

PREM 19/679

02/4

PART 9

MT

Confidential Filing

Long Term Management and Manpower  
Plan.  
Slimming down staff engaged in Local  
Authority Affairs  
Performance Related Pay

CIVIL SERVICE

PE 1 : March 1979

PE 9 : September 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>23.9.81</del>		<del>10.12.81</del>					
<del>2.10.81</del>		<del>23.12.81</del>					
<del>6.10.81</del>		<del>5.2.82</del>					
<del>7.10.81</del>		<del>11.2.82</del>					
<del>14.10.81</del>		<del>1.3.82</del>					
<del>15.10.81</del>		<del>15.3.82</del>					
<del>19.10.81</del>		<del>24.3.82</del>					
<del>21.10.81</del>		<del>29.3.82</del>					
<del>28.10.81</del>		<del>1.4.82</del>					
<del>29.10.81</del>		<del>5.4.82</del>					
<del>30.10.81</del>		<del>11.4.82</del>					
<del>6.11.81</del>		<del>5.5.82</del>					
<del>10.11.81</del>		<del>30.5.82</del>					
<del>16.11.81</del>		<del>10.5.82</del>					
<del>23.11.81</del>							
<del>2.12.81</del>							
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PREM 19/679

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● PART 9 ends:-

10.5.82

PART 10 begins:-

12.5.82



Civil Service  
FILE SW

10 DOWNING STREET

*From the Private Secretary*

10 May, 1982

Financial Management

The Prime Minister was grateful for Sir Derek Rayner's personal minute of 6 May. She has asked me to pass on her thanks to Sir Derek for his excellent advice. You will have seen that I have written to the offices of the Chief Secretary and the Lord Privy Seal, as suggested in his minute.

W. F. S. RICKETT

Clive Priestley, Esq.,  
Sir Derek Rayner's Office





File TAP

10 DOWNING STREET

*From the Private Secretary*

7 May 1982

FINANCIAL MANAGEMENT

The Prime Minister was grateful for the Chief Secretary's minute of 28 April. She is content that Mr. Brittan should let her have a draft covering minute to Ministers in charge of departments launching the initiative. But she has asked me to make three other points.

First, Mrs. Thatcher thinks that the joint note, or the covering minute, should say something about the cost of the initiative. It would be better to anticipate criticism on that score than to have to respond to it. The Prime Minister's own view is that the cost should be slight in comparison with the expected benefits.

Secondly, the Prime Minister sees no prospect of an early meeting on co-ordination. If there is an opportunity later, she would like to come back to this. In the meantime, she would like Sir Derek Rayner to represent her interest in the organisation of the initiative and she would be very grateful if the Chief Secretary could arrange for Sir Derek and his unit to be closely involved. Mrs. Thatcher has also asked me to say that she would welcome a brief note in due course on the outstanding questions on the control of departmental running costs, which were set out in my letter to Adrian Carter of 15 March, and which were originally to have been discussed at the meeting fixed for 27 April.

Finally, the Prime Minister regards the quality of people as critical to good financial management. She welcomes what is said about training in the Chief Secretary's note, and in the Lord Privy Seal's minute. But she would like to suggest that when the note is sent to departments it should include a firm policy statement by the Treasury and MPO on the background of training and experience needed by candidates for appointment as Principal Finance Officer, and about that needed by officers taking up other key posts as financial managers or advisers in departments.

I am copying this to the Private Secretaries of the Lord Privy Seal, the Minister of State (Commons) (Treasury), Sir Robert Armstrong, Sir Douglas Wass, Sir Anthony Rawlinson, Sir Derek Rayner and Mr. Cassels.

W. F. S. RICKETT

T.F. Mathews, Esq.,  
HM Treasury.

Handwritten initials





file TAP

10 DOWNING STREET

*From the Private Secretary*

7 May, 1982.

Training in Financial Management

The Prime Minister has seen the Lord Privy Seal's minute of 30 April, for which she was grateful. She looks forward to receiving a further report later in the year as promised and would like her encouragement made known to those concerned.

I have recorded her comments on the training aspects of the initiative being launched by the Treasury and MPO on financial management in a letter that I have sent to Terry Mathews today (copy enclosed).

I am copying this letter to the Private Secretaries to the Chief Secretary, the Minister of State (Commons) (Treasury), Sir Robert Armstrong and Sir Derek Rayner.

W. F. S. RICKETT

Jim Buckley, Esq.,  
Lord Privy Seal's Office.

✓/6



PERSONAL

Prime Minister

PRIME MINISTER

FINANCIAL MANAGEMENT

The Chief Secretary's minute is at A.  
Lady Young's minute is at B. They  
are briefly summarised in this note.

Content to accept Sir Derek's advice that  
I should write to the Treasury and MPO as  
at C?

Yes

WR  
7/5

Thank you for this  
note and  
excellent  
advice.  
I accept it.  
MB

I am sending you this minute in my capacity as your  
personal adviser. It is not copied to anyone else. I have  
made it as short as I can given the much more important and  
more pressing calls on your attention.

2. The Chief Secretary has sent you a draft note by the  
Treasury and MPO on a new initiative on Financial Management  
(his minute of 28 April). The Lord Privy Seal has sent you  
a note on Training in Financial Management (her minute of  
30 April).

FINANCIAL MANAGEMENT INITIATIVE

3. The Chief Secretary asks you to agree to circulate to  
Ministers the note he has sent you. The note calls on depart-  
ments to agree programmes of work with the Treasury and MPO, by  
end-January 1983. The aim of the initiative is, in brief:

- (1) to make sure that all departments are precise  
about the objectives of their work, not just  
those like Agriculture and Environment who  
have been doing relevant work on their own  
account;
- (2) to fasten on particular officers and managers  
at all levels the responsibility for managing  
people, things and money well;
- (3) to provide the information which is the life  
blood of disciplined business behaviour.

4. The note acknowledges that that cannot all be done at  
once. It envisages pilot projects; advancing by stages; and  
the progressive development and use of management accounting,





including performance indicators and output measures where these are appropriate. Intellectually, the note is well founded and I support it. It is well in line with the advice I offered two years ago in my submission to you on "lasting reforms".

5. The initiative is ambitious as well as welcome. It may not be good news to all Ministers, some of whom may see it as an extra burden and regard the centre (not without justice) as "Charlie come lately" in this field. Your personal support would therefore be rightly given at its beginning. If the initiative succeeds, it should serve your policies by a massive strengthening of the foundations of management in central government.

6. The initiative will require good management by the Treasury and MPO, as well as determination. I have some reservations here. My personal view is that the new Treasury/MPO advisory unit (para. 23 of the Chief Secretary's Memorandum) is not timely. The real and prior need is to put a solid effort into the thinking about and conduct of the initiative.

7. I recommend that you should agree to the Chief Secretary's request to circulate the Memorandum but specifically associate me and my unit with the co-ordination and conduct of the initiative. You might also suggest that a word should be included in the Memorandum about the cost of the initiative to forestall criticism on that score from departments.

#### TRAINING IN FINANCIAL MANAGEMENT

8. The Lord Privy Seal's note affirms the need to get the right people with the right experience and training into the right positions. It reports what is being done in succession planning and training and describes the relevant work of the Civil Service College. Lady Young promises a further report later in the year and you might agree to this.



PERSONAL



9. I think that genuine good progress is being made here. But the policy for top people is a bit down-market and tentative. It is not enough to offer training or perhaps just familiarisation and encourage people to take it. There should be a requirement that people train for certain posts, notably but not only Principal Finance Officer posts.

10. I recommend that you ask for the relevant part of the Chief Secretary's Memorandum (paras. 17 and 18) to be sharpened up.

ACTION

10. In case you agree with my advice, I attach draft letters for your private secretary to send to the offices of the Chief Secretary and Lord Privy Seal.

Derek Rayner  
6 May 1982

Encs: Draft letters as indicated

Civil Service

Civil Service  
CCJV



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

Prime Minister 2

PRIME MINISTER

Encouraging.

ms

WM  
5/5

CIVIL SERVICE NUMBERS

Departmental returns of staff in post at 1 April 1982 show a total of 666,400. This means there has been a reduction of 9,000 since 1 January 1982. Of these reductions, 4,800 are non-industrials and 4,200 are industrials. This is the largest reduction in a quarter for 2½ years. This is exceptional, being about twice the reduction seen in recent quarters. There is no reason to expect it to be repeated in the coming months.

2. The main areas of reduction over the quarter are Defence (4,600); Environment and Transport (2,100) and DHSS (1,300). There are off-setting increases of about 1,100. 600 of these are in Inland Revenue, partly in preparation for the taxation of unemployment benefit in July of this year.

3. Progress with the rundown continues to be satisfactory. There is continuing pressure to ensure that this is sustained.

4. The April figures will be announced by means of a Written Answer.

gh

(G.H.)

5 May 1982



5 MAY 1982



CONCEPTOR





PRIME MINISTER

#### TRAINING IN FINANCIAL MANAGEMENT

Your Private Secretary's minute of 15 March asked for a report on Training, particularly that of Senior Financial Managers. I thought it would be useful for you, and the others involved, to have a note on this alongside the Chief Secretary's of 28 April.

#### BACKGROUND

As you know, MPO is collaborating closely with the Treasury to launch the drive to improve financial management; improved financial management is an aspect of efficient management generally; its implementation includes - among other things - appropriate career development and training, which are particular MPO concerns.

Improved financial management requires managers at all levels, whether they have central financial responsibilities or they are line managers (i) to have clear objectives, (ii) to monitor their performance and their costs, and (iii) to evaluate alternative options. They need to operate within the context of clearly delegated responsibilities, subject to regular audit of effectiveness and efficiency as well as financial regularity, with access to management accounting systems and to expert advice. Training is essential to enable managers to develop the necessary techniques and skills (which include accountancy but also elements of for example economics, statistics, operational research).

It is clear that in the past good financial management did not command a sufficiently high priority across all departments and at all management levels. The paper which the Chief Secretary has sent you describes the big change we want to bring about but this new drive towards better management will come to little unless we get the right people with the right experience and training into the right positions. The fundamental shift in attitude which we need to create - it has already begun but has further to go - is towards the expectation of good management on the part of officials at all levels, from the highest to the lowest.

#### SUCCESSION PLANNING FOR FINANCIAL POSTS

As a first (and major) step, new succession planning arrangements for all posts at Under Secretary and above, and key Assistant Secretary posts, are being introduced. Already, departments are



required to send to the MPO succession plans which include plans for Open Structure posts with major financial responsibilities, together with career plans to ensure that those likely to fill these posts in the future have an adequate background of training and experience; MPO's responsibility is to ensure that the plans are properly drawn up and to help to deal with problems which emerge. When the system is in full operation (by 1983), departments will extend their planning at least to key posts in financial management at Assistant Secretary level.

### TRAINING

Top Managers. Our first priority is to ensure that Principal Finance Officers have adequate skills, and to provide the necessary training at the Civil Service College. Of particular importance is the new course in Financial Management for Senior Officials, including Principal Finance Officers and those identified to succeed them. We shall train 160 top officials by the end of the coming academic year. This course is designed on a modular basis, so that officials can fit attendance into their work schedules over the year. It includes Government Accounting (including the limitations of traditional vote accounting), Financial Accounting, Cost and Management Accounting, Investment Appraisal, and Financial Control (including Audit). In future further modules will include other areas such as computerised accounting systems and operational research and special courses will be run on financial management in Nationalised Industries and Local Government. Once established this training will be one of the essential requirements for future PFOs.

To support our policy of encouraging stronger financial management responsibilities among line managers they too will be encouraged to attend from 1983/84.

The fast stream Administration Trainee (AT) course was remodelled this year and now includes modules on Finance and Control of Public Expenditure, Principles of Accounts, Resource Allocation and Financial Management (including investment appraisal). Together these modules run for 20 days and are repeated twice a year: 174 ATs will have attended this academic year.

Specialist Staff. Another priority is to provide an adequate supply of accountants including auditors, and their technical support staff. A major training effort is required to achieve this: we aim to double our present 650 professionally qualified accountants over the next 10 years, against the background of tighter overall manpower constraints. Training can be provided externally (at Polytechnics), at the Royal Army Pay Corps establishment at Worthy Down or - probably most efficiently - at the College, which would require some expansion of appropriate staff. Bursary schemes are being expanded to enable staff to gain professional qualifications.



The Service generally. As well as increasing the supply of expert staff and improving the financial management skills at senior levels it is important to develop skills in the Civil Service more generally. The Accountancy sub-Directorate of the College has expanded to 10 teaching posts (from 7 last year); student numbers rose from 707 to 968 between the academic years 1979/80 and 1980/81. The Economics sub-Directorate has increased the provision of project appraisal courses five-fold this year by comparison with recent years and plans to cover Nationalised Industries and Local Government in future.

The College has also expanded the financial and resource control element in all its general management courses. It emphasises the 'value for money' aspects in courses in economics, statistics, computers and operational research. There have been recent Under Secretary and Senior Seminars on 'Value for Money', 'Understanding Modern Accounts', 'Planning and Controlling Public Expenditure'. And for officials at about Principal level the College provides courses on Principles of Commercial Accounts, Financial Planning and Control, Investment Appraisal, and a number of courses relating to business practice.

#### THE COLLEGE AND EFFICIENCY MORE GENERALLY

All College courses are intended to contribute to more efficient management. Many of its courses are aimed at mid-career development. A recent development has been the introduction of short intensive courses for senior officials (so far mainly in economics). The College has also expanded its courses for civil servants and industrialists jointly and has recently introduced a successful series of seminars at Under Secretary - Director Level (chaired by respected company chairmen/chief executives) and it is always strongly supported by eminent outside speakers (who often give their services free).

#### NEXT STEPS

Further work with the Treasury is in hand to identify requirements and order priorities. There will be a further report on this work later in the year (paragraph 18 of the paper attached to the Chief Secretary's minute of 28 April).

I am sending copies of this to the Chief Secretary, the Minister of State, Treasury (Commons), Sir Derek Rayner, and Sir Robert Armstrong.

*Baroness Young*

BARONESS YOUNG

30 April 1982



30 APR 1962

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COPIED



*wh 4/5 Carl Sany*  
2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref: H/PSO/13135/82

Your ref:

30 APR 82

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

Thank you for your letter of 19 April.

I do not think that rolling forward part of your underspend from 1981/82 into this year for this purpose has ever been a possibility. I think Leon Brittan would confirm that the Cash limit system does not permit it.

You may like to know that PSA spent about £5.8m on Office improvements in the last 3-4 months of 1981/82 and a good deal of this went on work in DHSS offices. The prospects for doing more work of this kind in the next year or two are now being considered.

I am copying this letter to the Prime Minister, Willie Whitelaw, Leon Brittan, Lady Young and the other recipients of your letter.

*Yes*

MICHAEL HESELTINE



eg JV



Management and Personnel Office

Whitehall London SW1A 2AZ

Telephone 01-273 } 4400  
GTN 273 }

Prime Minister (2)

29 April 1982

Mus 30/4

Sir Derek Rayner  
Old Admiralty Building  
Whitehall  
LONDON SW1A 2AZ

Dear Sir,

MERIT PAY, ACCELERATED PROMOTION, EARLY RETIREMENT AND  
RECRUITMENT FROM INDUSTRY AND COMMERCE

at Slap of Pt 10

I read with interest your letter of 23 February to Geoffrey Howe which you copied to me. As you know, the paper on merit pay finally submitted to Sir John Megaw's inquiry was revised to give a more balanced view of the potential advantages and disadvantages seen by members of the Government. The other topics you mention fall to me for comment.

You asked what progress had been made on accelerated promotion and early retirement. I am not sure if you saw a copy of Christopher Soames's letter of 10 July last which summarised colleagues' views on these two subjects; I attach a copy. In brief, we were generally satisfied with existing arrangements for accelerated promotion; but officials reminded departments once again of the use which could be made of grade-skipping arrangements (in a letter dated 11 August 1981 to all Principal Establishment Officers). We included in our evidence to Megaw your point about the desirability of acknowledging and rewarding the merit of those who cannot look forward to promotion. Independently of that, my officials have been looking at alternatives to financial reward and are working on proposals for "personal rank" in consultation with Geoffrey Howe's people - though we may well have to await Megaw before introducing specific new arrangements.

When it comes to early retirement there are of course a number of aspects. First, there is the evident need to get rid of poor performers; the importance of doing this has always been recognised and there are well established procedures which would be fully adequate if the staff reporting on which they depend were accurate and effective. At present, as you say, staff reporting standards are not sufficiently robust. You will know of the large amount of work which has already gone into examining the staff reporting system. The interim report on this will be available to the teams working on the review of personnel work in 9 departments with which you are associated, and I hope that one outcome of the review will be to show how reporting standards can be raised. (There is, of course, the risk that the extra discipline of a link with merit pay would tempt managers to be still less robust and if we decide to introduce merit pay we shall have to think out very carefully ways of countering that temptation.)



One of our objectives in the Early Tasks Document is to facilitate early retirement for staff wishing to leave the Service voluntarily and for departments wishing to retire the less efficient. Already, the Flexible Premature Retirement (FPR) arrangements introduced in April 1981 to help managers to get rid of mediocre officers have been effective and have led to more than 500 premature retirements - an increase of over 500% on the previous year's figures. The pace is expected to quicken in the coming year, but I have additionally agreed to increase the scope of these arrangements yet further. My officials are also consulting departments about some further early retirement schemes with a view to putting proposals to Ministers in the near future.

Ideas for easing out senior staff by employment on fixed contract or with a break-point in mid-career were examined by my people about a year ago. The conclusion then was that the difficulties were too great within the ethos of the Service as it was then perceived. In the present climate, however, I think it is something to which we must give renewed consideration - although I do still see very considerable problems, not only in relation to costs and employment protection legislation, but also managerially.

You will have seen that Patrick Jenkin, in his letter of 3 March to Geoffrey Howe concerning our evidence on merit pay, drew attention to the need to recruit from industry and commerce as well as to retire staff early. I would not pretend that our interchange schemes, valuable as they are, provide all the skills and experience Departments require. On the other hand, with possibly the important exception of the Administration Group, I understand that Departments are generally free to recruit from outside if they cannot find the skills from within. There may also be a bigger role for the use of period appointments or consultancies. These again are questions we shall be looking at in the work we are undertaking on our Early Tasks.

I am copying this letter to the Prime Minister and Cabinet colleagues.

*Yours ever*  
*David*

BARONESS YOUNG





30 APR 1982

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PRIME MINISTER

FINANCIAL MANAGEMENT

I sent you a note about the Treasury's proposed initiative on financial management on 5 March.

2. Since then my officials have held extensive consultations with the MPO, a selection of major departments and Sir Derek Rayner about the memorandum with which this initiative is to be launched. You asked to see the memorandum before issue, ... and I now attach a copy. It has Janet Young's full support.

3. To mark the close links between the improvement of financial management and the improvement of management more generally, the memorandum is presented by the Treasury and MPO jointly, and the MPO will be closely associated with the Treasury in carrying out the programme it proposes.

4. As the meeting planned for 27 April had to be cancelled, I hope that you will feel able to approve the memorandum without a meeting since it asks departments to undertake a major programme of work to a tight timetable, and the sooner they can get going, the better. If you would like to discuss co-ordination, we could of course still do so a little later on.

5. The programme will involve departments in a large effort. When carried through, it will also mean big changes in the way they manage their affairs and, probably, in both the form and the amount of the information that is published and presented to Parliament. It is therefore a major development, which Ministers in charge of departments should back and in which they should take an interest. I suggest therefore that it would give the initiative the best possible start if you



were to circulate the memorandum to all Cabinet colleagues yourself and ask them to put their weight behind the work. If you approve the memorandum and agree with this suggestion, I will provide a draft covering minute for you to consider.

A copy of this minute and its enclosure goes to the Lord Privy Seal, Sir Robert Armstrong and Sir Derek Rayner.

L.B.

LEON BRITTAN  
28 April 1982

## FINANCIAL MANAGEMENT

### Note by the Treasury and MPO

#### Introduction

The time has come for a general and co-ordinated drive to improve financial management in Government departments.

2. This paper sets out the objectives, places them in the wider context of management and organisation, and invites the departments listed at Annex A to work up programmes of action and discuss them with the Treasury and MPO.

3. Programmes of action should build upon the work done recently in a number of individual departments, in several cases with help from consultants; and the further work already planned for 1982. Departmental reviews which have pointed the way include the major reviews of financial management in MAFF, the Department of Industry and the Ministry of Defence; the institution of the MINIS system in the DOE; the studies of a budgetary system for the control of administrative costs and of management responsibilities in the network of Social Security offices in DHSS; and the review of support services in R&D establishments in six departments. In 1982, reviews are planned of the arrangements for controlling running costs in the FCO, MPO, Department of Trade, Department of Employment, Department of Energy and DES; of resource control in certain executive operations in the Home Office, Scottish Office, Ministry of Defence, Department of Trade, PSA and the Royal Mint; and of personnel management practices in nine departments.

4. The need now is:

- to keep in focus the fundamental objectives;
- to sustain the impetus towards them, translating the recommendations of reviews into action fitted to the tasks and priorities of each department;
- to identify and take action on any changes needed in Service-wide arrangements or requirements of central departments;



- to help departments to draw on the lessons of each others' experience.

### The Objective

5. The main objective is to promote in each department an organisation and a system in which managers at all levels have

(i) a clear view of their objectives; and assess and wherever possible measure outputs or performance in relation to these objectives;

(ii) well-defined responsibility for making the best use of their resources including a critical scrutiny of output and value for money;

(iii) the information (including particularly about costs), training and access to expert advice which they need to exercise their responsibilities effectively.

6. There are obstacles to the application of these principles in the public service. The yardstick of profitability is lacking. Many Government objectives are generalised, and the test of their success is often acceptability rather than a quantified measure of output. In some areas, final measures of output are elusive and only partial indicators of performance can be devised. The task of applying the principles will therefore take time, and complete success in every particular is not to be looked for. Nevertheless, the principles are fundamental to good management and the effective use of resources. They should be applied to the maximum practicable extent.

7. A manager is anybody who has to take managerial decisions, ie decisions about the deployment and use of money and staff. The lowest level at which such decisions are taken varies. In some policy divisions they may normally be taken at Principal or Assistant Secretary level; in some operational areas they may be taken by Higher Executive or even Executive Officers. But the principles set out above apply to all areas of a department's work, whether it is advice on policy, the execution of policy or a specialist or staff function.



8. Good management thus goes wider than the good systems of financial control and the information needed to support them, which are the primary subject of this memorandum. The achievement of the objective requires a managerial structure within which the system of financial management can operate effectively. It will be necessary to consider the implications of financial plans for the management and organisation of each department as a whole and for the allocation of responsibilities within it.

#### The contribution of management accounting

9. The development and use of management accounting, linked as appropriate to other information systems, can make a central contribution both to the managerial structure and to the management of resources within that structure. It is not the accounting system itself that is crucial, but the discipline of breaking down a department's activity between managers, whose responsibilities can thus be more clearly distinguished and objectives more clearly defined; whose costs and outputs can be more clearly assessed; and to whom greater authority can then be delegated to choose the best way of using the resources allocated to them in pursuit of the defined objectives. The process of setting up and using a management accounting system, if properly planned and carried through, imposes that discipline. A more detailed note on management accounting is at Annex B, and notes on a suggested approach to implementation at Annex C.

10. The wide variety of work in Government departments and the different kinds of expenditure they incur mean, however, that the approach adopted to pursue the objective in paragraph 5 - and in particular the extent to which a full management accounting system will be apposite - will differ from one area to another. For example:

(a) In some executive operations, like the running of prisons and R&D establishments or the support of the Armed Forces, where the resources are consumed directly by the Government, the costs of procedures and activities can be measured and indicators of performance or measures of output can in



principle be devised, the potential of the management accounting approach can and should be fully exploited. Comparisons between establishments, or between alternative means of securing an objective, should then help to improve decisions.

(b) Where the activity involves the procurement of goods and services from other agencies, eg in the building of roads or the procurement of defence equipment, the Treasury has issued fresh guidance in the last year or so both on public purchasing policy and on the use of investment appraisal. The tasks of specifying objectives, assessing alternative means of achieving them (in terms of quantity, quality, cost, time etc) and monitoring results against expenditure will be helped by the application of the management accounting approach and the better information it generates.

(c) In executive operations like the paying of benefits or the collection of taxes, the rates of taxes and benefits and the rules governing their application are laid down by statute and the final outputs are therefore largely outside the responsibility of the managers who administer them. But the principles of good management summarised above apply to the administration of benefits and taxes, and the information derived from that process should be used not only to control costs and improve efficiency but also to throw light on the effectiveness of the policy decisions made elsewhere in the department. Departmental systems should clarify the respective responsibilities of those who manage the operation and those who formulate the schemes and monitor their effectiveness, and provide the information needed by each.

(d) Where a department pays out grants to other agencies which themselves carry the direct responsibility for how the money is spent, the department will require an information system and the appropriate techniques (eg of investment appraisal) which enable it to make a good job of its responsibilities for the funds in question. The nature of the



system will vary with the department's relationship with the spending agency. In the case of local authorities, due regard must be paid to their independence and accountability to their own electorates. The department may want to encourage the use of management accounting in the bodies it finances (a good example is DHSS's concern with management accounting by health authorities), partly as a source of information to help both formulation of policies and priorities and monitoring; and partly to encourage efficiency in the spending agencies. As far as the department's own operations are concerned, its system will focus on the effectiveness and efficiency of the grant-paying process.

(e) Where the activity is to provide an internal service, eg finance, establishments, legal advice, Ministers' private offices, outputs are not generally measurable. The same is true of some, but not all, policy work. It is still right, however, that those in charge of them should know their costs and be given as much responsibility as possible for controlling them.

11. Each department should work out its own best pattern of managerial responsibility, financial accounting and control. But the following points apply generally and should be reflected in the plans of all departments:

(a) Each department should construct an outline plan of development which will in time cover the whole of its activities. The plan should ensure that the most urgent priorities are tackled first, and that constituent parts of the department's system, as they are constructed, will be compatible.

(b) In most cases it will be well to advance in planned stages. These may include pilot projects. In large departments with a wide variety of functions, the task of filling in the initial outline may take several years and may need modifying if functions and responsibilities are changed.



(c) The system should not only meet the needs of higher management for aggregated information for estimating and control, but should also provide managers at successive levels down the line with the information about their resources which, together with information about performance and outputs, will help them to do their job properly. Unless the system meets the second criterion as well as the first, managers will not use it and its accuracy will degenerate.

(d) The responsibilities of managers should be specified systematically for the control of the resources they consume and, wherever feasible, the results they achieve. Each department should therefore examine the scope for breaking its structure down into cost-centres or responsibility-centres to which resource costs can be allocated and for which, where appropriate, measures of output can be devised and monitored.

(e) Whatever the pattern of their other expenditures, all departments incur the costs of their own administration. All departmental plans should include a system for the budgeting and control of administrative costs. Where outputs are difficult to assess, the identification of costs will still pose questions of value for money.

(f) The management accounting system should be used within the department for the purposes of planning and control. If it is relegated to the status of an optional extra for the display of information only, again the information fed into it will not be accurate and the system will not be used. The Treasury will review with departments, as the need arises, how their management accounting systems and their existing systems for the public expenditure survey, estimates and appropriation accounts can best be related.

(g) The development of performance indicators and output measures which can be used to assess success in achieving objectives is no less important than the accurate attribution and monitoring of costs. The question to be addressed is "where is the money going and what are we getting for it?"



Systems should be devised to provide answers to both sides of the question wherever and to the extent that it is possible to do so. Relevant information on performance and (where possible) outputs will often be non-financial in character.

(h) Attention should be paid to the costs and cost-effectiveness of the proposed system. In principle, costs can be allocated in different ways: to units of the organisation, to programmes of activity, to objectives. Computerised systems make much elaboration possible, and some of it is necessary. Equally, they can be expensive. In general, therefore, systems should not be more elaborate than the objective essentially requires.

#### Constraints on Cash and Manpower

12. All activity must continue to be managed within the limit of the total resources allocated annually to each department, both cash and manpower. That discipline can only be maintained effectively if the managers to whom authority is delegated are also subject to it.

13. Good financial management requires, however, that the manager should be concerned with his total costs and not simply with his annual cash flow. Notional costs, such as the accruing liability for superannuation, are relevant to decisions which involve a choice between staff and other resources. In some areas the manager uses resources which include capital items like buildings and stocks acquired in the past, and these can be a major factor in the costs of his operation. Where this applies, the accounting system which provides the information to help him take decisions should be constructed accordingly.

14. Cash control, though essential, has to be complemented by systems and techniques that encourage intelligent reaction to changes in prices and enable departments to assess levels of service or outputs as well as total costs so that optimum use can be made of the cash and manpower available in each period.



### Other Constraints

15. Centrally devised rules govern the form of Government accounts and the presentation of information to the Treasury and Parliament. The Treasury will be ready to review departments' needs (see para 11 f above) and where changes in the existing requirements seem desirable, will be ready to make proposals to Parliament accordingly.

16. Similarly, central rules govern the pay, grading and conditions of service of civil servants; many of them are the subject of negotiation and agreement with the Civil Service Trade Unions. Within departments those arrangements limit the extent to which the individual manager can change the pattern of his resources to provide an exact fit with what he perceives as the needs of his particular job from time to time. Such constraints are common in large organisations, both public and private. They will continue to be needed in the Civil Service. But departments are encouraged to make maximum use of the scope for delegation which those constraints allow, coupled with the development of a management information system by which the use of more delegated authority can be monitored. In addition, the Treasury and MPO will be ready to consider and consult about specific proposals from departments which are aimed at introducing greater flexibility in the civil service management régime and at improving the incentives for managers to manage well.

### Techniques and Training

17. The main needs are:

- (a) to spread cost-consciousness and a wider readiness to identify and try to measure costs and results, and to act in the light of this information;
- (b) to develop and apply techniques of measuring and appraising which the relatively junior managers who take most decisions will recognise as sensible and will use;
- (c) to assemble and use the specialised skills relevant to the work of each department;



(d) to give senior managers sufficient understanding of the relevant disciplines to know when they need specialised advice, and to assess and use the advice given.

18. Action is in hand to increase the supply of qualified accountants, and to improve and expand training in financial management. Training in internal audit is being expanded. A finance course for senior administrators will be mounted in 1982. The Financial Management Co-ordination Group is about to review training in financial management as a whole and will shortly consult departments about further plans.

#### Action

19. In the light of this paper, and taking into account the work already done and in hand, the departments listed at Annex A are invited to develop and define a programme of work for the improvement of financial management, and to discuss their programmes with the Treasury and MPO before the end of January, 1983. For this purpose, departments should regard the relevant Treasury Expenditure Division as the central point of contact. Programmes should be divided into stages as appropriate, with target dates specified.

20. In drawing up their plans, departments are invited to consider:

(a) their arrangements for carrying this work forward, including the allocation of responsibility for first formulating and then carrying out the plan, terms of reference, the deployment of suitably qualified and experienced staff, and any external help they may require;

(b) how far their existing systems, and plans already in hand, will meet their requirements and the criteria set out in this paper; and the size and scope of what remains to be done;

(c) whether their existing organisation is compatible with an effective structure of responsibility for management - both of programmes executed outside the department and of departments' own operations; and what changes may be needed;



(d) the scope for developing cost and responsibility centres and the creation of budgets for their managers; what additional authority could be delegated to managers; what that implies for any changes in the respective responsibilities of line managers and of finance and establishments divisions; or in requirements now laid down by the Treasury and MPO;

(e) what parts of the department's activity, within the outline comprehensive plan, should have priority in the development of management accounting;

(f) what work is needed for the development of output measures, what areas should have priority and how those and other indicators of performance can best be built into the management system;

(g) how their management accounts, as they develop, can best be related to the Vote accounting system, and any implications for possible changes in the latter;

(h) the implications of their plans for staffing and training, both in finance work and in line management;

(i) whether computerised systems would be desirable and if so how best to obtain them economically, bearing in mind the large extent to which the same basic needs recur in individual departments;

(j) how the management information produced can be used to keep Parliament better informed about the progress of departmental programmes.

21. Departmental Trade Union Sides have a legitimate interest in the development of departmental systems. Departments will wish to discuss their plans as appropriate with their Trade Union Sides (see Annex C to paragraph 5078 of the Establishment Officers' Guide).

22. The Treasury and MPO will keep in touch with departments as their plans develop; inform themselves of the results of the work already in hand (see paragraph 3) with the aim that any general lessons that emerge are made known through the appropriate machinery; encourage the common use of computerised systems; and circulate any guidance as necessary on central requirements or service-wide issues generally.



23. In addition to the normal working contacts outlined in paragraph 22, departments may find it helpful to draw on help and advice in tackling the application of the principles in this paper to their particular circumstances. To this end, a small MPO/Treasury unit is being established, which will report to the joint Heads of the Civil Service. This will consist of up to 6 members (both civil servants mainly drawn from the divisions with the relevant experience and knowledge in MPO and Treasury and senior consultants) and will have a limited life (probably twelve months). It will mainly work in departments, responsible to and subject to the direction of the Permanent Secretary concerned, to help the senior management of the department, in the light of the experience of other departments and the private sector, how best to approach the task and to fit it into the wider context of the organisation and managerial effectiveness of the department as a whole. The unit will pay particular attention to considering with departments how implementation of change can be facilitated including changes flowing from recommendations of scrutinies, reviews and other studies already complete. The unit will also report on any opportunities or problems which it finds to be common to departments and on any changes in existing practices and rules which it believes would enlarge the opportunities or help to resolve the problems. This should help the Treasury and MPO not only to see how best they can contribute to the working out of departmental programmes but also in developing their approach to management and efficiency in the longer term.



AGRICULTURE, FISHERIES AND FOOD

Ministry of Agriculture, Fisheries and Food  
Intervention Board for Agricultural Produce

CHANCELLOR OF THE EXCHEQUER

Treasury  
Central Office of Information  
Customs and Excise  
Inland Revenue  
Department for National Savings

DEFENCE

Ministry of Defence

EDUCATION AND SCIENCE

Department of Education and Science

EMPLOYMENT

Department of Employment  
Manpower Services Commission  
Health and Safety Commission/Executive

ENERGY

Department of Energy

ENVIRONMENT

Department of the Environment (including  
Property Services Agency)  
Ordnance Survey

FOREIGN AND COMMONWEALTH

Foreign and Commonwealth Office  
Overseas Development Administration

HOME

Home Office

INDUSTRY

Department of Industry

LORD CHANCELLOR

Lord Chancellor's Department  
Land Registry

LORD PRIVY SEAL

Management and Personnel Office

NORTHERN IRELAND

Northern Ireland Office

PAYMASTER GENERAL

Paymaster General's Office

SCOTLAND

Scottish Office (including DAFS, SDD, SED,  
SEPD, SHHD)

SOCIAL SERVICES

Department of Health and Social Security  
Office of Population Censuses and Surveys

TRADE

Department of Trade  
Export Credits Guarantee Department

TRANSPORT

Department of Transport (including DVLC)

WALES

Welsh Office



28 APR 1982





W/BPM

of JV  
Civil Secy

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Norman Fowler MP  
Secretary of State  
Department of Health and  
Social Security  
Alexander Fleming House  
Elephant and Castle  
London SE1 6BY

23 April 1982

Dear Secretary of State,

PROBLEMS OF STAFF MORALE: IMPROVEMENTS IN OFFICE ACCOMMODATION

I have seen a copy of your letter to Michael Heseltine of 19 April.

I should make it clear that I am afraid there can be no question of allowing any underspend in 1981-82 to be rolled forward for this purpose. It would in fact constitute an addition to overall public expenditure totals for 1982-83 and later years. As you know, the express understanding is that any improvements to office accommodation should be made within the agreed and announced totals for public expenditure.

I am sending copies of this letter to the recipients of yours.

yours sincerely

LEON BRITTAN

ff (approved by the Chief Secretary  
 & signed in his absence)

2 3 APR 1982







WM  
28/4  
10031

DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
ELEPHANT AND CASTLE LONDON SE1 6BY  
TELEPHONE 01-407 5522 EXT

The Rt Hon Michael Heseltine MP  
Secretary of State  
Department of the Environment  
2 Marsham Street  
LONDON  
SW1

19 April 1982

*From Michael*

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

Your letter of 12 March suggested that there should be joint working between PSA and Departments during the second quarter of 1982/83 to plan a programme of work for completion in the second half of the year. This is consistent with the views I expressed in my reply to Janet Young's letter of 2 February (copy attached). As I have said in my letter to Janet, the situation would be helped if some of our expected underspend for 1981/82 could be rolled on as capital expenditure. Is this still a possibility?

I am copying to the Prime Minister, Willie Whitelaw and those who received copies of Janet Young's letter of 2 February.

*Young* *Norman Fowler*

NORMAN FOWLER

APR 1962

U.S. AIR FORCE  
OFFICE OF THE  
SECRETARY OF THE AIR FORCE  
WASHINGTON, D.C.



Card Service



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

Wh  
13/4

Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
London SW1A 2AZ

13 April 1982

PROBLEMS OF STAFF MORALE: ACCOMMODATION

I have followed with interest the exchange of views prompted by your letter of 2 February to Willie Whitelaw on the above subject.

I note how Michael Heseltine proposes we should proceed in 1982-83 but what does concern me is the longer term position. It is surely clear from the recent correspondence that the PES provision for necessary improvement of office accommodation is inadequate. Unless it is increased this inadequacy will be reflected in the allocation to all Departments of future PES provision for accommodation in this year's Public Expenditure Survey. I would suggest that this should be given serious consideration in the course of this year's Survey.

I am copying this letter to other recipients of the correspondence.

PETER WALKER

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
 LONDON, ENGLAND

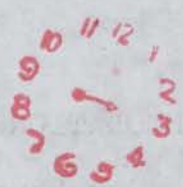


W  
 No

Director General  
 International  
 London, ENGLAND

18 APR 1962

13 APR 1962



... I have followed with interest ...  
 ... your letter of 2 February ...  
 ... I have had Michael ...  
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 ... in early ...  
 ... to be ...  
 ... to all ...  
 ... your ...  
 ... to give ...  
 ... I am ...

...





JR  
Civil Service

10 DOWNING STREET

*From the Principal Private Secretary*

MANAGEMENT IN CONFIDENCE

SIR ROBERT ARMSTRONG

CABINET OFFICE: REVIEW OF THE OPEN STRUCTURE

The Prime Minister has seen your minute A07966 of 7 April 1982 reporting the outcome of your review of the open structure posts in the Cabinet Office and she is content for you to write to the Treasury on the basis of your minute.

C. A. WHITMORE

11 April 1982

*As*



Prime Minister.

Contract for Sir Robert

Ref. A07966

PRIME MINISTER

Yes Mr.

Anything to proceed as in paragraph 6 here?

MLL  
8/1

Cabinet Office: Review of the Open Structure

All Departments were asked to review their senior posts following the Government's acceptance of the Wardale Report. I have reviewed the open structure posts in the Cabinet Office, and I am putting this submission about the outcome of my inquiries to you, in your capacity as the Minister responsible for the Cabinet Office.

2. There is no uniform target which a Department must achieve from the review. The aim is to secure a substantial reduction in the total numbers of senior posts over the Service as a whole, compared with the time when the Government took office.

3. I have examined in detail how tasks are grouped and allocated amongst the various sections; the scope for delegation, both between myself and my Deputy Secretaries and also to the Under Secretaries and below; and the weight and loading of every senior post. Annex A lists the areas of the Office and indicates the main findings and conclusions. In summary these are:

(a) The peak of Cabinet Office numbers was reached in 1976, with a total of 29. That was down to 22 by May 1979. Since then there has been a net reduction of three, despite the addition (on a temporary basis) of one extra Under Secretary for the Information Technology Unit, and the upgrading of the Chief Scientist from Under Secretary to Deputy Secretary. The details are as follows:

	<u>1979</u>	<u>1982</u>
Permanent Secretary	3	3
Deputy Secretary	7	6
Under Secretary	12	10
	—	—
TOTAL	22	19
	—	—

In addition an Under Secretary post in the CSO, which was vacant in 1979, was subsequently abolished, giving an effective saving of four posts since May 1979.





- (b) The broad structure of the Cabinet Office should remain unchanged; there is no scope to achieve further reductions by reorganising the work.
- (c) At the senior levels the Cabinet Office already operates on the basis recommended by Wardale, ie "Work should, as far as possible, skip grades in the chain of command."
- (d) When you created the MPO and brigaded it with the Cabinet Office, I thought that I might need to suggest that we should replace a Deputy Secretary with a Second Permanent Secretary who, in addition to the primary role of heading up the European Secretariat, would also act as my Deputy in the Cabinet Office in all areas except the CPRS and the CSO. As a result of my review I have decided not to pursue this change. I have been able to make a certain amount of extra elbow room for myself by delegating more to the Deputy Secretaries, and in particular the responsibility for briefing you directly on the handling of meetings of Cabinet Committees which you chair. This step has added further weight and responsibility to Deputy Secretary posts.
- (e) Every Under Secretary post was evaluated with the assistance of the appropriate Deputy or Permanent Secretary. With two possible exceptions the conclusion was that they are all essential to the efficient conduct of business and are fully loaded. The exceptions are in the Information Technology Secretariat and the Central Statistical Office. If the Information Technology Secretariat's role of co-ordinating and helping to implement the Government's plans for information technology is completed by 1983-84, as expected, it should then be possible to surrender another Under Secretary post. It may also be possible to surrender another Under Secretary post in the CSO, but this will need to be considered further in the light of reductions in senior posts elsewhere in the Government Statistical Service, which will have implications for the role of the Under Secretary level in the CSO.
4. It goes, almost without saying, that both the posts of Head of the Government Statistical Service and Head of the CPRS are properly Permanent Secretary level. Mr Ibbs thinks - and I agree - that the expanded role of the





CPRS in the nationalised industry field will need to be led by someone at the Deputy Secretary level if it is to be pursued effectively. This will mean an additional post, but the aim is to second someone from outside the Civil Service.

5. I am determined that the top structure of the Cabinet Office should be kept vigorously to what is required in order to provide you and your colleagues with the standard of service required. Leaving aside the somewhat special requirements of the CPRS, it is probable that the number of senior posts will have been reduced by either five or six (about 22 or 27 per cent) during the period May 1979 to 31 March 1984, unless new demands are placed upon us between now and then. This does not include the saving of the Permanent Secretary post formerly held by Sir Ian Bancroft.

6. If you are content, I propose to write to the Treasury on the basis of the information in this submission and in the Annex.

REA

ROBERT ARMSTRONG

7 April 1982



Review of the Open Structure in the Cabinet Office

## BACKGROUND

1. The Cabinet Office differs from most other Departments in that it does not in the main have functions or pursue policies which can be dropped. It provides a service both to Ministers collectively and to the Prime Minister in particular. There is a central core to the Office - the Secretariat - but other tasks are frequently added, and over the years the overall size of the Office, and its top structure, have expanded and contracted as the following table shows, to meet the varying responsibilities which Ministers have allocated to it. Within the Secretariat, too, the top structure has altered to reflect changes in the needs and priorities of the Ministerial and Official Committee system.

	<u>Staff in Post</u>				
	1965	1970	1976	1979	1 March 1982
Permanent Secretary	2	3	5	3	3
Deputy Secretary	3	5	8	7	6
Under Secretary	6	14	16	12	10
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11	22	29	22	19

In the following paragraphs each of the four main areas, the Secretariat, the CPRS, the Joint Intelligence Organisation and the Central Statistical Office is considered separately.

The Secretariat

2. The Secretariat is responsible for servicing the Cabinet and its Committees, and also for various staff responsibilities in relation, for example, to nuclear matters, terrorism and other civil contingency issues. The following table shows a reduction of one Deputy Secretary post between May 1979 and March 1982 and, for information, a number of other changes leading to a net reduction in posts below the open structure.





	1 May 1979					1 March 1982				
	DS	US	AS	Prin	Total	DS	US	AS	Prin	Total
Defence and Overseas	1	1	1	4		1	1	2	3	
Economic, Industrial and Scientific	1	1	2	5		1	1	-	4	
European	1	1	2	4		1	1	2	4	
Home, Social and Legislation	1	1	-	3		-	1	2	1	
	4	4	5	16	29	3	4	6	12	25

3. A Secretariat headed by an Under Secretary was established in 1981 (for a limited period of about two years) to co-ordinate and help implement the Government's plans for information technology.

4. The Heads of the Secretariats agree generally that the present division of work is broadly right. It may be necessary to switch tasks from time to time, but there is no scope to secure improvements in the work or a saving in senior posts by any major change in the structure. Staff at the Assistant Secretary and Principal level, while allocated to a particular Secretariat, regularly assist in others as the priorities of the work require. Grade skipping is a normal feature in all Secretariats, in the sense that both Assistant Secretaries and Principals can work directly to either the Deputy Secretary or the Under Secretary as required; and in the Home and Social Affairs area which is headed by an Under Secretary, the Principal can work directly to him. This is good 'Wardale'.

5. Within the Secretariat each Deputy Secretary post has been considered separately; but there are common features to all three posts which justify the need for the grade, eg the servicing of Prime Ministerial Committees and their Sub-Committees, requiring the preparation of briefs for the Prime Minister and other Ministerial Chairmen, and the subsequent preparation of the minutes; and the general co-ordination and promotion of Ministerial decision taking, including taking the lead in working groups or MISC Committees established to follow up Cabinet or Cabinet Committee decisions. These functions may involve bilateral or multilateral contacts with other countries. In all cases the essential role is to be able to co-ordinate the activities and the views of a number of Departments and to have the status to negotiate to resolve interdepartmental disputes where possible, and where not to supervise the preparation of agreed submissions to Ministers.

6. These tasks of co-ordination and negotiation cannot generally be pulled down to the Under Secretary level. To attempt to do so would make the problem of resolving disputes more difficult, and would involve more reference back - which in practice would mean upwards - with important implications for the load on the Secretary of the Cabinet, and on Permanent Secretaries in other Departments.



7. The basically good calibre of the Deputy Secretary posts has been further strengthened by the delegation to them, from the Permanent Secretary level, of the responsibility for briefing the Prime Minister direct on some items of business, together with the responsibility for approving the minutes of Committee meetings. This delegation to the Deputy Secretaries should help to avoid the need to strengthen the top structure of the Cabinet Office by the introduction of a Second Permanent Secretary post, in order to relieve the Secretary of the Cabinet of important Secretariat duties, consequent on his assumption of responsibility for the Management and Personnel Office.

8. As to the need for the Under Secretary grade, 'Wardale' recognises that they have varied jobs and that the grade is a vital one in many areas. Their use in the Secretariat must be considered in the context of the work as a whole, but with particular reference to the role of the Deputy Secretary. While the latter is, of course, responsible for the totality of the work and will exercise a supervisory role as required, the Deputy Secretary and his Under Secretary often work in parallel rather than in series. They will ~~both~~ be Secretaries to the same Ministerial Committee and may share the minuting role; but they will also operate largely independently of each other as Chairmen or members of official Committees, drawing on the staff below them as appropriate.

9. The volume of work is considerable. The Deputy Secretary will tend to be concerned with the more vital and immediate issues, with the Under Secretary handling other business - although this is not wholly the case, and the Under Secretary can get a good ration of, for example, Prime Ministerial meetings. This arrangement, together with the increased delegations from the Secretary of the Cabinet to the Deputy Secretaries, reflects a genuine division of labour between the two grades, but allows them to work in series, in parallel or in tandem. This is the great strength of the Secretariat and enables it to respond quickly, flexibly and efficiently to the often urgent demands placed upon it. The unanimous view is that the Number 2 post in the main Secretariats needs to be at the Under Secretary level; and that no matter how able an Assistant Secretary might be, the top structure requires both the Deputy Secretary and the Under Secretary level to operate at the necessary standard of flexibility and efficiency. The decision to drop the Deputy Secretary post in the Home, Social Affairs and Legislation area was right, and there the Under Secretary-Assistant Secretary relationship works well. But the role of that Secretariat is relatively limited, compared to that of the others (eg it has no Prime Ministerial meetings), and the firm view is that they require the lighter structure.

#### The Joint Intelligence Organisation

10. The Intelligence Co-ordinator is a Deputy Secretary. He acts as general adviser and counsellor to the Heads of the Agencies, the Secretary of the Cabinet and the groups of Permanent Secretaries who share with him responsibility for the supervision of the Agencies' requirements and the control of their finances. The Co-ordinator is a member of the Joint Intelligence Committee. The post is a full-time one and the Co-ordinator is obliged to spend a great deal of his time outside the office, in the Agencies or in contacts with our intelligence partners. Without the post the tasks would fall to the Secretary of the Cabinet, and it would be clearly impracticable for him to devote anywhere near adequate time to them.





11. The Assessments area, headed by an Under Secretary, is responsible for ensuring the smooth flow to the Government of intelligence information including economic material. There are some 15 staff at the Assistant Secretary to Principal level including four service officers. The Under Secretary reports to the Intelligence Co-ordinator on matters which concern the Co-ordinator's own role and on organisation and staffing matters for the Assessments area, but for the most part he reports to the Chairman of the Joint Intelligence Committee. The Under Secretary is required to deal directly with the Deputy Secretary and Lt General level in the FCO, MOD and the Agencies. The post is fully loaded and properly graded at Under Secretary.

#### The Central Policy Review Staff

12. The CPRS provide a central and independent capability for work and advice on strategic and other matters. The present senior structure comprises one at Permanent Secretary level, two at Deputy Secretary - one of whom is the Chief Scientist - and an Under Secretary. There are a number of Special Advisers in the Assistant Secretary/Principal range.

13. The work of the CPRS tends to crystallize around its projects, with study teams forming up from amongst the Special Advisers as required. The organisation is therefore both dynamic and relatively shapeless, and the nature of the work, and to an extent the grading structure, would defy precise definition. Within that flexible arrangement, it is important to ensure that jobs are at the right level and properly loaded.

14. The Head of the CPRS is supported in the management and operation of the Unit by the administrative Deputy Secretary and the Chief Scientist. This latter post was enhanced and regraded only recently. The content and grading of the job will need to be reconsidered in the context of the Government's reply to the House of Lords Select Committee on Science and Technology; but the Secretary of the Cabinet is not expecting to recommend a regrading. Apart from the scientific area, the administrative Deputy Secretary deputises when necessary for the Head of the CPRS over the whole field of its work. As the CPRS cannot operate effectively on a hierarchical basis, there is an important overall management role for the Deputy Secretary because that is the first level at which responsibility for all the projects comes together. He is concerned with "quality control" of CPRS work - with editing and reshaping its reports and with the use of its resources. He acts specifically as the team leader for very major studies. Although the Deputy Secretary job cannot be particularly well defined, bearing in mind the importance and the nature of the CPRS role, and the level at which it has to operate both within and outside of Government, there can be no doubt that the Deputy Secretary post is necessary.

15. As regards the Under Secretary post, the essential need is for a team leader on the more major studies in the Civil Service and general non-industrial field. It is a key role and none of the Special Advisers - excellent though they are - are well placed, or have the authority and standing to lead on the full range of studies which the CPRS have already been asked to undertake and on others which are expected. There is a clear need for a team leader at the Under Secretary level.



Central Statistical Office

16. The CSO differs from other areas of the Cabinet Office in that its top structure was reviewed in 1980 during the Rayner Scrutiny of the Government Statistical Service. One Deputy Secretary post was abolished directly as a result of that review, together with a vacant Under Secretary post. The current top structure comprises one Second Permanent Secretary (who in addition to heading the CSO is also Head of the Government Statistical Service) and three Under Secretaries (Statisticians). There are eight Chief Statisticians and some 190 other posts filled by various professional and other grades.

17. It may be possible to surrender another Under Secretary post in the CSO. Whether this is possible will depend upon events in other Departments, and in particular in the Department of Industry. The need to have a Deputy Secretary there in charge of the Statistician Group is under consideration. If that post is abolished it will add to the Service-wide management role of Sir John Boreham as Head of the Government Statistical Service at the expense of his management tasks in the CSO, which would make it necessary to retain the Under Secretary post there.

Ref. A08035

MR. WHITMORE ✓

Prime Minister

the  
bwi

I can well understand that the Prime Minister may not in the event be able to find time for the discussion which I had hoped to have with her on Thursday 8th April about succession planning for Permanent Secretaries retiring. In case, however, there should be time, I attach herewith a list of the vacancies and the dates at which they are due to occur.

2. I think that the key questions are going to be who we should appoint to the Ministry of Defence, the Treasury and the Department of Industry. Once we have those clear, others will fall more easily into place around them.

REA

ROBERT ARMSTRONG

5th April, 1982



SENIOR STAFF IN CONFIDENCE

SUCCESSION PLANNING FOR PERMANENT SECRETARIES RETIRING

<u>Month of Retirement</u>	<u>Name and Department</u>	<u>Level</u>
<u>1982</u>		
August	Preston Overseas Development	2 PS
	Barnes Employment	1 PS
September	Hockaday MOD	2 PS
November	Baldwin Transport	1 PS
<u>December</u>	Maitland Energy	1 PS
	<u>Cooper</u> MOD	1 PS
<u>1983</u>		
February	Mason MOD	2 PS
April	<u>Wass</u> Treasury	PS+
May	Hamilton DES	1 PS
July	Carey Industry	1 PS
August or later	Woodfield NIO	1 PS
September	Lovelock	1 PS

SENIOR STAFF IN CONFIDENCE



FILE

RM

Civil Service

10 DOWNING STREET

*From the Principal Private Secretary*

5 April, 1982

SENIOR POSTS

The Prime Minister has asked me to thank your Secretary of State for his minute of 29 March in which he reported the results of his review of senior civilian and Service posts in the Ministry of Defence.

I am sending copies of this letter to John Kerr (HM Treasury), Jim Buckley (MPO) and David Wright (Cabinet Office).

ISA WHITMOR

D Omand, Esq  
Ministry of Defence

15





10 DOWNING STREET

*From the Private Secretary*

5 April 1982

ETHNIC MONITORING IN THE CIVIL SERVICE

The Prime Minister has seen Lady Young's minute of 1 April, and has noted the arrangements for publicising this experimental census on 7 April.

I am sending copies of this letter to Andrew Jackson (Home Office) and David Wright (Cabinet Office).

W. F. S. RICKETT

Jim Buckley, Esq.,  
Chancellor of the Duchy of Lancaster's Office.

R4





Chancellor of the Duchy of Lancaster

SV

1 Mr Palmer to Press Office  
2 Prime Minister 2

PRIME MINISTER

*ms*

This experimental census in  
Leeds will be announced  
on Wednesday 7 April

ETHNIC MONITORING IN THE CIVIL SERVICE

Wm  
2/4

I should like to report to you how things have been moving on this front, and how our plans now stand.

As you will recall, Willie Whitelaw announced in the House of Commons on 10 December (during the debate on the Scarman Report) that we accepted the need for the Government to give a lead to other employers on the policy of ethnic monitoring, and would accept the recommendations of the Select Committee on Home Affairs in support of ethnic monitoring in the Civil Service. He went on to say that I would set up a survey of the ethnic composition of some non-industrial grades in a limited area in order to establish a sound statistical method for monitoring in the Civil Service.

Since then, my officials have discussed this proposal with departments, the Civil Service unions and the Commission for Racial Equality, and - having settled upon the area covered by the Leeds City Council as the geographical location - with the Leeds Community Relations Council. Detailed arrangements and briefing are now in hand in preparation for an announcement to staff in Leeds on Wednesday 7 April, that the survey of the ethnic origin of staff in post will be held on Wednesday 19 May. There will be a parallel survey of job applicants from school leavers (to be confirmed, but probably May-July).

The survey will not cover the main middle management grades as the SCPS, the union concerned, had a Conference decision in 1980 against monitoring (although the union Executive is in favour, and hopes to have that decision reversed next year). The survey will however cover some mobile grades represented by the IRSF and the CSU.

On 7 April, having told the staff, my officials, with a representative of the Home Office, and supported by union leaders and the Chairman of the Leeds Community Relations Council, will hold a Press Conference in Leeds. There will also be an MPO press release in London. I will also have written in advance to Members of Parliament whose constituencies include the Leeds City Council area, and to the Lord Mayor of Leeds, seeking their general support.

I am copying this minute to Willie Whitelaw, and to Sir Robert Armstrong.

*Baroness Young*

BARONESS YOUNG

1 April 1982



2 APR 1982

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5 6 7 8 9

1 April, 1982

TREASURY AND CIVIL SERVICE SELECT COMMITTEE'S  
REPORT ON EFFICIENCY AND EFFECTIVENESS IN THE  
CIVIL SERVICE

The Prime Minister has seen and noted without comment Lady Young's minute of 31 March.

I am copying this letter to Peter Jenkins (HM Treasury).

L.W.F.S. RICKETT

J Buckley, Esq  
Chancellor of the/Duchy of Lancaster's  
Office

hw



24

From: THE PRIVATE SECRETARY



HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

1 April 1982

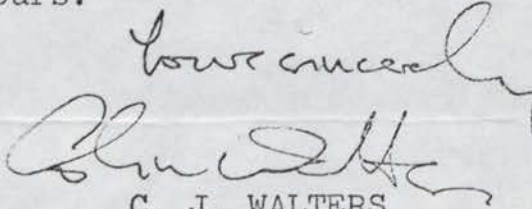
Dear Sir

RACE RELATIONS: EXPERIMENTAL ETHNIC  
CENSUS IN CERTAIN NON-INDUSTRIAL  
CIVIL SERVICE GRADES IN LEEDS

Thank you for your letter of 26 March about the Chancellor of the Duchy of Lancaster's proposal that the experimental census of the ethnic origins of Civil Service staff in the Leeds area should be announced early next month, and that the census should be extended to include certain mobile grades.

The Home Secretary is content for you to proceed as you proposed, subject to the agreement of members of H Committee.

I am copying this letter to the recipients of yours.

Yours sincerely  
  
C. J. WALTERS

J. Buckley, Esq.

2 APR 1982

1 2 3 4  
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*Chancellor of the Duchy of Lancaster*

PRIME MINISTER

TREASURY AND CIVIL SERVICE SELECT COMMITTEE'S REPORT ON EFFICIENCY AND EFFECTIVENESS IN THE CIVIL SERVICE

The Select Committee's Report on Efficiency and Effectiveness in the Civil Service will be published at noon tomorrow, 1 April. A Confidential Final Revise of the Report is attached. *- Inside front cover*

The Report makes 26 recommendations in all, some of which go right to the heart of the role of the central departments and the way in which departments generally manage their operations.

(i) One of the Select Committee's primary concerns is that the pursuit of efficiency and effectiveness should be systematic and comprehensive, and cover not just Government departments but also non-departmental public bodies. In particular the Committee favour a common framework of programme analysis which should be developed by the MPO and Treasury, and which all departments should observe, for the proper management and evaluation of programmes. An associated recommendation is that all departments should adopt MINIS or a very near equivalent.

(ii) The Committee seek not only greater Ministerial involvement but greater Parliamentary scrutiny. This includes efficiency and effectiveness audits by the Comptroller and Auditor General at the instance of departmental Select Committees (here the Select Committee underline the position taken by the PAC).

(iii) There should be a sharp move away from guidance to prescription by the central departments; here, the Committee note, the MPO will depend on a close relationship with the Prime Minister.

In addition, there are recommendations dealing with various aspects of Civil Service personnel policy, including: an intensive course (compulsory before entering the deputy secretary grade) covering financial and general management as well as policy areas; greater scope for newly appointed ministers to change their permanent secretaries; and observations on the state of morale and on pay arrangements.

Obviously a number of these recommendations are not perfectly conceived. But the Report is a thoughtful document and, as I mentioned in my minute of 22 March, I am sure that we shall do well to publish the Government's reply in the form of a White Paper, using the opportunity to draw together all the action the MPO and the Treasury are taking to improve management in the Civil Service. The sooner we can do this the better, and work is in hand to that end. The MPO's programme of early tasks in 1982-83 will also be highly relevant and I shall have a draft with you shortly.



MANAGEMENT IN CONFIDENCE

Your office already has a short background note and line to take in case the Report should be raised at Questions tomorrow.

I am sending a copy of this minute to the Chancellor of the Exchequer, the Joint Heads of the Civil Service and Sir Derek Rayner.

*Baroness Young*

BARONESS YOUNG

31 March 1982





Treasury Chambers, Parliament Street, SW1P 3AG

J Buckley Esq  
Private Secretary to the  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
London SW1A 2AZ

1 April 1982

Dear Jim,

RACE RELATIONS: EXPERIMENTAL ETHNIC CENSUS IN CERTAIN  
NON-INDUSTRIAL CIVIL SERVICE GRADES IN LEEDS

The Chief Secretary has seen your letter of 26 March to  
Colin Walters.

He is not sure that the proposal can really be regarded as a relatively minor amendment to the experiment. The extension of the exercise up to middle management level, almost entirely in the Inland Revenue, could have quite large implications with such a sensitive topic; and while the ethnic classification of job applicants for non-mobile grades may take us part of the way to an explanation of any imbalances at those levels, there will be nothing comparable for the mobile grades. It seems unlikely that the answer at the foot of the first page of your letter will effectively silence criticism. He feels therefore that the proposed exercise could result in a considerable increase in the amount of controversy in which Ministers will be involved as a result of the census.

Nevertheless the Chief Secretary would on balance be prepared to take the risk, and is therefore content that the proposal should be accepted, particularly as the initiative comes from the union side. (I understand that the Association of Inspectors of Taxes has agreed that for the grade in which it shares representation with the IRSF, its own members should be included as well.)

I am copying this letter to the recipients of yours.

Yours sincerely  
Terry Matthews

T F MATHEWS  
Private Secretary

APR 1967





Management and Personnel Office  
 Whitehall London SW1A 2AZ  
 Telephone 01-273 4400  
 GTN 273

Chancellor of the Duchy of Lancaster

From the Private Secretary

26 March 1982

Colin Walters Esq  
 Private Secretary to the Secretary of State  
 for the Home Department  
 50 Queen Anne's Gate  
 LONDON SW1H 9AT

Prime Minister 2

*Lady Young proposes that we should accept the unions proposal to include mobile members in the Leeds experiment on ethnic monitoring of the Civil Service. The mobile grades are more senior, and we may be criticised if the experiment shows there are few ethnic staff in mobile grades.*

Dear Colin,

RACE RELATIONS: EXPERIMENTAL ETHNIC CENSUS IN CERTAIN NON-INDUSTRIAL CIVIL SERVICE GRADES IN LEEDS

*LM  
26/3*

'H' Committee agreed on 8 December 1981 that an experimental census of the ethnic origins of Civil Service staff in certain non-mobile grades in the Leeds area should be undertaken this year.

Preparations for this experiment are now underway and officials are consulting the Council of Civil Service Unions, the Commission for Racial Equality and local ethnic minority organisations on the detailed planning. The Chancellor of the Duchy has asked me to write seeking the agreement of the Home Secretary and 'H' Committee colleagues to a relatively minor amendment to the experiment. One of the unions participating in the experiment, the Inland Revenue Staff Federation (IRSF), has proposed that all the grades it represents be included in the census of staff in post. Unlike most Civil Service unions the IRSF represents both non-mobile and mobile staff (up to middle management level) and the union is concerned that no distinction should be drawn between its non-mobile and mobile members. Consequentially, the Civil Service Union (CSU) has agreed that its mobile members can also be included.

One of the main reasons that only non-mobile grades were included in the proposals was because the Society of Civil and Public Servants (SCPS), which represents a large number of the mobile grades in the Service, has no mandate from its membership for ethnic monitoring. However, at 'H' Committee it was felt that limiting the experiment to the lower grades of the Service, could reinforce the ethnic minorities' perception of themselves as inferior in the eyes of the community at large. Indeed the Commission for Racial Equality, in discussion with officials, has already criticised the proposals on these grounds. However, if the census demonstrates that there are very few or no staff from the ethnic minorities in the mobile grades the unions might claim that there is a prima facie case for discrimination. Our answer is that this is a pilot experiment only, designed to establish a sound statistical method for monitoring in the Civil Service and no conclusion of that nature can be drawn from such limited information.



The Chancellor of the Duchy feels that we should accept this amendment to the Leeds experiment because:

- i. It would be unfortunáte, and could lead to adverse public comment, if we reject the union's offer of the inclusion of the IRSF and CSU supervisory grades;
- ii. Covering a wider span of grades provides us with some information, albeit limited, on the willingness of supervisory staff to complete a self-identification questionnaire;
- iii. These mobile staff can easily be excluded from any analyses involving broad comparisons with the local population.

As it is hoped to announce that Leeds has been chosen as the area for the experiment very early next month, I should be most grateful to know as soon as possible that your Minister is content. May I assume that others are unless I hear to the contrary by the evening of 31 March?

I am copying this letter to Willie Rickett (No.10), Terry Mathews (Chief Secretary's Office) for the Inland Revenue interest, the other Private Secretaries to members of 'H' Committee and to David Wright in Sir Robert Armstrong's Office.

*Yours sincerely,  
Jim Buckley.*

J BUCKLEY



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26 MAR 1984

RESTRICTED

FILE SW



10 DOWNING STREET

*From the Private Secretary*

29 March, 1982

Race Relations: Experimental Ethnic Census in  
Certain Non-Industrial Civil Service Grades  
in Leeds

The Prime Minister has seen your letter to Colin Walters of 26 March. She has noted, without comment, Lady Young's proposal to accept the unions' offer to include mobile members in this experimental ethnic census.

I am copying this to Colin Walters (Home Office) and David Wright (Cabinet Office).

W. F. S. RICKETT

Mr. Buckley, Esq.,  
Office of the Chancellor of the Duchy of  
Lancaster

RESTRICTED



2.Prime Minister.

HLL

2.2.82

MO 2/2/6

*[Handwritten signature]*PRIME MINISTERSENIOR POSTS

Following Wardale, you asked all Ministers to carry out a rigorous review of their senior posts with the intention of reducing the number to the essential minimum. Although Wardale did not cover Service posts, I was asked to look at them as well.

2. With the personal assistance of the Chief of the Defence Staff and the Permanent Secretary I have now carried out a review of all senior Defence posts. As a result, and using 1.4.79 as the baseline, I can see my way to making the following reductions:

a. Open Structure: 15-20% by 1.4.84 (the timing of developments with the ROFs and the Dockyards is a critical factor); 25% by 1.4.86.

b. Service two-star posts and above: 15% by 1.4.84 rising to 16% by 1.4.86.

3. Given the severe pruning of senior Service and civilian posts as a result of regular scrutiny over the last 15 years or so it has proved far from easy to identify reductions of this order. Certain cuts flow from the changes to the defence programme which were announced last year, but to reach the level I envisage we have to go well beyond that. After excluding certain key posts which must remain, we have therefore looked



critically at all the others. Those which do not stand up to the most rigorous test we have cut, downgraded or merged. Details of our review are being sent to the Treasury.

4. Trends over a longer period are clearly important. By 1986, as a result of these cuts, both military and civilian senior posts will have reduced by some 35% since 1965. During this period we have effectively integrated five Departments into one. As the record shows, MOD has consistently, and successfully, cut out senior posts as overall Service and civilian numbers have reduced. My proposals above will carry this forward.

5. I am sending copies of this minute to the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster and to Sir Robert Armstrong.

SV

Ministry of Defence

29th March 1982





CC J.V.  
SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

*await further  
ministerial comments.*

*WJ  
28/3*

The Rt Hon Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
LONDON  
SW1A 2AZ

26 March 1982

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

On 17 February I commented on your letter of 2 February to Willie Whitelaw about the possibility of Departments transferring funds to PSA to enable them to improve working conditions in some of our offices.

I have now seen Michael Heseltine's letter of 12 March to you on the same subject in which he agrees with your proposals but suggests that we wait until July to decide whether work could be carried out within PSA's cash limit or whether Departments should be asked to consider whether they could help fund it. This appeals to me scarcely more than the original proposal and would seem to offer only a means of deferring a decision which would be better taken now. The job of improving office accommodation is one for PSA and if we are agreed that their funds are insufficient we should, as I said in my earlier letter, be prepared to listen to the arguments for their being given the necessary additional provision. Having said that I acknowledge the improvements that PSA have achieved in improving some accommodation this year, but there is still a lot to be done particularly where buildings are leased.

I am sending copies of this letter to the Prime Minister, Cabinet colleagues, the Attorney-General, the Lord Advocate and to Sir Robert Armstrong.

Approved by the Secretary of  
State and signed in his absence





WM  
30/3  
JW

DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
ELEPHANT AND CASTLE LONDON SE1 6BY  
TELEPHONE 01-407 6522 EXT

Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
London SW1

March 25 1982

Dear Janet.

#### PROBLEMS OF STAFF MORALE: IMPROVEMENTS IN OFFICE ACCOMMODATION

Thank you for sending me a copy of your letter of 2 February to Willie Whitelaw. I fully endorse your conclusions about the adverse effects on staff of poor working conditions. Much still remains to be done to improve our accommodation, and especially our local offices, though the recent PSA initiative to use their surplus funds for this purpose was a welcome bonus.

I was disappointed but not entirely surprised to read that it is still not possible to allocate additional funds for the improvement of accommodation in 1982/83 and during the remainder of the current PES period. Although I am certain that the best way to provide these improvements is through PSA's own vote - an arrangement which in spite of the lack of provision is to be retained when we adopt the Property Repayment Service next year, I do recognise the short term problems facing us. But I share the reservations expressed by other colleagues about one Department being called upon to make good a shortfall on another's (PSA's) vote. And I think it right to mention that, when we proposed a similar sort of transfer about two or three years ago, the Treasury threatened to reduce our vote in the next year by a like sum on the grounds that we had over-estimated for the current period! Nevertheless, I do want to take a constructive line in order to bring about improvements and I would want my officials to discuss with yours what we can do in 1982/83.

Unfortunately our 1982/83 cash limit on Administration could be some £30m short and I cannot give any firm commitments at this stage - although we will want to look at the position later in the year when we see how expenditure is going. For 1981/82 the position is a little easier. We were prepared to make a transfer of our own funds to PSA this year and would still be prepared to do so if some of our expected underspend for 1981/82 could be rolled on as capital expenditure into later years.

For the years following 1982/83, I suggest that we should be looking towards the further development of arrangements whereby Departments if they so wish can transfer their own funds to PSA if by dint of good management they have saved money. I realise that some changes may be needed to the present financial arrangements to accomplish this, but I hope these can be made. Some loosening of virement is necessary so that savings on say manpower may be utilised for office improvements projects.

In addition, since the savings in any one year will not generally be apparent until well into the financial year, it will clearly be very difficult to plan and carry out the schemes before the end of that financial year. Some latitude to transfer funds between years will therefore be needed. If PSA are unable to deal with the



I.R.

work, and spending within the year is essential, we will need to be able to arrange work with outside contractors.

I am sending copies of this reply to the other recipients of yours.

*Norman Fowler*

NORMAN FOWLER

30 MAR 1982





Civil Service  
c/c sv  
WR  
25/3



Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Michael Heseltine MP  
Secretary of State  
Department of the Environment  
2 Marsham Street  
London SW1P 3EB

24 March 1982

*D. Michael,*

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

You sent me a copy of your letter to Janet Young (12 March) in which you referred to our colleagues' views on her letter of 2 February and said that you were planning to deal with this matter in 1982-83 on the same lines as in the current year.

Whatever is done to improve staff morale by office improvements should not reopen the decisions on public expenditure totals for 1982-83 that we have taken. But if colleagues are content with your proposal, so am I.

Your funds of course ought to be used as efficiently as possible. Difficult choices between essential maintenance and redecoration might be avoided by concentrating on the most substandard offices, where there is often a need for both, as you said in your letter to me of 16 November.

I am sending copies of this letter to the Prime Minister, other Cabinet colleagues, the Attorney General, the Lord Advocate, and Sir Robert Armstrong.

*Leon*

LEON BRITTAN

25 MAR 1982



4.00



pc IV

Management and Personnel Dept  
Whitehall London SW1A 947  
Telephone 01-273 14400  
GTN 273 14400

Chancellor of the Duchy of Lancaster

22 March 1982

The Rt Hon Norman Tebbit MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
LONDON SW1H 9NA

WM  
24/3

*Dear Norman,*

CIVIL SERVICE APPEAL BOARD

Thank you for your letter of 15 March.

I note your reservations about designating the Civil Service Appeal Board and I agree that, as a next step, our officials should consider more closely what changes would be necessary to the Board's procedures before you would be able to approve designation. I have asked my officials to put this in hand.

I am copying this letter to Cabinet colleagues and Sir Robert Armstrong.

*Yours sincerely*

*Baroness Young*

BARONESS YOUNG

4 MAR 1982







DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
ELEPHANT AND CASTLE LONDON SE1 6BY  
TELEPHONE 01-407 5522 EXT

*✓ JV*  
*WR*  
*22/3*

The Rt Hon Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
London SW1

*19* March 1982

*New York*

CIVIL SERVICE APPEAL BOARD

I have seen your letter of 19 February to Willie Whitelaw about proposals for improving the standards of the Civil Service Appeals Board so that it can be designated as an alternative to the Industrial Tribunals; with the fall-back position of abolishing it, as a means of resolving the present privileged position of the Civil Service in having dual rights of appeal against unfair dismissal.

Patrick Jenkin, when he was here, advocated resolution of this dual right of appeal, which I note you see as an "obvious absurdity" (he wrote on 3 April 1981 to Christopher Soames about retirement of the inefficient). I very much share your view that the issue needs to be resolved and unless the CSAB can be reformed quickly and effectively, I would favour its abolition. Three recent cases, as yet not finally resolved, have strengthened my Department's inclination towards abolition and I hope that this can be considered if it does not prove possible in, say, three months' time to secure sufficient changes to enable it to be designated as the alternative to Industrial Tribunals for the Civil Service. On the strength of these cases and earlier experience, however, I am bound to say that some fairly radical changes in approach and personnel will be needed to bring the Board up to the required standards of impartiality and objectiveness.

I am sending copies of this letter to the Prime Minister, other members of the Cabinet and Sir Robert Armstrong.

*Yours ever*  
*Norman Fowler*

NORMAN FOWLER

- Mr Mc VE Clarke*
- Mr Barton*
- Mr Seaman*
- Mr Astbridge*
- Mr Street*
- Mr Wright*







Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213

Switchboard 01-213 3000

*Copy given to SV  
Prime Minister 2  
Mr Tebbit does not rule out the  
approach suggested by Lady  
Young (attached), but makes  
some cautionary remarks.*

*Ljh  
15/3*

The Baroness Young  
Chancellor of the Duchy of  
Lancaster  
Civil Service Department  
Whitehall  
LONDON SW1

*MJ*

15 March 1982

*D Janet.*

CIVIL SERVICE APPEAL BOARD

You sent me a copy of your letter of 19 February to Willie Whitelaw.

You propose we should give notice that we are willing to explore with the Chairman of the Board and the trade unions how the Board's procedures might be brought up to the point where I as Secretary of State for Employment could designate them as an alternative to the industrial tribunals. I suggest that, before any such proposal is raised with the Chairman or the trade unions, it is essential that officials of our two departments should explore precisely what changes would be required for designation and whether they would be acceptable from a management point of view. My officials are already considering urgently what changes would be necessary. I think it quite possible that some of them would by no means necessarily be welcome from the management point of view.

More generally, I am by no means sure that moving towards designation would be the right way to get the sort of changes we really want in the way the Board operates. As I said in an earlier letter to Barney Hayhoe, what is really needed is a change of attitude on the part of Board members. I do not think there is any reason in principle why a move towards designation should achieve that. I am therefore inclined to remain of the view that I do not see the arguments against abolition as strong and for my own part would tend to favour that course, but that if it is thought better as a first step to try to get improvements in the Board's practice, I would like to see the



MANAGEMENT IN CONFIDENCE



efforts concentrated directly on getting the Board to take a less blinkered view and to pay less attention to petty procedural points.

I am sending copies of this letter to the recipients of yours.

*J. N. Nones*





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17 5 MAR 1982



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CV

Wh  
15/3

Source

SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ  
01 211 6402

Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
LONDON  
SW1A 2AZ

15 March 1982

*John Jenkin*

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

Thank you for sending me a copy of your letter of 2 February to Willie Whitelaw.

I share your concern about low morale in the Civil Service and the undoubted link with poor working conditions. My own Department's accommodation badly needs redecoration and refurbishment. Most of my visitors (including senior officials from other departments) comment unfavourably on the condition of this building. This state of affairs, together with uncertainty about the renewal of the current lease which is due to expire in September next, is depressing for staff at all levels. We are in touch with the PSA on these questions.

I note that the PSA aim to put some work in hand within this year's cash limit. This is welcome, though time is clearly short. But, as to your suggestion that Departments might transfer 1982/83 funds to PSA to finance further modest renovations, I am bound to say that I fully agree with what John Biffen and Patrick Jenkin said in their letters of 11 February. Given the current financial stringencies, it is unrealistic to expect Departments to top up PSA's funds from provision made for other quite specific purposes. Indeed, I question the propriety of such a course. If we agree that the need for improvement is compelling and the cost modest, then the necessary funds should be made available to PSA directly through the normal PES/Estimates machinery.

I am copying this letter to the Prime Minister, Cabinet colleagues, the Attorney General, Lord Advocate and Sir Robert Armstrong.

*John Jenkin*  
*Nigel Lawson*

NIGEL LAWSON



5 MAR 1982



15

ck SV

WV  
15/3



Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

15 March 1982

J. Buckley, Esq.,  
Private Secretary to the  
Chancellor of the Duchy of Lancaster

*Dear Jim,*

CIVIL SERVICE APPEAL BOARD

In her letter of 19 February, the Chancellor of the Duchy of Lancaster suggested proposals for dealing with the future of the Civil Service Appeal Board.

This letter is to record that the Chancellor is content with those proposals.

I am sending copies of this letter to the Private Secretaries to the Prime Minister, other members of the Cabinet and Sir Robert Armstrong.

*Yours ever,  
Peter*

P.S. JENKINS



11 5 MAR 1982





2 pps

ck sv

2 MARSHAM STREET  
LONDON SW1P 3EB

My ref:

Your ref:

12 March 1982

Prime Minister 2

wh  
15/3

*De Gaul*

*mt*

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

In reply to your letter of 2 February to the Home Secretary several colleagues have said that they have no room in their PES programmes to fund office improvements and that if such work is needed it should be met from PSA's programme. I can well understand why Departments are taking this view, when the 1982/83 financial year has not yet begun and it is too early to assess whether there may be savings at the margin of Departmental programmes which could be reallocated for this purpose.

When I agreed in principle last November to your proposal that transfers of this kind might be made, I had it in mind that we would invite Departments to consider this in the course of the year as their expenditure forecasts became firmer and as PSA's own commitments could be more clearly foreseen.

As you know, we agreed with Leon Brittan last November that PSA could undertake work of this kind in the last four months of 1981/82 within the margin of their Cash Limit - on a total of over £400m a margin of 1% allows some £4m for this purpose. This has been done and PSA expect to complete about £4m to £5m work of this kind in the last four months of the year.

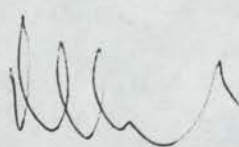
I propose that we plan on the same lines this year - ie. PSA assess their expenditure commitments during the second quarter and plan (in consultation with Departments) a programme of work, similar to that undertaken this year, for completion in the second half of the year. It will be time enough in (say) July to decide whether the work could be carried out within PSA's Cash Limit or whether Departments should be asked to consider



whether they could help fund it. Aside from this minor work, it is always open to a Department that has an urgent major works requirement, to propose a transfer of funds in the normal way.

If we proceed on this basis there will be no need for colleagues to pursue at this stage the possibility of finding funds for this purpose within their programmes. I would hope, however, that they would agree that, if provision can be found for work of this kind either within PSA's Cash Limit or from elsewhere, it is well worth doing in the interests both of staff morale and of maintaining the asset value of the government estate.

I am copying this to the Prime Minister, Willie Whitelaw and those who received copies of your letter of 2 February.

Yours ever  


MICHAEL HESELTINE



a w

10 DOWNING STREET

pm

Mr Ingham

CF have copied to you Lady  
Young's minute of 9 March  
to the Prime Minister on  
Official information, which  
suggests the Government should  
publish a Code of Practice  
on the release of information.  
She proposes that Cabinet should  
discuss his proposal.

Any comments before I put  
Lady Young's minute to the PM?

CR 10/3





Chancellor of the Duchy of Lancaster

PRIME MINISTER

OFFICIAL INFORMATION

I am sorry not to have replied sooner to your Private Secretary's letter of 9 November about guidance to departments on disclosure of official information. But your point that it might be wiser to let sleeping dogs lie and that we should raise false expectations if we offered guidance which went only a little further than the Croham directive suggested to me that it would be worth taking time for a more fundamental reconsideration of the options open to us. We should then be better placed to consider whether, and if so when, we wanted to make any move on disclosure of information.

The Options

I believe our main choices are:

- a. to do nothing
- b. to issue revised guidance to officials in support of our present stance; or
- c. to take an initiative which advances our policy eg by introducing a Code of Practice.

I do not regard legislation to provide a public right of access to information as a realistic option. It would strike at the principle of Ministerial accountability to Parliament rather than the Courts, and at the authority of Parliament as the body responsible for calling Ministers to account, and would give the judiciary the final say about what information Ministers should disclose.

Doing nothing has attractions. Our record of openness in government is good (though there are many who will dispute that) and there are respectable arguments for maintaining our present line. At Annex B is material which we put together in response to your general questions about the effects of our policy so far and the answers to our critics. We do not have to take any action at present.

Nevertheless, I believe that there are sound management reasons for consolidating and reissuing the guidance to officials. They do not know as much as they should - if anything - about our policy.



If our pledge to make available "as much information as possible" is to be implemented we need to make quite sure that our policy is fully understood within the Civil Service. The Croham directive does not deal at all with the question of responding positively and sympathetically to reasonable requests for information, and there is a need for guidance to Departments on this. But I accept that if we do issue revised guidance for management reasons, our action would be open to the objections which you have pointed out, ie we risk waking the dogs, and will be told that we have not done enough.

It is this dilemma, coupled with doubts about the longer term credibility of our position particularly in the run-up to an Election, and a belief that we could do more to meet legitimate concerns, that leads me to think that some new initiative ought to be considered. There is genuine unease among reasonable members of the public about the availability of information on matters directly affecting them, particularly in the environment and consumer fields (health hazards, safety of drugs, environmental planning, pollution, and so on). There are good reasons why all the information held by the Government cannot be freely disclosed. But it would help to reassure the public - and our own Back Bench - if there were clear instructions to departments about responding to requests for information of this kind, and an established framework within which all issues concerning disclosure of information could be handled.

In considering a more substantial move, we have been guided by some "fundamentals". These are that we should not concede legislation conferring a statutory right to information; should offer nothing on access to key working documents recording discussions between Ministers or with their advisers and officials; should ensure that Parliament continues to be the forum where any disputes about disclosure of information are settled; and should minimise resource costs. On the other hand, if a new move is to win us some credit with advocates of more open government, we need to be able to demonstrate that there has been some shift in the "onus of proof" as to whether information should be disclosed; that an independent referee is available to arbitrate if it appears that information has been withheld unnecessarily; and that some concession has been made on the provision of information about the factors taken into account in reaching policy decisions.

#### A Code of Practice

These considerations have led us back to the idea of a Code of Practice, along the lines proposed in 1978 by Justice, a respectable and respected organisation. This would offer a systematic commitment on the Government's part to the provision of information, without incurring the adverse consequences of giving statutory rights of access to documents; a Code can draw the distinction between information and documents.



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Attached at Annex A is an outline of how such a Code might look. This is a basis for discussion only; a final version could well look very different. The outline is based on the assumption that a breach of the Code would be "maladministration" within the meaning of the Parliamentary Commissioner Act 1967, and thus subject to the jurisdiction of the PCA. A mechanism for dealing with complaints is not of course a necessary concomitant of a Code. But the Law Officers took the view in 1978 that breach of an administrative Code was likely to constitute "maladministration", so it might be difficult to exclude the PCA in any case. It would seem sensible to make a virtue of necessity and openly build him into the system; the existence of an independent arbiter would add greatly to the presentational effect of the Code, without I believe proving too onerous either for Ministers and their Departments or for the PCA.

A Code of Practice could be introduced simply by a statement in both Houses, but might have more force if the Government were to introduce a Parliamentary Resolution, reaffirming our policy on open government and undertaking that Ministers and officials would be guided by the Code. This, together with the use of the PCA, would put the Code on a solid Parliamentary footing.

The political considerations

In his statement on 20 June 1979, Paul Channon said that a Code of Practice would be open to many of the same objections as legislation. This is still true up to a point - eg there would be some resource costs - though I do not think that the objections are the fundamental ones. But our policy has now been in operation for two and a half years and I believe that we should be on safe ground in saying that the introduction of a Code of Practice represents not a reversal of Government policy but a logical and desirable extension of it. Nonetheless, I recognise that there has to be good reason for taking any such new initiative, and careful consideration of possible timing.

Parliamentary interest in freedom of information legislation is containable at present; we have not so far had another Private Member's Bill. However, there is a distinct likelihood that developments expected in the near future will revive interest. These include promulgation of the recent Council of Europe Recommendation on access to information, expected any time now; publication of the White Paper on data protection (an issue strongly linked with open government in the public mind); and publication of the White Paper replying to the Wilson Report on Modern Public Records.

Moreover, I have not the least doubt that pressure for legislation will build up in the run-up to the General Election, if not before. All the other major Parties are committed to some move (probably



legislation) on disclosure of information. (Taking a longer view, a fairly radical move at some time during the next few years seems inevitable). The question is whether we can turn the present unstable situation to our advantage, provide a basis that will help to forestall legislation, and win some political credit in doing so. By introducing a Code we should reaffirm and strengthen our policy and demonstrate our belief in the role and importance of Parliament, as well as giving departments a strong lead on what is expected of them. There will no doubt be some who would continue to agitate for legislation, but the more reasonable advocates of open government, particularly among our own supporters, may be persuaded that a Code of Practice gives what is necessary and goes as far as is desirable. I think that this is a line which we would have good prospects of holding, at the expense of the Parties advocating more radical measures.

Timing is of course crucial. The absence of much current activity points two ways. A new move by the Government may arouse interest, and be seen as the thin end of a wedge, opening the way to future legislation. On the other hand, an initiative taken of our own accord in our own time should bring us full credit, where apparently giving in to pressure would enable the freedom of information lobby to claim success for themselves.

One possible course would be to have a Code of Practice in readiness, but keep it for introduction whenever the time seemed most opportune; for example shortly before the Election, (or perhaps as a Manifesto pledge, though I think that would give us less political mileage). In any case, a Code would require a lot more work. If the idea finds favour at all, it is not too soon to be undertaking the work.

Whatever course is adopted, action or inaction, will affect all our colleagues. I would see considerable benefit in a "Second Reading" kind of discussion in Cabinet, to explore the options, consider whether any new initiative is called for and if so on what timescale. This would enable us to decide on what lines new work, if any, should proceed. If you agree that this would be helpful, I should be happy to put a paper round to our colleagues, with a view to a discussion perhaps some time in the next month.

*Baroness Young*

BARONESS YOUNG

9 March 1982



OFFICIAL INFORMATION: A CODE OF PRACTICE

AIM

1. This Code of Practice supports the Government's policy of making as much information as possible publicly available, and of responding to reasonable requests for information wherever possible.

SCOPE

2. The Code applies to the Ministers and officials of all Government departments and authorities to which the Parliamentary Commissioner Act 1967 applies.

COMPLAINTS OF NON-OBSERVANCE

3. Non-observance of the Code will prima facie be subject to investigation by the Parliamentary Commissioner for Administration. Complaints may be made to him in the normal manner provided for in the 1967 Act, and he may deal with them according to the procedures provided in the Act.

INFORMATION MADE AVAILABLE - GENERAL

4. Except in circumstances specified in this Code, there will be no presumption that documents, as distinct from information, will be made available.

5. So far as is reasonable and practicable, all requests for information and for documents will be met. But there will be no presumption that documents created before the coming into effect of this Code, or information derived from them, will be made available.

6. Requests will be responded to within a reasonable time; and if the information cannot be provided, or cannot be provided in the form requested, an explanation will be given.

SPECIFIC INFORMATION TO BE MADE AVAILABLE

7. Each department or authority will publish from time to time a statement of its aims, functions and organisation; and its powers and duties as they may affect private citizens or



organisations in the private sector. The statement will include guidance on where information may be obtained, and will set out the charges, if any, which may be made for providing information or documents.

8. As soon as is practicable after this Code comes into effect, each department will make publicly available its guidance to officials in their dealings with the public, including codes, interpretations, rules, procedures, and similar administrative manuals; subject to the exclusion of any material covered by the exemptions in paragraphs 12-13 below.

9. Departments will be particularly concerned to ensure that as much information as possible is made available, in response to individual requests and otherwise, about matters affecting public health and safety, the environment, planning proposals, and similar matters which may directly affect the private citizen.

10. Wherever possible documents setting out the factual and analytical background to important decisions about policies and programmes will be released. In so far as these documents may not provide a coherent explanation of the factors taken into consideration and the options examined, Ministers will provide the necessary additional information to assist public understanding of the reasons for the decisions, when they are announced to Parliament or otherwise publicised.

11. When new legislation is introduced in Parliament by the Government, the Department responsible will make available the 'notes on clauses' explaining the Bill's provisions.

12. This Code does not apply to release of the following:

1. communications by or to Her Majesty the Queen or any member of the Royal Households;
2. proceedings of the Privy Council;



3. proceedings of the Cabinet or of its Ministerial or official committees;

4. other processes of consultation within government between Ministers, their advisers and officials;

5. information whose disclosure is prohibited by Act of Parliament;

6. information whose disclosure would be liable to prejudice

a. the security, defence or international relations of the United Kingdom, or

b. the entrusting of information in confidence to the Government by other Governments or by foreign or international agencies;

7. information whose disclosure would represent contempt of court or of Parliament, or render any person liable to proceedings for defamation, or reveal matters which are subject to solicitor/client privilege;

8. personal information about individuals.

13. Release of all other kinds of information is covered by the Code; but restrictions may be necessary in the public interest where, for example, disclosure would be liable to

1. prejudice the economic interests of the United Kingdom;

2. prejudice the maintenance of law and order or the investigation of offences;

3. prejudice the commercial activities of the Government or of other public or private bodies, or the conduct of industrial relations;

4. result in material loss to individuals; or

5. represent a breach of confidence.

14. Other reasons for not responding to requests for information may be that

1. it will soon be generally available;
2. it is unobtainable, or could only be obtained by extensive research;
3. the request can reasonably be regarded as frivolous or vexatious.

15. [Provision declaring the relationship between disclosure in accordance with the Code and obligations under the Official Secrets Act 1911 - on which legal advice is needed].

Management and Personnel Office

March 1982



## GENERAL QUESTIONS ABOUT GOVERNMENT POLICY ON DISCLOSURE OF INFORMATION

1. The following notes deal with the general questions of the effects of our policy and our response to criticisms of it.

Assessment of the effect of the disclosure policy

2. We cannot make any quantitative assessment of the effect so far of our policy. We have told Parliament that it is not possible to distinguish material published under the Croham directive from material that would have been published in any case, and it is equally difficult to say with certainty (except perhaps in a few cases) that particular material has been disclosed as a direct result of our policy, and would not have been disclosed otherwise. Apparently departments no longer maintain the kinds of record suggested in paragraph 9 of the Croham directive because of these difficulties - a change endorsed by Paul Channon.
3. Nor is the number of formal publications a helpful indicator. Comparison of the number of HMSO and departmental publications issued in previous years, and the number issued since our policy was announced, would be misleading, because an increasing amount of material is not being "published" in the formal sense but is being made available by other means, for good cost-reduction reasons. For example, a number of consultative documents have recently been circulated only to those people and organisations with a direct interest, whereas they might previously have been published as Green Papers. They are available generally - copies are put in the Parliamentary Libraries, and members of the general public can see copies on request - but they do not, of course, show up in the statistics of formal publications. The new information technology will almost certainly further decrease the reliance, placed upon formal publication.
4. This is not a bad thing; there is no virtue in publishing large quantities of information if a lot of it is not of general interest. What we have to do is to make it easy for those who want particular information to find it; and we have taken measures to improve our "information about information".



5. The most outstanding demonstration of our favourable disposition towards open government has been the setting up of the departmental Select Committees, and the response by Ministers and departments to their requests for memoranda and oral evidence. Committees are able to say what information they are interested in, over the whole area of Government policy, and departments can respond comprehensively and systematically. This is a good example of how increased availability of information need not depend upon access to specific documents.

6. There are also some notable instances of disclosure - in whatever form - of information of a kind that would probably not have been released by previous Administrations. Examples are Michael Heseltine's publication of his Department's MINIS; Patrick Jenkin's undertaking to publish the DHSS Supplementary Benefits Code; the Ministry of Defence's memorandum on the future of the UK strategic nuclear deterrent; the Rayner reports; the Government evidence to the Megaw Inquiry; and publication of a number of individual reports on sensitive issues.

Response to criticisms of the Government's policy

7. A lot of the criticism focuses upon our refusal to legislate, rather than upon alleged Government secrecy as such. This is based on a misconception: that "freedom of information" legislation would provide for the disclosure of Ministers' and officials' working papers. It would not, and we need to take a robust line in saying so. No British Government could do its job without privacy for Cabinet papers, exchanges between Ministers, and officials' advice to Ministers: all the current Commonwealth "freedom of information" Bills protect information of this kind. (In the United States the protection is inadequate, and the President is having to introduce remedial measures.) We should use every opportunity to secure acceptance that non-factual documents relating to decision-making processes must remain protected; to rebut the belief that legislation would confer to this kind of document; and to foster the idea that legislation is not necessary to ensure that the Government fulfils its undertaking to make available as much information - not necessarily in documentary form - as can properly be disclosed.



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8. The activists will point out that three Commonwealth countries are introducing legislation. The reply to this is that we believe a statutory public right to information, which would give to the judiciary the final say as to what documents should be released, would strike a double blow at the principle that the primary duty of the Executive in accounting for its decisions is to Parliament; and hence would detract from the role and authority of Parliament. Secondly, none of the Commonwealth Bills has yet been enacted (in fact each of them has run into difficulties) and we are unimpressed by their example in the absence of experience as to how the new regimes will operate in practice.

9. Finally, much of the current criticism is directed at the Official Secrets Act and protection of the privacy of personal information. These, of course, are separate questions, and we should take care to prevent them - and the issue of breach of confidence - from being confused with our policy and record on 'open government'.

Management and Personnel Office  
March 1982

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.

Wh 9/3



HOUSE OF LORDS,  
SW1A 0PW

8th March, 1982

The Right Honourable  
The Baroness Young

*My dear Janet.*

Staff Morale and Accommodation

Thank you for sending me a copy of your letter of 2nd February to Willie Whitelaw.

I am naturally in favour of taking all reasonable steps to improve the working conditions of the civil servants in my Department. Unfortunately in present circumstances I could not justify diverting funds from other programmes for this purpose. I wish this were not so, but I notice from the replies of some other colleagues that I am not alone.

I am sending copies of this letter to the recipients of yours.

Yrs:



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-9 MAR 1982



CK JV  
Civil Service

Foreign and Commonwealth Office

London SW1

NBPM

MS

1 March 1982

*Dear Sir,*

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

Thank you for sending us a copy of your letter of 2 February to Willie Whitelaw suggesting that departments should transfer funds to the PSA to enable them to undertake long overdue services for those departments. I am responding in Peter Carrington's absence.

Though sympathetic to the PSA's difficulty I share the views of those other colleagues who feel that the proposal is not the right way to proceed.

Every department argues its case for money on the basis of its policies and plans and the amount appropriated by Parliament is in effect either an endorsement, or a refinement, of those commitments. If the refining process proves later to have gone too far it is preferable to restore the position from central funds than to risk creating the kind of impression described in Peter Walker's letter of 17 February.

I am sending copies of this letter to the Prime Minister, other Cabinet colleagues, the Attorney-General, the Lord Advocate and Sir Robert Armstrong.

*Yours ever*

Baroness Young  
Chancellor of the Duchy of  
Lancaster  
Management and Personnel Office  
Whitehall SW1A 2AZ



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MAY 1982

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Wm 1/3  
X JV  
AD

QUEEN ANNE'S GATE LONDON SW1H 9AT

28<sup>th</sup> February 1982

*Baroness Young*

CIVIL SERVICE APPEAL BOARD

Thank you for your letter of 19<sup>th</sup> February on the future of the Civil Service Appeal Board.

I support your proposal to eliminate the present dual avenue of appeal available to civil servants. I agree that our aim ought to be designate the C.S.A.B. as an alternative to the Industrial Tribunals, provided that the Board's procedures are improved.

If progress is not as rapid as you wish, and the winding up of the C.S.A.B. has to be contemplated, there would be no difficulty for the generality of Home Office employees. The position of Prison Officers would, however, be a problem as the Employment Appeal Tribunal has recently ruled that they do not have access to Industrial Tribunals, leaving the C.S.A.B. as their only avenue of appeal. Abolishing the C.S.A.B. would therefore oblige us either to set up a separate appeal body for Prison Officers, or to seek to amend employment legislation to provide an avenue of access for Prison Officers to Industrial Tribunals.

I do not, however, think that need deter you from your aim of improving the C.S.A.B., which I strongly support.

I am sending copies of this letter to the Prime Minister, other members of the Cabinet and Sir Robert Armstrong.

*M. J. as in  
Wm*

The Baroness Young.





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YDDFA GYMREIG

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)  
01-233 6106 (Llinell Union)



Oddi wrth Ysgrifennydd Gwladol Cymru

The Rt Hon Nicholas Edwards MP

From The Secretary of State for Wales

✓ CF/Can you get another copy of  
James Young's letter pl. wh  
Curt Bennie 25/2  
PP below  
SB  
25/2/82

WELSH OFFICE

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switchboard)  
01-233 6106 (Direct Line)

24<sup>th</sup> February 1982

Den Jones

PROBLEMS OF STAFF MORALE - IMPROVEMENTS TO OFFICE ACCOMMODATION

Thank you for sending me a copy of your letter of 2 February to Willie Whitelaw.

I very much agree with the points made by George Younger in his letter of 17 February. It is clearly in the Government's best interests to provide its staff with reasonable office accommodation. However, it is the PSA's job to do this and they should seek the necessary funds in the usual way and not from other Departments.

/ I am sending copies of this letter to the recipients of yours.

J. A. M.

W. A. M.

The Rt Hon Baroness Young  
Chancellor of the Duchy of Lancaster  
Management & Personnel Office  
Whitehall  
LONDON



*Handwritten notes in the top left corner, possibly including a name and a date.*

25 FEB 1982





DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

*wh 23/2*

The Rt Hon Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
LONDON SW1

73 February 1982

*De Janet*

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

You wrote to Willie Whitelaw on 2 February suggesting that Departments should transfer small sums to PSA to enable them to undertake works in 1982-83 which would contribute to improvements in the working environment for civil servants. *will request if required*

I regret to say that my programme for 1982-83 is fully committed; even if savings arise in parts of my programme they are likely to be offset by increased demands elsewhere.

In any case, PSA have a programme for office works, which I understand was cut back following the discussions in MISC 62. In this, as in other contexts, the civil service must accept that it cannot be spared from the effects of our determination to restrain public expenditure. I could not therefore justify giving greater priority to the working conditions of civil servants than to my already restricted transport programmes.

*David*

DAVID HOWELL



15 FEB 1982



*Civil Service*

MANAGEMENT IN CONFIDENCE



*File*

*DSG*

10 DOWNING STREET

*From the Private Secretary*

22 February 1982

CIVIL SERVICE APPEAL BOARD

The Prime Minister has seen the Chancellor of the Duchy's letter of 19 February to the Home Secretary. She is content with the course of action which Lady Young proposes in her fourth paragraph.

I am sending copies of this letter to John Halliday (Home Office) and David Wright (Cabinet Office).

**MR. F. S. RICKETT**

Jim Buckley, Esq.,  
Chancellor of the Duchy of Lancaster's Office.

MANAGEMENT IN CONFIDENCE

*so*



✓  
AD



Management and Personnel Office  
Whitehall London SW1A 2AZ  
Telephone 01-273 { 4400  
GTN 273 }

Chancellor of the Duchy of Lancaster

19 February 1982

The Rt Hon William Whitelaw CH MC MP  
Secretary of State for the Home Department  
50 Queen Anne's Gate  
LONDON  
SW1H 9AT

Prime Minister

Content to proceed as  
Lady Young suggests  
at A?

Wm 19/2

Yes  
Wm

Dear Home Secretary,

CIVIL SERVICE APPEAL BOARD

Barney Hayhoe wrote to you on 28 September last year seeking your views about the future of the Civil Service Appeal Board, and copies of his letter were sent to other members of the Cabinet seeking their views also. In his letter Barney mentioned three options: to abolish the CSAB; to have the CSAB designated by the Secretary of State for Employment as an alternative to Industrial Tribunals, so cutting out the civil servant's dual right of appeal; or to get improvements in the CSAB's current practice so as to meet departments' misgivings. At that point, the third of these options seemed attractive but we wanted to have colleagues' reactions before adopting it.

The replies showed that there is a good deal of dissatisfaction with some of the Board's recent decisions. However most of those who replied did not favour immediate abolition, as this would be likely to increase costs, but would go along with an effort to improve the Board's practices and procedures.

The degree of dissatisfaction felt with the CSAB as it works at present, coupled with the obvious absurdity of the dual right of appeal of civil servants (even if in practice it gives rise to little difficulty), has led me to reconsider how we should proceed. What would obviously suit us best would be an efficient Board which makes good decisions because its members are familiar with the terms and conditions of service of civil servants and the work which they do, and which costs less because there is less call for formality and none for legal representation. But we ought not to tolerate a Board if it is prone to reach decisions which tend to undermine management's even when they are behaving properly and sensibly.

A I therefore think that we must resolve quickly the questions surrounding the CSAB. The best way to do this is to give notice that we think it



MANAGEMENT IN CONFIDENCE

no longer sensible to allow civil servants a dual right of appeal, ie both to the CSAB and to industrial tribunals; that we are willing to explore with the Chairman of the Board and the trade unions how the Board's procedures might be brought up to the point where the Secretary of State for Employment could designate them as an alternative to the Industrial Tribunals; but that if we cannot make reasonably rapid progress with this we shall abolish the CSAB.

I think that there is quite good hope that this would lead to improvements in the CSAB's working and its designation as the sole channel of appeal for two reasons. First I expect the trade unions to prefer the CSAB to the Industrial Tribunals and to be ready to co-operate in order to retain it, and second because the CSAB has a relatively new Chairman, Sir Basil Hall, who will no doubt be keen to show that the Board can do a good job. If this hope is disappointed I intend to wind up the CSAB.

I hope that this course will have your support and that of our colleagues, but should any of them not favour it I should be grateful if they would let me know before the end of this month.

I am sending copies of this letter to the Prime Minister, other members of the Cabinet and Sir Robert Armstrong.

Yours sincerely,  
*[Signature]*  
(Private Secretary)

BARONESS YOUNG

Approved by the Chancellor  
and signed in her absence.



19 FEB 1982





Pa. WM 17h

Have  
another look at the  
admin. CO. 157  
We had better look at  
PSA's budget to see how it  
is used. not.



SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

Prime Minister 2

This reply is typical of ministerial  
reactions to Lady Young's proposal.  
Mr Walker, Mr Biffen, Mr Prior, &  
Mr Jenkin have all taken the same  
line. The Chancellor of the Exchequer  
has yet to comment.  
17 February 1982

WM  
17/2

The Rt Hon the Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
LONDON  
SW1A 2AZ

Dear Janet,

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

In your letter of 2 February to Willie Whitelaw you propose that departments should transfer funds to PSA to enable them to improve working conditions in some of our offices.

Conditions in many offices are unsatisfactory and it is highly desirable to carry out improvements; I am glad to see that PSA hope to effect some improvements in the current financial year. I am however strongly opposed in principle to what you suggest in your fourth paragraph. It is the PSA's job to provide decent office accommodation for our staff and it is Michael Heseltine's responsibility to argue the case for the basic public expenditure provision required to carry out that responsibility. All that you say about unsatisfactory conditions and the beneficial impact of improving them could have been said last autumn before we took our final public expenditure decisions. Indeed Willie Whitelaw drew attention in his report to Cabinet to the possible adverse effects on other Ministers' plans and programmes of the £20m cuts we agreed to make in the PSA's planned expenditure.

Meanwhile we have all had to take substantial cuts in our provision for administrative expenditure; and in translating these into detailed estimates we have, I am sure, all been instructing our officials to make sure that no fat remains. Leon Brittan has drawn attention to the need for tight estimating in departmental running costs in the note circulated with his minute of 1 February to the Prime Minister.

If we are agreed that conditions in offices are so bad that some additional expenditure must be incurred I see no alternative to dealing with the problem by agreeing that we were over-harsh in seeking additional cuts from PSA and restoring a modest amount to its PES provision out of the Contingency Reserve. I could not agree to the solution you suggest.



I am sending copies to the Prime Minister, Cabinet colleagues,  
the Attorney General, Lord Advocate and Sir Robert Armstrong.

Yours very,

George

\_\_\_\_\_



17 FEB 1982







From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

*Choir*  
Civil Service

Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
London SW1A 2AZ

17 February 1982

STAFF MORALE AND OFFICE IMPROVEMENTS

*will request if required*

Thank you for sending me a copy of your letter of 2 February to Willie Whitelaw.

I agree very strongly with all that you say about the need to create an environment in which the Civil Service can work efficiently. But the proper place for provision to be made for this is in the PSA Vote. If that Vote is not big enough to finance what needs to be done in 1982/83 and later years, the only possible inference is that it has been cut too far and ought to be increased. This is of course very much a matter for Michael Heseltine, but I am sure he would not willingly fail to carry out his responsibilities and with your support I have no doubt that he will be able to secure Treasury agreement to an increased provision.

The alternative approach which you suggest - that other Ministers should make transfers from their PES provision for other purposes so as to increase the sums available to PSA for office maintenance and improvement - seems to me to have three serious defects. First, it assumes that there is cash to spare in departmental budgets which have only just been fixed after the most rigorous scrutiny. This, at any rate in my case and at this stage, is not so. Secondly, it seems to me to be very difficult to present publicly. The PSA Vote is presumably set at whatever level the Government thinks appropriate for housing its staff. If Ministers then take public funds from other purposes - like support for farmers or fishermen, or flood prevention - in order to carry out improvements beyond what the PSA can finance,

/will not the ...



will not the public argue that this must by definition be an improper use of public funds and suspect that it has been contrived by civil servants themselves for their own benefit? Thirdly, I do not see how Ministers making such transfers could be assured that these would be used to finance work which would not otherwise have been done. Until we know with some degree of precision what the PSA proposes to do for us in 1982/83 within its existing provision, some of us could well harbour the suspicion, doubtless unworthy, that any such transfers would simply enable PSA to switch resources to other areas.

For all these reasons I must suggest to you that the right solution to the very real problem you describe is to increase the PSA provision for 1982/83 and later years to the right level.

I am sending copies of this letter to the Prime Minister, other Cabinet colleagues, the Attorney General, the Lord Advocate and Sir Robert Armstrong.

07 FEB 1982

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*Handwritten signature*  
-cc

PETER WALKER





NORTHERN IRELAND OFFICE  
GREAT GEORGE STREET,  
LONDON SW1P 3AJ

SECRETARY OF STATE  
FOR  
NORTHERN IRELAND

Rt Hon Baroness Young  
Chancellor of the Duchy  
of Lancaster  
Management and Personnel  
Office  
Whitehall  
LONDON SW1A 2AZ

16 February 1982

*Dear Janet*

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

Thank you for sending me a copy of your letter of 2 February to Willie Whitelaw.

I share your concern about the general standard of office accommodation. But I very much doubt whether sufficient funds could be made available from within existing NIO estimates to effect any significant improvement. Moreover, I have a good deal of sympathy for the view expressed by John Biffen in his letter of 11 February. My officials will however, shortly be in touch with those from HM Treasury, with whom we share our London Office, to see what additional work might be undertaken in 1982/83 and during the remainder of the current PES period. My officials in Northern Ireland are also examining the possibility of a similar exercise in the Offices occupied by the NIO and NI Departments in Belfast.

Copies of this letter go to recipients of yours.

*M. C. M.*

FEB 1982

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Civil Service Wh 15/2



DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

Secretary of State for Industry

11 February 1982

Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
LONDON  
SW1A 2AZ

Dear Janet,

PROBLEMS OF STAFF MORALE : IMPROVEMENTS TO OFFICE  
ACCOMMODATION

Thank you for sending me a copy of your letter to Willie Whitelaw of 2 February. I share your concern about the low level of morale in the Civil Service and I agree that sub-standard working conditions are a contributory factor.

2. My officials will be prepared to discuss with your officials any ideas there might be to combat this situation. However, given the financial constraints under which all of us are operating I am bound to say that I believe it to be unrealistic to expect one department in effect to meet the shortfall of another. If staff are housed in sub-standard accommodation, and as Derek Rayner has suggested this is damaging to efficiency, then I believe we should accept that the necessary funds should be made available to the PSA to deal with the worst examples of bad conditions.

3. I am sending copies of this letter to the Prime Minister, Cabinet colleagues, the Attorney General, Lord Advocate and Sir Robert Armstrong.

Your  
Patel

112 FEB 1502

9002123  
98765

112 FEB 1502





WV 15/v

*From the Secretary of State*

Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
London, SW1A 2AZ

11 February 1982

*Dear Sant,*

*will request  
in response*

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

Thank you for sending me a copy of your letter of 2 February to Willie Whitelaw about morale in the Civil Service and the extent to which poor working conditions are a major source of discontent.

If we believe that morale is low, that sub-standard working conditions are in some way responsible for that, and that useful improvements in accommodation could be achieved at small cost, then I think the necessary funds should be made available to the PSA. I do not consider that Departments should be expected to transfer funds, even if these were available, to the PSA. My officials will, of course, be ready to listen to what is proposed, but I think you should know of the strong reservations which I have about the sort of scheme outlined in your letter.

I am copying this letter to the Prime Minister, Cabinet colleagues, the Attorney General, the Lord Advocate and to Sir Robert Armstrong.

*Yours  
John Biffen*

JOHN BIFFEN

12 FEB 1942







Prime Minister 2  
Civil service numbers  
continue to reduce by about  
5000 a quarter.

WR 5/2

H M Treasury, Old Admiralty Building, Whitehall, London SW1A 2AZ

The Prime Minister

MF

Gov  
Jensen

CIVIL SERVICE NUMBERS

1. Departmental returns of staff in post at 1 January show a total of 675,400. This means there has been a reduction of 4,400 since October 1981. Of these reductions, 1,600 are non-industrials and 2,800 are industrials.
2. The main areas of reduction are Defence (3,200); Environment and Transport (1,000) and DHSS (500). There are offsetting increases of about 1,300. Most of these (1,100) are in the Employment Group. It has once again been necessary to recruit extra staff in the Unemployment Benefit Service, and there has also been an increase in the Manpower Services Commission to deal with special employment measures.
3. The progress made to date has been satisfactory. But there is still much to do. In examining the Estimates for 1982-83 my officials have paid particular attention to the need for the April 1983 targets to represent a credible point of departure for the final year's rundown to 1 April 1984. There will have to be continuing pressure to ensure that the rundown continues at the necessary rate.
4. The January figures will be announced by means of a Written Answer on Monday 8 February.

BH.

BARNEY HAYHOE

5 February 1982



5 FEB 1982





Wh 25/2

Management and Personnel Office  
Whitehall London SW1A 2AZ  
Telephone 01-273 4400  
GTN 273

Chancellor of the Duchy of Lancaster

The Rt Hon William Whitelaw, CH, MC, MP  
Secretary of State for the Home Department  
50 Queen Anne's Gate  
LONDON SW1H 9AT

2 February 1982

PS/Min of State  
PS/Perm Sec  
PS/2nd Perm Sec  
Mr Fraser  
Mrs Soman  
Mr Wightman  
Mrs Jaworski

Dear William

PROBLEMS OF STAFF MORALE: IMPROVEMENTS TO OFFICE ACCOMMODATION

In the course of last year's industrial action in the Civil Service it became clear that for a range of reasons, by no means confined to pay, morale in the Service was low. We must tackle this problem and as a first step my officials have discussed with departments steps which might be taken to bring about improvements.

One point which has emerged clearly is that poor working conditions in some offices are a major source of discontent. Derek Rayner has drawn attention to the damaging effect that sub-standard working conditions have on efficiency. In part, these are the consequences of cuts in PSA's programme. But leaving our staff to work in bad conditions not only hinders the efficient discharge of work; in offices visited by the public it creates a bad atmosphere for customers as well as staff; it says nothing for us as employers; and it detracts from our whole image as a Government. Furthermore, it does not help acceptance of the Rayner scrutinies if they are seen only as narrow cost-cutting exercises and that only their recommendations for economies are accepted by the Government.

It seems to me that we might bring about some modest but useful improvement in the working environment at small cost. I have been in touch with Michael Heseltine and Leon Brittan and they both agreed that work could be put in hand in the current financial year within PSA's cash limit to effect some immediate improvements. PSA officials have therefore been concentrating on work that can be done quickly.

However, it has not been possible to allocate additional funds for the improvement of accommodation in 1982/83 and during the remainder of the current PES period. I attach considerable importance to demonstrating our determination to improve conditions where that is needed and the purpose of this letter, therefore, is to ask whether you and other colleagues would be prepared to give this work your personal support and to make a relatively small sum available to PSA by way of transfer to enable them to undertake long overdue but



modest repairs, replacement or decorations during 1982/83 to offices occupied by your Department. Clearly the priorities for PSA's own expenditure are to meet operational requirements and to ensure buildings remain fully wind and water tight. The work I have in mind will not have priority over that but, if some funds can be made available, there are, I have no doubt, a good number of worthwhile improvements we could put in hand which will be of real benefit in terms of morale. I do hope you will feel able to consider this proposal favourably.

In the hope that you will be able to do something, my officials will be writing to yours within the next day or two setting out the detailed arrangements. Time is, however, of the essence if any work is to be put in hand in 1982/83, and I should be grateful if your officials could get in touch with Michael Heseltine's fairly quickly.

I am copying this to the Prime Minister, Cabinet colleagues, the Attorney General and Lord Advocate and Sir Robert Armstrong.

*Yours ever*

*Janet*

BARONESS YOUNG



Wm 23/12



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Sir Michael Havers QC MP  
Attorney General  
Attorney General's Chambers  
Royal Courts of Justice  
London WC2A 2LL

23 December 1981

*2 Mic*

OPEN STRUCTURE REVIEW: LAWYERS

Thank you for your minute of 16 December.

As you say, it has now been decided, and announced, that the review is of the open structure as a whole, including lawyers and other professionals. The correspondence which led up to the decision to go ahead with the review was circulated among members of the Cabinet. At that stage the Chancellor of the Duchy of Lancaster was in the lead. The Treasury took it over when the reorganisation came into effect on the 16 November. You accordingly received copies of my letter of 23 November which put the request that the review as approved by the Prime Minister should proceed.

With regard to the points you made about lawyers, I must of course agree that Wardale did not study legal or other professional posts. But I also think it is important to stress that the present review goes beyond merely "implementing the Wardale report" and it is for that reason that lawyers, too, need to be involved. The purpose is to look at all posts in the open structure and, as indicated in the note circulated by the Treasury to which you refer, to produce the most economical staffing and management structure required at the top of each department for the essential needs of its work.

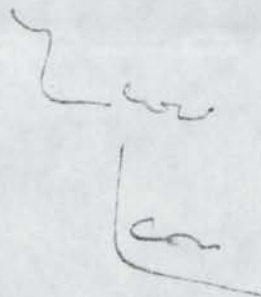
The original motivation for a review of this kind preceded the Wardale report and came from concern at the extent to which the number of posts in what is now called the open structure, that is, those graded as under secretary or above, has multiplied since, say, 1964. Legal posts have not escaped this multiplication. In 1964 there were 60-70 legal posts at the equivalent of under secretary level or above. In January 1981 there were 84. (For the whole of the open structure the figures are 550 in 1964 and 742 in January 1981).



After correspondence it was decided not to adopt in advance any definite numerical target for the number of posts to be reduced by the review, but it is certainly the aim and the expectation that there will be a significant reduction. The Wardale report suggests some principles which, where applicable, should be helpful in achieving the reduction.

I hope this puts the whole matter in a wider perspective, and explains why we do need to look at all the posts in the open structure. I am sure that the right course now is to proceed with this to review in your Department, as in others. To the extent that there are special considerations I am sure this will be brought out by the review. But it is certainly my own hope that some useful reduction in the number of senior legal posts can and will be achieved. The legal and other professional posts (economists, statisticians, scientists etc) together add up to about 40% of the open structure. So on numbers alone we do need to achieve some slimming of senior professional as well as administrative posts.

I am copying this to the Prime Minister, to the Chancellor of the Duchy and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'Leon Brittan', written in a cursive style.

LEON BRITTAN



23 DEC 1981





01-405 7641 Extn 3201

ROYAL COURTS OF JUSTICE  
LONDON, WC2A 2LL

16 December 1981

THE CHANCELLOR OF THE EXCHEQUER

WARDALE REPORT: LAWYERS

*requested*  
I am concerned about certain implications of what Ministers have decided with a view to implementing the Wardale Report - as set out in the letter of 26 November from Sir Anthony Rawlinson to Sir Brian Cubbon, copied to Heads of Departments including my own Legal Secretary.

2. Specialists such as lawyers were, as you know, excluded from Wardale's terms of reference. This was, I believe, for the very good reason that the mischief with which Wardale was concerned - what he found to be the excessive "chain of command" in the administrative field - has little relevance to their work or the way it is organised.

3. Nevertheless, Wardale thought fit to say in his Report (paragraph 6.8) -

"..... the principles we have formulated and the recommendations we have made are in general applicable to specialist posts."

4. This was a strange conclusion, unsupported by any reasoning, and it is I think clear that lawyers' work is (and has to be) organised differently from that of administrators. In the case of lawyers in the Open Structure, management responsibilities are in many cases small or negligible, although of course the work of a legal Department has to be effectively organised from the top: these staff are mainly involved, as should be evident to any Civil Servant with experience of dealing with them, in giving personal professional services. Indeed there are some very senior lawyers - full Parliamentary Counsel are the best example - who have no management responsibilities whatsoever. The pattern that emerges is one in which the "chain of command" has little meaning and little effect on the organisation of lawyers' work.

/5. In





01-405 7641 Extn

ROYAL COURTS OF JUSTICE  
LONDON, WC2A 2LL

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5. In this context I regret that I was not given notice, before the Report was published, of what Wardale had in mind to say in paragraph 6.8 and that I was not involved in the Ministerial discussions which led to the scheme of Departmental reviews. Although I do not seek to overturn the decision now made to include lawyers and other specialists in these reviews, I must say that I cannot foresee any useful results from an examination of lawyers' work solely on the basis of the Wardale criteria. However, I am not opposed to there being a critical look - but only on the basis of suitable guidelines - at the existing open structure posts held by lawyers.

6. I thought it as well to let you know my anxieties at the outset, before any irrevocable decisions are taken, since I am worried that arbitrary Wardale findings would affect the efficiency and morale of the Legal Service with no real financial gain. I shall be in close touch with the Treasury Solicitor about the review he is carrying out of his own Department, and about the implications for the whole of the Legal Service which he is also considering.

7. I have copied this to the Prime Minister and to the Chancellor of the Duchy. I leave it to you to arrange such further circulation as will be necessary to make my views known.

MH

FILE SAW  
Civ  
@ Service

10 December, 1981

Ethnic Monitoring in the Civil Service

Thank you for your letter of 9 December, about the announcement which the Home Secretary intends to make this afternoon during the debate on Lord Scarman's Report.

As I told Andrew Jackson on the phone this morning, the Prime Minister hopes to have a word with the Home Secretary about this after Cabinet this morning.

M. A. PATTISON

J. F. Halliday, Esq.,  
Home Office



*Mr Ingham*

*Prime Minister*



*H Committee eventually approved proposals for ethnic monitoring in the Civil Service. Mr Whitelaw wants to announce this tomorrow. Content with the line*

HOME OFFICE  
QUEEN ANNE'S GATE LONDON SW1H 9AT

9 December 1981

*Dear Mike, he has in mind?*

*MAD 9/XII*

ETHNIC MONITORING IN THE CIVIL SERVICE

Following the agreement reached in H Committee at its meeting yesterday, the Home Secretary, with the agreement of the Chancellor of the Duchy of Lancaster, intends to announce during his speech in the debate on the report of Lord Scarman tomorrow the Government's intention to enter into discussions about the setting up of an experimental census of the ethnic composition of some non-industrial grades of the Civil Service in a limited geographical area. I enclose the relevant extract from the draft of the speech which he will be considering tonight.

I am sending copies of this letter and the enclosure to the Private Secretaries of members of H Committee and to David Wright, Cabinet Office.

*Yours sincerely,*

*John Halliday*  
J F HALLIDAY

M A Pattison, Esq.



30. To help in the attack on racial disadvantage we must place greater emphasis on ethnic monitoring, in order to measure more accurately the extent of the problem. I appreciate the concern that is often expressed amongst the ethnic communities and elsewhere about the possible misuse of this information. But only if the relevant information is available can we take the necessary steps to remedy racial disadvantage.

31. We accept the need for Government to give a lead in this area. I can therefore tell the House that we shall be accepting the Select Committee's recommendations in support of ethnic monitoring in the Civil Service. My noble and Rt Hon Friend the Chancellor of the Duchy of Lancaster intends to seek the cooperation of the Council of Civil Service Unions, the Commission for Racial Equality, and bodies representing <sup>local</sup> ethnic minorities. Setting up an experimental census of the ethnic composition of some non-industrial grades in a limited area. Its purpose would be to establish a sound statistical method for monitoring in the civil service. The results of the experiment will be published and will, we hope, be helpful to other employers, in both the public and private sectors, who are considering undertaking statistical monitoring of their work force. We regard this move as an indication of our determination to give a lead in combatting the twin problems of racial disadvantage and racial discrimination, and we hope that other large employers will be encouraged to follow our example.



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H M Treasury

Parliament Street London SW1P 3AG

Switchboard 01-233 3000

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Sir Anthony Rawlinson KCB  
Second Permanent Secretary  
Public Services

WR Seen  
cc Mr Wilding  
Mr Pestell  
Mr Hopkinson  
Mr Morris  
Mr Traynor

Mr Cassels (MPO)

Sir Brian Cubbon KCB  
Home Office  
50 Queen Anne's Gate  
London SW1H 9AT

26 November 1981

*Dear Brian*

CHAIN OF COMMAND: THE OPEN STRUCTURE

The Chief Secretary's letter of 23 November to the Home Secretary and other Cabinet Ministers asked that the departmental reviews of senior posts consequent on the Government's acceptance of the Wardale Report now be set in hand. As promised, I am writing to you and all those on the attached list to give further details.

I enclose a note setting out some points of general guidance. Most of this is not new. The note is intended to bring together in a definitive statement the relevant points from earlier correspondence.

Also enclosed is a copy of the draft PQ and written answer announcing publication of the Wardale Report and the Government's response. Everyone will share the Home Secretary's view that staff ought to hear about these reviews from management rather than from the press or the trade unions. The present expectation is that the answer will be given on Tuesday 1 December, being available to the House at 3.30 pm on that day. As soon as this is known for certain, the Treasury Manpower Divisions will telephone the offices of recipients of this letter to confirm the time and date. In order to respect Parliamentary privilege, I ask you please to wait until that time to tell your senior staff, and also your departmental trade union side if you think fit, about the Government's announcement and anything you decide to say to them immediately about the conduct of the review in your department.

The Treasury will send to Principal Establishment Officers some additional copies of the Wardale Report.



the time of publication the Treasury will send to the unions at national level copies of the Report and of the Parliamentary Answer, invite comments, and arrange a meeting if the unions want it. Departments will be kept informed of any developments.

As already indicated in the Ministerial correspondence, reports on the departmental reviews should reach the Treasury not later than 31 March 1982. This is a month later than originally suggested.

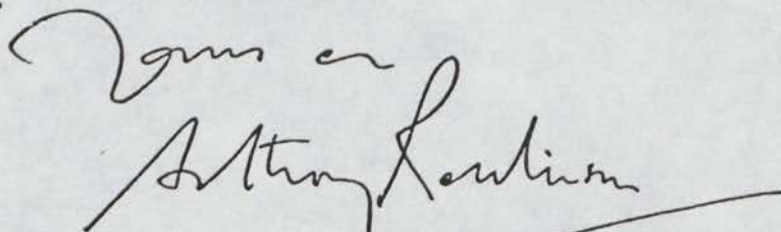
It is intended that the permanent heads of departments take the lead personally, in consultation with their Ministers as appropriate. When each departmental review is completed, in some cases the departmental Minister may wish himself to write to the Chief Secretary; but it is equally acceptable if you send the report to me, having of course cleared it with your Minister first.

No specific yardstick is laid down, but, as you know from the earlier correspondence, Ministers will be looking for a substantial reduction in the total number of senior posts. The Treasury will have to pull the various reports together, assess the results and present a co-ordinated judgement of the scope for reductions and the period over which they should be made. It may be necessary to come back to particular departments for further discussion. In order to reduce that to the minimum, it will be helpful if all reports include some account of the way in which the review has been conducted.

The precise technique for each departmental review is a matter for the Head of the department. But so far as possible we must try to apply common standards, not least of rigour. I shall be glad to give any help I can, but as a first step I suggest that, when you have considered how to proceed, you get your PEO to let John Pestell have details of what you have in mind, so that the Treasury have the opportunity to offer any comment we may have at an early stage.

Many departments have already made reductions in open structure posts since the present Government came into office. Some have further reductions already planned. Departments should press ahead with these. There is no need to wait for the outcome of the present reviews. Reports should mention please reductions already made since April 1979. All are relevant and will be scored for the present purpose.

As the note says, the present reviews are to consider necessary complements related to the needs of the work. When the results are available, the Treasury and MPO will have to consider further, with Heads of departments, the implications for personnel management, both at open structure levels and below. Not much can be done or said about this until we see the dimensions of the problem, but it will be helpful if the reports indicate areas which departmental Heads see as presenting difficulty, and any suggestions about how they might realistically be dealt with, and over what period of time.



ANTHONY RAWLINSON



CHAIN OF COMMAND: OPEN STRUCTURE

This note summarises some points of guidance for the departmental reviews of senior posts.

Object and nature of the reviews

2. The reviews are intended to produce the most economical staffing and management structure required at the top of each department for the essential needs of its work.
3. Each present post should be rigorously assessed. Each present chain of command should be reviewed in the light of the principles recommended in the Wardale Report, and the question considered whether all the successive levels are essential.
4. The reviews should be related to the workload current or foreseen with certainty. In accordance with the recommendation of the Report, some continuing arrangements will be needed to review senior posts at regular intervals in future, but no decisions have yet been taken about the arrangements for this.

Coverage

5. All Home Civil Service posts at Under Secretary level and above, including all specialist posts, are to be covered. A similar review is being made of senior Diplomatic Services posts in London. Posts filled by senior officers of the Armed Forces will be included in the Ministry of Defence's review.

Timing and submission of reports

6. Reviews are to be completed and reports sent to the Treasury by 31 March 1982. The Treasury will then produce a co-ordinated report for Ministers.

Content of reports

7. Reports should explain how the reviews have been conducted.



8. The baseline for scoring reductions is April 1979. Where properly searching reviews have been conducted since April 1979, they should be included as part of the operation, but in any such cases care should be taken to ensure that the principles of the present reviews have been fully applied.
9. Reports should set out options considered for savings additional to those recommended, together with the reasons for their rejection.
10. In some cases further discussion with the Treasury may be required.

#### Conduct of the reviews

11. Permanent Secretaries, or other Heads of Departments shown on the attached list, are asked to take the lead personally, consulting with departmental Ministers as appropriate.
12. The technique to be used for each departmental review is a matter for the Heads of the Department. Whatever methods are used, all posts in the categories specified in paragraph 5 should be stringently assessed against the principles recommended in the Wardale Report. At this stage the reviews are concerned solely with the needs of the work. Personnel management implications are to be dealt with separately (paragraph 19 below).
13. One requirement is to examine the extent to which the chain of command can be varied and grades omitted. It will be necessary to consider, in the light of the reports, whether general rules or principles can usefully be formulated on this subject. For example, Sir Derek Rayner has suggested that as a general rule, Assistant Secretaries should report to Deputy Secretaries and Under Secretaries to Permanent Secretaries. Departments are asked to comment on the feasibility and implications of this.

#### Consultation with trade union sides

14. The Treasury will invite comments from the CCSU on the Wardale Report and the Government's response, and will keep departments informed of any discussions at national level. It is for Heads



of Department to decide on the nature, extent and timing of consultations with Trade Union Sides in their departments.

Treasury participation

15. It will be helpful for the Treasury to be kept informed of progress. In the first instance, PEOs are asked to let Mr J E Pestell, Under Secretary (Manpower), have details of plans for conducting the reviews in their departments.

16. There will be direct Treasury participation (reinforced in some cases by management consultants) in the examination of some selected areas, as notified separately.

Sir Derek Rayner

17. Sir Derek Rayner will be associated with the reviews. The precise form of his association has still to be settled, but it is not expected that he will be closely involved on a day-by-day basis.

Heads of Profession

18. Heads of profession will be consulted about relevant recommendations when the departmental reports are being consolidated and can be assessed as a whole.

Personnel Management Considerations

19. Moving towards new complements of senior posts suggested by these reviews may involve problems of personnel management. Much may depend on the timing of any changes. These implications will be considered as part of the co-ordinated assessment to be prepared in the light of the departmental reports.

Implementation

20. Any reductions in senior posts already planned and ready for implementation should be implemented. There is no need to wait for the present operation to be completed.

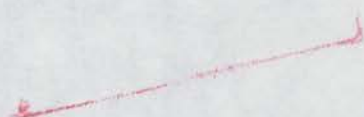


HEADS OF DEPARTMENT IN THE OPEN STRUCTURE

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Sir Brian Hayes KCB	MAFF
Sir Robert Armstrong KCB CVO	Cabinet Office
Sir Douglas Lovelock KCB	Customs & Excise
Sir Frank Cooper GCB	MOD
Sir James Hamilton KCB MBE	Education & Science
Sir Kenneth Barnes KCB	Employment Group
Sir Donald Maitland GCMG OBE	Energy
G W Moseley Esq CB	DOE
Sir Michael Palliser GCMG	FCO
Sir Kenneth Stowe KCB CVO	DHSS
Sir Brian Cubbon KCB	Home Office
Sir Peter Carey KCB	Industry
Sir Lawrence Airey KCB	Inland Revenue
Sir Wilfrid Bourne KCB	Lord Chancellor's Dept
P J Woodfield Esq CB	Northern Ireland Office
Sir Peter Preston KCB	ODA
Sir Kenneth Clucas KCB	Trade
Sir William Fraser KCB	Scottish Office
Sir Peter Baldwin KCB	Transport
Sir Douglas Wass GCB	Treasury
T P Hughes Esq CB	Welsh Office
J D Groves Esq CB	COI
K Taylor Esq CB	<u>ECGD</u>
Sir Brian Tovey KCMG	GCHQ
R B Roper Esq CB	HM Land Registry
A R Thatcher Esq CB	OPCS
S W Gilbert Esq	National Savings
W P Smith Esq OBE MA FRICS	Ordnance Survey
Dr D J Gerhard	Royal Mint
W J Sharp Esq	HMSO
M J Kerry Esq CB	(Treasury Solicitor's Dept
A W Mabbs Esq	Public Record Office
Sir Neville Leigh KCVO	Privy Council Office
A K H Atkinson Esq	I B A P
E A Johnston Esq CB	Government Actuary
E J D Warne Esq	Office of Fair Trading
J M Moore Esq CB DSC	Crown Estate Office
T Fitzgerald Esq	Charity Commission

11 8 DEC 1981







QUEEN ANNE'S GATE  
LONDON SW1H 9AT

E2 DEC 1981

WM  
3/12  
Civil  
Service

NEW TECHNOLOGY IN THE CIVIL SERVICE

Thank you <sup>for</sup> sending me a copy of your letter of 18<sup>th</sup> November to Geoffrey Howe.

I am content with the line you propose to take with the unions at national level. We badly need a national agreement and I wish your Department every success.

I am sending a copy of this letter to the recipients of yours.

*Leon Hunt*

The Rt. Hon. Baroness Young.

3 DEC 1981





*With the Compliments  
of the  
Secretary of State*

*Scottish Office,  
Dover House,  
Whitehall,  
London, S.W.1 A 2AU*



SR 3/12  
SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

The Rt Hon The Baroness Young  
Chancellor of the Duchy of Lancaster  
Management and Personnel Office  
Whitehall  
LONDON  
SW1A 2AZ

2 December 1981

Dear Janet,

NEW TECHNOLOGY IN THE CIVIL SERVICE

In your letter of 18 November to Geoffrey Howe you sought the views of Cabinet colleagues both on the general question of pressing ahead towards an interim national agreement with the Unions on new technology and, more specifically, about how best you might respond to points which the Unions have pressed to have included in such an agreement.

I am in no doubt that every effort must continue to be made to establish an acceptable basis for a national agreement on new technology. Continued negotiation at national level cannot, I believe, be other than helpful at departmental level where, at least in the Scottish Office, a general stance of opposition to new technology has so far been adopted by the Unions most closely concerned whenever a reduction in staff posts would occur as a result.

On the particular points put forward by the Unions for inclusion in an agreement I am content with the line you propose to adopt.

I am copying this letter to recipients of yours.

Yours sincerely,

George  

---



6-3 DEC 1981



## Cabinet / Cabinet Committee Document

The following document, which was enclosed on this file, has been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES.

Reference:

H(81)72

Date:

2 December 1981

Signed

Wayland

Date

9 August 2012

**PREM Records Team**



1 my *Pattison* *MA*  
2 Prime Minister

WM  
25/11

Press office



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon William Whitelaw CH MC MP  
Secretary of State  
Home Office  
50 Queen Anne's Gate  
London SW1H 9AT

23 November 1981

*William*

*[Handwritten signature]*

**CHAIN OF COMMAND: OPEN STRUCTURE**

You will have seen the Prime Minister's Private Secretary's letter of 9 November recording the Prime Minister's wish that the Wardale Report should now be published, and the departmental reviews of the Open Structure posts set in hand.

The reorganisation has made this a matter now for the Treasury. I am therefore writing formally to ask you and all colleagues in charge of departments now to set in hand the reviews of open structure posts on the lines proposed. In view of the delay which has occurred in reaching this stage, could reports on each departmental review be completed and sent to the Treasury by 31 March 1982 please?

BIF  
1.4.82

Sir Anthony Rawlinson is writing to Permanent Secretaries giving further details and guidance, including the suggested policy on notification of staff and consultation with the unions.

If at any stage of the reviews you or others would find it helpful, Barney Hayhoe would be glad to come over for a discussion.

We propose to publish the Wardale Report shortly, probably in the week beginning 30 November, with announcement by arranged written PQ of which the text is enclosed.

I am sending copies of this letter to the Prime Minister, other members of the Cabinet, Sir Robert Armstrong and Sir Derek Rayner.

*[Handwritten signature]*

LEON BRITTAN

25 NOV 1984

11 12 1 2 3  
0 4 5  
8 7 6



DRAFT PQ

*Chancellor of the Exchequer*

- Q To ask the ~~Minister for the Civil Service~~ whether <sup>he</sup> she will make a statement on the Report by the team led by Sir G Wardale on posts in the Civil Service at Under Secretary level and above.
- A I have today arranged for a copy of the Report to be placed in the library.

The review team examined a sample of senior administrative posts. Their Report concludes that all the existing grade-levels are necessary, but that, judged by the principles they have proposed, a number of senior posts can and should be removed. They recommend that there should be no presumption that all grades should be used in any one chain of command; that certain criteria should be met before a management level is justified; and, most important, that there should be regular reviews of senior posts, including examination by the Treasury.

✓ The Government accepts the Report's main conclusions and recommendations. All departments are being asked to undertake a rigorous assessment of their senior Civil Service posts. Treasury officials and outside consultants will assist with the reviews. Sir D<sup>well</sup> Rayner ~~and his office~~ will also be associated/ <sup>with them.</sup> Decisions will be taken, including the setting of any targets and the period needed for run-down, after the departmental reviews have been completed and assessed in the first half of next year. Thereafter there will be regular reviews as proposed in the Report.

The Foreign and Commonwealth Office are conducting a similar review of senior Diplomatic Service posts in London. Senior officers of the Armed Forces will be included in the review made by the Ministry of Defence.

Many senior civil servants carry a heavy burden of work in the service of the nation. Neither the Report nor this response by the Government call that into question. The issue to be examined is how far the work can be organised more economically and flexibly, with greater delegation of authority, in order to secure the better use of the high abilities of a smaller number in the top ranks of the Service.



*I have put the issue to the pm, and suggested it be left to the pm.*

Mr RICKETT

*Wm  
16/11*

*Wm  
16/11*

CHAIN OF COMMAND: OPEN STRUCTURE (FCO)

*with ref?*

Thank you for your note of 10 November.

The Open Structure in the FCO

2. According to the yearbook, the FCO has in London:

- 1 Permanent Secretary
- 1 Second Secretary
- 5 Deputy Secretaries
- 18 Under Secretaries

There are also a Deputy and an Under Secretary in charge of GCHQ at Cheltenham.

3. Some of the Under Secretaries have a single function, namely Aid Policy (jointly with ODA), the Economic Service, Planning Staff and Protocol and Conferences. The remainder are responsible either for parts of the world, policies or such functions as communications, personnel and security; between them, they are responsible for some 50 Assistant Secretary - led divisions (or "Departments"). That gives each of those 14 USs just over 3½ Departments each, although the range is from two (eg EEC) to nine.

4. The Chief Inspector, an Under Secretary, is similar to the PEO in the Home department. He is the Deputy to the Chief Clerk, who is in turn the Permanent Secretary's deputy at Second Secretary level.

Advice

5. Your letter of 9 November to Mr Buckley said that the Prime Minister expected Ministers to ensure that - despite the non-publication of the 35% of yardstick - "the need for the existing number of Open Structure posts in their Departments is rigorously reviewed".



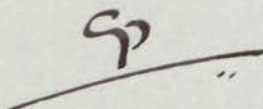


6. It would be reasonable to expect the FCO to apply the same severe test to itself as other departments, all the more so given the non-publication of the yardstick. After all, departments are not being required to reduce their Open Structure by 35% willy-nilly: it is a test.

7. It can be made clear that there is no prior expectation that applying the test would bring the FCO's 25 topposts down to 16 or 17. The expectation is rather that any hierarchical organisation would benefit from the application of the Wardale principles. They are quite simple:

- (1) It is desirable to define the purpose of posts in the Open Structure clearly (summary, para. 4).
- (2) The number of levels in a chain of command should be reduced unless all the following conditions are met, namely that there is
  - a clear difference in weight of the jobs done at different levels
  - a difference of substance in purpose of the jobs at different levels
  - a demonstrable requirement in the content of the job to integrate the work of the levels below and co-ordinate it with other areas of work (para. 6.6.).

8. You will have seen Lady Young's letter to Sir Geoffrey Howe of 12 November and that the baton has been passed to Treasury Ministers. If the Prime Minister wishes to comment herself, you might write to the FCO along the lines of the attached draft.



C PRIESTLEY

16 November 1981

Enc: Draft letter to Mr Walden





MANAGEMENT - IN CONFIDENCE

G G H Walden Esq  
Foreign and Commonwealth Office

cc J O Kerr Esq (HM Tsy)  
J Buckley Esq (MPO)

Blind copy: C Priestley Esq

CHAIN OF COMMAND: OPEN STRUCTURE

1. The Prime Minister has seen the notes exchanged by the Foreign and Commonwealth Secretary and the Chancellor of the Duchy of Lancaster on this subject, for which the Treasury is now responsible consequent upon the change in the organisation of the central departments.
2. The Prime Minister would think it right for the Open Structure posts in the Foreign and Commonwealth Office to be considered against the Wardale principles in common with the Home departments. Applying the 35% test yardstick ( which, as you know, is not to be published) and the questions contained in the Wardale report carries no implication that the Open Structure reviewed must either be reduced by 35% or be found wanting.
3. Apart from the equity argument - that all departments should be treated alike - the Prime Minister thinks it is important to avoid any complaint at a later stage that this had not in fact been the case.
4. The Prime Minister does not have a strong view on whether or not the central Treasury team should join with



your Chief Inspector in the review but if it does not do so she thinks it all the more necessary that the review should be seen to apply the 35% yardstick and the Wardale principles.

5. I am copying this to John Kerr (HM Treasury) and Jim Buckley (MPO).

W F S RICKETT

CONQUEROR

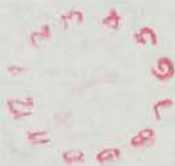




11 6 NOV 1981



11 6 NOV 1981



CONFIDENTIAL



Chancellor of the Duchy of Lancaster

Civil Service Department  
Whitehall London SW1A 2AZ  
Telephone 01-273 4400

*MB*

12 November 1981

The Rt Hon Sir Geoffrey Howe, QC, MP  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
LONDON SW1P 3AG

*Prime minister 2*

*You will wish to be aware of  
this attempt by the FCO  
to distance itself from the  
Chain of Command review.  
This is now for the Chancellor  
of the Exchequer to handle.*

*Dear Geoffrey,*

CHAIN OF COMMAND: OPEN STRUCTURE

I attach a copy of Peter Carrington's note to me which I received on 10 November together with mine to him of 30 October.

You will want to know about this since on Monday it will be for you to handle. I do not propose to reply but I think you should know that I do not regard it as acceptable that the Foreign Office should disassociate itself in this way from the general review of Open Structure posts. I regret that they were not included from the beginning but that is no reason for not seeking a consistent approach with other Departments through the use of Treasury officials. I am not at all persuaded by the argument that diplomatic staff in London are so different from home civil servants that they can distance themselves in this way.

I am sending a copy of this to the Prime Minister and to Leon Brittan.

*Yours ever*

*Paine*

BARONESS YOUNG

*WM  
16/11*





*Pite*

Civil Service Department  
Whitehall London SW1A 2AZ  
Telephone 01-273 4400

Chancellor of the Duchy of Lancaster

30.10.87

The Rt Hon The Lord Carrington, KCMG, MC  
Secretary of State for Foreign and  
Commonwealth Affairs  
Foreign and Commonwealth Office  
King Charles Street  
LONDON SW1A 2AH

*1. 1. 1.*

CHAIN OF COMMAND: OPEN STRUCTURE

Thank you for your minute which I received on 20 October. I am grateful for your acceptance of the need to include the FCO in the current consideration we are all having to give to senior posts. Although different considerations may well apply to your posts abroad, I do not see how we could justify, to the Home Civil Service or wider public opinion, omission of the Diplomatic Service in Whitehall. You will see that I have, therefore, included an explicit reference to your review in the proposed Government response I have sent to the Prime Minister.

I agree that we can build on the work that your Chief Inspector has already started. If, as you say, he has in mind the Wardale principles we should be able to weld your exercise onto the wider review. You are already aware of the general background to that, the latest position being set out in the minute I have today sent to the Prime Minister. When we have tied up the ends on that, Sir Ian Bancroft will be writing round to his Permanent Secretary colleagues about the conduct of the exercise, but if, in advance of that, your Chief Inspector would like any help on the problems of applying the Wardale principles to your posts, my officials would be willing to help. It will be important that, at the end of the day, what is decided for the FCO top structure is consistent with what is done in Whitehall generally.

*Jan 1988*

*Jan 1988*

BARONESS YOUNG





CHANCELLOR OF THE  
DUCHY OF LANCASTER  
c 6  
10 NOV 1981  
FILING INSTRUCTIONS  
FILE No. ....

FCS/81/130

CHANCELLOR OF THE DUCHY OF LANCASTER

Chain of Command: Open Structure

1. Thank you for your letter of 30 October. I have also seen your minute of the same date to the Prime Minister.
2. While I am generally content with the specific reference to the FCO in the proposed public statement, I am concerned with the sentence in your draft which says that all departments are being asked to consider the implications of a 35% reduction in senior posts. While I can appreciate that the rationale behind this figure is the great increase in Open Structure posts in the Home Civil Service between 1964 and 1979, there has as you know been no such increase in the Diplomatic Service where the number of posts in our Senior Grade at home showed a significant reduction in that period. I do not therefore think it makes sense for my own review to consider reductions in these terms. I would like this to be made clear in any public statement, for instance by putting the sentence about the FCO into a separate paragraph and omitting the words "against the same principles".
3. As to your own letter, this goes clearly beyond what I said in my earlier minute I could agree to. We shall certainly bear in mind the Wardale approach in the course of our review. But as this was drawn up with the Home Civil Service in mind, it is not the whole story as far as the

/Diplomatic





Diplomatic Service is concerned. Our review, which will be a rigorous one, will take into account the particular requirements of the Diplomatic Service and the intimate relationship of the work of the FCO in London with what goes on abroad.

4. I shall myself consider the outcome of the Chief Inspector's work. I do not think it will be necessary for that to be built on by the CSD; for that would only lead to duplication of effort. We shall do what we can to find further savings and I will of course be in touch with you.

5. I am sending a copy of this minute to the Prime Minister.

A handwritten signature consisting of a large, stylized letter 'C' with a horizontal line underneath it.

(CARRINGTON)

*Civil Service*

*See*

TF



DEPARTMENT OF HEALTH & SOCIAL SECURITY  
Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522

*From the Secretary of State for Social Services*

Private Secretary to  
Cabinet Members

10 November 1981

*Dear Private Secretary*

CIVIL SERVICE APPEAL BOARD

Could you please note that Norman Fowler's letter of 6 November to Barney Hayhoe, circulated to all Cabinet members, should have been classified 'Management in Confidence'.

*Yours faithfully*  
*Graeme McCabe*

GRAEME MCCABE  
Private Secretary



10 NOV 1984





MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1  
Telephone 01-~~832022~~ 218 2111/3

MO 2/2/6

9th November 1981

*I have spoken to Omand & explained why PM does not feel a cohesive discussion is necessary.*  
*See W. Mill,*

CHAIN OF COMMAND: OPEN STRUCTURE

*LPH  
9/11*

My Secretary of State has seen a copy of the Chancellor of the Duchy of Lancaster's minute to the Prime Minister of 30th October.

The Defence Secretary would welcome a short discussion on the Open Structure. He would also find it helpful if a fact sheet of the various departmental figures could be circulated before the meeting by CSD (which in MOD's case should include military and civilian posts) so that all Ministers are clear about the trends between 1964, intervening points (say 1971, 1974 and 1979) and now.

I am copying this note to the Private Secretaries to members of Cabinet, Sir Robert Armstrong and Sir Derek Rayner.

*Yours ever,*  
*David Omand*  
(D B OMAND)

W Rickett Esq



file JD



10 DOWNING STREET

From the Private Secretary

9 November, 1981.

Chain of Command: Open Structure

The Prime Minister has seen Lady Young's minute of 30 October and has read the comments made by Ministers in reply to Lord Soames' original letter of 11 September.

The Prime Minister is content for the Wardale report now to be published and would like the reviews to be set in hand in the near future, where this has not already happened. She would like to be informed of the date on which it is now intended that the reviews should be completed.

Given the concern expressed by some Ministers about the 35% test yardstick, the Prime Minister has reluctantly decided that a percentage test figure need not be quoted in the Government's public response. It goes without saying that the Prime Minister still expects Ministers to ensure the need for the existing number of Open Structure posts in their Departments is rigorously reviewed. It is the case that the Wardale report noted that there is no regular review of Open Structure posts, that line managers have no incentives to contain or reduce the size of their own staff, and that there are chains of command in which all grades are represented without each making a distinct and necessary contribution to the work. Moreover, there will be a general expectation when the report is published that these findings will be taken very seriously by the Government.

The Prime Minister hopes that the Government can now proceed to the publication of the Wardale report and its own response without collective discussion.

I am copying this letter to the Private Secretaries to members of the Cabinet, Sir Robert Armstrong and Sir Derek Rayner.

WR

Jim Buckley, Esq.,  
Chancellor of the Duchy of Lancaster's Office.

15



Mr RICKETT

*Attyre draft  
as amended  
WR  
9/4*

CHAIN OF COMMAND: OPEN STRUCTURE

We had a word about this earlier today and I attach a possible draft letter for you to send to Mr Buckley.

2. The "Wardale" review will be one of the subjects to be transferred to the Treasury but, as indicated in the draft statement, we shall be associated with it. Given that Ministerial responsibility will pass to the Chancellor, and that the references to CSD will soon be out of date, you may wish to consider whether this bit of business is held over until after next Thursday.

3. On the "35% test yardstick", I am indignant about the manoeuvre adopted by CSD to throw the issue at the Prime Minister publicly and to edge her into a "short, collective discussion". Of course, there is some weight in the argument about morale and a too ambitious target, but the letters from Ministers and the current manoeuvre have a strong flavour of special pleading.

4. It is not absolutely certain that Ministers would set publishing the test figure aside if it were discussed, not least because publishing Wardale argues for publishing a more thorough analysis later on but, on the assumption that the Prime Minister has taken a view on this point, the attached draft represents a reasonably defiant rearguard action.

5. Finally, you may like to know that

- (1) I have had a word with the CBI, without saying why, about the loss of senior management posts in the private sector. They have no data, but a clear impression that senior management is "quite seriously affected" by the recession.





(2) A good Principal Establishment Officer has recently told me that his department has several duff Under Secretary posts.

*CP*

C PRIESTLEY

6 November 1981

Enc: Draft letter

CONQUEROR

MANAGEMENT - IN CONFIDENCE

DRAFT LETTER TO J BUCKLEY ESQ, PRIVATE SECRETARY TO  
CHANCELLOR OF THE DUCHY OF LANCASTER

cc Private Secretaries to  
Cabinet Ministers  
Sir Robert Armstrong  
Sir Derek Rayner

CHAIN OF COMMAND: OPEN STRUCTURE

The Prime Minister has seen Lady Young's minute of 30 October and has read the comments made by Ministers in reply to Lord Soames's original letter of 11 September.

2. The Prime Minister is content for the Wardale report now to be published and would like the reviews to be set in hand in the near future, where this has not already happened. She would like to be informed of the date on which it is now intended that the reviews should be completed.

3. The Prime Minister <sup>(has reluctantly decided that)</sup> ~~is content~~ for a percentage test figure <sup>(need)</sup> not to be quoted in the <sup>(Government's response)</sup> public statement, <sup>(Given the)</sup> concern expressed by some Ministers about the 35% test yardstick. ~~Nonetheless, she wishes that figure to be applied in the way indicated on the first page of Lord Soames's letter, namely that the need for the existing number of Open Structure posts in 2 Departments [should be tested by taking] as a yardstick a 35% reduction on the April 1979 figures"~~ <sup>(is rigorously reviewed.)</sup>

It goes without saying that the P.M. still expects ministers to ensure

(cm)



~~The Civil Service cannot be <sup>insulated</sup> ~~isolated~~ from the~~

4. ~~The Prime Minister is well seized of the importance of the morale of the higher Civil Service. But she does not think that it would be well served by giving the impression that all is now well or that the review was not applying real tests.~~ <sup>It is the ~~impression~~ ~~test~~</sup> The Wardale report noted that there is no regular review of Open Structure posts, that line managers have no incentives to contain or reduce the size of their own staff (~~page 35~~), and that there are chains of command in which all grades are represented without each making a distinct and necessary contribution to the work (~~page 28~~). Moreover, there will be a general expectation when the report is published that these findings <sup>will be</sup> ~~are~~ taken very seriously by the Government.

5. The Prime Minister would like the "yardstick" point to be dealt with in the published statement in the following way:

"The Government accepts the report's main conclusions and recommendations. In order to ensure that the need for all posts is assessed against very stringent standards, each department is assessing the implications of making a substantial and significant reduction in the numbers of senior posts as at 1 April 1979. The value of such a test will vary according to the different sizes and functions of departments, but a rigorous approach will be followed by each. The departmental reviews will be completed and decisions taken, including the setting of any targets and the period need for run-down, in the first half of 1982. Thereafter ....."

8. I am copying this to the Private Secretaries of  
Cabinet Ministers, to Sir Robert Armstrong and Sir Derek Rayner.

W F S RICKETT

The P-M - hopes that the Government can now  
proceed to the publication of the Wardale report  
and its own response without ~~further~~ collective discussion  
or further correspondence between ministers.





DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
ELEPHANT AND CASTLE LONDON SE1 6BY  
TELEPHONE 01-407 5522 EXT

Barney Hayhoe Esq MP  
Minister of State  
Civil Service Department  
Whitehall  
London  
SW1A 2AZ

Wm  
Gm

6 November 1981

*Dear Barney*

CIVIL SERVICE APPEAL BOARD

In your letter of 28 September to Willie Whitelaw you invited views on whether or not the Civil Service Appeal Board should be abolished.

The report by officials attached to your letter analyses the position and presents the options very clearly. Having considered them carefully, I am much inclined to take the view expressed by my predecessor, Patrick Jenkin, that the CSAB should be abolished. I do so on the following grounds:

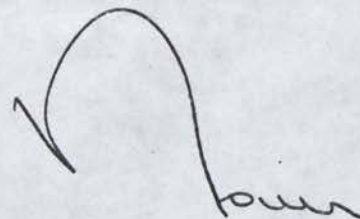
- i. the Board's procedures leave a lot to be desired. As a minimum they should be improved, but there can be no guarantee that it will change them sufficiently to make it a more satisfactory judicial body, or that any improvements will be maintained over the years;
- ii. I do not share the assumption that all the cases which currently go to the CSAB will necessarily go to an industrial tribunal in the future. It may well be that the Unions are prepared to support appeals to the CSAB which they would not support before an industrial tribunal because the Unions realise that the CSAB can, and in my view does, apply less exacting standards;
- iii. your proposal to seek improvements as a possible preliminary to designation as an industrial tribunal implies an indeterminate continuation of the "right" of a civil servant to appeal to two separate bodies against unfair dismissal, and the perpetuation of an unnecessary Quango, subject to consideration of the special groups referred to in paragraph 17 of the report;
- iv. if improvement is not enough, why not go straight for the desired objective of an industrial tribunal itself, by abolishing the CSAB, rather than the second-best substitute of a designated CSAB?
- v. I find the report very thin in substantiating the view that a dual right of appeal against unfair dismissal is common in the private sector. To quote "three large-sized companies" and the Electricity Supply Industry in paragraph 8 of the report scarcely strikes me as a compelling argument.



When I ask myself, as a corporate employer, the question whether there is any substantial reason why civil servants should have a dual right of appeal against unfair dismissal, by comparison with other employees, I cannot think of one. It is an historical accident. To remove the right of appeal to the CSAB may not help in our industrial relations with the Civil Service Unions, but, if there is a time to make desirable changes, I could not think of a better time than now. Are our supporters or the media going to support any Civil Service Unions over this issue after their ill-judged industrial action over pay?

Let us make the change now.

I am copying this letter to the Prime Minister, members of the Cabinet and Sir Robert Armstrong.

Yours  
  
NORMAN FOWLER





J. Vereker  
A. Walters  
A. Duguid

HOUSE OF LORDS,  
SW1A 0PW

MANAGEMENT IN CONFIDENCE

4 November 1981

Prime Minister

*TPM* CHAIN OF COMMAND : OPEN STRUCTURE

I have seen a copy of the Chancellor of the Duchy's minute to you of 30 October about the Wardale Report on the Open Structure, enclosing a statement which it is proposed to issue on publication of the Report.

I wish merely to reiterate what I said in my letter of 21 September, namely that while I fully accept and support the need for a review of the open structure in the light of Wardale's findings, I think it would be most unwise to commit ourselves publicly to a target figure of reductions. Many Government Departments, my own for one, have assumed considerably increased responsibilities since the mid-1960s, so there can be no logical basis for the "yardstick" figure of 35%. To publish it, whether as a "yardstick" or a "target", would run a double risk: it would be severely damaging to the morale of the senior staff in the Civil Service on whom we are all dependent, and it would probably prove unattainable in practice.

It follows that I strongly support the suggestion that there should be a collective discussion before a statement of this kind is published.

I am sending a copy of this minute to other members of the Cabinet, Sir Robert Armstrong and Sir Derek Rayner.

*H: of S: M.*

NOV 5 1981





1  
Prime Minister.

I think course a. below is the right one.  
The exercise needs a yardstick if it is to bite.

1. MR WHITMORE *If you agree, may we put the matter on a*
2. PRIME MINISTER *convenient Cabinet agenda?*

*With that thanks of Ministers*  
Chain of Command

*4. xi.*

*of course - it's worth-fo  
through*

*Prime  
Coun (h)  
mt*

Janet Young's minute at 'A' reports on the reactions of departmental Ministers to Lord Soames' proposals for handling the Wardale Report.

All Ministers have agreed that their open-structure posts should be reviewed against the principles in the Wardale Report, and that the report itself should be published, along with the Government's response.

However, quite a number of Ministers see difficulties with the yardstick of a 35 per cent reduction. Sir Keith Joseph, John Nott, Peter Walker, David Howell, the Lord Chancellor, and Norman Tebbitt, are in this camp. The letters from Mr. Nott and the Lord Chancellor at 'B' put the arguments clearly. They feel a 35 per cent yardstick will inevitably be seen as a target; that such a target is arbitrary; that it will be twice the reduction set for the Civil Service as a whole; and that it will be seriously damaging to morale in the senior Civil Service, just as we enter the new pay round.

Janet Young suggests that in view of this concern, there should be collective discussion of the Government's response to the Wardale Report before it is published. Sir Robert Armstrong advises that Cabinet would be the only suitable place for such discussion.

There appear to be two options:-

/a)



- a) To stick to the 35 per cent yardstick, and to explain its status carefully in the Government's published response. This is what Lady Young proposes, and you will need to seek agreement in Cabinet to this course.
  
- b) To drop the 35 per cent yardstick, and to rely on Ministers to review their open-structure posts rigorously. If you decide on this course I doubt if collective discussion is necessary.

Which course do you wish to pursue?

*CWBR*

3 November 1981





Chancellor of the Duchy of Lancaster

2115

CAD

PRIME MINISTER

CHAIN OF COMMAND: <sup>see p. 8</sup> OPEN STRUCTURE

This minute reports the response of colleagues to my predecessor's letter of 11 September to the Home Secretary on the Chain of Command and the proposed review of Open Structure posts. I reported to you in my minute of 28 September that, in response to representations from colleagues, I had agreed to delay publication to allow more time for comment.

Although colleagues have a number of reservations they have, in general, endorsed the re-assessment of Open Structure posts against the principles in the Wardale Report and agreed to a common pattern of reviews as proposed by Christopher Soames. I am sure that we should now go ahead on that basis. I therefore propose to publish the report together with our response and to set in hand reviews in all departments.

The most common reservation expressed by most colleagues concerns the test yardstick of a reduction of 35% on the April 1979 figure for each department. This figure was not intended to be a final target, either for the Service as a whole or for any one department. But if we are to tackle reductions at these levels seriously, it is important that a truly rigorous common test should be applied to all posts by all departments. The 35% test yardstick was designed for that purpose. Firm targets would then be set in the light of colleagues' findings in this first rigorous scrutiny.

I am quite clear that any numerical test yardstick we set ourselves could not be kept secret. It would inevitably leak. I would, therefore, propose to publish it. In this way we would seek to minimise the risk of misunderstanding by defining the status of the figure from the start. This would be important if we were to avoid unnecessarily lowering further the morale of this crucial group of public servants. Equally it would help to avoid raising expectations in other quarters of reductions of a size which colleagues may not find feasible. But in view of the widespread concern expressed by colleagues about the 35% test yardstick it would probably be as well if we had a short, collective discussion before publication.

I attach the draft response I would propose to publish with the Report if we agreed to retain the 35% yardstick. Copies would go on publication to the Select Committee, the Unions, the press, the CBI and other interested bodies.

Copies of this minute go to Cabinet colleagues, Sir Robert Armstrong and Sir Derek Rayner.

*David Young*

BARONESS YOUNG  
30 October 1981





MANAGEMENT IN CONFIDENCE

DRAFT GOVERNMENT RESPONSE

MINISTERS TO LOOK AT NUMBER OF SENIOR CIVIL SERVICE POSTS

A rigorous assessment of senior Civil Service posts in Government Departments has been decided on by the Government following consideration of a specially commissioned report by a Review Team led by Sir Geoffrey Wardale.

The decision is announced in a statement by Baroness Young, Chancellor of the Duchy of Lancaster, made today on publication of the report. The full text of the statement is as follows:-

The Review Team headed by Sir Geoffrey Wardale has presented its report on senior posts in the Civil Service (the Open Structure).

The review team examined a sample of senior administrative posts. Their Report concludes that all the existing grade-levels are necessary, but that, judged by the principles they have proposed, a number of senior posts can and should be removed. They recommend that there should be no presumption that all grades should be used in any one chain of command; that certain criteria should be met before a management level is justified; and, most important, that there should be regular reviews of senior posts, including the examination of work by or on behalf of the CSD.

The Government accepts the Report's main conclusions and recommendations. In order to achieve a common approach, all departments are being asked to consider what the implications would be of reducing their senior posts by 35% below the level obtaining on 1 April 1979. This high figure has been selected





MANAGEMENT IN CONFIDENCE

to ensure that all posts are judged against the most stringent tests. It would imply a senior Civil Service of the same proportionate size as in the mid-1960s. It is not a target. Decisions will be taken, including the setting of any targets and the period needed for run-down, after the departmental reviews have been completed and assessed in the first half of next year. Thereafter there will be regular reviews as proposed in the Report. Although the Wardale Team examined only the Home Civil Service, the Foreign and Commonwealth Office are conducting a similar review of their senior posts in London against the same principles.

CSD officials and outside consultants will assist departments with their special reviews. Sir D Rayner and his office will also be associated.

Many senior civil servants carry a very heavy burden of work in the service of the nation. Neither the Report nor this response by the Government call that into question. The issue to be examined is how far the work can be organised more economically and flexibly, with greater delegation of authority, in order to secure the better use of the high abilities of a smaller number in the top ranks of the Service.





*lm  
2/m  
Civil Service*



Civil Service Department  
Whitehall London SW1A 2AZ  
Telephone 01-273 4400

From the Private Secretary  
Chancellor of the Duchy of Lancaster

30 October 1981

Peter Jenkins  
Private Secretary to the  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
LONDON SW1P 3AG

Dear Peter,

*Amended  
for copy*

CIVIL SERVICE NUMBERS: 1 OCTOBER 1981

*in line  
with*

I am afraid that a transcription error crept into the minute which the Chancellor of the Duchy sent round last night. In the second paragraph the reductions in the last quarter for the Chancellor of the Exchequer's Department should read 1400, not 1800.

Apologies for this.

Copies go to Willie Rickett (No.10), and Private Secretaries to Cabinet members (including Keith Long in Mr Parkinson's Office) and to David Wright in the Cabinet Office.

*Yours sincerely,*  
*Jim Buckley.*  
J BUCKLEY

2 NOV 1981







*Wh 2m*  
*2 pps*

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 8000  
 DIRECT DIALING 01-218 2111/3

MO 2/2/6

30th October 1981

*Dear Barney.*

In your letter of 28th September to Willie Whitelaw you asked for views on the future of the Civil Service Board in the light of the analysis made by your officials.

I believe that we should not persist with the dual arrangements and that the CSAB - a quango - should be abolished. If this is not to happen I agree that the CSAB should be designated as an alternative to industrial tribunals and that its procedures should be tightened up.

My general feeling is that, although fairness is essential, Civil Service disciplinary procedures are over elaborate and time consuming. I am glad to note that they will be included for study in the efficiency strategy for 1982.

I am copying this letter to the recipients of yours.

*Yours ever*  
*John*

John Nott

Barney Hayhoe Esq MP

-2 NOV 1981





Civil Service  
Lancaster

cc Press Office  
Mr Gow



Civ Service

Chancellor of the Duchy of Lancaster

Prime Minister 2

PRIME MINISTER

ms

Civil Service numbers  
have fallen by about  
5000 in each quarter  
of 1981 so far.

LM  
29/10

CIVIL SERVICE NUMBERS

Departmental returns of staff in post at 1 October show a total of 679,800. This means there has been a reduction of 4,600 since July 1981. Of these reductions, 2,600 are non-industrials and 2,000 are industrials. This brings the total reductions since we took office to 52,500 (just over 7%).

The main areas of reduction in the last quarter are Defence (2,000); the Chancellor of the Exchequer's Departments (1,400); and Environment and Transport (1,200). There is an offsetting increase of about 1,700. Most of these are in the Department of Employment, where it has again been necessary to recruit extra staff in the Unemployment Benefit Service.

This is good progress. But we must keep up the pressure. I have asked my officials to examine departments' proposals for the 1982-83 Estimates very critically. In this way I intend to confirm a rundown pattern that will keep us firmly on course for achieving our target of 630,000 by April 1984.

The October figures are being announced in Written Answers in both Houses.

Copies go to Cabinet colleagues and to Sir Robert Armstrong.

Baroness Young

BARONESS YOUNG

29 October 1981

29 OCT 1981







*Civil Service*

SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

*wn  
wn*

MANAGEMENT - IN CONFIDENCE

Barney Hayhoe Esq MP  
Minister of State  
Civil Service Department  
Whitehall  
LONDON  
SW1A 2AZ

29 October 1981

CIVIL SERVICE APPEAL BOARD

I am writing in response to your letter of 28 September to Willie Whitelaw which you copied to me.

We have limited experience in the Scottish Office of the CSAB - five appeals in five years. Of the three options canvassed in the paper attached to your letter I am content that the third - improvement of existing CSAB procedures and possible designation later of the CSAB as an industrial tribunal - be adopted.

I am copying this to the recipients of your letter.

GEORGE YOUNGER

30 OCT 1987



RECEIVED OCT 30 1987





*✓ S. Vereker* *Ant*  
*A. Duguid* *Scms*  
*A. Walters*

*Civil Service*

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH  
TELEPHONE 01-928 9222  
FROM THE SECRETARY OF STATE

Barney Hayhoe Esq MP  
Minister of State  
Civil Service Department  
Whitehall  
LONDON SW1A 2AZ

RECEIVED  
5 OCT 1981

29 October 1981

*Barney*

GROWTH IN THE NON-INDUSTRIAL CIVIL SERVICE

*will request is required*

You wrote to Willie Whitelaw on 24 September about grade drift in the Civil Service over the last decade. I endorse the measures you propose to tighten up grading standards and the staff here stand ready to co-operate with those at CSD.

I have looked at this Department's figures over the period in question. The pattern of growth and then reduction over the decade is broadly similar to that for the Civil Service as a whole, with higher growth in the grades above HEO. But the figures are generally better than those for the Civil Service as a whole. In the Administration Group the number of staff in the grades HEO to Assistant Secretary grew by only 4% in the period 1970-79 and after the reductions of the last two years they are now below the 1970 level. In the Professional and Technical Group, where you mention that considerable grading inconsistencies have been revealed, DES has made a reduction of about 20% in the middle range Superintending to PPTO grades in the last two years.

I am copying this letter to all Ministers in charge of Departments, Sir Robert Armstrong and Sir Derek Rayner.

*Car*  
*Kerr*

order

29 OCT 1987



*[Faint handwritten text]*

*[Faint handwritten text]*



MANAGEMENT - IN CONFIDENCE

ec JV  
AD

Wm  
28/10



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

Civil  
Service

From the Minister

Barney Hayhoe Esq MP  
Minister of State  
Civil Service Department  
Whitehall  
London SW1A 2AZ

28 October 1981

CIVIL SERVICE APPEAL BOARD

Thank you for a copy of your letter of 28 September to Willie Whitelaw.

I accept that the case for abolishing the CSAB is not proven. But I support your proposal for making changes in the way the CSAB works, particularly to get the Board to concentrate on the substance and not on more procedure and to make more use of compensation in place of reinstatement. However, that does not get rid of the problem of the twin avenue of appeal and I think if we make progress in improving the CSAB we should be ready to launch on the unions the proposal to have the CSAB designated as an alternative to the Industrial Tribunal.

I am copying this letter to the Prime Minister, other members of Cabinet and to Sir Robert Armstrong.

PETER WALKER

MANAGEMENT - IN CONFIDENCE

W/br

IT 00



28 OCT 1981



TV  
AD

Wm 2/10



Civil

QUEEN ANNE'S GATE LONDON SW1H 9AT

Service

21 October 1981

Dear Barney

CIVIL SERVICE APPEAL BOARD

Thank you for your letter of 28 September about the Civil Service Appeal Board.

The arguments in your paper do not seem to me conclusive against abolition. I accept that the cost of industrial tribunal hearings is higher - although this might be offset by fewer appeals being entered - but I still think that abolition of the CSAB would help to change attitudes generally towards shedding less efficient staff; industrial tribunals seem to us to adopt a more robust attitude. However, I am prepared to see whether modifying existing CSAB procedures might effect a similar improvement (I agree with Norman Fowler's view that it will be important to concentrate on getting the Board to take a less blinkered view and to pay less attention to petty procedural points). If it fails to do so, I hope that we can return to the possibility of abolition.

I can see some merit from the standpoint of cost saving in the option of designating the CSAB as an alternative to the Industrial Tribunal. Without that, the modifications proposed in the third option might add to costs, since they could entail more compensation payments by Departments as well as additional staff costs for the CSAB itself.

I am copying this letter to the recipients of yours.

Barney Haynoe, Esq., M.P.



CONFIDENTIAL



*✓ J. Vereker* <sup>Cur</sup>  
*A. Duguid*  
*A. Walters*

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-928 9222

*WV*  
*19/10*

FROM THE SECRETARY OF STATE

The Rt Hon The Baroness Young  
Chancellor of the Duchy of Lancaster  
Civil Service Department  
Old Admiralty Building  
Whitehall  
LONDON SW1A 2AZ

19 October 1981

*Dear Janet,*

CHAIN OF COMMAND: OPEN STRUCTURE

My private office let yours know by telephone on 25 September that, while I was prepared to commission a review from my Permanent Secretary, I wished to consider the matter further before committing myself to the detail of what was proposed.

Having seen your letter of 6 October to John Nott I am willing to go ahead with the review on the lines proposed, although I must say that I continue to share the doubts that have been expressed about the 35% yardstick. In this Department there are now fewer Open Structure posts (22) than there were in 1964 (26) in the former Ministry of Education and in other departments dealing with matters since taken over by DES. I shall have to study the detail as it emerges but my first impression is that the yardstick suggests a much greater reduction than is likely to prove feasible.

I am copying this letter to Cabinet colleagues, Sir Robert Armstrong and Sir Derek Rayner.

*E. Carr*  
*Kerr*

CONFIDENTIAL



1801-1081

1 2 3 4  
5 6 7 8 9



*J. Vereker  
A. Duguid  
A. Walters*



NORTHERN IRELAND OFFICE  
GREAT GEORGE STREET,  
LONDON SW1P 3AJ

SECRETARY OF STATE  
FOR  
NORTHERN IRELAND

Barney Hayhoe Esq MP  
Civil Service Department  
Whitehall  
LONDON SW1A 2AZ

*15<sup>th</sup>* October 1981

*Ken Barron*

CIVIL SERVICE APPEAL BOARD

Thank you for sending me a copy of your letter to Willie Whitelaw of 28 September.

I agree that improvements should be made in the procedures of the Civil Service Appeal Board and support your proposal that, if possible, the CSAB should be designated as an alternative to Industrial Tribunals. It is the dual right of appeal which contributes to our difficulty in getting rid of inefficient staff who are unwilling to go.

I am sending copies of this letter to recipients of yours.

*Ken Barron*

BB



WYDDFA GYMREIG

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)  
01-233 6106 (Linell Union)

Oddi wrth Ysgrifennydd Gwladol Cymru



NBPM

The Rt Hon Nicholas Edwards MP

*J. Vercher Cllwr  
A. Drygwid Serorwr  
A. Walling*

WELSH OFFICE

GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switchboard)  
01-233 6106 (Direct Line)

From The Secretary of State for Wales

MANAGEMENT IN CONFIDENCE

15 October 1981

*Dear Barney*

Your letter of 28 September to Willie Whitelaw about the Civil Service Appeal Board reviewed the possibilities of making changes in the CSAB practice, or its abolition, in order to facilitate the speedy removal of inefficient staff.

I started with the assumption that to allow someone to have a choice of appeal between two bodies and even more so to allow a dual right of appeal was not supportable. The dual right has been invoked so rarely that it cannot be viewed as a significant problem. Again I am impressed by the statistics which show that the percentage of cases decided by IT's in favour of appellants is almost exactly the same as that of cases heard by CSAB. I concluded that the case for the abolition of CSAB had not been made so I share your views on the value of making improvements in the CSAB practice which, if successful, could later lead to a decision to designate it as an alternative to Industrial Tribunals by an order under Section 65 of the Employment Protection (Consolidation) Act 1978. However, if we fail to make improvements in CSAB practice, and hence do not designate, and if there is a rise in the number of appellants exercising the right of dual appeal, we will need to think again about the future of the CSAB despite the penalties which may be involved in its abolition.

I am copying this to the recipients of your letter.

*[Handwritten signature]*  
*Ned*

Barney Hayhoe Esq  
Civil Service Department  
Whitehall  
LONDON  
SW1A 2AZ

16 OCT 1981





*WN 15/10*

*J. Vereker*  
*A. Duguid*  
*A. Walters*



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000  
DIRECT DIALLING 01-218 2111/3

MO 2/2/6

14th October 1981

*Dear Chancellor,*

CHAIN OF COMMAND: OPEN STRUCTURE

Thank you for your letter of 6th October.

I am just as anxious as you to reduce the number of top posts and I am going ahead with my own review to test rigorously the need for every one of these posts, military as well as civilian, in the Ministry of Defence and the Armed Forces.

Now that so many details of the Wardale report have leaked to the press, I have no objections to its being published. Like so many of our colleagues I believe it will be important to get the accompanying presentation of the Government's aims and methods right. As I implied in my letter of 15th September, I doubt the efficacy and wisdom of applying a single yardstick to each Department regardless of whether it has, like the MOD, reduced its Open Structure by 17% from 1965-81 or, like the rest of the Civil Service, increased it by 60% over the same period. If doctors treated the slim in the same way as the obese, some of us would die.

You can be assured of my full support for the overall objective. When I have examined the facts about the MOD in detail,

The Rt Hon Baroness Young



I shall be in a position to judge what contribution I can best make to the reductions we are all seeking and will meet the timetable you propose.

On grades below the Open Structure I agree with the line you propose to take.

I am copying this letter to the recipients of yours.

*Yours sincerely,*  
*John Nott*  
*Private Secretary*

John Nott

*(dictated by the  
Secretary of State and  
signed in his absence)*



IN 5 OCT 1987



MANAGEMENT IN CONFIDENCE

J. Vercher  
A. Duguid  
A. Walters

HOUSE OF LORDS,  
SW1A 0PW



NBPM 14 October 1981

Dear Barney:

Civil Service Appeal Board

Your letter to Willie Whitelaw of 28 September invited views on the future of the Civil Service Appeal Board (CSAB).

I was initially attracted to the suggestion that the CSAB should be abolished, because I see no good reason why a civil servant who is dismissed should have the choice of either or both of two avenues of appeal. But I am advised that the experience in my Department is very similar to that described in the paper enclosed with your letter, namely that the majority of dismissed civil servants who wish to appeal do so to the CSAB alone, and that very few exercise their right to go to both. Given that the Industrial Tribunal is more costly and more cumbersome than the CSAB I accept that to abolish the CSAB could well turn out to have been a false economy.

I could see attractions in option (ii) in your paper (seeking to have the CSAB designated as an alternative to the Industrial Tribunal) but I would have thought it is very unlikely that, in the present climate, the Civil Service Unions would be prepared to agree to join with management in the necessary joint approach to the Secretary of State. I therefore find myself forced back to option (iii) (attempt to improve the CSAB procedures). Certainly my Department's experience suggests that the CSAB's procedures could usefully be improved, and that it would be an advantage if they developed a greater awareness of precedent and accumulated a body of case law. I therefore support that option.

I am sending a copy of this letter to the recipients of yours.

Yrs:

Barney Hayhoe Esq MP  
Minister of State  
Civil Service Department  
Whitehall  
LONDON SW1A 2AZ





*Civil Service  
J. Verkerke  
A. Augerid  
A. Walters*

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400  
Switchboard 01-213 3000

GTN 213

*NBPM*

Barney Hayhoe Esq MP  
Minister of State  
Civil Service Department  
Whitehall  
LONDON SW1

9 October 1981

*D. Barney*

CIVIL SERVICE APPEAL BOARD

You sent me a copy of your letter of 28 September to Willie Whitelaw about this.

I agree that we should not go for designation of the CSAB under the 1978 Act at this stage.

Of the other two options, I do not see the arguments against abolition as overwhelming and for my own part I would on balance tend to favour that course.

If however it is thought better as a first step to try to get improvements in CSAB practice, I would like to see the efforts concentrated on getting the Board to take a less blinkered view and pay less attention to petty procedural points. It would certainly improve matters if it made more use of recommendations for compensation rather than reinstatement. But I doubt if the other changes suggested in para 19 of the CSD note would help much, and indeed some of them - building up a body of case law, more rigid adherence precedent - would lead to more 'legalism' and might well make things worse. What is really needed is a change of attitude on the part of the Board members, and I shall not be surprised if at the end of the day efforts to improve CSAB practices turn out to be ineffective and we have to come back to the option of abolition.

Copies of this letter go to the recipients of yours.

*J. Verkerke*  
*Norman*

9 OCT 1981







MANAGEMENT IN CONFIDENCE

DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
ELEPHANT AND CASTLE LONDON SE1 6BY  
TELEPHONE 01-407 5522 EXT

Civil Service

WV  
2/10

Barney Hayhoe Esq MP  
Minister of State  
Civil Service Department  
Whitehall  
London  
SW1A 2AZ

6 October 1981

Barney

CHARGING FOR CIVIL SERVICE COLLEGE COURSES

Thank you for sending me a copy of your letter of 10 August to Willie Whitelaw about proposals that the college should charge for some of its courses.

My department is a large user of courses at the college and I very much welcome your proposal. It seems to me that this is the kind of development we should be encouraging in our efforts to improve the cost-consciousness of Civil Service management. As some colleagues have pointed out, it would be necessary for the reallocation of money to be made between CSD and departments and I think this leads me to an important point of principle. My department has a very large cash-limited Administration Vote, which represents the budget for running its very large business. I think it right to encourage senior management to have the maximum degree of flexibility within that budget to decide where and how to deploy resources in a way which reflects the priorities and needs here. I should stress that there is no intention of rapidly running down the extent to which we use the college, but the logic of this change is that over time there should be a greater element of choice by departmental managements, and this I welcome.

Copied to recipients of your letter and to Derek Rayner.

Norman Fowler

NORMAN FOWLER



29 OCT 1981





Chancellor of the Duchy of Lancaster

*C. Lord*  
Civil Service Department  
Whitehall London SW1A 2AZ  
Telephone 01-273 4400

6 October 1981

The Rt Hon John Nott, MP  
Secretary of State for Defence  
Main Building  
Whitehall  
LONDON  
SW1A 2HB

*Dear John,*

CHAIN OF COMMAND: OPEN STRUCTURE

*PT 8*  
Thank you for your letter of 15 September about the review of the Open Structure. I am grateful for your agreement to review your senior posts, but I do think you should apply the same 35% test as everyone else.

I quite take the point that MOD now has fewer senior posts than in 1964. What all departments must do, however, is to test the need for each existing post rigorously and so a yardstick which is both radical and common to all departments has been proposed. It is not intended to represent a precise target for each department; the setting of such targets will follow the reviews in the light of the results. I therefore hope that, on reflection, you will feel able to proceed as Christopher Soames proposed.

Several colleagues besides yourself have asked for more time to reply to the letter of 11 September. It is most important that we publish the Wardale Report and our intentions as quickly as possible. Several colleagues have stressed the bad effect on morale if our proposals are presented without a full explanation of our aims and methods and delay adds to the risk that our plans will leak before we are ready to give such an explanation. However, in view of your and colleagues' requests, I am extending the time limit for final responses to 16 October.

None of the colleagues who have so far responded has expressed any reservations about the proposals for the grades below the Open Structure. In fact, useful progress on this is already being made in departments as a natural part of the general strengthening of staff inspection and management services on which we are engaged. I believe we should press on in that way without reference to the Wardale Report. And when the Report is published, that can then be accepted as supporting the steps we have already taken.

CONFIDENTIAL

Copies of this letter go to the Prime Minister, Cabinet colleagues,  
Sir Robert Armstrong and Sir Derek Rayner.

*Yours ever*  
*Janet*

BARONESS YOUNG

CONFIDENTIAL



L-7 OCT 1981

11 12 1 2 3  
4 5 6 7 8 9

L

Civil Service  
Lynn Turner  
MMP 17/10

Civil Service



✓  
MAD

From the Secretary of State

Baroness Young  
Civil Service Department  
Whitehall  
London SW1

2 October 1981

Dear Janet,

CHAIN OF COMMAND: OPEN STRUCTURE

Christopher Soames wrote on 11 September about the handling of the report by Sir Geoffrey Wardale on the open structure, inviting us to commission our Permanent Secretaries to conduct a rigorous assessment of open structure posts, in accordance with the principles laid down in the report.

I doubt the need for a special commissioning as the open structure posts in this Department have been under close scrutiny since the beginning of this administration. As a result, we have already cut the number of posts by 22% and have plans for further reductions which will take us within striking distance of your target of 35%. I shall, as requested, report by end February next on how our plans then stand.

This letter is copied to Cabinet colleagues, Sir Robert Armstrong, and Sir Derek Rayner.

*John Biffen*

JOHN BIFFEN



✓ MR  
Curt KenneCivil Service Department  
Whitehall London SW1A 2AZ  
Telephone 01-273 3000

Minister of State

The Rt Hon William Whitelaw CH MC MP  
Home Secretary  
Home Office  
50 Queen Anne's Gate  
LONDON SW1H 9AT28<sup>th</sup> September 1981

Dear Willie,

## CIVIL SERVICE APPEAL BOARD

In his letter of 10 July on the subject of 'Accelerated Promotion - Retirement of the Less Efficient' Christopher Soames said that we were examining the pros and cons of your suggestion that the Civil Service Appeal Board (CSAB) should be abolished in order to facilitate the speedy removal of inefficient staff.

Following consultations at official level with some of the major departments, my officials have now produced the attached analysis of the case for abolition with possible options for change.

As you will see the proposal to abolish the CSAB is not as straightforward as at first appeared. Abolition would increase costs as industrial tribunal hearings are generally more expensive and could also worsen staff morale and industrial relations. An alternative course to abolition, which has the attraction of removing the civil servant's dual appeal to the CSAB and Industrial Tribunals, would be to have the CSAB designated by the Secretary of State for Employment as an alternative to Industrial Tribunals. At the moment, however, since there is some dissatisfaction with the way the CSAB operates, it may be unwise to commit ourselves wholly to the CSAB. The paper therefore offers a third option of improving CSAB practice to meet departmental misgivings. If this proves possible the objectionable dual procedure could then be eliminated by designating CSAB as an alternative to Industrial Tribunals.

I find this third option attractive but before proceeding on this basis Janet Young and I would welcome your views, and those of colleagues, on the various alternatives.

I am sending copies of this letter to the Prime Minister, to members of the Cabinet and to Sir Robert Armstrong.

BARNEY HAYHOE



## CIVIL SERVICE APPEAL BOARD

Note by Civil Service Department

### Introduction

1. In correspondence about accelerated promotion of the most deserving and retirement of the less efficient, several Ministers, including the Prime Minister, supported the idea put forward initially by the Home Secretary that the Civil Service Appeal Board should be abolished. This proposal has been discussed with officials of most of the departments whose Ministers mention the subject in their letters. The purpose of this paper is to provide an analysis of the case for abolition and the options for change in the light of which Ministers can make decisions.

### Background

2. The background to the CSAB is, as follows. In 1971 an agreement between the Official and Staff Sides was concluded on the arrangements and compensation for premature retirement. This agreement provided for the setting up of an independent Board to hear appeals against dismissals and premature retirements. The proposal took account of the provision in the Industrial Relations Act 1971 for an internal appeal board to be designated as a voluntary procedure to replace the right of appeal to an industrial tribunal. The provisions of the Act relating to appeals against unfair dismissal were introduced on 28 February 1972 and the CSAB was set up from the same date.

3. The TUC subsequently adopted a stance of non-cooperation over the Industrial Relations Act, and similarly some of the constituent unions of what was then the National Staff Side (NSS) did not wish to be associated with its provisions. After protracted discussions the NSS concluded that they were unable to support an application for excluding the Civil Service from the industrial tribunal procedures. So, although it was originally envisaged that the CSAB might for civil servants replace access to industrial tribunals, they do in fact enjoy access to both.



4. The CSAB is empowered only to make a recommendation on appeals; the final decision rests with the Head of the appellant's department - who is, however, expected to explain himself to the board chairman if he rejects the recommendation.

#### Reasons Suggested for Abolition of CSAB

5. The Ministerial correspondence and subsequent official consultations have suggested five possible arguments for abolishing the CSAB:

- a. The present arrangements put civil servants in a privileged position compared with other employees.
- b. Civil servants now look readily to industrial tribunals (ITs) to contest dismissal actions.
- c. The existence of CSAB makes it more difficult for departments to shed the less efficient.
- d. CSAB wastes time and money.
- e. CSAB's recommendations are suspect.

The following paragraphs examine these arguments.

#### Position of Privilege

6. It is undeniably true that, since all employees who have completed the required qualifying period have access to ITs, civil servants, who also have access to CSAB, have an additional avenue of complaint. In practice getting on for three times as many civil servants go to CSAB as to ITs. But very few go to both so the privilege is little used.

7. Since October 1977 CSD has monitored the position in 8 of the main departments - Defence, Environment, Trade and Industry, Health and Social Security, Inland Revenue, Employment, Home Office and Customs and Excise. Their figures are as follows:



	Oct 77 to March 79	1979/80	1980/81
Total number of appeals considered by CSAB	149	68	79
Number of appeals considered initially by CSAB and subsequently by an IT	7	7	4

No cases have gone initially to an IT and subsequently to CSAB.

8. The Civil Service is not unique in having access both to ITs and to some other form of independent or quasi independent arbitration for considering appeals against alleged unfair dismissal. We understand from ACAS that voluntary arbitration procedures obtain in the Electricity Supply Industry (and there were 7 cases for which these arrangements were invoked between May and July 1981) and also in 3 large sized companies. These voluntary procedures allow for a dispute to be referred for settlement to an independent person appointed by ACAS for the purpose or to an ad hoc board of arbitration. And, like the CSAB, these voluntary arrangements do not take away an individual's right under the employment protection legislation subsequently to take his appeal to an IT.

#### Frequency of Appeals to Industrial Tribunals

9. The figures in paragraph 7 above show that the tendency is for civil servants to appeal to CSAB rather than to an IT, and to accept the decision based on the CSAB recommendation. In 1980/81, from the 8 departments mentioned above, 75 cases went only to CSAB, 4 went to both CSAB and an IT, and 24 only to an IT. Some of the latter were outside the terms of reference of CSAB ie mainly concerning those over age 60.

#### Shedding the Less Efficient

10. It is difficult to see how abolition of CSAB would in practice make it easier or quicker for departments to dispose of inefficient staff. (Certainly there is no longer any need, as there was in the past, for departments to stop the dismissal process when a civil servant appeals to the CSAB until such time as the appeal has been



heard and a decision taken.) Current employment protection legislation imposes a duty on employers to demonstrate, if necessary before an IT, that they have acted reasonably in requiring someone to retire prematurely. It may be the case that civil servants, on the advice of their unions, are more disposed to bring their appeals to CSAB rather than an IT, because the CSAB presents a cheaper and quicker way of dealing with them, but, if the CSAB did not exist, the cases which go to it at the moment would almost certainly go to an IT. Given that it is the legal right of all employees to take their cases to an IT, those disposed to appeal would almost certainly use the facility; they would have nothing to lose and the unions are always keen to assist their members by representing them.

11. Nor is there any evidence that recommendations by CSAB are more likely to be 'against' the Department. The figures given to us by the Central Office of Industrial Tribunals suggest that the percentage of cases decided by ITs in favour of appellants is almost exactly the same as that of cases heard by CSAB ie about 27%.

12. Fear of having to defend a case before CSAB, it has been alleged, leads to extreme caution in some personnel divisions in the handling of cases. But, without CSAB, fear of having to defend at an IT would presumably have the same effect. Some departments have argued that, under the present arrangements, where they might be obliged to defend a case through two different appeal systems, they have found it necessary to take extra precautions in order to ensure that their actions are geared to meet both. It is difficult, however, to accept that the existence of appeal procedures has much effect overall; if neither CSAB nor ITs existed, the Civil Service as a 'good employer' would still wish to have well defined procedures for dealing with dismissals which departments would be expected to follow to ensure that justice was both done and seen to be done.

13. If CSAB did not exist, other internal rights of appeal, for example to Heads of Departments, would be resorted to more frequently. In the very large departments this could cause problems. The Ministry of Defence, for example, believe that, if all the cases



currently heard by the CSAB had to go to their Permanent Under Secretary of State, the extra burden would be intolerable and the department supports the continuation of CSAB.

#### Wastes Time and Money

14. This argument is not supportable. It is almost invariably more expensive to take a case to an IT than to CSAB. Cases are presented to CSAB by a representative of the department at about Principal level. Cases which go to ITs involve at least as much work by departmental staff and are almost always presented by a Solicitor or Counsel. The Treasury Solicitor considers that, on average the minimum additional cost of an IT case would be of the order of £700, excluding travelling and subsistence expenditure. And the fact that CSAB members know about Civil Service procedures and practices might reasonably be expected to lead to quicker and more understanding despatch of cases. (Many CSAB members also have IT experience.)

#### Suspect CSAB Decisions

15. It is true that departments are sometimes unhappy with CSAB recommendations, arguing they are often not 'clear' in that they add embarrassing riders, or are inconsistent, and unlike ITs they are not, where a point of law is concerned, bound by the decisions of superior courts. It has also been argued that CSAB sometimes puts too much emphasis on petty procedural correctness at the expense of a broader common-sense view which an IT with wider outside experience can (not necessarily does) take, and sometimes does not judge a case on the basis of whether a dismissal is fair or unfair. Such complaints are important but may be a reflection on the recommendations of certain CSAB members or CSAB procedures, which can be changed, rather than a criticism of CSAB in principle. Nor is there evidence that in general IT decisions are more acceptable or less troublesome to departments. Criticism may tend to focus on CSAB simply because most Civil Service cases are dealt with there. It is perhaps worth mentioning here that the organisations representing the local authorities and the water industry have been expressing concern recently about the IT procedures and they are in fact seeking to move away perhaps more in the direction of bodies akin to the CSAB. Any



outside appeal procedure which results in a reversal of some management decisions is inevitably subject to criticism from that management.

#### Options for Change

16. There seem to be three options for change:

- i. to abolish the CSAB;
- ii. to seek to have the CSAB designated by the Secretary of State for Employment as an alternative to ITs so that the dual right is removed;
- iii. to continue the dual arrangements but to modify the CSAB's procedures in order to meet at least some of the departmental misgivings about decisions.

17. To abolish the CSAB would involve breaking an agreement with the Trade Unions and the effect on industrial relations would therefore be serious. While there would be a saving to CSD funds of about £54,000 a year - including the cost of the Secretariat and members' fees and expenses - there would almost certainly be an increase in overall costs because of the higher expenditure involved in IT hearings. It is doubtful whether in practice abolition would make any contribution to the problem of shedding the less efficient officer. Furthermore, abolition of the CSAB would also mean that prison officers and members of the MOD police who were dismissed would not have a right of appeal as they are debarred from ITs. It might well be necessary therefore to make some special provision for them either by restoring the jurisdiction of ITs, which would require legislation, or setting up a separate appeal body for the Prison Service.

18. Sections 65 and 66 of Part V of the Employment Protection (Consolidation) Act 1978 allow the Secretary of State for Employment to designate an agreement on dismissal procedures if he is satisfied that the arrangements under such an agreement provide, inter alia, adequate remedies and arbitration by an 'independent body'. We understand from the Department of Employment that there is only one



such designated body ie the Joint Industrial Board for the Electrical Contracting Industry. We might try to have CSAB designated in the same way, thus removing the dual right of appeal enjoyed by civil servants. An application to the Secretary of State would, of course, need to be made jointly by management and the trade unions and some changes would almost certainly be necessary in CSAB's procedures which might then become more legalistic and expensive. But, if the alternative were the total abolition of CSAB, the Unions might be ready to co-operate in such an application.

19. Preliminary discussions with Sir John Wilson (the Chairman of CSAB) and Sir Basil Hall (the Chairman Designate and former Treasury Solicitor) suggest that modifications in CSAB procedures to meet some of the criticisms levelled by departments might be made without much difficulty. Possible modifications which might be considered by CSAB (though it is not yet certain they would all be practicable) are:

- i. wider use of recommendations for payment of compensation (the IT pattern) as an alternative to reinstatement;
- ii. establishing machinery to build up a body of case law and thus improve consistency of decisions;
- iii. a more rigid adherence to precedent including not only precedents set by the Board itself but also those set by ITs;
- iv. the possible inclusion on each Board of one outside member who had current or recent experience as an IT member;
- v. more detailed explanations to departments of why certain recommendations were given especially where prima facie they seem to be inconsistent with previous, similar cases;
- vi. closer liaison between CSAB and departments.

20. It is only fair to add that CSAB consider that departments do not always present their cases adequately at hearings. More cases are lost by departments, it has been said, than are won by appellants. If CSAB members have to drag the official defence out of departmental representatives then they risk giving the impression of bias to the appellants. Departments could do more to help themselves.



### Conclusion

21. Most of the objections to CSAB which have been put forward - apart from the privilege of dual appeal - could probably be met by some modest reforms of current CSAB practice and attitude. It therefore seems sensible to follow Option iii. of paragraph 16 for the time being. Option i. - abolition - need not be ruled out but the case is not made on present evidence and it would have serious consequences for industrial relations. Option ii. has the considerable attraction of removing the privilege of dual appeal but departments might not be keen to commit themselves wholly to CSAB until they are reassured that acceptable changes in its practices can be made. Again, this option can be looked at if Option iii. leads nowhere.

29 SEP 1981

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Chancellor of the Duchy of Lancaster

*cp Mr Dickelt (o/r)*

*Prime Minister*

PRIME MINISTER

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CHAIN OF COMMAND: OPEN STRUCTURE

This minute reports progress following the then Lord President's letter of 11 September on the Chain of Command and the proposed review of Open Structure posts.

The hope was to publish the Wardale report and our intentions next week but I fear that will not now be practicable. Delay adds to the risk that our plans will leak before we are ready to explain them fully. The impact on morale of an imperfect presentation of the proposals, particularly the 35% test, would be disturbing. It is, therefore, with great reluctance that I propose postponement but I believe that there is no practicable alternative.

Of the responses so far a number express serious reservations of substance about the proposals. The Defence Secretary is anxious to consider the matter personally and has asked for an extension. The contribution he is to make is crucial; however he will not be back in his office until 8 October. Other colleagues have also asked for more time. I propose to allow an extension to 13 October for final responses. I will also write to the Foreign Secretary explaining why I cannot accept that the Diplomatic Service should be exempt from the review.

A copy of this minute goes to Sir Robert Armstrong.

*Baroness Young*

BARONESS YOUNG

28 September 1981



Department of Defense

STANDARD FORM

28 SEP 1987

12 11 2 3 4 5 6 7 8 9 10

COMMITTEE ON ASSASSINATIONS

MEMORANDUM FOR THE RECORD

CONFIDENTIAL



PART 8 ends:-

S/S Ind to CDL 28.9.87

PART 9 begins:-

CDL to PM 28.9.87

