MANAGEMENT IN CONFIDENCE



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Chancellor of the Duchy of Lancaster

PRIME MINISTER

CHAIN OF COMMAND OPEN STRUCTURE

This minute reports the response of colleagues to my predecessor's letter of 11 September to the Home Secretary on the Chain of Command and the proposed review of Open Structure posts. I reported to you in my minute of 28 September that, in response to representations from colleagues, I had agreed to delay publication to allow more time for comment.

Although colleagues have a number of reservations they have, in general, endorsed the re-assessment of Open Structure posts against the principles in the Wardale Report and agreed to a common pattern of reviews as proposed by Christopher Soames. I am sure that we should now go ahead on that basis. I therefore propose to publish the report together with our response and to set in hand reviews in all departments.

The most common reservation expressed by most colleagues concerns the test yardstick of a reduction of 35% on the April 1979 figure for each department. This figure was not intended to be a final target, either for the Service as a whole or for any one department. But if we are to tackle reductions at these levels seriously, it is important that a truly rigorous common test should be applied to all posts by all departments. The 35% test yardstick was designed for that purpose. Firm targets would then be set in the light of colleagues findings in this first rigorous scrutiny.

I am quite clear that any numerical test yardstick we set ourselves could not be kept secret. It would inevitably leak. I would, therefore, propose to publish it. In this way we would seek to minimise the risk of misunderstanding by defining the status of the figure from the start. This would be important if we were to avoid unnecessarily lowering further the morale of this crucial group of public servants. Equally it would help to avoid raising expectations in other quarters of reductions of a size which colleagues may not find feasible. But in view of the widespread concern expressed by colleagues about the 35% test yardstick it would probably be as well if we had a short, collective discussion before publication.

I attach the draft response I would propose to publish with the Report if we agreed to retain the 35% yardstick. Copies would go on publication to the Select Committee, the Unions, the press, the CBI and other interested bodies.

Copies of this minute go to Cabinet colleagues, Sir Robert Armstrong and Sir Derek Rayner.

Parot Veny

BARONESS YOUNG 30 October 1981

## MANAGEMENT IN CONFIDENCE DRAFT GOVERNMENT RESPONSE MINISTERS TO LOOK AT NUMBER OF SENIOR CIVIL SERVICE POSTS A rigorous assessment of senior Civil Service posts in Government Departments has been decided on by the Government following consideration of a specially commissioned report by a Review Team led by Sir Geoffrey Wardale. The decision is announced in a statement by Baroness Young, Chancellor of the Duchy of Lancaster, made today on publication of the report. The full text of the statement is as follows:-The Review Team headed by Sir Geoffrey Wardale has presented its report on senior posts in the Civil Service (the Open Structure). The review team examined a sample of senior administrative Their Report concludes that all the existing grade-levels are necessary, but that, judged by the principles they have proposed, a number of senior posts can and should They recommend that there should be no presumption that all grades should be used in any one chain of command; that certain criteria should be met before a management level is justified; and, most important, that there should be regular reviews of senior posts, including the examination of work by or on behalf of the CSD. The Government accepts the Report's main conclusions and recommendations. In order to achieve a common approach, all departments are being asked to consider what the implications would be of reducing their senior posts by 35% below the level obtaining on 1 April 1979. This high figure has been selected MANAGEMENT IN CONFIDENCE

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to ensure that all posts are judged against the most stringent tests. It would imply a senior Civil Service of the same proportionate size as in the mid-1960s. It is not a target. Decisions will be taken, including the setting of any targets and the period needed for run-down, after the departmental reviews have been completed and assessed in the first half of next year. Thereafter there will be regular reviews as proposed in the Report. Although the Wardale Team examined only the Home Civil Service, the Foreign and Commonwealth Office are conducting a similar review of their senior posts in London against the same principles.

CSD officials and outside consultants will assist departments with their special reviews. Sir D Rayner and his office will also be associated.

Many senior civil servants carry a very heavy burden of work in the service of the nation. Neither the Report nor this response by the Government call that into question. The issue to be examined is how far the work can be organised more economically and flexibly, with greater delegation of authority, in order to secure the better use of the high abilities of a smaller number in the top ranks of the Service.

