



Prime Minister<sup>(4)</sup>

CONFIDENTIAL

RTA recommends that I should write to Departments on your behalf, to press for speedier implementation, or earlier decisions, as appropriate.

Agree I should do this, clearing the drafts with Sir Robin Ibbes?

MR BARCLAY

*Yes please*

OVERDUE SCRUTINY DECISIONS

*DMB  
17/2*

When the Prime Minister saw Sir Robin Ibbes on 1 February she asked me for a list of important scrutinies where recommendations have not been implemented.

From 1979 to 1983 there were 208 central government scrutinies and studies in multi-department reviews. In the National Health Service an experimental programme of 10 scrutinies started in 1982.

In summary the results are:

*\* For further details, see note at flag A.*

	CENTRAL GOVERNMENT		NHS	
	(annual)	(once-for-all)	(annual)	(once-for-all)
potential savings	440*	50	60	200-800
accepted savings	320	35	No decisions taken	
implemented by 1 April 1984	230	9	No decisions taken	
no firm dates to implement	170	36	60	200-800

The interest payments alone on these amounts of money amount to at least £1 million for every week of delay in implementation.

The attached table describes the most important examples. The most urgent are those in the NHS - not just because of the sums involved but also because of their importance as a signal to NHS employees that obtaining better value for money matters.

In commenting to Ministers on their targets for improved value for money in 1984/85 Sir Robin Ibbes is drawing attention to lack of urgency as a serious problem.

I hope this will be helpful. A copy goes also to Sir Robert Armstrong.

*IB*

IAN B BEESLEY  
6 February 1984

A. MAJOR RECOMMENDATIONS ACCEPTED IN PRINCIPLE BUT IMPLEMENTATION INSUFFICIENTLY URGENT

Department	Scrutiny	Date of Report	Amount at stake	Comment
Defence	RAF Support	Aug 82	£16m	MOD are still examining the proposal to contract-out major, non-front-line, aircraft repair.
	Service and Civilian Pay	Mar 83	£19m	Savings would come from bringing Army and Royal Navy up to RAF levels of productivity. Other recommendations (worth £11.3m) for specific improvements have been accepted for implementation within stated times.
Foreign Office	Generation and Transmission of Information	Dec 81	£1m	Final implementation scheduled for 1985-86
Health and Social Security	Payment Methods	Oct 79	£15m	£10m of this is expected in 1985-86; the balance beyond 1986.
Property Services Agency	District Works Offices	Nov 82	£25m	Although the main recommendations to reduce inspections (save £14m a year) and to plan maintenance better (save £8m a year) have been accepted 'in principle', Ministers have yet to indicate how much will be saved, or by when.
Trade and Industry	Patent Office	Aug 80	£4m	Savings would come from computerisation. No progress yet.

B. SIGNIFICANT DECISIONS NOT YET TAKEN

Department	Scrutiny	Date of Report	Amount at stake	Comment
Customs	Import Entries	Dec 82	£4m	
Defence	Research and Development Supporting Services	Jan 82	£2m	All the other savings (£6.8m) have already been accepted.
	Meteorological Office	Jul 83	£7m	An action document has been submitted to Ministers, but the main recommendations are to be examined further.
Employment	Payment of Benefits to the Unemployed	Nov 80	£22m	Substantial savings already implemented; remaining decisions are for DHSS as well as DEW.

(continued overleaf)

## B. SIGNIFICANT DECISIONS NOT YET TAKEN

(continued)

Department	Scrutiny	Date of Report	Amount at stake	Comment
Health and Social Security	Validation of National Insurance Contribution Records	Mar 81	£25m	Savings are said to be likely to be achieved, but no commitment yet.
	Payment of benefits to people in hospital	Jan 83	£3m	DHSS Ministers received proposals for action in October.
	NHS Collection of Road Traffic Act payments	Sept 82		Removal of an anomaly left over from when local hospitals were locally financed would mean slightly lower funds in total for the NHS. But acceptance would be popular in the NHS and signal the will to clear out the jungle of administration. No decisions. Unpublished.
	NHS Advertising for staff	July 83	£7m	Full savings (88% of the £8m now spent) depend on substituting an NHS broadsheet with jobs and could have serious consequences for some of the privately published professional journals. No decisions. Unpublished.
	NHS Management of residential property	Oct 83	£50m a year plus £200m-£800m once for all.	Surplus residential accommodation could be as high as 20%. NHS shows little inclination to manage these assets positively.  Action document only just overdue, but with this size of potential gain urgent action would have been a powerful signal of intent. Unpublished.
	NHS Documentation and procedures in the ambulance service	Nov 83	£9m	At least 5% of non-emergency journeys wasted because of poor liaison between hospitals and ambulance centres. Action document due this month. Unpublished.
Home Office	Prisons	Aug 82	£2m plus major economies in the building programme.	No decisions have yet been taken.  Further improvements worth £26m a year or more, plus further opportunities for economy in building/refurbishment were identified in Stages 2 (March 1983) and 3 (December 1983). No decisions yet on these either.
Inland Revenue	Visits to the Public	Sep 82	£4m	
	Rating Procedures	May 80	£2m	Shelved until the future of rates is clear.
	Schedule D	Jun 81	£1m	£10.8m out of £16.2m has been accepted.
Arts and Libraries	V&A and Science Museums	May 82	£11m	Decisions deferred until trustees have settled in. Acceptance of charges unlikely.
Transport	Goods Vehicle Operator Licensing	Mar 83	£2m	



FILE

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10 DOWNING STREET

*From the Private Secretary*

MR. BEESLEY  
Efficiency Unit

Overdue Scrutiny Decisions

Thank you for your minutes of 6 and 16 February about important scrutinies which have not yet been implemented.

bc

The Prime Minister agrees with the suggestion in Sir Robert Armstrong's minute to me of 15 February that I should write on her behalf to Departments to press for speedier implementation, or earlier decisions, as appropriate. I should be most grateful if you could supply draft letters for this purpose, which the Prime Minister has asked should be cleared with Sir Robin Ibbs personally.

I am sending a copy of this minute to Mr. Hatfield (Cabinet Office).

MR. D. FARCLAY

20 February, 1984

CONFIDENTIAL



Ref. A084/535

MR BARCLAY

*Bf to me  
20 Feb pra**Dub  
16/2*

Mr Ian Beesley sent me a copy of his minute of ~~6~~ February about overdue scrutiny decisions.

2. I suggest that, on each of the scrutinies listed in the annex to Mr Beesley's minute, it would be useful if you were to write on the Prime Minister's behalf to the appropriate Private Office, to ask politely, in the case of the scrutinies listed in annex A, what scope there is for expediting implementation, and in the case of those listed in annex B, when decisions can be expected. I suspect that the terms in which you write will need to be different in each case, to take account of differing circumstances; and I therefore suggest that you should invite Mr Beesley to provide you with draft letters for this purpose.

3. I am sending a copy of this minute to Mr Beesley.

*REA*

ROBERT ARMSTRONG

15 February 1984

MR BARCLAY

OVERDUE SCRUTINY DECISIONS

1. You asked for a further note showing how the £440m a year potential savings in central government are divided. The information is as follows:

(1) Accepted and implemented savings by 1 April 1984.	£230m	
(2) Accepted savings for implementation by firm dates between 1984 and 1987.	£37m	
(3) <u>Table A</u> : Scrutinies where the recommendations have been accepted and the magnitude of the savings in principle, but no firm dates have been fixed. (All except PSA.)	£ 55m )	
(4) <u>Table A</u> : Scrutinies where the recommendations have been accepted in principle but the magnitude of the potential savings has not been agreed. (PSA District Works Offices)	) ) £ 25m )	£ 80m
(5) <u>Table B</u> : Significant decisions not yet taken on Central Government scrutinies	£ 85m	
(NHS scrutinies: £66m less cost of £3m from Road Accident costs scrutiny; counted separately).		
(6) 1983 Scrutinies: reported savings so far, all pending.	£ 8m	
TOTAL	£440m	

2. Of this total

- firm dates have been set for implementing about £270 million (Items (1) and (2))
- no firm dates have been set for about £170 million (Items (3) - (6))
- savings valued at about £320 million have been accepted (Items (1) - (3)).

3. The tables attached to my minute of 6 February covered the scrutinies where significant amounts of recurrent expenditure are at issue. The bulk of the outstanding once-and-for-all (capital) savings come from the 1979 MSC Skillcentre scrutiny, where a restructuring of provision has been agreed but is taking a long time to implement.

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IAN B BEESLEY  
16 February 1984

Govt. Mach:



17 JAN 1984



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