



Conty
file AA

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

FUTURE OF THE CSD

When the Prime Minister saw you yesterday afternoon she had a preliminary word with you about your minute AO4951 of 20 May 1981 about the future of the CSD.

You said that although this was not a matter requiring immediate decision, it would come to a head when thought began to be given to the question whether to replace Sir John Herbecq when he retired in the summer of next year.

The Prime Minister said that she did not see a service-wide role for the CSD. The Department was not the McKinseys of the Civil Service: they did not embody enough experience to have a credible advisory role on management. Moreover, the Civil Service comprised a number of constituent parts which differed sharply from each other in function and character, and this made it difficult for the CSD to exercise a worthwhile central role in the management field. She thought that it should be possible to distribute the responsibilities of the CSD to other departments and to run it down. For example, responsibility for manpower control and pay could go to the Treasury, and other functions could be transferred to the Cabinet Office. But she was not in a hurry to reach decisions and she would like to think further about the matter and come back to it with you and Sir Derek Rayner at a later date. If in the meantime you wished to talk to Sir Derek Rayner yourself, she had no objection.

JAW.

22 May 1981

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