



10 DOWNING STREET

*Govt Mark*  
CSD

From the Principal Private Secretary

PERSONAL AND CONFIDENTIAL

SIR DEREK RAYNER

FUTURE OF THE CSD

I have recorded separately in my minute of 15 July 1981 to Sir Ian Bancroft that part of the Prime Minister's meeting with you and Mr Cassels yesterday which was related directly to Mr Cassels's appointment to the new Second Permanent Secretary post in your unit.

During the course of the meeting the Prime Minister also touched upon matters which affected the question of the future of the CSD. She said that she had in mind the possibility of expanding your unit by incorporating in it those parts of the CSD which were concerned with efficiency and then combining the enlarged unit with the Cabinet Office. This might form the basis of a future Prime Minister's Department. As part of the first step in this process the CSD's responsibility for manpower would have to be transferred to the Treasury. If the Cabinet Office was enlarged by adding to it an expanded version of your unit, the Prime Minister would not have time to supervise it on a day to day basis and might well need the assistance of a Minister of State.

The Prime Minister's remarks are of course very relevant to your minute of 29 June about the future of the CSD and we shall be returning to this subject at the meeting which has been arranged for Monday 7 September. I know that I need not stress the sensitive nature of what the Prime Minister said but even so I should be grateful if great care could be taken with the handling of this minute.

✓ I am sending a copy of it only to Sir Robert Armstrong.

*JWH.*

16 July 1981

*AA*

*File AA A*  
*cc. CO*  
*Govt Mark*