dispensing and the pharmacy bill. Family Practitioner Committees have been given manpower targets that allow for no growth, despite additional statutory functions
4. Centrally Financed Services With the exception of a few budgets for demand-led services or where there were specific Ministerial decisions to the contrary, budget reductions for 1985/86 are at least 5.4% in real terms below the PES 1983 base line planning figure.
5. Personal Social Services DHSS has no direct management control over provision by local authorities of PSS, but DHSS encourages VFM by advocating and supporting cost effective policies. During the first year of its work new Social Services Inspectorate will be aiming to set baselines from which targets for the future can be derived.
6. Departmental Management The planning level for the whole of DHSS for 1 April 1986 is 89,500. Headquarters manpower is to be held at the 1984/85 level despite substantial increases in major work

Efficiency scrutinies planned for 1985/86

Liability Relative procedures
Remission by social security offices of NHS charges
MDR on Budgeting

EFFICIENCY PROGRAMME 1985-86

Department: Home Office

Targets recorded for 1984-85

Achievements

Prisons:

1. Achieve key operational objectives within cash limit and reduced manpower ceiling

Achieved

2. Reduce reliance on overtime

Average overtime per officer per week reduced by $\frac{3}{4}$ hour

Immigration and Nationality:

Reorganise on clearer functional lines

Completed, with a saving of 19 posts

Police Technical Services:

Develop new accounting framework and structure of accountability for D/Tels

Initial consultancy completed; decisions on next steps taken and tenders invited for further consultancy

Police:

Improve financial controls over Metropolitan Police

Cash limit introduced facilitating the achievement of an acceptable level of policing at lower cost; financial information system introduced; review of vehicle fleet begun

Probation:

Introduce information system for Inspectorate

Pilot scheme evaluated; consultants being appointed as next step

Central:

Carry out a better coordinated and more pro-active programme of efficiency work

Report made to top management on options for new work, and implementation of work already commissioned; substantial programme of consultancy, inspection and review under way with improved control and coordination; results include saving of 160 posts and the possibility of increased revenue from fees of over £1m

1984-85 Scrutinies

Police National Computer

Results

New top management structure agreed and established. Programme of work drawn up and set in train to improve cost-effectiveness and plan the new generation PNC.

Targets for 1985-86

Prisons:

1. Achieve key operational objectives by increased efficiency rather than previously built-in manpower increases
2. Reduce average overtime per officer per week from 16 to 15 hours

Police:

Maximise the efficiency and effectiveness of manpower by encouraging civilianisation at no nett additional cost

Fire:

1. Inspectorate to operate new inspection guidelines by March 1986
2. Inspectorate to have completed assessment of joint boards manpower requirements by 1.4.86

Immigration and Nationality:

With a 19% reduction in staffing complement, reduce average waiting times in discretionary cases from 20-24 months to 12 months or less, and in entitlement cases from 13 months to 6 months or less

Central:

Reduce non-pay non-accommodation running costs (other than prisons) by 3%

Efficiency scrutinies planned for 1985-86

Major topic yet to be chosen. Front runners
a major item of Metropolitan Police
expenditure, or (possibly) a scrutiny
bearing on the costs of court escorts.

Other major review work

Prison Service Personnel Work

Farms & Gardens contribution to prison victualling

Cost-effectiveness of scientific research and development

EFFICIENCY PROGRAMME 1985/86

Department Inland Revenue

Targets recorded for 1984/85

1. To make maximum progress towards 1988 manpower target through management initiatives to improve efficiency and changes in personnel policy.
2. To continue the implementation of Computerisation of PAYE on time and within budget in particular by evaluating the pilot scheme in the West Midlands.
3. To ensure the Valuation Office can fulfil all its duties in the light of discussions on domestic and non-domestic rating and the Dalton Review of Government Valuation Services.
4. To continue the development of FMI systems and procedures by:
 - the introduction in April 1984 of a new financial and management accounting system (FAMAS);
 - the introduction of new management information systems in the remaining large operational areas of the department;
 - further development of the department's senior management system.

Achievements

Projected savings were exceeded in real terms by 450 staff.

The West Midlands pilot scheme received a positive evaluation and full COP implementation continues on schedule.

VO plans have been prepared for alternative approaches to revaluation. Discussions are continuing with DHSS on the practicability of charging for VO services.

All key milestones were met: FAMAS was introduced in April 1984.

New or enhanced management information systems are now operational in the taxes, collection, PAYE audit and valuation parts of the Revenue. The second round of the senior management system took place in 1984/85.

1984/85 Efficiency Scrutinies

Archives
Annual Repayments
Accommodation MDR
Burdens on Business MDR

1985/86 Targets

1. To make maximum progress towards the 1988 manpower targets on the basis of specific changes (including COP and legislation) and to continue to avoid both arbitrary cuts and compulsory redundancies.
2. Develop information technology strategy with particular regard to future establishment of departmental communications network, tracing facilities and an efficient and effective support to assessing and collection systems.

1985/86 Targets contin

3. To have COP in live operation in 4 regions.
4. Initial work on CODA (Schedule D assessing) to be substantially complete with a view to the start of a pilot scheme in 1987.
5. To reorganise tax, collection and valuation offices to create offices of a size consistent with maximum operational efficiency. Target numbers for the main networks for April 1986 are:

Tax Offices	620 (745 in 1983)
Collection Offices	144 (256 in 1983)
Valuation Offices	158 (173 in 1982)

6. To extend line management budgeting to 110 offices.
7. To improve taxes clerical national accuracy rates as follows:

	1984/85 Actual %	1985/86 Target %
Schedule E		
Assessing / informal procedures	88	91
Returns examination	91	93
Annual Coding	96	95
Claims	90	93
Schedule D Assessments	92	92

8. To carry out technical investigations in respect of 1.2% of all company accounts (1.3% in 1984/85) and 2.8% of all schedule D accounts (2.8% in 1984/85) with a 2.7% increase in the number of accounts and a reduction in Inspector resources.

9. To improve the cost effective deployment of PAYE audit staff and to develop the new management information system to develop specific targets for the future.

10. To maintain professional valuation office staff output at 265 cleared cases per annum.

1985/86 Scrutinies

None

1985/86 Reviews

1. Quality control pilot exercise for Valuation office non-professional work.
2. Investigation work quality standards pilot scheme.

1985/86 Reviews contin

3. Work measurement exercise to assist management in assessing clerical staff needs in local tax offices.
4. Feasibility study into the computerisation of annual tax repayments.
5. Potential use of information technology in the valuation office.

EFFICIENCY PROGRAMME 1985/86

Department Lord Chancellor's Department

Targets recorded for 1984/85

Achievements

- | | |
|--|--|
| 1. Determine list of departmental priorities for next decade. | Determined but not published. |
| 2. Establish Management Board. | Set up to consider major departmental policy and resource allocation decisions. |
| 3. Introduce top management system | Pilot run of LOCIS September 1984; later extended to entire headquarters. |
| 4. Define objectives for court circuits and establish performance measures for courts. | System introduced October 1984. |
| 5. Devolve personnel functions experimentally from circuit office. | 2 year experiment on Midlands and Oxford circuit providing recruitment and career management of court staff. |

1984/85 Scrutinies

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Targets for 1985/86

Departmental

1. Establish a Resources Committee which will advise the Management Board on the resource implications of legislative, policy and procedural changes.
2. Implement the recommendations of the recent Consultants' study on Legal Aid administration.
3. Delegate financial and manpower budgets and personnel management responsibilities to headquarters and circuit line managers.
4. Contract out the operation of the Registry of County Court Judgements with a saving of 37 posts.

Headquarters

1. Integration of the department's management information system with the accounting system and PES process.

Circuits

1. Improve present performance measures and align more closely with clear financial and policy objectives.
2. Set objectives and performance measures for tribunals.
3. Implement recommendations of scrutiny report on Listing Function in the Crown Court.
4. Establish objectives and performance measures for bailiff service.

Supreme Court

1. Contract out management of Common Investment Fund Unit Trusts.
2. Begin amalgamation of trust work of Public Trustee, Court Funds Office, Official Solicitor and Court of Protection into one office.
3. Contract out conveyancing and costs work of Official Solicitor's department.

Associated Offices

1. Set objectives and performance measures and define lines of accountability for associated offices.

Reviews

1. Commence major review of civil justice.
2. Commence departmental information technology strategy study.
3. Review objectives of legal aid scheme.
4. Review management anomalies of SE circuit, including the Royal Courts of Justice.
5. Management scrutiny of training.
6. Review feasibility of contracting out support services such as security and cleaning.

EFFICIENCY PROGRAMME 1985/86

Department Management and Personnel Office

Targets recorded for 1984-85

Achievements

To run the first new course for staff entering the open structure

The first course commenced in February 1985. A great success - verified by independent evaluation.

To make proposals for introducing performance-related pay.

The experiment has been launched and £4 million made available in each of the financial years 1985-86, 1986-87 and 1987-88.

To carry out with the Efficiency Unit a programme of new efficiency work for 1984.

The programme included reviews of accommodation government purchasing, R & D support services.

To consider whether repayment should be extended to all Civil Service College courses.

A decision has been taken to move to full repayment from April 1986.

To introduce and test the Department's new management accounting system.

The new system, which was tested throughout 1984-85, has proved successful.

1984/85 Scrutinies

Targets for 1985/86

CIVIL SERVICE COMMISSION

1. To improve staff productivity by at least 5%.
2. To improve on certain targeted timetables for recruitment schemes in 10% of cases.

CIVIL SERVICE COLLEGE

3. To extend repayment to College developmental training courses from 2 April 1986.

CIVIL SERVICE MEDICAL ADVISORY SERVICE (CSMAS)

4. To charge all departments and establishments for CSMAS services on a per capita basis by April 1986.

PERSONNEL MANAGEMENT GROUP

5. As part of the programme of action in central personnel policy work to help motivate people to achieve agreed targets, to enable achievement to be

properly assessed, and to recognise success:

- a. to implement, develop and evaluate as part of the Government's strategy for improved management the performance bonus scheme;
- b. to launch, promote and develop a basis for evaluating the new reporting and appraisal systems in departments.

ESTABLISHMENT OFFICER'S GROUP

6. To achieve increases in Office Services (5% fewer staff in London; absorption of 1985-86 inflation increase (4%) on HMSO supplies and services).

Efficiency Scrutinies planned for 1985/86

1. Occupational Health Services provided by Civil Service .

Other Major Review Work

Finance Division

EFFICIENCY PROGRAMME 1985/86

Department Northern Ireland Office

Targets recorded for 1984/85

Achievements

1984/85 Scrutinies

RUC Buildings

Targets for 1985/86

[by NI Depts]

Economic Development

- 1) Reduce unit cost of YTP places by 5% by more cost effective placements to yield saving of £1.9m
- 2) Resulting from review of Standard Capital Grants reduce Govt's investments in manufacturing sector by £8m
- 3) Reduce cost of town gas conversion scheme by one third with target saving in 85/86 of £1.5m
- 4) Achieve real reduction in controllable cost per unit sold of electricity of 1.3% yielding saving of approx. £1m

Agriculture

- 1) Increase attendance time spent on piece work in forestry to 30% (1986/7 to 40%)

Finance and Personnel

- 1) Achieve savings of £0.2m annually in administration of Ulster Savings with faster receipt of income from sales
- 2) Achieve specified targets relating to debt levels

Education

- 1) Reduce number of school places by 5000 by Sept 85 (increase of 700 needed for amalgamations)
- 2) Reduce fuel consumption in schools by 5% over years 85/86 and 86/87 yielding annual saving of £0.75m
- 3) Increase student staff ratio to 10:1 in Teacher Training Colleges by Sept 85 yielding annual saving of 0.7m

NIO Law and Order

- 1) Reduce police overtime to 12,800 man hours/day
- 2) Close one prison [savings will accrue in later years - but yet to be quantified]

Efficiency scrutinies planned for 1985/86

Acute hospitals/community care

Other Major Review Work

Top Structures of NI Departments

Review of Industrial Civil Servants' productivity

Absenteeism

Central Support Services for Health and Social Services

EFFICIENCY PROGRAMME 1985/86

Department.....Office of Arts & Libraries

Targets recorded for 1984/85

2. Work out internal organisation and hold staff inspection.
3. Improve arrangements for staff inspection in fringe bodies.
4. Select priorities for improving sponsorship of fringe bodies.
5. Set up new system for internal audit in NMGs.
6. Promote management systems at V&A and Science Museums.
7. Influence remit of new Chief Executive of British Library.
8. Ensure savings in RCH and RSC identified by Priestley.

Achievements

- Done.
New proposals circulated, spring 1985.
Done. Priorities generally accepted by bodies.
New system agreed, based on unit in the British Museum. Now starting operations.
Satisfactory progress.
Done.
Target savings achieved.

1984/85 Scrutinies

Results

No scrutinies in 1984/85.

Targets for 1985/86

1. Complete review, and secure Ministerial decisions, on relationship between OAL, PSA and National Museums and Galleries, by end-1985.
2. Complete review, and secure Ministerial decisions, on treatment of receipts by National Museums and Galleries, by autumn 1985.
3. Complete first annual round of discussions to encourage fringe bodies to set their own management and value for money targets, by spring 1986.
4. Influence course of Arts Council review of organisation to satisfy ourselves that there is an efficient and effective management system.
5. Satisfy ourselves on the soundness of the British Library's first corporate plan, by autumn 1985.
6. Reorganisation and revised staffing of Division B to improve system for controlling and monitoring NMGs.

Efficiency scrutinies planned for 1985/86

Proposals to be prepared by October 1985.

Other major review work

Review of delegated authorities (finance and establishments) to fringe bodies.

EFFICIENCY PROGRAMME 1985/86

Department Property Services Agency

Targets recorded for 1984/85

Achievements

- | | |
|--|---|
| 1. To implement major recommendations arising from:
a) Wardale/Touche Ross report
b) Resource Control Review of district works offices | Major progress: over 100 recommendations now implemented. Steering Committee set up to keep under review all maintenance procedures and controls. |
| 2. To introduce improvements to the Property Repayment Services | Review of PRS completed; discussion paper circulated in March 1985. |
| 3. To agree and implement restructuring proposals | Proposals abandoned. But district boundaries are being revised where necessary and study of SE Region organisation started. |

1984/85 Scrutinies

Results

Crown Suppliers: Government Car Service and Interdepartmental Despatch Service	Potential for major savings identified; report being considered.
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Targets for 1985/86

1. Estate management:
 - reduce office estate by 0.1m²sq m by 6/86
 - reduce surplus space to 4% by 6/86; establish minimum achievable and a strategy for getting there
 - save further £20m pa by 1988 by rationalising London Estate
 - dispose of £39.5m worth of defence estate by 4/86
 - dispose of £19m worth of civil estate by 4/86
2. Energy conservation: save further 12% by 1988
3. Maintenance
 - complete major programme of 60 District Management Reviews to examine carefully vfm in carrying out projects and programmes
 - examine range of contracting available and issue guidance on factors governing choice of form of contract
4. New Design: establish correct size, skills and location for in-house design services.
- 5 Organisation: examine scope for changes in UK Territorial Organisation for a start to implementation in 1986/87 (see item 3 of 1984/85 targets)

Efficiency scrutinies planned for 1985/86

Identification, management and disposal of surplus office space and land.

Other major review work

1. Future status of Crown Suppliers
2. Scope for contracting out the management of maintenance
3. Pilot studies on budgetary control system for maintenance
4. Maintenance unit costing - extended system
5. Trials in devolving small maintenance responsibility to MOD Service Units
6. Use, briefing and control of consultants
7. Management of directly employed labour and cost control systems
8. Forecasting and monitoring of major expenditure programmes.

EFFICIENCY PROGRAMME 1985/86

Department Department of Trade and Industry

Targets recorded for 1984/85

Achievements

[none recorded]

1984/85 Scrutinies

1. MDR on Identification of Internal Talent
2. MDR on Accommodation

Targets for 1985/86

Results

Air (and others)

To reduce processing time for Support for Innovation applications from 20 weeks to 13 weeks by September 1985.

LA Electronic Application

To achieve the following average micro-electronics penetration (%) in United Kingdom companies employing 20+ :

Dec '85
64%

Dec '86
70%

Radio Regulatory Department

Reduce RIS staff complement from 325 to 239 by 31 March 1986, taking full account of the economy and efficiency improvements proposed by the RIS scrutiny.

Research & Technology Policy

To expand the Teaching Company Scheme from 127 programmes to 180 (10 in the service sector) by June 1985.

Patent Office

To reduce the backlog of unexamined Trade Mark applications from 16,500 to 11,000 by October 1986.

NERO and other regional offices

To provide in 85-86 1,600 key services to exporters, representing a 2.5% increase on 84-85.

Overseas Trade 3

To achieve by March '85 the same 6-monthly level of output (ie participation in about 200 Trade Fairs) with 167½ staff as in the same period of 1983-84 with 205 staff.

Efficiency scrutinies planned for 1985/86

MDR on budgeting

Other major review work

Information needs of top management

EFFICIENCY PROGRAMME 1985/86

Department Department of Transport

Targets recorded for 1984/85

Achievements

[None recorded: Department has since reported targets, similar in form to those listed for 1985/86, for road construction and maintenance, railways and DVLC and has stated that they were achieved]

1984/85 Scrutinies

Results

Marine examination and certifications	A small area; but found room for dept. to reduce its involvement.
Identification of Internal Talent (MDR - joint with DOE)	A poor report
Accommodation (MDR - joint with DOE)	One of the best reports in the MDR

Targets for 1985/86

Roads

- new construction: starts 62 miles, completions 97 miles, with benefit/cost ratio 2.5 for completions (1.5 excluding M25)
- Maintenance: renew 70 equivalent route miles of motorway and about 100 single carriageway equivalent miles of all-purpose trunk road
- Change to fee competition for engaging consultants on project design and supervision, saving £400,000 over first 2 years
- Introduce pilot accountable management systems in 2 regional offices
- Introduce code of practice for routine maintenance, saving £3m a year when fully implemented

Railways: Reduce PSO grant to BR in line with target reduction of 25.7% in real terms between 1983 and 1986/87 (BR's claim for 1985/86 is 13.9% down on 1983)

London Regional Transport: Reduce revenue support grant to £125m, in line with target reduction to £95m in 1987/88 (cf approx. £190m support proposed by GLC for 1984/85).

DVLC: Achieve 1% saving in costs (£1m) and get 40% of staff working with the new input methods, while maintaining standards of service. Longer term target is to halve turnaround times by 1988/89 when new methods are fully operational

Vehicle Inspectorate: Achieve 1% cost saving (£0.25m) and absorb forecast increase in demands for statutory tests within existing manpower

Research: Increase proportion of external contract let by competitive tender from 15% in 85/85 to 35% in 85/86 and 50% in 86/87 (and ensure that as much of the rest as possible is let after considering proposals from more than one contractor)

Efficiency scrutinies planned for 1985/86

[to be decided by end September]

Other major review work

Review of central management structure and capability (completed May 1985)

Review of department's approach to structural highway maintenance

Review of Railways Directorate by independent consultants

EFFICIENCY PROGRAMME 1985/86

Department..Treasury.....

Targets recorded for 1984/85

Achievements

- | | |
|---|---|
| 1. Improve internal financial management: | target achieved |
| 2. Public Expenditure Control: | monthly monitoring in place |
| FIS: | redesign of software necessary |
| 3. CISCO | |
| Contracting out and new standards: | targets achieved |
| Trading fund by April 1985 | not achieved |
| 4. CCTA | targets achieved |
| 5. CCC | |
| Review of Performance Indicators | 90% now in right form
other work still under way |

1984/85 Scrutinies

Results

Targets for 1985/86

Further improving financial management

1. Enhance the computerised management information system (MAISY) provided to 7 small departments (including Treasury) by 1.4.86
2. Better management of main Treasury, CCTA and NEDO's cash flow by improving monitoring and control by 1.4.86

Public expenditure control

1. Integrate the scrutiny of running costs into PES and Estimates.
2. Align PES & Estimates control systems, redesign FIS.

Treasury support services

Secure improvements in reproduction, committee support, stationery and accommodation services by greater rationalisation of work, so reducing costs

CISCO

1. Specific targets for sales, costs, and headquarters costs.
2. Competitive tendering to be introduced.

CCC

Increase payee/pay clerk ratio by at least 5%.

CCTA

Implement programme of work in corporate plan.

Efficiency scrutinies planned for 1985/86

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Other Reviews

Rules governing Treasury officials' holdings of securities and other valuables

Standing Security instructions

Briefing for Ministers

EFFICIENCY PROGRAMME 1985-86

Department: Scottish Office

Targets recorded for 1984-85 and achievements

Agriculture & Fisheries Restructure agricultural staff

Agricultural Inspectorate and Lands Staff networks now merged; 30 posts saved by 1.4.84; financial saving £450,000

Education Substantially reduce no. of list D schools and change financing system

In addition to 4 schools closed in 1983, 2 were closed in 84/85 reducing total no to 18; savings in order of £1m accrued in 84/85. Ministers have consulted widely about proposal to transfer financing of schhols to loc. auths. and public announcement expected before end of June 85

Health Service Ensure Health Boards have sound planning system

Forward plans for delivery of health care services is examined within each Health Bd. within framework of national priorities for health care and current resource assumptions. More extensive work continuing with individual Health Bds. where rationalisation of hospitals and services is most urgently required

Prisons Introduce standardised method of detailing staff as prerequisite to pilot scheme of computerised detailing in mid 86

Devised and recommendations for its introduction now being negotiated

Courts Administration Reduce delays in hearing civil and criminal cases

Some improvement in overall delays pattern despite 10% increase in no of civil cases dealt with. Courts handled 5% more summary criminal trials than in 1983. 8% fall in no of outstanding trials

Central Services Implement agreed stages of FMI

Management plans (TMS) revamped and in 2nd round combined with budgeting for running costs. Budgeting system introduced live from 1.4.85 at departmental level (Dep Sec commands) with wider range of pilot budget studies below that. Further work on performance indicators for dept activity demonstrated in PES programme narratives and expanded Commentary on the Scotland Programme publ. in Feb 85. New system of policy reviews and financial management of NDPBs now launched - 19 surveys due by 31.3.86. New package of financial management training modules implemented including 2 day course on financial management of programme expenditure designed with consultant help

1984-85 Scrutinies

MDR Identification of Internal Talent

Targets for 1985-86

- Education: Increase staff-student ratio in colleges of education from 1:8.5 to 1:10 by financial year 1990/91 with subordinate targets for intermediate years of 1:8.9(1986/87); 1:9; 1:9.5; 1:9.8
- Industry: Locate in Scotland's targets for inward investment from the USA are to attract in 1985-86 50 projects involving investment of £175 million and 7000 jobs.
- Home Affairs: The target is to save £1m in the prisons through reductions in overtime, energy savings, and better management of stocks.
- Health: The target is to identify and challenge the managements of the incidence of high unit and service costs within hospitals and to obtain adequate explanation as to their cause or to bring about their reduction and the release of the appropriate savings; some 20% of hospitals to be covered
- Housing: The targets (subject to revision for future interest rate changes) are 1) to reduce housing subsidy to 9% of local authorities' aggregate capital expenditure on housing, and 11% of such expenditure on their own housing stock by 1987/88; and 2) to reduce local authorities' own subsidy expenditure to their own housing revenue accounts (rate fund contributions) to 60% of the 1984/85 level by 1987/88

Efficiency scrutinies planned for 1985-86

Social work (Scotland)

Other major review work

Internal scrutiny of the ancient monuments direct labour force.

Numerous reviews of policy and financial management in NDPB's.

EFFICIENCY PROGRAMME 1985/86

Department Welsh Office

Targets recorded for 1984/85

Achievements

- | | |
|---|---|
| 1) Complete first round of objective setting | Completed by Nov 84 and discussed with Ministers. The S of S has suggested ways in which the exercise may be sharpened up. |
| 2) Bring into effect an improved management information system | System operating throughout the Department |
| 3) Complete the implementation of improvements in the staffing and organisation of each Under Secretary command | Improvements decided on as a result of the reviews of each Under Sec command have now been implemented |
| 4) Review how best to improve the management of the NHS in Wales in the light of the Griffiths Report | Review implemented with the appointment of a Director of the NHS in Wales. A General Manager appointed for each of the 9 DHAs |

Efficiency Scrutinies 1984/85

none

Targets for 1985/86

[Establishments] Produce savings of (at least):

- 1) Exchange lines of £1,500
- 2) Telephone extensions of £1,200
- 3) Call cost charges of £12,000

by introducing call logging facilities during the latter half of 1985/86

[Legal Division] Reduce the volume of legal periodicals ordered by at least 20%

[CADW] Increase income from Ancient Monuments by at least 15% by increasing admissions and events, making more sales and launching a new heritage club

[NHS Directorate] Achieve an energy cost saving in the NHS in Wales of £1m compared with 1984/85

[Medical Referee Service] Ensure that the Medical Officer continues to exceed the quotas of referrals made to the service, call in for examination a greater proportion of people deemed unfit without examination than their counterparts in England and see more people than in England per session and thereby maximise the use of scarce resources

[Agriculture] Contain the additional inspection workload generated by the redefinition of the Less Favoured Areas within existing Executive Officer (Field) complements by inspecting beef herds nevery two years instead of annually

[Education] Extend the Inspectorate role as required by Government without increasing the complement in line with the percentage increase in establishment accepted in England when taking on similar work. This objective avoids the need to appoint up to 9 extra inspectors

[WEPD Division] Reduce the costs of handling grants under the Rural Water Supplies and Sewerage and Industrial Development Acts by at least £10,000 without jeopardising the propriety of payments of grant

[Planning Division] Reduce the costs of handling Secretary of State cases by £4,000 during 1985/86 and keep to or better the median times for 1984/85

Efficiency scrutinies planned for 1985/86

Other major review work

Review of Sports Council for Wales and other NDPB reviews

