



Prime Minister.

Contract for Sir Robert

Ref. A07966

PRIME MINISTER

Yes Mr.

Anything to proceed as in paragraph 6 here?

*MLL
8/1*

Cabinet Office: Review of the Open Structure

All Departments were asked to review their senior posts following the Government's acceptance of the Wardale Report. I have reviewed the open structure posts in the Cabinet Office, and I am putting this submission about the outcome of my inquiries to you, in your capacity as the Minister responsible for the Cabinet Office.

2. There is no uniform target which a Department must achieve from the review. The aim is to secure a substantial reduction in the total numbers of senior posts over the Service as a whole, compared with the time when the Government took office.

3. I have examined in detail how tasks are grouped and allocated amongst the various sections; the scope for delegation, both between myself and my Deputy Secretaries and also to the Under Secretaries and below; and the weight and loading of every senior post. Annex A lists the areas of the Office and indicates the main findings and conclusions. In summary these are:

(a) The peak of Cabinet Office numbers was reached in 1976, with a total of 29. That was down to 22 by May 1979. Since then there has been a net reduction of three, despite the addition (on a temporary basis) of one extra Under Secretary for the Information Technology Unit, and the upgrading of the Chief Scientist from Under Secretary to Deputy Secretary. The details are as follows:

	<u>1979</u>	<u>1982</u>
Permanent Secretary	3	3
Deputy Secretary	7	6
Under Secretary	12	10
	—	—
TOTAL	22	19
	—	—

In addition an Under Secretary post in the CSO, which was vacant in 1979, was subsequently abolished, giving an effective saving of four posts since May 1979.



- (b) The broad structure of the Cabinet Office should remain unchanged; there is no scope to achieve further reductions by reorganising the work.
- (c) At the senior levels the Cabinet Office already operates on the basis recommended by Wardale, ie "Work should, as far as possible, skip grades in the chain of command."
- (d) When you created the MPO and brigaded it with the Cabinet Office, I thought that I might need to suggest that we should replace a Deputy Secretary with a Second Permanent Secretary who, in addition to the primary role of heading up the European Secretariat, would also act as my Deputy in the Cabinet Office in all areas except the CPRS and the CSO. As a result of my review I have decided not to pursue this change. I have been able to make a certain amount of extra elbow room for myself by delegating more to the Deputy Secretaries, and in particular the responsibility for briefing you directly on the handling of meetings of Cabinet Committees which you chair. This step has added further weight and responsibility to Deputy Secretary posts.
- (e) Every Under Secretary post was evaluated with the assistance of the appropriate Deputy or Permanent Secretary. With two possible exceptions the conclusion was that they are all essential to the efficient conduct of business and are fully loaded. The exceptions are in the Information Technology Secretariat and the Central Statistical Office. If the Information Technology Secretariat's role of co-ordinating and helping to implement the Government's plans for information technology is completed by 1983-84, as expected, it should then be possible to surrender another Under Secretary post. It may also be possible to surrender another Under Secretary post in the CSO, but this will need to be considered further in the light of reductions in senior posts elsewhere in the Government Statistical Service, which will have implications for the role of the Under Secretary level in the CSO.
4. It goes, almost without saying, that both the posts of Head of the Government Statistical Service and Head of the CPRS are properly Permanent Secretary level. Mr Ibbs thinks - and I agree - that the expanded role of the



CPRS in the nationalised industry field will need to be led by someone at the Deputy Secretary level if it is to be pursued effectively. This will mean an additional post, but the aim is to second someone from outside the Civil Service.

5. I am determined that the top structure of the Cabinet Office should be kept vigorously to what is required in order to provide you and your colleagues with the standard of service required. Leaving aside the somewhat special requirements of the CPRS, it is probable that the number of senior posts will have been reduced by either five or six (about 22 or 27 per cent) during the period May 1979 to 31 March 1984, unless new demands are placed upon us between now and then. This does not include the saving of the Permanent Secretary post formerly held by Sir Ian Bancroft.

6. If you are content, I propose to write to the Treasury on the basis of the information in this submission and in the Annex.

REA

ROBERT ARMSTRONG

7 April 1982

Review of the Open Structure in the Cabinet Office

BACKGROUND

1. The Cabinet Office differs from most other Departments in that it does not in the main have functions or pursue policies which can be dropped. It provides a service both to Ministers collectively and to the Prime Minister in particular. There is a central core to the Office - the Secretariat - but other tasks are frequently added, and over the years the overall size of the Office, and its top structure, have expanded and contracted as the following table shows, to meet the varying responsibilities which Ministers have allocated to it. Within the Secretariat, too, the top structure has altered to reflect changes in the needs and priorities of the Ministerial and Official Committee system.

	<u>Staff in Post</u>				
	1965	1970	1976	1979	1 March 1982
Permanent Secretary	2	3	5	3	3
Deputy Secretary	3	5	8	7	6
Under Secretary	6	14	16	12	10
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11	22	29	22	19

In the following paragraphs each of the four main areas, the Secretariat, the CPRS, the Joint Intelligence Organisation and the Central Statistical Office is considered separately.

The Secretariat

2. The Secretariat is responsible for servicing the Cabinet and its Committees, and also for various staff responsibilities in relation, for example, to nuclear matters, terrorism and other civil contingency issues. The following table shows a reduction of one Deputy Secretary post between May 1979 and March 1982 and, for information, a number of other changes leading to a net reduction in posts below the open structure.



	1 May 1979					1 March 1982				
	DS	US	AS	Prin	Total	DS	US	AS	Prin	Total
Defence and Overseas	1	1	1	4		1	1	2	3	
Economic, Industrial and Scientific	1	1	2	5		1	1	-	4	
European	1	1	2	4		1	1	2	4	
Home, Social and Legislation	1	1	-	3		-	1	2	1	
	4	4	5	16	29	3	4	6	12	25

3. A Secretariat headed by an Under Secretary was established in 1981 (for a limited period of about two years) to co-ordinate and help implement the Government's plans for information technology.
4. The Heads of the Secretariats agree generally that the present division of work is broadly right. It may be necessary to switch tasks from time to time, but there is no scope to secure improvements in the work or a saving in senior posts by any major change in the structure. Staff at the Assistant Secretary and Principal level, while allocated to a particular Secretariat, regularly assist in others as the priorities of the work require. Grade skipping is a normal feature in all Secretariats, in the sense that both Assistant Secretaries and Principals can work directly to either the Deputy Secretary or the Under Secretary as required; and in the Home and Social Affairs area which is headed by an Under Secretary, the Principal can work directly to him. This is good 'Wardale'.
5. Within the Secretariat each Deputy Secretary post has been considered separately; but there are common features to all three posts which justify the need for the grade, eg the servicing of Prime Ministerial Committees and their Sub-Committees, requiring the preparation of briefs for the Prime Minister and other Ministerial Chairmen, and the subsequent preparation of the minutes; and the general co-ordination and promotion of Ministerial decision taking, including taking the lead in working groups or MISC Committees established to follow up Cabinet or Cabinet Committee decisions. These functions may involve bilateral or multilateral contacts with other countries. In all cases the essential role is to be able to co-ordinate the activities and the views of a number of Departments and to have the status to negotiate to resolve interdepartmental disputes where possible, and where not to supervise the preparation of agreed submissions to Ministers.
6. These tasks of co-ordination and negotiation cannot generally be pulled down to the Under Secretary level. To attempt to do so would make the problem of resolving disputes more difficult, and would involve more reference back - which in practice would mean upwards - with important implications for the load on the Secretary of the Cabinet, and on Permanent Secretaries in other Departments.

7. The basically good calibre of the Deputy Secretary posts has been further strengthened by the delegation to them, from the Permanent Secretary level, of the responsibility for briefing the Prime Minister direct on some items of business, together with the responsibility for approving the minutes of Committee meetings. This delegation to the Deputy Secretaries should help to avoid the need to strengthen the top structure of the Cabinet Office by the introduction of a Second Permanent Secretary post, in order to relieve the Secretary of the Cabinet of important Secretariat duties, consequent on his assumption of responsibility for the Management and Personnel Office.

8. As to the need for the Under Secretary grade, 'Wardale' recognises that they have varied jobs and that the grade is a vital one in many areas. Their use in the Secretariat must be considered in the context of the work as a whole, but with particular reference to the role of the Deputy Secretary. While the latter is, of course, responsible for the totality of the work and will exercise a supervisory role as required, the Deputy Secretary and his Under Secretary often work in parallel rather than in series. They will ~~both~~ be Secretaries to the same Ministerial Committee and may share the minuting role; but they will also operate largely independently of each other as Chairmen or members of official Committees, drawing on the staff below them as appropriate.

9. The volume of work is considerable. The Deputy Secretary will tend to be concerned with the more vital and immediate issues, with the Under Secretary handling other business - although this is not wholly the case, and the Under Secretary can get a good ration of, for example, Prime Ministerial meetings. This arrangement, together with the increased delegations from the Secretary of the Cabinet to the Deputy Secretaries, reflects a genuine division of labour between the two grades, but allows them to work in series, in parallel or in tandem. This is the great strength of the Secretariat and enables it to respond quickly, flexibly and efficiently to the often urgent demands placed upon it. The unanimous view is that the Number 2 post in the main Secretariats needs to be at the Under Secretary level; and that no matter how able an Assistant Secretary might be, the top structure requires both the Deputy Secretary and the Under Secretary level to operate at the necessary standard of flexibility and efficiency. The decision to drop the Deputy Secretary post in the Home, Social Affairs and Legislation area was right, and there the Under Secretary-Assistant Secretary relationship works well. But the role of that Secretariat is relatively limited, compared to that of the others (eg it has no Prime Ministerial meetings), and the firm view is that they require the lighter structure.

The Joint Intelligence Organisation

10. The Intelligence Co-ordinator is a Deputy Secretary. He acts as general adviser and counsellor to the Heads of the Agencies, the Secretary of the Cabinet and the groups of Permanent Secretaries who share with him responsibility for the supervision of the Agencies' requirements and the control of their finances. The Co-ordinator is a member of the Joint Intelligence Committee. The post is a full-time one and the Co-ordinator is obliged to spend a great deal of his time outside the office, in the Agencies or in contacts with our intelligence partners. Without the post the tasks would fall to the Secretary of the Cabinet, and it would be clearly impracticable for him to devote anywhere near adequate time to them.



11. The Assessments area, headed by an Under Secretary, is responsible for ensuring the smooth flow to the Government of intelligence information including economic material. There are some 15 staff at the Assistant Secretary to Principal level including four service officers. The Under Secretary reports to the Intelligence Co-ordinator on matters which concern the Co-ordinator's own role and on organisation and staffing matters for the Assessments area, but for the most part he reports to the Chairman of the Joint Intelligence Committee. The Under Secretary is required to deal directly with the Deputy Secretary and Lt General level in the FCO, MOD and the Agencies. The post is fully loaded and properly graded at Under Secretary.

The Central Policy Review Staff

12. The CPRS provide a central and independent capability for work and advice on strategic and other matters. The present senior structure comprises one at Permanent Secretary level, two at Deputy Secretary - one of whom is the Chief Scientist - and an Under Secretary. There are a number of Special Advisers in the Assistant Secretary/Principal range.

13. The work of the CPRS tends to crystallize around its projects, with study teams forming up from amongst the Special Advisers as required. The organisation is therefore both dynamic and relatively shapeless, and the nature of the work, and to an extent the grading structure, would defy precise definition. Within that flexible arrangement, it is important to ensure that jobs are at the right level and properly loaded.

14. The Head of the CPRS is supported in the management and operation of the Unit by the administrative Deputy Secretary and the Chief Scientist. This latter post was enhanced and regraded only recently. The content and grading of the job will need to be reconsidered in the context of the Government's reply to the House of Lords Select Committee on Science and Technology; but the Secretary of the Cabinet is not expecting to recommend a regrading. Apart from the scientific area, the administrative Deputy Secretary deputises when necessary for the Head of the CPRS over the whole field of its work. As the CPRS cannot operate effectively on a hierarchical basis, there is an important overall management role for the Deputy Secretary because that is the first level at which responsibility for all the projects comes together. He is concerned with "quality control" of CPRS work - with editing and reshaping its reports and with the use of its resources. He acts specifically as the team leader for very major studies. Although the Deputy Secretary job cannot be particularly well defined, bearing in mind the importance and the nature of the CPRS role, and the level at which it has to operate both within and outside of Government, there can be no doubt that the Deputy Secretary post is necessary.

15. As regards the Under Secretary post, the essential need is for a team leader on the more major studies in the Civil Service and general non-industrial field. It is a key role and none of the Special Advisers - excellent though they are - are well placed, or have the authority and standing to lead on the full range of studies which the CPRS have already been asked to undertake and on others which are expected. There is a clear need for a team leader at the Under Secretary level.

Central Statistical Office

16. The CSO differs from other areas of the Cabinet Office in that its top structure was reviewed in 1980 during the Rayner Scrutiny of the Government Statistical Service. One Deputy Secretary post was abolished directly as a result of that review, together with a vacant Under Secretary post. The current top structure comprises one Second Permanent Secretary (who in addition to heading the CSO is also Head of the Government Statistical Service) and three Under Secretaries (Statisticians). There are eight Chief Statisticians and some 190 other posts filled by various professional and other grades.

17. It may be possible to surrender another Under Secretary post in the CSO. Whether this is possible will depend upon events in other Departments, and in particular in the Department of Industry. The need to have a Deputy Secretary there in charge of the Statistician Group is under consideration. If that post is abolished it will add to the Service-wide management role of Sir John Boreham as Head of the Government Statistical Service at the expense of his management tasks in the CSO, which would make it necessary to retain the Under Secretary post there.