



The other papers on this subject are in the list but have not been sent down to Messrs. [unclear] today.

The Chancellor's amendments seem sensible to me. Comments with them?

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

AMH
30x.

PRIME MINISTER

30 October 1981

FUTURE OF THE CENTRAL DEPARTMENTS

I have been studying the documents sent to you by Sir Ian Bancroft on 28 October. They seem to me to be generally on the right lines, and I have only two comments to make on them.

2. The first concerns the background briefing on the reasons for the split, and the reasons why you are not proceeding with the merging of the whole of the CSD and the Treasury, the option you considered a year ago. I am not entirely happy with the answer to Question 1 of the Notes for Supplementaries, not least because it could be construed as implying that any extra function given to me will not get the attention it should receive. It would to my mind be particularly unfortunate if such a presentation were to give the impression that the important questions of Civil Service pay and manpower control were somehow going to become Cinderella activities in the Treasury. As you know I have no intention of allowing this to be the case. Nor would I relegate the pursuit of efficiency or any other function now performed by the CSD to a background role. It seems to me that a better answer to Question 1 would run rather on the following lines:-

(X) ✓ MS
"There are certain aspects of Civil Service management with which ~~only~~ the Prime Minister must be ^{personally closely} concerned, notably personnel management and appointments. Furthermore I have myself taken a keen personal interest in the promotion of efficiency in the Civil Service, and to this end I appointed Sir Derek Rayner in May 1979 to his present post with a remit to report directly to me. I have decided therefore that in addition to the function of personnel management a special responsibility for the pursuit of efficiency should be vested in a Department, the Office of Management and Personnel, for which I shall be directly responsible."



3. My second comment concerns the minute you are being advised to send to the Home Secretary with copies to all other Cabinet colleagues. I think that it would be an advantage here to convey to the whole Cabinet your desire that the members of the CSD should be located as closely as possible to their colleagues in their new departments. As you will recall this is something to which you attached importance when we considered a complete merger of the CSD with the Treasury. I think it is no less important in the arrangements now proposed. It will not be easy to persuade colleagues whose staff will have to move to make room for the CSD and there will no doubt be some resistance to the upheaval involved. It would be a considerable help to those who will have to make the new disposition if your own commitment to relocation were expressed in this minute. I suggest something on the following lines as a new paragraph 6(a):-

✓ mb
"In order to extract the maximum benefit from the reorganisation, I shall wish to see the staff at present in the CSD accommodated in the same building as their new departments as soon as possible."

4. I am sending a copy of this minute to the Chancellor of the Duchy of Lancaster, Sir Ian Bancroft, Sir Robert Armstrong, Sir Derek Rayner and Sir Douglas Wass.

gwh

GEOFFREY HOWE