



10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

ORGANISATION OF THE CENTRAL DEPARTMENTS

The Prime Minister was very grateful to you for your minute of 16 January with which you sent the draft White Paper containing the Government's Observations on the Select Committee's recent report "The Future of the Civil Service Department".

The Prime Minister has studied the draft Observations in detail and she has commented that a large part of the draft White Paper is excellent. She has, however, two main reservations about it.

First, she is not happy about paragraph 20 which deals with programme evaluation. She feels that, as at present drafted, it is so woolly that "it throws doubts on our capacity to evaluate anything". Moreover, she thinks that this section is at variance with the Government's views set out in paragraphs 30 and 31. She would be grateful if paragraph 20 could be reconsidered with a view to making it more positive and more concrete.

Second, she does not think that the whole section beginning with paragraph 32 and headed "The Policy Objectives of the CSD" will do. She has commented that we cannot pray in aid "restraints on expenditure", as we do in paragraph 34, when Ministers have just received figures which show that departmental running costs have gone up by over 25 per cent between this year and last. She believes on the contrary that those figures suggest a lack of effective control which implies that management training in the Civil Service has hitherto been deficient. She thinks that this section must be tightened up to bring out more crisply and clearly the Service-wide problems which the Civil Service Department is in the lead in attacking and to explain, in terms which convey a sense of urgency, the solutions to those problems which the Civil Service Department is pursuing.

I think it likely that the Prime Minister will want to have a meeting with you and the others concerned before the White Paper can be finalised, and perhaps we could have a word about that when you have had an opportunity to consider the Prime Minister's comments. In the meantime she would be grateful to have the views of those to whom you copied your minute of 16 January on the White Paper, preferably before the end of this week.

/ I am sending

I am sending copies of this minute to Mr. Wiggins, Mr. Buckley, Mr. Green, Sir Robert Armstrong, Sir Douglas Wass and Sir Derek Rayner.

*DW.*

20 January 1981