



Gov Machinery

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster
and
Paymaster General

4 February 1983

Pl. copy to:

Mary Brown - Lord Privy Seal's office
Mr. Cassels - MPO.

Dear Robin,

1983 SCRUTINY PROGRAMME

PERS

7.2.

Thank you for your letter of 26 January.

Mr Pym, the then Paymaster General, wrote to the Prime Minister in January 1981 about the problems facing small departments if they were required to participate in the scrutiny programmes annually. In a letter dated 27 March 1981 Clive Priestly said that the Prime Minister understood the difficulties, and that she would be grateful if departments with less than 1,000 staff undertook a scrutiny every two or three years. For convenience I am enclosing copies of the correspondence.

The Paymaster General's Office carried out a scrutiny of declarations of entitlement to public sector pensions last summer. We would expect to put forward another proposal for scrutiny in 1984 or 1985.

Yours sincerely,

Alex Galloway

A K GALLOWAY
Private Secretary

F E R Butler Esq
Principal Private Secretary
10 Downing Street



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CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01- 233 8224

27 March 1981

David Heyhoe Esq
Private Secretary to the
Chancellor of the Duchy of Lancaster and Paymaster General

Dear Heyhoe,

EFFICIENCY IN CENTRAL GOVERNMENT: SMALL DEPARTMENTS AND THE
SCRUTINY PROGRAMME

In his letter to the Prime Minister of 22 January, the Paymaster General asked whether consideration could be given to the case of small departments, with a view to their being required to participate in the programme occasionally rather than each year.

2. The Prime Minister understands that a requirement to participate each year might be difficult for departments of narrow function or small size. She would be grateful if departments with less than 1,000 staff undertook a scrutiny every two or three years so that some such departments were included in the scrutiny programme each year.

3. The Prime Minister also understands that it may sometimes be difficult to find suitable examining officers in smaller departments. She hopes that where a Minister is responsible for more than one department he will consider whether those with more staff might help out his smaller departments. If a suitable officer cannot be found the Lord President has put his department on notice to help, directly if it can or through the use of its good offices to obtain suitable assistance from elsewhere.

THE SCRUTINY PROGRAMME

4. I enclose your copy of a letter informing private secretaries of the composition of this year's programme as agreed so far.

Yours sincerely,

C. Priestley

C PRIESTLEY

ENC: Copy letter to Mr Halliday

CIRCULATION: Private Secretaries to Ministers in charge of Departments; to Minister of State, CSD; to Sir Robert Armstrong, Sir Ian Bancroft, Sir Douglas Wass and Mr Ibbs; and to other Permanent Secretaries.

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PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

22 January 1981

The Prime Minister
10 Downing Street
LONDON
SW1

My dear Prime Minister,

EFFICIENCY IN CENTRAL GOVERNMENT - SCRUTINY PROGRAMME 1981

I have been asked to provide a subject for scrutiny for the Paymaster General's Office (PGO) as part of the 1981 programme.

My Department at Crawley is probably the smallest that has so far taken part in a "Rayner" scrutiny. The scrutiny carried out in 1980 was successful, and led to the closure of the Department's small office in central London with consequent financial savings. However, the exercise highlighted a particular difficulty for a small Department such as the PGO in that the allocation of one Principal to carry out a scrutiny results in the diversion of a high proportion of its senior management resources (25% of the generalist Principal strength). The few Principals are all fully engaged in management posts and release for a scrutiny poses resource problems. Although the result of the 1980 study justified the investment in resources, the narrow range of functions carried out by this Department makes it unlikely that a worthwhile return could be expected each year.

If you would nevertheless like my Department to participate in the 1981 round I submit a proposal, details of which are enclosed, concerned with declarations of entitlement which are issued periodically for completion by public service pensioners. However, could I suggest that consideration be given to the special problems of small Departments in relation to the scrutiny programme with a view to their being required to participate occasionally rather than on an annual basis?

I am copying this letter to members of the Cabinet and to Sir Ian Bancroft, Sir Douglas Wass, Sir Robert Armstrong, Mr Ibbs and Sir Derek Rayner.

Francis Pym
Francis Pym

FRANCIS PYM

Enc



10 DOWNING STREET

From the Principal Private Secretary

26 January 1983

D/F

Dear Private Secretary

Centrally Co-ordinated Efficiency Exercises 1983:
The Scrutiny Programme

The programme of Centrally Co-ordinated Efficiency Exercises proposed in the Lord Privy Seal's minute of 26 November has been agreed by Ministers. It envisages up to 30 further departmental scrutinies and 3 multi-department reviews.

I am writing to invite proposals for the scrutiny programme. Ministers are asked to send these to the Prime Minister by 11 February and to copy them to the Lord Privy Seal and Mr. Cassels.

The target size of the scrutiny programme has again been kept small, having regard to other work in hand or in prospect. So topics should be substantial and significant in terms of the activities or policies of the department. Wherever possible they should also promote the Government's longer-term aims for improving Civil Service management. The Prime Minister will have these factors in mind when considering their suitability for inclusion in the programme.

Specific areas likely to provide strong candidates for scrutinies are:

- (1) Whether the policy processes in use provide Ministers with the right material at the right time on which to take decisions and with adequate information and methods by which to assess the cost-effectiveness of the action taken.
- (2) Large executive questions which are relatively self-contained.
- (3) Areas of work involving specialist groups (e.g. lawyers and accountants).

/ (4)

(4) The arrangement by which advice, information and help are provided to the public and outside bodies (e.g. the preparation and publication of advice - leaflets, articles, films, advice and information provided by visits).

(5) Administrative tribunals (e.g. appeals boards).

(6) The efficiency and value for money of selected Non-Departmental Public Bodies.

Ministers are invited to put forward at least one scrutiny. Those in charge of larger departments are invited to propose more than one. Each proposal should, as in previous years, contain brief information on:

(1) Subject: the policy, function or activity to be examined.

(2) Cost of the policy, function or activity, and the number of staff involved.

(3) Reasons for selecting the subject.

(4) Terms of Reference.

(5) Proposed starting and finishing dates.

(6) Names of examining officers, if known, and Ministerial reporting arrangements. (In selecting staff to conduct scrutinies Ministers are asked to bear in mind the importance of putting examining officers in charge who have the questioning mind and good judgement fundamental to the scrutiny technique).

Work on scrutinies should not start before proposals have been agreed by the Prime Minister. The programme should begin as early as possible in the year but there is no need for all scrutinies to start on a common date. Notes of Guidance for examining officers will be re-issued shortly and briefing for examining officers will be arranged subsequently.

I am copying this letter to the Private Secretaries of all Ministers in charge of Departments and to Sir Robert Armstrong, Sir Douglas Wass, John Sparrow and John Cassels. Ian Beesley (273 5226) in the Rayner Unit can provide further advice if it is required.

Yours sincerely,

Robin Butler

Robin Butler