



PRIME MINISTER

OPEN STRUCTURE REVIEW: FINAL REPORT

Attached is the final report of the review of Civil Service posts in the Open Structure. The remaining steps mentioned in the interim report I sent you on 1 June have now been taken. The final statistics differ little from those in the interim report - a reduction of just under 20%.

2. Your Private Secretary's letter of 3 June expressed your particular interest in the proposals for future reviews of Open Structure posts. These are summarised in paragraphs 10-14 of the report. They seek to build on the natural opportunities a Head of Department has to review the organisation and staffing of his department. Each department should be reviewed comprehensively every three years or so, in consultation with the Treasury and MPO. Wardale suggested not less often than every five years, but every 3 years will make for more effective discipline. The annual report each autumn will provide an opportunity for regular stock-taking over the whole field.

3. I endorse these proposals. They should, I believe, prevent creeping growth in future. Paragraph 11 of the report states the intention to maintain the tauter staffing regime which has now been established. To this end it re-affirms the rule that all new posts in the Open Structure be approved by the Treasury, and that new posts at Deputy Secretary or above be submitted to you for your approval.

Prime Minister:

The final report of the open structure review confirms the direction suggested in the interim report: a reduction of 20% or so. Agree to the Chief Secretary's proposal?

Yes, not

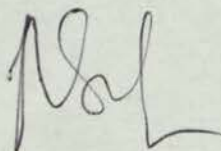
TF 23/7

4. Sir Derek Rayner has suggested that the arrangements proposed in paragraph 13 for periodic comprehensive review of each department should include provision for external verification to be sought by the centre, preferably through the use of completely independent persons. I see the case for this and the report does not exclude it. But I think we should decide this at the time, as each review is mounted. We need to be careful to say nothing now to weaken the personal responsibility which is being placed on official Heads of Department to sustain the stringent policy now established.

5. If you are content I propose that the report should now be published. If it is settled before the House rises, publication ... should be by means of arranged PQ, for which a draft is enclosed. The last sentence picks up your comment on the interim report. This is optional, but I think it would be sensible, and appreciated by the Service, to include something of this kind.

6. If it is not cleared in time for a PQ, I see no need to hold it back until the House returns. We can send copies to the Treasury and Civil Service Committee during the Recess and publish by press notice on the lines of the draft Answer, including, if you agree, the last sentence.

7. I am copying this to Cabinet colleagues, Sir Robert Armstrong and Sir Derek Rayner.


for LEON BRITTAN
23 July 1982

[Approved by the Chief Secretary
and signed in his absence]

DRAFT WRITTEN PQ

Q. To ask the Chancellor of the Exchequer whether he will make a statement about the review of senior posts in the Civil Service.

A. The review announced to the House on 1 December last has now been completed. All departments have reviewed their senior posts. Copies are being placed in the library of a report by the Treasury summarising the proposals which have been made.

The Government has adopted these proposals. Almost all will have been implemented by 1984. They will mean a reduction since the Government came into office of 156 in the number of posts in the Home Civil Service at under-secretary level and above. This represents nearly 20%, more than matching the reduction in the total size of the Home Civil Service over the same period. Most of the reductions will be by natural wastage, but some early retirements are needed. Reductions which have been or will be made in equivalent posts in the Diplomatic Service in this country are 6 out of 31 such posts (nearly 20%), and in equivalent posts held by senior officers of the Armed Forces 36 out of 217 (17%).

The Government intends to maintain the tauter staff structures established by this review. The report sets out arrangements for keeping senior posts under regular review in future.

Implementation of these proposals will entail some changes in working practices, and will mean that Ministers and senior officials more frequently deal with and receive advice from people of middle or junior rank. The Government believes that besides reducing the number of senior civil servants, the changes should also bring benefits to efficiency and economy in administration by checking the tendency for business to be handled at a higher level than is warranted by its importance or difficulty.

The Government wishes to acknowledge the hard work and co-operation of senior civil servants of the open structure in this review and in the changes which it brings.