

JD

cc MPO



10 DOWNING STREET

THE PRIME MINISTER

17 December 1981

Ryan J. Kendall

Thank you for your letter of 1 December.

I believe that your Council's concern about the consequences of my decision to disband the Civil Service Department, and to reallocate its functions to the Treasury and the Management and Personnel Office, is misplaced.

I share your doubts about the ability of any one Department to take on effectively the full range of work covered by both Treasury and CSD; that is why I decided against a full merger earlier this year. It is also why I have now decided that only part of the CSD's work should be transferred to the Treasury. The Treasury's resources have of course been strengthened by an additional Minister of State, Mr. Hayhoe, who takes with him to the Treasury valuable experience as a Minister in CSD; and by the transfer of staff from CSD along with their work. I have no reason to doubt that the Treasury will be able to devote the proper resources to the areas of Civil Service management for which it has now become responsible; indeed, reuniting responsibility for central control of manpower and of Government expenditure should make the work easier in some respects.

I do not believe that the reallocation of responsibilities increases the scope for administrative confusion. Whatever the allocation of responsibilities at the centre of Government, there is need for close collaboration and co-ordination between the

/ Ministers

ds

*Alan
Thames
Kw, 18/12*

*Key
Please return to me
for filing
AJ 17/12*

FILE

Ministers and Departments concerned: that was no less true as between the Treasury and the CSD than it will be as between the Treasury and the MPO. In my judgement it makes both logical and administrative sense to bring together the control of manpower and expenditure, and to reflect in organisational terms the close links between the pursuit of efficiency and the selection, development and management of staff. The working relationships already established within the Civil Service Department provide a solid foundation for co-operative arrangements between the Treasury and MPO, and steps are being taken to ensure that these are maintained.

Finally, may I confirm that I am deeply committed to the development and improvement of positive central management of the Civil Service. It was for that reason that I decided that CSD's functions should be reallocated. The efficiency of the Civil Service, and the selection, development, training, motivation and management of its staff, are matters which no Prime Minister can afford to ignore. I believe that the Management and Personnel Office - for which I shall have overall responsibility but which will also continue to have its own Cabinet Minister, the Chancellor of the Duchy of Lancaster, responsible for its day to day operations - will be better placed under the new arrangements to contribute to the development and improvement of Civil Service management.

Yours sincerely
Raymond Delisle

W.L. Kendall, Esq.



Management and Personnel Office

Whitehall London SW1A 2AZ

Telephone 01-273 } 4400
GTN 273 }

Chancellor of the Duchy of Lancaster

From the Private Secretary

15 December 1981

Willie Rickett
No.10

1 Mr Whitham. 2 PC type for Jim.
to see.

LM
15/12

Dear Willie,

...I attach, as requested in your note of 2 December, a suggested reply for the Prime Minister to send to Mr Kendall, Secretary General of the Council of Civil Service Unions.

I am copying this to Jill Rutter (HMT) and David Wright (Cabinet Office).

Yours sincerely,
Jim Buckley.

J BUCKLEY

DRAFT REPLY FOR PRIME MINISTER TO SEND TO MR KENDALL,
SECRETARY GENERAL, CSSU

W L Kendall Esq
Secretary General
Council of Civil Service Unions
19 Rochester Row
LONDON SW1P 1LB

DISBANDING OF THE CIVIL SERVICE DEPARTMENT

Thank you for your letter of 1 December.

I believe that your Council's concern about the consequences of my decision to disband the Civil Service Department ~~as such~~, and to reallocate its functions to the Treasury and the Management and Personnel Office, is misplaced.

I share your doubts about the ability of any one Department effectively to take on the full range of work covered by both Treasury and CSD; that is why I decided against a full merger earlier this year. It is also why I have now decided that only part of the CSD's work should be transferred to the Treasury. The Treasury's resources have of course been strengthened by an additional Minister of State, Mr Hayhoe, who takes with him to the Treasury valuable experience as a Minister in CSD; and by the transfer ^{along} with their work of staff from CSD. I have no reason to doubt that the Treasury will be able to devote the proper resources to the areas of Civil Service management for which it has now become responsible; indeed, reuniting responsibility for central control of manpower and of Government expenditure should make the work easier in some respects.

I do not believe that the reallocation of responsibilities increases the scope for administrative confusion. Whatever the allocation of responsibilities at the centre of Government there

is need for close collaboration and co-ordination between the Ministers and Departments concerned: that was no less true as between the Treasury and the CSD than it will be as between the Treasury and the MPO. In my judgement it makes both logical and administrative sense to bring together the control of manpower and expenditure, and to reflect in organisational terms the close links between the pursuit of efficiency and the selection, development and management of staff. The working relationships already established within the Civil Service Department provide a solid foundation for co-operative arrangements between the Treasury and MPO, and steps are being taken to ensure that these are maintained.

Finally, may I confirm that I am deeply committed to the development and improvement of positive central management of the Civil Service. It was for that reason that I decided that CSD's functions should be reallocated. The efficiency of the Civil Service, and the selection, development, training, motivation and management of its staff, are matters which no Prime Minister can afford to ignore. I believe that the Management and Personnel Office - for which I shall have overall responsibility but which will also continue to have its own Cabinet Minister, the Chancellor of the Duchy of Lancaster, responsible for its day to day operations - will be better placed under the new arrangements to contribute to the development and improvement of Civil Service management.



10 DOWNING STREET

16/12

From the Private Secretary

2 December 1981

Mr. KENDALL

I enclose a letter to the Prime Minister from Mr. Kendall, Secretary General of the Council of Civil Service Unions about the abolition of the CSD.

I should be grateful if you could provide a suitable draft reply for the Prime Minister to send to Mr. Kendall by Wednesday 16 December.

I am copying this letter to Jill Rutter (HM Treasury) and David Wright (Cabinet Office).

W. F. S. RICKETT

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

File

885

2 December 1981

I am writing on behalf of the Prime Minister to thank you for your letter of 1 December.

This is receiving attention and a reply will be sent to you as soon as possible.

W. F. S. RICKETT

W. L. Kendall, Esq.



10 DOWNING STREET

PRIME MINISTER

2

Here is a letter from
Mr. Bill Kendall of the Council
of Civil Service Unions, which
expresses doubts about the
effectiveness of the re-
organisation of the Central
Departments. I have asked
Lady Young to provide a draft
reply for you to send to
Mr. Kendall.

CWJm

mb

2 December 1981

COUNCIL OF CIVIL SERVICE UNIONS

19, ROCHESTER ROW · LONDON SW1P 1LB · Tel: 01-828 2727-9

Secretary General:
W. L. KENDALL

Secretary:
P. D. JONES

Assistant Secretaries:
B. G. SUTHERLAND HELEN E. HUGHES

The Rt. Hon. Margaret Thatcher, MP,
Prime Minister,
10 Downing Street,
London SW1.

1 December 1981

Dear Prime Minister,

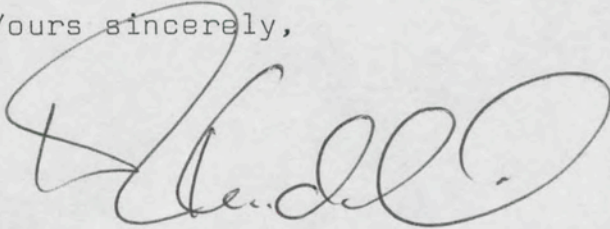
ABOLITION OF CIVIL SERVICE DEPARTMENT

1. I am writing to express the Council's concern at the Government's decision to abolish the Civil Service Department and transfer its functions to HM Treasury and the Cabinet Office, and the likely consequences of this move.
2. You may recall that I wrote to you on 14 August 1980, when the future of the CSD was under review, expressing our views about the central management of the Civil Service and explaining our reasons for doubting the efficacy of merging CSD with the Treasury. The recent decision has not, of course, gone that far, but it nevertheless raises the question of the Treasury's likely effectiveness in running the Service's central management, which was stressed by the Fulton Committee in 1968. We believe that, given the wide range of fiscal, budgetary and economic responsibilities placed on the Treasury, it will be unable to devote sufficient resources to the very important parts of central Civil Service management allocated to it.
3. We are also extremely concerned at the split of responsibilities between the Treasury and the Cabinet Office, with the obvious scope afforded for administrative confusion. The separation of pay from personnel management, and of manpower from efficiency, are examples of what we see as potential areas where division of responsibility runs counter to the "logical cohesion" which the Government rightly ascribed earlier this year to the housing of these inter-related functions in one department.

/4. Finally

4. Finally, I have been asked to express our serious doubts about the effectiveness of the reorganised central management, and our deep concern that the concepts recommended by the Fulton Committee will become submerged. Fulton recognised the need for positive central management of the Civil Service, with particular emphasis on the developmental aspects of personnel management. I am sure you agree with our view that this approach remains fully apposite in 1981, and that our joint interest in having an efficient and effective Civil Service requires a reaffirmation of the Fulton approach. To have any real effect, however, this will require the devotion of adequate resources, including full Ministerial involvement, to the central management of the Civil Service. Your assurance on this point would also be welcomed, please.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'W L Kendall', written in dark ink.

W L KENDALL
Secretary General