

Yes - no notes on  
Tuesday

mb

Prime Minister  
Content for attached  
press statement to be  
issued next week?

1450, you could speak  
to Mr du Cann about  
this when he  
calls on Monday.

MAP 2/18

MR PATTISON

THE ORGANISATION OF THE CENTRAL DEPARTMENTS

As requested in Mr Whitmore's minute of 6 August, I attach the draft of a Press Notice about the study.

I should be surprised if the Select Committee did not decide to delay the publication of their findings until they have seen the factual and analytical material produced by the study team. They might also ask members of the team to give evidence about the study's findings. The Committee's report could, therefore, be long delayed and I am sure that, on reflection, it would be best to avoid giving any commitment to postpone announcement of the Prime Minister's decision about the future of the departments until the Committee have published their own view. I hope that paragraph 2 of the draft Press Notice covers the point adequately.

The two Assistant Secretaries who will work full-time on the study are being briefed. They will be able to look for guidance to Mr F E R Butler of the Treasury in association, as necessary, with his Principal Establishment Officer colleague here. Sir Douglas Wass and I will keep a close eye on the progress of the work, and Sir Derek Rayner will be consulted at critical phases.

The Press are likely to take a good deal of interest in the study. It seems desirable to avoid the misleading impression that this is either a Treasury or a CSD exercise. I suggest, therefore, that all Press enquiries should be handled by the No 10 Press Office. A briefing note for the Press Office is attached.

The Press will also want to know who will be doing the study. We cannot and need not keep this secret. I suggest, therefore, that we should tell them the names of the two Assistant Secretaries who will be doing the work full-time.

In my minute of 4 August, I suggested that No 10 should tell Mr du Cann about the study. I believe it might be best to have a word with him informally and to follow that up with a letter along the lines of the attached draft.

I think it is in everyone's interest - not least the timely completion of the study - to issue the press notice early next week.

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Copies of this go to Mr Wiggins (Treasury), Mr Buckley (CSD), Sir Douglas Wass, Sir Robert Armstrong and Sir Derek Rayner.

*JMB*

IAN BANCROFT  
8 August 1980

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until publication

DRAFT PRESS NOTICE

PRIME MINISTER CALLS FOR REPORT FROM OFFICIALS ON  
THE ORGANISATION OF THE TREASURY AND CSD

1. In view of their vital and complementary roles in controlling public expenditure and Civil Service manpower and in promoting Departmental efficiency, the Prime Minister has commissioned a study by officials. This will examine the case for and against, and the implications of, more closely integrating the Treasury and the Civil Service Department.

2. 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.

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

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until publication

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until publication

Notes for Editors:

1. The Select Committee on the Treasury and Civil Service have been considering the role of the CSD and the division of responsibilities between it and the Treasury. The Prime Minister welcomed the Committee's decision to study the subject.
  
2. The Prime Minister will use the officials' report to help her decide whether the present organisation of the central departments should be retained or if changes would enable their work to be done more effectively. She will be particularly interested in what the study indicates about the comparative costs and manpower requirements of the present arrangements and alternatives to them.
  
3. The study will be conducted full-time by two Assistant Secretaries - one drawn from the Treasury (Mr M V Hawtin) and the other from CSD (Mr J K Moore) - who will be assisted by a small team of officials. They will be able to seek guidance when necessary from Sir Ian Bancroft and Sir Douglas Wass, the Permanent Secretaries of the two Departments.

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## STUDY OF THE ORGANISATION OF THE CENTRAL DEPARTMENTS

### Briefing Notes for the No 10 Press Office

#### Any Precedent

1. The Press may ask if there is any precedent for handling a machinery of government matter in this way. We do not know of an exact precedent. Certainly, the PSA was created in 1972 after Mr Heath had asked Mr Cruickshank of the Business Team to produce reports for him on the subject. But the vital difference is that the Cruickshank report was NOT published. The innovation here is that the factual and analytical information is to be published. Avoid giving any impression that the same course will necessarily be followed in future.

#### The Treasury and Civil Service Committee's Work

2. The Treasury and Civil Service Committee have been taking evidence about the role of CSD and the division of responsibilities between it and the Treasury. The Prime Minister welcomed the Select Committee's decision to undertake this study (see her letter of 24 April to Mr du Cann - attached).

3. The Select Committee have taken oral evidence from Sir Robert Armstrong, Sir Ian Bancroft, Sir Douglas Wass and <sup>written evidence from</sup> Sir Derek Rayner. No current Minister and no other serving officials has given evidence. [CONFIDENTIAL - attached for background reading is the CSD/Treasury Memorandum. The Press have not got copies. The document may not be published without the consent of the Select Committee - this is a matter of privilege.]

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4. The Select Committee hope to report in the autumn. They have not yet, apparently, reached agreed conclusions. Any questions about the Select Committee's views should, of course, be directed to its Clerk (Mr Hubback) or the Chairman (Mr du Cann).

## The Officials' Study

5. There are six points to get across:

(a) the Prime Minister has not reached a decision about the future organisation of the departments;

(b) but their organisation should be reviewed from time to time;

(c) the factual and analytical material the team produce will be published;

(d) publication will be "in the autumn" - avoid being drawn on a specific date;

(e) also avoid being drawn on the date by which the Prime Minister will announce her decision;

(f) get across the thought that the Prime Minister hopes to have the Select Committee's report in time to take it into account but don't imply that she is committed to waiting for the Select Committee to utter.

6. If the Press ask about the members of the team, refer them to the note to editors. Julian Moore is the CSD's man and Michael Hawtin the Treasury's. Both are Assistant Secretaries.

Civil Service Department  
Whitehall SW1  
8 August 1980

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