



PRIME MINISTER

CENTRALLY COORDINATED EFFICIENCY EXERCISE 1983 : THE SCRUTINY PROGRAMME

Your Private Secretary's letter of 26 January asked for proposals for the 1983 Scrutiny Programme.

I propose one scrutiny unavoidably deferred from the 1982 programme, one new scrutiny in my Department and participation in one other in which the Department of Industry will take the lead.

The 1982 programme included, for the end of the year, a scrutiny of the Department of Trade's supervision of insurance companies. This had to be deferred due to difficulty in releasing from other duties the designated scrutiny officer. The reasons for this scrutiny remain as strong as ever and it will start soon.

I propose in addition to have a scrutiny of the National Weights and Measures Laboratory, which performs important statutory functions and services to industry, to review whether its functions and their methods of performance are appropriate to present day conditions and to review also the basis of its fees, which have been the subject of persistent representations.

I have agreed with Patrick Jenkin that there should be a review of the accountancy needs of our two Departments which would make recommendations as to the most effective ways in which these needs might be met. This would include examining the extent to which it is desirable and cost effective for private sector firms to contribute to meeting them. Although the needs of both Departments will be reviewed, recommendations are likely to be predominantly in areas which are the responsibility of the Department of Industry.

I have agreed with Patrick Jenkin that our common services Divisions should take part in the centrally coordinated multi-Departmental review late this year of arrangements for internal consultancy, inspection and review. I attach some importance to this. If the Financial Management Initiative is to achieve its full objectives there must be a careful consideration of the new roles of the



MANAGEMENT IN CONFIDENCE

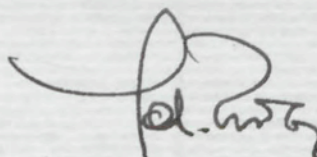
Departmental centre and the Whitehall centre.

Finally, my main priority in 1983 must be work in connection with the development and implementation of the Financial Management Initiative. This calls for a heavy programme of work, the speed of which must be influenced by manpower resource constraints.

I attach further details of these scrutinies in the form requested. Copies of this letter go to Patrick Jenkin, Janet Young and John Cassels.

DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON
SW1

11 February 1983


for LORD COCKFIELD

Approved by the Secretary of State
and signed in his absence

MANAGEMENT IN CONFIDENCE



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) 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

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