



MO 2/8V

Prime Minister

You will want to be aware of this before you see the Chiefs of Staff next Tuesday.

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You may also like to

PRIME MINISTER

MOD HQ RE-ORGANISATION

see if Robin Hobbs has any views.

CDD
19/9.

at trap

You will recall that when my predecessor was carrying through his re-organisation of the Ministry of Defence, the Chiefs of Staff expressed to you their concerns about the impact the changes would have on their ability to manage the Services effectively. You agreed, therefore, in July 1984 that there should be a review of the new organisation after it had been in operation for one year. This review has now been completed.

2. The general view is that the re-organisation has been largely successful and that the reservations expressed by the Chiefs Staff no longer cause the concern they did. The position of CDS has been enhanced and the role of the Defence Staff widened, and this in turn assists in finding a corporate solution to the problems of the day, whether they are operational or concerned with financial and equipment priorities. The newly created Office of Management and Budget, despite some doubts about its separation from the Defence Staff, has established a close working relationship with them which has proved constructive and helpful in arriving at a balanced distribution of increasingly scarce resources.



3. It would be wrong to infer from this, however, that all aspects of the new organisation have worked smoothly. There have been and still are, problems of detail in particular areas, although these are likely to be solved by relatively minor changes. The success to date has been due in no small part to the early identification of potential difficulties and the hard work of the staffs to resolve them. Further effort will be required to ensure that relationships continue to develop on the right lines.

4. The review made a number of detailed recommendations which are currently being considered within my Department, and I need not trouble you with these. There is, however, one proposal which I should like to draw to your attention, since it is of direct relevance to the concerns expressed to you by the Chiefs of Staff. The review notes that, following the abolition of the Vice Chiefs of Staff, the Chiefs of Staff are having some difficulty in exercising their responsibilities for the management of their Services through 2 star Assistant Chiefs of Staff, and recommends that the Chiefs of Staff should identify the scope for reordering responsibilities at the level of the Service Boards, without increasing numbers or ranks of posts, in order to provide an officer to act as a Deputy to the Chief of Staff. I have agreed that work should be undertaken to this end but I shall not take a view until I have been able to evaluate the impact on the organisation and on the work of the single



Services of anything that may emerge and am absolutely sure that such a change is justified. I will keep you informed of any developments.

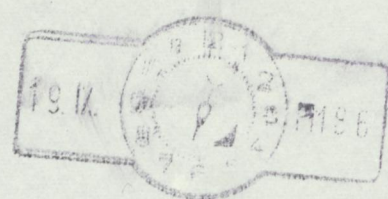
5. I told the House of Commons Defence Committee in May that I would be happy to report to them the outcome of the review when I had received the report and I am therefore proposing to let the Committee have the report after the summer recess.

6. I am sending a copy of this minute to the Chancellor of the Exchequer.

Ministry of Defence
18th September 1986

A.Y.

DEFENCE : Higher Organisation Feb 84.



COMPTROLLER
GENERAL
LONDON

cc/c



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EAD

John Howe Esq
Private Secretary to
The Secretary of State for Defence
Ministry of Defence
Main Building
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SW1A 2HB

2 October 1986

Dear John

MOD HQ RE-ORGANISATION

The Chancellor has seen your Secretary of State's recent minute to the Prime Minister reporting the completion of your review of the MOD's new Headquarters organisation after its first year in operation.

The Chancellor notes that the new structure is proving successful, but appreciates that some adjustments in the light of experience may prove necessary. He looks forward to hearing your Secretary of State's conclusions regarding the posts of Deputy to the Chiefs of Staff, and would be grateful if his officials could be kept informed of progress on this and other detailed recommendations arising from the review.

I am sending a copy of this letter to David Norgrove at Number 10.

Yours ever,

Tony Kuczys

A W KUCZYS

DEFENCE Higher Organisation Feb 84

