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THE EFFICIENCY STRATEGY 1982: THE SCRUTINY PROGRAMME

The Prime Minister has now been able to consider the proposals made by Ministers and is grateful for those made by the Chancellor of the Exchequer in his minute of 29 January. Mrs Thatcher has approved the proposals made by Sir Geoffrey Howe, on which I am to make the following points on her behalf.

The Prime Minister has asked Derek Rayner to take a particular interest on her behalf in two of the scrutinies proposed for the Inland Revenue. These are scrutinies of end-year review of PAYE tax records and of the memoranda and instructions issued by headquarters to local Tax and Collection Offices notifying new procedures and revising existing ones. In respect of the latter proposal, the Prime Minister is very interested in anything that can be done to reduce the complexity of regulations, which can be a great trial to public and staff alike. Mrs Thatcher thinks too that this particular scrutiny might serve the wider objective of increasing delegation of authority to local offices, examining the relationships between headquarters and such offices in attempting to simplify administration and increasing the discretion of local management.

The Prime Minister agrees to the proposed scrutiny of errors in the processing of Customs Import Entries. She very much welcomes the Chancellor's thought that there should be a scrutiny of the VAT HQ at Southend and hopes that it can be included in this year's programme.

The Prime Minister thinks that the proposed scrutiny by the Department for National Savings is potentially very promising. She has asked Derek Rayner to take a particular interest in this on her behalf. Mrs Thatcher has noted the Department's observation that the scrutiny would - ideally - be done jointly with the Post Office, in which case the reporting arrangements should include the Chairman of the Corporation as well as a Treasury Minister. She very much agrees. She has also noted the observations by other Ministers on the possibility of a wider scrutiny

of PO Agency Services. She thinks that a modest beginning is probably the right way forward and welcomes the DNS proposal for this reason. If it is found in discussion of the DNS proposal with the Post Office that its scope can be widened to other services, the Ministers concerned might be encouraged to join in. (In this connection you may like to know that John Cassels and I will be telling Ron Dearing something about the scrutiny programme so far on 10 March.)

The Prime Minister has approved the proposed scrutiny of the Civil Service Catering Organisation and has noted the involvement in it of Miss Sybil Barnes of Marks and Spencer.

Mrs Thatcher is content that there should not be a new scrutiny in the central policy areas of the main Treasury this year. But she looks forward with great interest to the outcome of the scrutiny by Russell Barratt of how staff in the Expenditure Divisions can best be equipped to play their proper part with regard to financial management in departments.

I am copying this to Douglas Wass, Lawrence Airey, Douglas Lovelock and Stuart Gilbert.

Yours sincerely,

Chris Priestley

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