

CONFIDENTIAL

cc Sir Derek Rayner HS



10 DOWNING STREET

From the Private Secretary

MR. BUCKLEY
LORD PRESIDENT'S OFFICE

When the Lord President and Sir Derek Rayner saw the Prime Minister today, Sir Derek spoke about the position of his own office, given the likelihood that he would either reduce his own involvement or be replaced in the foreseeable future. He saw a need to have two Assistant Secretary posts in the office in order to follow up the work which had already been put in hand.

The Prime Minister confirmed that she wished to see Sir Derek's office staffed at whatever level he considered necessary to follow through its work.

I am sending a copy of this minute to Mr. Priestley in Sir Derek Rayner's Office.

M. A. PATTISON

15 October 1980

KRB

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

MR. PRIESTLEY

When Sir Derek Rayner and the Lord President saw the Prime Minister this morning, Sir Derek reported progress on Rayner scrutinies across Departments as a whole. Important savings from increased efficiency were being identified in a number of Departments, but in some quarters the work was not receiving the necessary support at the highest levels. The Prime Minister asked Sir Derek to provide her with more details of the areas in which he felt a need for greater political support. He undertook to send her a personal note on this.

Sir Derek also spoke of the current DHSS/Department of Employment scrutiny, in which the Prime Minister expressed considerable interest. We have since spoken about this, and I will consult the Prime Minister further, to see if she would like to see the presentation on this work.

Sir Derek said that he had it in mind to disengage from those Departments where he felt there was a lack of co-operation. The Prime Minister accepted his reasoning.

Sir Derek commented that the officials working on his projects in some Departments were becoming dispirited by the lack of support from the top. There was a great deal of talent available in Departments, but some of it was being suppressed. The Prime Minister said that she wanted to see the names of the officials who had been doing important work under Sir Derek's aegis. It was important to ensure that their talent was recognised, and that they were noted for future rapid promotion. She would also like to give another party in Downing Street for those involved, possibly with wives. We will be in touch about this.

I am sending a copy of this minute to Mr. Buckley in the Lord President's Office.

M. A. PATTISON

KRP

15 October 1980

CONFIDENTIAL

cc CO
Sir DR

H8



10 DOWNING STREET

From the Private Secretary

MR. BUCKLEY
LORD PRESIDENT'S OFFICE

The Lord President and Sir Derek Rayner had a word with the Prime Minister this morning about manpower issues.

The Lord President explained the thinking behind his draft manpower paper for Cabinet. He added that he was now convinced of the need to increase the contingency margin by 5,000 posts. The Prime Minister accepted the rationale for increasing the contingency margin, and confirmed that she would be content for the Lord President to circulate the paper as drafted. She would herself lend her support to his efforts to get colleagues to accept the additional cuts he now proposed.

Sir Derek Rayner drew attention to the scale of potential savings from increased efficiency. Scrutinies now in progress were throwing up much increased evidence. He felt that the Lord President's 2% target for further efficiency savings was modest. The Prime Minister noted the Lord President's comments that some Departments had offered no further savings from efficiency.

At the end of the discussion, the Lord President referred to the current position in the House of Lords. In his view, it was now necessary to allow the extra week to complete all three bills. This meant that the State Opening would need to be postponed to 20 November. He understood that The Queen could accommodate this change. The Prime Minister agreed that Cabinet should reach a decision on this matter tomorrow.

I am sending copies of this minute to Mr. Wright in the Cabinet Office and Mr. Priestley in Sir Derek Rayner's Office.

M. A. PATTISON

KRF

15 October 1980

CONFIDENTIAL