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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has now studied your submission of 10 June (A083/1616) and has agreed the circulation of the revised version of Questions of Procedure for Ministers, subject to the amendments which you recommended. In the revised version of paragraph 64, I agreed with your office that the words " or the knowledge that one will be offered" should be inserted after "the acceptance of a gift" in the second sentence. The Prime Minister has suggested that the sentence "In any case of doubt they should seek the Prime Minister's views" should be deleted. The Prime Minister does not wish to make any changes in the arrangements for Special Advisers and the reference in Questions of Procedure and the memorandum itself can stand.

E. E. R. BUTLER

17 June, 1983

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Prime Minister

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Ref. A083/1616

PRIME MINISTER

Yes
ms

Agree the circulation of
the new questions of procedure
subject to points X, Y and Z

FRB

Questions of Procedure for Ministers

Mr Butler's minute of 22 March recorded your agreement to the circulation of a revised version of Questions of Procedure for Ministers. This was about to be issued, but I decided to delay it when the General Election was called. Although it can now be issued rapidly, you had agreed that we should reconsider after the Election the limit placed on the value of gifts that can be retained, and there are two other minor amendments which I recommend incorporating at the same time.

X { 2. The limit on gifts would need to be increased to just over £60 to take account of inflation since it was last raised in September 1980. But I believe that it would be more sensible to raise it to a higher level, say £75, with the object of not having to raise it again during the new Parliament.

3. I should also like to take advantage of the delay in issuing a new edition to propose a slightly wider revision of the section on gifts, in particular to include advice on the offering as well as acceptance of gifts, and a revision of the guidance concerning Names at Lloyds.

Y — 4. Questions of Procedure has hitherto been silent on the subject of offering (as opposed to accepting) gifts. Although the implication of both the guidance on accepting gifts and the advice given to civil servants on this point suggests that Ministers should not initiate or encourage an exchange of gifts, one or two recent inquiries suggest that Ministers might find it useful to have explicit guidance on this point. I attach a draft of a possible revised paragraph 64 for this purpose. *Slightly amended.*

Z ✓ 5. As you know, following an approval^{ach} from Sir Peter Green I have also been considering proposals for tightening up the rules governing membership of Lloyds as outlined in my minute of 10 March (A083/0787). After further consultation with Sir Peter Green and Sir Lawrence Airey I attach proposed revised paragraphs to replace those currently included in Questions of Procedure.

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6. Finally, Questions of Procedure includes a small section on Special Advisers which refers to a separate memorandum giving detailed arrangements. I assume that you do not wish to make any changes in the arrangements for Special Advisers and that the reference in Questions of Procedure and the memorandum itself can stand.

Attached at
flag A

7. I should be grateful for your agreement to circulate a new edition of Questions of Procedure as previously agreed, subject to the additional amendments proposed in this minute.

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ROBERT ARMSTRONG

10 June 1983

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64. There may be difficulty in refusing a gift from another Government (or Governmental organisation) without the risk of apparent discourtesy. On the other hand the acceptance of a gift, ^{or the knowledge that one will be offered,} may in some countries and in some circumstances entail the offer of a gift in exchange. As a general rule Ministers should not offer gifts or initiate an exchange. In deciding whether to accept gifts from or offer gifts to members of other Governments (or Governmental organisations) Ministers should wherever possible consult their Permanent Secretaries who will be able to advise them of the rules applicable in such circumstances. ~~In any case of doubt they should seek the Prime Minister's views.~~ If a gift is accepted (whether or not a gift is offered in exchange) the following rules apply:

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DRAFT REVISED PARAGRAPHS

Membership of Lloyd's

74. A Minister holding office as Prime Minister, Chancellor of the Exchequer, or Secretary of State for Trade, or as a Minister in the Treasury dealing with taxation, or as a Minister in the Department of Trade dealing with insurance matters, should not be a member of Lloyd's or, if already a member of Lloyd's on appointment, should suspend his underwriting so long as he holds that office.

75. As regards Ministers in other offices who are members of Lloyd's on appointment to office, it is clearly inappropriate that they should take an active part in the management of the affairs of syndicates of which they are members and they should on appointment as Ministers withdraw from such active participation. There may also be cases in which, if a Minister is a member (as a "name" only and not as an active participant in management) of a syndicate which underwrites business in an area in which his Department has responsibility, he may be required to suspend underwriting risks in that area (or, if necessary, in the whole business of the syndicates) so long as he holds that office. Thus the Secretary of State for Health and Social Services would be required, if a member of Lloyd's, to suspend underwriting pensions and life insurance; the Secretary of State for Employment would be required, if a member

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of Lloyd's, to suspend underwriting employers' liability insurance; the Secretary of State for Transport would be required, if a member of Lloyd's, to suspend underwriting United Kingdom motor insurance while he held that office; and the Minister of Agriculture, Fisheries and Food would be required, if a member of Lloyd's, to suspend underwriting livestock insurance; so long as they held those offices.

76. Every Minister is required, on appointment to a first or subsequent Ministerial office, to obtain the Prime Minister's permission before continuing a connection with Lloyd's, however nominal. Any Minister wishing to establish any such connection during his term of appointment should likewise obtain the Prime Minister's permission to do so. Before granting permission, the Prime Minister will need to be satisfied that the conditions indicated above will be met.

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77. The Secretary of the Cabinet is required to keep a list of Ministers who are members of Lloyd's. He will ask every Minister on appointment to a first or subsequent office whether he is a member of Lloyd's, and if so whether he proposes to continue or suspend underwriting while he holds Ministerial office.

[Lloyd's will also supply the Secretary of the Cabinet with a copy of the Annual List of Members.]

- (iii) Deputy Chairmen where they are being appointed with a view to the succession
- (iv) Deputy Chairmen and Members of Boards, Commissions or Committees of Enquiry in cases where the appointment is likely to have political significance. Ministers should take a wide view of what constitutes political significance. Local or regional appointments may from time to time excite an unusual amount of public interest because of the circumstances surrounding the appointment or the background of the candidate. In all cases involving political considerations submissions to the Prime Minister by an appointing Minister should be copied to the Chief Whip. The Chief Whip should invariably be consulted before a Member of the House of Commons is approached about an appointment to an office which would result in the vacation of a Parliamentary seat. As in (ii) above, the Prime Minister will wish to be informed about any intention to advertise a post of Deputy Chairman.

Where there is doubt about the need for consultation with the Prime Minister the Civil Service Department should be consulted.

to the Prime Minister, which should be copied both to the Head of the Civil Service and to the Secretary of the Cabinet, should indicate that this has been done. In such cases no commitment should be made to any individual before the Head of the Civil Service and the Prime Minister have been consulted. In the case of Royal Commissions, the Private Secretary to the Prime Minister should be consulted before any informal soundings are undertaken. In other cases, any informal soundings should be made in such a way as to preserve freedom of action and avoid any appearance of commitment. And there should be no reference, either directly or indirectly by implication, to the fact that names have to be submitted to the Prime Minister.

91. Subject to the above paragraphs and to the constitution of the body to which the appointment is made, public (non-Civil Service) appointments are the responsibility of the Minister concerned, who is free to appoint the persons he or she considers best qualified after making such enquiries as he or she thinks appropriate. The Minister should keep under review the relevance and appropriateness of the criteria for selecting people, bearing in mind that it may be necessary to defend them in Parliament or the Courts because, for example, of the Sex Discrimination Act.

92. More detailed guidance for Departments is contained in The Guide to Appointments Procedures, produced by the Civil Service Department.

Personal Appointments

93. Ministers who wish to make personal appointments within their own Departments should consult their Permanent Secretary at the outset. Permanent Secretaries will consult the Head of the Civil Service who will decide on each occasion whether or not it would be appropriate to consult the Prime Minister.

Special Advisers

94. The employment of Special Advisers on the one hand adds a political dimension to the advice available to Ministers, and on the other provides Ministers with the direct advice of distinguished experts specialising in a particular field of public administration. Special Advisers are appointed directly by the Ministers they serve. No appointments of this kind should be made until the Prime

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Minister's approval has been secured in each case, and no commitments to make such appointments should be entered into in the absence of such approval. Guidance on the arrangements for the appointment and employment of Special Advisers is issued separately.

XII. Parliamentary Statements and Papers and Other Government Announcements

95. Some Government announcements are of a routine character and of minor importance. These present no problem of public presentation. In some cases, however, the timing of an announcement requires careful consideration in order to avoid clashes with other Government publications, statements or announcements. The Leader of the House of Commons, the Paymaster General, and the Chief Press Secretary at No. 10 should be given as long an opportunity as possible, and wherever possible at least two working days, to comment on the content and timing of all important Government announcements, whether in the form of a statement in Parliament, White Paper or Press conference. Whenever possible they should also be shown the draft announcement in advance.

96. When Parliament is in session, important announcements of Government policy should be made, in the first instance, in Parliament. If too many announcements are made at the end of Questions, Parliamentary business is hindered. Ministers proposing to make a statement after Questions (whether or not it is related to a Question on the Order Paper) or to answer a Question by leave at the end of Questions or to make an important announcement by means of a Written Answer are therefore asked to conform with the following procedure:

- (a) As long notice as possible of the intention to make an announcement should be given to (i) the Prime Minister's Private Secretary; (ii) the Private Secretary to the Leader of the House of Commons; (iii) the Private Secretary to the Paymaster General; (iv) the Chief Press Secretary at No. 10. This notice should, in all but exceptional cases, be accompanied by a draft of the proposed statement; and an indication should be given whether the announcement or policy with which it is concerned has been approved by Ministers (together with references to any relevant discussion in Cabinet or Cabinet Committees). The draft statement should have been approved in broad terms, though not necessarily in detail, by the Minister in charge of the Department.
- (b) Ministers should not give undertakings, either in or outside the House of Commons, that an oral statement will be made to the House on any subject at a specific time or within a particular period until agreement has been given by the Private Secretaries to the Prime Minister and the Leader of the House of Commons to the proposed timing and by the Ministers concerned to the terms of the statement.
- (c) Ministers should, if possible, avoid any announcement of the kind discussed in (a) above on Thursdays, when a considerable amount of Parliamentary time after Questions is already pre-empted by discussion of the following week's business, or, except in special circumstances, on Fridays.