



10 DOWNING STREET

*From the Principal Private Secretary*

PERSONAL AND CONFIDENTIAL

SIR ROBERT ARMSTRONG

Thank you for your further minute of 3 December about the press notice and the notes for editors about Sir Derek Rayner's withdrawal from the leadership of the Rayner Unit. The Prime Minister has approved the press notice and the notes for editors with the inclusion of the words which you suggested and I attach a copy of the final version. I agree that this should now be shown to the Lord Privy Seal and Sir Derek Rayner.

The plan is that the press notice should be put out at 3.30 pm on Thursday 9 December. There will also be an exchange of letters between the Prime Minister and Sir Derek Rayner. I sent you a copy of the draft letter prepared for the Prime Minister to send to Sir Derek Rayner: if you have any comments on it, I should be very grateful if your office could let me know by close of play this evening.

R.R.B.

7 December 1982

Gore Mack

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AH

cc Bernard Ingham

Joan Porter

AH

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.

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## 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 <sup>Coordinated by Sir Derek Rayner</sup> 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.~~ 7. 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).

8. 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).

<sup>9</sup>~~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.

~~10~~. Sir Derek Rayner has said that he will be available to advise the Prime Minister on general efficiency questions as necessary.