

NBPM

This accords with the direction in which the Prime Minister wanted to go and we can await Sir R. Armstrong's submission.

TEB
17.11.

Ref. A082/0083

MR BUTLER

You sent me a minute on 4 October, reminding me of the plan to downgrade the post of Head of the Government Accountancy Service and transfer it to the Treasury when Mr Sharp's appointment expires in October 1983. This minute is by way of being an interim report.

2. Mr Sharp was originally appointed in 1975 for five years and this was subsequently extended in 1980 for a further three years.

3. Mr Sharp came to see me in July to discuss both the future of the post and his own personal position. He said that, now that the accountancy functional specialisation had been successfully introduced, he would like to turn his attention to the Government accounts themselves with the object of making them compatible with the increased management requirements of Government. Mr Sharp saw this as being closely linked to work on the Financial Management Initiative and other efficiency work. He suggested that for this reason his post should be relocated in the Treasury or, perhaps, the Management and Personnel Office. During the course of the interview, I gained the clear impression that Mr Sharp hoped that his own appointment would be further extended.

4. I have been considering this with Sir Douglas Wass and Sir Peter Carey. Although Mr Sharp has undoubtedly made a useful contribution to the introduction of the accountancy specialisation, his appointment has not been as successful as had been hoped. The post was graded at Second Permanent Secretary in order to try to make it attractive to outsiders, but even so the salary proved insufficient to tempt accountants of the highest quality, and this has been reflected in Mr Sharp's failure to make a really significant impact. Moreover Sir Peter Carey has told me that Mr Sharp has not made the wider contribution within the Department of Industry that is expected from a Second Permanent Secretary.



5. For these reasons, I believe that it would be best if we did not seek to extend Mr Sharp's appointment yet again. This would also leave us with a much freer hand in considering the appropriate functions, location, grading and pay of the Head of the Government Accountancy Service in the longer term. Sir Douglas Wass and Sir Peter Carey share this view.

6. If we decide not to renew Mr Sharp's appointment, we should tell him so soon. I therefore expect to make a submission to the Prime Minister before Christmas to seek her agreement to this as part of a complete set of proposals for the future of the post, based on the provisional plan already agreed.

7. The new appointment will be crucial in helping the Government Accountancy Service to come to terms with its new management responsibilities, particularly such activities as monitoring the expenditure of nationalised industries. Whoever is appointed will need to be a professionally qualified accountant; it would also be highly desirable to have someone who could provide the commercial expertise which is lacking within the Service at present. The functions and management responsibilities do not require a very senior Head of Service, and it would be difficult to justify the present grading as Second Permanent Secretary for a new appointment. Nonetheless, in order to obtain someone of the right quality we shall need to be prepared to pay them appropriately, regardless of the grading of the post.

8. I am sending copies of this to Sir Douglas Wass and Sir Peter Carey.

A handwritten signature in dark ink, consisting of the letters 'R' and 'A' in a stylized, cursive font.

ROBERT ARMSTRONG

15 November 1982

SENIOR STAFF IN CONFIDENCE



10 DOWNING STREET

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Govt Mach

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

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Thank you for your minute of 15 November (A082/0083) about the post of Head of the Government Accountancy Service. I am grateful for this interim report and I note that you expect to make a submission to the Prime Minister before Christmas containing a complete set of proposals for the future of this post.

FELB

17 November 1982

SENIOR STAFF IN CONFIDENCE



10 DOWNING STREET

26 AH
cc Sir D. Wass

From the Principal Private Secretary

PERSONAL AND CONFIDENTIAL

SIR ROBERT ARMSTRONG

LOCATION OF THE HEAD OF THE GOVERNMENT
ACCOUNTANCY SERVICE

I am sure that this minute is unnecessary, but you will recall that the provisional plan agreed by the Prime Minister to downgrade the post of HOTGAS to Under Secretary and transfer it to the Treasury when Mr Sharp's contract ends in October 1983 was to be reviewed this autumn. No doubt you will be letting the Prime Minister have your advice when this review has been completed.

I am copying this minute to Sir Douglas Wass.

F.R.B.

4 October 1982

Govt.
Mach

* filed behind

CP's min.
to WR of 17/7/81.
Peter

Robin

I have minuted Sir R. Armstrong. But N.B. that Sir I. Bancroft's minute* of 17 July 1981, referred to in Clive's minute of 26 July does not appear to be on the file.

Re Clive's minute to Sir PERB
Lesek Rayner dated 26 July 81. 4.10

The Prime Minister agreed to review his decision on the location of the Head of the Government Accountancy Service this autumn.

Do you wish to pursue this or would you initially prefer me to contact Clive Priestley and see if there have been any developments on this front?

Peter 11/10