

SUBJECT.



file AH
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1/5. CC CO

10 DOWNING STREET

From the Principal Private Secretary

cc. Newbery etc.

PERSONAL AND CONFIDENTIAL

SIR DEREK RAYNER

THE EFFICIENCY OF CENTRAL GOVERNMENT

The Prime Minister met you and Sir Robert Armstrong this morning to discuss the matters raised in your minute of 29 November 1981 to her.

You said that since you had sent your minute, you had seen both the Chancellor of the Duchy of Lancaster and Sir Robert Armstrong and they agreed with what you were recommending in your minute. You proposed that you should continue to be available to advise Ministers in the areas listed in paragraph five of your minute, but in future you would not be able to get as involved in the detail of the work on improving efficiency as you had done hitherto. Mr Cassels was already supervising the Rayner unit and he had now inherited from the Civil Service Department another Under Secretary command which had been working in the same area as the Rayner unit. It would make sense to bring these two commands together and to integrate them in a single unit. If this was not done the MPO's effort to improve efficiency would be divided, and departments would be confused and not know to whom to look in the MPO for guidance. As a result of the Prime Minister's initiatives in this area and the work of your unit over the last two and a half years, a great deal of energy had been released in departments whose staff were now much more actively seeking ways of improving efficiency. There was, however, a danger that much of this new enthusiasm would be dissipated on the wrong targets, unless a unit run and staffed by people working to your methods was available to direct it. It would not, however, be possible to set up the new integrated unit for some months, and in the meantime it was important that your present unit continued to operate, staffed and sited where it was now, and to carry forward its existing programme of work. When the integrated unit was brought into being, one of the two Under Secretary posts now in this area would need to be abolished. After integration you would continue to need staff support as described in paragraph ten of your minute.

AH

Sir Robert Armstrong added that he would be consulting you about any changes of personnel that might be needed when the integrated efficiency unit was set up, and he would, as necessary, seek the Prime Minister's approval for these.

The Prime Minister said that she agreed that your unit should continue in its present form for the time being and that, in due course, it should be integrated with the former CSD staff working on efficiency. She accepted that when this change took place, only one Under Secretary post would be needed in this area. She wished to be consulted about the staffing of the senior posts in the new unit when it was set up. She approved your proposals for your own staff support after integration, as set out in paragraph ten of your minute. She acknowledged that you would not be able in future to be so closely involved in the effort to improve the efficiency of central government but she warmly welcomed your readiness to continue to give advice in all the areas mentioned in paragraphs four and five of your minute.

I am sending a copy of this minute to Sir Robert Armstrong.

AW.

2 December 1981