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Secretary of State for Industry

3 February 1982

Clive Whitmore Esq
Principal Private Secretary to
the Prime Minister
10 Downing Street
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Dear Clive

THE EFFICIENCY STRATEGY 1982 - THE SCRUTINY
PROGRAMME

Your letter of 15 December 1981 asked Ministers to send their proposals for the 1982 Scrutiny Programme to the Prime Minister by 15 January. I now enclose the study proposed by my Secretary of State, with apologies for being overdue. The name of the examining officer will be passed to Sir Derek Rayner's team within the next few days.

I am copying this letter to the recipients of yours.

Yours ever

J P Spencer

J P SPENCER
Private Secretary



RAYNER STUDY INTO THE COST EFFECTIVENESS OF SELECTIVE FINANCIAL ASSISTANCE (SFA)

- 1 Subject: The methods used to assess the cost-effectiveness of selective financial assistance.
- 2 Cost: The Department of Industry will spend about £250 million in 1982/83 on selective financial assistance.
- 3 Reasons: In view of the total amount of SFA expenditure it is important to ensure as far as possible that the Government obtains value for money from it. There is thus a good case for considering the methods used by the Department in reaching decisions on projects and in examining after the event how far the objectives sought have been attained.
- 4 Terms of Reference: To examine the methods of analysis and procedures employed by the Department for taking decisions on SFA applications and for evaluating the benefits of SFA expenditure. The study should include consideration of the information which applicants are asked to supply, of the extent to which this is made available and can be checked, of the ways in which projects are then appraised, and of the efficiency of the Department in carrying out such appraisals. The study should also examine the methods used by the Department to check after the event the extent to which the objectives of the policy have been achieved.
- 5 Dates: Study to start by 1 April and to finish by 30 June.
- 6 Names: To be selected.



63 FEB 1982

