

PERSONAL AND CONFIDENTIAL

Ref. A03530

MR. WHITMORE

The Organisation of the Central Departments

I should like to add a postscript to my minute of 31st October, to make six further points:

- (1) Though the staff on the strength of the Civil Service Department (CSD) now number over 5,000, and we should have to decide how to dispose of all of them if the CSD were to cease to exist, only a very small number of them are engaged on policy functions which would be integrated. Of this 5,000, 3,700 are in the executive outfits like the Civil Service Catering Organisation and the Central Computer Telecommunications Agency. Another 600 or so provide the common services (the common services of the two departments would of course be amalgamated, and some savings would be achieved thereby). The "policy core" of the CSD - the posts which would be really integrated into the Treasury - amounts to little more than 500 people.
- (2) One of the arguments for integration is that the central control of the resources and the central control of the manpower disposed of by Government departments ought to be managed within a single and fully co-ordinated responsibility. I think that there is a further point, which applies both on manpower control and on personnel management. Both functions are likely to be discharged most conformably with Government policy if they are discharged by an institution and by people who are directly involved in the formulation and execution of that policy. It is a weakness of the CSD that no-one (other than the Lord President) is directly concerned with Government policy. Manpower control, pay management and personnel management (including senior appointments) are likely to meet the needs of Government policy better, if they are in the hands of people whose duties also include responsibilities in the field of general policy advice and formulation.

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- (3) For historical as well as for valid contemporary reasons, recruitment should remain the responsibility of an independent Civil Service Commission. The Commission would need to be beefed up to include other functions which relate primarily to the professional standing and personal welfare of civil servants (notably training and welfare). If that course were adopted, the chairmanship of a beefed up Civil Service Commission, to be combined with continuing as Head of the Civil Service, is something with which Sir Ian Bancroft could be entrusted: we should then not need to think in terms of having two Joint Permanent Secretaries of the Treasury until Sir Ian Bancroft retired.
- (4) Sir Ian Bancroft's minute of 31st October says (paragraph 24) that there is a strong consensus of opinion among Permanent Secretaries in favour of retaining the CSD. I could not be at the meeting at which this was discussed, but it is clear from my own contacts that there is a significant number of Permanent Secretaries who are not party to that consensus.
- (5) The load on the Chancellor of the Exchequer would undoubtedly be increased by integration; but in my judgment - and provided that the main responsibility for manpower control was firmly placed with the Chief Secretary - not intolerably.
- (6) Sir Douglas Wass is inclined to be in favour of integration, but not yet: he is concerned about the transitional costs, and about the disruption at a time when holding public expenditure on course is difficult enough. The transitional costs will not be diminished by delay, and there is no reason to think that controlling public expenditure is going to become less full of strain than it now is. Continuity^{ed} uncertainty is bad for morale in the CSD and for its effectiveness in Whitehall. Whatever the decision is, I hope that it can be taken and announced without much more delay, so that the uncertainty is removed.

RA

(Robert Armstrong)

12th November, 1980

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