

no comment WM 26/10

cc for information

✓ Mr Rickett
Mr Cassels
Mr Beesley
Mr Allen
Mrs Thoms

Sir Derek Rayner

CENTRAL CO-ORDINATION OF EXERCISES IN THE "EFFICIENCY STRATEGY",
1982

1. Please see the attached minute to me from Mr Russell (CSD), which brings to a head the long deferred issue of how the various exercises in next year's strategy should be handled.
2. Mr Russell, who is of course unaware of other possible developments, envisages that he would advise the CDL to put proposals to the Prime Minister on co-ordination when submitting the draft paper on the strategy. It is perhaps unlikely that CDL would agree to do so in the circumstances, but one cannot be sure of that.
3. In brief, Mr Russell proposes that:
 - (1) We should run the departmental scrutiny programme, as before.
 - (2) He should run the reviews of executive units, in liaison with Mr Cassels.
 - (3) We should run the reviews of systems for controlling running costs.
 - (4) Mr Hayhoe should run the review of personnel management work, supported by Mr Fraser who would liaise with Mr Cassels.
4. Obviously, we have no difficulty with (1) and (3) above. We can live with (4), especially if what is described is the wish of Mr Hayhoe and Mr Fraser - although

we are far from certain that it is. Quite frankly, we cannot live with (3). And if there is no option but to let Mr Russell have a response at this point, I think that we should have to say that (3) would be run by Mr Cassels in line with the Prime Minister's Minute to Ministers of 24 July about his appointment.

5. I have revised Mr Russell's note in the shape of a possible Annex to a piece by the CDL for inclusion in a minute to the Prime Minister. This too is attached. I should be glad to know what you and Mr Cassels think. I am sending the papers to Mr Rickett at this stage so that he is informed and can comment if he wishes to.

6. Mr Russell also asks about our nominees for the various exercises. I suggest Mr Beesley for "executive units" and "personnel work" and Mrs Thoms for "running costs". This must be subject to review as the work of the year wears on and of course takes no account of the possibility that, in any case, the whole scene may be changed in a twinkling of an eye.

CP

C PRIESTLEY

23 October 1981

Encs: Minute from Mr Russell, 20 October
Draft Annex
Draft section of possible minute by CDL

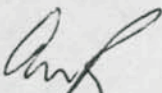
MR PRIESTLEY

We had a brief word about tying up the remaining loose ends on the arrangements for handling the work in the efficiency strategy for 1982 at the centre, assuming that the paper emerges from tomorrow's discussion of Permanent Secretaries reasonably unscathed.

2. We agreed that the best way forward would be for me to send you a draft of a note on handling which, subject to any comments your side might have, we would put to the Chancellor of the Duchy for her approval with the suggestion that she in turn would mention the proposed arrangements to the Prime Minister when submitting the paper on the strategy.

3. As you will see, there are still a number of blanks for names to be filled in for both the central teams on running costs projects and the personnel review. On the personnel review, I think that the FP member will probably be Mr Davis' successor (I hope Mr Stott). I will try to get a name from the Personnel Management Divisions as soon as possible and also from the Treasury for the team on running costs projects. Are you able yet to say who will be your team member for the running costs projects and whether you will want a team member on the personnel review - and if so who will that be?

4. Subject to the outcome of tomorrow morning's meeting, it would be nice if we could get the paper (modified as necessary) to the Chancellor of the Duchy by the end of the week or certainly very early next. It would be enormously helpful if we could at the same time put to her a note of the handling arrangements. I would be grateful, therefore, if you could manage an early comment. I would be happy to have a word on the 'phone if there is any point of clarification needed.



A W RUSSELL
20 OCTOBER 1981

Note

Spoke Mr. Ricketts, who thought that the CDL would be well advised to consult the PM on the circulation of the strategy paper. I will see what "co-ordination", as he has suggested that the PM would not mind paper all to do.

2

21.10.81

HANDLING OF WORK IN THE EFFICIENCY STRATEGY, 1982 AT THE CENTRE

Progress of all work within the strategy will be kept under review by CSD and Sir Derek Rayner's Unit; and they will be responsible for preparing reports on progress from time to time throughout the year for the Chancellor of the Duchy and Sir Derek Rayner. ^{who} They will wish to consider whether to draw any points to the attention of the Prime Minister.

2. The four main components of the strategy will be handled as follows :

a. Departmental scrutiny programme - the arrangements will remain unchanged.

b. Programme of resource control reviews - a central team in CSD consisting of Mr Gurney (FP1), Mr Beesley (Sir Derek Rayner's office) and an accountant (if possible on loan from one of the participating departments) will co-ordinate work on the reviews and will produce regular reports on progress (the first by September) to [be submitted to] CSD Ministers and Sir Derek Rayner. These reports will draw out general lessons as they emerge and make recommendations accordingly. The team will draw on specialist assignment officers, mainly from the Functions and Programmes Divisions, whose Head, Mr Russell, will exercise [general] oversight. In this, he will liaise closely with Mr Cassels. note MRC's general direction?

c. Running costs projects - a central team [in the Treasury] consisting of [], Treasury, [], CSD and [], Sir Derek Rayner's office will co-ordinate the departmental projects. They will work under the general direction of Sir Derek Rayner [Mr Cassels], ^{Sir Derek R.} who will send a central report on the exercise as a whole to the Prime Minister, the Chancellor of the Exchequer and the Chancellor of the Duchy by end October. This will summarise the work in the participating departments, draw out more general lessons of wider application and make recommendations accordingly.

together with SE DP

(L) → d. Personnel review - the Minister of State, CSD, will be in overall charge supported by Mr Angus Fraser, CSD, who will direct a central team consisting of [], FP, [], PM and an AS/Principal on loan from one of the participating departments. If possible, someone with experience of personnel management outside the service will be associated. Mr Fraser will liaise closely ^{throughout} [at each stage of] the review with Mr Cassels. A central report on the review dealing with service-wide issues will be submitted about the end of the year by the Minister of State ^{jointly with} ~~after consultation with~~ Sir Derek Rayner to the Prime Minister and the Chancellor of the Duchy.

DR?

ANNEX

DETAILED ARRANGEMENT FOR CENTRAL CO-ORDINATION

1. The four components of the centrally-inspired "efficiency strategy" for 1982 will be handled as follows.

Departmental scrutiny programme

2. The arrangements already made in 1979-81 will remain unchanged, ie Sir Derek Rayner's unit, now headed at official level by Mr J S Cassels, Second Permanent Secretary, will take the lead. It will take a close interest in such scrutinies as are designated as of particular interest to the Prime Minister. The unit will seek assistance as necessary, on the same basis as before, from the CPRS, CSD and HM Treasury.

Government-wide programme of reviews of self-contained executive units

3. This programme will begin in and go on beyond 1982. It is to a degree a rolling programme, unlike reviews of the same or similar functions across government which have been begun and completed in one year. The programme will be co-ordinated by a central team working under the general direction of Mr Cassels. The team will consist of two Assistant Secretaries, Mr N B J Gurney (FP1, CSD) and Mr I B Beesley (Sir Derek Rayner's Office), and of an accountant, who will be sought from one of the participating departments. The team will draw as necessary on specialist assignments officers, for example from the Functions and Programmes and Staff Inspection Divisions of CSD, whose head,

Mr A W Russell, will generally oversee the quality of their work and otherwise contribute as necessary. The central team will make such reports on progress and such more general reports as are needed; these will be submitted by Mr Cassels to Ministers as appropriate.

Government-wide review of systems for the control of running costs

4. The review will be co-ordinated by a central team working under the general direction of Mr Cassels. The team will consist of _____, HM Treasury, _____, CSD and Mrs E Thoms (Sir Derek Rayner's Office). Sir Derek Rayner will aim to send a central report on the exercise as a whole to the Prime Minister, the Chancellor of the Exchequer and the Chancellor of the Duchy of Lancaster by end-October 1982. This will summarise the work in the participating departments, draw out more general points of wider application and make recommendations accordingly.

The Government-wide review of personnel management

5. The review will be co-ordinated by a central team working under the general direction of Mr A M Fraser, Deputy Secretary, CSD, who will liaise closely with Mr Cassels throughout the review. The Minister of State, CSD, will be in overall charge. The central team will consist of Mr I B Beesley (Sir Derek Rayner's Office), _____ and _____ from FP1 and Personnel Management Divisions, CSD and an Assistant Secretary or Principal, who will be sought from

one of the participating departments. The Minister of State will report to the Prime Minister and Chancellor of the Duchy of Lancaster at about the end of 1982.

DRAFT FOR POSSIBLE INCLUSION IN A MINUTE FROM THE CDL TO THE
PRIME MINISTER

CENTRAL CO-ORDINATION

1. You told Ministers in your Minute of 24 July that Sir Derek Rayner would continue to provide overall leadership for the scrutiny programme and for Government-wide reviews like that of statistical services. The arrangements I envisage for central co-ordination take account of this, as also of your agreement that Sir Derek Rayner should now spend less time in Whitehall and of Mr Cassels's appointment.

2. I should like one of the reviews however to be generally supervised by the Minister of State. This will be a new departure, but I think well justified by the importance of the subject I have in mind, namely personnel management work. Mr Hayhoe would be supported on this by one of my Deputy Secretaries, Mr A M Fraser, who would liaise closely throughout with Mr Cassels.

3. The advice of Sir Derek Rayner would be sought on the design, conduct and outcome of this exercise.

4. For the rest, I envisage that:
 - (1) The departmental scrutiny programme should be run from Sir Derek Rayner's office with support from here, the Treasury and CPRS, as before.

(2) The Government-wide reviews of self-contained executive units and of systems for controlling running costs should be co-ordinated by Mr Cassels, with support from here and the Treasury.

[5. Fuller details are given in the Annex, should you wish to have them.]

6. Sir Derek Rayner and I believe that it would be wise to seek help from outside the Service as part of the reviews of managing executive operations, controlling resource costs and personnel work. This is being sought now.

NOTE FOR THE FILE

cc ✓ Mr Rickett
Miss Kelley (HM Tsy)
Mr A W Russell (CSD)
Mr Wasserman (CPRS)

SCRUTINY OF HM INSPECTORATES OF SCHOOLS

1. I took a call from Sir James Hamilton's office today to the effect that it would not now be possible for DES to forward a reply to Sir Derek Rayner's observations on the scrutiny report next week, as the Welsh Secretary has asked Sir Keith Joseph for a meeting to discuss the issues. The Scottish Secretary would also take part. It would be a week or so before the meeting could take place and a reply be sent.

2. I noted this and said that the PM's office would be informed.

C

C PRIESTLEY

23 October 1981

*ps.
wm
20/10*

See March
Scrutiny

1. MR. WHITMORE *Thurs 7. 11.1 21.11*

2. MR. RICKETT
Thurs 7. 11.1 21.11

The meeting to discuss scrutiny of departmental running costs which was to have been next Tuesday, is now on Wednesday 11 November at 1100.

I have invited the Secretary of State for the Environment, Mr. John Cassels and officials from CSD and Treasury.

ES.

21 October 1981

520
MR INGHAM

cc for information:

Mr Hoskyns (No 10)
Mr Scholar (No 10) ✓
Mr Hills (CSD)
Mr Gregson (CO)

SCRUTINY OF INFORMATION & PUBLICITY WORK ON ECONOMIC, INDUSTRIAL
AND EMPLOYMENT MATTERS

With the agreement of the Ministers concerned, the Department of Employment (including the MSC), Industry and Trade (including the British Overseas Trade Board), Treasury and FCO are taking part in the above scrutiny, which has the following terms of reference:

"In relation to the objectives of the government's economic, industrial and employment policies, to examine the provision for information and publicity purposes in this field having regard to their cost and the effectiveness and efficiency with which they operate; and to pay particular attention to any areas of overlap".

2. The scrutiny is being conducted by a Principal in CSD, Mr Peter Hills, with the assistance of an AS from the Australian Department of the Prime Minister and Cabinet, an HEO(A) from Trade and an HEO from DE. Mr Hills is of course maintaining contact with the DG of the COI, Mr Groves.
3. Mr Hills has just been to see me to discuss a first draft of his study plan. I suggested to him that it will be helpful for him to have a talk with you, or with someone in your office, as he is likely to obtain there the best overview of the subject he is likely to find. Mr Hills will accordingly be getting in touch with you in the fairly near future to see whether he can talk to you or Mr Gaffin.
4. I have also suggested to Mr Hills that he should have a word with Mr Gregson (Cabinet Office) or one of his staff. I should be grateful if Mr Gregson would kindly take his copy of this minute as early warning of that possibility.
5. One of the things Mr Hills may want to discuss with you is the possible value which he might derive from talking to a few Fleet Street journalists who are in a position to give him a considered view of the relevant aspects of the GIS from their perspective. You might like to have this in mind.
6. Should you wish an early message to go to Mr Hills he is on 273 4047.

C
C PRIESTLEY

13 October 1981

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14 OCT 1981

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Mr RICKETT d/r

of Only Clerk
Gorb Mathewson

RAYNER UNIT: ACCOMMODATION

Mr Cassels takes office here on 1 October. Our dispositions will then be:

<u>Name</u>	<u>Room</u>	<u>Telephone</u>
Sir Derek Rayner	301	233 8224
Mr J S Cassels	301	233 8224
Mr C Priestley	306	233 8550
Miss J W Sullivan (SPS)	302	233 6185
Mr I B Beesley	204	233 5029
Mrs J Craig (PS)	204A	233 7132
Mr D R Allen	306	233 8550
Mrs E Thoms	203	233 7671
Mr M C Caldon	306	233 8550

C

C Priestley
25 September 1981

Circulation: Treasury: Mr Kerr, Mr Mathews, Mr Michael, Mr Ridley,
Mr Taylor, Mr Barratt, Mr Littler, Mr Butler.

CSD: Mr Buckley, Mr Carter, Mr Colman, Mr Fraser,
Mr Wilding, Mr le Cheminant, Mr Russell,
Mr Towers.

Cabinet
Office: Mr Wright, Mr Spence, Mr Bailey,
Mr Wasserman