cc PU.

2 pp's

SR9:MA20/9

MR ADDISON

ORDNANCE SURVEY: TOP MANAGEMENT STRUCTURE

MGA to CO 12/9

You consulted me about the DOE's proposal for a new management board.

2. In my view changes of this sort do not of themselves turn civil service departments into commercially minded operations. However good the outsiders they can get overlooked, they probably won't have much time to devote to the Ordnance Survey and they may go cosy. On the other hand the proposed changes may help create the right attitudes in the Ordnance Survey and they will not do any harm.

3. What does change an organisation are the people at the top, the environment they work in and the pressures which are on them.

4. I do not know the present Director General, but he is well spoken of; and his Finance Director has private sector experience.

5. Given that the Secretary of State has ruled out constitutional change (and hence the further injection of market forces) the only real way of creating pressures on the OS is through Ministers. I do not get any sense of pressure from the draft announcement with DOE's letter (especially paragraph 3).

6. The OS has a turnover of about £50m pa; £33m is recovered. The pressures do need to be kept up to ensure that the £17m gap is reduced.

7. If the Prime Minister agrees to the new board she may at the same time want to encourage the Secretary of State to set the OS tough, realistic performance and unit cost targets which deliver improved results year on year. The Director General and the new board should be held to these by Ministers.

8. I am sending a copy of this to Robert Armstrong.

ROBIN IBBS
20 September 1985

Point Mad. Rayner Pt 19