



Prime Minister
Are you content with
his ?

Ref. A083/1686

MR BUTLER

HERB
15.6.

I believe that, for the avoidance of doubt, it would be prudent to get Lord Gowrie's position clearly defined and understood.

2. For this purpose I propose to write to Mr Middleton in the terms of the draft attached. I should be grateful for your confirmation that this represents the Prime Minister's and your understanding of the position.

RA

ROBERT ARMSTRONG

14 June 1983

The last para goes a little beyond my memory - but will have a word with Nigel Lawson about it.



DRAFT LETTER FROM SIR ROBERT ARMSTRONG TO
P E MIDDLETON ESQ, Treasury

I am writing to put on record what I told you on the telephone about the position of Lord Gowrie.

Lord Gowrie has been appointed Minister of State, Privy Council Office (Minister for the Arts). As Minister for the Arts, Lord Gowrie will be responsible for the Office of Arts and Libraries which will be transferred from the Department of Education and Science and attached to the Privy Council Office. An order will be laid before Parliament transferring the functions from the Secretary of State for Education and Science to the Lord President of the Council, but the Lord President's responsibility will be purely nominal.

The Prime Minister has also asked Lord Gowrie to assist her in her capacity as Minister for the Civil Service by discharging the day-to-day responsibilities for the functions now discharged by the Management and Personnel Office, which will become part of the Cabinet Office.

The Office of Arts and Libraries will be a "free-standing" office, nominally attached to the Privy Council Office, but for all practical purposes independent. It will continue to have its own ^{public expenditure} ~~PES~~ programme and its own manpower ceiling. The official in charge of it will need to be appointed to be its



Accounting Officer. For establishment purposes, however, I propose that it should share common services with the Cabinet Office and the MPO, under John Stevens's direction. I hope that there could be some flexibility on manpower ceilings as between the three units.

The Management and Personnel Office will be part of the Cabinet Office, but will be a separate and accountable unit, retaining its own Accounting Officer (Peter Le Cheminant), and with its own ^{public expenditure} ~~PEES~~ programme and manpower ceiling. You and I have agreed to discuss in due course possible marginal transfers of work between the Treasury and the MPO.

I understand that the Prime Minister has asked Lord Gowrie, and he has agreed, to be a ~~Treasury~~ ^{on economic affairs} spokesman in the House of Lords. The Prime Minister hopes that Lord Gowrie will be kept in touch with the development of Treasury policies and thought - for instance, by attendance at some ~~of the Chancellor~~ ^{Treasury} ~~of the Exchequer's~~ meetings - so as to be properly equipped for this part of his duties. That will of course be facilitated by the move of MPO into the New Public Offices, which I gather is due to take place in August or September; after that Lord Gowrie's office will be in your building and he will be readily accessible to the Treasury.

I am sending a copy of this letter to George Engle.

[transfer of work
These will be submitted
to the PM for approval
before anything is decided]
PEES

[I have read over
this paragraph to
Mr. Whitehall's office,
who have confirmed
that there is need for
a second spokesman on
economic affairs in the
Lords, in addition
to Lord Cockfield].
PEES