D 354·41001 BRA

STRATHCLYDE PAPERS ON GOVERNMENT AND POLITICS

THE CLANDESTINE REFORMER: A STUDY OF THE RAYNER SCRUTINIES

by
Alan J M Bray

No. 55

1987

Politics Department, McCance Building, 16 Richmond Street, Glasgow, G1 1XQ

#19066266

STRATHCLYDE UNIVERSITY LIBRARY
30125 00366288 8

THE CLANDESTINE REFORMER:
A STUDY OF THE RAYNER SCRUTINIES

by

Alan J. M. Bray

STRATHCLYDE PAPERS ON GOVERNMENT AND POLITICS

(Series Editor Jeremy Richardson)

NO. 55

ISSN 0264-1496

c. 1987 Alan J. M. Bray

Department of Politics
University of Strathclyde,
GLASGOW G1 1XQ,
Scotland, U.K.

D
354.41001
BRA

UNIVERSITY OF
STRATHCLYDE LIBRARIES

This paper is a personal view of the scrutiny programme and the views expressed are those of its author and not necessarily those of Her Majesty's Government.

PREFACE

This paper is at once an insider's view and an outsider's. Its author is a civil servant who was closely involved in the managerial change it describes but it was written during a sabbatical year at Oxford and my principal thanks must be to the fellows of Nuffield College Oxford who generously elected me to the Gwilym Gibbon Research Fellowship for the academic year 1984-1985.

I have received encouragement and helpful criticism from many friends and colleagues (although the faults which stubbornly remain are my own) including Yvonne Fortin, John Gracey, David Hickson, Nevil Johnson, Nigel Laurie, Jim Marshall, William Plowden, Professor J. J. Richardson, Martin Rumbelow, John Yard, Susan Ward and the staff of the Department of Behaviour in Organisations at the University of Lancaster. I owe a special debt of thanks also to Ian Beesley and Kate Jenkins and their staff in the Prime Minister's Efficiency Unit. Their kindly patience with a researcher who had become virtually resident in their own offices never failed to amaze me.

ALAN J. M. BRAY

CONTENTS

Page

Chapter 1 : Introduction - Enter Derek Rayner 1

Chapter 2 : The Debate 23

Chapter 3 : When the System Wears Out 40

Chapter 4 : Postscript: The Future of the Scrutiny Programme 63

CHAPTER 1

Introduction - Enter Derek Rayner

One of the first acts of Mrs Thatcher when she became Prime Minister was the appointment of Derek Rayner. The appointment of a Joint Managing Director of Marks and Spencer as her personal adviser on improving the efficiency of the civil service was, by any standards, a controversial step. It was the first towards that "reduction of waste, bureaucracy and over-government" promised in the Conservative Party Manifesto.[1]; and the programme of reform this began was to lead to intense debate in the years that followed, both within the civil service and outside of it. This paper is a description of those controversial reforms and also, I hope, something more. It sets out also to chart their largely invisible inner workings, from the viewpoint of someone who has been closely involved in them.

As we shall see, there is an interesting gap between the government's immediate intentions in May 1979 and the full story of what subsequently happened; but the starting point for understanding this lies in an explanation of who Derek Rayner was and how he set about his task, as a new and radical Conservative government came into power.

The Scrutiny Method

Derek Rayner had been in government before, in the early 1970s in the Ministry of Defence. His eventual successor to the post he acquired in 1979 was also no stranger to government: Robin Ibbs, the Executive Director of ICI who led the Central Policy Review Staff (the "Think Tank") between 1980 and 1982. This familiarity with government soon became apparent in 1979, for the speed with which Derek Rayner began to act showed the extent to which the detail of his strategy had been long prepared in advance.

This was, however, no grand strategy. It consisted rather of a large number of close, searching studies of areas of activity, the "scrutinies" as they came to be called. These were carried out not by Derek Rayner's own staff, which he kept very small, but by teams of "scrutineers": civil servants drawn from the departments involved, usually of about Principal grade (the basic level for the young administrator in the civil service) and often very bright. The energies of his personal staff were put rather into sustaining the impetus in the studies begun by the scrutineers.

Their brief was sharply focussed. It was for each to examine in depth a clearly marked out part of a department's activities; this was usually an area proposed by the department involved and then agreed by Derek Rayner. The conclusions they came to were to be their own, but their methods of working were narrowly laid down from the onset by Derek Rayner himself. Indeed one of the distinctive features of his early (and subsequently famous) briefings was his uncompromising insistence on these fundamental working methods. None of the scrutineers could have left these meetings in doubt as to what they were expected to do.

Radical Questions

They were to ask radical questions. In his Note of Guidance he told his scrutineers to ask radical questions "to the point of challenging the activity's very existence".

> "Why is this work done at all?
>
> Why is it done as it is?
>
> How could it be done more efficiently and effectively at less cost?"

Such questioning was their starting point.[2]

The illustrations below are taken from the introductions to two scrutiny reports and show how this fundamental guidance was likely in practice to be elaborated. The first is from a scrutiny in the Department of Trade concerned with its services to exporters; the second is from a scrutiny I carried out in the Inland Revenue of the effectiveness of its communications with its numerous local offices.

From a study in the Department of Trade of its services to exporters

> The general approach in interviews was to ask questions aimed at finding out:
>
> - what was the purpose of the service?
> - who used the export service in question?
> - how was the service actually used, and why?
> - what would happen if the government cut back the service, or stopped it entirely (e.g. could or would non-governmental bodies step in, and with what results?)
> - what were the arrangements for providing the service, and could their efficiency and effectiveness be improved?

From a study in the Inland Revenue of its communications with its local offices

> I hope the facts will speak for themselves. But in looking critically at what I see, within the Department and outside, I propose to bear in mind the following questions.
>
> Firstly, I shall look at the effectiveness of communications in the Department in the light of factors universally present when two individuals are trying to communicate with each other.
>
> - Do they have the same context in mind? Do they mean the same things by the same words?

- Does the person sending the message appreciate the knowledge and skill he can assume of the person receiving it? Is he finding out what the reaction is and using this information to alter what he is doing?
- How does the person receiving the message perceive the person who sent it? Is he credible in his eyes? Does he trust what he says?

Secondly, to what extent are communications in the Department influenced by the means being used?

- How well are the instructions written? Would there be benefits in writing them in simpler language, if this is possible? What use could be made of specialists in communication and graphic design?
- Is the printed word the right medium? What other means are available? What use could be made of new technology? Is training an alternative? Is the management chain an alternative?
- I shall also consider to what extent the Department's extensive use of the printed word itself determines the kinds of instructions being sent.

Thirdly, there is the influence on communication of broader issues in the way the Department operates as an organisation. I shall be concerned here with questions about:

- the quantity of instructions
- their complexity
- their relevance
- their adequacy

This will also raise questions about the people involved. Is the information being sent to the right people? Are the people who prepare it and pass it on the right people to do this?

Finally, in looking at the cost and efficiency of the present arrangements I shall be interested primarily in reducing the amount of time staff need to spend in assimilating the instructions (or in sorting out the consequences when instructions are not followed).

Starting Where The Work Takes Place

These were, then, the sort of radical questions scrutineers were expected to ask. To answer them they were instructed to take care to see the work at first hand, to watch it being done and to discuss it above all with those who actually carried it out.

'There is no substitute, whatever the nature of the function or activity under study, for going and seeing it...Don't assume that you know anything until you've been to see it - start where the work takes place...'[3]

That was how Derek Rayner put it and to their credit that is what most of the scrutineers actually did. Very few of these studies were carried out from a desk. Government laboratories or canteens, customs posts, motorway construction sites, post offices, schools, hospitals, museums and prisons: these were the sorts of places where the scrutineers began their work; these and many more. In this way the programme roamed over a wide area. But the scrutinies themselves were kept short and practical. Most were planned to be completed in ninety working days, and the scrutineer was expected to work under pressure. The very large scrutinies were allowed up to six months but if a topic required more time than this Derek Dayner preferred the scrutiny to be carried out as a series of short pointed scrutinies rather than in an extended exercise.

The outcome was a written report drafted by the scrutineer - with facts, analysis and recommendations - submitted by him direct to the minister responsible, with copies to Derek Rayner and the permanent secretary of the department. Each would comment in detail, but the final decision rested with the minister responsible for that department.

This is of course a description of intentions not of actions. In the event these intentions were not invariably followed. There have been long delays in some cases while a department formulated a response to the recommendations in a scrutiny report, and as one reads through the scrutiny reports one can see that some scrutinies have been more effective than others in getting at root issues.

The Popular Image

They have naturally, though, attracted to themselves a great deal of publicity, and the image which this has given them has been influential. It contains a good deal of truth but it can also in come crucial respects mislead.

Cost Cutting

> "Anti-Waste Job for M & S Chief"
>
> "St Michael Chief leads Crusade on Waste"

These were the headlines in the Daily Telegraph [4] and The Guardian [5] when Derek Rayner was apppointed in May 1979, and this description of the programme as a cost cutting exercise became a staple feature of most subsequent accounts:

> "...staff will be cut ... waste, bureaucracy and over-government... economies in running costs... savings in expenditure..."[6]

These were the terms in which the programme was later habitually described. It is not therefore surprising that the Times Index catalogued its references to the scrutiny programme under the terse and predictable heading "Civil Service, Wasteful Spending".[7] The context for this description of the programme was the view that civil servants are inherently wasteful and inclined to ever increasing expenditure, and much of this element in the newspaper accounts can be traced back to Leslie Chapman's influential book Your Disobedient Servant, which chronicles Leslie Chapman's own unsuccessful attempts to cut expenditure in the then Ministry of Public Buildings and Works.

The Civil Service as Adversary

There was, however, a further element present in the descriptions of the scrutiny programme: the view that civil servants will always attempt to undermine any reforms designed to reduce the cost of administration; and that too has found a wide expression in the newspaper accounts, sometimes in quite spectacular terms. "Much Bureaucratic Blood Spilt At No 10 in Clash With Civil Service Chief". That was a heading to an article in The Times which continued:

> "... there was much bureaucratic blood on the carpet in No 10 after a final and now almost legendary drafting meeting attended by Sir Derek Rayner and Sir Ian Bancroft, Head of the Home Civil Service, with the Prime Minister acting as referee."

Not all the articles were as colourful as this, but it became a commonplace to allege that senior civil servants - the "mandarins" - were blocking, subverting, or otherwise seeking to halt Derek Rayner's reforms and Derek Rayner's departure in 1982 was widely interpreted in the newspapers in this light. It was a view which was subsequently to be given a systematic statement in Clive Ponting's Whitehall: Tragedy and Farce.[8]

A Radical Context

These views were very much the common fare, but among them a number of articles appeared which took them a stage further and attributed to the scrutiny programme a far more radical agenda.

These articles are interesting for two different reasons. One is that they are some of the very few attempts which have been made to place the scrutiny programme in the wide historical context of changing ideas of the state. The other is because frequently an ideological commitment of the kind they suggest has been alleged by the civil service trade unions to lie behind the scrutiny programme.[9] One such was an article in The Economist a year after Mrs Thatcher took office, which traced the origins of her desire to reduce the size of the civil service to a very radical analysis. This was one that has both right and left wing supporters: that the civil service has wrested effective power out of the hands of government ministers. This, the article argued, lay behind the need to reduce civil service numbers for "the civil service is excellent at helping governments that want to expand the public sector, determinedly resistant to one that wants to diminish it."[10]

Probably the best exposition of an interpretation of this kind was a thoughtful article which appeared in The Financial Times in April 1980. In it the writer locates the scrutiny programme in a view which sees the growth in the size of the civil service at the heart of Britain's economic failure: a recourse to governmental activism as a sad compensation for failure in economic management. In this view the civil service appears as a necessary instrument of this policy. Through it "the public sector expanded in times of recession, at the expense of the private sector, and it did not give ground in times of faster economic growth."[11] In this, the scrutiny programme is seen as intended to reverse a long-term trend towards a kind of corporate state, a corporatism to which the British civil service was supposedly deeply wedded. In such views resistance among civil servants to the scrutiny programme acquires far darker overtones.

Academic Studies

The early journalistic accounts of the scrutiny programme were followed by several scholarly studies in academic journals, but the usefulness of these has been restricted by their limited sources. They have been dominated by the government's intentions, where the evidence is more accessible; and these intentions have been the subject of searching criticism.

One such study, by Geoffrey Fry, located the scrutiny programme in the context of Mrs Thatcher's perception of the civil service, especially the higher civil service, as an adversary.[12] William Plowden,[13] David Thomas [14] and Dr Rosamund Thomas [15] have criticised the present government for reducing the costs of government without a complementary concern for the outputs of government. In a similar vein Ray Thomas has criticised the scrutiny of the Government Statistical Service for a limited concern with the costs of assembling statistics at the expense of a wide understanding of their use.[16] And in a recent article Les Metcalfe and Sue Richards have given an account of the scrutiny programme which conceives it narrowly as concerned only with reversing the results of past inefficiency; they contrast this with the need for a more radical cultural change in civil service management.[17]

What these papers have not been able to do however is to follow the government's intentions through into the day to day workings of the scrutiny programme. Do these in practice bear out what the government intended? It is a question I have asked myself, and a number of studies have pointed to elements in the scrutiny process which are not at first sight immediately explicable in terms of the inquisitorial audit designed to cut expenditure which one would expect from the manifesto commitment of 1979. (These are the studies by Andrew Likierman [18] and J. J. Richardson [19] and an earlier paper by Les Metcalfe and Sue Richards.[20])

These doubts have been given weight by some interesting detail in two papers published by serving civil servants involved in the scrutiny programme in their departments: Norman Warner, at that time in the Department of Health and Social Security [21] and Philip Nash [22], an organisation and methods specialist in the Department of Customs and Excise; and I shall come back to these interesting accounts a little later.[23]

The Sources I have Used

First though a word about how this paper relates to these earlier studies. Its principal justification lies in the breadth of information I have had access to. This comes in part from the extensive archives of Derek Rayner's unit in Whitehall, later that of Robin Ibbs, to which I have been given unrestricted access;[24] the other lies in my own experience as a scrutineer. These archives reveal those broader patterns in the scrutinies which become apparent when one reviews this material on a wide front, and my own experience has shown me something of their inner workings. And my argument in this paper is that, when we use detailed sources such as these to analyse the workings of the scrutiny programme, revealing elements appear which one would not expect from a study of the immediate political context alone.

However, this paper is unlikely to be the final word. Other researchers have asked for and been given access to the archives I have used and will no doubt in time publish their own conclusions. Also, among these archives are the background papers to nearly 300 scrutinies and out of this great mass of material I have necessarily been selective in what I have included. I have tended to be biased towards scrutinies which raise radical issues, radical either in the context of the area being looked at or in the sense of revealing something about the nature of the scrutiny programme as a whole. I have also tended to concentrate my attention on recommendations which have been accepted rather than on those that have fallen by the way. It could well be said that the average scrutiny recommendation is less interesting and less likely to be accepted than those which appear in this paper, and that is probably true; but as I hope will become apparent, this was an outcome Derek Rayner always planned for and it is in the unrepresentative minority of recommendations which are radical and successful that the actual nature of the scrutiny programme begins to reveal itself.

The Political Forces

It is very revealing to set these detailed sources against that conventional picture of the scrutiny programme which I outlined at the beginning of this chapter. Do they, I have now been able to ask, bear it out?

The answer is that in large measure they do. A little earlier, for example, I mentioned Leslie Chapman's criticisms of the civil service and the influence his book has had on the newspaper accounts of the scrutiny programme. These accounts were right to draw on his book in the way they did for it had indeed a considerable influence on the scrutiny programme, especially in its early formative days. During Derek Rayner's briefing for the first scrutineers he handed to them copies of Your Disobedient Servant, and Leslie Chapman's efficiency reviews in the Ministry of Public Building Works were in several ways a model for the later Rayner scrutinies. Mrs Thatcher's numerous references to Leslie Chapman's book during the 1979 election (and in the early scrutiny papers), testify eloquently to the influence this book had on her. I think that it would be a mistake to attribute to Leslie Chapman the more radical criticisms of the civil service I mentioned earlier; his book was in many ways a pragmatic reaction to what he saw in the Ministry of Public Building and Works. But Mrs. Thatcher and Derek Rayner clearly shared with him a desire to root out waste and inefficiency in public administration, and the Rayner scrutinies were conceived by the government coming into office in 1979 as a means of bringing this about.

The same political context is equally apparent in the topics chosen for scrutiny. Most relate to areas where the departments thought expenditure could be reduced. This is not surprising as there was considerable pressure on them to choose topics of this kind, a pressure which was given force by the manpower targets which the new administration introduced alongside the system of cash limits they inherited. These were to have a major effect in reducing civil service numbers, and in proposing topics for scrutinies the departments were frequently seeking ways of meeting these targets.

As well as this general concern with costs, there have been a number of scrutinies directly concerned with the mechanics of financial control: the scrutinies of financial accountability and control in the Ministry of Defence and the Northern Ireland Civil Service and that of the expenditure divisions in the Treasury are examples of this. And some have been used to set up the current machinery for controlling civil service expenditure: the two scrutinies in the Department of the Environment introducing the Management Information System are prime examples of this. Other topics chosen have admittedly been more open ended than these, but the scrutiny reports as a whole nevertheless usually propose reductions in expenditure.

Clearly, in these facts one can see a direct reflection of the concerns of the present government with reducing the size of the civil service.

But these facts are not alone. Alongside them are others which are much less easy to fit into a picture of a programme wholly driven by the immediate political forces.

The Topics Chosen for Scutiny

Some of these lie in taking a second, rather more searching, look at the topics chosen for scrutiny.

Most scrutinies involve only one department and these topics the departments themselves propose. Some commentators have wondered about the effect this has had and have speculated that departments might put forward only the "safe" targets, those in areas where any change is likely to be very limited. That, one might add, still leaves the department with the problem of how to meet its staffing target; but, however that is, there is also another possibility. Might the departments not put forward areas where they themselves are looking for change? And that is indeed what one often sees: scrutinies in areas where the department does think it can save staff but which also contain a pre-existing problem which it is anxious to see solved. In putting forward scrutinies in these areas the departments have had more than one motive. One was to meet their manpower targets; but they also hoped that they could, at the same time, bring about the changes which they needed. There was a second agenda.

The Second Agenda

The most striking instances of this concern the structure of the departments. Behind the origins of a scrutiny one frequently sees a major change in a department's environment which has left its structures badly in need of re-organisation. There are many examples of situations of this kind producing problems which a department has hoped an efficiency scrutiny might indirectly help to solve; as in the scrutinies described below.

The road building programme

By 1979 the great road building schemes of the 1960s were coming to an end. The result was an impending crisis in the Department of Transport. The root problem was that the demand for staff in the department's road construction units was not falling off gradually: it would come to an abrupt end, and the prospect was disconcerting.

There would be redundancies and these would probably be difficult to handle. In any case the staff would probably take new jobs as opportunities arose and the fall off was unlikely to go to plan. There was also of course the danger that the employees might be reluctant to work themselves out of a job.

However the department solved the problem, it recognised that there had to be change; and partly with this in mind this area was put forward as a topic for scrutiny.

The rise in unemployment

The rise in unemployment lay behind the scrutiny in the Manpower Services Commission in 1981 of its training courses for the unemployed. By this point the rise in unemployment was putting an enormous strain on its organisation. In 1979 it had been catering for 160,000 places on its Youth Opportunities Programme. Two years later it was catering for more than half a million. The kinds of organisation that worked in 1979 were visibly giving way by 1981.

Employers were in danger of becoming bewildered by the number of officials who came to visit them, and the officials themselves were having to handle an unprecedented flood of new instructions: by the time of the scrutiny the several hundred instructions, memos, notices, and policy letters relating to the Youth Opportunities Programme and its predecessors filled nine filing cabinet drawers. The complexity of the new situation had clearly outstripped the old organisation.

The number of people seeking to become UK citizens

Between 1977 and 1980 the number of applications for UK citizenship increased by more than 50%. To this were added the requirements of the new legislation introduced in 1973, which in many cases introduced the need for a much more time consuming test to be applied. The result was evident in growing delay and the department was being criticised by the Ombudsman and the national press. In choosing this area for scrutiny in 1980 the Home Office hoped that a scrutiny of what it was doing might at least ease the problem by simplifying some of its procedures.

The Rayner scrutinies have by no means always provided fundamental solutions to problems of this kind. Some have suggested answers, others have failed to and many have merely reduced the extent of the problem. But what examples like this point to is how serious a misunderstanding it is to see such scrutinies as being forced in some way on an unwilling civil service. It was the management of the civil service which chose these topics and in doing so it had from the beginning an interest, quite apart from possible economies, in seeking change.

These are the more spectacular examples, but there are many others, less dramatic perhaps but equally revealing, of scrutinies in apparently mundane areas which reveal on examination an element of frustration and concern in the department which proposed them. The Department of National Savings used the scrutiny programme in a similar way to investigate the troublesome errors made by the Post Office in handling its affairs. The Inland Revenue undertook a scrutiny of its registers of accounts received from taxpayers partly because it felt these registers could perhaps be abandoned but also because they no longer met its needs now that the system for examining these accounts had greatly changed. One of the reasons for the scrutiny of the Government Actuary's Department was that nearly a quarter of its professional staff had resigned within a very short period.

And so one could go on, but probably the clearest expression of this internal frustration lies in the large number of scrutinies put forward which concern communication.

Communication

This one topic appears repeatedly, in a variety of forms, as communication with the public or between managers and staff, as the records which the departments keep, or simply in the sheer volume of paper circulating in the department. And in each the complaints are usually the same: there is too much of it, it is too complicated, and it misses the point.

The Inland Revenue, The Department of Customs and Excise, The Department of the Environment, the Department of Health and Social

Security, The Treasury, The Ministry of Agriculture, Fisheries and Food, The Foreign and Commonwealth Office, The Ministry of Defence, and the Welsh Office - all these departments have seen scrutinies of this kind.

Communication scrutinies

Inland Revenue	1982	"Instructions to Local Offices"
Customs and Excise	1984	"Enquiries from the Public"
Department of the Environment	1983	"Communications with the Public"
Department of Health and Social Security	1981	"The Handling of Correspondence"
Treasury	1979	"Paper Handling and the Registry System"
Ministry of Agriculture, Fisheries and Food	1982	"The Generation and Use of Written Documents"
Foreign and Commonwealth Office	1981	"The Generation and Transmission of Information by the FCO"
Ministry of Defence	1981	"The Dissemination of Information"
Welsh Office	1980	"The Generation and Use of Paper"

Derek Rayner and Robin Ibbs were of course aware that the departments would act in this way when invited to propose topics for scrutiny, and indeed encouraged it because it gave an initial commitment to the scrutiny which it otherwise might not have had. But in doing so this opened up a new and broad stream flowing into the scrutiny programme. Departments did not of course necessarily achieve the change they were seeking; and sometimes, as we shall see in the third chapter, an apparently simply scrutiny intended merely as an instrument could in the event raise issues the department was quite unprepared for. But there is far more at work here than a simple instrument of government policy.

The Scrutiny Reports

This is, however, only the first point where the detailed evidence suggests that the scrutiny programme is far removed from an external audit. A second turns on the scrutiny reports themselves.

> "The Rayner Office guidelines told scrutineers not to circulate draft reports within departments, but this approach would have made it difficult to ensure the accuracy of figures and might have worked against developing an acceptance of change in a large organisation. The scrutiny team therefore turned a Nelsonian eye to this paragraph of the guidelines and circulated preliminary drafts within the DHSS so that staff became accustomed to its ideas."

That interesting remark is taken from an account by a scrutineer of a scrutiny he had carried out several years before in The Department of Health and Social Security [25]; and he is by no means alone in taking the action he describes. In theory the scrutineer should submit his report direct to the minister responsible, with copies to Derek Rayner or Robin Ibbs and to his permanent secretary. In practice the scrutineers normally circulate drafts within their departments for comments, comments which can greatly modify the reports before Derek Rayner or Robin Ibbs sees them. These early drafts are tangible expressions of the internal debate which surrounds the scrutineer and which can greatly influence the report which the minister later receives. They fit ill with the image of the scrutineer as merely an extension of Derek Rayner or Robin Ibbs, as the inquisitor drawn from outside.

This is not to say that the department in practice writes the report. The scrutineer can choose to submit a dissident report; but he is usually involved in an internal debate, which begins before the report is written, can greatly influence its final form, and often continues after the report has been sent to the minister and the management response has begun to be formulated. Intended or not, this springs from Derek Rayner's early and fundamental decision to draw the scrutineer from within the government department rather than to assemble a team of external auditors. It mirrors in effect the equally fundamental decision to invite the departments to propose the topics for scrutiny.

The Influence of Derek Rayner and Robin Ibbs

The choice of topics and the writing of the reports: each of these looked at closely and in detail raises doubts about the external and inquisitorial role of the scrutineer. But what are we to make of the influence of Derek Rayner and Robin Ibbs themselves? They, surely, operate as outsiders? It is here we come to a further set of facts which conflict with the conventional picture of the scrutiny programme and in some ways to the most interesting: the evidence to be seen in their archives of how Derek Rayner ahd Robin Ibbs have used their personal influence.

There is considerable evidence that they have in fact been very careful to avoid a coercive role. The most revealing points in the archives in this respect lie in those scrutinies which, from their point of view, have gone badly off the rails, as some have when departments have rejected the recommendations of radical but to their minds admirable scrutinies. It is in such situations that the nature of their influence is most evident.

There are many examples in the archives of recommendations in radical scrutinies which departments have rejected and where Derek Rayner and Robin Ibbs, although personally convinced of the rightness of the recommendations, have been content to go no further than to argue their case. We do not see them using their influence with the Prime Minister to ensure that their view prevails in the end over that of the department. This influence with the Prime Minister is certainly evident, most characteristically in the Prime Minister's readiness to call small informal meetings where Derek Rayner and Robin Ibbs have been able to argue their case with a minister or a permanent secretary while the Prime Minister lent her support direct; one can understand the weight this has given them in Whitehall. But Derek Rayner and Robin Ibbs have used their influence to obtain a hearing or to keep things moving. They have not sought to use it to impose on a department change which it was set against, and the revealing minority of scrutinies where they might have done this makes this plain. In the end, for example, Derek Rayner accepted the failure to implement Clive Ponting's now famous scrutiny in the Ministry of Defence. The following year the opposite happened: his arguments in favour of an equally radical scrutiny of management audit in the same department were accepted. In each case the last word was given to the minister for the department.

The Strategy

The strategy we see Derek Rayner and Robin Ibbs adopting is rather to act indirectly, to attempt to shift the centre of gravity within the department itself. They are aware, for example, that their comments on a report often fail to change a department's mind, but the very fact that they are commenting keeps the process moving within the department. They are also aware that some of the scrutineers will not produce effective scrutinies and many will be very limited in their recommendations. But out of three hundred scrutinies there is ample scope for bearing with a good many such: their plan was rather not to have to rely on winning every battle.

Conclusion

An adequate description of the scrutiny programme needs to explain all these facts: in the choice of topics, in the evidence of the early drafts, and in the guarded way Derek Rayner and Robin Ibbs have used their influence. And the conventional picture of the scrutiny programme I outlined at the beginning of this paper does not - that picture of change imposed from outside and from above. What this chapter has been intended to demonstrate is that this picture does not take us fully to the core of the matter. What does is what we will consider next.

CHAPTER 2

The Debate

There is a baffling variety among the scrutineers. Some are administrators, others come from the scientific or technical grades in the civil service. There is a conventional range of political views among them and a wide diversity in educational backgrounds. Some are young and some are near retirement, and while some entered as graduates others have risen through the ranks. And there are both men and women. Yet I would suggest that in trying to understand the scrutiny process here is the right place to begin.

But to explain why I think this is the case, I shall need to make a digression for a moment and go back to that point where the choice of the scrutiny to be carried out first emerges.

Scrutinies are rarely open ended. Departments, as I argued in the last chapter, tend to put forward areas where they already have an interest in change, where there is both a potential for staff savings and some underlying frustration. They therefore tend to have some idea of the kind of change which might be involved; and the idea is unlikely to be wholly new. Sometimes the possible change is explicit in the terms of reference; at other times it is rather something privately understood. But in either case this determines the task of the scrutineer, which in practice is to test an idea to some extent already existing. Is it practicable? What would happen if it was put into practice? What would the costs be - in every sense - of making the change? These are the kinds of questions which a scrutineer is asked to answer. He is indeed expected to make a decision on his recommendations but equally he is looked to to provide the facts on which others - the minister and the senior management of the department - can make the final decision.

After the event, the picture often looks very different to this. The recommendations in the report are often by then associated with the scrutineer's name, and although these ideas may not be new they will have received a publicity far beyond anything they have had in the past. They emerge into a very bright light. But in truth they often preceded it, although unsuccessfully and sometimes rather vaguely. What the scrutineer does is rather to give them the sharp edge they have lacked before.

Communication

There are many ways the scrutineers have done this. One is by quantifying the size of the problem, which can have a deeply unsettling effect. One such scrutiny [1] looked at the requirement for unemployment claimants to benefit to register at a Jobcentre, a task which occupied more than 1300 civil servants, interviewing and registering these claimants. How effective this was was one of the questions behind the scrutiny and, with this in mind, the scrutineer carried out a survey to find out to what extent claimants felt under pressure to find work, which was the principal object of the registration. The great majority - 75% - said they were not. Of the rest, the majority said the pressure was emanating from families or friends. Only 3% said it was from the Jobcentre. The report went on to analyse why this was so but the figures were themselves startling; sufficiently so as to suggest that change of some kind was badly needed.

Quantifying the problem can also pinpoint the change which is needed. This was the case with one of the scrutinies I carried out in the Inland Revenue.[2] The terms of reference for the scrutiny were to examine the effectiveness of the instructions which the Inland Revenue was issuing to its local offices, largely in the form of occasional memos and books of standing instructions; and one of the most effective parts of the report proved to be a test of these instructions against the Fog Index, an index of basic readability. What this showed was just how difficult these instructions were. All the instructions, as the test showed, were well beyond the level suitable for the grade for which they were designed. But this was more than merely unsettling. It provided also a measure of what the department should be aiming for, and with this as a guide the department was subsequently able to alter the form in which it was drafting its instructions to a point where they could be read easily and accurately in a busy office, which was the underlying problem.

The second way the scrutiny can give an impetus towards change is by confronting the incidental problems which have in the past held the department back. A good example of this is the scrutiny in the Inland Revenue of the documents which it issued to employers at the beginning of each tax year. These documents have two purposes: one was to tell the employer of the code number for each of his employees, which was his guide on how much tax he should deduct from their pay; the other was as a physical record on which the deductions could then be noted. The opportunity for change arose because this second function was being made obsolete by computerisation. The idea behind this scrutiny was whether it would be possible to issue a code number only where the code number differed from that for the previous year and to issue a general instruction to carry other codes forward. The disappearance of the second function made that a possibility; and the savings in staff time would be considerable. What had held this change back in the past were the incidental problems. What would be the effect on the Department of Health and Social Security, who used the PAYE system to collect National Insurance Contributions? What would be the reaction of the employers? Would they operate the new system? What would be the costs of change? And so on. What the scrutineer did, as many do, was to consider such problems one by one and to argue as none had clearly done before that these problems could be overcome. That did not settle the issue but it brought the debate out into the open.

Scrutineers have also frequently relied on the well told anecdote. Typical of such anecdotes are those in a scrutiny in the Ministry of Defence of its systems of internal audit.[3] These graphically expressed the extent to which these systems were operating without regard to the amount of resources involved or the degree of risk. Different workshops, as the report described them, were receiving the same amount of audit effort even though the value of their fixed assets were in some cases more than ten times what they were in others; and although systems of control in Royal Navy ships were well established, it was still policy to audit every ship every year - a task requiring some 1,600 mandays of effort. Revealing anecdotes of this kind are typical of the stuff of many scrutinies. They have their problems of course. The usual objection is that they are unrepresentative. But they work: as they are multiplied they gather weight; but their main impact lies in the simple fact that they are easily remembered. They have a way of capturing and communicating the essence of the debate. One can see that in the way the same anecdote will appear again and again in discussion as the department comes to terms with the contents of the report.

In their different ways, each of these methods works to the same end: they communicate the need for change by making it concrete. It is this which takes us to the core of the scrutineer's job. Despite his popular image, he is not in fact a trouble shooter or an inquisitor, for the recommendations he arrives at are rarely new. His task is rather to be a catalyst; and, above all, the skills he needs are those of a communicator.

The Role of the Scrutineer

It naturally makes him the focus of a debate, and yet the scrutineer is in a perhaps surprisingly good position to steer this debate towards a constructive conclusion. He has authority. If he has followed his brief he will have acquired considerable first hand knowledge of the activity under scrutiny, a knowledge with a corresponding authority; on the facts at least he should be an expert. He has also the label of a Rayner Scrutineer and this carries its own weight and influence. It does not lead his colleagues necessarily to agree with him, but it does mean that he will get a hearing and that at a high level.

But he is also in several ways an acceptable and reassuring figure. He speaks the language of the department, and he is not in himself as alarming a figure as an outsider or a senior manager might be in such circumstances; he is, for all his personal influence, still relatively junior and an insider. And his role is made easier by the fact that he is expected to come up with radical solutions: no one is surprised or caught off guard when he does. He has, if I may put it that way, a license to be a radical.

There is also an ambiguity in his position which has its uses. He can seem and be presented as an outsider or an insider - a "Rayner Scrutineer" or a departmental official - and this ambiguity serves a function: it allows the department to react flexibly to his proposals. It allows them to accept, reject or ammend them without fear of losing face.[4]

This is of course a simplified picture. The scrutineer's role as a catalyst can end early on, even before he begins to draft his report; or it can be only then that the debate begins in earnest; and it can continue well beyond the formal end of the scrutiny.

It can also never materialise. Scrutineers come under enormous strain and some fail to match it, most commonly in failing to communicate their ideas in the first place; when I have looked for the report of a successful scrutiny it has invariably turned out to be a well written one.

A poorly written report is the most common failing but there are others. The scrutineer may be cowed by the departmental orthodoxy or by a group within the department acting in its own interest; and in either case this can make for an ineffective scrutiny.

For these reasons the role of the scrutineer as the focus of the scrutiny debate is unavoidable, sometimes unfortunately so, for there is little Derek Rayner or Robin Ibbs can do about a weak scrutineer; they can advise and encourage him but they cannot replace him.

Prompting a Debate

But if a scrutineer does stand his ground - and the best do - everything in the end does not depend on his tenacity alone, for other forces then begin to come into play which can widen this debate and move it to a conclusion.[5]

Once he has done his fieldwork, the first task of a scrutineer is to prompt a debate. But to do this he has to overcome the tendency, which is natural enough, to dismiss an unorthodox report out of hand. It 'feels' wrong. Usually he can achieve this simply by asking for objections to be made in writing; the ability to express oneself well on paper has a high standing in the civil service and this alone encourages a reasoned response to a scrutiny if that response is to be in writing. But if this is insufficient the scrutineer is able to send a draft report to the minister. The effect this has is not quite though what it might at first appear. Its practical effect is not to put the decision into the minister's hands directly and simply. It naturally leads him to ask the department for their response, which in turn requires each section within it to prepare its reasoned reaction to the proposals, which may have been lacking. It also widens the response, for the civil servants directly involved will consult widely: not to consult is one of the gravest of crimes for a civil servant.

Sending the report to the minister has the practical effect of making the objections to it explicit. This may come about more easily but, in whatever way it occurs, it is one of the most important things the scrutineer can bring about; and he has the effective power to insist that the objections to his report be made explicit. It is this which draws into the debate, willy-nilly, those who would prefer to react intuitively or merely negatively.

There are of course some scrutineers who never grasp the need to provoke a debate and are reserved about their conclusions, perhaps even a little secretive. The result is that they are likely to find themselves without any allies, for when pressed this is what the debate eventually produces.

Making A New Consensus

Eventually it brings about the first crucial break in the department's orthodoxy. A department's staffing targets can play an influential role here; the scrutiny may suggest a way of meeting them. But it can come about in a number of other ways also. It may also come about because part of the department sees the changes proposed as being in its own interest or as an opportunity to put into effect a long cherished scheme. Nor does it need to come in the centre; the change may occur with a more peripheral unit or with an individual within a unit. The point is that one of the most useful things a scrutineer can do is to be flexible, sufficiently so as to bring about this first critical crack in the conservative consensus. There is rarely only one solution to the problems a scrutineer sees and he needs to be constantly open to alternative schemes which modify the incidentals of his proposals while leaving the essentials intact, so long as they win him allies.

The pressures on a unit to join in the reassessment in response to a scrutiny are considerable and grow. Once the process begins the broader needs of the department begin to bear down on the individual unit to draw it in, for everyone in the department is aware (or becomes so) that there has eventually to be a coherent response to the report, and as a possible new consensus begins to emerge amongst some units there is considerable moral pressure on the other units to fall into line.

The result is something of a paradox, for group pressure of this kind is of course always present in the department but its influence is usually to inhibit change. An individual civil servant may see the need for radical change in his department, but an isolated individual is under considerable pressure not to push his views to the point of being disruptive. But to a considerable extent (although not wholly) a scrutineer is shielded from these pressures. He has his license. If he keeps his nerve he can eventually use these group pressures, not to inhibit but to encourage change.

The Trade Unions

The civil service trade unions are formally part of these debates around the scrutinies, but this fact disguises the difficulties they have had in deciding how to handle them. There has been a minority view among the civil service trade unions to the effect that if job losses were on the agenda, whatever else was involved, why should the union cooperate in a Rayner scrutiny at all? In some scrutinies this line has in fact prevailed, to the point in the more extreme cases of trade unionists picketing the offices which the scrutineer was visiting. In most cases however the trade unions have cooperated. This has been partly of course because of a realistic assessment of the support they would be likely to get from their members for industrial action, but the problem for the unions was not wholly a practical one. These divergent views within the unions reflect an ambivalence in the programme itself. On one side it has put into effect the present government's intentions of reducing civil service numbers and this has naturally made the trade unions hostile to it. But the programme has also been used by civil service departments, as I argued in the last chapter, to try to solve problems of organisation which are not directly connected to the present government's policies; and in that respect it is in the trade unions' interests to become involved in the process and to influence it. The double-edged nature of the programme left them with a difficult, and probably insoluble, problem.

Implementing the Report

After the debate around the scrutiny has been brought to a conclusion the scrutineer can move on to other work. This is not invariably the case but if the scrutineer is no longer present as the driving force behind the scrutiny the impetus needs to be kept up in some other way. At this point the personal influence of Derek Rayner and Robin Ibbs has been crucial. One of the main day-to-day concerns of Derek Rayner and Robin Ibbs has been to see that reports are acted on and a great deal of their time has been spent pressing for this. If necessary they will meet the permanent secretary and the minister responsible to obtain a personal report. Their objective is not to second guess the minister for the department on the decision he or she makes but to see that a clear decision is made; and on this point they are unrelenting. In the later years of the programme, they have pressed for the appointment of an 'action manager' within the department for each scrutiny, someone personally responsible for seeing that approved recommendations are implemented swiftly.

But as I hope will have emerged from what I have said of the role of a scrutineer, Derek Rayner and Robin Ibbs have been carefully, even studiously, indirect in the process seen as a whole. I have called this paper the Clandestine Reformer (a title which I owe to the suggestion of Peter Hennessy) because my principal motive in writing it was a desire to correct the widespread but mistaken impression that Derek Rayner and Robin Ibbs have acted as grand inquisitors within the civil service, peering into the cupboards of bureaucrats, finding untold waste and generally chilling the blood of Whitehall mandarins. This is the stuff of a good tale but it is far from what has happened. The sober truth lies in grasping the extent to which Derek Rayner and Robin Ibbs have worked to have the civil service reform itself, and I propose to bring this chapter to a close by asking some broader question about this tactic which I hope will correct the perhaps rather shadowless picture I have painted so far.

The Limits of the Scrutiny Technique

For this technique has its limitations. What if the problem at the heart of the scrutiny turns out not to be concerned with the job itself but with the abilities of the people who do it? It may be possible to create a genuine debate which is more than a defensive reaction about the first but it is scarcely realistic to expect it of the second. And scrutineers have come across this sort of problem. This sometimes emerges in the reports, although it may be omitted from the final version as it was in one scrutiny I saw. But usually it does not, because it goes beyond the boundaries of what the scrutiny technique can handle. If the scrutineer does come to this sort of conclusion, it is best taken up quietly with the permanent secretary of the department, who is in a better position than the scrutineer to deal with it.

The scrutiny technique not only has its limitations. It was also devised with a particular context in mind, and there are situations where the debate it involves would be counter-productive. One of these is where coordination is all that really matters: where perhaps it does not greatly matter whether A or B is chosen so long as all chose the same. Another is where the overwhelming need is for a quick decision. Both of these needs would be better met by a more autocratic style of management.

Why Derek Rayner chose this Approach

The scrutiny technique has in this way a specific context in mind and the light and shade its description requires begins to come out more clearly when one asks why Derek Rayner chose this approach: for it is at first sight perhaps surprising that an outsider from the world of business should have begun a programme which relies so heavily on internal forces.

The explanation lies in Derek Rayner's earlier period in government. In the early 1970s Derek Rayner was one of the business men called in by Edward Heath to set up a combined buying organisation for the Ministry of Defence. Subsequently he became the organisation's first chief executive, and during this period he came to respect greatly many of the civil servants he worked with, but also he became concerned at the structures he saw which often held these abilities back. It was during this period that he devised the strategy he was later to adopt.

In 1981 he gave an interesting interview which he appears to have arranged specifically to talk about these conclusions: and his carefully ironic use in the interview of the word 'waste' - which had been so bandied about in the newspapers - reveals his target.

> "I have been astounded" he said "at the range of talent in Whitehall which, with the odd exception, is available today. The greatest example of waste I found in government is so much talent at the service of the nation that, for one reason or another, is not being harnessed.
>
> My principal role has been to create an atmosphere in which this talent has been freed from the normal restraints..."[6]

Too many newspaper accounts made good reading - tales of conspiracies always do - at the expense of the facts:

> From Sir Derek Rayner
> SIR - I read Mr. Tony Conyers report. "Rayner 'beaten' by Mandarins of Whitehall" (Dec. 11) with amazement and growing sadness at the standard of accuracy.
>
> It is neither truthful, nor fair, to accuse senior civil servants of banding together to resist some of the reforms I have suggested. Throughout my three-and-a-half years I have received encouragement and practical help from many civil servants, including many of the Permanent Secretaries.
>
> It is Ministers and civil servants who have helped make a reality of the scrutiny programme and are securing the improvements identified which take time.
>
> Of course there have been disagreements and sometimes my point of view has not been accepted. But to suggest a conspiracy to thwart reform is better value as a television script than as a serious contribution to improving the efficiency of Whitehall.
>
> Derek Rayner
> London S.W.1.

The Daily Telegraph, 16 December, 1982.[7]

Remarks like this fit ill with the radical views on the civil service which have been seen in the scrutiny programme. The unspectacular truth is that Derek Rayner has never believed that the ills he was attempting to reform were unique to the civil service. In the Stamp Memorial Lecture which he gave at the University of London in 1984 he explained what he believed these ills to be.[8] The opening of the lecture was a claim that the structural problems that he had set out to overcome in the civil service appeared eventually in all large organisations; they were the problems of growth. The only difference was that the civil service lacked the early warning of trouble which business has when the customer begins to drift away.

These views are what underlay the differences between him and Leslie Chapman, whose plans were for a more centrally directed programme.[9] There was of course much common ground between them, especially in the radical questioning each insisted was necessary. But this was something they shared, or could share, with the more traditional O & M approach in the civil service; an O & M practitioner ought to be able to press his questioning to the same extent. The distinctive element in the Rayner scrutinies was the much higher level at which they were initiated and supported within the department. This point has been well made in an interesting paper by Philip Nash, an O & M practitioner who was involved in the scrutiny programme.[10]

What essentially distinguishes the Rayner scrutinies from earlier attempts at reform (and from the plans of Leslie Chapman) is the extent to which they work from within, and it is because of this that they can be seen in many ways to be working within the existing culture of the civil service. They work within its departmental traditions. They draw on its readiness to hear unwelcome advice (so long as that advice remains confidential), and they reflect its preference to work pragmatically. Alongside this Derek Rayner injected two new elements. One was the independence of the scrutineer and the other was his own presence lending him weight and shaping the process as a whole.

Derek Rayner's early experience in government may explain why he thought reform from within was possible but it does not explain why it was his goal. Yet he has always insisted that such a goal was essential: "You have got to take the department with you."[11] It is difficult to explain in Derek Rayner's own language why this is, as he is an individual who is disinclined to theorizing: he tends to see the problems before him in more concrete terms. But one explanation is suggested by the scrutiny of the system of record keeping which I carried out in the Inland Revenue. The table below sets out the different head office sections which were directly affected by the scrutiny. This is an alarmingly large number. It is also a very complex pattern: some of these units used the files themselves; others guided others in using them, usually in local offices; and others again used the files after the event to monitor and audit the outcome. One might well wonder how sucessfully an outsider would have grasped all these issues.

"You have got to take the department with you"

The files scrutiny in the Inland Revenue: the number and variety of the units affected.

Unit		Tasks
.PAYE procedures	-	Their design
.Residence and domicile claims	-	Technical advice on individual cases
.The Black Economy and false claims to relief	-	Overseeing investigations
.The policy of PAYE	-	Advice to Ministers
.The Sorting Centre	-	Transferring files between districts
.Accommodation	-	Providing office space for local offices
.Computerization	-	Planning the future computerization of PAYE
.Correspondence	-	Dealing with the Ombudsman and answering letters from Members of Parliament
.Internal audit	-	Monitoring the use of public money

But there is also a more fundamental point. Outside investigators might have produced quicker results but, in the long term, would there have been any fundamental change? I doubt in fact whether Derek Rayner saw the efficiency scrutinies as being about lasting change. He tended rather to contrast the efficiency scrutinies with his proposals for structural change in civil service management (reforms such as the financial management initiative); the first he characterised as dealing with the effects of past inefficiency, the second as getting at the cause of why things are as they are.[12] But I think this is in some ways misleading for it disguises the extent to which the efficiency scrutinies themselves have been the seeds of lasting change in the way the civil service is managed. As a department debates the fundamental proposals for change contained in the best scrutiny reports it gradually (and perhaps to some extent without realising it) learns about how to handle reassessments of this kind and there comes a critical point where the number of managers (and to some extent staff as well) who have been involved in this process begins to outweigh those who have not. It is a longer road than the use of outside investigators would allow. But in the long term the implications are far greater.

An Open Question

There is an obvious question about the scrutiny programme which I have so far avoided. The description I have given is a description of how the scrutiny technique brings about the change. But is it the right kind of change?

There is indeed a coercive element in the group pressures a scrutineer is eventually able to make use of which only underlines these doubts; they carry no guarantee that the final conclusion, however widely agreed on, is the right one. These doubts are what I want to consider next.

CHAPTER 3

When the System Wears Out

In the previous chapters I have said a good deal about the form of the scrutinies. But I have said little about their contents, and if one looks at lists like those below one may well wonder how possible it is to generalise about them. These are lists of the scrutinies carried out in some of the major departments of government, and at first sight there is an opacity about these subjects which seems to defy generalisation.

Scrutinies

The Department of Agriculture, Fisheries and Food

1979	Capital grants to farmers
1980	The enforcement of grading regulations for eggs and fresh horticultural produce
1980	Statistical services
1981	The Fisheries Research Department
1981	Research and development support services at CVL Weybridge
1981	Administrative forms
1982	The generation and use of written documents
1982	Personnel work
1983	The Central Agricultural Science Service and Food Science Laboratories
1984	The Veterinary Investigation Service

HM Customs and Excise

1979	Review of London and South East Collections
1980	Distillery and warehouse controls
1980	Co-operation between the Inland Revenue and the Customs and Excise in dealing with insolvent traders (a joint scrutiny with the Inland Revenue)
1980	Statistical Services
1981	VAT registration and de-registration
1981	Customs attendance
1981	Administrative forms
1982	The processing of customs import entries
1982	Personnel work
1983	The VAT Central Unit
1983	Supporting services for administrative work: the control of paper work
1984	Enquiries from the public

The Department of the Environment

1979	The provision of management information for ministers
1980	The arrangements for the financial control of the water industry
1980	The regional organisation serving the Departments of the Environment and Transport (a joint scrutiny with the Department of Transport)
1980	Statistical services
1981	Non-staff running costs in the Department of the Environment
1981	Research and development support services
1982	The Cartographic Service
1982	The Nature Conservancy Council
1983	Communications with the public
1983	Support services for administrative work: regional/headquarters transactions
1984	The Urban Programme
1984	The identification of internal talent (a joint scrutiny with the Department of Transport)
1984	Accommodation (a joint scrutiny with the Department of Transport)
1984	Burdens on business

I believe that there is a common thread running through such scrutinies; but the reservation I made earlier, that the scrutinies I shall describe in this paper are a good deal more successful and more interesting than most scrutinies, is most particularly true here. For it is in those scrutinies which have been successful in going beneath the surface problems of their departments that the thread lies.

The Starting Point

An excellent place to begin is by looking at two scrutinies - one in the Welsh Office and one I carried out in the Inland Revenue - which mirror each other in an intriguing way and pinpoint a basic element in the findings of the programme. Both of these scrutinies concern communication, and each arrived at similar conclusions on the origins of some of the communications problems they were considering. The problem, they decided, lay in the frames of reference of those who designed the messages under scrutiny and those who received them; they argued that the two frames of reference had drifted apart. But while one scrutiny looked at upward communication, the briefs prepared for ministers when answering questions in Parliament, the other concerned downward communication, the instructions sent by the Inland Revenue to its local offices.

In the first, the ministerial briefs were designed to give the minister a comprehensive account of the issues involved. But the minister himself saw them as a tool to be used in particularly difficult circumstances, in a debate in the Houses of Parliament for example, and his need was for something short, easy to handle and ready well in advance: if he needed more he would ask. But those who designed the briefs saw such questions as a failure; hence the comprehensive but, to the minister, unwieldly account[1].

The problem in the Inland Revenue was essentially the same, but directed downwards. The managers who designed the department's clerical instructions saw them in a different light to the staff who were given them to use. For example - one of many - the instructions did not always clearly distinguish between what was relevant only to one kind of officer (and not to another). The result was thorough and comprehensive but the reader might well have to read more than was necessary to find what he wanted.

The circumstances in these two scrutinies were in fact very different, but the underlying problem was the same. The organisation was beginning to drift apart.

Fossils

Two other scrutinies were concerned with the same kind of drifting apart but show rather more obviously how it comes about. Both concern records: one the records kept by the Customs and Excise in connection with distilleries, the other the records kept by the Inland Revenue of the accounts it received from self-employed taxpayers. Both scrutinies showed that alongside these records other information was being gathered which could also fulfill the purposes they were designed for. Why then were they being kept? The explanation is that this was not the case when the record keeping had first begun.

The Customs and Excise kept the distillery records to deter pilfering and the consequent loss of duty, which was very high compared to the intrinsic value of the spirit. But the owners of the distilleries had gradually come to keep similar records themselves because of their concern about their employees' health. The context had also changed for the Inland Revenue records. When the registers of accounts had been designed the department's policy was to examine, albeit briefly perhaps, every account it received. By the time of the scrutiny the department was selecting cases for examination in depth and the simple number of accounts received and settled was no longer so important. The information the manager needed was elsewhere. Both of these systems were in a sense fossils, left over from an earlier period.

But it is not peculiarly a problem of record keeping. Systems of any kind can and usually will wear out and a fossilised system can be a cause of the "bureaucratic" behaviour of which civil servants are sometimes accused.

A scrutiny in the Department of Transport looked at the department's oversight of the building of roads and bridges, an oversight which turned largely on establishing points of detail. In the 1960s, in the early days of the road building programme, this was entirely appropriate, when many of the engineers involved were inexperienced; but as experience was gained the expertise gradually passed from the centre to those doing the work, from the inspectors to the inspected. The controls became inflexible not because the department had become bureaucratic but precisely because it had not changed. The scrutiny of the Treasury's Central Computer and Telecommunications Agency pointed to a similar problem. The job of the agency was to oversee the introduction of new technology into the government machine and the agency was set up at a time when the expertise for this was scarce. By the time of the scrutiny two major changes had come about. One was that this expertise had become much more widely available. The other was that the different technologies of telecommunications, office systems and computers had begun to converge; they were now less of an appendage to the department's activities and were more central to its organisation. It was time to pass some of the oversight and clearer accountability to the departments themselves, and the scrutiny brought this about.

Worn out systems of this kind lay behind two of the scrutinies I mentioned in the last chapter. One of these concerned the compulsory registration by unemployed claimants to benefit at a Jobcentre. The scrutiny survey showed how ineffective this was. The reason for this lay in the changing role of the Jobcentres themselves. The role they inherited was that of the previous Employment Exchanges, which were closely allied to payments to the unemployed. This was no longer the case in 1980. By this time the modernisation of the Jobcentres and the rapid rise in unemployment had made them increasingly aware of the realities of the job market and therefore reluctant to send poorly motivated or otherwise unattractive candidates. The compulsory registration was by this time largely an ineffective formality. The other scrutiny I mentioned was that of the documents which the Inland Revenue issues to employers at the beginning of each tax year. This showed the code number they should use when deciding how much tax to deduct from an employee's pay. These were useful only if the code was changed or if the document was used as a record of the deductions made; if not, a general instruction to carry forward unchanged codes would have the same effect and be a good deal cheaper. Yet half of the documents - some 13 million - were neither used as records nor carried new code numbers. The explanation was that the context had greatly changed. In the early 1960s 3/4 of employers used the document as a record: by 1980 only 1/4 did, and the growing simplification of the PAYE system meant that increasingly fewer codes were being changed.

The two scrutinies concerning communication I mentioned at the beginning of this chapter were worn out systems of the same kind. In each, the frames of reference of the designers and the users had gradually become less relevant to each other as different parts of the department became dominated by their own perspectives. As the systems became fossilised, they had drifted apart.

One could continue to multiply these examples and to the same effect. As one probes the scrutinies, especially the more successful, they often show systems which have grown old as the contexts for which they were designed have changed. It is this which often prompts the desire for change in the department in the first place and it is this which marks out the area which the scrutineer, following that lead, opens up.[2]

The Patchwork Quilt

The depth of the underlying problem is suggested by the scrutinies of areas where departments have gradually adapted to a changing context. For this strategy brings its own problems.

A particularly good example of this is the scrutiny in the Department of Trade of the advice it gave to exporters. The problem was the number of places an exporter had to look to obtain information on a particular market. The first place to visit would be the country branch for that market and then separately the various stores of information on topics relevant to what he had in mind. The main job in life of the country branches was trade relations but they also gave a certain amount of advice to exporters, and these were of course organised by geographical area. The principal information stores however were held by the export promotion organisation and these were organised largely by industrial sector and by the type of export promotion service. What had held the department back from merging the two sides was the idea that there was some merit in dealing with export promotion on the basis of the industry and hence a knowledge of their products. The department, though, responded to the overlap in its day-to-day work to smooth the exporter's way. The country branches and the information stores duplicated each other's records in an attempt to reduce the number of places an exporter needed to visit. Exporters and government officials tended to short circuit their problems by going direct to the overseas posts, which were the ultimate source of this information, although this was a burden on their valuable time. And the overseas posts themselves would copy their information widely in the hope of getting it through to exporters who might need it. What the department was doing was responding to the problem by increasing the amount of information it was handling; and the resources it used in this way grew correspondingly.[3]

Another such scrutiny, in the Department of Industry, looked at the way the department checked applications for regional development grants. The system used attempted to spell out in detail as many as possible of the circumstances which might in practice be met; the job of the examining units was then to see that the decisions on these circumstances were applied consistently. A predictable system such as this had great economic advantages but the result was a very detailed and growing body of instructions, which was widely regarded as difficult to manage; and, more subtly, the system itself became restrictive in that examining officers were required to ask the same questions in every case regardless of the amounts of money involved. The system had grown by increments which were logical in response to the demands being made on it but which gradually thereby became increasingly complicated.

In this and in similar circumstances the department had attempted to repair the inevitable distance between its procedures and a complex and changing environment by elaborating its structures, creating a patchwork quilt as one scrutineer put it rather well. The response is a valid one and up to a point wise, for in doing this the department is attempting to preserve the credibility and integrity of its procedures. But eventually this growing edifice begins to give way under its own weight.

A Permanent Need

The point of this perhaps lengthy analysis was to demonstrate in the detail of the scrutinies that the scrutiny programme had been concerned not only with putting right the results of past inefficiency and, if sucessful, will gradually run out of subjects to tackle. However well a department is managed, problems of this kind will eventually appear: if the department holds to its structures, its structures will gradually become fossilised; if it tries to adapt to changing circumstances piecemeal it will find itself having to handle more and more information in a race to keep itself in line with its environment. At some point it has to radically reassess what it is doing. But the problem is that the normal management structure is unlikely to be able to handle such a task easily; it is not set up for it. It has to make itself a tool designed for this, and civil service departments have used the scrutiny programme to this end. It has provided an arena where for a carefully limited period the department can reassess its methods of working, if necessary to their roots, and produce a solution which will carry weight.

The need for this will not of course continue on the same scale as in the early years of the scrutiny programme. Nor is it the only technique available and a great many effective reviews are conducted within the civil service outside the scrutiny programme, using a variety of techniques. But the scrutiny technique is designed for a kind of problem which is particularly difficult to come to terms with. It is one where a cultural change in the thinking of management is needed or where the review cuts across the existing organisation of a department. It is there that it comes into its own; and the problems it is designed for will recur. The need is permanent.

Yet it is difficult to convey simply and directly the effects a scrutiny can have. The figures of posts saved broadly indicate this and anecdotes can catch the flavour of the opportunities the scrutinies have had, but it is only in the detail of the larger reorganisations that one can see the impact of the scrutiny programme at its fullest. The two scrutinies described below involved reorganisations of this kind; each has been briefly mentioned earlier but the reorganisations involved are set out here more fully. These indicate more clearly than any simple figures of staff saved what a scrutiny can achieve.

The Impact of a Scrutiny - Two Major Examples

Management audit in the Ministry of Defence

Subject

The expenditure of the Ministry of Defence is a major part of the expenditure of the state in the United Kingdom. In 1980 how well that expenditure was audited and managed was the subject of an efficiency scrutiny.

The scrutiny looked at broadly three specialisations in management and systems audit:

- Staff inspection and complementing, the aim of which was to ensure that only necessary tasks were undertaken and the minimum of staff used.
- Internal audit, which audited the spending of public money.
- Management Services, which gave advice to managers.

The Problem

By 1980 the broad appropriateness of this structure had gradually disappeared.

In practice the first part of the aim of staff inspection had been abandoned: to ensure that only necessary tasks were undertaken. On the basis of a single interview or questionnaire, it was an awesome task to decide whether a post was really needed; and the difficulties of convincing the managers involved led to long delays where it was attempted. But more fundamentally, jobs often were seen in isolation and the department had therefore tended to look at larger reviews to slim down its structure, and the role of the staffing inspectors had in practice been restricted to ensuring tight complements. But the savings they had achieved by complementing had been smaller than the gap between the department's paper complements and the staff in post. Gradually staffing inspection had become a paper exercise.

The arrangements for internal audit had also gradually lost their edge. The department had intended to use a modern systems audit but the work had not attracted good quality staff and the emphasis had therefore been shifted away from an audit of the system to one concerned with detail, relying on packs of audit procedures which were inevitably mechanical and unselective. The weakness in the structure of the audit added to the problem; the structure of the audit followed that of the department and thus had no formal means of making comparisons and strategic decisions.

Recommendations

The scrutiny's recommendations were of two kinds. The first was to make the system more selective. This involved entrusting line-managers with their own budgets and then monitoring their performance, at first selectively (and looking at the system as a whole) and then in greater detail where this appeared likely to be fruitful. The reports recognised that this would require better (although not necessarily more senior) staff.

The second recommendation was to combine these organisations into a centralised audit capability to allow strategic planning and the audit of all the resources - financial, human, and organisational - across departmental boundaries.

Results

The scope of the change was enormous and the report recommended a step by step approach, which began with the creation of a Directorate General of Management Audit. It is still early days and it obviously will take time for the auditors fully to learn their new skills but several interdisciplinary reviews have been carried out with some notable successes. One such interdisciplinary review of the department's relationship with industry produced significant staff savings, about 800 in all. Another, on the mail services, revealed an unrecognised need for more effective customer education in order to get the best out of the system.[4]

The scrutiny served two ends. The more selective approach allowed the department to reduce the number of inspectors and auditors it needed (by about 30%) in line with the government's intention to reduce staffing levels in the civil service. The other end was met by setting in motion a radical reorganisation designed to meet the management needs which the earlier system over the years had gradually ceased to meet.

Communication in the Inland Revenue

Subject

In 1982 the Inland Revenue carried out a scrutiny of the clerical instructions which it issues to its local offices. There are approximately a thousand such offices and nearly all of its considerable powers to assess and collect tax are administered through them.

The mechanism for preparing these instructions involved:

- Technical Specialists, who saw that the instructions reflected the tax laws as the Board of Inland Revenue understood them.
- Procedural Specialists, who expressed this understanding as sets of clerical procedures and made the first draft of the instruction.
- Communications Specialists, who edited the instructions. Their job was to see that the instructions were clear and consistent.

The Problem

The scrutiny was the result of doubt among some of the senior management of the department about how well the instructions were being understood by the staff asked to operate them. The scrutiny greatly confirmed these doubts. The test of the instructions against the Fog Index, an index of basic readability, showed that they were far more difficult to follow than had been appreciated. This result did not mean that the instructions could not be understood but it did mean that they were unlikely to be understood quickly and easily.

There was also a distance between the designers of these instructions, who saw them primarily as an accurate description of the procedures to be followed, and those who used them. These saw them rather as one might a telephone directory or a recipe book: a tool to be used in particular circumstances and needing to fit these circumstances easily.

The scrutiny also carried out a test of which instructions were being communicated well and which were not. The most successfully communicated were the points which figured largely in day to day work. The least successful were instructions on matters which were not regular jobs; points of detail and unexpected changes were examples of this.

The explanation for these results was the existence of alternatives to the official instructions. One could always, for example, ask a colleague rather than try to look up the answer in a book, and there were many others, but the most common was to consult a version of the instructions prepared informally by local managers and supervisors summarising the official instructions. Through these the control of the department's clerical work tended to slip informally into the hands of supervisors and away from the centre. The effect was also to filter the instructions. Basic instructions about day to day jobs fared best; staff were generally aware that they needed to know about these and they would usually be included in a summary. Details and the unexpected fared worse. If the official instructions were not used these took their chances.

This state of affairs had come about because the demands being made on the system for preparing these instructions had hugely increased.

- Firstly, there were now far more instructions. In the years before the First World War the Board of Inland Revenue's instructions were contained in a book small enough to be carried in an Inspector's overcoat pocket. By 1982 they had grown far beyond this.
- Secondly the underlying procedures were changing at a far more rapid rate than in the past; as a result of this the department had had to communicate to its staff radical changes in its basic procedures on a quite new scale.
- Thirdly, the number of different kinds of local offices were growing. Twenty years ago one office in the Inland Revenue was very much like another, but by the early 1980s this was no longer the case and the formal instructions were needed increasingly to avoid the misunderstanding this could give rise to.

Recommendations

The first set of recommendations in the scrutiny report concerned the use of professional expertise. The report illustrated how this could provide solutions to the design problems which underlay the failure to use the official instructions.

The second was the use of first hand information in establishing the practical needs which these design skills were intended to meet. This greatly altered the role of the communications specialists, whose role was expanded into visiting local offices to establish these facts, testing the possible design solutions and feeding the overall conclusions back to the technical and procedural specialists at the beginning of the chain[5].

Results

Change on this scale needed to be introduced by degrees and the department has begun with the areas of work which involved the greater numbers of staff and the larger amounts of money, and so far the results are encouraging. A follow up to the scrutiny has shown that points of detail are now being communicated more effectively and the amount of time available for supervision in local offices (which had been partly diverted to drafting instructions) has now been substantially increased.

Problem Solving

The process I have described seems to be a simple empiricism: the scrutiny programme chooses areas of activity and begins within these, empirically. Some scrutinies recommended centralisation, others decentralisation. Some recommend professional expertise, others freeing operational units from just such central direction. And so on.

But under this surface simplicity the scrutiny programme turns on an assessment of decision making with an underlying theory well-known to students of policy analysis.[6] Its intellectual background is a critical and sceptical view of the possibilities of central planning and it is designed for a situation where all the relevant facts cannot be known and analysed. It deliberately simplifies the procedure by moving, not towards a desired objective, but away from an undesirable one, by beginning with an area of activity and its problems. Its starting point is then the known not the unknown and there are therefore far less alternatives to be analysed and compared. It is the difference, for example, between seeking to devise the best system of communications for a department, which involves taking account of all the possible implications of all the possible alternatives, and merely starting with the existing communication problems and seeking to solve them. It allows decision making - and this is its purpose - to operate in a complex environment which it may not be able fully to pin down.

In this sense the scrutiny method is reformist, but in another important sense it is not. It is not necessarily an incremental process. The changes it leads to are not necessarily restricted to marginal changes to existing policies; it can, and often does, lead to radical change.

Policy studies usually bracket the two together: the reformism which moves forward in steps to satisfy immediate problems - which clearly is what the scrutiny programme is - and that which consists only of marginal changes to existing structures and policies -

incrementalism. In some ways the latter is a good description of decision making in the civil service in normal circumstances. But the scrutiny method is, emphatically, not incremental. Its whole drive is to reassess those very fundamentals which the incremental approach avoids.

The result in the Rayner scrutinies has been radical change, arrived at empirically but in the end radical. Many scrutinies have of course been limited in their recommendations and some although radical have been firmly rejected (such as the scrutiny of the Victoria and Albert and Science Museums). But this is not true of all. As I have tried to illustrate in this chapter, worn out structures have been replaced or wholly abandoned and some of the reorganisations brought about by the scrutinies will continue to produce further change for many years; the scrutiny in the Ministry of Defence of its management and system audit is a superb example of this.

The scrutiny programme is reformist in the sense that it restricts itself to solving problems rather than seeking to realise an ideal. But if it is reformist, then it is also a potentially radical reformism.

Policy and Politics

But it has its natural limits, at the point where administration gives way to politics, and in the end many scrutinies have turned on a political choice. But it would be a mistake to think that the scrutiny programme does not play a part in the making of policy. This part is limited but it is there.

It can raise political questions, while it cannot settle them. Its empirical approach can eventually question underlying policy assumptions. The scrutiny of the administration of capital grants to farmers for example in the Ministry of Agriculture, Fisheries and Food showed very clearly that a large part of this administration was ineffective if the aims were solely to achieve good financial control. But were they? The controls also had an indirect effect in protecting the environment in the countryside. Did this justify the additional cost? The scrutiny in the Customs and Excise of the information required of importers came to a similar pass. If the purpose of the information gathering was to see that the correct revenue was collected then too much information was being gathered. But was it justified by the control this work exercised on the import of prohibited goods - the rare species, the potentially harmful plants and so on? That, in the end, was a political choice but the scrutiny isolated and clarified it.

Some scrutinies have also raised fundamental political issues simply by pressing the logic of the apparently unproblematic facts. Two startling examples of this are parallel scrutinies in the Department of Health and Social Security and the Inland Revenue. Each concerned the, at first sight straightforward, issue of the end of year checks these departments carried out. The check in the Department of Health and Social Security was of the National Insurance Contributions it had received during the year for an individual; it compared the information about the individual in its records with the category of contributions made. The check in the Inland Revenue was for indications that an incorrect amount of tax had been deducted from a taxpayer's pay. The problem was that in each case the check was in large measure carried out for the citizen, to see that the system was not inadvertently taking from him or her larger amounts than were due. It is also ensured that the citizen did not suffer reduced benefits rights because too little had been paid by way of contributions. Yet the individual involved had, or could be given relatively easily, the same information as that held by the department. Why was the department then carrying out the check? Could the individual not do it for himself? But, equally, if the systems were not voluntary - and they were far from that - did not the state have an obligation to see that it was extracting no more than was due? From exercises of apparently parochial interest each scrutiny ended by being entangled in fundamental questions about the relationship between the individual and the state.

The scrutiny in the Inland Revenue mentioned earlier of the documents sent to employers at the beginning of the tax year raised similarly fundamental issues. The scrutiny demonstrated graphically the scope for change and dealt convincingly, after some heated debate, with the practical problems. What remained was the issue of the authority being conferred by the Inland Revenue on the employer. The scheme which the scrutiny was pointing to would allow employers to carry forward tax codes from year to year unless they received an amendment but the scrutiny came up against the principled view that the employer should be equipped with the same authority as a tax official, for - whatever he was called - that is what he was being made. In this view the document he received each year showing the code he should use was just such an authority and the Inland Revenue's safeguard that the considerable obligation to collect the correct tax was unequivocally imposed. Did any staff savings, however great, justify disposing of that?

That scrutiny touched on the authority given to the servants of the state: the scrutiny of the PAYE files I described in the last chapter (which abolished most of these files) raised the issue of their accountability. The final question was the extent of the resources the government would countenance being spent on making its servants accountable. In all of these scrutinies the ultimate decision was political; in three of them the minister involved accepted the questioning, and in three others he rejected it. But while the scrutiny technique could not settle the political issues, what it did was to establish the facts on which these decisions had to turn. It showed where the benefits and burdens fell. The scrutiny, for example, in the Department of Health and Social Security of its end of year check identified the kinds of people who would be affected. The scrutiny technique similarly established facts which could not be ignored. The decision on the authority of employers as tax collecting officials could not for example ignore the fact, which the scrutiny report made plain, that in two important circumstances the employer already had a similar duty imposed without such a tangible authority; that did not mean that it was right to do so, but if one fell the other must surely also.

But perhaps the most important thing the scrutiny establishes is the relative costs. One policy may be politically preferable to another, but if the costs are so great that a third is affected then political priorities may direct otherwise. In theory there can be a purely political decision. In practice it is inextricably entwined with the other factors. It is a creature, like the griffin or the unicorn, one never actually meets.

Chapter 4

Postscript: The Future of the Scrutiny Programme

Will the scrutiny programme survive? Or will its fate be the same as the earlier attempts at reform which Mrs Thatcher abandoned when she came into office?[7] These are questions which have much exercised Derek Rayner and Robin Ibbs, and from the outset their intention was to bring about lasting reform. This final chapter considers whether or not they are likely to have succeeded. It is a personal view and frankly conjectural but to my mind there are some strong clues as to the probable future course of the programme.

A commonly held view assumes that, in substance as well as in name, the scrutiny programme will not survive the government of Mrs Thatcher. Some wrote its obituary with the replacement of Derek Rayner by Robin Ibbs. It may be so. A good deal will depend on what kind of government eventually takes over. But the view such as this misses the extent to which the scrutiny programme is not wholly explicable in terms of the intentions of the government coming into power in 1979, a point I have been at pains to make throughout this paper.

The views of Derek Rayner and Robin Ibbs themselves on the future of the scrutiny programme have always been informed by the broader context they have had in mind. The most immediate expression of this is the Financial Management Initiative which they have helped to introduce. The drive behind it is to set targets and budgets for line managers and then to monitor the results. The scrutiny programme has its place within this design, as a tool line managers will turn to to make these ends meet. Ultimately Derek Rayner and

Robin Ibbs hoped to see the broader process spread beyond the central government machine and beyond administration to policy, where the great bulk of state expenditure is.

Certainly the broader context in the form of cash and staffing limits has been crucial to the scrutiny programme but these are by no means the same as the Financial Management Initiative or the reforms following in its wake. These are still at an early stage and their future is an open question.

But I do not think that we need to be agnostic to quite the same extent with the scrutiny programme, which has a longer history and can be known more closely; for it may be abolished but the needs it fulfills cannot.

The need I discussed in the last chapter, which lies behind many scrutinies, to radically reassess a department's structures will remain and recur. It is, as I have endeavoured to show, a sign of life not necessarily of mismanagement and its presence is apparent in that second agenda we commonly meet which I pointed to in the opening of this paper. Out of the range of possible solutions departments have tended to choose solutions in line with government policy to reduce the numbers of civil servants, but the area being thus unravelled frequently contains a pre-existing problem for the department, which is why it was chosen, and the scrutiny method allows that problem, along the way, to be solved.

And there are signs of senior civil service managers becoming accustomed to the scrutiny technique as one of the tools they can turn to. The Department of Trade and Industry for example runs 5 or 6 scrutinies each year but something like half of these are departmental scrutinies outside the formal programme for the civil service as a whole; Robin Ibbs's office are told of these but it plays no direct part in them.

The need the scrutiny reports have met is a permanent one and it is likely to be accompanied by a further need, a financial one. The tightening of civil service finances began with the decision of the previous Labour government to introduce cash limits and if it continues civil service departments will continue to require some radical way of releasing resources, if they wish to change. Incremental change has usually required incremental money: additional money to do additional things. But when this additional money is no longer available, to continue to develop civil service departments need to reassess their fundamental objectives and the scrutiny programme is a tool which has allowed them to do this. And short of a government committed to major spending on administration, civil service departments will continue to need a tool of this kind. It marks the end of incrementalism.

Whatever the fate of the broader reforms of Derek Rayner and Robin Ibbs, the scrutiny programme has in simple fact if not in public awareness served the needs of working departments as well as those of the government that came to power in 1979; and if it does disappear it will in some measure need to be replaced by an alternative, which may be hard to find.

NOTES TO CHAPTER 1

1. Conservative Central Office, *The Conservative Manifesto 1979*, pp. 8-9.

2. Sir Derek Rayner, "The Scrutiny Programme: A Note of Guidance by Sir Derek Rayner" in archive copy, ed. of 20 February 1981 p.9. Derek Rayner has also described the Rayner scrutinies in "The Business of Government" in *Administrator*, March 1983, pp. 3-6 and "The Unfinished Agenda", the *Stamp Memorial Lecture*, University of London, 1984.

   Two articles by officials who were at the time part of Derek Rayner's personal staff are: Ian Beesley "The Rayner Scrutinies" in Andrew Gray and Bill Jenkins (eds) *Policy Analysis and Evaluation in British Government* 1983, pp. 31-36; and David Allen "Raynerism: Strengthening Civil Service Management" *RIPA Report*, vol 2, no 4, (Winter 1981) pp 10-11 and 15-16.

   Baroness Young had responsibility for the scrutiny programme between Derek Rayner's departure in December 1983 and Robin Ibbs's appointment in July 1984; she describes the policy she was following in "Good Management is a Policy in its Own Right" in *Management Review and Digest* vol 10 April 1983 pp. 6-8.

3. Sir Derek Rayner, "The Scrutiny Programme: A Note of Guidance by Sir Derek Rayner" op.cit.

4. *The Daily Telegraph*, 9 May 1979, p. 1.

5. *The Guardian*, 9 May 1979, p. 1.

6. *The Daily Telegraph*, op.cit.

7. *The Times Index*, 1979, p. 193 etc.

8. *The Times*, 3 March 1981, p 4. Clive Ponting, *Whitehall : Tragedy and Farce* London, 1986

9. For example, Campbell Christie, "The Real Rayner Targets" *RIPA Report*, vol 3 no 1 (Spring 1982) pp 7-9

10. "Mistress of her masters", *The Economist*, 17 May 1980, pp. 9-10.

11. "Where waste is worse than in Whitehall" *The Financial Times*, 12 April 1980, p. 16.

12. Geoffrey K. Fry, "The Development of the Thatcher Government's "Grand Strategy" for the Civil Service: A Public Policy Perspective" *Public Administration*, Vol. 62, (Autumn 1984), pp. 322-335, taken up into his larger study *The Changing Civil Service* London, 1985

13. William Plowden "Administrative Reform in Britain", *International Review of Administrative Sciences*, vol 59 (1983) no 1 pp. 96-101.

14. David Thomas "How Much Are Civil Servants Worth?" Public Money, vol 4 (1984-85) no 4, pp. 29-32.

15. Dr Rosamund M. Thomas "The Politics of Efficiency and Effectiveness in the British Civil Service" International Review of Administrative Sciences vol 50 (1984) no 3, pp. 239-251.

16. Ray Thomas "A Critique of the Rayner Review of the Government Statistical Service" Public Administration vol 62 (Summer 1984) pp. 224-229.

17. Les Metcalfe and Sue Richards "The Impact of the Efficiency Strategy: Political Clout or Cultural Change?" Public Administration vol 62 (Winter 1984) pp. 439-454.

18. Andrew Likierman "Efficiency in Central Government: Raynerism Reviewed" RIPA Report vol 3 no 2 (Summer 1982) pp 6-7.

19. J. J. Richardson "Programme Evaluation in Britain and Sweden" Parliamentary Affairs vol 35 (1982) no 2 pp. 160-180.

20. Les Metcalfe and Sue Richards "Raynerism and Efficiency in Government" Anthony Hopwood and Cyril Tomkins (eds) Issues in Public Sector Accounting pp.188 - 211.

21. Norman Warner "Raynerism in Practice: Anatomy of a Rayner Scrutiny" Public Administration vol 62 (Spring 1984) pp. 7-22.

22. Philip Nash "We tried before, but without the clout", Management Services in Government vol 36 (1981) no 3 pp. 137-144.

23. The National Audit Office prepared a report on the Rayner Scrutiny Programme in 1986. This focused on three selected departments. National Audit Office Report by the Comptroller and Auditor General: The Rayner Scrutiny Programmes, 1979 to 1983 London 1986.

24. The scrutiny reports I have used are those placed in these archives; these can differ in some respects from the published versions, usually in matters of security or tact.

25. Norman Warner op.cit. (note 21) p.9.

NOTES TO CHAPTER 2

1. A scrutiny into the payment of benefits to unemployed people carried out jointly in 1980 by the Department of Employment and the Department of Health and Social Security.

2. There is an extract from the study plan for this on scrutiny in Chapter 1 and a fuller description in Chapter 3.

3. A scrutiny in 1980 of the inspection and audit arrangements in the Ministry of Defence. There is a fuller description of this scrutiny also in Chapter 3.

4. The flexibility I refer to in the scrutineer's role - at once an outsider and an insider - is not one which allows a department to avoid a scrutiny's recommendations; there is a strong pressure for the majority of recommendations in the scrutiny to be accepted unless there are solid reasons why they should not be. But it does ease the process. It allows the department, on one hand, to identify itself with the recommendations for change if it accepts them or if it concludes for substantial reasons that it has to advise against accepting them it can do so without embarrassment.

5. The aspect of the scrutiny programme discussed in this chapter reflects the early research carried out by Kurt Lewin on the effectiveness of group decision making and Mary Parker Follett's theories of "constructive conflict". These are outlined in: Kurt Lewin "Frontiers in Group Dynamics" in Field Theory in Social Science: Selected Theoretical Papers ed.Dorwin Cartwright England 1952, pp. 188-237; and Mary Parket Follett "Constructive Conflict" in Dynamic Administration: The Collected Papers of Mary Parker Follett ed. H. C. Metcalf and L. Urwick London 1941, pp. 30-49.

6. The Times 28 August 1981, p. 2.

7. The Daily Telegraph 16 December 1982.

8. Lord Rayner "The Unfinished Agenda" The Stamp Memorial Lecture The University of London, 1984. I have used a transcript of the lecture provided by the Prime Minister's Efficiency Unit.

9. See p 12. Derek Rayner handed out copies of Leslie Chapman's Your Disobedient Servant at the first briefing meeting for scrutineers only when Leslie Chapman himself declined to address them. Leslie Chapman later criticised the scrutiny programme in his book Waste Away London 1982.

10. Philip Nash "We tried before, but without the clout". Management Services in Government vol 36 (1981) no 3, pp. 137-144.

11. The Daily Telegraph, 28 August 1979, p. 14.

12. For example in his article "The Business of Government" in Administrator March 1983, pp. 3-6. The same view is taken in Les Metcalfe and Sue Richards "The Impact of the Efficiency Strategy: Political Clout or Cultural Change?" Public Administration Vol. 62 (Winter 1984), pp. 439-454.

NOTES TO CHAPTERS 3 AND 4

1. I have looked here at only one aspect of the Welsh Office communications scrutiny. This is the one which is directly relevant to the point I was making but the study also considered sideways and downwards communication commenting, for instance, on insufficient guidance being given to junior staff by senior staff.

2. The dysfunctions of rational organisation are discussed in Robert K. Merton Social Theory and Social Structure Glencoe, Illinois, 1957.

3. It was the scrutiny which finally decided the management of the department on the benefits of the unified organisation and that its main job in life was to provide information and to give positive help in market entry on a market basis; the staff of the department did not need to be experts in the products of individual industries. The result is that the department now provides a single point of entry through the combination of its regional offices - its "GPs" - and its unified market branches which these lead to (carrying out both export promotion and commercial relations).

4. M.J.V. Bell "Management Audit in the Ministry of Defence" Public Administration Vol. 62 (Autumn 1984) pages 311-321. J. F. Mayne "Management Audit in the Ministry of Defence" Management in Government Vol. 37 (August 1982), pages 138-146.

5. Nigel Laurie of Communication Audit worked with me on this scrutiny and played an important part in its development.

6. The classic description of a problem solving method of this kind is Herbert A. Simon Administrative Behavior. I have used the New York edition of 1976 (The first edition of this was in 1945). The writings of Charles E. Lindblom advocate an incremental form of this from which I would distinguish the scrutiny programme; there is an outline of this approach in his "The Science of 'Muddling Through'" reprinted in A. Elzioni (ed) Readings on Modern Organisations Englewood Cliffs 1969 pp 154-166

7. Programme Analysis and Review and later the ill-fated Civil Service Department.