

PRIME MINISTER

THE EFFICIENCY STRATEGY 1982: THE SCRUTINY PROGRAMME

Mr Whitmore's letter to Private Secretaries of 15 December invited Ministerial proposals for the scrutiny programme by 15 January. I am sorry that delays in replying to that letter have in turn delayed this report to you.

2. It may be helpful if I set this report in the context of this year's efficiency strategy as a whole and of last year's scrutinies and Service-wide reviews. Summary information about Ministers' intentions for this year are set out in the Annex. A simple comparison of those intentions with last year is as follows:

<u>Departmental</u> <u>scrutinies</u>		<u>Service-wide reviews</u>				
		<u>Forms</u>	<u>R&D</u> <u>Supporting</u> <u>Services</u>	<u>Resource</u> <u>Control</u>	<u>Running</u> <u>Costs</u>	<u>Personnel</u> <u>Work</u>
1981	40 *	8	8	-	-	-
1982	26 /	-	-	7	6	9

* of which 3 were deferred until 1982

/ including 3 deferred from 1981

3. So we had a total of 53 exercises in 1981 and shall have a total of 48 in 1982, at least to begin with. This means that, as intended, the efficiency strategy is roughly in balance with the 1981 exercises in terms of numbers. I deal with the question of value below.

ACCEPTABILITY OF THE PROPOSALS MADE AGAINST THE CRITERIA SET

4. Mr Whitmore's letter aimed at a total of 20 - 25 scrutinies for 1982. Given the lower number as compared with 1981, it affirmed that scrutiny topics should be "significant in terms of the activities and resources or policies of the department" and said that you ^{would} have this in mind ^{when} considering the suitability of proposals for inclusion in the programme. He also suggested that certain areas were strong candidates for inclusion (ie administration of benefits, regulation and enforcement, professional advisers, the policy-making process and working relationships between departments and nationalised industries). The proposals made match those criteria reasonably well, as this analysis shows:

(A) Significant in terms of the activities and resources or policies of the department

Proposal	Department	Subject	Cost	No of staff
(2)	LCD + DHSS	Assessment of financial entitlement to legal aid (civil)	£6m+	600 (DHSS)
(3)	FCO	Use of Diplomatic Service	Not stated	Not stated
(4)	FCO	Passport Office	Not stated	1,000
(6)	HM Treasury	Civil Service Catering Organisation	£30m subsidy	1,500
(7)	Inland Revenue	PAYE end-year procedures	Not stated	4,400 staff units
(8)	Inland Revenue	Visits to the public	Staff costs not stated. c£1m for car hire	1,800 man years

<u>Proposal</u>	<u>Department</u>	<u>Subject</u>	<u>Cost</u>	<u>No of staff</u>
(10)	Customs & Excise	Processing of Customs Imports entries	£13.5m	1,250
(14)	NIO	Land management	Staff costs not stated	c.400
(16)	MOD	Services and civilian pension administration	£7.8m	c.700
(17)	MOD	Services pay and records	£55.0m	c.3,700
(19)	WO	Administrative and grant procedures of land drainage	Staff costs not stated	5 plus part-time involvement of others
(25)	MSC	General Employment Service	Staff costs not stated	10,600

(B) Aspects of the administration of social security benefits/pensions not yet looked at

5. I here include aspects of pension and similar work.

<u>Proposal</u>	<u>Department</u>	<u>Subject</u>	<u>Cost</u>	<u>No of staff</u>
(1)	Home Office	Criminal Injuries Compensation Scheme: administration	£2.9m	Not stated
(22)	DHSS	Payment of social security benefits to people in hospital	Appreciable, but not stated	
(24)	PGO	Need for effectiveness of periodic declarations of entitlement to (public service) pension	£0.07m	Part of the work of 600 staff

(C) Regulatory and enforcement activities not yet fully examined

<u>Proposal</u>	<u>Department</u>	<u>Subject</u>	<u>Cost</u>	<u>No of staff</u>
(18)	Department of the Registers of Scotland	Billing and collection of (deed) registration fees.	£0.04m	7

<u>Proposal</u>	<u>Department</u>	<u>Subject</u>	<u>Cost</u>	<u>No of staff</u>
(20)	Department of Trade	Practice relating to the supervision of insurance companies	£0.6m	62
(21)	Department of Transport	Administration and enforcement of the Goods Vehicle Operator licensing system	£8.0m	Not stated
(26)	Health and Safety Commission	Requirement for information on accidents at work and on industrial diseases	c.£1m	Not stated

(D) The work of professional advisers

<u>Proposal</u>	<u>Department</u>	<u>Subject</u>	<u>Cost</u>	<u>No of staff</u>
(5)	Overseas Development Administration	Professional advisers other than economists	£2.1m	55
(23)	Government Actuary's Department	Nature and extent of the Acturial Services needed by Ministers	£0.6m	61

(E) The policy-making process, with particular regard to simplicity and cost of implementation

<u>Proposal</u>	<u>Department</u>	<u>Subject</u>	<u>Cost</u>	<u>No of staff</u>
(12)	Department of Industry	Methods of assessing the cost-effectiveness of Selective Financial Assistance.	Not stated	Not stated

Recn.1 6. I recommend that, subject to exceptions noted below and to my trying to improve or clarify the scope of the proposals made where necessary, you should accept the proposals listed at A - E above.

(F) Conduct of relations between sponsoring divisions and nationalised industries

7. This issue was also raised with Ministers at a meeting of E(NI) before Christmas. The departments mainly concerned - Energy, Industry, Trade and Transport - have not made relevant proposals,

Recn. 2

although Trade is proposing to conduct an "organisation development" exercise on its sponsorship of either the British Airports Authority or British Airways. I suggest that I might on your behalf encourage Mr Biffen to convert that exercise into a scrutiny, but if he refuses the exercise could still - if done with enough vigour - help pave the way for a wider review later on. My hopes that Energy would come up with a proposal have not been justified but I am seeing Mr Lawson presently and would like your authority, please, to pursue this idea with him further. The Secretaries of State for Industry and Transport have made very acceptable alternative proposals and I would not recommend asking them for additional scrutinies at this point.

Recn. 3

8. The Chancellor of the Exchequer has proposed a scrutiny (no.11) of the services provided by the Post Office for the Department for National Savings. This is one of several scrutinies arising from scrutinies conducted last year, when DNS looked into accounting errors made by the Post Office; DNS estimate that the cost of non-accounting errors made at Post Office counters is between £1.5 and £2m, which is additional to the £61m to be paid by DNS for PO services. The Department believe that they have "insufficient influence on the quality of the service provided, despite the large staffing cost of putting the errors right".

9. The Department observe, correctly, that this scrutiny would, ideally, be done jointly with the Post Office, in which case the reporting arrangements should include the chairman of the PO Corporation as well as Lord Cockfield. I very much agree.

I think that it is well worthwhile pressing ahead in that direction and I should be very glad to give the exercise my help and support.

10. The Chancellor of the Duchy of Lancaster suggested in December that Ministers should consider scrutinies of operational areas which include agency work by the PO. The Home Secretary mentions TVlicences. He does not propose a scrutiny here this year, but says that if there were to be a single study covering the departments which use the Post Office he would be prepared to join. The Secretary of State for Transport mentions Vehicle Excise Duty licences, a small bit of PO business and only recently expanded. But he too would be interested in a general study of Departments' use of PO counter services. No other Minister mentions the issue, which - as you will recall from the social security benefits payments controversy - can be explosive if not handled with care.

Recn.4

11. I think that a modest beginning is probably the right way forward and I suggest that you agree to our exploring with the Post Office the scope and conduct of a scrutiny as proposed by DNS. If we find in discussion with the Post Office that we can widen the scope, Ministers might be encouraged to do so.

Paper and complexity of regulations

12. Paper was not one of the "areas" mentioned in Mr Whitmore's letter, but I welcome the Minister of Agriculture's proposal, as follows:

Proposal	Department	Subject	Cost	Noof staff
(15)	MAFF	Generation/use of written documents	To be established by the scrutiny	

13. As it happens, two scrutinies from last year's programme - the generation of information (FCO) and the dissemination of information (MOD) - also bear on this subject. I would want to encourage Mr Walker to complete the exercise soon, so that the lessons to be drawn from all three can be drawn out and disseminated.

14. I am also very interested in the complexity of regulations which can be a great trial to public and staff alike. I therefore welcome the Chancellor of the Exchequer's proposal (9) to scrutinise the many memoranda and instructions issued by the Headquarters of the Inland Revenue to local Tax and Collection Offices each year. It is worth quoting the reasons given for the selecting the subject which could probably be repeated fairly widely across Whitehall:

"Our Instruction Manuals contain some 3½ millions words, and each year around 4,000 pages are revised. In addition approximately 500 circulars on different topics are issued, with each topic requiring on average about 3 pages of instructions. The Department is aware that the mass of paper issued each year is not absorbed by local staff as well as it might be. A study in this area may not produce direct economies in terms of staff or materials but if it led to better assimilation of the material by local office staff, their work would be performed more accurately and efficiently."

Recn. 5 15. I recommend that you should approve these two proposals.

PROPOSALS OF DOUBTFUL MERIT

16. Two of the proposals are, frankly, tiddlers alongside the largest. Billing and collection of fees for the registration of deeds by the Department of the Registers of Scotland and administration and procedures under the Land Drainage Act 1976 (nos. 18 and 19) in Wales account for only 12 staff between them.

17. The Welsh Office proposal may open the door to^a wider exercise in England and is interesting in its own right as a study of one part of the "mini-Whitehall" in Cardiff. But the Welsh Office is not taking part in any of the three Service-wide reviews and so is lucky to get away with this very modest proposal. So

Recn.6 I recommend that it should be accepted but that another subject be sought in addition; my own candidates would be some aspect of planning, perhaps to be examined in collaboration with the Department of the Environment (see para. 20 below).

18. By contrast the Scottish Office is taking part in the Resource Control review (the Prison Service) and Personnel Work review. The Scottish Registers Department proposal is however about the work of an Executive Officer and 6 Clerical Officers, engaged on a very simple task which should be well capable of being reviewed on scrutiny lines without the formality of inclusion

Recn. 7 in the scrutiny programme. I therefore recommend that it should not be accepted.

19. The Secretary of State for the Environment's proposal (13) is the DOE Cartographic Service, whose staff cost is £1.4m. This is fine as far as it goes - it may help should there be a question later of reviewing similar services elsewhere in Government - but it is a pretty modest proposal given that

- (1) previous DOE(Central) scrutinies have been mainly about systems - MINIS, Joubert and financial control over the water industry;
- (2) the other scrutiny (of the Regional Organisation) was of modest quality and modest effect;
- (3) DOE(Central) is not taking part in any of this year's Service-wide reviews; and
- (4) the Secretary of State will be appearing at your presentation on 24 February before colleagues who have tackled and are tackling bigger and wider issues as an exponent of good management.

Recn. 8 20. I recommend that Cartographic Services should be accepted but that Mr Heseltine should be pressed for a second subject. This might be found in the planning area, eg the value added by regional and structure planning.

DESIRED EXEMPTIONS

21. Ministers have requested exemptions as follows:

- (1) Chancellor of the Exchequer: "Central policy areas" of HM Treasury, given that a scrutiny

of the Civil Service Catering Organisation is proposed (no. 6, para. 6 above) and that a review of the work of the Expenditure Divisions in relation to playing their "proper part in connection with financial management in Departments" is still in progress. I agree this. (It is a long time since the Expenditure Divisions scrutiny was set in hand but I understand that it will be brought to a conclusion by May.)

(2) Lord President of the Council: Administrative Privy Council Office and Judicial Committee of the Privy Council. (The PCO has 36 staff and an estimated expenditure in 1981-82 of £0.6m.) Mr Pym says that both have "fixed and largely statutory functions". Neither has been included in the programme before and I agree that they should be left out again this year.

(3) Secretary of State for Education and Science: Sir Keith Joseph argues that DES is a relatively small department (it and the UGC have 2,545 staff and a net staff and administrative budget of £32m), that it undertook three "Rayner" exercises last year (HMI, Museums and statistics - the last of these was actually in 1980), that there will be follow-up work to do and that DES's main effort this year should be in the Review of Running Costs.

But Sir Keith Joseph adds that he will look out for a suitable area for scrutiny which might be added to the programme, subject to progress with other efficiency work. Despite the element of special pleading here, I agree with Sir Keith Joseph: the Department might be well advised to concentrate on delivering the HMI scrutiny and the Museums scrutiny, apart from which the SSRC review under Lord Rothschild may cause trouble.

- (4) Secretary of State for the Environment: Property Services Agency. I agree with this. The PSA is taking part in two of the Government-wide reviews - Resource Control (District Works Service) and Personnel Work - and will be helping with the Running Costs review. Apart from that, PSA has both a lot of other review work in hand and a new Chief Executive.
- (5) Secretary of State for Scotland: Main Scottish Office. Mr Younger asks for exemption on the grounds that the SO is taking part in two Government-wide reviews, of Resource Control (Scottish Prison Service) and of Personnel Work. I agree.
- (6) Chancellor of the Duchy of Lancaster: Management and Personnel Office. I agree with Lady Young's view that as the MPO is taking part in the

Running Costs review and is being otherwise worked over in the process of devising its first Action Document it should not be obliged to come up with a scrutiny at this point. But despite the fact that MPO (with my unit) will be co-ordinating the three Government-wide reviews, I think that it might be wise for the Department to be able to show the rest of Whitehall that it was being rigorous with itself; perhaps something in the Civil Service Commission would be found later in the year or the whole Commission included in the Resource Control Review.

- (7) Secretary of State for Energy: Mr Lawson's Department is taking part in the review of Running Costs. He explains that it is engaged in implementing points arising from the CPRS report on nationalised industries and that each of the relevant divisions (Coal, Gas and Electricity) has tasks either in hand or in prospect which militate against a scrutiny of working relationships with a nationalised industry; it is a "small" Department (actually 1,220 staff, with a wages and administration bill of £16m net). The Department's record in the scrutiny programme is not impressive and, as already suggested (para. 7 above) I suggest that you authorise me to see whether Mr Lawson can be encouraged to come up with a scrutiny in the nationalised industry area.

It would be timely so to extend the scope of the programme.

- (8) Secretary of State for Employment: Department of Employment. Mr Tebbit is, I think, right to argue that DE which is participating in both the Running Costs and the Personnel Work reviews, should not also engage in the scrutiny programme. He draws attention to the fact that a substantial scrutiny of the MSC's General Employment Service (no. 25) is in train; offers a scrutiny in the Health and Safety Commission (no. 26); and observes that his own Unemployment Benefit Service is too hard pressed recovering from last year's pay dispute, implementing decisions on the 1980 scrutiny of benefits for the unemployed and introducing the taxation of benefit to allow involvement in the scrutiny programme. I agree.

Recn. 9 22. I recommend that you should agree to the exemptions listed above, subject to the points noted.

OTHER OBSERVATIONS AND CONCLUSIONS

23. The range of proposals made this year is very wide. It extends from the MSC's General Employment Service with 10,600 staff and an expenditure of £135m pa at one extreme to the billing and collection section of the Department of the Registers of Scotland

with its 7 staff and a expenditure of £38,000 at the other. Overall, the value of the areas subject to scrutiny and Government-wide review this year is as follows:

<u>Exercise</u>	<u>Expenditure</u>	<u>Staff</u>
Scrutiny programme	At least £250m*	At least 20,000*
Resource Control review		✓
Personnel Work review	Not yet known	c. 10,000

24. This year's "efficiency strategy" will accordingly cover a substantial area of central Government. If I may say so, I think that you and your colleagues may take a good deal of pride in this, not least because the "efficiency" work of earlier years has left some departments, not all, with a sizeable body of continuing implementation work.

25. I have already drawn attention to the possible extension of the scrutiny technique into some other parts of the public sector, the Post Office and the nationalised industries. I will aid this as best I can without putting success at risk by pushing too hard. May I draw your attention also to the reference in the minute to you from the Secretary of State for Social Services to his plans for scrutinies into various aspects of the National Health Service?

* Not all expenditures and staff numbers have been stated, so the actual numbers are much greater than shown here.

✓ Prisons, England and Wales, £400m, 25,000 staff
 Prisons, Scotland, £36m, 2,740 staff
 Royal Mint, £24m, staff
 District Works, PSA, £ m, staff
 RAF support area, £ m, staff
 Meteorological Office, £50m, 3,900 staff
 Coastguard Service, £11m, 600 staff

If these come off, it will be greatly to the credit of Mr Fowler and Sir Kenneth Stowe. Here, too, I am lending what support I can. It would be good if the message sent on your behalf to Mr Fowler could offer him your encouragement.

26. The Ministry of Defence is of particular interest to me as a former Chief Executive of the Procurement Executive and as someone who well recognises the problems of the Ministry's political, military and civil service heads. The Secretary of State's minute to you of 15 January offers a pretty good package, two substantial scrutinies (nos. 16 and 17, the administration of pay and pensions) and two good Resource Control reviews (RAF Support, which is an enormous area, and the Meteorological Office which, with 3,900 staff, is bigger than one might expect). Both the Chancellors of the Exchequer and of the Duchy of Lancaster have proposed that more be sought.

27. I think that, at the right time, the prospects of persuading Mr Nott to include Army and Royal Navy training in the Resource Control review are quite favourable, but I am also clear that that time is not quite yet. While, therefore, I propose that my unit should write to all other Departments conveying your decisions, I think that Mr Whitmore should respond on your behalf to Mr Nott and I shall offer you a draft for this purpose presently.

28. The Chancellor of the Exchequer notes that he is considering a scrutiny of the Customs and Excise VAT Headquarters at Southend,

Recn.10 either this year or next. I recommend that the idea should be encouraged, with a view to inclusion in this year's programme if possible.

29. As there was a Question last [December] by Mr Ray Powell MP on the involvement of Marks and Spencer staff in Government work, perhaps I may draw your attention to the fact that my Company has agreed with a request from Treasury Ministers to second someone to help with the scrutiny of the Civil Service Catering Organisation (no. 6). This will be Miss Sybil Barnes, the Head of our Staff Catering Service.

30. Finally, I suggest that you should authorise me to take a particular interest on your behalf in the following scrutinies:

No.	Department	Subject
4	FCO	Passport Office
7	Inland Revenue	PAYE end-year procedures
9	Inland Revenue	District Memoranda and Instructions
11	DNS	Improving the quality of Post Office Services
15	MAFF	Generation and use of written documents
16, 17	MOD	Service/civilian pension administration; Service pay and records
21	DTp	Administration/enforcement of the Goods Vehicle Operator Licensing system
?22	DHSS	Payment of benefit to hospital patients?
25	MSC	General Employment Service (with which I am already engaged)

Note: I would also help to some extent with the NHS programme (para. 25).

Summary of recommendations

31. I ask you to authorise action on my recommendations, which are as follows:

(1) Para. You should accept the proposals at A - E (paras. 4 and 5), subject to the exceptions noted below and my trying to improve and clarify the scope of proposals where necessary.

(2) Para. I should encourage the Secretary of State for Trade to convert the proposed exercise on his Department's sponsorship of the British Airports Authority or British Airways into a scrutiny.

(3) Para. I should pursue with the Secretary of State for Energy the idea of a similar scrutiny in his field of responsibility.

(4) Para. 12 We should explore with the Post Office the idea of a joint scrutiny as proposed in respect of National Savings work, and with a view to a wider study involving other Departments if that seems feasible.

(5) Para. 15 You should accept the proposals for scrutinies of the generation and use of written documents in the Ministry of Agriculture (para. 12) and of memoranda and instructions in the Inland Revenue (para. 14).

- (6) I should pursue with the Secretary of State for Wales
Para. 17 the possibility of a second scrutiny in addition to that on land drainage.
- (7) The billing and collection of registration fees by the
Para. 18 Department of the Registers of Scotland should not be accepted for inclusion in the scrutiny programme.
- (8) You should accept the Secretary of State for the
Para. 19 Environment's proposal to scrutinise his Cartographic Services; but authorise pressure for a second subject, perhaps in the field of planning.
- (9) You should agree to the exemptions listed in para. 21,
Para. 22 subject to the points noted.
- (10) The idea of including the Customs and Excise VAT HQ
Para. 28 in the programme, preferably this year, should be encouraged.
- (11) You should authorise me to take a particular interest
Para. 30 on your behalf in the ten scrutinies listed in para. 30.

32. I am copying this minute to the Chancellor of the Duchy of Lancaster, Sir Robert Armstrong, Sir Douglas Wass, Mr Ibbs and Mr Cassels.

Derek Rayner

Enc: Summary of proposals for 1982

<u>DEPARTMENT</u>	<u>PROPOSALS FOR INCLUSION IN SCRUTINY PROGRAMME</u>	<u>COMMENT</u>	<u>RESOURCE CONTROL REVIEW</u>	<u>RUNNING COSTS REVIEW</u>	<u>PERSONNEL WORK REVIEW</u>
<u>Home Office</u>	(1) Administration of the Criminal Injuries Compensation Scheme. £2.9m pa administration cost. Staff number not stated.	Acceptable subject to the terms of reference not being too narrowly drawn.	Prison Service	No	Yes
<u>Lord Chancellor's Department</u>	(2) Administrative procedures for means assessment of those applying for civil legal aid (see DHSS, below).	Jointly with Department of Health and Social Security (see below).	No	No	Yes
<u>Foreign & Commonwealth Office</u>	(3) Use made of Diplomatic Service personnel overseas. To start Feb. 82. (4) Passport Office (1,000 staff. Cost not stated.)	(1) Acceptable (deferred from programme for 1981). (2) Acceptable.	No	Yes	[Internal review of the possible integration of personnel management and financial and manpower control between FCO and ODA.]
<u>Overseas Development Administra- tion</u>	(5) The work of the ODA's professional advisers, other than Economists (55 staff, £2.1m pa). To start March/April 1982.	Acceptable	No	No	[-]
<u>HM Treasury</u>	(6) Civil Service Catering Organisation. 1,500 staff; annual subsidy £30m. To start 1 May 1982 (provisional).	Acceptable. (One of the two examining officers will be Miss Sybil Barnes, Head of Staff Catering at Marks & Spencer.)	Royal Mint	No	No

<u>DEPARTMENT</u>	<u>PROPOSALS FOR INCLUSION IN SCRUTINY PROGRAMME</u>	<u>COMMENT</u>	<u>RESOURCE CONTROL REVIEW</u>	<u>RUNNING COSTS REVIEW</u>	<u>PERSONNEL WORK REVIEW</u>
<u>Inland Revenue</u>	<p>(7) PAYE End of Year Procedures (one of the most clerically-intensive operations in the Dept.) 4,400 staff units, with potential for saving at least 1,000 (22%). To start mid-April 1982.</p> <p>(8) Review of visits made to the public by Inland Revenue staff. 1,800 man years of effort in Local Collection Offices, PAYE Audit Units and local Valuation Offices, plus some £1m pa for car hire.</p> <p>(9) District Memoranda and Instructions to Tax and Collection Offices (ie notification of changes to procedures in year). 45 staff units at HQ. Publishing £0.3m pa. Reading time in local offices. To start 1 September 1982.</p>	<p>Acceptable.</p> <p>Acceptable</p>	<p>No</p>	<p>No</p>	<p>Yes</p>
<u>Customs & Excise</u>	<p>(10) Processing of Customs Import Entries: examination of cause, detection and correction of errors. Errors on entries are thought to involve c. 1,250 staff at a cost of £13.5m pa. To start 1 August 1982.</p> <p>Possibly also a major scrutiny of VAT Headquarters at Southend, either 1982 or 1983.</p>	<p>Acceptable</p> <p>Year under consideration by the Chancellor of the Exchequer. Topic very acceptable.</p>	<p>No</p>	<p>No</p>	<p>Yes</p>

<u>DEPARTMENT</u>	<u>PROPOSALS FOR INCLUSION IN SCRUTINY PROGRAMME</u>	<u>COMMENT</u>	<u>RESOURCE CONTROL REVIEW</u>	<u>RUNNING COSTS REVIEW</u>	<u>PERSONNEL WORK REVIEW</u>
<u>Department for National Savings</u>	(11) Improving the quality of the Post Office service paid for by the Dept. (total cost £61m). (Cost of DNS staff required to correct Post Office non-accounting errors estimated at £1.5 - £2.0m.) To start 1 March.	Acceptable. (Might better be done jointly with the Post Office in which case the reporting arrangements should include the Chairman of the PO.)	No	No	No
<u>Department of Industry</u>	(12) The methods used to assess the cost-effectiveness of Selective Financial Assistance. Estimated expenditure £250m in 1982-83. (Cost of staff effort not stated.)	Acceptable, as a scrutiny of the policy function of analysis, decision-taking and evaluation.	No	No	No
<u>Department of the Environment</u>	(13) Cartographic service in DOE, (£1.14m). To start 1 April.	(1) Acceptable as a possible fore-runner for a Government-wide review of Cartographic Services (to be found in other departments too). (2) But not a very impressive candidate as a single bid from DOE.	No	No	No
<u>Property Services Agency</u>	No scrutiny proposed.	Acceptable.	District Works	Helping	Yes

<u>DEPARTMENT</u>	<u>PROPOSALS FOR INCLUSION IN SCRUTINY PROGRAMME</u>	<u>COMMENT</u>	<u>RESOURCE CONTROL REVIEW</u>	<u>RUNNING COSTS REVIEW</u>	<u>PERSONNEL WORK REVIEW</u>
<u>Department of Education and Science</u>	Not "desirable to start another scrutiny just yet in this relatively small department" but will "keep a look out over the next few months in case a suitable scrutiny area can be identified and, subject to progress with other efficiency work, be added to the programme".	See covering minute.	No	Yes	No
<u>Lord President of the Council</u>	No proposals in respect of administrative Privy Council Office and Judicial Committee of the Privy Council.	Agreed.	No	No	No
<u>Northern Ireland Office</u>	(14) Acquisition, management and disposal of land by the NI Civil Service. Preparatory work has begun (c.400 staff.)	Already agreed in principle.	No	No	No
MAFF	(15) The generation and use of written documents in MAFF. Starting date to be agreed. Costs to be established.	Acceptable.	No	No	Yes
<u>Ministry of Defence</u>	(16) Service and civilian pension administration. (£7.8m, c.700 posts). (17) Service pay and records. (£55m, c. 3,700 posts.)	(16) Acceptable. (17) Acceptable.	(1) RAF support plus associated individual training. (2) Met. Office.	No	No

<u>DEPARTMENT</u>	<u>PROPOSALS FOR INCLUSION IN SCRUTINY PROGRAMME</u>	<u>COMMENT</u>	<u>RESOURCE CONTROL REVIEW</u>	<u>RUNNING COSTS REVIEW</u>	<u>PERSONNEL WORK REVIEW</u>
<u>Scottish Office</u>	Not main Scottish Office. (18) Billing and collection of registration fees. Dept. of Registers of Scotland (7 staff, £37,889).	Acceptable. (18) A worthwhile subject, but too small for inclusion in the programme?	Prison	No	Yes
<u>Welsh Office</u>	(19) Administrative and grant procedures under the Land Drainage Act 1976. (5 staff, plus part-time professional and administrative involvement). To start Feb. 82.	Small, but acceptable.	No	No	No
<u>Department of Trade</u>	(20) Practice relating to the supervision of insurance companies (62 staff, £600,000 pa). To start Nov. 82. Not proposing a scrutiny of relationships between sponsoring Divisions and nationalised industries, but an "organisation development" exercise on DOI sponsorship of either the British Airports Authority or British Airways.	(2) Acceptable. Raises wider issues: see covering minute.	Coast-guard Service	Yes	No
<u>Department of Transport</u>	(21) Administration and enforcement of the Goods Vehicle Licensing System (£8m). To start March 82. Would be interested in a study of Departments' use of the Post Office	(21) Acceptable. Raises wider issues: see covering minute.	No	No	No

<u>DEPARTMENT</u>	<u>PROPOSALS FOR INCLUSION IN SCRUTINY PROGRAMME</u>	<u>COMMENT</u>	<u>RESOURCE CONTROL REVIEW</u>	<u>RUNNING COSTS REVIEW</u>	<u>PERSONNEL WORK REVIEW</u>
<u>Department of Health & Social Sec- urity</u>	(2) Assessment of legal aid in civil cases. (600 staff, £6+m). To start Autumn 1982. (22) Payments of social security benefits to people in hospital. (Costs not stated.) To start as early in 1982 as possible.	(2) Acceptable. Jointly with LCD. (22) Acceptable.	No	No	Yes
<u>Management and Personnel Office</u>	"The whole work of the Office is being looked at pretty sharply in the course of preparing our first action document for 1982-83. It may be that subjects which can usefully be scrutinised will emerge after, but it is too early so far to say."	Acceptable.	No	Yes	MPO rules and codification will be covered.
<u>Government Actuary's Department</u>	(23) The actuarial services needed by Ministers. (61 staff, £0.6m pa). Started January 1982.	Acceptable (postponed from 1981).	No	No	No
<u>Paymaster- General</u>	(24) Declarations of entitlement for public sector pensions. (£0.07m, part of the work of 600 staff.)	Acceptable (postponed from 1981).	No	No	No
<u>Department of Energy</u>	No reply but Mr Lawson has previously indicated he hasn't the resources to do more than the running costs review, although he does not rule out something for later in the year.	See covering minute.	No	Yes	No

<u>DEPARTMENT</u>	<u>PROPOSALS FOR INCLUSION IN SCRUTINY PROGRAMME</u>	<u>COMMENTS</u>	<u>RESOURCE CONTROL REVIEW</u>	<u>RUNNING COSTS REVIEW</u>	<u>PERSONNEL WORK REVIEW</u>
<u>Department of Employment</u>	"Too hard pressed in recovering from the Civil Service dispute, implementing the earlier Rayner scrutiny of employment benefit and introducing taxation of benefit to allow involvement in any further scrutiny this year."	Acceptable.	No	Yes	Yes
<u>Manpower Services Commission</u>	(25) General Employment Service. (10,600 staff, £135m).	Already agreed and in train.	No	No	Yes
<u>Health & Safety Executive</u>	(26) The arrangements for the supply and use of information on industrial accidents and diseases. (c. £1m to HSE alone.)	Acceptable as a first step towards looking at the working of the Inspectorates.	No	No	In part
<u>TOTALS</u>	<u>26</u> (of which <u>3</u> are postponed from 1981)	-	<u>7</u>	<u>6</u>	<u>9</u>

15 FEB 62



MR RICKETT

THE EFFICIENCY STRATEGY 1982:
SCRUTINY PROGRAMME PROPOSALS

Ministers' proposals for the programme were slow coming in, which means that Sir Derek Rayner will be unable to report to the Prime Minister before next week. You may like to have the attached copy of a draft of his report, together with the tabular annex attached to it: and you might like to ask your people to put the letters and minutes from Ministers to the Prime Minister in a corresponding order. If you have any comments on the draft I shall of course be glad to receive them.

2. You may also like to know that Sir DR has in hand two progress reports, one on the scrutiny programme 1979-81 and the other on "lasting reforms". It seems likely that the 1979-81 report will reach the PM the week after next, the second report somewhat later.

S
C PRIESTLEY

12 February 1982

ENC: Draft minute plus tabular annex.

SIR DEREK RAYNER

cc for optional comment

Mr Cassels	MPO
Mr Russell	MPO
Mr Wasserman	CPRS

cc for information

Mr D J Wright	CO
Mr Wilding	TSy

THE EFFICIENCY STRATEGY 1982: THE SCRUTINY PROGRAMME

Although the deadline set by Mr Whitmore's letter for the receipt of scrutiny programme proposals was 15 January the last two were received only in the last week. Hence the delay in presenting the attached draft report to the Prime Minister.

2. The draft is supported by a tabular summary of the 23 new scrutiny proposals (three more are brought forward for 1981 - FCO, GAD and PGO), behind which you will find flagged copies of Ministers' and Private Secretaries' letters/minutes.
3. The draft is self-explanatory. Mr Beesley will complete the summary data in para. 23 and its footnote.
4. Given the delay, it is important to get the report forward to the PM quickly, so perhaps copy addressees would let me have comments by close of play on Tuesday 19 February.
5. I suggest that you send a note to the Chancellor of the Duchy of Lancaster; I am minuting separately on this.

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CLIVE PRIESTLEY
12 February 1982

Encs: Draft minute
Annex summarising the proposals for 1982
Copy letters and minutes