



PO-CH/NL/0865
PARTA

Part A.

SENIOR MANAGEMENT IN CONFIDENCE

Begins: 11/4/89.
Ends: 9/5/89.


 PO -CH /NL/0137
 0865
 PART A

Chancellor's (Lawson) Papers:

NEW GRADE TWO POST IN
THE CENTRAL STATISTICAL
OFFICE

PO -CH /NL/0137 0865
PART A

Disposal Directions: 25 Years

D. Allan
23/8/95

**CABINET OFFICE***Central Statistical Office*

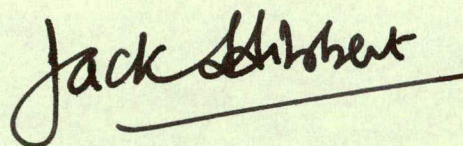
Great George Street, London SW1P 3AQ Telephone 01-270 6155

*From the Director: J. Hibbert*FROM: **J HIBBERT**
DATE: 11 April 1989**PS/CHANCELLOR OF THE EXCHEQUER****c Sir Robin Butler
Sir Peter Middleton****SENIOR STRUCTURE OF THE NEW CSO**

The recommendation in the Pickford Scrutiny to create a director of national accounts post in the new CSO has clear advantages in management terms, but we have run into the difficulty that there seems to be no candidate for that post in whom everyone concerned would have sufficient confidence to perform the task effectively. A further consideration is that the appointment at grade 2 level of any of the possible candidates is also seen to give rise to possible difficulties in the future when it comes to choosing a successor for my post.

I have proposed to Sir Robin Butler and Sir Peter Middleton that, in these circumstances, I should take the lead in directing the work on macro-economic statistics and, that in order to enable me to do this, we should appoint a grade 2 deputy director of the new CSO who would take over the bulk of my work on the international front, general Government Statistical Service policy matters, management of the statistician group, establishment and finance work for the new CSO and creation of the Executive Agency. The person I propose should take up this new post would be John Erritt, who will be 60 in February 1991. By then the work of getting the new department running smoothly as an Executive Agency should have been completed and we would then review the senior structure of the office, taking account of the fact that I shall be 60 in February 1992.

Both Sir Robin Butler and Sir Peter Middleton have agreed that my proposal provides an acceptable solution to the problem and I am now seeking the Chancellor's agreement before putting the proposal to the Senior Appointments Selection Committee. I would appreciate an early response so the I can do this by Friday 14 April.

A handwritten signature in cursive script that reads "Jack Hibbert". The signature is written in dark ink and is underlined with a single horizontal stroke.

J HIBBERT



FROM: A C S ALLAN

DATE: 21 April 1989

MR HIBBERT CSO

cc Sir P Middleton
Sir R Butler (Cabinet
Office)

SENIOR STRUCTURE OF THE NEW CSO

The Chancellor was grateful for your minute of 11 April, and apologises for not meeting your original deadline. After further discussion, he is content with what you propose.

A handwritten signature in dark ink, consisting of the letters 'A', 'C', 'S', and 'A' in a stylized, cursive font, with a horizontal line underneath.

A C S ALLAN

Ref. A089/1117

MR TURNBULL

3/5/89.

Grade 2 Post in the Central Statistical Office

In your minute of 2 May you recorded the Prime Minister's surprise that the CSO's management resources were not being strengthened from outside and her question whether the proposal to promote Mr Erritt and give Mr Hibbert responsibility for the improvements in the National Accounts was the best option available.

2. The answer is that, after considering a wide range of alternatives, we have reached the conclusion that this is the best of the options.

3. The alternatives which were considered included:

(i) to bring in a Treasury economist (for example, Mr Peter Sedgwick) to supervise the improvements in the statistics;

(ii) to bring in Mr Graham Reid, already a Grade 2, from the Department of Employment;

(iii) to bring in Mr Dworkin, Chief Statistician in the Department of Employment, who is one of the candidates for the succession to Mr Hibbert in due course.

4. The main objection to all these alternatives was the same, namely that none of them is as expert as Mr Hibbert in the main priority at present - to improve the National Income Statistics - in which Mr Hibbert is a specialist. Mr Sedgwick is an econometrician and well capable of pushing for the necessary improvements from the customers' point of view. But he is not a statistician and his position between the statisticians in the

CSO and Mr Hibbert would have been an awkward one. Moreover, the whole point of the machinery of government changes which have been made is to improve the Treasury's customer leverage on the CSO.

5. Mr Reid is also an economist rather than a statistician, and has recently been most directly concerned with labour questions in the Department of Employment. Although he is an effective as well as an agreeable manager, he would have been in much the same position as a Treasury economist. Mr Dworkin is a statistician, but no more expert in National Income Statistics than Mr Hibbert and his appointment would have the additional disadvantage of prejudicing the succession to Mr Hibbert since there would have been nowhere else for Mr Dworkin subsequently to go within the Government Statistical Service except to Mr Hibbert's job. One advantage of promoting Mr Erritt is that he retires in two years time and does not therefore prejudice the future arrangements at the top of the CSO.

6. For these reasons, the Chancellor of the Exchequer, Sir Peter Middleton and Mr Hibbert came to the conclusion that the best way of using our resources was for Mr Hibbert himself to take direct responsibility for the improvement of the National Accounts, devolving his management and other responsibilities to Mr Erritt, who is well qualified to bear them. I too am convinced that this is the best use of the resources available to us.

7. There will be an opportunity for the Prime Minister to obtain the Chancellor's views directly at her bilateral with him this afternoon, and I am therefore copying this minute to the Chancellor of the Exchequer.

R.F.B.

ROBIN BUTLER

3 May 1989



10 DOWNING STREET
LONDON SW1A 2AA

From the Principal Private Secretary

SIR ROBIN BUTLER

GRADE 2 POST IN THE CENTRAL STATISTICAL OFFICE

The Prime Minister discussed your minute of 3 May when she saw the Chancellor of the Exchequer this afternoon. He explained that the purpose of the change was to relieve Mr. Hibbert of some day-to-day management responsibilities so that he could concentrate on the improvement of the National Income Accounts, a subject on which he is a specialist. Mr. Hibbert was keen to undertake this work and your proposals had the merit of securing the commitment of the Director and the staff immediately below him to the new structure of the CSO and the new Ministerial reporting arrangements. He accepted that the arrangement was not ideal but that it was the best option until longer term arrangements could be made.

The Prime Minister said she had two concerns. First, there was no new blood being brought into the CSO. Secondly, she doubted whether Mr. Erritt merited promotion to Grade 2.

The Prime Minister would like to have a further word with you. In particular, she would welcome your view on whether it would be possible to get Mr. Erritt to take on some additional management responsibilities without promoting him to Grade 2.

I am copying this minute to Alex Allan (H.M. Treasury).

ANDREW TURNBULL

3 May 1989

CH/EXCHEQUER	
REC.	4 MAY 1989
AC	SER P MEDDLETON
COPIES TO	

✓s/s

CH/EXCHÉQUER ✓ 4/5	
REC.	- 9 MAY 1989
ACTION	SIR P. Middleton
COPIES TO	

Ref. A089/1165

MR TURNBULL

Grade 2 Post - CSO 8/5/89.

In your minute of 3 May, you said that the Prime Minister would welcome my view on whether it would be possible to get Mr Erritt to take on additional management responsibilities without promoting him to Grade 2.

2. As I reported in my submission of 28 April, Mr Erritt has been assessed as fitted for promotion to Grade 2 since 1984, ie since long before the prospect of this post arose. If it had not arisen, there would probably not have been a Grade 2 post in which to promote him, but the Prime Minister need not feel that there is a question here of promoting to Grade 2 somebody who has not hitherto been thought up to the necessary standard.

3. So I think that it would be just to promote Mr Erritt to Grade 2 and it would also help to cheer up the statisticians in the CSO who have accepted both the reforms and the transfer to the Treasury cheerfully; and it would get the new organisation off to a good start. But if the Prime Minister is not convinced that Mr Erritt should be promoted, Sir Peter Middleton and I consider that it would be reasonable to ask him to take on the new responsibilities at Grade 3, provided that he was given the full number of discretionary pay points - ie a further two (he has one performance point already) - and if he was given the title of Deputy Director. This would in fact give him a slightly higher salary at £49,600 (including London allowance) than the

£48,100 which is the starting point for Grade 2 (London allowance is not paid to Grade 2s).

4. I am copying this minute to the Private Secretary to the Chancellor of the Exchequer.

R.B.

ROBIN BUTLER

8 May 1989



PPS in

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBIN BUTLER

✓ - [Handwritten signature]

GRADE 2 POST - CSO

The Prime Minister has seen your minute of 8 May. She believes the best course would be to keep Mr Erritt at Grade 3 but, as you suggest, to award him two further discretionary pay points and to designate him as Deputy Director.

I am copying this minute to Alex Allan (HM Treasury).

AT

ANDREW TURNBULL
9 May 1989

SENIOR STAFF IN CONFIDENCE

CH/EXCHEQUER	
REC.	9 MAY 1989 ✓ als
ACTION	
COPIES TO	SIR P MIDDLETON