

Prime Minister

CONFIDENTIAL

~~CC NO~~

Agree, subject to colleagues,

Yes ^{no} (i) to publication of
both reports

Yes ^{no} (ii) to the draft statement
at flag B



FROM: Minister of State

DATE: 5 October 1983

PRIME MINISTER

DB
6/10

PUBLICATION OF RAYNER SCRUTINY REPORTS ON THE CUSTOMS ATTENDANCE (1981) AND THE PROCESSING OF CUSTOMS IMPORT ENTRIES (1982)

flag A

We are now ready to publish the findings of the Report on Customs Attendance as foreshadowed by Mr Beesley's minute of 18 July which you saw and approved. We propose to publish simultaneously a subsequent Scrutiny Report on the Processing of Customs Entries.

Mr Beesley's minute assumed publication of only a summary of the relevant portions of the Report on Customs Attendance. However I believe it right that both Reports should be published in full, subject only to the omission of sensitive or restricted material and some other changes of an editorial nature.

The Report on Customs Attendance recommends that charges should be kept and indeed increased to match present-day costs which is quite contrary to the rumours in the trade that it recommends the abolition of Customs charges. The net effect of all the recommendations on charging policy would be to increase receipts by about 30 per cent, or over £1 million a year. There is, therefore, likely to be opposition to the recommendation but publication in full will set our decision to accept it in a proper perspective.

flag B

We intend issuing a press release to announce the decisions already made in principle. This would be along the lines of the attached draft which includes a statement of the Government's position. It will serve as the basis for Customs to open discussions with interested parties before implementation.

I should be grateful for your approval of this course of action and the proposed press release by Customs and Excise.

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I am copying this to the Home Secretary and to the Secretaries of State for Northern Ireland, for Scotland, for Wales, for Trade and Industry and for Transport. Copies also go to the Secretary of State for the Environment and the Minister of Agriculture, Fisheries and Food in view of their interest in the Scrutiny of the Processing of Customs Import Entries.

BH.

BARNEY HAYHOE

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DRAFT PRESS RELEASE

The reports of two efficiency scrutinies relating to customs procedures are published today. They are the "Rayner" scrutinies of Customs Attendance (1981) and The Processing of Customs Import Entries (1982).

The recommendations made in these reports are wide-ranging and have significant implications for the future management of customs operations and the development of procedures. In particular the report on Customs Attendance examines the circumstances in which attendance is provided and the extent to which the efficiency of customs operations is affected by the present criteria and arrangements for providing and charging for such attendance.

Further consultation will be necessary between interested government departments. In some instances Customs will need to consult the trade associations and port authorities concerned before decisions can be taken on certain of the recommendations made in the two reports. However, the Government have taken decisions in principle on the main findings of the two reviews. These are set out in the Annexe to this announcement.

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ANNEX

1. RAYNER SCRUTINY OF CUSTOMS ATTENDANCE (1981)

The report contains four main proposals. These are:

- to establish more rigorous criteria for assessing where and when new customs facilities should be provided and to institute regular reviews of existing locations;
- to standardise a period of time for all locations during which Customs attendance is provided without charge;
- outside these hours to charge for the clearance of freight at one full economic rate rather than the present range of rates (some of which have been held at uneconomic levels by successive administrations);
- to introduce for the first time a system of charging generally for the out-of-hours clearance of passengers on a similar basis.

Ministers have decided in principle that:

- a. Customs and Excise should have a recognised right to approach other Departments to propose the withdrawal

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of existing facilities, where they believe this could be justified and that machinery should be set up to enable inter-Departmental consultation to take place on new applications.

- b. The basis on which charges are levied for Customs attendance for clearance of freight outside "normal hours" (which may not necessarily be standardised) should be rationalised and the charges set at more realistic levels.
- c. Charges should not be imposed for the clearance of passengers at seaports or at any airport approved for such clearance on a regular basis.

2. RAYNER SCRUTINY OF THE PROCESSING OF ERRORS ON CUSTOMS ENTRIES (1982)

The report contains proposals for:

- extending the direct keying of entry data by traders (also known as direct trader input);
- redesigning entry forms in order to reduce areas of coding prone to error;

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- reducing the amount of checking of customs entries;
- and - introducing a system of licensing of agents, to be administered by the Customs and Excise Department.

Ministers have decided in principle that:

- a. Direct keying should be given full encouragement by Customs in order to reduce the incidence of error on import entries which bears heavily on the cost of customs operations.
- b. Import entry forms should be simplified as soon as possible, but recognising that timing is dependent on proposals currently under discussion in the European Community which may lead to the introduction of a single administrative document for intra-Community trade.
- c. Customs should take steps, after consultation with other government departments concerned and with the European Community, to reduce the amount of checking of import entries in order to secure an adequate degree of cost-effectiveness in the processing operation.
- d. Customs should initiate discussions with interested trade associations on the proposal to introduce a system of licensing of agents.

GOVT. MACA. *Rayner* - Pt 14

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20 OCT 1953





10 DOWNING STREET

From the Private Secretary

7 October, 1983

The Prime Minister was grateful for your Minister's minute of 5 October about publication of two reports on the Customs service.

She agrees that both the report on Customs Attendance and the one on Processing of Customs Import Entries should be published as proposed by your Minister. She is also content, subject to the views of colleagues, with the terms of the draft statement attached to your Minister's minute.

I am sending a copy of this letter to Tony Rawsthorne (Home Office), John Lyon (Northern Ireland Office), Muir Russell (Scottish Office), Colin Jones (Welsh Office), Steve Nicklen (Department of Trade and Industry) Dinah Nichols (Department of Transport) and also to John Ballard (Department of the Environment), and Robert Lowson (Ministry of Agriculture, Fisheries and Food).

DB

M. Corcoran, Esq.,
Mr. Barney Hayhoe's Office
HM Treasury

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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

20 October 1983

Dear David

*Jms
21/10*

You wrote on 7 October to Mike Corcoran of Mr Heyhoe's Office indicating the Prime Minister's agreement to the publication of the 2 Customs Scrutiny Reports and, subject to colleagues' agreement, to the issue of a press statement.

My Secretary of State agrees with the terms of the statement as drafted by Mr Heyhoe.

/ I am sending copies of this letter to the recipients of yours.

*Yours ever,
C L Jones*

C L JONES

David Barclay Esq
Private Secretary
Prime Minister's Office
10 Downing Street
LONDON

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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

27 OCT 1987

SWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel: 01 233 3000 (switchboard)
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DEPARTMENT OF THE ENVIRONMENT
2 MARSHAM STREET LONDON SW1P 3EB
01-212 3434

My ref: J/PSO/15567/83

Your ref:

- 2 NOV 1983

*JWS
3/11*

Dear Mr Hayhoe

RAYNER SCRUTINY OF CUSTOMS IMPORT ENTRIES

Thank you for sending Patrick Jenkin a copy of your minute of 5 October to the Prime Minister.

attached

My Department was initially consulted about the proposed reduction in Customs entry checks last October. We said then that we were concerned about the dangers of reducing checks on trade in endangered species. I am therefore relieved to see that full consultation with Departments will take place before any reductions.

At this stage I want to re-emphasise our general anxiety about the potential conflict between the scrutiny's recommendation and UK/EC controls on wildlife licences. The checking and completion of documents by Customs on each shipment is an essential and statutory part of our commitment under the Convention on International Trade in Endangered Species, and the Endangered Species (Import and Export) Act 1976. At present Customs officers complete each licence to indicate which goods are actually imported compared with those listed on the licence. We rely on these entries to complete our annual report on trade to the CITES Secretariat, which is one of our specific legal obligations under the Convention. We are already computerising our work at this end, with the returned licences completed by Customs Officers to be used as input documents for our micro computer. This is cost-effective, and we hope it will lead eventually to the full scale computerisation of our licensing work. It is therefore essential that we can continue to use the returned licences with the confidence that they have all been checked and completed by Customs.

We also have to take into account the new EC Regulation on CITES (3626/82), which comes into force on 1 January next year. This adds 2 important dimensions to the argument. First, the common rules agreed recently in the Commission's CITES Committee provide for every licence to be seen and completed by Customs officials, and returned by them to the Management Authority (ie this Department for moves to and

C O N F I D E N T I A L

Govt. Machinery: The Hayhoe Programme. 19/11/84

from the UK). Customs' responsibilities in this area are laid down in a new Commission Regulation which will shortly be published in the Official Journal. Secondly, the UK's acceptance of the CITES Regulation depends crucially on maintaining, and, if possible, strengthening enforcement activity at the ports, including physical spot checks on consignments (particularly plants) as well as the routine processing of each licence. Without a continuation of at least the present enforcement effort by Customs, we will be unable to maintain the undertakings we have given that the EC Regulation will not undermine the strict controls we have always maintained on wildlife trade.

I hope you will be able to keep these requirements in mind. If necessary, we will write to you again after your officials have consulted mine on the detailed proposals.

I am copying this to the Prime Minister, and the other recipients of your minute of 5 October.

Yours sincerely

William Waldegrave

*For WILLIAM WALDEGRAVE
Agreed by Mr Waldegrave but
signed in his absence*

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6 4 1*

3 NOV 1984

Barney Hayhoe Esq MP

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Michael Corcoran Esq
P/S Minister of State (Commons)
HM Treasury

23 August 1983

Dear Michael,

PUBLICATION OF RAYNER SCRUTINY REPORTS - CUSTOMS ATTENDANCE (1981)
AND THE PROCESSING OF CUSTOMS IMPORT ENTRIES (1982)

Mr Hawken kindly copied to me his minute of 17 August. We would certainly have no objections in principle to publishing all of Mr St Quinton's report on customs attendance.

Your Minister may, however, wish to ensure that relevant colleagues know of the planned publication and are not taken by surprise by the text of the announcement. Strictly, the Prime Minister approved publication of those parts of the report which are relevant to the new machinery for vetting and reviewing the provision of customs facilities. In view of the likely sensitivity of trade interests and some of the regional lobbies I judge she would be looking for handling which holds the line agreed by Ministers last November and also shows the government to have got its act together.

If I may also make one other suggestion, your Minister may wish to consider whether - in relation to both of these scrutinies - there would be advantage in making the examining officers available for background briefing of the press. This device can sometimes help secure more balanced reporting than if the field is left open to opponents of the proposals.

Copies of this letter go to P/S Chancellor of the Exchequer and Mr Hawken (C&E).

*Yours,
Ian*

IAN B BEESLEY

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Gout. Mach.



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cc: HMT
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NIO

10 DOWNING STREET

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WO

From the Private Secretary

D/T&I

MR. BEESLEY

D/Trans.

CABINET OFFICE

Thank you for your minute of 18 July about the scrutiny of customs attendance. The Prime Minister is content with the approach set out in the minute. I am copying this to the recipients of your minute.

Timothy Flesher

25 July 1983



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of no 1
The Minister
Agree with
this approach?
JK

MR FLESHER

Yes not

THE SCRUTINY PROGRAMME: CUSTOMS ATTENDANCE

20/7

My minute of 27 April reporting the outcome of this 1981 scrutiny was overtaken by the General Election campaign.

2. In brief, Ministers decided last November that:
- a. Customs and Excise should have a recognised right to approach other Departments to propose the withdrawal of existing facilities, where they believed this could be justified, and that machinery should be set up to enable inter-Departmental consultation to take place on new applications.
 - b. There is a case for rationalising the basis on which charges should be levied for Customs attendance of freight outside "normal hours" and setting charges at more realistic levels. But Ministers generally felt that what constitutes "normal hours" should be decided case by case.
 - c. Any increase in charges should probably be in a single step and should have due regard to the sensitivities of timing.
 - d. Charges should not be imposed for the clearance of passenger traffic at any time of the day or night.

Whilst this does not go as far as Customs would have liked in giving them the means to curb administrative expenditure, it represents the best outcome that will command the support of

the various Ministers concerned.

3. Customs are now turning again to look at the provision of existing facilities as part of their attempts to meet the 1% saving required in administrative costs. If the Prime Minister agrees, they will propose to make a practical expression of Ministers' decisions by:

a. Announcing acceptance of the principle of vetting the provision of new facilities rigorously and reviewing existing facilities.

b. Promulgating the criteria to be applied and getting the machinery working.

4. They will propose to make a summary of the relevant parts of the scrutiny report available when the announcement is made.

Conclusion

5. I should be grateful to know if the Prime Minister is content to go ahead on this basis. *Yes not*

6. I am copying this to the private secretaries of the Chancellor of the Exchequer, Home Secretary, Secretary of State for Northern Ireland, Secretary of State for Scotland, Secretary of State for Wales, Secretary of State for Trade and Industry, and the Secretary of State for Transport.

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IAN B BEESLEY

18 July 1983

Enc: Minute of 27 April

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COMMISSION