



Prime Minister

CENTRALLY CO-ORDINATED EFFICIENCY EXERCISES 1983:  
DHSS SCRUTINY PROGRAMME

In his letter of 26 January your Private Secretary asked Ministers to let you have their Departmental proposals for the 1983 Scrutiny Programme.

I am proposing that our programme will consist of three scrutinies as follows:-

1. Arrangements for the assessment of entitlement to civil legal aid. This to be undertaken jointly with the Lord Chancellor's Department.
2. The work of the Occupational Pensions Board and the Superannuation Funds Office. This to be jointly with Inland Revenue.
3. Our policy for recovering overpayments of social security benefits.

More detailed notes on each of these subjects giving the information requested, in so far as it is at present available, are attached. They are all directed at tasks which are expensive in staff and money: and the second in particular aims to reduce the burden of controls in the private sector.

The Department will also be one of those participating in the major service-wide reviews of Efficiency Units and of Procurement and Contract Procedures. You will also be aware that we are developing a programme of scrutinies within the NHS. This will continue through 1983, and I am glad to say that Lord Rayner has said he will continue to be available to advise us on the affairs of the NHS in this context. In addition we have a range of other management and policy studies in the Department outside these programmes - for example, a review of the system of medical adjudication for social security benefits commissioned by Hugh Rossi.



In my view our 1983 programme should provide significant new contribution to achieving greater efficiency. Since 1979 we have had seven Departmental scrutinies as well as having contributed to three service-wide scrutinies, most notably in the area of forms design. To date the scrutiny programme has, directly or indirectly contributed, to the actual (not potential) saving of some 2,800 posts. Savings of a further 850 posts have been agreed for early implementation. Net savings in the administrative costs of paying social security payments are now building up from some £8 million in 1982/83 to some £35 million a year in 1987/88.

I am copying this minute to the Lord Chancellor, the Chancellor of the Exchequer, the Lord Privy Seal, Sir Robert Armstrong, Sir Douglas Wass, John Sparrow and John Cassels.

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## LEGAL AID

### SUBJECT

The administration of the financial rules for civil legal aid

### COST AND STAFF

£6 million; 690 staff

### REASONS

DHSS conducts the means-testing of resources for assessment of entitlement to assistance under the legal aid scheme. This is staff intensive work conducted on an agency basis for the LCD, and no detailed study of the area has been undertaken since the schemes were set up. There are thought to be possibilities for useful savings and improvements in efficiency.

### TERMS OF REFERENCE

To examine the current arrangements relevant to the assessment of financial eligibility for civil legal aid and to make recommendations.

### TIMING

To start on 7 February; this scrutiny was originally planned as part of the 1982 programme, but was deferred for lack of suitable available personnel.

### EXAMINING OFFICER

This scrutiny is being conducted jointly with Lord Chancellor's Department. The DHSS scrutineer is Mr T F Crawley.

### MINISTERIAL REPORTING ARRANGEMENTS

The scrutiny will be supervised by the Minister for Social Security (Mr Rossi).

OCCUPATIONAL PENSIONS BOARD/SUPERANNUATION OFFICE

SUBJECT

A joint scrutiny, with Inland Revenue, of the work of DHSS' Occupational Pensions Board and Inland Revenue's Superannuation Funds Office.

COST AND STAFF

£6 million; 100 staff in DHSS and 300 in Inland Revenue.

REASONS

There has been criticism from pension funds interests that the systems of control exercised over occupational pension schemes under social security and tax legislation, and the manner of their operation by the OPB and the SFO, have not been properly co-ordinated and impose unduly onerous requirements on the pensions industry. The scrutiny will examine the relevant rules and administration in the light of these criticisms.

TERMS OF REFERENCE

1. To review all forms of Government control and supervision of occupational pension schemes and of their management which are within the responsibilities of DHSS and Inland Revenue, whether by statutory provisions or administrative requirements.
2. To consider the extent to which the various controls and requirements are in the public interest, and whether the way in which they are administered is efficient and effective bearing in mind the costs and manpower implications for Government, schemes and employers.
3. To make recommendations on the above to the DHSS and the Board of Inland Revenue.

TIMING

Probably February to June 1983.

EXAMINING OFFICER

The DHSS scrutineer is to be Miss M Grainger, just retired as Assistant Secretary who was previously Secretary to the Occupational Pensions Board. The Inland Revenue scrutineer will be Mr A Cummins, Senior Inspector.

MINISTERIAL REPORTING ARRANGEMENTS

This scrutiny will be supervised by the Joint Parliamentary Under Secretary of State, Lord Trefgarne and the Financial Secretary to the Treasury Nicholas Ridley.

## RECOVERY OF OVERPAYMENTS OF SOCIAL SECURITY BENEFITS

## SUBJECT

The policy for getting back overpayments of benefit, covering both the tests of culpability and/or negligence which should be applied in deciding whether an overpayment should be repayable and the hardship rules which should govern whether repayment is actually enforced.

## COST AND STAFF

£14.4 million; 1,200 staff.

## REASONS

An Overpayments Study Group considered this area of administration some years ago but their report failed satisfactorily to reconcile the differing rules applying to contributory and to supplementary benefits; and left a number of awkward questions unanswered. The scrutiny will take a fresh look at the issues to see whether simpler, more unversally applicable rules can be devised, in place of the different rules now applied to different benefits.

## TERMS OF REFERENCE

These have not yet formally been defined.

## TIMING

Probably in the second half of the year.

## EXAMINING OFFICER

Not yet chosen.

## MINISTERIAL REPORTING ARRANGEMENTS

This scrutiny will be supervised by the Joint Parliamentary Under Secretary of State for Social Security (Mr Newton).

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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

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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*

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