



10 DOWNING STREET

From the Private Secretary

MR. PRIESTLEY,
CABINET OFFICE.

This minute is to record the decisions reached at Sir Derek Rayner's meeting with the Prime Minister today.

The Rayner Projects

- 18/12/79
18.12.79
- 1) The Prime Minister agreed to await further reports on those projects which Sir Derek is still pursuing with Ministers concerned;
- 2) The Prime Minister agreed that she would personally stress to Ministers the need to finalise action plans arising from the Rayner projects, to agree and implement a timetable, and to ensure that their Departments carry through effective follow-up. The Prime Minister said that she would do this by raising the subject at Cabinet on 6 December, and you agreed to provide the draft of a speaking note for this purpose in the course of 5 December;
- 3) The Prime Minister asked to be kept informed of progress on those major projects which Sir Derek Rayner had identified as worthy of her attention;
- 4) The Prime Minister agreed that results of the projects should, as far as possible, be made public. She agreed that Sir Derek should speak to the Press on the broad outcome of the projects. She was prepared to consider further whether a Written Statement in Parliament would be appropriate. I would be grateful if you could prepare a draft for the Prime Minister to consider in due course.

The Scrutiny Programme

- i) The Prime Minister agreed with Sir Derek Rayner's comments on the projects proposed for the next round of the scrutiny programme. I suggest that the speaking note for Cabinet on 6 December should include a reference to the need for a few of the projects to be re-considered, and to the Prime Minister's request to Sir Derek to respond directly to the Departments concerned;
- ii) The Prime Minister agreed that the Office of Arts and Libraries should be considered alongside the Department

of Education and Science within the scrutiny programme, occasionally undertaking a scrutiny in place of DES;

iii) The Prime Minister agreed that a suitable subject should be identified within the Paymaster General's Office;

iv) The Prime Minister agreed that Sir Derek should further consider a possible scrutiny within the Overseas Development Administration, and she suggested that one covering the work of the Directorate of Overseas Surveys might be appropriate;

v) The Prime Minister agreed that Sir Derek should continue to be associated with the full range of scrutinies undertaken, and that he should refer to her the progress and results of those listed in paragraph 17 of his minute of 30 November, as well as of others which he might from time to time choose to draw to her attention;

vi) The Prime Minister asked Sir Derek to draw to her attention any proposals on which he would like Ministerial responsibility to be reconsidered. She asked that this should be done as early as possible.

The Prime Minister said that she was very encouraged by the results of Sir Derek Rayner's work to date. She had it in mind to invite the project officers, both from the original Rayner projects and from the next round of scrutinies, to No.10 on a suitable occasion. We can have a word about arrangements for this.

3 | The Prime Minister also asked Sir Derek to provide her with briefing on management issues in the Ministry of Defence, in preparation for her visit to that Department which is at present planned for 4 January. It would be helpful if this could reach us before Christmas.

I am sending copies of this minute to Sir Ian Bancroft and Sir Robert Armstrong.

M. A. PATTISON

4 December 1979

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a Master list

NOTE OF A MEETING HELD AT 10 DOWNING STREET ON TUESDAY
4 DECEMBER 1979 AT 1700 HOURS

Present:-

Prime Minister
Sir Robert Armstrong
Sir Ian Bancroft
Sir Derek Rayner
Mr. C.A. Whitmore
Mr. David Wolfson
Mr. C. Priestley
Mr. M.A. Pattison

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The Prime Minister said that she was very pleased with the results of Sir Derek Rayner's first round of projects. Her concern now was to ensure prompt and thorough follow up. There were signs of Departments regarding the fact of undertaking a Rayner study as sufficient action in itself. In particular, she hoped that the Defence project on Service food procurement would be followed up. She would also be grateful for a wider brief from Sir Derek Rayner in preparation for her proposed visit to the Ministry of Defence in January. Sir Derek Rayner reported that the Defence project was being followed up but the Ministry had enlarged their action to consider procurement in other fields. It would be most helpful to him if the Prime Minister could encourage Ministers to finalise their action plans on the results of his first round of studies. There were signs of resistance. For example, the largest savings were offered by the DHSS project, where vested interests were trying to hold back action and raising the issue of threats to jobs. Ministers needed to be asked to agree proposals for action, and to set firm timetables. There were some cases in which he was not satisfied with the action proposed, although he hoped to be able to deal with this himself for the present. He would of course accept proposals for some adjustments to the action suggested in his projects, where practicality dictated this.

/In further discussion

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In further discussion, the Prime Minister agreed action points 1-4 in Sir Derek Rayner's minute of 30 November about the initial round of projects.

The Prime Minister emphasised that she wanted to see progress on the study of the function of Regional Offices, following her own experience in a visit to the DOE Regional Office in Manchester. Sir Derek Rayner said that he would take a close personal interest in the follow up to the major studies, including that in Defence. The Inland Revenue was another which he was following: as a result of the Rayner study they had already changed the administration of the P46 system.

The Prime Minister said that she regarded the general quality of the work undertaken as outstanding. Sir Derek Rayner suggested that there were three or four failures amongst the projects but the majority were encouraging. After some discussion as to whether the Prime Minister should make a statement to Parliament on the results, she concluded that she should not make a decision until the possible content of such a report was clear. She was prepared to consider both a Parliamentary statement and a further Press Conference to be held by Sir Derek Rayner. She would like to mark the results of the first round of work by inviting all project officers, perhaps with some Ministers, to a party at 10 Downing Street. She would herself reinforce the need for follow up by mentioning at Cabinet the need to finalise action plans arising from the Rayner projects, to agree and implement a timetable and to ensure that Ministers' Departments carried through effective follow-up. Her intention would be to raise this at Cabinet on Thursday 6 December. Sir Ian Bancroft commented that the Civil Service Department would have a role in ensuring that the lessons of this work were taken on board in all Departments to which any individual study was relevant.

/Turning to the

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Turning to the first round of the new scrutiny programme, the Prime Minister said that she was bothered by some unimaginative choices. The Home Office was a case in point. Sir Robert Armstrong suggested that the service and maintenance of Police telecommunications could prove to be an informative alternative. Sir Derek Rayner said that the Inland Revenue had proposed a small study this time, but he was prepared to accept this as it could be a consequence of the successful results of the previous Inland Revenue project. The National Savings proposal, on the other hand, was not worthwhile. If the Department could not produce a worthy project, he proposed to leave it out. The Prime Minister also agreed with Sir Derek's doubts on projects proposed by the Lord Chancellor's Department, Customs and Excise, the Manpower Services Commission and the Ministry of Agriculture. She also agreed with his proposals on the place in the programme of the Office of the Arts and Libraries and the Paymaster General's Office. She agreed that the Overseas Development Administration should undertake a scrutiny in addition to its management review and suggested that the Directorate of Overseas Surveys might be a suitable candidate.

The Prime Minister agreed with Sir Derek Rayner's proposals on the scrutinies with which he should be particularly associated, in addition to his general links with the scrutiny programme. In respect of the proposed Treasury study on the monitoring of Government expenditure, the Prime Minister confirmed her interest in the role of central control, not simply the mechanics. She would like this to cover the question whether forward forecasts for years 3, 4 and 5 were worth having. Sir Robert Armstrong commented that the Treasury were themselves working on PES and the Rayner work would need to be fitted into this. The Prime Minister agreed that Sir Derek Rayner should link the scrutinies with the ongoing Treasury work, to achieve a substantive but manageable review of central Government expenditure control. Sir Ian Bancroft suggested that Mr. Douglas Janes might be a useful candidate to take on this particular programme which would be a much more demanding exercise than most others. He had done

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some valuable work of a similar kind in the Home Office recently and was now engaged on a CSD assignment. The Prime Minister agreed that he should be considered.

Sir Derek Rayner stressed to the Prime Minister the importance of the choice of Junior Ministers in a Department to supervise the scrutinies. The Prime Minister asked to be informed of any cases where Sir Derek felt that a better choice might be made.

MA

8 January 1980

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