



10 DOWNING STREET

*From the Principal Private Secretary*

PERSONAL AND CONFIDENTIAL

SIR ROBERT ARMSTRONG

I enclose a copy of a letter and some documents received from Sir Derek Rayner today.

It seems to me a good idea to suggest that the Prime Minister should inform Ministers in charge of departments of Sir Derek Rayner's withdrawal and that the personal letters from Sir Derek to the Secretary of State for Social Services and the Chief Secretary are forwarded. If you agree I will so arrange: I have suggested an amendment to the letter to Ministers in charge of departments to bring it into line with the press notice.

I also enclose a copy of the notes for editors incorporating some amendments which Sir Derek has suggested. If you agree with these amendments, I do not think that we need the Prime Minister's authority to incorporate them, but I would prefer not to reinstate paragraphs 11 to 13, which the Prime Minister herself removed.

R.R.B.

7 December 1982



MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

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Mr. F.E.R. Butler,  
Principal Private Secretary,  
10 Downing Street.

7th December, 1982

FUTURE OF THE RAYNER UNIT

1. The purpose of this letter is to deal with a few loose ends.
2. As a matter of courtesy, I have written to the Chief Secretary at the Treasury and the Secretary of State for Social Services, so they hear of my continued service somewhat in advance. I am enclosing these letters in case the Prime Minister does not approve of the sending of these 2 letters.
3. You may think that some notification of the Prime Minister's colleagues is needed and I attach a short draft for this purpose.
4. There are 2 references to the Forms Review (paras 6 & 8). We might drop para. 8 and expand para. 6 slightly as shown.
5. The first two sentences of para. 7 are not quite right. They should read: "The value of potential savings from scrutinies and reviews in the 1979-1981 programme of investigation is £274 million a year (16,000 posts) and £39 million once-and-for-all. Decisions have been taken to implement recommendations worth £170 million a year. There will be more savings to come as future decisions are taken and as a result of the programme for 1982 which contains 27 scrutinies and 3 multi-department reviews".

DEREK RAYNER

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

*Lo-ordindil  
By Sir  
Derek  
Rayner*

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).

#### Future Arrangements

10. Sir Derek has been assisted in his work by a small unit headed by Mr Clive Priestley. This unit will continue in being, operating (as it has since April 1982) as part of the management and efficiency group of the Management and Personnel Office. Mr Priestley is the Under Secretary in charge of this group.

11. As the Minister responsible for the organisation, management and overall efficiency of the Civil Service, the Prime Minister is the Minister in charge of the Management and Personnel Office. These responsibilities are discharged on a day-to-day basis by the Lord Privy Seal (The Rt Hon The Baroness Young).

12. The momentum of the Civil Service's efficiency programme is being maintained. The Management and Personnel Office will announce soon the programme of centrally co-ordinated work for 1983. The Prime Minister will continue to take a close personal interest in this work.

13. Sir Derek Rayner has said that he will be available to advise the Prime Minister and the Lord Privy Seal on general efficiency questions as necessary. In particular, he will continue to work with the Chief Secretary, Treasury and the Lord Privy Seal on the Financial Management Initiative; and to advise the Secretary of State for Social Services <sup>on management matters +</sup> ~~on the scrutiny programme now being developed~~ in the National Health Service, ~~including the scrutiny programme~~ <sup>especially</sup> *now being developed there."*



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7 December 1982

The Rt Hon Leon Brittan QC MP  
Chief Secretary to the Treasury

*Dear Leon,*

The Prime Minister will be announcing later this week that I am relinquishing the leadership of the Rayner Unit.

However, I shall continue to be available to advise her, the other central Ministers and to complete tasks which I have undertaken personally on behalf of some departments. In particular, I look forward to working with you and Janet Young on the financial management initiative and with Norman Fowler on NHS matters, notably the new scrutiny programme.

I am copying this to Douglas Wass and Anthony Rawlinson.

*Derek Rayner*  
Derek Rayner



MINISTERS IN CHARGE OF DEPARTMENTS

THE EFFICIENCY OF CENTRAL GOVERNMENT

1. The increase in Sir Derek Rayner's business responsibilities means that he must now relinquish his leadership of the Unit which bears his name. I have accepted this decision with regret.
  
2. Sir Derek Rayner has kindly agreed to continue to advise me and the Lord Privy Seal on general efficiency questions as necessary. He will continue to work with the Chief Secretary to the Treasury and the Lord Privy Seal on the financial management initiative and to advise the Secretary of State for Social Services on management matters in the National Health Service, notably the scrutiny programme now being developed.
  
3. The Rayner Unit will continue to operate, <sup>under the direction</sup> ~~as it has~~ of Mr. Chris Priestley, who, since April 1982, has also been in charge, <sup>Division of</sup> ~~since May, as part of the Management and Efficiency Group in~~ the MPO, ~~under Mr C Priestley.~~ The Unit will provide staff support for Sir Derek Rayner as required and co-ordinate the programme of Departmental scrutinies, in some of which it will continue to take a particular interest on my behalf.

MHT