

Several PPs



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Clive Whitmore Esq  
 Principal Private Secretary  
 to the Prime Minister  
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8 January 1981

Dear Clive.

## EFFICIENCY IN CENTRAL GOVERNMENT : THE SCRUTINY PROGRAMME 1981

In response to your letter of 1 December, my Secretary of State has asked me to put forward the enclosed proposals for scrutinies. They comprise one each from the Department, the Manpower Services Commission and the Health and Safety Executive as follows -

- (1) DE - developing a management information system in the UBS
- (2) MSC - reviewing the way the employment service handles disabled people; and
- (3) HSE - looking at arrangements for certification and approval.

I am copying this letter to David Wright in the Cabinet Office, to Mr Ibbs and Sir Derek Rayner.

Your  
 Richard Dykes

R T B DYKES  
 Principal Private Secretary

## DEPARTMENT OF EMPLOYMENT PROPOSAL FOR RAYNER SCRUTINY 1981

Subject:

Unemployment Benefit Service (UBS): development of a management information system based on the existing pilot experiment and examination of the appropriate relationship between this and inspection and audit.

Cost of UBS on DE vote:


Salaries and general administrative expenditure:	£85m
Common service expenditure on votes of other Government Departments:	£30m
Benefits paid out to value of £1,500m annually.	

Reason for selecting the subject:

The management and control of the efficiency of the UBS is an important subject. This relates to both the accuracy of the payments made and the extent to which procedures are being operated correctly in local offices. The Johnston Rayner team did not have time to cover this area. Some preliminary work has been done on developing a Management Information System using particularly data from the computers. Further development of this may have implications for more economic local office procedures and checks, for reducing overpayment of benefit, and for the effectiveness of the work of inspectors and auditors.

Terms of reference:

In the light of work already done, to examine the further development of a management information system in the UBS and its implications for the work of regional inspectors and auditors, with the objects of securing -



(a) the most effective and economic use of staff both in local offices and in audit and inspection of those offices;

(b) better quality service to claimants; and

(c) reduction of benefit overpayments.

The dangers of such systems eg mechanistic targetting, strait-jacketing and comparisons which take no account of differing circumstances should be borne in mind.

Proposed starting and finalising dates:

The project should start in Juen 1981 and last for 3 months.

Examining officers:

Not yet known.

Ministerial reporting arrangements:

Lord Gowrie.

Department of Employment  
January 1981