

FROM: PS/PUS
2 APRIL 1996

cc: Mr Roberts, CSO
Mr Blackwell
Mrs Madden
Mr Cassidy

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FINAL VERSION

NOTE FOR THE RECORD

CSO PRIOR OPTIONS STUDY

PUS held a meeting on 22 March in the VCR to discuss the main recommendations of the consultants arising from the Prior Options Study of the CSO. Mr Roberts, Mrs Madden and Mr Cassidy were also present.

2. PUS opened the meeting by setting out the objectives of the meeting: to ensure that there was an agreed understanding of the recommendations, to agree the way forward on the recommendations and to discuss how the recommendations should be presented to the Secretary of State. Mr Roberts agreed. Mr Roberts said that he understood that the consultants would be recommending that a wider review of the provision of legal services should be carried out first, and he hoped that this was the case. PUS said that if it was not possible to complete the wider review within a fairly short timescale, or if the Secretary of State was opposed to a wider review, it would be desirable to address the other recommendations of the consultants. Mr Roberts agreed, but noted that if the wider review could not be carried out first, this would cause a lot of disruption and uncertainty for the CSO.

3. It was agreed that, when the final report is available, the findings should be presented to the Secretary of State, for information, but not for decision. It would then be sensible for PUS, Sir David Fell and Mr Semple to meet to address the recommendation of a wider review, and following this, to provide advice on the wider review to the Secretary of State. PUS wondered where the lead should lie in taking forward the wider review. Mr Roberts said that it seemed sensible for the NIO and DFP to share the responsibility. It was agreed that, when the final report is available, PUS, Mr Roberts, Sir David Fell and Mr Semple should meet; PUS undertook to speak informally to Sir David in advance of this.

4. Mrs Madden said that, if the wider review could be carried out quickly, and there was no reason to believe it could not, there would be merit in awaiting its outcome and proceeding on this and the rest of the consultants' report together. Mr Cassidy said that it would be necessary to make the findings of the consultants' report to OPS and HMT. PUS wondered whether there

would be pressure from the centre to market test the CSO without waiting for the completion of the wider review. Mrs Madden said that it made sense to market test after the wider review and, while OPS may try to insist, they could be turned down. PUS said that he was content with this approach; he said that if the Secretary of State is opposed to the wider review, he would want to revisit with colleagues the consultants' report. Summing up, PUS said that he and Mr Roberts were, it was clear, of one mind on addressing the recommendations of the consultants.

5. On the market testing of the non-core business of the CSO, Mr Roberts said that he understood that the consultants will be recommending that this is led by a broker/consultant. Mr Roberts went on to say that he understood that the consultants will also recommend that there should be consultation between the broker and the clients prior to market testing and if sufficiently compelling arguments were advanced, that certain areas of work, although non-core, would not be market tested. Mr Roberts noted that his biggest customer, DOE (NI), will not wish to have their work done by the private sector. PUS agreed that the independent aspect of the market testing was a good recommendation; however, he said that the CSO's clients are bound by broader government policy on market testing. Therefore, he said that an input from the centre for the broker's activity as it proceeds will be necessary. It would be necessary to give a direction for the broker to have regard to broad government policy. The guidance of a project group may be desirable. Mrs Madden said that, if clients do not wish work to be done in the private sector, they can make this argument at the end of the market testing process. Mr Roberts said that it was very difficult to write quality into the specification, but Mrs Madden said that it should be possible to give reasons outside the specification after the process had been completed. Mr Cassidy agreed and said that we will come under pressure from the OPS and HMT to market test. PUS said that this was a matter for accounting officers and Ministers also because of Government policy and he said that it would be a good idea for the broker to do a client survey in advance of the market testing and determine the scope of the market testing before proceeding. This was agreed.

Conclusion

6. It was agreed that:

- the NIO and the CSO had an agreed understanding of the recommendations;
- that the Secretary of State will be informed of the recommendations when the final report is published;
- that PUS, Mr Roberts, Sir David Fell and Mr Semple will meet after the report is published to address the recommendation of a wider review, and then give advice on this to the Secretary of State;

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- that the Secretary of State's attitude to a wider review and the timescale within which this review could be carried out, will determine whether the rest of the report is parked for a short period of time;
- that the market testing of the non-core business should proceed within the framework of Government policy on market testing;
- that the NIO and DFP should both be involved in the wider review; and
- that PUS should see the final report as soon as it is available.

Signed

ANITA BHARUCHA
PRIVATE SECRETARY
22 MARCH 1996

1. It was agreed that, when the final report is available, the findings should be presented to the Secretary of State, for information, but not for decision. It would then be sensible for PUS, Sir David Fall and Mr Sample to meet to address the recommendation of a wider review, and following this, to provide advice on the wider review to the Secretary of State. PUS wondered where the lead should lie in taking forward the wider review. Mr Roberts said that it seemed sensible for the NIO and DFP to share the responsibility. It was agreed that, when the final report is available, PUS, Mr Roberts, Sir David Fall and Mr Sample should meet; PUS undertook to speak informally to Sir David in advance of this.

4. Mrs Madden said that, if the wider review could be carried out quickly, and there was no reason to believe it could not, there would be merit in awaiting its outcome and proceeding on this and the rest of the consultants' report together. Mr Cassidy said that it would be necessary to make the findings of the consultants' report to OFS and WFT. PUS wondered whether there