

PRIME MINISTER

*✓ MAF*  
I should also like to pursue with Sir Derek  
the suggestion that we react to the  
'not account needs not redundancy' policy  
agreed at CSO today  
agreed before me.

(i) Proposes that we should now write to Cabinet Ministers' offices stressing your strong support for effective follow-up to Sir Derek Rayner's work: draft letter at Flag A; *Agree me*

(ii) Asks that he should be allowed some staff reinforcement, by using a CSD Assistant Secretary - this has already been agreed within the CSD; *Agree me.*

(iii) Suggests that you should now minute Mr. Channon instructing CSD to ensure that the lessons of the first round of Rayner projects are made clear to other Departments which can benefit: draft minute at Flag B; *for initialling if you agree; See next one.*

(iv) Seeks your agreement that Sir Derek should circulate to Ministers his earlier report to you on his initial projects, and a summary of proposals for the new "scrutiny programme"; *Agree. me*

(v) Proposes that you should not make any statement to Parliament or the press about Sir Derek's activities at this stage, but should reconsider this around the time of the Easter Recess when the results of the first round of projects may be more tangible. In the meantime, Sir Derek would continue to stay in touch, selectively, with the media. He would also make public a list of the Rayner projects now completed, with a version of his report to you, and a list of the new scrutinies. He would further encourage Ministers to be as open as possible about this work.

Sir Derek concludes with a note on the cost of the work of his unit since his appointment.

I suggest that you agree to all these proposals, subject only to our seeing the version of his report to you which Sir Derek proposes to release to the press.

*Some of this ground was covered at CSO today. I think that the discussion confirmed the line taken in the letter for Clive to send, and the minute for you to send.*

PRIME MINISTER

EFFICIENCY AND WASTE IN CENTRAL GOVERNMENT

Getting action on the "Rayner projects"

1. May I suggest that it is now very important to encourage Ministers to put their weight behind implementing their "Rayner projects"? I attach a draft letter for this purpose which Mr Whitmore might send out in your name or which could be converted into a minute by you if you preferred.

Action 1

2. I am sure that I myself must devote a substantial part of the time I have available over the next few months to keeping up the pressure on Ministers to produce decisions and action plans.

3. I may need some staff reinforcement for this. If you agree, I would if necessary ask for the use of some time from the Assistant Secretary (Mr R H Wilson) in your Department's Functions and Programmes Group which has already been helping me with the appraisal of some of the "Rayner projects". I understand that Mr Channon and Sir Ian Bancroft would be agreeable to this.

Action 2

4. That would leave my unit free to help me with getting the scrutiny programme going and with what I regard as an important part of my work, the exercise on the rules of Whitehall that inhibit good management. This has so far lagged behind and I want to carry it through to completion by about mid-summer.

Wider application of the "Rayner projects"

5. I also attach a draft minute about the wider applications of the "Rayner projects" for you to consider sending to Mr Channon.

Action 3

Keeping Ministers up to date

Action 4

6. If you agree, I will arrange for the circulation to Ministers of:

- the substance of my report to you of 30 November on the "Rayner projects" (para. 4 of the draft letter); and
- a summary of proposals for the "scrutiny programme" (para. 5 of the draft letter).

Parliament and the press

7. There is much press interest in the "Rayner projects", tinged with scepticism about whether they will in the end amount to much. There is some leakage of the recommendations now being considered. And some decisions for example on the MSC's Skillcentre network may be made in the next few weeks. However, in the main we are still in the laborious process of converting potential outcome into real decisions; if there were a Parliamentary statement and a full-dress press conference now, we should still be talking about good intentions, not achievements.

8. So I do not think that it would be right to offer you a draft statement to Parliament now or to have a conference with the press. Instead, I invite you to agree as follows:

Action 5

- a. The aim should be a statement of Ministerial decisions no later than when the House rises for the Easter recess and sooner if it can be managed.
- b. In the meantime, I should continue to make myself available to responsible members of the press who would like to see me. For example, I have agreed to be interviewed for the BBC2 Platform One programme for transmission on 24 January.

c. In keeping with the Government's policy on "openness", we should make available a list of the "Rayner projects" now completed; a version of my report to you on them suitable for the press; and a list of the scrutinies to be conducted in the new programme.


d. Ministers should be encouraged to be as open as possible, pending the general statement to Parliament; I cover this in paras. 8 and 9 of the draft letter from Mr Whitmore.

Work of my unit

9. May I account to you briefly for the work of my unit so far?

10. It consists of an Under Secretary (Mr Priestley), an Economic Adviser (Mr Allen), and Executive Officer (Mr Spearing) and a Personal Secretary (Miss Sullivan). It costs £5,130 a month; the total since my appointment is £39,000.

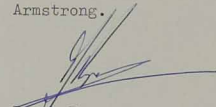
11. The unit's work has consisted mainly of launching and liaison with the 29 "Rayner projects", including preparing commentaries for me on the reports, and the launching of the scrutiny programme. (The first wave of the scrutiny programme will consist of 33 projects, but not all starting at once and not all involving me in the same detail as the "Rayner projects"). The unit has also done staff work on cost information for Ministers (advice on which I shall issue shortly); the rules of Whitehall; efficiency and waste in local government; the review of Government statistical services (on which the main effort will be put in by the CSD and CSO); correspondence; and the management of my office.



Acknowledgments

12. I am glad to acknowledge the help I have so far had from officials of your Department, the CPRS and the Treasury.

13. I am copying this to Sir Ian Bancroft and Sir Robert Armstrong.

  
Derek Rayner  
10 January 1980

Encs: Draft minute to Mr Channon  
Draft letter from Mr Whitmore