

MANAGEMENT IN CONFIDENCE

Prime Minister
Letter from Sir Derek Rayner
also attached below.

Ref. A083/2004

MR BUTLER

PERB

7.7

The Prime Minister is to see Sir Robin Ibbs tomorrow morning, at his request.

2. Sir Robin Ibbs has indicated that he is ready to accept the Prime Minister's invitation to him to be her Adviser on Efficiency; and the Chairman of ICI has agreed to release him. Sir Robin Ibbs has heard from me what the job will require of him; he will be wanting to hear from the Prime Minister what contribution she will be looking for from him.

3. She may like to start by saying that she is very glad that he is in principle willing to serve. It will be a part-time appointment, and need not in her judgment be unduly onerous. It does not require constant or regular attendance, but rather availability for consultation, and there should be no problem about his occasional overseas absences (see second paragraph of Mr Harvey-Jones's letter of 5 July).

4. The Prime Minister could say that, while she is content that the appointment should be on the basis of a trial period of twelve months in the first instance, she very much hopes that on both sides we can look forward to a period of at least three years: continuity is important in this area.

5. The need to make the appointment arises from Lord Rayner's need to devote himself full-time and exclusively to his duties at Marks and Spencer plc. Lord Rayner has set the direction and pattern for the efficiency strategy. The Prime Minister will be looking to Sir Robin Ibbs to develop that pattern as circumstances change, and to maintain the momentum of the drive for efficiency in the Civil Service.

6. The Prime Minister will want to emphasise that Sir Robin Ibbs is her personal adviser on efficiency. He will of course want and need to be in touch with other Ministers and departments, to make sure that the momentum is maintained, and that they understand what is involved. But he will be answerable to her.

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7. His duty will be to provide general advice to her, and to the Government, on the strategy for improving efficiency and effectiveness in Government. For this purpose he will be assisted by an Efficiency Unit of five or six people, working direct to him and through him to the Prime Minister.

8. He will be expected, with the assistance of the Unit, to run the scrutiny programme: that is to say to make recommendations for scrutinies, to oversee their execution, and to advise on their implementation and follow-up. He will be expected to advise the Prime Minister on, and represent her interests in, successive programmes of "multi-department reviews", and the follow-up to those reviews. And he will be expected to represent her interests in the development of what have been called lasting reforms.

9. Improving efficiency is not the responsibility only of Sir Robin Ibbs and the Unit: both the Treasury and the Cabinet Office (MPO) have a close and continuing interest in it. Sir Robin Ibbs will therefore need to keep in close touch with those concerned with efficiency in the Treasury and the Cabinet Office, and particularly with Lord Gowrie, Sir Robert Armstrong and Mr Le Cheminant.

10. The present leader of the Unit, Mr Clive Priestley, is about to leave the Civil Service to take up an appointment in British Telecommunications. Sir Robin Ibbs will need to discuss with Lord Rayner and Sir Robert Armstrong the succession to Mr Priestley. Mr Ian Beesley is available, if that is what Sir Robin would like: he has been working alongside Mr Priestley in the Unit for two or three years, and therefore knows the business. But Sir Robin Ibbs will no doubt wish to meet him, and make sure that the "chemistry" fits, before he makes up his mind.

11. I am due to discuss this and other questions with Lord Rayner and Sir Robin Ibbs on the morning of Monday 11 July, when we can go into the various other details that need to be resolved. One particular detail will be location. The Efficiency Unit is to be formally detached from the Management and Personnel Office, of which it has been part since April 1982, and its reporting lines will be direct to Sir Robin Ibbs and the Prime Minister. But it will need to have very close working relationships with the Management and



Efficiency Divisions in the Cabinet Office (MPO); and it may be that it will be convenient to invite the new leader of the Unit, whoever he may be, to continue to serve (as Mr Priestley has served) as also the Head of the Management and Efficiency Divisions of the Cabinet Office (MPO). In that event it may be convenient that the Efficiency Unit should be located in the New Public Offices, in which the divisions of the Treasury and of the Cabinet Office concerned with efficiency will both be working from September onwards. If on the other hand it is preferred to have the Efficiency Unit physically in the Cabinet Office, there will be no problem about providing for that.

12. In the light of the talk with Sir Robin Ibbs, I will offer a draft reply to Mr Harvey-Jones's letter of 5 July.

CONFIDENTIAL

RIA

ROBERT ARMSTRONG

7 July 1983