

CONFIDENTIAL

PRIME MINISTER

Your Meeting with the Lord Privy Seal and  
Sir Robert Armstrong on Thursday 9 September  
at 1700 hours

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This is a further meeting - the third this week - about the future of Sir Derek Rayner's Unit.

Its purpose is to tell Lady Young about Sir Derek Rayner's impending retirement and to discuss the implications of it with her: Sir Derek Rayner has not himself been in touch with the Lord Privy Seal, although I have passed to the Lord Privy Seal's office a copy of the draft letter which you agreed with Sir Derek Rayner.

You will want to tell Lady Young what you see as the consequences of Sir Derek Rayner's departure. Lady Young will want the Unit to stay in the MPO, and you will want to say that you regard it as being conditional on finding another post for Mr. Cassels before long. If that does not prove possible, it would be as well to warn her that it may well be necessary to bring Mr. Priestley and part of the enlarged group now dealing with efficiency in the MPO directly under you.

You may like to check that the Lord Privy Seal is content with the wording of Sir Derek Rayner's letter to you (copy attached - Lady Young has a copy) and also have a word with her about timing of the announcement. Sir Derek Rayner told me that he was not in any great hurry, and we agreed that a suitable time for issuing the letter might be at the end of this month when both he and you are back from your travels. Since the letter now says nothing about the location of the Unit, it is not necessary to have reached a final position on this by the time that the announcement of Sir Derek Rayner's departure is made.

F.R.B.

8 September 1982



Sat  
Mach

10 DOWNING STREET

Mr. Butler

TUE 7 Sept  
14.45 for  
Derek Rayner

THU 9 Sept.

1700 for  
LPS & RTA.

Will you be  
sending the LPS  
any papers?

es.

31/8.





cc Co  
Hll  
Sa mach

10 DOWNING STREET

*From the Principal Private Secretary*

31 August 1982

We have arranged for Lady Young and Sir Robert Armstrong to call on the Prime Minister at 1700 on Thursday 9 September to discuss the future of Sir Derek Rayner's unit.

The background is that Sir Derek Rayner has written a personal letter to the Prime Minister saying that he cannot postpone any longer a commitment to give more time to Marks and Spencer, and he regards it as important that this should be announced in order to remove any ambiguity in Whitehall and outside it about his involvement. He has said that he will continue to be available to offer advice to the Prime Minister, the Lord Privy Seal and, on the official side, to Sir Robert Armstrong, Sir Douglas Wass and Sir Kenneth Stowe (about the National Health Service) whilst doing his best to be helpful to others who might wish to consult him on particular issues from time to time. I enclose a copy of the draft letter which Sir Derek Rayner has suggested that he send to the Prime Minister, saying that he would be prepared to amend it if the Prime Minister wishes.

The main subject which the Prime Minister would like to discuss with the Lord Privy Seal and Sir Robert Armstrong is the future of Sir Derek Rayner's unit and the arrangements for carrying the work forward; but the meeting will also provide a convenient opportunity to discuss any other relevant aspects which the Lord Privy Seal and Sir Robert Armstrong may wish to raise.

I am copying this letter to Richard Hatfield (Cabinet Office).

F. E. R. BUTLER

Jim Buckley, Esq.,  
Lord Privy Seal's Office.

*Handwritten initials*