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DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

PS/ *Secretary of State for Industry*

10 February 1981

Clive Whitmore Esq
Principal Private Secretary
10 Downing Street
London SW1

cc LPC office.

Dear Clive

EFFICIENCY IN CENTRAL GOVERNMENT: THE SCRUTINY
PROGRAMME 1981

... In response to your letter of 1 December, I am now
enclosing my Secretary of State's proposal for
the 1981 Scrutiny Programme, with apologies for
being late.

Yours ever
Richard Riley
RICHARD RILEY
Private Secretary



1981 RAYNER SCRUTINY - DEPARTMENT OF INDUSTRY

- (a) Subject: The organisation and staffing for determining the allocation of financial support for research, development and technology sponsored by the Department of Industry.

The Department spends about £200 million a year in support of research, development and technology, partly in its own industrial research establishments, partly in contributions to the European Space Agency Programme and partly in Industry. The machinery for allocating this expenditure includes the Requirements Boards set up to implement the recommendations of the Rothschild Report and the Department's Headquarters Divisions responsible for research and technology requirements and for the sponsorship of particular industries. These Divisions employ about 850 staff.

- (b) Cost: As indicated above, the Department's expenditure on research, development and technology is about £200 million per annum. The costs of the staff responsible for administering this expenditure, and who also discharge other duties in relation to the industries concerned, is about £10 million, excluding accommodation.
- (c) Reason for selection: Large sums of public money are involved both in terms of the actual expenditure on research and development and in the Headquarters organisation which supports this expenditure. The purpose of the review would be to determine whether the organisation and efficiency of the Department's arrangements for allocating financial support for research, development and technology could be improved. This would involve examining both the organisational machinery and the staffing of the Divisions concerned, including in particular the need for staff having scientific and technical qualifications, their role and the arrangements made for the provision of such staff, their career management and training.
- (d) Terms of reference: To review the Department's Headquarters organisation for allocating financial support for research, development and technology.
- (e) Proposed starting and finishing dates: It is expected that the review will start at the beginning of April 1981, and that the draft report will be available in July 1981.
- (f) Examining Officer and reporting arrangements: The review will be carried out by Mr Callum McCarthy, Assistant Secretary. He will report to Mr Tebbit, Minister of State, and will consult with the Permanent Secretary in designing, conducting and reporting on the study.