



Sout Mach  
File AA

cc Bernard Ingham

10 DOWNING STREET

*From the Principal Private Secretary*

PERSONAL AND CONFIDENTIAL

SIR ROBERT ARMSTRONG

Thank you for your minute of 26 November (A082/0244) about the press notice announcing Sir Derek Rayner's withdrawal from leadership of the Rayner Unit which I have shown to the Prime Minister. The Prime Minister has also seen your separate minute of 26 November (A082/0293) and your subsequent minute of 30 November (A082/0331)..

The Prime Minister is generally content with the press notice, but prefers to omit references to organisation. I enclose a revised copy of the press notice and notes for editors, incorporating the Prime Minister's amendments.

I also enclose a draft letter from the Prime Minister to Sir Derek Rayner in reply to the letter which he will be sending her.

I have suggested to Sir Derek Rayner that we should make this announcement on 9 December. I am not copying this minute or the enclosures to the Lord Privy Seal or Sir Derek Rayner, and I wonder if I could ask you to let them see the revised press notice and notes for editors. I should also be grateful if you could let me know whether you are content with the draft letter from the Prime Minister to Sir Derek Rayner.

F.E.R.B.

2 December 1982

PRESS NOTICE

Sir Derek Rayner has told the Prime Minister that in view of his increasing commitments to his company he must ask to be released from the leadership of the Unit which bears his name. The Prime Minister has accepted this decision with great regret, and with warm gratitude for what Sir Derek has achieved since the Unit was created.

Sir Derek has agreed to continue to be available to offer advice and to complete certain tasks which he had undertaken personally on behalf of some Departments.

The Unit will continue to operate under the direction of Mr Clive Priestley, who has assisted Sir Derek Rayner in the work of the Unit since its inception in May 1979.



NOTES FOR EDITORS

Sir Derek Rayner was appointed by the Prime Minister in May 1979 to advise her and other Ministers on the achievement of greater economy and efficiency. Sir Derek was then Joint Managing Director at Marks and Spencer plc. His appointment in Whitehall was part-time, unpaid and additional to his responsibilities at Marks and Spencer, where he has recently been made Joint Vice-Chairman.

2. Sir Derek initiated and has continued to direct a programme, forming part of the Government's wider policy for increased value for money in public expenditure, to:

- (1) scrutinise the efficiency and effectiveness of specific, typical functions in Government Departments;
- (2) reduce paperwork;
- (3) tackle the underlying obstacles to efficiency.

3. The aim of this work has been to show what could be done by looking at the operations of Government from a new perspective and to help Ministerial and official heads of Departments manage them more effectively.

4. By April 1983, there will have been 135 scrutinies. There will also have been six multi-Departmental reviews, under which several Departments tackle the same subject at the same time, using the scrutiny technique.

5. Scrutinies range from those which have led to setting up improved management systems (such as for the control of staff (MINIS) and non-staff administrative costs in the Department of the Environment, or such as the Directorate-General of Management Audit in the Ministry of Defence); to those which will improve the handling of the citizens' affairs (such as the simplification of Schedule D tax procedures); and to those which have tackled large and complex areas of Government activity (such as the streamlining of payment of unemployment and supplementary benefit).

6. Multi-Departmental reviews have already covered Government statistical services (Cmnd 8236, April 1981), administrative forms (Cmnd 8504, February 1982), and supporting services in Government R & D establishments. Current reviews of the control of Departmental running costs, the management of such large executive

operations as the District Works Offices of the Property Services Agency, and the effectiveness and efficiency of personnel work in the Civil Service, are being conducted by the Departments concerned and co-ordinated by the Management and Personnel Office.

7. The scrutinies and reviews completed so far have identified savings worth £320 million a year. Decisions have been taken to implement recommendations worth £170 million a year, and there will be more to come as further decisions are taken. Some 300 civil servants have already taken part in this scrutiny work to date, and Sir Derek Rayner has paid tribute to the contribution they have made.

8. Sir Derek Rayner co-ordinated the multi-Departmental review of administrative forms in 1981, resulting in the White Paper Administrative Forms in Government (Cmnd 8504, February 1982).

9. In the work of tackling underlying obstacles to efficiency, the main targets identified by Sir Derek Rayner at the outset of his work or which have been manifest through scrutiny work are:

- (1) the need for Ministers and Permanent Secretaries to identify and control the costs of running their Departments;
- (2) the need to improve succession planning for the most important posts in Departments;
- (3) the need for more delegation of authority to line managers and better control of resources. This has now been taken up as part of the Treasury/MPO Financial Management Initiative launched by the Prime Minister in May (Efficiency and Effectiveness in the Civil Service, Cmnd 8616, September 1982).

10. Sir Derek Rayner has been assisted by Mr. Clive Priestley who, since April 1982, has also been in charge of the management and efficiency divisions of the Management and Personnel Office. Mr. Priestley will continue to be in charge of the work of the Rayner Unit.

11. Sir Derek Rayner has said that he will be available to advise the Prime Minister on general efficiency questions as necessary.

DRAFT LETTER FROM THE PRIME MINISTER TO SIR DEREK RAYNER

I have received your letter of 7 December with very great regret. You let me know some time ago that your increased business commitments would make it necessary for you to reduce your involvement with your work for the Government and I accept that you cannot now put this off any longer.

In the three and a half years since you accepted my invitation to advise the Government on the achievement of greater economy and efficiency, the scrutinies of specific Government activities which have been carried out under your leadership have produced direct savings of £170 million a year and have identified savings of a further £150 million a year. The techniques which you introduced for carrying out such scrutinies have proved their worth and have become established.

You have initiated <sup>far-reaching reforms in the way in which Whitehall</sup> lasting reforms ~~in the management of~~ Departments are managed, as well as bringing about ~~so much~~ <sup>a reduction and simplification</sup> Whitehall, as well as simplifying and reducing the paper

<sup>of so much of the paper</sup> work and administrative procedures through which the Government deals with <sup>businesses and individual</sup> its citizens in many aspects of their lives.

<sup>These are lasting achievements and which have been made</sup> This achievement would not have been possible without <sup>by</sup> your <sup>leadership</sup> personal example and <sup>personal</sup> contribution, and my colleagues and I are deeply grateful to you. I am determined that we should keep up the momentum of this work and I am delighted and grateful that you will continue to make yourself available to advise us.