



PRIME MINISTER

CHAIN OF COMMAND

Following discussion in Cabinet last year, we commissioned studies into the use of management levels in the Civil Service. The study covering the Open Structure (Under Secretary and above) was carried out by a team led by Sir Geoffrey Wardale, a recently retired Permanent Secretary, and including a senior management consultant.

... I enclose a copy of their Report. This concludes that there are unnecessary posts which should be removed. But no Open Structure grade should be abolished as a whole. The grades should be used more selectively. There should be "on the ground" inspection and definition of posts. I agree.

The Minister of State here has discussed the Report with Sir Derek Rayner. Despite some residual doubts, he accepts that the Wardale approach should be given a trial. But he believes it should be sharpened by a general rule against having both Under Secretaries and Deputy Secretaries in any one hierarchy.

I have much sympathy with Derek Rayner's objective. Since April 1979 the Open Structure has reduced a little more quickly than the Service as a whole. But we still need an urgent programme of work designed to eliminate unnecessary posts as the Report proposes and at the same time to provide the evidence on which a general rule could be based and which would be convincing to colleagues and to the senior staff concerned. I also think we should seek to establish precise numerical targets. Meanwhile the inquiry into Civil Service pay will no doubt also consider the structure at the top of the Service. I hope we shall be able to reach conclusions which take both exercises into account in about 12 months' time.

We must also now decide what to do about the levels below the Open Structure. The right course here, in my view, is to mount exercises to apply Wardale's principles, which are no less valid at the lower levels. But much will depend upon colleagues' views on what is feasible in their departments at the time.

... I enclose the draft of a letter to colleagues setting out my proposals. Derek Rayner has seen it. I should be glad to know whether you are content.

Copies go to Sir Robert Armstrong and to Sir Derek Rayner.

S.
SOAMES
17 July 1981

MANAGEMENT IN CONFIDENCE

LETTER FROM THE LORD PRESIDENT TO THE HOME SECRETARY

CHAIN OF COMMAND: OPEN STRUCTURE

In the early part of this year a small team led by Sir G Wardale visited a number of departments, including your own, to examine the scope for simplifying the chain of command in the Open Structure (ie civil service posts at Under Secretary level and above). I enclose a copy of their Report.

2. The Report concludes that while no grade should be abolished there is a real need to root out unnecessary posts. It recommends too that there should be no presumption that all grades should be used in any one chain of command; that certain criteria should be met before a management level is justified; and, most importantly, that there should be regular reviews of senior posts, including the examination of work by or on behalf of the CSD.

3. I have considered the Report, and Barney Hayhoe has discussed it with Derek Rayner. I propose that we should accept its main recommendations and proceed to implement and build upon them. This would initially involve two lines of action. I would invite all colleagues in charge of departments to review all their Open Structure posts in accordance with the principles laid down in the Report and let me have their assessments by the end of October. We should also establish a small number of teams led by retired Permanent Secretaries or other very senior officials; these would be supported at Assistant Secretary level from CSD. They would go quickly into departments,

MANAGEMENT IN CONFIDENCE

starting with those areas where an early look "on the Ground" seemed likely to be most fruitful. That would include helping departments with their reviews and assessing the results. They would also help us to look at the feasibility and implications of introducing a general rule such as Derek Rayner has proposed that Assistant Secretaries should report directly to Deputy Secretaries and Under Secretaries to Permanent Secretaries.

4. This work should enable us to reach a judgment within about 12 months on what the size and organisation of the Open Structure should be. We should also then be able to take into account any relevant results of the inquiry into Civil Service pay. And in the slightly longer term I would expect the "Wardale teams" to become a permanent feature of our monitoring of Open Structure posts. Thus over a period all the Open Structure would be reviewed.

5. You will remember that work on the lower levels has so far been baulked by Union opposition. But I believe that the Wardale principles are as applicable to the lower levels as to the higher and ~~[we must decide how to proceed. Much will depend on]~~ how departments emerge from the present dispute. For some I guess recovery will have to be given absolute priority and chain of command studies will have to be left on one side for the time being. Others, who have largely escaped disruptive action, will, I hope, be able to get ahead. The question for them will be the extent to which staff will be prepared to co-operate.

that the CSB chain of command teams should now immediately put these principles into practice lower down.

How we get on here will depend to a large extent on

↑
This amendment has been made, as an after-thought, by the

MANAGEMENT IN CONFIDENCE

6. You will remember that at one time we thought of restricting discussions to senior staff if those in junior grades refused to co-operate. But we do not now believe that that would be an effective way of conducting the studies we have in mind, for the experience of the Wardale team powerfully confirms that the scrutineers need to talk to people at all the levels under review. It is in the staff's own interest that they should take advantage of the opportunity open to them to make their own views about their jobs known to the scrutineers, and I hope that we need not assume that we shall not get the co-operation we need from individuals merely because of some Union opposition. I believe that there is much to be gained from thinning out management levels - at least as much among the junior grades as in the Open Structure - and I'm sure we should get on with it. But how far can we realistically expect to make effective progress over the next few months?

7. I should be grateful to know as soon as possible whether you agree with my proposals on the Open Structure and whether you think we can get on with studies at the lower levels in your department once the present dispute is out of the way. We are committed to publication of the Report and I should like to do this without undue delay.

8. Copies of this letter go to Cabinet colleagues, Sir Robert Armstrong and Sir Derek Rayner.