

Will now leave matters where they are. The whole sorry tale reveals an appalling lack of management talent in

PRIME MINISTER

CYNON VALLEY BOROUGH COUNCIL

the Civil Service system.

It is extraordinary that

totally unimpeachable people can be promoted.

to such

responsible

positions

at

I have conveyed to the Welsh Office your reaction to Mr. Edwards' minute below about the disciplinary action which has been taken as a result of the enquiry into the Cynon Valley Borough Council affair; and I have had a long conversation with Mr. Hughes, ~~the~~ Permanent Secretary at the Welsh Office, about the case.

Mr. Hughes said that he had given a great deal of thought to the appropriate punishment for the Assistant Secretary, Principal and Higher Executive Officer involved in the affair. Until now they have all had good reputations and for each of them this was the first time they had been involved in an error of judgement of this kind. Mr. Hughes said that he did not believe that dismissal from the Civil Service would have been justified for any of them. Moreover, he did not believe that a decision to sack any of them would be upheld by an industrial tribunal. He had considered both the loss of a year's seniority and withholding of a salary increment as a fitting punishment. He did not think that the loss of seniority would make much impact. As far as possible, he believes in promoting on merit and not on seniority; and promotion prospects in the Welsh Office have in any case been considerably curtailed by the manpower run down. Nor did he believe that the withholding of an increment would of itself be much of a penalty to somebody at these levels. He had concluded that a more keenly felt punishment would be the real wiggling which a severe reprimand involves, not least because in a Department as small as the Welsh Office it would soon become known that the three officials had had a major dressing down.

Mr. Hughes said, however, that he agreed with you that reprimanding the three more junior officials involved in the affair would not necessarily prevent a repetition involving

/ other

other officials. And he was as anxious as you to prevent a recurrence. This raised issues of management, and highlighted the problem of the Under Secretary concerned with the Cynon Valley ~~chaos~~ ^{case}. The Under Secretary was a good engineer but he was not suited to his post. * He lacked both management skills and political judgement. He would be 60 next February, and Mr. Hughes said that he had considered whether to penalise him for his part in the affair by making him retire early. But he knew that he would not accept early retirement voluntarily. This meant following the formal procedures of setting up a Board, hearing the evidence and then dismissing him. But the existing arrangements require the individual to be given six months' notice in such circumstances. He could also appeal either to a Civil Service tribunal or to an industrial tribunal. Going through all these procedures would virtually take us up to the Under Secretary's retirement date. In the meantime he would be more or less a passenger in the Department, and nothing would be being done about improving the management of his area. Mr. Hughes said that he had concluded that the most effective way of proceeding was to leave the Under Secretary where he was until next February, after he had been severely reprimanded like the others, and for him and the Deputy Secretary concerned to keep the closest possible eye on the Under Secretary and his area of the Office for the period between now and his retirement.

I think it is clear from what Mr. Hughes told me that he and the Secretary of State have considered very carefully what would be a fitting punishment for the four officials concerned and how best to stop a repetition of the affair. Mr. Hughes clearly believes that, as far as the three more junior officials are concerned, what will amount to public censure will be an exemplary punishment and that he can make suitable supervisory arrangements to keep an eye on the Under Secretary until he goes next February. In the light of this further information are you content to leave the matter as Mr. Edwards* has proposed? Or would you like me to ask him formally on your behalf to consider more severe action against the offenders?

9 June 1981

* He was put into it before
Mr Hughes became Permanent Secretary.

AWW.