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## 10 DOWNING STREET

*From the Principal Private Secretary*

SIR DEREK RAYNER

### The Rayner Project

The Prime Minister read your memorandum of 24 May and discussed it with you, Sir Ian Bancroft and Mr. Priestley on 31 May.

The conclusions reached were as follows:

i. The Prime Minister welcomes your suggestion of "an eye-catching demonstration to illustrate that central Government has over-burdened the citizen". She will lend her support to this and awaits a specific proposal from you, in consultation with the Ministers concerned.

ii. She initially had reservations about your proposal to appoint a small high-quality team in each Department to look into Departmental functions. She agreed, however, that it would be right to ask each Secretary of State to nominate a Minister of State to whom a bright, tough, young Principal could work on the twin tasks of identifying wasteful activities which could be cut throughout the Department and identifying specific areas of activity where the functions themselves could be cut out or reduced. Particular attention should be given to the activities and costs of Advisory Committees, and <sup>of</sup> other departmental units which might not be included among Quangos as such. The Manpower Services Commission should not be overlooked in this exercise, and the Secretary of State for Employment should be asked to secure the agreement of the Chairman of the Commission to participate in it. The Prime Minister undertook to minute her colleagues generally on this matter and Mr. Priestley will furnish a draft for this purpose.

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iii. The Prime Minister agreed that Service-wide rules and procedures of the kind that you mention in paragraph 3(c) of your minute should be examined.

iv. She noted that you will be speaking to Permanent Secretaries at Sir Ian Bancroft's meeting next Wednesday.

v. The Prime Minister agreed that you should see copies of all the reports <sup>from Ministers,</sup> due to reach her by 7 June, about their action on waste and efficiency following the Cabinet decision of 10 May. Her minute to Ministers referred to above would ask for these reports to be copied direct to you so that you could have them taken out to you for consideration while you were in Canada.

The Prime Minister has left it open to you to consider, in consultation with Sir Ian Bancroft and the Permanent Secretaries concerned, whether the young Turk who is to be put to work in each Department should be expanded to a group of two or three in, e.g. the larger Departments where there are several distinct areas in which each could work.

The Prime Minister would welcome a further progress report at the end of June. I am copying this to Sir Ian Bancroft and Sir John Hunt.

K.R.S.

31 May 1979