



10 DOWNING STREET

From the Principal Private Secretary

MANAGEMENT IN CONFIDENCE

Mr. Nicholls

If, while I am away, Lord Soames comes back saying he does want a meeting, can you pl. arrange with Sir Derek Rayner is intended to do.

4 August 1981

4 viii

Dear Jim,

CHAIN OF COMMAND

The Prime Minister has now had an opportunity to consider the Lord President's minute of 17 July 1981 with which he submitted a copy of the report of the study on management levels in the Open Structure which was carried out by Sir Geoffrey Wardale's team.

She agrees that we cannot abolish either the Deputy Secretary or the Under-Secretary grade but she believes that we should have as a target the reduction of the numbers in both grades to 1965 proportions (see Chapter III of the Wardale Report).

The Prime Minister does not think that it would be a good idea to use teams led by retired Permanent Secretaries or other very senior officials to go into Departments in the way proposed in the draft letter from the Lord President to the Home Secretary. She doubts whether they would be the right people to scrutinise arrangements for which they had a substantial measure of responsibility when they were in the Service. She believes that the reviews which it is suggested should be carried out should be undertaken by the Permanent Secretaries of the Departments aided, as necessary, by the CSD. Alternatively, she thinks that consultants might be used for this purpose.

Finally, the Prime Minister is of the view that we should publish the Wardale Report so that we can benefit from the views of the outside commentators.

The Lord President will clearly wish to consider the Prime Minister's comments on the Wardale Report. I am sure that Sir Derek Rayner will want to do so as well. If Lord Soames would find it helpful to have a meeting in due course with the Prime Minister to discuss the next steps, she would be glad to hold one. Such a meeting would now have to take place, of course, after the holiday break.

/ I am sending

MANAGEMENT IN CONFIDENCE

I am sending copies of this letter to Robert Armstrong and  
Derek Rayner.

Yours truly,

Alwi Whitman.

Jim Buckley, Esq.,  
Lord President's Office.