




Prime Minister

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY PROGRAMME

Your Private Secretary's letter of 15 December asked for proposals for the 1982 scrutiny programme. As you know, DHSS has continued to make a large contribution to the scrutiny programme, both in terms of number of scrutinies and in terms of the savings and improvements in efficiency which have been identified. We are fully committed to improving efficiency and shall continue to play a major role in the scrutiny programme.

During 1982 we shall be heavily committed to implementing the proposals made in previous scrutinies and arising from other studies undertaken on our own initiative, including work on the slimming down of our Regional Office structure. Two major changes arising from the first of our scrutinies, "Arrangements for Paying Social Security Benefits", will be made during 1982: payment of child benefit 4-weekly will be introduced from March and the facility for those who wish to have their retirement pension or child benefit paid direct into a bank account will be available towards the end of the year. In considering proposals for the 1982 programme, I have been concerned to look at areas which seem to be staff intensive and complicated. To this end I am putting forward proposals for two scrutinies for the 1982 programme; notes setting out the required information are attached. In addition we shall be one of the Departments participating in the service-wide study of personnel work.

The proposed scrutiny into the payment of benefit to people in hospital is a study into an aspect of the administration of social security benefits which has not yet been looked at. We had originally thought of a scrutiny into an individual benefit, but these have all been reviewed recently by our own Management Services Branch, or have been the subject of major change. Rather than go over the same ground again without holding out much hope for further major saving I thought it best to have an across-the-board look at one aspect of all social security benefits.



Most of the rules for paying benefits to people in hospital were devised to cover a relatively few contributory benefits - retirement and widows pensions and sickness benefits - in 1948, and have been somewhat inconsistently applied to the much greater range of benefits and allowances which have become available since. There is a widely varying set of rules which seem expensive to administer and confusing to beneficiaries and hospital staff. I consider that this should offer plenty of scope for simplification and improved efficiency.

The second scrutiny is into the assessment of financial entitlement to civil legal aid, an area of work which we undertake for the Lord Chancellor. It is self-contained and does not impinge upon other aspects of social security administration. Nonetheless, it is important in its own right and should offer scope for improved efficiency, and administrative savings. We propose to tackle this jointly with the Lord Chancellor's Department, who are agreeable to what we have in mind provided the scrutiny takes place towards the end of the year - their resources are very limited.

If these proposals are approved, the Department will press ahead with the setting up of a study team for the first scrutiny. We shall wait to hear from Sir Derek about the timing of the scrutiny of personnel work.

I should perhaps add a few words about our plans for scrutinies into various aspects of the National Health Service on which we are - with Derek Rayner's support - about to embark. I shall be setting up within the Department arrangements for NHS scrutinies to parallel those of Sir Derek's office for the Civil Service. We shall look to the NHS at its highest levels of management to suggest subject for scrutiny, to provide able people to carry them out, and to secure their implementation when I have approved them. I shall be raising the matter with the 14 Regional Health Authority Chairman at my meeting with them on 19 January and will expect them to be ready with proposals for scrutinies when I meet them again in March. On that occasion Derek Rayner has agreed to




be present and help us to launch the NHS scrutiny programme. It will then be necessary to discuss the arrangements with NHS trade union and professional bodies. This will be a stimulating extension of the scrutiny principle into a major area of public administration, and although Derek Rayner has, I know, only limited amount of time available I am glad that he had been able to associate himself with it.

I am sending a copy of this minute to the Lord Chancellor and to Sir Derek Rayner.

NORMAN FOWLER

15.1.82

CONQUEROR



ASSESSMENT OF LEGAL AID IN CIVIL CASES

Subject

The administrative procedures for assessing a person's financial entitlement to legal aid in civil cases under the Legal Aid Scheme. This is undertaken by DHSS on behalf of the Lord Chancellor's Office which is responsible for all types of legal aid. A claim goes from an individual's solicitor to the Law Society who ask DHSS to assess means. We send our assessment to the Law Society who then decide whether the granting of legal aid is 'justified' on the legal merits of the case. They then pass the decision to the applicant's solicitor.

Cost

We employ 500 staff in legal aid assessment offices. In addition about 100 other staff in local offices interview applicants who are outside reasonable travelling distances of legal aid assessment offices. In 1980-81 DHSS administration costs were over £6m representing an appreciable figure in relation to gross expenditure on civil legal aid, which was running at about £65m.

Reasons for proposal

Legal Aid is largely a self-contained area within DHSS. We consider that a fundamental look at the arrangements for assessing legal aid in civil cases is needed in view of the seemingly high administration costs. Both the Law Society and the Lord Chancellor's Advisory Committee have stressed the desirability of simplification.

Terms of reference

To consider the administrative arrangements for assessing the means of a claimant for legal aid in a civil case. The terms of reference are tentative at this stage and need to be discussed with the Lord Chancellor's Office. The rules themselves would be looked at only in so far as they had an appreciable effect on organisation and administration.



Proposal
starting and
finishing dates

Lord Chancellor's Department would be associated with the study but because they are a relatively small department and could not assign anyone of the right quality to the study before the autumn of 1982.

Names of
Examining
Officers and
Ministerial
reporting
arrangements

Not yet decided.

CONQUEROR





PAYMENT OF SOCIAL SECURITY BENEFITS TO PEOPLE IN HOSPITAL

Subject

The amount of social security benefit payable to a beneficiary in hospital depends upon the kind of benefit in payment, the marital status of the beneficiary, whether he or she has any dependents, and the length of time in hospital. This leads to complicated rules and administration. In reducing benefit for longer stays in hospital regard is had to the fact that food and care are being provided by the NHS.

Cost

The administrative cost of applying complex rules is appreciable: It is estimated that over 100,000 beneficiaries are in hospital at any one time whose benefit has to be adjusted.

Reasons for proposal

The wide variation in rules for paying benefits to hospital in-patients were recently highlighted by a Management Services Study into non-contributory disablement benefits. For example non-contributory invalidity pension follows the main contributory benefits in remaining unchanged for eight weeks and being adjusted thereafter. Attendance allowance continues for four weeks and then ceases. Mobility allowance is totally unaffected. Achieving more uniform rules, improving liaison with hospitals and considering the principles on which benefit should be paid to long-stay patients should result in simpler rules, administrative and/or benefit savings.

Terms of reference

To study the rules and administrative arrangements for paying social security benefits for people in hospital and without incurring an increase in overall benefit payments, to consider legislative and other changes which would lead to more uniform arrangements and more efficient administration.



Proposed
starting and
finishing dates

The scrutiny would start early in 1982 as soon as suitable staff could be made available.

Names of
Examining
Officers and
Ministerial
reporting
arrangements

Not yet decided.

CONQUEROR