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Guardian  
extd  
attached

MAA

cc for information

- Mr Wolfson
- Mr H L James
- ✓ Mr Pattison
- Mr Laughrin
- Mr Beastall
- Mr Allen
- Mr Spearing

Sir Derek Rayner

THE RAYNER PROJECT: PUBLICITY

I had a call this morning from Mr Richard Norton-Taylor of the GUARDIAN, who asked for a background or "on the record" talk with you about your project. He emphasised that he had a genuine and serious interest in matters of efficiency in government.

2. I said that I thought you would be very willing to respond positively to this but that it might be several days before I could come back to him with a view to fixing up a time. He is content to wait.

3. We went on to have a word about the piece which appeared in the GUARDIAN on 24 September about Mr Chapman. Mr Norton-Taylor said that the interview which lay behind the piece had taken place "a very few days" before the article appeared. (This suggests that it was almost certainly after Mr Chapman's meeting with the PM.) Mr Norton-Taylor said that the article which appeared had been cut very heavily but that it did reflect what Mr Chapman had said.

4. While Mr Chapman had not been personally critical of you or this office, he was very critical of the Government's approach and of your exercise. Mr Norton-Taylor found him a curious combination of considerable frustration in some respects and a withdrawn modesty in others. He felt that he had a kind of grudge, centring around his earnest desire to help, but on his own terms. He thought too that he was politically naive; he had criticised the PM and the Government and, although given the opportunity not to have this on the record, had turned it down.

5. I took the chance of what I emphasised as an off the record comment to say that we believed that Mr Chapman had rendered a very considerable service to the public in the first part of his book but that the first course, whether in dealing with Government departments or an institution like the GUARDIAN itself, must be to help it reform itself.

CP

C PRIESTLEY  
2 October 1979

3 OCT 1979



Extract from the Guardian  
of 24 September 1979

RICHARD NORTON-TAYLOR meets an outspoken critic of the Thatcher cuts

## The poor suffer—and the bands play on

THE GOVERNMENT'S attempt to streamline the Whitehall bureaucracy will turn out to be nothing more than "a conjuring trick" but the victims will be those, including children and the elderly, who are among the most vulnerable sections of the community, according to a former senior civil servant.

As a result of administrative and accounting convenience the supply of textbooks or meals on wheels will be cut, while the Army will continue to spend large amounts of money on bands and grooms and separate messes for its officers.

Mr Leslie Chapman, author of *Your Disobedient Servant*, which demonstrated how millions of pounds were wasted through procrastination in Whitehall, the storing of supplies, including horseshoes and large fleets of chauffeur-driven cars which nobody needed, is certain that over-manning and inefficiency will continue.

His book, which describes his experience while working in the Department of Envir-

onment's Property Services Agency, caught the attention of Mrs Thatcher and leading Tories when it was first published a year ago, and embarrassed both senior civil servants and the Commons Public Accounts Committee.

The Government would try to solve the problem of how to reduce the bureaucracy by hitting services rather than cutting out waste, he said in an interview. The whole process of economising and of reducing public expenditure will thus become discredited, and identified with an attack on those members of society who can least afford it.

Mr Chapman—who has the ear of Mrs Thatcher—believes that £5,000 millions could be saved by Whitehall departments without any damaging effect on the services they are supposed to provide through their budgets. "I would cheerfully sacrifice a year's pension if this was found to be impossible," he said.

Top of his list is the Ministry of Defence. The Ministry

has refused to come up with options of manpower cuts of up to 20 per cent demanded by the Government on the grounds that it is a unique department, more like a conglomerate business than an administrative machine. It plans, instead, to conduct its own review, including the possibility of hiving off research and other work to the private sector.

But Mr Chapman insists that there is no evidence, for instance, that expensive Army bands and tattoos—as opposed to pay—is good for recruitment, the official defence for these activities put up by the Ministry.

He believes that the cost of what he describes as "all this paraphernalia" which other armies, including the American, do without, could amount to up to 15 per cent of the total defence budget, or over £1,200 millions.

The Department of Health and Social Security, Chapman says, is another suitable case for treatment. Senior auditors in area health authorities, he says, know—and

they have told him—that abuses involving labour and over-manning are rife.

The Government's pressure on Whitehall departments has provoked a predictably hostile reaction from both senior officials and Civil Service unions. But because of Whitehall's inflexible budgetary procedures and the way it presents its accounts, the quickest cuts are made in those areas—notably welfare or health and safety—which lend themselves to short-term decisions.

The Government, according to Chapman, should have looked at waste first—the way the Civil Service went about its work—before launching its attack on Whitehall's role and its functions, a political task which was not his concern. But the search by Sir Derek Rayner, managing director of Marks and Spencer, for administrative waste—an entirely separate exercise from the options of cuts of up to 20 per cent in Whitehall's manpower—was described by Chapman as a "joke."

Rayner, he said, was working with one junior official, at the level of Principal, in each department. It was a half time job and Chapman predicted that at most Sir Derek would propose savings of £30 millions. And though Mrs Thatcher, who has listened, had believed that the management of Marks and Spencer was similar to that of the Civil Service, this, too, was a fiction.

A public that is convinced that the Government is not spending their money properly will also be encouraged, Chapman says, to evade tax. Yet you cannot even see your own files held by the Inland Revenue.

The way the debate over the Government's attempts to cut out waste had been conducted so far within Whitehall suggests that Chapman's prophecies will turn out to be accurate. For no other reason than administrative convenience or political and public prejudice, the poor and the least protected will suffer, the privileged and those at the top will survive.