

E. R. .  
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PRIME MINISTER

UNEMPLOYMENT BENEFITS SCRUTINY

We are still making progress slowly on the implementation of the scrutiny proposals.

The latest side issue has been raised by Mr. Heseltine, who thinks that the potential manpower savings should now be re-assessed by outsiders. Derek Rayner has said in response that he doubts whether outsiders would produce better or radically different results from the team who did the work; and that a further outside study will only further prolong a process which started in February 1980, and which ought to be getting near conclusions now. But he makes it clear that it must be for Messrs. Jenkin and Prior to reach a decision on this.

Would you like to endorse Derek's view that we should now be getting on with the implementation of the existing report, and not starting the process again?

MAQ

Yes - very  
much to  
not

8 April 1981



*Stamps*



✓  
*MAD*

**DEPARTMENT OF HEALTH & SOCIAL SECURITY**  
 Alexander Fleming House, Elephant & Castle, London SE1 6BY  
 Telephone 01-407 5522  
 From the Secretary of State for Social Services

Sir Derek Rayner  
 Cabinet Office  
 70 Whitehall  
 London  
 SW1A 2AS

7 April 1981

*Dear Derek,*

**SCRUTINY OF THE PAYMENT OF BENEFITS TO THE UNEMPLOYED**

You wrote to Jim Prior on 27 February about the Government's response to the report of this scrutiny and raised queries on pay periods and the DHSS management formula. He said that I would be dealing with these points.

On the problem of correcting the over-spending attributable to the difference in payment periods (recommendation 38): we aim to draw up detailed plans for carrying out the two experiments which the scrutiny team recommended, within the next month or two. As stated in the Government's response, the exercises will take some months to complete but we intend to move ahead as quickly as we can given the difficulties the report identified.

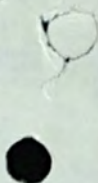
On the DHSS management formula (recommendations 65 and 66), we are as you know pressing ahead with the review and are now considering a report on the fact-finding study carried out by our Central Management Services Branch. As the Prime Minister has recognised, the results of this work will need very careful handling. And we shall also have to take into consideration the findings of another study, now well advanced, of the flow of work and relationships between our headquarters, regional and local offices. A change in the extent to which work is devolved to local offices, for example, could have considerable implications for the management task in those offices. I shall continue to take a close interest in progress, and shall be looking as soon as possible for the introduction of a structure fitted to the large and intricate task which falls on it.

I am copying this to the Prime Minister, Jim Prior, Willie Whitelaw, Geoffrey Howe, Christopher Soames and Robert Armstrong.

*Yours*  
*Kate*



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15-7 APR 1964







MAP to Sec + PA  
MS

CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01- 233 8224

7 April 1981

The Rt Hon Francis Pym MC MP

*Francis Pym*

Thank you for your letter of 23 March about savings which need legislation. I quite accept that you have to cope with many competitors for limited places in the legislative programme.

My interest is less in the Government's manpower policy, important as that is, than in its policy to improve administration and the delivery of services to itself and the public. It may not be possible to tell at the start of a scrutiny what will come out at the end. If subjects were selected so as to avoid any which might conceivably point to a change in legislation, I think that the programme might be rather thin and so serve the "good management" policy less well than it might.

At present, Ministers and their officials choose for scrutiny those activities where there seems to be scope for doing things more economically and effectively. Once the problems are exposed, they decide on the most sensible way of putting them right. I am sure that this is the only way and I am glad that you will continue to look kindly at bills which enable Ministers to make the improvements they need.

I am copying this letter to the Prime Minister and to the other recipients of yours.

*Derek Rayner*

Derek Rayner



-7 APR 1987







✓  
MAD

2 MARSHAM STREET  
LONDON SW1P 3EB

My ref:

Your ref:

30 March 1981

*Handwritten initials*

### SCRUTINY OF THE PAYMENT OF BENEFITS TO THE UNEMPLOYED

I have been following the correspondence about the payment of benefits to the unemployed arising from the joint DE/DHSS scrutiny.

My immediate concern is the large sums we would have to spend on accommodation if there is any general post between Unemployment Benefit Offices and DHSS Offices. I therefore welcome - as my letter of 27 February to Willie Whitelaw made clear - any solution which is based on the minimum of accommodation changes.

It goes without saying however that we should aim not only for the least disturbance of existing offices, but for the maximum staff savings. This is a point which Christopher Soames has already made from the CSD. My interest is that the smaller the number to be housed, the cheaper and quicker it will be to complete the task and get the benefit of the savings.

Before we sanction any accommodation changes to introduce the one office concept we need to satisfy ourselves that all the potential staff savings have been identified and that the accommodation plans take these into account. While I welcome the fact that officials - including those from the PSA - are already making a more detailed analysis, I wonder whether you have considered the case for having the staff savings re-assessed by outside experts? Can we be sure that without this kind of outside scrutiny and expert appraisal we will realise all the potential savings that such a major administrative simplification should yield?

I am sending copies of this letter to those who have taken part in earlier correspondence - the Prime Minister, Christopher Soames, Willie Whitelaw, Francis Pym, Geoffrey Howe, Jim Prior and Patrick Jenkin; and to Sir Robert Armstrong.

*Yes over*  
*[Handwritten signature]*

MICHAEL HESELTINE



31 MAR 1987

STANFORD UNIVERSITY  
LIBRARY



10 DOWNING STREET

cc DOG  
DHSS  
HO  
HUT  
CSD  
Co  
D. Rayner

HJ

Handwritten initials and scribbles in the top left corner.

*From the Private Secretary*

9 April 1981

The Prime Minister has seen the Secretary of State for the Environment's letter of 30 March, about unemployment benefits, and Sir Derek Rayner's comments in his letter of 8 April.

The Prime Minister shares Sir Derek's view that Ministers should now be working towards the implementation of the recommendations in the report already to hand, and not commissioning a repeat of part of this work, given that the exercise has already been running for well over a year.

I am sending copies of this letter to David Edmonds (Department of the Environment), Don Brereton (Department of Health and Social Security), Stephen Boys Smith (Home Office), Peter Jenkins (H.M. Treasury), Jim Buckley (Civil Service Department), David Wright (Cabinet Office) and Clive Priestley (Sir Derek Rayner's Office).

M. A. PATTISON

Handwritten initials 'SP' in the bottom right corner.

Richard Dykes, Esq.,  
Department of Employment,