

PRIME MINISTER

PROGRESS WITH THE IMPLEMENTATION OF THE 1979 "RAYNER PROJECTS"
AND THE 1980 SCRUTINY PROGRAMME

This is to bring you and, if you agree, your colleagues up to date with progress towards implementation of the 1979 "Rayner projects" and the 1980 scrutinies.

2. The Minister of State, CSD, with the help of Sir John Boreham, is monitoring progress with implementation of the Service-wide statistics review. He will report to you separately. I understand that good progress is being made. The main outstanding issue is how many of the 235 posts in the Social Survey Division of the OPCS should be retained. This is being raised in an Adjournment Debate on 2 July by Mr Alfred Morris MP.

1979 "Rayner Projects"

3. I attach as Annex A a summary of progress on the 29 projects carried out in 1979, showing expected savings and the timetable for completion of implementation. This up-dates Annex A of my minute to you of 19 December 1980.

4. Decisions are outstanding in respect of two projects only (Civil Service Department: Charging for Courses at the Civil Service College; Department of Energy: Organisation of Research and Development in New Energy Technologies). A decision on whether to put the Civil Service College onto repayment will be taken soon (you asked for a report from CSD Ministers in June); some changes in College procedures have already been implemented. In the case of the Department of Energy project, the recommended changes now accepted by the Secretary of State require the endorsement of Treasury and CSD Ministers, expected this month.

5. Decisions taken in respect of the other 27 projects have secured recurrent annual savings of £67 million (some 1500 posts) and £28 million once-for-all. The DHSS project on Arrangements for Paying Social Security Benefits accounts for £35 million of the total annual savings.

6. In almost all these projects Ministers have accepted the main recommendations, either as put to them or subject to slight adjustment only. The most significant exception to this is the DHSS project on benefit payments. Here policy considerations other than efficiency led to the rejection of recommendations that retirement pensions should be paid fortnightly and child benefit for existing recipients monthly. Savings foregone as a consequence are £35-40 million a year.

7. Implementation of 9 projects is now complete. It will be completed this year and next in a further 10. In those projects where implementation extends into 1983 and beyond there are normally good reasons (eg computerisation, phasing in of increased charges, big system changes) and implementation has begun.

8. In sum, the general excellence of the 1979 projects has been rewarded by action and good progress is being made towards implementation.

1980 Scrutiny Programme

9. All 39 scrutinies begun in 1980 have been completed. My minute of 19 December 1980 reported on the findings of the programme and lessons to be drawn. I now attach as Annex B a summary of the expected savings, Ministers' decisions and the timetable for the implementation of each scrutiny.

10. The scrutinies identified potential recurrent savings of £128 million per annum and 9500 posts. Of these, £75-80 million (5000 posts) are associated with the joint DE/DHSS scrutiny of the Payment of Benefits to the Unemployed.

11. Ministers have taken firm decisions in 24 of the scrutinies, securing savings of £22 million a year and 1700 posts. In a further 5 scrutinies decisions in principle already taken by Ministers are subject to consultation and further study; these involve potential savings of £80 million a year and 5200 posts.

12. Ministers have yet to take decisions in 10 scrutinies (involving potential savings of £26 million and 2600 posts) but will be doing so in most cases very soon. This is because the reports were late finishing or the recommendations are being worked up further or consultations are being undertaken prior to a decision in principle. In one case, the Inland Revenue scrutiny of Rating Appeals, decisions are held up pending completion of the DOE review of the rating system.

13. Where decisions have been taken Ministers are, as with the 1979 projects, tending to accept the main thrust of the reports' recommendations and to move quickly to implementation. In most cases, implementation will be concluded this year and next. Where it extends beyond that, the phasing is understandable.

Recommendation

14. I invite you take note of this report and to agree that it should be circulated to your colleagues. At this stage, I am copying it only to the Chancellor of the Exchequer, the Lord President and Sir Robert Armstrong.



Derek Rayner
26 June 1981

DEPARTMENT	PROJECT	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Home Office	The Radio Regulatory Department	£2.45m	8	1983/84	All of report's main recommendations accepted. Most of savings (£2.5m) derive from increased charges for licences. Over half of savings and extra income achieved by 1981/82. Successful implementation still subject to continuing negotiation of licence fees with affected parties.
Lord Chancellor's Department	Attachment of Earnings Procedure	-	-	Summer 1981	All of main recommendations accepted. Main benefit is better speedier service to creditors. Realisation of this dependent upon meeting of Rule Committee in July 1981. Part of recommendations already implemented.
Foreign and Commonwealth Office	Merger of FCO and ODA	£0.59m	30	December 1980	The project report was followed up by a Management Review of the ODA, which reported in July 1980. Implementation of that review's findings complete. Further savings possible but yet to be quantified following review of Common Services.
HM Treasury	Paper Handling and The Registry System	£0.15m	18	April 1981	All of report's main recommendations accepted and implemented.
Inland Revenue	PAYE Movements Procedure	£2.15m	350	April 1981	All of report's main recommendations accepted and implemented.
Customs and Excise	Review of London and South East Collections	£0.96m	68	December 1980	All of report's main recommendations accepted and implemented.

DEPARTMENT	PROJECT	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Department for National Savings	Handling of correspondence with members of the public	£0.28m	20	September 1981	All report's main recommendations accepted. Implementation begun. 75 per cent of savings achieved by November 1980; remainder was delayed by need for Legislation.
Department of Industry	Review of Statistical Services	£0.81m	70	1984/85	Most of recommendations accepted. Over half of savings will be achieved in 1981/82 and build up progressively thereafter.
Civil Service Department	Charging for courses at Civil Service College	-	-	(See comments)	Some changes in College procedure already implemented; decision on whether to charge for courses to be taken in June 1981.
Department of Employment	Peaking of work in unemployment benefit offices	£0.6m	100	1981/82	Main recommendations accepted and implementation begun with around half savings already achieved. Some recommendations cannot be implemented for the time being due to increase in unemployment and limited computer capacity, but not affecting savings.
Department of Employment	Part-time and small full-time benefit offices	£0.5m	6	(see comments)	Main recommendations accepted and implementation begun. However closure of offices put on ice due to increase in unemployment (potential savings £0.55m)
Manpower Services Commission	Review of Skillcentre network	£5.1m plus £20.8m once-for-all	400	1983/84	Report's recommendations incorporated in Commission proposals. Half of closures already achieved. 75 per cent of savings expected in 1981/82. Planned closure of two centres subject to review. Once for all savings derive from retrenchment of forward capital Programme. Further such savings can be expected (but not yet quantified) as existing properties are released.

DEPARTMENT	PROJECT	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Manpower Services Commission	Review of TOPS Allowances	£4.0m	23	April 1981	Report taken forward in follow-up study. There will be some additional but unqualifiable expenditure in DHSS.
Ministry of Defence	Review of arrangements for supply of food to armed forces	£0.33m plus £3.5m once-for-all	7	1981/82	Main recommendations accepted except for closure of testing laboratories overseas. Also still await decisions on whether food supply should be transferred to NAAFI. Most of annual savings and two thirds of once-for-all savings already achieved.
Ministry of Agriculture	Administration of capital grants to farmers	£2.0m	380	October 1980	Report's recommendations accepted in the main. Those rejected have no effect on savings. Savings are achieved fully in 1982/83 but 85 per cent achieved in 1981/82.
Department of Environment	Provision of Management information for Ministers	-	-	April 1980	Report's recommendations accepted and developed to form MINIS. Report not about direct savings but providing the information base for good and effective management.
Property Services Agency	Management of the Kingstons estate	-	-	November 1980	Main recommendations accepted. Recommendations aimed at improved management rather than immediate savings. Scope for savings through more intensive development of Kingstons estate frustrated by lack of funds. Some recommendations taken up in wider reviews.

DEPARTMENT	PROJECT	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Property Services Agency	Energy Conservation on the Government estate	-	-	End-1981	Main recommendations accepted. Savings attributable to report's recommendations not quantifiable. They will contribute to achievement of energy conservation target of 12 per cent of 1978/79 levels by the end of 1981/82.
Property Services Agency	Maintenance Economy Review (Bath)	£0.28m plus £4.0m once-for-all	17	1982/83	Major part of recommendations accepted and being implemented. Those rejected (with savings forgone of £2.1m once-for-all and £0.1m annually) are mainly due to changes in MOD deployments since completion of the study. But MOD have proposed alternative property disposals to off-set these retentions. Over half annual savings achieved by 1981/82 and £1.15m of once-for-all savings already achieved.
Scottish Office	Review of Consultative Committee on the Curriculum	£0.12m	5	May 1982	Main recommendations accepted subject to some modification. Longer term picture still subject to evaluation in the light of a new streamlined CCC structure being evolved. 75 per cent of savings achieved in 1980/81.
Welsh Office	Controls over local authorities in respect of highways	£0.11m plus £0.01m once-for-all	10	August 1980	Recommendations accepted and implemented.

DEPARTMENT	PROJECT	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Welsh Office	Controls over LEA building	£0.07m	9	1981/82	Recommendations accepted and being implemented. 70 per cent of savings achieved in 1980/81.
Northern Ireland Office	Rate Collection system in Northern Ireland	£1.46m plus £0.03m once-for-all	180	April 1983	Recommendations accepted subject to slight modification. Main cause of long period of implementation is need for computerisation (capital cost £1.4m). Process of implementation begun.
Northern Ireland Office	Methods of recovering public debt	-	-	End 1981	Recommendations accepted in the main. Project not about savings. Rather aimed at returning to "normal" methods of debt recovery without a deterioration in debt collection. Most recommendations implemented by End-1980. Ministers still considering two areas.
Department of Health and Social Security	Frequency and method of benefit payments	£35m	+300	End 1983	Recommendations accepted in part only. Savings of £35-40m foregone as a consequence of those recommendations rejected. Savings build up gradually over period to 1987/88 with half achieved by 1984/85.
Department of Trade	Services to Exporters	£9.8m	100	1985/86	Recommendations accepted except that there will not be 100 per cent recovery of full costs from long-standing participants in trade fairs as recommended (possible £4m savings foregone). Recommendations relating to reorganisation still being worked up for completion mid-1981. Savings derive from the project and related recommendations made by BOTB. Over half savings achieved in 1981/82 and will build up progressively thereafter.

DEPARTMENT	PROJECT	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Department of Energy	Organisation of non-nuclear research and development on new energy technologies	£0.18m	+28	(see comments)	The project was followed up by further reviews. Implementation still subject to outcome of consultations with Treasury/CSD. Decisions expected end-June 1981.
Department of Education and Science	Administration of the teachers pension scheme	-	-	(see comments)	Main recommendations accepted. No immediate savings identified in report. Eventual savings dependent upon making fundamental changes which are now subject to follow-up study.
Department of Transport	Review of Road Construction Units	-	-	1981/82	Main recommendations accepted; lesser recommendations subject to study. Recommendations aimed mainly at "privatisation" of most trunk road and motorway building, leading to 1,400 LA employed staff being transferred at a once-for-all cost of £6m (mainly redundancy payments).

1980 SCRUTINY PROGRAMME

DEPARTMENT	SCRUTINY	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Home Office	Applications for naturalisation and registration as a UK citizen	-	-	(See Comments)	Recommendations already implemented in the main. Remainder dependent upon passage of New Nationality Act.
Lord Chancellor's Department	Administrative arrangements for jury summoning and service	£0.16m	-	1981/82	All of report's main recommendations accepted and implementation under way.
Foreign and Commonwealth Office	Official transport abroad	£0.30m	26	November 1981	All of report's main recommendations accepted. Implementation of most already completed.
Overseas Development Administration	Directorate of Overseas Surveys	£2.3m	190	(See Comments)	Report's main recommendations accepted but question of location of DOS still subject to consultation. Timetable of implementation still to be worked out.
HM Treasury	Monitoring of Central Government expenditure	-	-	Early 1982	Main recommendations accepted and implementation under way. Benefit of scrutiny lies not in immediate savings but in more effective control of departmental expenditure in-year.

DEPARTMENT	SCRUTINY	EXPECTED SAVINGS £ pa	Posts	IMPLEMENTATION	COMMENTS
HM Treasury	Procurement and movement functions of UKTSD	£0.25m	27	April 1981	Main recommendations accepted. UKTSD staff transferred to MOD absorbed in manpower ceilings.
HM Treasury	Rating of Government Property Department	£0.45m	32	(See Comments)	No decisions yet taken (expected Summer 1981).
Inland Revenue	PAYE deduction cards	£3.8m	700	April 1981	Scrutiny report was followed up by a further study and the savings reflect this. All recommendations accepted except for one (foregoing £30,000 a year)
Inland Revenue	Use of accounts registers in tax districts	£1.0m	190	November 1980	All recommendations accepted and implemented.
Inland Revenue	Review of rating procedures	£1.9m	300	(See Comments)	No decisions yet taken. (Awaiting decisions on the future of domestic rating.)
HM Customs and Excise and Inland Revenue	Arrangements for dealing with insolvent tax payers	£0.5m	56	(See Comments)	No decisions yet taken on procedural changes. (Subject to further study.)

DEPARTMENT	SCRUTINY	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
HM Customs and Excise	Control of distilleries and associated warehouses	£1.2m	123	1984/85	All recommendations accepted subject to slight modification only. Timetable of implementation reflects need for sensitive handling of personnel issues and time for trade to adapt to new procedures.
Department of National Savings	Computerisation of Premium Savings Bonds	-	-	October 1983	Recommendation accepted and implementation already begun. Report not about additional savings but the earlier realisation of already planned savings.
Department of Industry	Administration of Regional Development Grant Scheme	£0.55m	75	1983/84	Most of main recommendations accepted. (Those rejected might have saved up to £0.55m.) The greater part of recommendations will be implemented this year.
Paymaster General's Office	Working relationship between FGO and the Banks	£0.04m	3½	August 1980	Recommendation accepted and implemented.
Civil Service Department	Technical Services organisation of Central Computer and Telecommunications Agency	£0.74m	36	(See Comments)	No decisions yet taken. (Expected later this month following completion of follow-up work.)

DEPARTMENT	SCRUTINY	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Departments of Employment and Health and Social Security	Payment of benefits to the unemployed	£75-80m (But once-for-all cost of £45-90m)	5,000	(See Comments)	Final decisions dependent on outcome of consultation and further study (expected July).
Manpower Services Commission	Review of the Training Services Division organisation	£1.00m	27	(See Comments)	No decisions yet taken, (Expected July)
Health and Safety Executive	Problems of assessing the costs and benefits of health and safety requirements	-	-	July 1981	Report's recommendations accepted. Not about immediate savings but providing the right framework for decision making and therefore savings in the longer term (both inside and outside Government).
Ministry of Defence	The Claims Commission	£0.22m	-	(See comments)	Final decisions dependent on outcome of consultations (expected Autumn 1981).
Ministry of Defence	Provision of secondary education overseas	£2.75m	228	July 1983	Main recommendations accepted subject to some amendment. Savings will be achieved over the period to 1983. Educational standards will be maintained.

DEPARTMENT	SCRUTINY	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Ministry of Defence	Economy in major new building works	-	-	(See Comments)	43 of the report's 52 recommendations have been accepted in whole or in part. Only 2 have been rejected, with the remainder still under consideration. The Action Document, setting out a timetable of implementation, is outstanding.
Ministry of Defence	Inspection and audit	£2.8m	200	(See Comments)	No decisions yet taken (expected June/July)
Ministry of Defence	Assisted travel schemes	£1.2m	-	1981/82	Report's recommendations accepted in the main and most will be implemented by October 1981.
Ministry of Agriculture, Fisheries and Food	Enforcement of quality standards for horticultural produce and the work of the Egg Marketing Inspectorate	£0.25m	37	(See Comments)	No decisions yet taken. (Expected July)
Department of the Environment	Financial control of the water industry	-	-	(See Comments)	Scrutiny's conclusions overtaken by Minister's decisions to apply to the water industry the same framework of financial disciplines as had been agreed for Nationalised Industries.

DEPARTMENT	SCRUTINY	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Departments of the Environment and Transport	Joint DOE/DTP regional offices	£1.2m	67	(See Comments)	Decisions vet to be taken on parts of the report (expected by end-Autumn). Decisions already taken provide for savings of £0.70m (27 staff) to be achieved over the period to 1983/84.
Property Services Agency	PSA works transport	£0.23m	5	October 1981	Report's main recommendations accepted and implementation begun.
Scottish Office	Advisory and monitoring functions of Scottish Development Department	£0.06m	3½	1981/82	Report's recommendations accepted and being implemented
Forestry Commission	Administration of Private Woodland Grants and control of felling	£0.59m	47	(See Comments)	Final decisions vet to be taken in the <u>light of consultations.</u>
Welsh Office	Procedures for processing major NHS building projects	£0.11m	5½	April 1983	Report's recommendation accepted in the main. Implementation will be mainly complete, and savings achieved, by end-1981. April 1983 timetable applies to one recommendation only.

DEPARTMENT	SCRUTINY	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Northern Ireland Office	Financial administration in Northern Ireland	-	-	April 1982	Report's recommendations accepted in principle and taken forward in context of a wider study of N.Ireland administration (yet to be considered by Ministers). Report not about immediate savings but providing the "right" framework for effective management and control.
Department of Health and Social Security	Activities in support of health care exports	£0.45	24	1984/85	Main recommendations accepted but slightly longer timetable of implementation than recommended. Half savings achieved by 1981/82.
Department of Health and Social Security	Validation of National Insurance Contribution Records	£15.5m	1,810	(See Comments)	No decisions yet taken. (Expected July)
Department of Trade	Review of the Patent Office	£3.5m	268	End 1983	Report's recommendations accepted. Implementation begun and to be completed by end-1982 in the main.
Department of Energy	Economic and Statistical Services	£0.17m	9	March 1984	Report's 22 recommendations accepted except for 2. Implementation already complete in the main.

DEPARTMENT	SCRUTINY	EXPECTED SAVINGS		IMPLEMENTATION	COMMENTS
		£ pa	Posts		
Department of Education and Science	Administration of student awards	£1.9m	-	(See Comments)	No decisions yet taken (delayed by consideration of student loans question. Expect decisions in Summer/Autumn).
Department of Transport	Enforcement of Vehicle Excise Duty	£5.3m	-	1982/83	Recommendations accepted except for proposal for a tax on possession. Implementation has begun and will be completed this year in the main.
Department of Transport	Standards and Certification of Roads and Bridges	£1m	60	(See Comments)	No decisions yet taken (expected Autumn). The savings could be considerably more than indicated by the report.