

PRIME MINISTER

2.

A sit rep on CSD effs.  
Mr Channon does not  
want a "blockage  
meeting" at present.

PRIME MINISTER

ms

MAP  
6/3

When you visited the CSD in January, you said you would be ready to hold meetings from time to time to review any blockages which were obstructing our manpower and management tasks.

Some time has elapsed since your visit, so I thought I should report. At this moment, there is nothing I want to bring to your attention immediately, though there are a number of topics that are coming to the boil on which I may have to consult you later.

We have discussed already immediate problems relating to pay, industrial relations and a manpower squeeze in the Civil Service. This, therefore, is a progress report on other issues.

#### Efficiency studies and Rayner Projects

Sir Derek Rayner has been pushing ahead with the preparation of proposed action documents, and he will be reporting to you soon. I do not think there is any need to trouble you (at this stage). Sir Derek agrees. You are of course already aware of the position on the important DHSS project.

As you requested, I will be sending you a full report before the end of the month on the scope for applying lessons from the Rayner projects more widely. I would like, meanwhile, to mention one or two initiatives of this kind which I have already put in hand.

I have discussed with Arthur Cockfield and Sir Derek Rayner the lessons from the Customs and Excise Rayner Project. A programme for spreading the lessons throughout the country from what has been learned from the London Collections has been agreed. A further joint study between CSD and Customs and Excise into ways of improving performance measures and productivity of local VAT offices is now being arranged.

Work is going on to achieve significant staff savings in Unemployment Benefit Offices. The Rayner Project identified savings - and this coincided with the compilation of work by CSD and Department of Employment to tighten the staffing formula. As a result of the latter effort, the Secretary of State for Employment hopes to achieve savings of up to 900 posts. This is a good first step, but I hope that there should be scope for more. I have agreed with the Secretary of State that early next year there should be a further review of the formula.

The Welsh Office projects have identified significant savings by eliminating time spent in unnecessarily supervising local authorities. I am proposing to press colleagues responsible for big blocks of work in this field - eg planning - to see what can be cut out.

I may well get into difficulties on all these fronts, but if I do, will report to you again.

CSD-led studies

There is also a great deal of work going on in CSD for general savings across the Civil Service. I mentioned to you recently that studies of messengerial services had been completed in several Departments. Savings of between 30% and 50% have been found. There are about 8000 messengers in the Service. If this is typical everywhere, there might be total savings in expenditure of up to £10m.

I will now be studying typing services, telephone costs and extending existing work on transport. I believe there can be significant savings from economies in all these fields. We will soon launch a new cost-consciousness campaign, designed to get Departments to offer simple hints to civil servants at all levels on how to economise in these services. I am told that when this was last done, Departments reported that economies in the areas concerned amounted to £5m per annum. I have asked for a further report later this year on what has been achieved this time.

Future action

We are of course studying Sir Derek Rayner's very interesting note about Civil Service numbers and costs.

I will report again on all these fronts.

P.C.

PAUL CHANNON

6 March 1980

6 MAR 1960

12 11 10 9 8 7 6 5 4 3 2 1