

PRIME MINISTER

cc: Mr. Whitmore
Mr. Lankester
Mr. Wolfson

Here is some material for your visit tomorrow to the Civil Service Department:-

- A: Programme;
- B: A note on CSD functions, with an organisation chart;
- C: Notes on the senior officials you will meet;

Also some more substantive briefing on issues to be considered;

- D: A note from the Treasury on Civil Service pay /CSD do not know that you have some Treasury briefing on this;
- E: A paper from Sir Derek Rayner recording his impressions of CSD, suggesting (paragraph 23) some questions which you might raise, and including an important discussion of the future of the CSD (paragraphs 19-22). /This again has been prepared without the knowledge of CSD.
- F: Mr. Channon's minute of 21 December about Civil Service manpower, which has generated the Treasury comments on the handling of this year's pay.

See
Civil Service
(Manpower) A 2

You will see separately in tonight's box a minute from the Chancellor on the inflation-proofing of public sector pensions which is likely to be a major issue in this year's pay negotiations.

You have agreed to use the morning discussion session primarily to discuss manpower control and the reduction of Civil Service functions. The question of the future of CSD arises in this context. Although Sir Derek Rayner's paper is a personal submission to you, the subject has frequently been raised, and CSD officials will not be surprised if you want to bring it up. In fact, I think that you may find senior CSD staff sharing Sir Derek's view that the current arrangements are not viable, because the CSD has failed to establish its authority. The natural corollary to this judgement is that the manpower management functions should go back to the Treasury, as an element of public expenditure management which can best be handled by a Department whose authority is clear.

/The lunch-time

The lunch-time discussion is scheduled to deal with Civil Service pay, including pay research and cash limits. You will want to take account of the Treasury comments, and the Chancellor's views on how to handle the pensions issue. Mr. Channon gave notice that he was particularly keen to take up these issues with you. We have also warned CSD that you would like to return to the question of wage negotiations at the Royal Navy dockyards, which came up when you visited Defence.

MA

10 January 1980



Minister of State

Civil Service Department

Whitehall London SW1A 2AZ

Telephone 01-273 3000

10 January 1980

M Pattison Esq
10 Downing Street
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Dear Mike,

PRIME MINISTER'S VISIT TO THE CIVIL SERVICE
DEPARTMENT, OLD ADMIRALTY BUILDING

Further to my letter of 9 January I now attach a copy of the final programme for the Prime Minister's visit tomorrow. You will note that:

- a. the subjects for discussion have been adjusted to meet the Prime Minister's wishes;
- b. there has been a consequential amendment to the order in which the visit to Divisions will be made - Manpower 3 will now precede Pay 1;
- c. a consequential adjustment has been made to the officials attending the discussion session and the lunch - personality notes on those attending were enclosed with my letter to you yesterday.

I also attach a list of the staff who will meet the Prime Minister over coffee after lunch.

Yours sincerely

Gary Rogers

G D ROGERS
Assistant Private Secretary

Encs

PROGRAMME FOR PRIME MINISTER'S VISIT TO CSD, OLD ADMIRALTY BUILDING,
FRIDAY 11 JANUARY 1980

- 11.00 am Prime Minister arrives at the Horseguards entrance;
met by the Minister of State, CSD, Sir Ian Bancroft,
Sir John Herbecq and Mr Towers (Establishment Officer).
- c 11.03 am Discussion with: Minister, Permanent Secretaries,
Mr Burrett, Mr Wilding, Mr Bamfield, Mr Pestell,
Mr Russell, Mr Watson (Lord President's room).
- Current issues to be discussed:-
1. Manpower control and the reduction of Civil Service functions;
 2. The CSD's positive role in Sir Derek Rayner's initiatives;
 3. Computerisation - the change to repayment and current major projects;
 4. Civil Service pay, Pay Research and cash limits.
- c 12.10 pm Visit to:
- | | |
|---|--------------------------------|
| Pay 1 Division: Mr Pestell, Mr Morgan | } Mr Towers
to
accompany |
| Manpower 3 Division: Mr Bamfield, Mr Williams | |
- 1.00 pm Lunch:
- Minister, Permanent Secretaries, Mr Burrett, Mr Wilding,
Dr Allen, Mr Moseley, Mr Charkham, Mr Gilmore, Mrs Sloman
(Private room)
- Current issues to be discussed:-
1. Industrial relations in the Civil Service;
 2. The work of the Civil Service Commission;
 3. Training and the Civil Service College.
- 1.45 pm Coffee:
- Minister, Permanent Secretaries, Mr Towers;
representatives of the Departmental Whitley Council,
the Departmental Staff Side and some of the Depart-
mental branches of the Staff Associations; also some
of the younger members of the department
(Sir Ian Bancroft's room).
- 2.15 pm Concluding session:
- Minister, Permanent Secretaries (Lord President's room)
- 2.30 pm Depart:
- Horseguards entrance

