

Prime Minister



had Soames' thoughts on the Rayner programme. He will have an opportunity to comment on 1981 scrutiny proposals before you give your best blessing.

PRIME MINISTER

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1979 RAYNER PROJECTS AND 1980 SCRUTINY PROGRAMME

*MAD 11/11*

I have seen Derek Rayner's report to you on the projects and scrutinies, and I am glad it has been circulated to senior Ministers generally.

The value of the projects and scrutinies in showing in concrete terms where greater efficiency can be obtained were most valuable in helping us to fix manpower targets. I believe there is much departments can learn from each other.

Paragraph 35(a) mentions the central stimulus which we have been giving to read-across from the projects. You already know of the savings of 2200 staff engaged in local authority and industrial matters. A number of other current projects will also produce substantial savings - the MAFF Management Review is expected to save 400 staff, for example, and Michael Heseltine's recent review of the PSA network recommends a reduction of 700-800 posts.

Meanwhile Derek Rayner has reported to you on the statistics review which has identified useful savings of 1700 posts, and I have minuted you proposing a successor scrutiny of supporting services in research and development establishments.

So the process of reading-across is gaining momentum; and it should increase as the accumulation of evidence from the scrutiny programme grows.

But we must look ahead too. 1981 is a crucial year for departments to do the preparatory work for achieving a smaller Civil Service. If it is not done now, it may be too late to reap the benefits by 1984 and most departments should and must make efficiency savings of at least 2 per cent a year.

The scrutiny round, the statistics review and the read-across of lessons have all contributed to accelerating the pace of savings. I am anxious that the next round of scrutinies should make a substantial further contribution. We need more 'Johnston' type reports in the big administrative areas and no department should get away with choosing small subjects with little potential.

I was glad to see these thoughts reflected in paragraph 35 of Derek's report to you and that your private secretary drew specific attention to this paragraph in circulating it. We shall shortly see whether departments respond positively. Because of their importance for our policies for the Civil Service, I would welcome the opportunity to comment on the scrutiny proposals put forward by departments before the programme is finally settled.

I am sending copies of this minute to the Chancellor of the Exchequer, Sir Derek Rayner and Sir Robert Armstrong.

S.

SOAMES

14 January 1981