

Prime Minister

1

Yes - there is no practical alternative

Agree, subject to the views of the other recipients of Sir Denham's minute, to proceed as he proposes in paragraph 7 below?

AKW

10.x.

MR C A WHITMORE

THE ORGANISATION OF THE CENTRAL DEPARTMENTS

The Treasury and Civil Service Select Committee are anxious that their report should be available in time for the Prime Minister to take it into account in reaching her decision on the organisation of the Treasury and CSD. But they do not want to be put in the position of reporting before they have seen the factual and analytical material that the Prime Minister has asked the study team to produce. Mr Robert Sheldon, the Chairman of the Sub-Committee, has specifically asked, through the Clerk:

Just what we thought!

- a. when the study team's material will be available; and
- b. when the Prime Minister expects to reach her decision since this is relevant to the timing of the Select Committee's report.

There is clearly a risk that the Select Committee will summon members of the study team to give oral evidence if the team's material is not going to be published in time for the Committee to consider and report before the Prime Minister has taken her decision.

2. I should be grateful to know how the Prime Minister would like us to answer Mr Sheldon's questions.

BACKGROUND

3. The Press Notice (attached) announcing the study said that the study "will be completed in the autumn" and that the factual and analytical material produced by the team will be published. It also said that the Prime Minister hoped that the Select Committee would by then have published their views. So there is no commitment to make the team's material available to the Committee before they report or to delay a decision on the organisation of the central departments until the Committee have made their views known.

4. On the other hand, as I said in my minute of 4 August, the Select Committee could well take offence if the Prime Minister, having received the team's report, announced her decision without waiting for the Committee to publish their recommendations. The Committee would doubtless make play of the Prime Minister's letter of 24 April to Mr Du Cann, in which she said that the Committee's contribution would be valuable.

ACTION

5. I have considered how Mr Sheldon's questions might be handled. We could decline to elaborate on what the Press Notice says about timing. But I think that could appear

unreasonable and could well provoke an early summons for members of the study team to appear before the Select Committee. There are obvious objections to the team being asked to give oral evidence before the Prime Minister has considered their report and approved the material to be published. And to resist the Committee's request for the appearance of the members of the team would be likely to precipitate a clash in public with the Committee. That seems best avoided if at all possible.

6. It might be possible, therefore, to go a little further and tell the Committee:

- a. that the Prime Minister wished to have their views as soon as possible;
- b. that she hoped the team's material would be available in time for the Committee to consider it;
- c. but she could not undertake to delay her decision until they had reported.

But I doubt if the Committee would regard this as any more forthcoming than the response discussed in paragraph 5 and could provoke the same reaction as is mentioned there.

7. For these reasons, I am inclined to think that the best course might be to tell the Committee that the team's report will be made available to them as soon as possible during the course of November and that the Prime Minister accepts that they will want to take it into account in reaching their conclusions. On the other hand, it would be made clear that, if the Committee could not report within, say, two or three weeks of receiving the material, there could be no guarantee that the Prime Minister would wait for their views before announcing her decision. Requests for the members of the team to give oral evidence would, initially at least, be declined, as it could place them in an extremely embarrassing position.

CONCLUSION

8. The Committee have already devoted a lot of time to this subject. It seems almost certain that they would take offence at a response that was less positive than the one outlined in the previous paragraph. And they would probably receive a good deal of sympathy in Parliament and the Press. The price of responding along the lines suggested in paragraph 7 would be agreeing to wait for a few weeks more for the Committee's report. But that would not be a commitment to wait indefinitely and the risk that there would be some delay was recognised when the decision to announce the study was taken.

9. I should be grateful to know if the Prime Minister agrees that we should answer the Committee's questions in the way suggested in paragraph 7.

10. I am sending copies of this minute to the Private Secretaries to the Chancellor of the Exchequer and the Lord President and to Sir Robert Armstrong, Sir Douglas Wass and Sir Derek Rayner. Given the urgency, I have not had an opportunity to consult them in advance.

SB

IAN BANCROFT
10 October 1980

ORGANISATION OF TREASURY AND CIVIL SERVICE DEPARTMENT

Prime Minister Calls for Report from Officials

The Prime Minister has commissioned a study by officials to examine the question of more closely integrating the Treasury and the Civil Service Department.

The study will examine the case for and against, and the implications of, more closely integrating the two Departments.

It will take account of their vital and complementary roles in controlling public expenditure and Civil Service manpower and in promoting departmental efficiency.

The study will be completed in the autumn. The Prime Minister hopes that the Select Committee on the Treasury and the Civil Service will by then have published their views on the organisation of the central departments, so that she can take them into account.

The Prime Minister intends that the factual and analytical material produced in the course of the study will be published.

See Note Pt 2

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