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PRIME MINISTER

I have considered possible subjects for scrutiny in the Welsh Office as a contribution to Sir Derek Rayner's programme for 1981. My proposal is for a study of the levels of Executive Officer (Field) inspections in respect of livestock allowances and premia payments. I believe this study would enhance the efficiency of our Agriculture Department and enable us to avoid taking on new staff. The details of this proposal are annexed.

This proposal is in addition to the involvement of the Welsh Office in the scrutiny of HM Inspectorate of Schools in England and Wales.

I am copying this minute to Sir Derek Rayner and to the Minister of Agriculture, Fisheries and Food.

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8 January 1981

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RAYNER SCRUTINY

SUBJECT The levels of Executive Officer(Field) inspections in respect of livestock allowances and premia payments.

Clients served	Welsh farmers	
Numbers of claims per annum	Hill Livestock Compensatory Allowances (HLCA)	11,000
	Suckler Cow Premium Scheme (SCPS)	9,000
	Sheep Annual Payments Scheme (SAPS)	16,000
		<u>36,000</u>

Estimated payments 1981/82

HLCA	£23m
SCPS	£ 2m
SAPS	£ 9m
	<u>£34m</u>

COST

Estimated cost for HLCA and SCPS and SAPS in less favoured areas	£146,000
SCPS for lowland herds (3000 ÷ 4 x £14.60)	11,000
SAPS for lowland flocks (6000 ÷ 6*x £14.60)	14,500

*Divider increased to allow for joint inspections with lowland SLPS claims

£171,500

REASONS FOR SELECTION

Different rates of annual inspection are at present required: 100% inspections for HLCA claims in respect of cows but a 25% rate for HLCA sheep claims, SCPS and SAPS.

TERMS OF REFERENCE

To examine the rates of field inspection for claims in respect of livestock allowances and premia with a view to determining minimum levels required for each scheme and for each class of stock under HLCA while still providing adequate protection for the Accounting and Sub-Accounting Officers. The need for additional EOs(F) to administer field work in new schemes may be avoided if inspection rates can be lowered.

PROPOSED STARTING AND FINISHING DATES

To be determined.

EXAMINING OFFICERS

To be selected.

/Note

Note: All costing figures are no more than broad estimates. We have not yet completed one year's inspections for SCPS and no claims for the new Sheep Annual Payment Scheme have yet been received. The figure of £171,500 must therefore be viewed with caution: travelling and subsistence costs would need to be added and could reach about £37,000 - £40,000 in a full year.

Any changes would require consultation with MAFF.