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SECRETARY OF STATE
FOR
NORTHERN IRELAND

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON SW1

10 February 1983

Dear Prime Minister

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983 : THE SCRUTINY PROGRAMME

I am responding to your Private Secretary's letter of 26 January inviting proposals for the 1983 scrutiny programme.

We have in hand a very substantial programme of activity on the whole efficiency front in NIO and the Northern Ireland Departments. This includes carrying forward work from past efficiency exercises and ensuring that we take advantage of any "read-across" lessons from studies in Whitehall Departments which we can apply in Northern Ireland. In addition, we are taking important separate measures geared to the particular needs of Northern Ireland and we attach special significance at present to our financial management initiative. We are also engaged in a major review of the application of information technology in the Northern Ireland Civil Service, and in a programme of reviews of the top management structures of the Northern Ireland Departments.

For the 1983 scrutiny programme we have identified a much needed review of the stores provided by the Department of the Environment for Northern Ireland, which have attracted the attention of the Northern Ireland Exchequer and Audit Department and the Public Accounts Committee. DOE(NI) is the Roads and Water Authority for Northern Ireland. It operates 120 stores; some 220 staff are wholly engaged on stores work; the annual cost of labour and overheads in relation to the stores is around £2m; annual expenditure on the purchase of stores is about £8m. The stores are organised separately for each major service. We believe that there is scope for substantial improvements in efficiency which will bring significant manpower and financial savings.

The proposed terms of reference are "to review the management, organisation, procedures, efficiency and cost effectiveness of all the stores in the Department of the Environment (NI)".

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The examining team would be led by Mr G Hannigan, a Principal in the Management Services Division of the Department of Finance and Personnel. The team would include a Senior Auditor on secondment from the Northern Ireland Exchequer and Audit Department and would be able to call on the assistance of an official with stores expertise from MPO. The team would report to Lord Gowrie as the Minister of State with responsibility for efficiency matters in NICS.

It is envisaged that the scrutiny would start on 1 March and be completed within 90 working days from that date.

I hope that you will agree that this exercise can be included in the 1983 scrutiny programme.

I should also say that next month I will be considering the 1983/84 programme of management services and efficiency assignments which are undertaken within the Northern Ireland Departments as part of the ongoing work. It is possible that in that context we will identify one or two policy areas which would be suitable for consideration as scrutiny areas later in 1983 or early in 1984. My officials will keep in touch with the Rayner Unit about this possibility.

I am copying this letter to the Lord Privy Seal and Mr Cassels.



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10 DOWNING STREET

From the Principal Private Secretary

26 January 1983

D/F

Dear Private Secretary

Centrally Co-ordinated Efficiency Exercises 1983:
The Scrutiny Programme

The programme of Centrally Co-ordinated Efficiency Exercises proposed in the Lord Privy Seal's minute of 26 November has been agreed by Ministers. It envisages up to 30 further departmental scrutinies and 3 multi-department reviews.

I am writing to invite proposals for the scrutiny programme. Ministers are asked to send these to the Prime Minister by 11 February and to copy them to the Lord Privy Seal and Mr. Cassels.

The target size of the scrutiny programme has again been kept small, having regard to other work in hand or in prospect. So topics should be substantial and significant in terms of the activities or policies of the department. Wherever possible they should also promote the Government's longer-term aims for improving Civil Service management. The Prime Minister will have these factors in mind when considering their suitability for inclusion in the programme.

Specific areas likely to provide strong candidates for scrutinies are:

- (1) Whether the policy processes in use provide Ministers with the right material at the right time on which to take decisions and with adequate information and methods by which to assess the cost-effectiveness of the action taken.
- (2) Large executive questions which are relatively self-contained.
- (3) Areas of work involving specialist groups (e.g. lawyers and accountants).

/ (4)

(4) The arrangement by which advice, information and help are provided to the public and outside bodies (e.g. the preparation and publication of advice - leaflets, articles, films, advice and information provided by visits).

(5) Administrative tribunals (e.g. appeals boards).

(6) The efficiency and value for money of selected Non-Departmental Public Bodies.

Ministers are invited to put forward at least one scrutiny. Those in charge of larger departments are invited to propose more than one. Each proposal should, as in previous years, contain brief information on:

(1) Subject: the policy, function or activity to be examined.

(2) Cost of the policy, function or activity, and the number of staff involved.

(3) Reasons for selecting the subject.

(4) Terms of Reference.

(5) Proposed starting and finishing dates.

(6) Names of examining officers, if known, and Ministerial reporting arrangements. (In selecting staff to conduct scrutinies Ministers are asked to bear in mind the importance of putting examining officers in charge who have the questioning mind and good judgement fundamental to the scrutiny technique).

Work on scrutinies should not start before proposals have been agreed by the Prime Minister. The programme should begin as early as possible in the year but there is no need for all scrutinies to start on a common date. Notes of Guidance for examining officers will be re-issued shortly and briefing for examining officers will be arranged subsequently.

I am copying this letter to the Private Secretaries of all Ministers in charge of Departments and to Sir Robert Armstrong, Sir Douglas Wass, John Sparrow and John Cassels. Ian Beesley (273 5226) in the Rayner Unit can provide further advice if it is required.

Yours sincerely,

Robin Butler

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