



Civil Service Department
Whitehall London SW1A 2AZ
01-273 4400

The Rt Hon John Nott, MP
Secretary of State for Defence
Main Building
Whitehall
LONDON SW1A 2HB

27 January 1981

Dear John,

REVIEW OF SUPPORT SERVICES IN R & D AND ALLIED SCIENTIFIC ESTABLISHMENTS

The Prime Minister has circulated to Ministers Derek Rayner's report on the service-wide reviews conducted by them of statistical services, the recommendations of which should result in substantially slimmer, tauter and more efficient statistical services. We should all feel satisfied at the success of this experiment in extending the scrutiny technique to a multi-Departmental topic and should now move on to apply the same service-wide approach in other fields. A fruitful area for such examination is the wide range of support services in Government Research and Development and allied scientific establishments. Substantial numbers of staff are involved here and it is not an area which has so far been touched by the scrutiny programme. The Prime Minister personally supports this proposal and the idea of mounting a study in this field was endorsed by MISC14 when it considered Government R & D generally last month.

... I attach a note at Annex A briefly describing the aims and conduct of the review. As with the statistics review, there would be a report to each Minister on his establishments' services which would be prepared by the relevant study officer under the general guidance of Derek Rayner, who has kindly agreed to co-ordinate the review. On the evidence of these reports, Derek Rayner would then prepare a consolidated report to the Prime Minister and myself, drawing out general lessons. I am writing now to you and the other Ministers in charge of Departments with R & D establishments, to ask you to take a personal interest in your Department's contribution to this review.

I recognise that it will not be practicable to cover every establishment. But if we are to get really worthwhile results, we need to cover as much ground as possible and certainly include all the major establishments in the study. Paul Channon and

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... Euan Strathcona had already exchanged correspondence about the contribution of MOD to the review. On the basis of that and discussions at official level with the other Departments, I have drawn up a list at Annex B of the areas we are expecting the review to cover, at the least.

The study officers must build on work already in hand (though not unquestioningly), and take account of fresh policy developments. The statistics review did this very successfully. I understand that Norman Fowler has asked the Transport and Road Research Laboratory to increase private sector participation. I do not think that this kind of change should significantly affect the value of participation in the review, unless the nature of an establishment's work will actually alter out of all recognition within the next year or so. I would like all the establishments in Annex B therefore to be included.

I also ask all Ministers concerned to consider whether some of the other smaller establishments not included in the list can be brought into the review. For example, perhaps Jim Prior might see whether the Health and Safety Commission would bring in their Research and Laboratory Services Division.

While there can be some flexibility in the starting time for the studies, I very much hope that they can all be completed by early October at the latest, so that Derek Rayner can be in a position to complete his final report, drawing out general lessons and so on, by the end of the year. I should be grateful if nominations for study officers could be sent to Derek Rayner by the middle of next month. He will be arranging for more detailed guidance to be sent to each Department in the next week or two.

We will be informing the Council of Civil Service Unions and the Joint Consultative Committee of the review in general terms in the next few days; but it will in the usual way be for each Department to consult the Unions at Departmental level as it considers appropriate about its own studies. I will probably take an early opportunity to make a brief public announcement in general terms about the launching of the review.

I am sending copies of this letter to Peter Carrington, Willie Whitelaw, Peter Walker, Jim Prior, Keith Joseph, Michael Heseltine, Norman Fowler and George Younger all of whose departments are involved. Copies also go, for information, to the Prime Minister and Geoffrey Howe; and to Sir Robert Armstrong and Derek Rayner.

Yours ever
Christie

REVIEW OF SUPPORT SERVICES IN R & D AND ALLIED SCIENTIFIC ESTABLISHMENTS

There are 26 government establishments wholly or partly devoted to R & D. They employ over 33,000 staff. 12 establishments and over 26,000 staff are in MOD, but six other Departments (MAFF, DOE, Industry, ODA, DTp and Scottish Office) also have one or more sizeable establishments. No more than half the staff are actually scientists and engineers. The other half provide various sorts of supporting services.

Aims of the Review

The aim of the review is to find ways of improving the cost effectiveness and efficiency of the Establishment concerned. In particular it will include testing rigorously the various elements of R & D supporting services, especially the necessity for the service; its standards; possibilities of greater involvement for the private sector; eliminating any overlap with other establishments or Headquarters, and better working methods.

As in a scrutiny, the officials would test the assumptions underlying present practice and challenge policy where appropriate.

They will not generally be asked to question the scientific aims and objectives of the establishment or the technical aspects of the programmes carried out in pursuit of them.

They would, however, be required to pay close attention to management. For example, whether it has proper authority and accountability for providing services efficiently; whether those consuming the services are aware of and accountable for the costs; whether services given to and received from bodies outside the establishments are charged for properly. There are likely to be lessons here which can be applied successfully in other R & D Establishments and in government more generally.

Conduct of the Review

Following the pattern of the Statistics Review, study officers would be appointed to examine the supporting services in the Establishments and report to the Minister concerned and Sir Derek Rayner. A small team in CSD would assist him with general co-ordination and preparing a consolidated report, drawing out lessons and so on, for the Prime Minister and the Lord President.

All studies would build or draw on any other current efficiency-related work such as staff inspections, O & M studies and in MOD the Support Reviews and Projects system.

ANNEX B

REVIEW OF SUPPORT SERVICES IN R & D AND ALLIED SCIENTIFIC ESTABLISHMENTS

PROPOSED LIST OF PARTICIPATING ESTABLISHMENTS

<u>Department</u>	<u>Establishment</u>
Defence	A substantial group of the total of supporting services made up of selected services from all 12 establishments
Industry	National Physical Laboratory National Engineering Laboratory
Environment	Building Research Establishment
Transport	Transport and Road Research Laboratory
Agriculture	Central Veterinary Laboratory
Overseas Development Administration	Tropical Products Institute and/or Centre for Overseas Pest Research (1)
Scottish Office	DAFS Marine Laboratory Aberdeen
Home Office	Forensic Science Service (2)

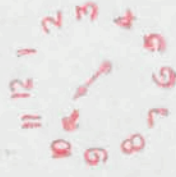
NOTES : (1)

To be combined with a Staff Inspection

(2)

Home Office have proposed the Forensic Science Service as part of their 1981 scrutiny programme. This would could be associated with the review.

28 JAN 1981





Civil Service Department
Whitehall London SW1A 2AZ
01-273 4400

R Riley Esq
Private Secretary to the
Secretary of State for Industry
Ashdown House
123 Victoria Street
LONDON SW1E 6RB

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16 March 1981

Dear Richard,

REVIEW OF SUPPORT SERVICES IN R & D AND ALLIED SCIENTIFIC
ESTABLISHMENTS

Thank you for your letter of 9 March to Jim Buckley, proposing that the Warren Spring Laboratory should be substituted for the National Engineering Laboratory (NEL) in your Department's contribution to the review.

You will have seen a copy of Ian Beesley's letter of 11 March, confirming that Sir Derek Rayner's office has no objection. The Lord President is also content with the proposal.

We hope, however, that any lessons learned from the recent review of NEL will be exploited. The central team for the Service-wide review in CSD would be very interested in seeing the consultants' report. They will get in touch.

I am copying this letter to the recipients of yours.

Yours ever,

Edmund Chaplin

E G M CHAPLIN
Private Secretary

17 MAR 1987



R E S T R I C T E D

Govt March



2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/11676/81

Your ref:

12 March 1981

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MAP

See Charles

REVIEW OF SUPPORT SERVICES IN R&D AND ALLIED SCIENTIFIC ESTABLISHMENTS

You wrote to John Nott on 27 January about this Review. Unfortunately, my copy only reached me on 19 February.

Of course I support this study in principle. However, we have already completed a consultants study of the scope for cost recovery at BRE and also have a fundamental examination of that Establishment in hand, on the basis of which I expect to reach early decisions on its future status. You will appreciate that I do not want the inclusion of BRE in a Central Review to cut across the work already in hand or extend the timetable for decision that I have laid down. On the understanding that this can be avoided, I am content to include BRE in the review. But it will be essential to build on work already underway as indeed you say in your letter.

My officials will be in touch with yours about the detailed arrangements. In view of my concern to avoid any conflict with the work already in hand, I have asked John Stanley to be responsible on a day to day basis for our contribution to the Review.

I am copying this letter to the recipients of yours.

Yours ever

MICHAEL HESELTINE

The Lord Soames

R E S T R I C T E D



12 MAR 1981

A handwritten signature in dark ink, appearing to be 'M.A.P.', is located in the upper right quadrant of the page. The signature is stylized and somewhat cursive.

With the Compliments
of the
Secretary of State

Scottish Office,
Dover House,
Whitehall,
London, S.W.1 A 2AU



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

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The Rt Hon The Lord Soames GCMS
GCVO CH CBE
Lord President of the Council
Civil Service Department
Whitehall
LONDON
SW1A 2AZ

11 March 1981

Mr Lord President,

REVIEW OF SUPPORT SERVICES IN R & D ESTABLISHMENTS

You copied to me your letter of 27 January to John Nott about the service-wide scrutiny of R & D support services.

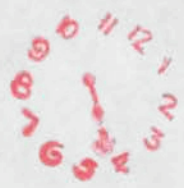
You may wish to know that we are mounting a scrutiny of the total function of our fisheries research establishments at Aberdeen and Pitlochry. This will parallel a similar scrutiny by MAFF of their fish research functions and our intention is to include in this review an examination of the R & D support services at these establishments. Inevitably, since we propose to look at the research before we examine the support services, we may slip behind the support services timetable but we will make every effort to report reasonably in line with the timetable for the service-wide scrutiny.

Copies of this letter go to the recipients of yours.

*Yours sincerely,
Christopher*

*Approved by the Secretary of State &
signed in his absence.*

11 MAR 1981





MANAGEMENT-IN-CONFIDENCE

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Secretary of State for Industry

Jim Buckley Esq
Private Secretary to
The Rt Hon The Lord Soames
Lord President of the Council
Civil Service Department
Whitehall
London SW1A 2AZ

9 March 1981

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MAD

Dear Jim

REVIEW OF SUPPORT SERVICES IN R&D AND ALLIED SCIENTIFIC
ESTABLISHMENTS

Lord Soames wrote to Mr Nott on 27 January about the proposed study of support services in Government research and development and allied scientific establishments.

In Annex B to his letter, the National Physical Laboratory (NPL) and the National Engineering Laboratory (NEL) were listed as Department of Industry participating establishments.

A review by outside management consultants of the activities of NEL has just been completed. While the Secretary of State is content for the NPL to be included he would prefer to substitute the Warren Springs Laboratory (WSL) for NEL. I understand that this has already been discussed with officials in CSD.

The Department of Industry's study officer will be Dr M A Darnbrough, a Senior Scientific Officer.

I am copying this letter to the private secretaries of the recipients of Lord Soames' letter of 27 January.

Yours ever

Richard Riley

RICHARD RILEY
Private Secretary

MANAGEMENT-IN-CONFIDENCE

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654
543
210



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Gentle hands
✓
M/D

The Rt Hon Lord Soames GCMG GCVO CBE
Lord President of the Council
Civil Service Department
Whitehall
LONDON SW1

17 February 1981

Dear Christopher

REVIEW OF SUPPORT SERVICES IN R & D AND ALLIED SCIENTIFIC ESTABLISHMENTS

In your letter to John Nott of 27 January you asked whether I would see if the Health and Safety Commission would bring in their Research and Laboratory Services Division to participate in this study.

The Commission point out that they are already committed to a Rayner project this year evaluating their activities on certification and approval of equipment and other products. This is likely to prove a large and complex assignment and the Commission do not think that an organisation of their size can be expected to undertake a second study, which for them would be a major one, in the same year.

In the light of the considerable resource constraints we have already imposed on the Commission, I accept their conclusion and accordingly would not want their establishments included in the proposed study.

I am sending copies of this letter to the recipients of yours.

[Handwritten signature]

17 FEB 1987



Civil Service Department,
Whitehall,
London, SW1A 2AZ

A handwritten signature in black ink, consisting of a checkmark followed by the initials 'MAJ'.

*With the Compliments
of the
Lord President of the Council*