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cc: Sir Douglas Watts

10 DOWNING STREET

From the Principal Private Secretary

14 January 1980

Efficiency and Waste in Central Government

The Prime Minister has discussed with Sir Derek Rayner progress with the 29 "Rayner projects", launched by Ministers last June, and the 33 proposals made by Ministers for the first round of the "scrutiny programme" to which Cabinet committed itself on 4 October.

Progress with the "Rayner projects"

The Prime Minister is encouraged by the potential outcome of the Rayner projects, which amounts to annual savings of £80m and once-for-all savings of £53m and is grateful for the effort some Ministers have put into the projects personally. The Prime Minister has noted that behind these figures lie some important percentage savings (e.g. 39% of staff effort on MAFF's administration of capital grants to farmers) which encourage her in the view that there are very considerable savings to be made in Government administration.

The Prime Minister wishes to ensure that the potential savings and improvements do not evaporate. She would be grateful therefore if each Minister, in consultation with Sir Derek Rayner, would put his weight behind implementing the recommendations, work out a clear plan of action, including a timetable, and ensure that his Permanent Secretary takes personal charge of putting the action plan into effect. In some cases, Ministers will need to consult colleagues on the policy implications, some of which the Prime Minister recognises may be difficult, but this should not be allowed to delay unduly either decisions or their implementation. The Prime Minister has asked Sir Derek Rayner to keep her informed on progress with implementation, with a view to a possible statement to Parliament in March. To achieve this, it is essential that decisions should be reached and action plans settled with Sir Derek Rayner by the end of February.

The Prime Minister has asked the Minister of State, Civil Service Department, in consultation with Treasury Ministers and with Sir Derek Rayner, to explore the wider applications for improved efficiency to be drawn from the results of the projects. In his report to the Prime Minister of 30 November, the substance of which is being circulated to Ministers, Sir Derek has made some general observations about this.

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The scrutiny programme

A summary of the proposals made is being circulated to Ministers. The Prime Minister has noted that some proposals are very good indeed; a few are disappointing. She has asked that for the future the subjects chosen should be significant in terms of the policies and services involved and characteristic of the main activities of the Department concerned.

The Prime Minister has asked Sir Derek Rayner to liaise with Ministers to get projects on the road; to establish whether there can be different subjects in a few cases; and to associate himself with all projects in general and with some in particular.

Staffing

The Prime Minister is grateful to Ministers for the generally high quality of the staff they selected for the "Rayner projects" and trusts that the same standard will be maintained for the future.

Telling the public

The Prime Minister thinks it desirable for Ministers to let it be known what they want to achieve under the "Rayner projects" and what they are proposing to do in the scrutiny programme.

The Prime Minister would like Ministers to make as much of their "Rayner report" available to their staff and the outside world as possible and would be glad to see some project reports published as exemplifying the approach they have adopted; possible examples are the DRSS report on the payment of benefits, the Inland Revenue report on Movements Form P45 and the Home Office report on the Radio Regulatory Department. There may in some cases be reasonable objections to publication, but the Prime Minister's view is that in general the Government should give people the sort of detail which is interesting and intelligible and shows that it is getting on with the job it promised to do.

I am copying this letter to Private Secretaries to Cabinet Ministers, the Minister of Transport, and the Minister of State, Civil Service Department, and to Sir Robert Armstrong, Sir Ian Bancroft, Sir Kenneth Berrill and Sir Derek Rayner.

G. A. WHITMORE

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Home Office.

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