

SECRET



26

Prime Minister

SECURITY SERVICE

In your statement on Bettaney on 9 May, you said:-

"The new Director General is giving the utmost care and attention to the Security Commission's criticism of errors in relation to Bettaney's employment, as well as to the general management criticisms to which I have referred. He will make the changes that are judged to be necessary to improve the organisation and management of the service and will report to my right hon. and learned Friend and me later this year. I shall arrange for his conclusions and measures to be reported to the Security Commission for any further comment it may wish to make."

2. You heard Sir Antony Duff's provisional views on Security Service management during your visit to the Security Service on 2 August last. I have kept in touch with Sir Antony's developing conclusions. Attached is a comprehensive report by him which could now be sent to the Security Commission.

3. I welcome the approach which Sir Antony is making. I am sure that he is engendering a better spirit within the Security Service. Structure, recruitment and style are all being substantially improved. Management is becoming more accessible. There will be benefit in all this for the effectiveness of the Service. The need to produce policy papers is a useful discipline for staff not hitherto used to it.

4. I should be glad to know whether you agree that the report should now be sent to the Security Commission in accordance with your undertaking in the House.

Unless the Security Commission make substantial or fundamental comments, I do not envisage that there needs to be an further publicity. We will need to be ready with a short statement if there were Questions about the follow up to your undertaking.

5. Sir Antony's report, in Annex B, deals with the Security Commission's detailed recommendations in their Bettaney report. One of these recommendations was that

SECRET

SECRET

there should be random searches of staff leaving Security Service premises. Paragraph 5 a. of Annex B mentions that this is an issue which needs consideration across the Intelligence Agencies.

6. In your statement last May you also said:-

"Hon Members on both sides of the House have expressed concern about the handling of members of the service who are troubled over particular matters and activities within the Service. The Director General has been asked to consider, and to report to my right hon and learned Friend and me, what developments he proposes by way of internal outlets for the expression of grievances or anxieties of individual members of the Service."

7. This too is an issue which affects all the Intelligence Agencies. Sir Robert Armstrong is arranging for recommendations to be made to you, me and the Foreign and Commonwealth Secretary. There is no need to mention this study to the Security Commission. When we have taken a decision, again we should be ready to say something publicly if asked.

Douglas Hurd

May 1986

SECRET

SECRET



10 DOWNING STREET

From the Principal Private Secretary

12 May 1986

SECURITY SERVICE

The Prime Minister has now studied the Home Secretary's recent minute which covered the report by the Director General of the Security Service on the Service's general management. The Prime Minister has agreed that the report should be sent to the Chairman of the Security Commission. This has now been done under cover of the Prime Minister's letter attached.

There is, however, one point in the Director General's report on which the Prime Minister would welcome further information. The Director General comments in paragraph 9e that staff of the Service feel that they had been seriously let down by:

"failure, as they perceived it and for which they held their managers partially responsible, to obtain the support which the Service deserved and needed from Government"

The Prime Minister does not understand this comment. The Security Service has never lacked support, including financial support, from this Government. She would be grateful for the Director General's further comments.

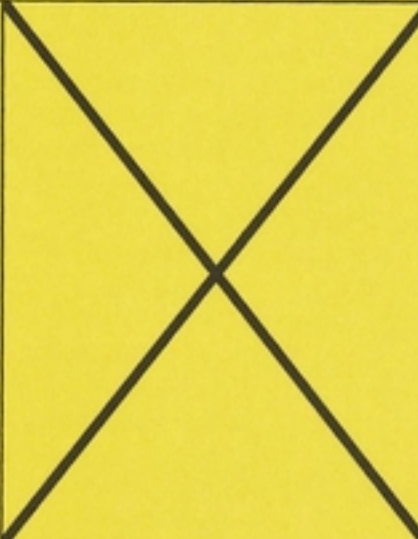
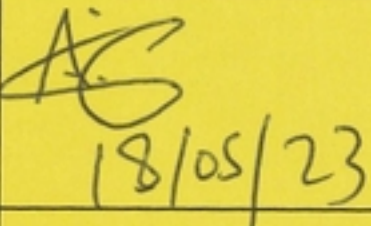
I am sending a copy of this letter to Sir Robert Armstrong.

Stephen Boys Smith, Esq.,
Home Office.

(N.L. WICKS)

SECRET

THE	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES Prem 19 PIECE/ITEM 1954 (one piece/item number)	Date and sign
Extract details: Report dated circa 7 th of February 1986	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	