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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

16 April 1984

Dear David,

SCRUTINIES AND VALUE FOR MONEY

With the agreement of my Secretary of State I am replying to your letter of 8 March on this subject. My Secretary of State entirely agrees with the importance of maintaining momentum in carrying through the recommendations of scrutinies to decision and action. In particular he has been monitoring the responses of the Research Councils as recorded in their Action Documents following the reports on the scrutiny of their support services; and has commented in some detail to the Heads of Research Councils, pressing for further evidence of progress particularly on some substantial recommendations concerning the possible sale of property.

It is our impression that processing of the Scrutiny Reports by the Councils has been thorough, sometimes requiring reassessment of the scrutiny analysis, and in every case going through the Council itself. In all there were 234 recommendations of which 224 were addressed to the Councils and 10 to DES. Out of this total decision has been reached on some 221; and of these only 12 have been rejected. It seems to us that where recommendations are still under consideration there are good reasons, in the main relating to their magnitude or complexity.

The scrutinies identified possible savings of about £5.3 million once-for-all and about £3.2 million recurrent. Recommendations rejected by the Councils account for only £0.02 million and £0.05 million of the once-for-all and recurrent savings respectively. Recommendations accepted by the Councils account for virtually all of the balance of the proposed recurrent savings and about £3 million of the once-for-all savings. Decisions on two possible

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David Barclay Esq
Private Secretary to the Prime Minister
10 Downing Street
LONDON SW1

large savings (Herstmonceux Castle and houses, and houses at the Rutherford Appleton Laboratory) are outstanding but we expect to hear shortly from SERC about these.

Broadly speaking, the Secretary of State sees the final decision in a particular matter as being for the Council to take; and the Department's role that of monitoring overall progress and of being satisfied, where rejection or major modification of a recommendation is in prospect, that the Council's analysis has been thorough. We see this scrutiny as consonant with, and part of, the larger exercise of implementing FMI principles in the Councils. The Secretary of State has asked Mr Peter Brooke to take the lead in this latter undertaking and he will shortly be writing to Councils inviting their individual responses, to be discussed with him one by one. In that context, and in the light of the six-monthly progress reports which we and Councils will be making, Mr Brooke will where appropriate press for further progress on the Rayner scrutiny. Thus both at Ministerial and official levels we shall be keeping up the pressure on Councils - a pressure they themselves have every incentive to sustain in seeking to get the best possible value for money from the Science Budget.

Copies go to the recipients of yours.

Yours ever,

Elizabeth

MISS C E HODKINSON
Private Secretary

RAYNER SCRUTINY OF RESEARCH COUNCILS' SUPPORT SERVICES

Summary of progress from Action Documents

	AFRC	MRC	NERC	SERC	DES	Totals
1. No. of recommendations	39	86	56	43	10	234
of which: accepted	38	76	49	37	9	209
rejected	1	4	5	2	0	12
under consideration	0	6	2	4	1	13

2. Savings (n.a.: not applicable)

(i) Once-for-all						
accepted	£2M	(-£0.092M)	n.a.	£0.5M*	n.a.	£2.5M
rejected	0	n.a.	n.a.	£0.02M	n.a.	£0.02M
under consideration	0	n.a.	n.a.	£2.55M	n.a.	£2.55M

* plus £0.65M for buildings diverted to other use

(ii) Recurrent						
accepted	£1.4M	£1.0M	£0.27M	£0.48M	n.a.	£3.15M
rejected	(£0.3M*)	0	£0.05M	0	n.a.	£0.05M
under consideration	0	0	0	£0.1M	n.a.	£0.1M

*Savings reassessed at lower figure

3. Implementation target dates:

	No. of recommendations					
By end April 1984	10	56	40	9	6	121
Additionally, by end 1984	16	19	4	10	1	50
Additionally, by end 1985	11	3	4	5	2	25

Govt Machinery

Pt 15 Raynor

10 DOWNING STREET

From the Private Secretary

8 March 1984

Scrutinies and Value for Money

The Prime Minister has recently been looking at the state of play on improving value for money in government through scrutinies and closely related work. She continues to be impressed by what can be achieved in this way and hopes that Ministers will continue to target scrutinies on good areas and that Permanent Secretaries will use their best people as examining officers.

The Prime Minister feels, in addition, that we need to maintain a strong presumption that scrutinies lead to prompt decisions and action. She is concerned that, unless momentum is maintained, the system will clog up and prevent the right sense of urgency being achieved.

On the basis of the data you supply to the Efficiency Unit, Mrs. Thatcher noted that progress with implementation of the findings of the scrutiny of supporting services in Research Councils is disappointing. She hopes that your Secretary of State will take an interest in speedy action from the Heads of the Research Councils to realise the improvements, and in pursuing urgent action from his officials to implement the more general findings which fall to him to take forward.

I am copying this to Sir Robin Ibbs and Sir Robert Armstrong.

(David Barclay)

Miss Elizabeth Hodkinson,
Department of Education and Science