

SECRET

Prime Minister

11 10

A report is  
now out - highly  
critical but honest  
no conclusion.



MR C A WHITMORE

THE ORGANISATION OF THE CENTRAL DEPARTMENTS

Thank you for your minute of 4 August. With respect,  
I agree with its conclusions.

I suggest that No 10 should tell Mr du Cann about the  
study and of the reasons for announcing it before his  
Committee have reported.

As requested, I attach a draft Written PQ and Answer.

Two points of which the Prime Minister should be aware.  
You will recall that, in her letter of 24 April to Mr  
du Cann, she said that she welcomed the intention of  
the Treasury and Civil Service Committee to enquire  
into the role and powers of the CSD and that she was  
sure it would be valuable to have the Committee's  
contribution. I think the Committee could well take  
offence if the Prime Minister announced her decision  
on the future of the central departments after consider-  
ing the study team's report but without waiting for the  
Select Committee's conclusions. The draft Answer,  
therefore, says that the decision will be announced when  
the Prime Minister has "considered the Select Committee's  
report and the results of the study". But this deference  
to the Committee carries with it the risk that it would  
give the Committee effective control over the timetable  
for announcing the Prime Minister's decision if they did  
not report by, or very soon after, the end of the Recess.  
And second, there is the risk of further delay should the  
Committee ask to see the factual and analytical material  
from the study team before completing their report.

I am sending copies of this to Mr Wiggins, Mr Buckley, Sir  
Robert Armstrong and Sir Derek Rayner *& Sir Douglas Hoare*

JRB

IAN BANCROFT  
4 August 1980

SECRET

An alternative and shorter - draft answer  
suggested by Sir Derek Rayner is at page A.  
The Select Committee will now definitely  
not publish that report until after the  
recess, i.e. probably some time after you get  
the report of the feasibility study. Do you  
agree that we should not allow that timetable  
to govern ours? But do you also agree that  
the du Cann should be given advance  
warning of this Answer, which  
it is hoped to give on Thursday of this week?

# SECRET

## THE FUTURE OF CSD : DRAFT ANNOUNCEMENT

### Draft Written Question

To ask the Prime Minister if she will make a statement about the future of the Civil Service Department.

### Draft Answer

I have been greatly impressed by the hard work and dedication of the officials of the Treasury and CSD since this Government took office. Under their Ministers, they have a vital role to play in reducing public expenditure, increasing the efficiency of the Civil Service and achieving our objectives for Civil Service manpower.

[Because of this, it is right that the organisation of their work] should be reviewed from time to time, and I therefore welcomed the decision of the Select Committee on the Treasury and the Civil Service to study this subject. I understand that the Committee will not report <sup>until after</sup> [before] the Recess. <sup>In the</sup> [Meanwhile] I have asked officials to help clarify the case for and against retaining the present arrangements and the implications of changing them. They will report to me in the autumn. The factual and analytical material that they produce will be published. I shall announce my decision on the future organisation of the departments when I have considered [the Select Committee's report and] the results of the study. [Meanwhile, the Treasury and CSD will continue to press ahead with their present work.]

Nevertheless, it is right that the way in which these functions at the centre of Government are organised ..... (Sir R. Armstrong's amendment, replacing the words in brackets).

deleted as suggested by the Treasury.

~~I hope also to be able to take account of the Select Committee's report~~

I suggest deleting this sentence.

# SECRET



SECRET



10 DOWNING STREET

From the Principal Private Secretary

SIR IAN BANCROFT

THE ORGANISATION OF THE CENTRAL DEPARTMENTS

The Prime Minister has now been able to consider your minute of 28 July 1980 to me about the further study of the case for and against a merger of the Treasury and the CSD.

She has asked me to thank you for your proposals which she found most helpful.

The Prime Minister understands that it is now virtually certain that the Treasury and Civil Service Select Committee will not issue their report before the House rises. She does not think, however, that this is reason for delaying the announcement of the Government's feasibility study and she would like to publicise the establishment of the study in an Answer to an arranged Written Question on Thursday of this week. I should accordingly be grateful if you could let me have a draft Question and Answer by close of play tomorrow, Tuesday 5 August.

She agrees that the report of the feasibility study should be prepared as you propose in paragraph 4 of your minute, with the first part being published and the second remaining confidential.

She welcomes the proposal to complete the study by the end of October rather than by 30 November.

I am sending copies of this minute to Mr. Wiggins (Treasury), Mr. Buckley (CSD), Sir Douglas Wass, Sir Robert Armstrong and Sir Derek Rayner.

M ~~Sayles~~ MS 10  
M Ingham Copied to  
Mr Ingham  
on 4/8  
M  
To me.

JW  
4 viii  
BIF 5-8-80

JW.

4 August 1980

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