

Prime Minister

PRIME MINISTER

*Will discuss
not*

When you have the chance to see Sir Robert Armstrong you do not mention anything in the subject before the recess. Would you mind letting him to have a meeting with him and Sir Derek Bayard some time this week?

FUTURE OF CSD AND THE HEADSHIP OF THE CIVIL SERVICE

*Yes
this
3rd*

1. Sir Robert Armstrong and I have consulted each other about your requests for advice on the future of the Civil Service Department and the functions and selection of the next Head of the Civil Service (HCS). Our thinking is set out in the attached note. If you agree, this covering minute will provide a basis for discussion.

FUTURE OF CSD

2. CSD has functions of controlling expenditure on; developing and auditing the effectiveness of; and providing services for the civil service. We think that there are two options for their future organisation.

3. In brief, these:

(1) Keep CSD as it is, but with the right people in the two Permanent Secretary seats (if indeed two are needed) and in the Deputy Secretary (Management) seat.

(2) Abolish CSD and either:

A. Put CSD control and "efficiency" functions including the appointment of top people) in the Treasury, to form with the other expenditure divisions a sort of "Office of Management and Budget".

B. Divide CSD functions, putting control in the Treasury, but "efficiency" (including top people) in the Cabinet Office so as to provide a separate strong central impetus for your policy to develop and audit the effectiveness of the civil service.

4. In each of options 2A and 2B, the "service" functions of CSD (eg recruitment and training) would form a new and separate "public services agency".

5. Our reasoning is that CSD suffers from two defects, one of institutional form and the other of personnel:

(1) At bottom, CSD's work is that of Treasury control. Divorce from the Treasury may have been right and was probably inevitable after Fulton, but in the longer run it was an institutional error which will have to be repaired sooner or later. For various reasons, some political and personal, some institutional, CSD has not latterly carried political or official clout. This has left its mark. CSD has no record of substantial success of a kind which departments respect. This is unfair to a degree as CSD has done and continues to do some excellent work but as a whole the department lacks credibility and conviction.

(2) The existing key senior officials are not right for the job.

6. The personnel defect could certainly be corrected fairly readily. We discuss how in option 1, namely keeping the title "HCS" but revitalising the office, partly by re-defining it but mainly by putting the right person at the top and giving him the right support.

7. We think that the institutional defect could be at least mitigated by having the right people in CSD and the right policies for the centre. But it will always be there. Our view is therefore that CSD's control functions should go

back into the Treasury, to form an "Office of Management and Budget" covering all public expenditure. This would report to the Chief Secretary and would be headed at official level by a Permanent Secretary of considerable quality (option 2A). Service functions would go into a "public services agency" in both options 2A and 2B.

8. We do not elaborate on option 2A in detail because we assume that the considerations which decided you against the Treasury/CSD merger in January may still apply. Instead we consider an alternative way of repairing the institutional defect.

9. In option 2B, we envisage that CSD's expenditure control functions (manpower and pay) would also go to the Treasury. All the rest, including CSD's "efficiency function" together with my unit, forming a "management development and audit" group, would go to the Secretary of the Cabinet. He would report directly to you on HCS matters but possibly in respect of "management development and audit" business through a Minister of State.

THE HEADSHIP OF THE CIVIL SERVICE

10. The present functions of the Head of the Civil Service (HCS) are listed in Annex A to the attached note. Whatever you decide to do about the CSD (see below), someone has to discharge these functions. Someone should also have the job of quality assurance to do that is described in paras. 8 and 9 and Annex B of the attached note; that should go wherever the "development" function of CSD goes. It is possible to imagine separating the "top people" function of the HCS from the management and quality assurance parts (the "development" aspects) of the CSD's functions but on any of the options the quality assurance function would fall to the person who takes on the existing functions of the HCS.

11. We think that the functions of the HCS ought always to attach to a particular official position (Permanent Secretary, CSD; or Permanent Secretary, Treasury; or conceivably the Head of "OMB"; or the Secretary of the Cabinet) rather than allowing them to float around Whitehall. Our reasons against "floating" are that whoever advises you on such matters as machinery of government and senior appointments should be able to do so without the slightest risk or suspicion that his judgment may be affected by the business or interests of his own department.

12. Sir Robert Armstrong doubts whether it is necessary or desirable to retain the title of "Head of the Civil Service", but I understand that view would not be shared by Sir Ian Bancroft or Sir Douglas Wass. I myself favour keeping the title as marking clearly where responsibility lies for advising on quality assurance and on senior appointments.

13. We list possible candidates for the succession in Annex C to the attached note.

ADVICE

14. Our comments on the question whether or not to keep the CSD are as follows:

- (1) Option 1 (keep CSD) is the easiest. It involves no institutional change. CSD could certainly be made to work better with the right people at the top. But it maintains what we firmly believe to be a damaging flaw in the machinery of government.
- (2) Option 2A (the "Office of Management and Budget" solution) we regard as the best from all points of view. It gets expenditure control right

but it involves institutional disturbance and extra work for Treasury Ministers.


- (3) Option 2B (part to Treasury, part to Cabinet Office) also gets expenditure control right. It revitalises the "management development/audit" parts of CSD by putting them into a well-tryed part of the government machine, the Cabinet Office, a department which has considerable influence because of its wide coverage of Whitehall business and the closeness of its official head to you. But it is also a radical departure for the Cabinet Office and for you. It might attract some suspicion and hostility because of that.

15. Our own order of preference would be

First, "Office of Management and Budget" in the Treasury, option 2A; HCS to be either Permanent Secretary of the Treasury or the official head of "OMB".

Second, the Cabinet Office cum Treasury solution, option 2B; HCS to be Secretary of the Cabinet.

Third, keep CSD with the right personnel at the top, option 1; HCS to be (as now) Permanent Secretary of CSD.


Derek Rayner
29 June 1981

Encs: Note plus Annexes

PERSONAL AND CONFIDENTIAL

PRIME MINISTER

FUTURE OF CSD AND THE HEADSHIP OF THE CIVIL SERVICE

INTRODUCTION

1. The title "Head of the Civil Service" (HCS) is misleading. Its holder is head only of one department, formerly the Treasury, now the CSD. He has no executive authority outside his own department and is not even the most highly paid of officials, being on a salary par with the heads of the Treasury and the Diplomatic Service and the Secretary of the Cabinet. As Permanent Secretary of CSD, Sir Ian Bancroft is responsible for a net expenditure of £46m, which is very modest in Whitehall terms.
2. The office of HCS has in the past been most powerful when a combination of events, Ministerial policies for administrative change or reform and tough officials gave it a vigorous motive force. The prime examples of this are the early years of Sir Warren Fisher, who was head of the Treasury for nearly 20 years (1919-39) and of Sir William Armstrong (1968-74).
3. Since Sir William Armstrong's interest in CSD business faded in 1971-73, the underlying philosophy of CSD and its official heads has been generally quietist, pragmatic and cautious. To a degree, this is quite understandable; weak political leadership does not inspire adventurousness among officials. On one view of things as they are now, it should be sufficient to ensure that CSD's two Permanent Secretaries, who both retire in 1982 (Sir John Herbecq in May and Sir Ian Bancroft in December), and the Deputy Secretary (Management), are replaced by officials with appropriate experience and determination. (I am however far from certain that CSD needs a Second Permanent Secretary as well as a full Permanent Secretary.) On another view, it could be argued that the

separation of control functions between the Treasury and CSD has so undermined the capacity of the HCS that no effective change can be achieved without repairing it.

4. We believe that there are two possible courses of action.

OPTION 1: LEAVE CSD AS IT IS

5. We describe in Annex A what official CSD is meant to do and why it is regarded as unsuccessful.

6. In brief, what CSD does is a mixture of three things:

- (1) It controls some expenditure, notably staff numbers and pay.
- (2) It develops and audits the effectiveness of administration, including personnel (especially top people).
- (3) It provides certain services, including recruitment, training, computers and some odds and ends which have to go somewhere.

7. The jobs of the "Head of the Civil Service" are also outlined in Annex A. They are all things that have to be done somewhere. But they do not on their own constitute anything like a full-time job. And they are likely to be done most effectively by someone who operates from the power base of a central department and who is in regular contact with and the confidence of the Prime Minister.

8. Compared with what might be, I believe that the way in which the "headship" of the HCS is at present practised appears very diminished. The title implies that the officeholder should, and I certainly think that he must, provide professional leadership for the heads of the civil service; promote excellence and pride in administration; and use to good effect a sensible mixture of sticks and carrots. At the

moment, it is mostly carrots.

9. The contrast with existing arrangements can be most clearly seen against a checklist of things needed to run the civil service (or any individual department with it) or indeed that the top man in any organisation should be responsible for. These are best expressed first, as general questions and, secondly, as particular tasks, eg

General questions

"Have I got the right people in the right places?
What am I doing about this for next year and for
5 years on?"

Particular tasks

Take personal responsibility for the scrutiny and management review programmes; for other centrally-run or organised audits of departmental effectiveness, eg staff inspection; and for promoting departmental audits at the initiative of individual Permanent Secretaries.

10. These general questions and particular tasks are set out in more detail in Annex B.

11. In such tasks, a good HCS based in CSD should be assisted by my unit, which should pass from my control to his personal control at the end of my assignment.

12. There are two possible views about the sort of official needed to undertake the revitalised HCS post. First, it might be seen as the task of a very senior official, experienced in the Permanent Secretary grade and with responsibility for substantial departmental staffs and other resources - that is, someone whom other Permanent Secretaries would willingly consult as the doyen of their corps and who knew from doing it what management was all about. Sir Frank Cooper is the

obvious candidate. I would hope that keeping him on beyond retiring date for this purpose (he goes in December 1982) would not be ruled out. Sir Brian Cubbon is another possibility, a more natural one than Sir Frank Cooper in that he has 7 years to go before retirement. I attach as Annex C a note on other existing Permanent Secretary candidates.

13. However, I do not attach an over-riding importance to age, seniority and grade experience. Sir Warren Fisher became HCS at the age of 39. No-one would argue that he lacked the vision, determination and personality essential to success. I would strongly suggest as an alternative the appointment of a younger officer, not necessarily yet a Permanent Secretary, with the drive and determination needed. He should be prepared to be tough when necessary, but still be seen as the colleague and counsellor of Permanent Secretaries. To be credible, he would have to have a substantial track record of successful management. He should delegate much of the work which at present appears to occupy CSD Permanent Secretaries and devote himself to those things which call for leadership and block-busting. Depending on how the Second Secretary in my office performs, one obvious possibility is that he should succeed first Sir John Herbecq (May 1982) and eventually become Head of the Civil Service in succession to Sir Ian Bancroft (December 1982) or to whoever follows him.

14. If you did decide to leave CSD as it is, it would be essential in my judgment to:

- (1) provide the Lord President and Minister of State at an early date with Permanent Secretaries and a Deputy Secretary (Management) in whom they had confidence;
- (2) review the lower level staffing of CSD critically and work up a manning policy which would increase

the confidence of other departments over a period of time; and

- (3) stop CSD fiddling with details which can and should be left to departmental management to deal with on their own responsibility.

OPTION 2: ABOLISH THE CSD

15. It remains my conviction that CSD is an offshoot of the Treasury; that the effectiveness of central control over expenditure and of "efficiency" policies has been damaged by the separation of CSD from the Treasury; and that this damage will never be wholly repaired without a merger. I continue to meet the ill effects of separation in such matters as training for financial management. There are two possible routes to follow: A, the Treasury route and B, the Treasury/Cabinet Office route.

Option 2A: The Treasury route

16. Concentrating in Treasury Ministers' hands control over civil service expenditure and the means of influencing the quality of civil service operations and personnel is the most robust solution. I would therefore prefer to see CSD control and development functions - manpower, pay, super-annuation, conditions of service and "efficiency" (including top appointments) - pass to the Treasury and be brigaded with control over the (mostly) very much larger blocks of expenditure on policy programmes.

17. In machinery of government terms, you would in effect be establishing within the Treasury, under the control of the Chief Secretary, an "Office of Management and Budget". I think that it would need to be headed by a very good full Permanent Secretary. Logic suggests that the "HCS" function, along with my unit, should pass to the Treasury: either to

the Permanent Secretary of the Treasury, or conceivably to the official Head of the proposed "OMB", although that would make for awkwardness between him and the Permanent Secretary, who would in a technical sense be his superior.

18. What should be done with the CSD's service functions, the rest of personnel, training, computers, etc? The alternatives are:

- (1) Combine them in a new "public services agency", embracing the Civil Service Commission, Civil Service College, Central Computer and Telecommunications Agency and the miscellaneous central and other services for which CSD is responsible (eg medical advisory service and government hospitality). This could be headed up by an official. But if we revived the idea of bringing the Property Services Agency into such an organisation, we should need, I think, to envisage that it was headed by a Minister of State.

NB: This "public services agency" would also be part of the arrangements to be made under Option 2B.

- (2) Combine some functions in a "public services agency" as in (1), but disperse other to departments perhaps more capable of dealing with them, notably computers to the Ministry of Defence* and catering to the Property Services Agency.**

* I think that the CCTA is wrongly sited in the present CSD. The Ministry of Defence is the main repository of knowledge and skill on computers in government. I believe that the CCTA should go there and be run as a service to other

19. One important incidental effect of abolishing a department is that the office of its Permanent Secretary is abolished too. This would mean that Sir Ian Bancroft could retire early. If you wished to retain his services until December 1982, you might invite him to work up the plan for putting your decision into effect and to be the first head of the agency described in (1) above.

20. I have not described Option 2A in any detail, as I am assuming - perhaps mistakenly - that a large degree of CSD/Treasury merger is not in consideration for the moment.

Option 2B: The Treasury/Cabinet Office route

21. This option would transfer CSD's
- (1) control functions to the Treasury;
 - (2) management development functions to the Cabinet Office; and
 - (3) service functions to a "public services agency" (as in Option 2A).

departments. One great advantage of this is that the CCTA would be more readily staffed by people who know something about computers. The location of the CCTA is not crucial, but I do think that at present the CCTA consumes some of the time of senior CSD people - not expert in the subject matter - and that this gets in the way of things they should be doing instead.

** The Civil Service Catering Organisation (CISCO) could go to the Property Services Agency. This is not a point on which I feel strongly. CISCO has a chief executive of its own; he should be allowed to get on with his job.

22. Option 2B would concentrate the expenditure control function in the Treasury but assume that the associated functions of developing and auditing the civil service might be carried out by Treasury Ministers only with difficulty owing to problems of workload and would benefit from the stronger impetus provided by the separate power base of the Cabinet Office. As Minister for the Civil Service you would re-allocate your functions, "control" to the Chancellor (as before) but "management development and audit" to an official in day-to-day contact with you in a way that the HCS is not and has not been for some years.

23. The main components of the "management development and audit" group would be:

(1) Management development and audit

The "Rayner unit" on transfer from your office; scrutiny and Government-wide review programmes; "lasting reforms".

Staff inspection; central management services, including machinery of government, management development and operational research.

(2) Personnel management and development

Recruitment policy, including the Civil Service Commission, if not put into the "public services agency".

Training policy, including the Civil Service College, if not put into the "public services agency".

Personnel management, including top appointments, succession policy and the management of staff groups.

24. It would be for consideration whether you wanted to introduce a Minister of State into the Cabinet Office to take day-to-day political responsibility for this work. There are precedents for this. I suspect that a junior Minister might find it hard to carve out enough Ministerial work to do but the job could provide good background and training in preparation for promotion later.

25. The Secretary of the Cabinet would assume personal responsibility both for the existing HCS functions and for the new functions outlined in paragraph 9 above. The title "Head of the Civil Service" need not necessarily be kept, although I think that it has value, not least in relation to your own title as Minister of the Civil Service. He would need to be assisted by a Second Secretary to head up the ex-CSD work. This official would need to be vigorous and determined. He should have the sort of track record in departmental management which would make his advice and observations respectable and authoritative. He would need to work closely with the Treasury and to spend a large part of his time in and learning from departments at all levels, something that the current top echelons of CSD have not been good at.

26. I would see the Second Secretary now to be appointed as head of my unit, if successful, moving on to occupy the "CSD" Second Secretary seat in the Cabinet Office. Indeed, I suggest that it should be established that the head of my unit should become the head of the "CSD", whether the existing CSD as in Option 1 or the "management development and audit group" in Option 2B. As an immediate consequence of this, I suggest that Sir John Herbecq should not be replaced on his retirement next May unless by the head of my unit.

27. Option 2B has some imperfections:

- (1) Although concentrating expenditure control in the Treasury, it would retain something of the

existing separation of functions between the Treasury and CSD. This would require continued bridging.

- (2) The expanded Cabinet Office, although responsible to you, would to a degree be servicing and dependent on the Treasury.
- (3) As in Option 2A, Treasury Ministers would have to take on the burden of negotiating with the civil service trade unions on pay and conditions.
- (4) The Cabinet Office would also have to negotiate with the unions, although on somewhat less contentious matters, eg on aspects of personnel management and training. The Treasury would be seen to be getting the dirtier end of the stick than the Cabinet Office but the latter could not do even its relatively easy task without co-ordination and consultation with the Treasury.
- (5) Option 2B has the advantage of reducing the number of top Home civil servants from 3 to 2. But it would be seen as increasing your own power in relation to that of your colleagues and the power of the Secretary of the Cabinet, the official who stands closest to you, in relation to that of his colleagues.

Derek Rayner
29 June 1981

Encs: Annexes A - C

ANNEX A: WHAT CSD DOES

1. As Permanent Secretary of CSD, Sir Ian Bancroft is responsible for the "Central Management of the Civil Service". This is less a coherent policy than a mixture of control, development and service functions. It accounts for a net expenditure by CSD of £37m on:

- (1) Expenditure control and "efficiency": manpower, pay, superannuation and conditions of service; inspection and consultancy services on manpower use, management and organisation, including "machinery of government".
- (2) Personnel management: recruitment, training and personnel policies and operations, including the Civil Service Commission and College.
- (3) Miscellaneous central services: including medical advisory service, welfare and payroll.
- (4) Miscellaneous other services: these are things which have to be looked after somewhere, including the Government Hospitality Fund.

2. The Second Secretary, Sir John Herbecq, helps across the whole field, but has a personal responsibility for administrative computers, now provided to departments on repayment terms, and catering (net expenditure, £8.9m).

3. More details are given in appendix 1.

4. As "Head of the Civil Service", Sir Ian Bancroft has an assortment of things to advise you on and, as necessary, your colleagues:

- Public and personal appointments by Ministers
- Access by former Ministers to their papers

- Contacts with Opposition parties on "transitional" arrangements
- The organisation or "machinery" of government, ranging from border skirmishes between departments to major questions of structure
- Appointments to Permanent and Deputy Secretary posts
- Acceptance of business appointments by former officials and officers of HM Forces
- Security, conduct and discipline in the civil service
- Honours
- Queen's Award to Industry.

5. These are all jobs which have to be done somewhere. More details are given in Appendix 2. But they are not all jobs that the reasonable man would imagine that a "head of profession" was spending his time on.

6. The staff who work in the main "policy" areas in para.1. (1) and (2) above are a mixed bag. They include people with field experience and possibly also professional qualifications; such people generally go up to the level of Principal; most Principals and senior staff are classic Whitehall administrators, some serving on secondment from other departments, some home-grown CSD. Some of the staff are very good indeed. But generally the CSD is regarded by other departments as not having much knowledge of practical management and as being needlessly interventionist and theoretical in its approach. One very experienced Permanent Secretary, whose judgment I respect, has both very little time for CSD and great difficulty in persuading good staff to serve a term there, as compared to going to the Treasury or the Cabinet Office.

PRESENT FUNCTIONS OF THE HEAD OF THE CIVIL SERVICE

1. The Permanent Secretary of the CSD has two responsibilities, one reasonably precise (running most of his own department) and one reasonably broad (being "Head of the Civil Service).

2. The first responsibility consists in an overall responsibility to the Lord President of the Council for a comparatively small department (staff) and is a direct personal responsibility as Accounting Officer for net expenditure on the following functions, described in Supply Estimates as "Central Management of the Civil Service":

	<u>£m</u>
(1) CSD, Salaries and expenses of 1,279 staff	16.3
(2) Central Civil Service Recruitment, salaries and expenses of CS Commission, 352 staff	6.1
(3) Central Civil Service Training, salaries and expenses of CS College, 296 staff	3.0
(4) Other Central Services for Civil Service management, including medical, welfare and payroll services	8.3
(5) Other Services, including Government Hospitality Fund, Office of the Parliamentary Counsel, etc.	3.2
	<u>36.9</u>

3. As Permanent Secretary of CSD, and to some degree also as Head of the Civil Service (HSC), Sir Ian Bancroft is assisted by a Second Permanent Secretary, Sir John Herbecq (who is due to retire in May 1982). Sir John is directly responsible as Accounting Officer for net expenditures on the following "agency" functions:

	<u>£m</u>
(1) Central Computer and Telecommunications Agency (716 staff and some capital expenditure)	8.9*
(2) Civil Service Catering Services (77 staff in CISCO, 1,694 staff in directly managed restaurants)	.001

* Expenditure of £197.6m on the purchase, hire and maintenance of computers, associated equipment and software for administrative purposes is recouped from departments on repayment terms. The £8.9m shown above includes £0.9m for computer services for Parliament, supplied on allied service terms.

/ Gross expenditure of £1.11m on the Catering Organisation and directly managed restaurants is recovered by charging departments.

ANNEX A, Appendix 2

"HEAD OF CIVIL SERVICE" FUNCTIONS

1. Questions of procedure for Ministers

- (a) Departmental Permanent Secretaries to consult HCS about proposed public appointments in their departments.
- (b) Departmental Permanent Secretaries to consult HCS when their Ministers wish to make personal appointments in their departments. HCS to decide whether to consult PM.
- (c) Departmental Permanent Secretaries to inform HCS and Secretary of the Cabinet of any approaches by former Ministers for assistance by departmental staff in checking references and verifying facts in papers from their time in office.

Remarks

- (a) US i/c Public Appointments Unit advises HCS direct. (Usually informal discussion between the PAU and Departments before the formal approach to the HCS. Head of PAU occasionally deals with CSD Second Secretary in those circumstances.)
 - PAU at present reports to US Management & Organisation; headed by Principal; US (Mr Charkham) makes a large personal contribution, having accumulated 6 years knowledge of people and procedures.
- (b) HCS advised by Personnel Management 5. (1 Principal, 2 HEOs, 1 EO; AS Mr Davie).
- (c) HCS advised by Machinery of Government Division?

2. Matters affecting Parliament and the Machinery of Government

- (a) Departmental Permanent Secretaries to consult HCS on requests for confidential talks with officials where these appear to relate to transitional arrangements between the existing Administration and a possible successor.
- (b) HCS himself, by convention, available to Leaders of Opposition parties for consultation on transitional arrangements and the structure of government desired.
- (c) HCS advises PM on machinery of government matters.

- (a) - (c) HCS advised by Machinery of Government Division (AS: Mr Osmotherly; 3 Ps; 1 HEO; 2 EOs; 1 Typist), which reports to US Management & Organisation (Mr Charkham) but often deals directly with HCS.

Remarks

3. Senior Appointments

- (a) HSC advises PM on Permanent Secretary and Deputy Secretary appointments, in which he is assisted by a panel of senior Permanent Secretaries (Senior Appointments Selection Committee).
- (b) HCS will discuss his recommendation to the PM beforehand with the appropriate senior departmental Minister.
- (c) HCS is consulted about appointments to PEO or PFO posts at US and DS levels; CSD in turn consults Treasury on PFO appointments.

- (a) - (c) Deputy Secretary Personnel Management (Mr Fraser). The PM Group (Mainly PM1) provides some support for the HCS, in the form of "data appreciation". (PM1, an AS Division (Mr Tobias), reports to Mr Tuck, who is a Civil Service Commissioner and Director of CSSB; Mr Tuck spends roughly 30% of his time on PM1 work as a whole.)

4. Acceptance of outside business appointments.

- (a) HCS and Minister must consider cases concerning Permanent and Second Permanent Secretaries (and officers of HM Forces of equivalent rank). Non-commercial appointments may be approved by them. All other cases are put to the PM for reference to the Advisory Committee on Business Appointments.
- (b) Same applies to departmental heads other than Permanent Secretaries, save that the case may be decided by the Minister.
- (c) Same applies to officers of Deputy Secretary level, save that the case may be decided by the Minister where his Permanent Secretary and HCS are agreed.

- (a) - (c) Deputy Secretary PM (Mr Fraser). Support work is provided by PM5 (Mr Davie), as 1(b) above.

	<u>Remarks</u>
<p>5. <u>Security, conduct, discipline</u></p> <p>(a) HCS is responsible for the Pving of Permanent Secretaries and subsequent quinquennial reviews.</p> <p>(b) PM and Principal Private Secretary look on HCS as a "wise old bird" who might be consulted on general conduct matters.</p> <p>(c) "Leak" inquiries.</p>	<p>(a) Presumably arranged in concert with Secretary of the Cabinet?</p> <p>(b) - (c) HCS assisted by his private secretary (Principal), Deputy Secretary PM (Mr Fraser) and PM5 (which has 1P, 1 HEO, 1 EO and 1 CO on "Security and Emergencies" work).</p>
<p>6. <u>Honours</u></p> <p>(a) HCS chairs Main Committee; puts final list to PM, with explanatory covering report; then answers PM's questions.</p> <p>(b) HCS appoints chairmen of Honours Sub-Committees.</p> <p>(c) Honours work heavy for 4 - 6 weeks each year.</p> <p>(d) HCS chairs Committee for Gallantry Awards: makes few demands on his time.</p>	<p>(a) - (d) HCS assisted by Ceremonial Branch. (This consists of AS (retired US, Mr Sharp); 1 SEO; 1 HEO; 2 EOs; 1 Personal Secretary and 7 clerical and typing staff).</p>
<p>7. <u>Queen's Award to Industry</u></p>	<p>Nothing known.</p>

ANNEX B: GENERAL QUESTIONS AND PARTICULAR TASKS FOR A
REVITALISED HEAD OF THE CIVIL SERVICE

General questions

"Have I got the right people in the right places? What am I doing about this for next year and for 5 years on?"

"Is my organisation successful at its job?"

"What does it cost to do its various jobs? Is it cost-effective? Does it have to do everything to which it now addresses itself? Are its ways of doing its various jobs sensible and economical? Am I at least keeping pace with technological change?"

"Am I satisfied with my systems for planning, allotting and using money and people? With the structure of my organisation?"

"Do my staff enjoy working in my organisation? Do they stay? What are their working conditions like?"

"Is the organisation better at some things than others? If so, why?"

"What lessons should I learn from complaints by my own staff; members of the public; the Public Accounts Committee; the Parliamentary Commissioner for Administration; and MPs?"

Particular tasks

Whether the HCS is kept or not, someone has to concentrate on those things which require a Government-wide treatment, especially but not only personnel, eg policy for succession to the top management jobs, and on a newly clarified assignment, namely promoting good quality administration. I would envisage that the HCS approached this new task, not in an inquisitorial or vengeful spirit, but aiming to profit by the

experience and advice of the Permanent Secretaries, who are at present a greatly neglected resource. The HCS should devote his time to the issues which call for leadership and block-busting, agreeing an annual plan of work with you for the purpose. He should:

- Carry into effect such "lasting reforms" as lie wholly in the power of the central Ministers and help Cabinet and individual Ministers give effect to the others. The main emphasis here should be on succession policy, training for resource management and creating the conditions in which staff could take a pride in their profession.
- Lead and assist developments in cost-consciousness, and more important in cost-responsiveness, taking the lead at official level in the annual scrutiny of departmental running costs.
- Take personal responsibility for the scrutiny and management review programme; for other centrally-run or organised audits of departmental effectiveness eg staff inspection; and for promoting departmental audits at the initiative Permanent Secretaries.
- Undertake any special studies or assignments on behalf of Cabinet as a whole.

POSSIBLE CANDIDATES FOR HEADSHIP OF THE CIVIL SERVICE AMONG PRESENT
PERMANENT SECRETARIES

<u>NAME</u>	<u>AGE NOW</u>	<u>YEARS TO SERVE</u>	<u>CAREER SUMMARY</u>
Sir F Cooper	58	1½	Defence departments, 1946-70; CSD 1970-73; Permanent Secretary, NIO, 1973-76, MOD 1976-
Mr P J Harrop	55	5	DOE departments, 1949-73, including 2 years as Regional Director, Yorks. and Humberside; Treasury, 1973-76; Deputy Secretary, DOE, 1977-79, Cabinet Office, 1979-80; Second Secretary, DOE, 1981. (Intended to succeed Permanent Secretary, DOE, who retires in February 1985?)
Sir Robert Armstrong	54	6	Treasury, 1950-64; Cabinet Office, 1964-66; Treasury 1967-68; Principal PS to PM, 1970-75; Deputy and Permanent Secretary, Home Office, 1975-79; Secretary of the Cabinet, 1979-
Sir Kenneth Stowe	54	6	DHSS departments, 1951-73, including secondment to UN Secretariat, New York; Cabinet Office, 1973-75; Principal PS to PM, 1975-79; Deputy and Permanent Secretary, NIO, 1979-81, DHSS, 1981-
Sir Brian Cubbon	53	7	Home Office, 1951-61; Cabinet Office, 1961-63, 1971-75; Permanent Secretary, NIO, 1976-79, Home Office, 1979-
Sir Brian Hayes	52	8	MAFF, since 1956