



PRIME MINISTER

At the end of November you asked the Efficiency Unit to look at the implementation of efficiency scrutinies. The work has been carried out by a small team, led by Kate Jenkins. I attach their report.

2. The key problem they identify is delay. Scrutinies identified savings worth £600 million a year in central government departments since 1979. But although scrutinies themselves only take 4-6 months, the savings do not start to build up for two years - and sometimes take up to five. If the delay had been cut to 6 months the cumulative benefit to the taxpayer would have been an additional £300 million. On the other hand the case studies show that even radical changes can be implemented quickly.

3. The evidence confirms that scrutinies are a swift and effective means of identifying what needs to be done and that what we need is the same urgency in doing it. The main changes the team recommend are:

(1) to make the Permanent Secretary accountable for achieving quick results from each scrutiny without diminishing the involvement of Ministers.

(2) to start out with the intention to achieve substantial improvements within two years of the start of each scrutiny.

(3) to ensure continuity between the scrutiny and its implementation.

4. Departments have been open and constructive about the study. I find the evidence convincing; and I judge that the recommendations will help departments improve their performance and provide better value for money for the taxpayer. I hope that you will endorse the report. I suggest that your office should send it to all Ministers in charge of Departments and their Permanent Secretaries. I attach the draft of a possible letter from your Private Secretary.

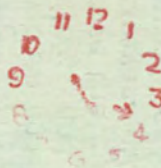
5. If you have time I think you may find Annex 1, as well as the report itself, worth looking at: it sets out starkly how long the delays are and how much they cost.

6. I am copying this to Sir Robert Armstrong.

ROBIN IBBS
14 May 1985



15 MAY 1985





DRAFT LETTER FROM THE PRIME MINISTER'S PRIVATE SECRETARY TO
PRIVATE SECRETARIES OF MINISTERS IN CHARGE OF DEPARTMENTS

In David Barclay's minute of 29 November Sir Robin Ibbs was asked to supervise a study of the implementation of efficiency scrutinies. The Prime Minister has now received his report.

2. She is impressed by the evidence that implementation often lacks the same sense of urgency as the scrutiny itself. She is concerned at the cost to the taxpayer of the delay in achieving savings and other improvements. She endorses the main recommendations, which are:

- ✓ (1) to make the Permanent Secretary accountable for achieving swift results from each scrutiny without diminishing the involvement of Ministers.
- ✓ (2) to start out with the intention to achieve substantial improvements within two years of the start of each scrutiny.
- ✓ (3) to ensure continuity between the scrutiny and its implementation.

3. I enclose two copies of the report (one for your Minister, one for your Permanent Secretary). The Prime Minister hopes that your Minister will ensure that these changes are brought about in his department - not only for the new scrutinies starting this year but also for those from previous years where results have not yet been achieved. *She has asked Sir [redacted] to report to her regularly on the progress being made ^{by Sir Robin Ibbs} ensuring that scrutinies are implemented ~~promptly~~ as ^{quickly} as possible.*

Shzahg