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1987-88 CIVIL SERVICE
STATISTICS

25-1-88

cc: Chief Secretary
 Financial Secretary
 Paymaster General
 Sir P Middleton
 Mr Anson
 Miss Mueller
 Mr Kemp
 Mr Luce
 Mr R I G Allen
 Mr Kelly



Treasury Chambers, Parliament Street, SW1P 3AG

01-270 3000

Mr Gilhooly
 K Chivers
 Mr Truman
 Mr G Jordan
 Mrs Smith

PRIME MINISTER

You will wish to know that I have just approved an agreement with the Civil Service Union covering some 17,000 staff in the so-called office support grades. These grades, which comprise porters, messengers, paper keepers, cleaners and the like, have been substantially reduced in numbers by contracting out, and the new agreement is both a response to the competition from contracting out and an acceptance that continuing competition from the private sector is something that the Union will have to live with.

The agreement involves restructuring these grades into 5 bands and removing all demarcation lines between them. It will make for a much more efficient service and over time will enable Departments to make useful savings. It is not a "Flexible Pay" agreement like the IPCS and IRSF agreements (it does not include arrangements for long term pay determination), but it will provide valuable operational flexibility and it commits the Union to cooperating in all aspects of change in the management of the Civil Service - including the use of outside contractors.

The pay increases which will be associated with it are as follows:

- around 3 per cent from 1 January 1988;
- around 6½ per cent from 1 April 1988 (which will subsume the 1988 pay settlement for the grades concerned);



- a little less than 2 per cent from 1 January 1989; and
- a further 1½ per cent on average from 1 January 1990.

These are substantial increases, but the management benefits will also be substantial and Departments are prepared to absorb the costs within their running cost limits. The deal honours a commitment which we gave to the CSU at the time of the April 1987 pay offer, on the basis of which they accepted 4½ per cent (the first union to do so) and stayed out of the 1987 industrial action. It will also have the effect of taking these staff out of the 1988 pay bargaining so that they will become a moderating influence on the new union - the NUCPS - into which they are about to merge with the Society of Civil and Public Servants.

All in all I believe this is a good deal and represents a useful carrying forward of our policies for improving the efficiency of the Civil Service. It will not prejudice the possibility of moving to a long term pay agreement for the NUCPS as a whole as and when they are ready for it.

I propose to announce the agreement on Friday 11 December.

A handwritten signature in black ink, appearing to be 'N. Lawson'.

NIGEL LAWSON
9 December 1987

BIF 17/7

5436

BIF 15/7

GILHOOLY

[Handwritten signature]

~~see above~~

[Handwritten signature]

NOW
DEALING WITH
THE LETTERS
ONE WITH GILHOOLY
ARRIVAL IMMINENT
ONE WITH PAY 3
TL 15/7
Mr Graham



MISC 66

Thank you for your minute of
9 July.

Mr Gilhooly has suggested,
and I agree, that it would be
sensible for the Chancellor's
reply to Sir G Howe to also
cover Sir G Howe's minute of
9 July. I should be grateful
if you would provide a redraft.

Cathy Ryding

13/7



FCS/87/150

CHANCELLOR OF THE EXCHEQUER

(x) 87

CH/EXCHEQUE	
REC.	10 JUL 1987
ACTION	PMG
COPIES TO	

Diplomatic Service: Conditions of Service Overseas

X/ 1. When we met on 17 June, I told you of my concern about the deteriorating conditions in which the Diplomatic Service has to serve overseas and my wish to ensure that the allowances we pay reflect these conditions. I had referred to my concerns in this area in my earlier minute of 15 April.

2. As the Chaplin case has recently shown, postings overseas can involve physical danger; circumstances are similar in Beirut and Kampala. Staff are under direct threat from the effects of war in Baghdad and Kabul. There is the additional problem of drug-related terrorism in posts such as Bogota. And the health threats in many parts of the third world remain serious.

3. With the Treasury's agreement, we introduced last year a new Special Difficult Post Allowance to meet some of these problems, in particular where there is a real danger to life. But we need to go further than this. We must make our Difficult Post Allowance system more flexible, so as to increase the money which we pay our staff in those posts which are not only dangerous but also where the social infrastructure and living environment are collapsing. I have in mind third world capitals such as Accra, Georgetown, Luanda and Maputo. All these are in our top category of Difficult Post Allowance, but our most junior staff there only receive an extra £608 per year to compensate them for the many difficulties they face. That is insufficient. My officials will, therefore, be putting to yours this month

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a set of detailed proposals designed to improve the scheme and to compensate for the devaluation of Difficult Post Allowance (paid as a percentage of salary) as a result of general restraint on Civil Service salaries. This will involve some additional expense, but we can rearrange our priorities to meet it within our running costs ceiling as adjusted by the results of the PES Round. I hope, therefore, that your Department will be able to give speedy approval to what we propose.

4. A different problem affects some of our more distant posts even where conditions are good (eg Tokyo). Tour lengths are often long (two to two-and-a-half years) and air fares are such that people find it hard to pay for a return to the UK out of their own pockets. Effectively it is impossible for the junior staff. This is bad for morale, particularly when most companies provide at least annual trips home for their employees. It means that our staff lose touch with the UK, and it is particularly hard on staff who may have personal or family matters in the UK which need their attention. Our officials made proposals to yours last year to introduce a scheme for more frequent travel for some of these posts, funded entirely by continued improvements in the efficiency of our travel arrangements. But your officials feared a repercussive effect for the Home Civil Service. I hope you will think again. The logic of FMI is that good management of resources by Government Departments should allow them to redeploy savings where the Department thinks that necessary for its efficient operation.

5. The effect on Home Civil Servants serving overseas should not come into the equation on either of the proposals mentioned in this minute. The Diplomatic Service and its staff are recruited and posted on an entirely different basis

/from



from the Home Civil Service. Home Civil Servants work overseas on the basis of choice, and in a far more restricted set of postings than the Diplomatic Service (how many in Beirut or Luanda?). Diplomatic Service staff have an obligation to go wherever and whenever they are posted, irrespective of their personal circumstances or the unattractiveness of the post: they should be rewarded accordingly.

A handwritten signature in black ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

9 July 1987



DEPARTMENT OF HEALTH AND SOCIAL SECURITY
 Alexander Fleming House, Elephant & Castle, London SE1 6BY
 Telephone 01-407 5522

From the Secretary of State for Social Services

V12/8	
<u>REC</u>	17 AUG 1987
ACTION	PMG
COPIES TO	

Alex Allan
 Private Secretary to
 The Rt Hon Nigel Lawson MP
 Chancellor of the Exchequer
 HM Treasury
 Parliament Street
 LONDON SW1P 3AG

11 August

Dear Alex

UNION FACILITY TIME

The Chancellor will wish to know of the steps being taken by this Department to reduce the cost of facility time.

In March 1985 Treasury wrote to all departments advising them of Ministers' concern to contain the cost of facility time for trade union representatives, and to cut facility time costs, which were then equivalent to 0.225 percent of the Civil Service pay bill, to an overall maximum of 0.2 percent.

As one of the highest users of facility time the DHSS had to play its part in this exercise. Rather than make an arbitrary across the board cut in facility time we approached our Departmental Trade Union Side (DTUS) to discuss possible areas where cuts could reasonably be made. After lengthy consultations we have reached deadlock and have therefore decided to impose a 25 percent reduction in facility time from 1 November 1987. Our assessment is that these reductions should still enable the Department's Whitley machinery to function effectively.

We told the DTUS of our decision on 5 August. Their immediate reaction will be predictable outrage but we doubt whether they will take industrial action.

*Yours ever
 Bruce*

BRUCE CALDERWOOD
 Private Secretary

67 to
column 5/1

mpw

WORKING PATTERNS

Thanks.
How is this how
to follow up
& transfer at section?

A STUDY DOCUMENT BY THE CABINET OFFICE

(MANAGEMENT AND PERSONNEL OFFICE)

Commissioned
note from Kit
Drivers who will
link with work
on PQ mpw

SEPTEMBER 1987

1: FOREWORD

The aim of the study.

1.1 This report summarises the findings of a recent management study by the Management and Personnel Office. The study examined evidence for the view that working patterns are becoming increasingly flexible; and sought to assess the implications for future working patterns in the Civil Service.

Terms of reference

1.2 The terms of reference were:

- to examine alternative patterns of work being evolved by business and industry, and consider what benefits these might have for the Civil Service and for the customers of the various services which are provided;
- to discover, in consultation with departments, what initiatives for changes in working patterns are being undertaken or are in prospect;
- to ascertain whether there is scope for introducing improvements more widely;
- and to report on the results.

Coverage.

1.3 Although many of the issues discussed in this report are relevant to the whole Civil Service, the examination of working patterns in departments was almost entirely confined to functions carried out by non-industrial Civil Servants. The conclusions, and the arguments on which they are based therefore refer only to the non-industrial Civil Service.

Definition of terms.

1.4 A glossary of the terms used to describe the alternative working patterns mentioned in this report is at Annex I.

2: SUMMARY

Working patterns outside the Civil Service

2.1 Examination of working patterns outside the Civil Service shows that many people do not work from 9am to 5pm, 5 days a week with the prospect of a lifetime's employment and career advancement. Non-standard and alternative working patterns are increasing and becoming more widespread. The most significant trends are the wider and more imaginative use of part-time work, varieties of temporary work, shiftworking and sub-contracting, and the reduction of systematised overtime.

2.2 The primary reason for this development is the economic pressure to reduce running costs by matching staff costs with work as closely as possible. The secondary reason is the availability of labour prepared, and sometimes demanding to work non-standard patterns. Managers at local level have generally had the freedom and incentive to respond by developing individual schemes which, taken cumulatively, amount to a significant change in employment practices.

Working patterns inside the Civil Service

2.3 Civil Service efficiency has improved greatly in recent years. Moreover there are significant differences between the commercial and public service environments. Nevertheless, some of the pressures which have applied to outside firms have had parallels in the Service. Both have been subject to financial stringency and the need to compete in the labour market. But this has not led to such extensive changes in working patterns as have taken place outside. Although a few of the regulations relating to working hours arrangements present some obstacles to development, a greater constraint appears to be that Civil Service do not appear to have the same freedom for - administrative or financial reasons - to vary existing terms and conditions of service.

2.4 Some of the advantages of alternative working patterns are:

part-time work can be a useful operational tool as well as an attractive recruitment inducement;

more fully-rostered shiftworking systems can offer greater flexibility with less recourse to overtime;

short-term and seasonal fluctuations in workload can be more easily met;

the volume and incidence of overtime can be more easily controlled;

more flexible arrangements can help to attract or retain

staff in competition with other employers in the labour market.

2.5 Not all alternative working patterns would result in direct, measurable cash savings. Nevertheless, the study concludes that continued pressure on running costs as well as the need to compete in the labour market favours a move towards greater flexibility.

Recommendations

2.6 The study recommends (paragraph 7.1) that two new employment patterns should be introduced, that several existing employment patterns should be used more widely, and that some of the regulations governing working arrangements should be reformed. The objective should be to retain the standard working pattern where it is appropriate, but to allow the development of as many alternatives as are required to fit the work, consistent with the maintenance of essential controls. Each alternative should consist of a package of terms and conditions to suit both employer and employee.

2.7 These recommendations are offered as a starting point for consideration of the issues, not as a prescription for change and its implementation. They are intended to trigger a wide-ranging debate at all levels among managers, their staff and Trade Union representatives about the opportunities that greater flexibility can provide. The installation of any new arrangements would be subject to the normal processes of introducing change in departments.

3: WORKING PATTERNS OUTSIDE THE CIVIL SERVICE.

The main working patterns

3.1 Outside the Civil Service, working patterns have never conformed solely to what may be described as the standard working pattern, that is a 9am to 5pm day for 5 days week with the expectation of a lifetime's employment and the prospect of career advancement. The evidence is that the number of people working alternative patterns and the number of alternative patterns are growing. The 1985 Department of Employment Labour Force Survey shows that, of a total UK working population of over 23.5 million, close on 4.5 million are now working part-time (an increase of nearly 12.5% in six years); and 1.3 million people are temporarily employed. The number of self-employed has increased by 54% over the same period to 2.7 million. Nearly 3 million people are doing shiftwork; more than 9 million do some work at weekends, including almost 5.5 million who work at least some Sundays.

3.2 The study team consulted a number of firms and outside organisations to discover what lay behind these statistics. It found that alternative patterns and their wider use have been introduced reactively rather than strategically, and tailored to meet local circumstances rather than as part of centrally-devised management philosophies. Nevertheless, certain trends are common which, cumulatively, amount to a significant change in employment practices. The following paragraphs summarise the study team's main findings (insofar as they were observed in the firms consulted during the study and were supported by other sources of information).

3.3 **Overtime** continues to be used to modify the standard working week to meet sudden or short-term peaks of work but most firms are seeking to reduce their reliance on it as a permanent feature of work organisation. Where it is used, the aim is to control it effectively and operate it flexibly. Alternative working patterns have frequently evolved in the search for a more cost-effective alternative to overtime. Where overtime is unavoidable, some firms have sought to increase management control by negotiating a contractual commitment to a specific number of overtime hours.

3.4 **Shiftwork** continues as an adjunct to the standard working week. But the need to maximise capital investment, to accommodate reductions in basic working hours and to reduce overtime levels have led to greater and more imaginative use of arrangements than hitherto. The main trend is towards fully-rostered systems, such as **annual hours systems**, in which all working hours (including activities such as training), as well as holidays are programmed. In some cases the savings resulting

from the elimination both of overtime and the use of 'spares' (reserve staff to cover for absences) have been dramatic.

3.5 **Flexible working hours (FWH)** have been introduced only where, in return for the benefits to staff, there are likely to be operational advantages. Despite this caution, more imaginative schemes, such as **flexible working years** have been introduced where benefits for management have been foreseen.

3.6 The increase in and more imaginative use of **part-time working** is one of the foremost trends in working hours patterns in outside firms and is predicted to continue growing. A recent forecast by the IMS/Occupational Study Group suggests an increase to 25% of employees by 1990 (1). Part-timers are used to cover peaks of work during the day, the week and the month; to help extend operating times beyond the normal working day when overtime premia would otherwise apply and to increase productivity.

3.7 Of less significance in extent, but potentially important, is the spread of **homeworking** from traditional manufacturing operations to clerical and professional work. Although high-technology developments have not yet transformed the organisation of work in the way some futurologists have predicted, the reducing costs and increasing flexibility of computer-linked systems, together with savings in accommodation overheads and the availability of labour among those who prefer to work at home have led to more 'remote working' operations.

3.8 Not all changes have affected working hours. Some have concerned the duration and nature of the employment contract. In particular there has been a substantial increase in the employment of **temporary staff**. Certain sectors of industry have traditionally employed temporary staff, but temporary work is increasing and extending to new areas like the financial services sector. Although many of these firms use temporary staff for work which requires only a basic level of skill, successful temporary employment agencies supply a wide range of staff with skills such as drivers, draughtsmen, welders and engineers, as well as office staff; this indicates that temporary employment is a cost-effective alternative for many employers. A number of firms employ temporary staff under arrangements, often informal, sometimes known as "**nil hours contracts**" which enable them to be called upon by mutual agreement at the time the vacancy arises; or other arrangements under which staff return for specific

(1) UK Occupation and Employment Trends to 1990, p159 IMS/OSG, 1986.

periods, such as Christmas or summer holidays. Temporary staff may not know when they take up work how long the job will last; and severance may be both abrupt and financially unrewarding.

3.9 Temporary employment, in the alternative sense of employment for a defined number of years, is also increasing, especially among professional staff and those with shortage skills. An increasing number of such people are expressing a preference for offering their services on a **self-employed consultancy** basis or as **limited period appointees**.

3.10 Another variation to the employer/employee contract has been the development of **sub-contracting**. Firms have increasingly concentrated their own resources and skills on their main areas of expertise and have sought to minimise the number of staff on their payroll employed on peripheral or support tasks, preferring to see another employer incurring the associated costs.

3.11 Other working patterns, such as **job-sharing**, do not appear to be significant.

The influences on working patterns

3.12 From the mid 1970's onwards, the **economic recession** and the fall in demand for many goods and services led firms to seek ways of reducing costs, particularly unit costs. Staff costs, often the largest element of production overheads, were scrutinised in the search for savings, and new ways were sought to organise work with fewer staff or with the same staff over extended operating periods.

3.13 The **demand for services** outside 'normal' hours has increased for two reasons. First, under the economic pressure to reduce overheads, firms have sought to maximise the use of capital assets by extending operating hours or getting most return from peaks of activity. Second, as the proportion of families all of whose adult members work and of single-person households has risen, so demand has grown for services in the evenings and at weekends when people who work can have access to them. At the same time, the continuing decline in working hours (see paragraph 3.16 below), and the rise in the real incomes of many of those in work has increased the demand for leisure services, again mainly in the evenings and at weekends.

3.14 **Technological change** has not only altered working methods, (even in the most basic and traditional fields) but has demanded greater organisational flexibility in order to accommodate change quickly. For example, in large central computer installations the development of networks of linked 'on line' terminals in dispersed offices has displaced to the evenings and weekends work previously done during the day. New technology has also facilitated change, for example by making easier the employment

of part-time or temporary staff by reducing the skills necessary for a task and thus the training investment required. In other cases, it has made it easier for people to work from or at home.

3.15 **Legal constraints** have not hindered the development of working patterns. And, generally speaking, centrally laid down company rules about personnel matters have not prevented line managers from arranging working patterns as they see fit. Indeed, a shift to decentralised decision-making has enhanced the ability of local managers to devise working patterns in response to local work needs.

3.16 **Full-time working hours have continued to fall.** At the beginning of the century, average manual working hours were around 50 a week. Today, many industries operate a basic working week of between 35 and 39 hours, and pressure from employees and their representatives for further reductions is likely to continue. Where the weekly division of basic working hours results in working days (or shifts) that are too short to be efficient, firms have looked for new ways of organising work which do not rest on the traditional 5 day week.

3.17 As well as causing changes on the demand side of labour, the recession has influenced the supply side by causing **high levels of unemployment** which have strengthened the position of employers both in the external labour market and in dealings with their existing workforces. They are able more easily to obtain workers prepared to accept irregular working patterns; and it has become easier to persuade existing workforces to accept changes in working practices on the argument that continued commercial viability (and thus less threat of redundancy) depends on the reduction of costs.

3.18 Anxiety to avoid unemployment has sometimes encouraged employees to adopt working patterns which they might not otherwise have chosen. A ready source of labour, particularly in the lower skill range, has enabled firms to change working patterns more easily and more rapidly.

3.19 A small part of the increase in **part-time** work may be due to high levels of unemployment, in that those who are anxious to have a job at all costs may be prepared to take part-time work in preference to no job at all, or in the hope of graduating to a full-time position. The increase in the numbers of those with more than one job suggest that some people may be taking on two part-time jobs in the absence of full-time employment or, perhaps, as a hedge against redundancy. But increased demand and ready supply is the main reason for the growth in part-time work. The majority of part-timers are women. For those of them with family responsibilities, part-time work offers a number of advantages: a valuable addition to the main family income; working hours which can be fitted round domestic commitments,

such as school hours; the opportunity to stay in the labour market and maintain their skills; and the chance to develop social contacts outside the home. For many, therefore, part-time work is a preferred option.

3.20 **Temporary work** in particular has increasingly been taken up in the absence of a permanent job. For some young people it may be their only work experience. But temporary work may be undertaken for a variety of other reasons. In some cases staff (like office 'temps') may work for a firm for only a short period while enjoying permanent employment status with an agency. Others, such as students, and parents of school age children may specifically seek short-term periods of employment - during vacations in the first instance and during school term-time in the second. Employers are able to tap the availability of additional labour without entering into a long-term commitment.

3.21 Those who possess **shortage skills** are in a different position, in that they are able to demand more favourable employment terms. Some are only prepared to commit their services to a single employer for a limited period because they expect to increase their market value by moving from one employer to another, gaining experience at each step. Firms who wish to obtain the services of such staff in competition with their rivals in the labour market have little option but to meet their demands. On the whole, however, employers tend to isolate conditions for these staff from those of the bulk of their employees. Some make a virtue of necessity and try to reduce expenditure by hiring specialist staff on limited period appointments which do not attract the full range of developmental costs appropriate to permanent employees.

3.22 Some commentators on labour market developments predict that full-time, life-time employment will probably be the working-life norm for fewer people in the future, and depict a working life for most people consisting of periods of full-time work interspersed with periods of part-time, self-employed or temporary work; training or re-training; and periods of no formal employment at all. The study team noted these views (while observing that some of the current trends in labour supply are due to factors which may not continue to apply indefinitely, or to the same degree). But high levels of unemployment, with no indication of an early, major downturn have also begun to alter attitudes to what constitutes a working life. A number of years without full-time permanent employment is a prospect faced by many. In these circumstances, temporary work becomes an acceptable alternative. For some it may even be a preferable alternative, giving freedom to combine work with other interests or needs, such as further education or child-care.

3.23 Taking the picture as a whole, firms have been able to respond flexibly to the labour supply situation by varying terms

and conditions of service for the staff they wish to employ. These can range across the whole spectrum from full-time lifetime career employment to part-time work for a few hours a week for a limited or indeterminate period. Although many firms, certainly the large, long-established ones, take a particular view of their image as an employer and may operate standard procedures for the employment of the bulk of their staff, this does not deter them from offering alternatives as the changing demands of the work or the labour market require it.

4: WORKING PATTERNS IN THE CIVIL SERVICE

The influences on working patterns

4.1 Although there are well-known differences between the Civil Service and commercial working environments, many of the factors which have led to changes in working patterns outside have parallels, if only by proxy, inside the Service.

4.2 Pressure to reduce costs has affected both the Civil Service and outside employers. Managers in industry have had to reduce inputs, including the cost of staffing, without loss of profitability (and often with increased profitability). Departments too, have had to reduce inputs, in the form both of expenditure generally, and specifically of reductions in staffing. But this pressure has not triggered changes in working patterns to the same extent as outside.

4.3 The demand for services outside "normal" working hours has not affected the Civil Service in the same way as outside employers: in almost all cases departments lack competitors for their services, and so are able to require that people make use of them within specified times without losing customers to another supplier. This does not rule out proxy pressures to offer a service at the times or at the level at which those using it desire. There are several functions where work has always been and must continue to be done outside "normal" hours, for example control at the country's ports of entry.

4.4 Technological change has, as outside, created new demands for work beyond normal hours, particularly in computer installations. But once the need for a new piece of equipment is accepted, the pressures to achieve cost-effective methods of staffing it are not so much competitive as administrative.

4.5 Although the Civil Service has matched the trend outside towards shorter hours, this has not had the same catalytic effect on working patterns.

4.6 High levels of unemployment have assisted recruitment in some areas, but they have not been used to develop alternative working patterns (for example, by increasing part-time and temporary work) to the same extent as they have outside. The Civil Service has not moved as quickly as outside employers have to take advantage of the labour supply situation by offering terms and conditions of service which would be attractive to potential employees.

4.7 The increase in the number of married women seeking employment, particularly of a part-time or intermittent nature, has affected the Civil Service in a more limited and different

way from outside employers. Since the pressures on managers to employ part-time and irregular staff are not so strong, the fact that there is labour available for such work has not been so influential. However, the Civil Service has responded to the wish of some of its own staff to work part-time, as a means of retaining experienced staff who might otherwise leave.

4.8 **Shortages of certain skills** have affected the Civil Service, like outside employers. But local and line managers cannot respond to this with the same facility, because the power to offer employment and alter career patterns is centralised in and managed by Establishment Divisions and the central departments. Recruitment problems have not been confined to specialist staff: there have been difficulties in obtaining administration group grades in certain geographical areas.

4.9 In contrast to business and industry, **regulatory constraints** appear to exert a powerful influence over the organisation of working patterns, and over management attitudes to them. Some regulations, such as those covering shift disturbance allowance, travel and subsistence, superannuation, and maternity leave can constrain the efficient management of working time. Moreover, although the Civil Service Code paragraphs dealing with basic hours of attendance offer managers considerable freedom to organise working patterns, the regulations are couched in terms which do not encourage them to adopt alternatives to the standard working week. On the other hand, the Code does offer control over certain working arrangements which managers do not always exercise. In particular, the rules on annual leave, overtime and substitution may not always operate to ensure that the needs of the work take precedence.

4.10 Thus, although the development of improved working hours patterns may sometimes be constrained by the regulations, the regulations do not pose insuperable obstacles to change. The conclusion is that the influences that might have moved the Service in the direction of developing and using new working patterns have been less powerful than outside and that formal obstacles, while not formidable, do exist.

The main working patterns

4.11 It is consistent with this finding that the study shows that the changes in working patterns inside the Service have been much more modest than those outside. In the following paragraphs we compare what is happening inside the service with working patterns outside.

4.12 **Full-time day-time working** for five days a week (Monday to Friday) remains the main way in which work is organised throughout the Civil Service, as it often does outside. But unlike firms outside, the agreed arrangement in the Civil Service

is that this should be regarded as standard: the Civil Service Code states that 5 day week day work is, "wherever practicable, the standard arrangement". All departures from it are thus by definition (although not in practice) exceptional.

4.13 **Overtime** is the main way in which fluctuations of work outside the 5-day week are covered and it is also a significant feature of some continuous working arrangements. Managers find overtime useful in that additional work can be carried out by those who normally do it, so there is no deterioration in quality. But it is expensive: non-industrial overtime cost the Civil Service £268m in 1985 (3.9% of the total non-industrial pay bill). In some departments overtime accounts for over 20% of non-industrial pay. Increasingly, managers are seeking to reduce overtime levels. In Outside firms the more powerful market pressures have led to earlier and more determined efforts to reduce overtime. Reduction of overtime levels was, in the firms consulted during the study, the most commonly quoted reason for seeking alternative working patterns.

4.14 **Working additional hours voluntarily** is the main way that fluctuations of work at senior level are covered in most departments, and this is also common practice in outside firms. Closer examination of the reasons for this suggest that the volume of these additional hours is not always justified by the amount of necessary work; and some managers doubt its effectiveness as a means of managing workload.

4.15 As in outside industry, **shiftworking** is the normal way of covering continuous or nearly continuous operations. Other than industrial areas (which are not discussed in this report, see paragraph 1.3), the main use of shiftworking is in ADP installations; in entry control at ports and airports; in prisons; and for building security.

4.16 Existing shiftworking arrangements are best suited to a situation in which the workload remains stable. When managers need to make changes (for example to alter the balance of effort between one part of a 24-hour period and another) difficulties arise because relatively small alterations in the pattern of working hours can result in large differences in the level of financial reward for staff. These problems are exacerbated where shift systems rely on sizeable elements of voluntary overtime. Outside firms, faced with similar problems, have seen potential benefits in more **fully-rostered shift systems**, and a few have installed **annual hours contracts**, **compressed working weeks** and other innovations to improve efficiency and reduce reliance on overtime. Inside the Service, the imposition of ceilings on overtime expenditure as well as managers' search for greater efficiency are also leading to the closer examination of shift-systems. Change may be difficult to achieve within existing rules. Outside firms have sometimes found that improvements

cannot be achieved without building in to basic pay-levels some of the rewards currently available from overtime.

4.17 The most significant change in Civil Service working patterns in recent years has been the widespread use of **Flexible Working Hours (FWH)**, whereas outside firms have been far more cautious in permitting its introduction. Civil Service managers recognise that FWH is an attractive condition of service which has been helpful in retaining staff at a time of high wastage. Some claims are made for its operational benefit to management, but there is evidence that some FWH arrangements can run counter to the efficient conduct of business if staff preferences take precedence over the needs of the work. It is this difficulty that has led to a more cautious attitude outside. Managers agree that the problem of control lies in their own hands, but they also point out that departmental arrangements are based on centrally laid down guidance(1) in which there is an underlying presumption in favour of the introduction of FWH and in favour of uniformity of schemes. These make it more difficult to proscribe FWH where the needs of the work make it inappropriate, or to vary arrangements to meet local needs. None of the firms consulted during the study operated centrally-devised arrangements in which all staff could participate. Where it was permitted, arrangements tended to be individually tailored to work demand and closely controlled by line managers.

4.18 **Part-time work** has been introduced by many departments as an extension of equal opportunity policies for existing staff. But whereas in outside industry part-time work is a commonly (and increasingly) used management tool in meeting workload fluctuations and operational purposes, in the Civil Service it is rare to find part-time work being used for operational reasons. Although part-time work is increasing, the number of part-time staff remains significantly lower as a proportion of total staff than part-timers in the labour force outside. In 1985, just over 3% of civil servants - some 16,500 staff - worked part-time. Of these, over 85% were grades below EO level. According to Department of Employment Labour Force Survey figures, the proportion of part-time employees in the labour force as a whole is in the region of 22%. This figure includes large numbers of part-timers in certain sectors of industry, such as retailing, that have no counterpart in the Civil Service, but even in banks and building societies for example, part-time employment

(1) "A guide to Flexible Working Hours", Civil Service Department, 1979.

accounts, respectively, for about 13% and 18% of all employees (1). Civil Service managers generally do not yet seem to have recognised the potential benefits of employing part-time staff to deal with daily, weekly or monthly fluctuations of work; to undertake monotonous or repetitive tasks where higher levels of productivity can be sustained by relatively short bursts of activity; or for jobs which can be done in less than a full day. But there is evidence that this may be changing: three of the departments consulted during the study had considered (and two had implemented) a limited amount of part-time working for operational reasons.

4.19 **Homeworking** in the Civil Service remains very limited. Although many senior staff regularly take work home to do outside office hours, very few staff work from or at home as part of their normal working pattern. Outside the Service, predictions that advancing computer technology will lead to the wholesale use of staff working from home seem to be some way from fulfilment. Nonetheless, homeworking is increasing, and has begun to spread beyond traditional manufacturing operations to various types of clerical and professional work, activities which are similar to work in the Civil Service.

4.20 **Temporary work** in the Civil Service takes the form of casual employment, which is limited to a maximum period of 12 months and offers no security that it will last that long. It is used to a limited extent by some departments, sometimes to cover permanent staff vacancies but mainly for seasonal peaks of work. A common pattern is to employ casual Administrative Assistants to enable permanent staff to cover shortfalls at Administrative Officer level. In October 1986 the Civil Service employed 10,641 casual non-industrial staff, 15% more than in January 1982 (a period during which non-industrial numbers generally fell by some 5%). Further, the number of departments using casual staff has increased. In October 1986 84% of departments employed non-industrial casuals compared with 76% in January 1982. Nevertheless, Civil Service practice is in contrast to trends outside where firms have greatly increased their use of temporary staff. Inside the Service, casual staff still only represent 2% of the total non-industrial workforce. Short-term contract staff are employed by exception, and (other than a small number of consultants) the Civil Service rarely takes on people who are self-employed or employed for part of their working time elsewhere.

4.21 **Sub-contracting** work from the Civil Service to outside firms has increased in recent years, mainly in response to policy directives and mainly confined to ancillary work. Many managers are reluctant to sub-contract because of concerns about possible deterioration in the quality of work and security. Outside the

(1) Changing Patterns of Work, NEDO, 1986 pp28-29.

Civil Service sub-contracting has increased markedly in recent years, as firms have concentrated their resources on their main skill-strengths and sought to shed the burden of administering and controlling peripheral activities.

4.22 On the other hand the Civil Service operates a number of special arrangements to deal with particular work situations **where working hours vary greatly** from the standard working week. All these arrangements require staff to adopt working patterns which bear no relation to standard working hours: the times at which the duties are carried out are wholly dictated by the needs of the work. Most of the arrangements seem to be both flexible and amenable to management control. The level and type of reward available for each varies considerably because the primary factor in their evolution has been meeting work needs, an approach much closer to that adopted by outside firms than that found more generally in the Civil Service.

4.23 **On-call and stand-by** arrangements have been used in the Civil Service for many years. In contrast to outside industry where they are confined mainly to providing maintenance and safety services, Civil Service arrangements cover a wider variety of functions: from the provision of information to the media, to paying Social Security benefits, or, more recently, to 'troubleshooting' ADP systems. In some cases staff remain on the premises during silent hours, in others they can be reached at home either by telephone or, more recently, by cellular telephone or computer terminal. Most formal arrangements are organised into duty rosters, and some, but not all, attract additional allowances. Some of these arrangements are extremely cost-effective, and it is conceivable that, as computer technology advances, a number could be developed into full-scale homeworking arrangements.

4.24 A recent development in some departments has been schemes which allow staff who have left work temporarily to **keep in touch** during periods of temporary absence. They have been triggered by equal opportunities policies. There are clear benefits for management if these schemes succeed, and here the Civil Service is in advance of outside firms, where such arrangements, if they exist, are generally limited to 'high-flyers'. In addition, few outside employers have a standard reinstatement scheme such as that which has been part of Civil Service conditions for many years.

4.25 The working patterns described in paragraphs 4.22-4.24 above are examples of good practice which could usefully be examined to assess their potential for use elsewhere. They show that, even within the existing rules, there are imaginative and effective ways of meeting work needs which satisfy management and staff.

A summary of comparative employment patterns.

4.26 Outside firms have been able to introduce alternative working patterns because of the range and flexibility of their employment conditions. Civil Service employment conditions include, as essential ingredients, the prospect of indefinite employment until minimum retirement age (subject to due process) and of career advancement. Neither of those two conditions is necessarily offered to employees by outside firms, who tend to pay great regard to the needs of the job in hand by matching staff costs with work as closely as possible. Accordingly they tailor their employment conditions in response to the prevailing labour supply. Civil Service managers have not responded in this way perhaps because they are, or feel, constrained by the structural features of Civil Service employment explored in the next chapter. Taken together with the relative absence of competitive pressures and the existence of specific obstacles referred to in paragraphs 4.2 and 4.9 above, these features go a long way to explain why changes in employment patterns in the Civil Service have been more modest than those outside.

5: THE INFLUENCE OF CIVIL SERVICE EMPLOYMENT POLICIES

5.1 The relative lack of impact on the Service of the pressures felt outside and the existence of formal (but not formidable) obstacles do not, alone, explain why alternative working patterns have not developed in the Civil Service to the extent they have elsewhere. The study indicates that the commitment of Civil Service managers - at local level, in departmental Establishment divisions and at the centre - to a standard employment pattern has restricted willingness to innovate.

The Civil Service Career Model

5.2 Employment in the Civil Service has a number of distinguishing features:

recruitment is on merit by means of open competition; the assessment of merit usually includes an assessment of promotability;

recruitment is to a grade consisting of many different but comparable jobs, not to a single job;

advancement to each successive grade level (but not to a specific job) within each group or category is on the basis of merit assisted by training and assessed by agreed procedures (for example promotion boards);

employment to minimum retirement age is assured (subject to due process, for example health and termination procedures - recently expanded in scope - such as redundancy and continued efficiency);

employment usually gives an entitlement (subject to qualifying) to a pension related to length of service and specified earnings.

5.3 These features apply, with relatively few exceptions, to the employment of most non-industrial civil servants. Together, they embody the concept of a full-time, life-time career Service which imposes obligations on, and extends benefits to, both employee and employer transcending the boundaries of any particular job or post. They are seen as constituting a coherent package whose integrity might be threatened if one or other element were to be relaxed or revised, and whose position as the dominant, if not sole, set of terms and conditions of employment is generally unchallenged and unchallengeable by local managers.

5.4 In contrast firms outside the Service are prepared to offer a variety of employment conditions in response to the prevailing labour supply situation. Although they may operate standard procedures they do not regard changes to one or a number of conditions for a particular purpose as a threat to the integrity of the rest. As competitors one with another and with the Civil Service for the staff they need, they see their more flexible approach as significant not only in matching staff to work as economically as possible, but also in giving them an advantage in recruitment and retention.

5.5 The Civil Service career model is ideally suited to a large organisation undertaking work which is not subject to sudden fluctuations in volume or type; in which experience of internal working practice is often a more valuable asset than externally acquired qualifications and expertise; and in which propriety and accountability in the conduct of business is an inescapable requirement.

5.6 Many areas of the Civil Service fit this picture, and there the scope for alternative working patterns is unlikely to be extensive. But there are others where the model is unsuitable. For instance, in DHSS Local Offices, the Passport Office, the Customs and Immigration Services, and the National Savings Bank the volume of work fluctuates significantly (and not always predictably) daily, weekly, monthly or seasonally. Here there may be considerable scope for alternatives to and developments of existing working patterns.

5.7 The nature of work, too, is liable to change, in response to changes in government policies, administrative reforms or technological improvements. In some cases the change will be to the product, such as a new issue of National Savings Certificates, or a revised rate of Child Allowance. At other times the work process will change, for example the computerisation of the Social Security system. Sometimes change will be of both kinds: the deregulation initiative is one example of this; the introduction of VAT was another.

5.8 Where change is to the product, staff with experience of and commitment to existing processes are likely to be key. But process changes will tend to call for new skills and attributes which may not have been developed within the organisation as it stands. Staff capable of dealing with process change are likely to be of major importance to the success of attempts to achieve operational and management improvements in the Civil Service.

5.9 The study examined in detail the effect on working patterns of each of the main elements of Civil Service conditions of service. It concluded that there are a number of ways in which they might be changed to better meet the demands that are placed upon the Service.

The following paragraphs summarise these conclusions and discuss their implications.

Recruitment

5.10 The requirement for recruitment by means of fair and open competition has hitherto demanded the same procedures for the appointment of non-career staff as for those whose aim is to rise within the Service; and the same procedures for the appointment of those staff whose services are required for the whole of their working lives as for those for whom the Service has no long-term need. Work in this second category might include activities for which the requirement is short-term or finite, or where staff are unwilling to enter into a permanent contract. In such circumstances, different recruitment procedures may be more appropriate.

5.11 Some managers question the continued relevance of the career concept for all. It is claimed that, in areas of high wastage, few staff will remain in the Service long enough for long-term potential to be a consideration, and that the primary need is to obtain recruits quickly to fill vacancies. In essence the demand is for temporary staff with appropriate conditions. If this is so, effective mechanisms for attracting and recruiting staff above the basic level will be needed in order to fill posts at more senior levels with staff of the right calibre.

5.12 Increased direct recruitment at all levels could encourage greater freedom of movement generally between the Civil Service and outside industry. In individual cases it could attract the return of staff who, since leaving the Service, have gained valuable experience outside, but are unlikely to return under reinstatement arrangements which do not recognise added value.

Types of appointment

5.13 Constraints on the use of provisional and period appointments (particularly the latter) in all but exceptional circumstances inhibit the Civil Service's ability to adapt quickly to labour market trends, particularly the ability to recruit staff who may choose to make themselves available or who are required only for a limited period, and certainly not for a career.

Promotion

5.14 If it is accepted that it is not necessary in some cases to look for potential there will be a shortfall of people coming forward for promotion as compared with the number of vacancies. This could be seen as an argument for more recruitment above the basic grade levels: to both indefinite career appointments and to non-permanent, non-career appointments.

Mobility

5.15 The mobility obligation on staff at EO level and above could be a valuable management tool in placing staff in the location where their services and skills are most needed, but its usefulness is limited if, given the views of staff, it cannot be invoked. Where there is a need for such an obligation, staff may be asked to trade off their abandonment of it against management's undertaking to offer a career and to provide the means of making one (for example, training, promotion assessments, regular boarding etc).

Termination of employment

5.16 Premature retirement procedures are designed to preserve, whenever possible, the opportunity of employment to minimum retiring age. But changing work demands will require periodic changes in the numbers and skill-mix of the workforce. The existing regulations provide for premature termination of service to accommodate structural change, and redundancy is available to accommodate large scale reductions in staffing levels. But these are slow and cumbersome processes not available to local managers to apply in situations where periodic fine-tuning of the level and composition of the workforce in response to changes in the volume and nature of the work demand may be needed, rather than major reorganisation. Recent initiatives on early retirement will help here but do not fully meet the need.

Conclusion

5.17 The Civil Service employment model is based on the principle of a full-time, life-time career service and there are many areas of the Service where this model is appropriate. But in areas where alternative working patterns would be beneficial, variations from the standard Civil Service career model may have to be considered. To some extent rules, where they exist, can be modified centrally. This would give scope for changes that respond to and affect those working patterns that extend beyond hours of attendance and may include terms and conditions appropriate to a lifetime's employment. But the rules amount to more than the sum of their parts, and a change in this perception will need to be promoted if the Service is to derive benefits from alternative patterns comparable to those obtaining outside.

6: THE NEED FOR CHANGE

6.1 Undertakings outside the Civil Service have had to reduce running costs and increase productivity or face the immediate prospect of bankruptcy or a rapidly declining market share (see paragraph 3.12 above). This study has found that the introduction or extension of alternative patterns of work have figured significantly among their responses to this situation. A firm's appreciation of its economic position may well be seen as a strategic issue at board level. On the whole, however, the adoption of new patterns of work has not amounted to a strategy in this sense. It has been local managers who, within a corporate structure that has always tended to give them responsibility both for reducing unit costs and for the organisation of work, have initiated and achieved changes in working patterns. Nonetheless, the study indicates that the changes made in this way amount cumulatively to a strategic change in the terms and conditions of service offered by employers outside the Civil Service (see paras 3.2-3.10 above).

The reduction of costs and the employment of premium staff

6.2 Reduced running costs and improved productivity are priorities for government departments. Except where commercial pressures apply directly, the Service has responded to proxies for the disciplines operating in the recession economy: cash limits, running cost control and more precise financial management and information. These internal disciplines have been introduced as a matter of central strategy. To the extent that the pressure exerted by the centre resembles that exerted by the market it might have been expected that departments would adopt the methods used by the private sector to survive in today's harsh economic climate. But the study has found little or no evidence that this is so in respect of working patterns (see paras 4.2-4.10 above).

6.3 Annex II examines the available evidence about the cost of operating current working patterns in the Civil Service and concludes that existing budgeting mechanisms provide insufficient information to either central or local managers in departments to enable them to make informed choices between existing and alternative working patterns. Nor is it clear, as on the whole it is in the private sector, where the responsibility for making these decisions either is or should be located. The study has confirmed the general impression that departments contain areas of work where non-standard patterns of work would be effective or are sufficiently similar in comparable respects to those outside to justify further analysis. Viewed in the aggregate even marginal savings on the annual non-industrial pay-bill of £4,900 million would amount to a significant contribution

to reduced running costs. How much could be saved by more efficient working patterns allied to appropriate terms and conditions of service can only be guessed at, but a 5% reduction in total overtime would represent more than £13m a year.

6.4 Not all schemes for new or extended working patterns are initiated solely by considerations of reduced costs. The condition of the labour market has been directly relevant. In some cases it is the depressed labour market that has allowed firms to offer terms, conditions and patterns that would hardly be competitive in a more active market. But within the labour market as a whole there are many important areas of scarcity and rapid turnover (computer staff are a case in point). It is in these market segments that alternative working patterns have become one of the key inducements offered by employers acutely aware of the need to create and maintain an advantage over their competitors. Indeed the ability to attract staff may well be the precondition for getting the work done properly at all. The Civil Service, too, operates in these markets. In deciding whether and where to introduce alternative working patterns, the Service is in effect deciding the terms on which it intends to compete in the labour market. A decision to remain with the standard working pattern would be one policy (no decision would amount to the same thing). A decision to adopt new patterns would be to meet private sector firms on their own terms.

Management policies

6.5 The foregoing paragraphs give the impression that outside firms are driven solely by considerations of profitability: the reduction of costs and the employment of premium staff. The study encountered a few firms of whom this could be said with some truth; their employment policies, insofar as they existed, extended little further than the end of the week. Such firms, however were rare. Most saw themselves as subordinating raw profitability to longer term survival. Like the Service, these firms had consciously decided to employ some of their staff for a lifetime, and, where appropriate, to offer them a career of advancement up a fairly distinct and foreseeable promotion ladder. Firms of this kind generally acknowledged the value of trading job security (subject to more or less stringent and declared dismissal and retirement procedures) against remuneration.

6.6 But on the whole firms recognised that notwithstanding the objective of offering a long term prospect, not all prospects needed to be similar even when identical work was at stake. For example, a period contract offers security of tenure for the period in question. But firms might not regard management effort spent on staff reports directed towards promotion as an appropriate expense, whereas they probably would apply such effort to career staff working alongside the period appointee.

Like the Service, therefore, most firms seen in the study were consciously intending to present themselves as good long term employers, but they were relatively ready to tailor their terms and conditions of employment to a particular employee or group of employees (see paragraph 5.4 above). Having acknowledged the rights and aspirations of the employee, such firms gave primacy to a hard-headed appreciation of the firm's financial advantage.

The case for change

6.7 The study assumes that pressures to reduce or contain running costs are likely to continue over a space of years sufficient to ensure a return from new terms of employment; and that the labour market is likely to remain one in which most other employers will continue to compete successfully for staff by offering different working patterns (in the absence of which the Service will be at a competitive disadvantage).

6.8 Accordingly, the study suggests that the Service should adopt new patterns of employment because:

a) like private sector undertakings departments are under pressure to reduce running costs and to improve productivity, and should therefore follow suit by

adopting new patterns of employment that match work more closely than the standard (including such derivatives as overtime and shiftwork);

eliminating those standard terms and conditions that incur management costs but do not serve to attract the required staff and yield no other evident return; and

b) departments need to compete with other employers for some of the staff they require. Competition in these scarce markets involves offering terms - ranging from hourly patterns to lifetime career patterns - that attract the staff concerned. By clinging to a standard pattern (modified primarily by shiftwork and overtime) the Service will fail to attract the skills it needs.

6.9 At the same time, the study recognises that some outside employment conditions and practices that are favourable to alternative working patterns are at odds with those that are generally regarded as essential elements of the Civil Service employment/career package or as distinctive characteristics of a 'good' employer. Decisions about whether outside practice should be adopted by the Civil Service will therefore have to

take account of the extent to which these features of Civil Service employment need to be retained irrespective of the cost of not obtaining the advantages of more flexible working patterns. The purpose of this study is not to advocate the adoption of alternative working patterns if the cost (in terms of abandoning the intrinsic features of Civil Service employment) is unacceptable, but only to ensure that decisions about these matters should be made in the knowledge of what is taking place outside, and of what has to be forgone if the opportunities for more flexibility are declined.

7: THE INTRODUCTION AND IMPLEMENTATION OF NEW WORKING PATTERNS

Recommendations for improvement

7.1 The study recommends ten steps which could be taken to encourage more flexible working arrangements. These do not amount to a comprehensive inventory of the possibilities that could be considered, nor are they a complete prescription for the changes that are needed. But they are the first moves along the path towards improving the organisation of working time. Not all the recommendations involve the installation of working patterns fundamentally different in nature from those which already exist in the Service; and some are concerned not with working patterns themselves but with the conditions which govern their operations. They are:

the introduction of three working patterns which are entirely new to the Civil Service:

- A. recurring temporary contracts**
- B. nil-hours contracts**

the introduction of a new method of rostering shift work:

- C. annual hours contracts;**

the extension of three working patterns which are already in use in the Civil Service but whose operational benefits have not been developed:

- part-time employment:**
 - D. - on a large scale**
 - E. - on an individual basis especially especially at a senior level**
- F. period contracts;**
- G. homeworking;**

in order to ensure that Flexible Working Hours schemes take account of operational requirements, a review of:

- H. the central guidelines on FWH;**

the reform of two aspects of the central rules which do not prescribe working patterns directly, but which (as drafted) could constrain the freedom of local managers to match working hours with the volume and disposition of the work as it arises locally:

- I. shift disturbance allowance (SDA)**

J. travel and subsistence.

7.2 These recommendations, if implemented, would open the way to major changes in the organisation of working hours and in the terms and conditions of service of some staff. The balance of advantage in favour of change may vary between the recommendations themselves and between departments' willingness and capacity to implement them. This report should be the starting-point for considering how working hours and career patterns should develop.

7.3 The example of the private sector suggests that departments should consider what advantages each of these recommendations would have for them in the light of their own local circumstances. The initiative for introducing schemes should then lie with line management in departments. As line managers evolved such schemes they would seek clearance from their Establishment Branches or ultimately from the central departments for such exceptions from the general rules and assumptions about employment in the Service as might be necessary for the success of each individual scheme. A tactical approach of this kind could be expected to improve the match locally between staff and work and might cumulatively have an effect on the Service's competitive position in the labour market. The role of the centre would be confined to disseminating best practice and giving a sympathetic hearing to departmental requests for exceptional modifications to general rules.

7.4 The study concludes, however, that this tactical approach would not be successful by itself. It is unlikely that sufficient impetus for change would be generated thereby. Moreover, as each scheme is presented for approval it would be likely to raise problems common to a number of other schemes. And those problems will themselves be related to wider assumptions about terms and conditions of employment. As departmental schemes proliferated questions would have to be faced about the extent to which cumulative departures from the standard model amounted to a departure from the unification of the Civil Service. Schemes designed to improve the competitive position of one department against the private sector could have the effect of improving its position against another department recruiting from the same pool.

A strategic approach

7.5 Against this background, the study concludes that a more strategic approach should be adopted. The advantages of the tactical approach could be retained by encouraging departments to develop local initiatives in the form of pilot studies and experimental schemes. The results of these schemes should then be reviewed centrally to determine their implications for terms and conditions of Civil Service employment.

7.6 If the outcome of this examination reveals a need for a variety of employment conditions which existing terms and conditions of service cannot accommodate, new contractual arrangements may have to be considered. One option would be to devise a contractual framework within which variations could be accommodated. The framework would include certain provisions whose terms were fixed because they were legally enforceable. Other mandatory provisions would arise from national agreements with the Trades Unions, or current management policies. In addition the framework would contain provisions whose inclusion was mandatory but whose terms could be varied to suit the particular circumstances. In theory there would be no limit to the variety of contracts that could be negotiated, but in practice managers might find it more helpful if a number of model contracts were devised to cover the main working hours/career alternatives. And managers could be advised on how to choose the model which best suited their particular circumstances. Every contract would describe the terms on which it could be renegotiated, and the extent to which either side could seek to convert it to an alternative contract.

Implementation

7.7 Before work begins on implementing any of the proposals, departmental line managers and Trade Union representatives should be consulted. The study team knows that some people regard alternative working patterns as exploitative. They are also acutely aware that some commentators have classified staff as "core" and "periphery"; broadly speaking those with long term tenure and career prospects on the one hand, and those without either on the other. With some justice this is seen as creating two classes of employee - the "haves" and the "have-nots". In Civil Service terms any such move would be redolent of the worst features of established and unestablished service before the 1971-2 pension reforms and would rightly be resisted.

7.8 In general successful outside firms do not have one set of terms and conditions from which all alternative working patterns are seen as a derogation. The Service should aim to emulate their attitude that all terms and conditions packages are equally valid in the sense that they represent a fair bargain between employer and employee reached in the light of the job to be done. This approach leads firms to operate a multiplicity of contracts between which it is hard to choose on the basis of a simple dichotomy. "Core" and "periphery" may be a useful analytical distinction but serves no helpful purpose in practice.

7.9 The study observed that many alternative working patterns are attractive to staff and there is likely to be a positive response to individual initiatives on particular schemes which offer benefits for staff. Management will need to be sensitive to these issues in taking this subject forward.

8: LOOKING AHEAD

8.1 In conformity with the study's terms of reference the recommendations relating to working hours in the previous chapter are based on or are improvements to existing practice. Examples of each can be found somewhere outside or inside the Civil Service. But some of the issues dealt with in this study lead in directions where there are no precedents. If, as seems likely, the tendency of change continues to be away from traditional working patterns, it would be prudent to look ahead and try to identify some of these issues, and to consider exploring them further, lest in future the Civil Service finds itself at a disadvantage in lagging behind developments elsewhere.

Staff numbers

8.2 The existing manpower accounting system treats part-timers as half units (no matter how many hours a week they work). This may be sufficiently accurate while the total number of part-timers remains low in relation to full-timers, and the number of part-timers whose hours vary substantially from half the normal conditioned hours is so few. But a sizeable increase in the total number of part-timers, and significant variations in their working hours, as well as the increased variety of working patterns generally will produce inaccuracies in the head count. It will also increase the difficulties of exerting management control over the resources being expended to achieve a particular level of productivity.

Work years

8.3 If this is seen as a problem, an alternative system might be to allocate on the basis of 'work years' of effort rather than on a simpler per capita system. Thus, a work year is provided by one full-timer, 2 half-timers, 4 quarter-timers and so on. Although there might be cash constraints on how the resource was used (eg salary on-costs might be greater for four staff than for one), there would be no manpower constraints. A move in this direction would be consistent with any decision to rely on running cost controls rather than on aggregate manpower figures, either within department or Service-Wide.

Annual hours contracts

8.4 Going beyond what the study found in either the private or public sectors, it would be possible to develop an annual hours contract under which the numbers of hours to be worked each year would be determined by the employer through collective bargaining. At the inception of the scheme the maximum hours to be worked in the year would be the same as for existing conditioned hours for a full-time employee, but changes

could be negotiated in subsequent years. Annual leave, privilege leave and Bank holidays would be excluded from the contract as would overtime. The contract could either determine the way in which hours were worked or this could be agreed locally by the line manager and his staff (collectively or as individuals). Once the maximum annual hours had been set individual employees could contract for a percentage of that maximum which they could work, perhaps setting 10% steps, eg 100%, 90%, 80%. There could be an agreed minimum percentage as a base line below which no contract could be made. Medium and short-term planning would be achieved quarterly, monthly and weekly work programmes which would call for the commitment of a specific number of working hours from each individual.

8.5 Sophisticated annual hours contracts of this kind would lead to improved manpower forecasting, and could greatly reduce, if not eliminate, the need to resort to overtime to meet the short term demands of fluctuating workloads. The arrangements would also have a unifying effect, in that there would no longer be a distinction between different categories of staff, eg full-timers, part-timers, job-sharers and so on.

Time-use accounting

8.6 In considering the development of either work years or annual hours contracts it would also be necessary to review the adequacy of existing methods of recording and controlling attendance and absence, and the extent to which division of authority for such matters (locally, departmentally and centrally) is appropriate.

Recruitment and training

8.7 Introducing a greater variety of working patterns may mean recruiting more people who already possess the skills that the Service needs, as opposed to recruiting people direct from secondary or tertiary education and training them in-service. This could affect decisions about the future direction of recruitment and training. Such decisions will also need to take account of the effect of predicted future demographic trends on labour supply. The Civil Service's traditional link with the education system should be examined in the light of these trends, since radical changes in the volume or composition of the throughput of the education system could affect the Service's ability to obtain the people it needs.

ANNEX I: ALPHABETICAL GLOSSARY OF ALTERNATIVE WORKING PATTERNS

ANNUAL HOURS CONTRACTS.

(See also flexible working year, shift working)

1. Under an annual hours contract, the total number of hours an employee is contracted to work during a year is rostered in advance (including leave and training) with the exception, in some cases, of a small number of hours to be used at management's discretion, for example to provide relief cover. Shift pay and premium payments for weekend working etc are annualised and paid weekly or monthly in equal amounts. Computer programs are available to calculate a wide variety of rosters
2. Annual hours contracts have so far been used primarily for continuous shift working operations by blue collar workers. They were pioneered in the paper and board and chemical industries, but their use has now spread to others, such as concrete, glass, can, textiles and pet food manufacturers. Theorists predict even more wide-ranging applications in the future, extending to administration and management grades.
3. Advantages of annual hours contracts to management include:
 - Reduction in overtime;
 - Improved planning and control of working time;
 - More productive relief cover;
 - Easier administration.
4. The attraction for staff is longer periods away from work and less unsocial disturbance. Time off is planned in advance and can be rostered in a predictable pattern, for example frequent short spells or longer, less frequent spells.
5. One disadvantage can be the need for additional manpower (although in practice such increases seem to have been marginal and more than compensated for in cost terms by reduced overtime payments). Introducing annual hours contracts can be difficult where overtime levels are very high and employees are faced initially with a drop in earnings.

ANNUAL WORKING YEAR

(See flexible working year)

CASUAL WORK

(see also **Temporary work**)

1. This is an alternative term for temporary work, and the one used in the civil Service. Casual work in the Civil Service is subject to the following conditions:

- the maximum initial period of employment is 6 months. This can be extended to, but must not exceed, 12 months;
- permanent employment can only be offered to casual staff if they qualify through open competition;
- casual staff are not eligible for benefits under the Principal Civil Service Pension Scheme; and
- casual staff are not included in the manpower limits imposed on departments; they are budgeted for separately.

CONTRACTING OUT

(see **sub-contracting**)

COMPRESSED WORKING LIFE

1. This term is used to describe career patterns which comprise a short, intense working life, combined with periods of education, retraining, domestic absence, self-employment and self-retirement. Whereas some people, like professional sportsmen, armed services officers and Police officers have traditionally worked in this way, it is predicted that the pattern will become more common throughout the labour market.

COMPRESSED WORKING WEEK

(see also **shift systems**)

1. Under these arrangements, the standard number of hours are worked, but within a compressed timescale. A common arrangement involves staff working 40 hours over a 4 day period rather than five. A variation of this is a 9 and a half day fortnight. These arrangements can be rostered so that operations are continuous.

2. The compressed working week is often used to maximise use of capital equipment. Advantages to management include:

- keeping the workplace open for longer periods than the usual eight hours each day without increasing staff costs;
- extending the length (and reducing the number) of shifts;

- coverage for weekend working;
- reduced overtime;
- provide cover for peaks of work outside normal hours;
- reduced sick absence.

Advantages to staff are more useful blocks of leisure time, and less frequent journeys to and from work.

FLEXIBLE WORKING HOURS

1. Flexible working hours schemes permit flexibility of attendance provided staff work a specified number of hours within a given period. Staff must attend during agreed "core-times", (for example 10-12 and 2-4), but may arrange their own start and finish times outside those bands between certain times. However, there is an earliest permitted start time and latest permitted finish time. Additional hours of work can be accrued and taken as credit leave, but there is a limit to the number of hours that can be carried over from one period to the next.

2. Some common FWH systems are:

- fixed number of daily hours but variable attendance times;
- fixed number of weekly hours but daily hours variable;
- fixed number of hours per month but variable daily and weekly hours.

3. FWH schemes have been widely introduced in the UK and Europe, particularly for junior grades in office environments. They are unsuitable for machine operations requiring staff to work as a team, or where the work is time-constrained. The non-industrial civil service is one of the major users of FWH: other large organisations have permitted its introduction more selectively. The underlying principle of FWH is that, provided the needs of the work are satisfactorily met, staff should be able to vary their hours of attendance to suit themselves. But the needs of the work must always take precedence. Advantages of FWH to management include:

- flexibility in covering workload;
- elimination of late attendance;

- improved staff morale.

4. For staff, FWH provides the opportunity to arrange attendance at work to fit better with their domestic commitments and their lifestyle.
5. The disadvantages to management can be the problems of providing supervision and, more generally, the difficulties of controlling arrangements to ensure staff are available when required. Lack of control can result in working patterns becoming established which serve the staff at the expense of the work. These can be very difficult to dislodge at a later date without provoking staff hostility. A further problem can be the additional work required to record and check attendance.

FLEXIBLE WORKING YEAR

(see also **Annual hours contracts**)

1. Also known as **annual hours working** (to be distinguished from annual hours contracts). The theory of the flexible working year is based on a mixture of flexible working hours and the annual hours concept. Staff and management negotiate monthly, quarterly or even annual work schedules (including leave allowances). The number of hours worked may vary depending on the predicted workload throughout the year, but the total hours worked amount to the normal conditioned hours on which salary scales are based. The system of payment is similar to that for annual hours contracts in that staff are paid either an appropriate proportion of their annual salary each month, or for the number of hours actually worked. We have not come across any fully fledged examples of the flexible working year during this study, although we know that in certain industries (for example the chemical industry) working hours are longer in the winter than the summer. But the teaching profession is an example of annual hours working.

HOME WORKING

(see also **networking**)

1. There are three main types of home worker:
 - Living-in Workers: people who live at their place of business, such as farmers, publicans or shopkeepers;
 - Home Based Workers: people based at home but whose work consists of travelling or is done at the premises of clients, such as sales representatives, freelance teachers, journalists, musicians, financiers and so on;

- Outworkers: people who work for an employer whose main place of business is elsewhere.

2. Home working is becoming more prominent because of the increasing use and sophistication of new technology which means that it is now possible for staff to work away from the office and still keep in touch. There are advantages to management because of the savings to be made on both accommodation and administration. It enables them to retain staff who would otherwise cease work for domestic or other reasons. If home workers are employed on a freelance basis, there will be savings to management in superannuation and sick/holiday pay. But there can be difficulties in assessing workload and providing supervision. For staff, the advantages include savings on travelling time and the ability to arrange work to fit in with domestic commitments or other interests.

"JOB AND FINISH"

This description is applied where staff are employed to complete a task regardless of the hours taken to do it. The work is organised so that the time taken for the set tasks does not vary very much from the standard working day. It is frequently used for delivery work, such as milk roundsmen, and retail and wholesale deliveries.

Most middle and senior level staff inside the Service and in industry expected to work whatever hours necessary to complete their tasks, irrespective of their formal conditioned hours.

JOB PAIRING

(see job-sharing)

JOB SHARING

1. Job sharing (also known as **job pairing**) involves two equally qualified employees sharing all the responsibilities and duties of a single job. The pattern of attendance can vary considerably provided all working hours are covered, but three of the most common arrangements are:

Partner A

Partner B

Morning

Afternoon

Monday-Wednesday am

Wednesday pm - Friday

First week

Second week

A changeover period when both staff are at work together is often included in the arrangements.

2. The advantages of job sharing for management can be:

- increased productivity;
- a wider range of expertise within a single job;
- reduced sick absence;
- retention of valued staff.

Disadvantages can be communication/continuity problems between partners, supervision and accountability, and increased administration and costs.

JOB SPLITTING

1. Job splitting occurs when a person retires or resigns, and rather than being replaced the work is broken down into separate tasks and split between two or more existing staff. It is used as a method of reducing staff numbers by internal wastage and to facilitate organisational change. It can reduce costs and maintain output, but if it places an increased burden on existing staff, it may result in poor morale.

MINI-SHIFTS

(see **Shift-Working**)

NETWORKING.

(see also **Homeworking**)

1. Under the networking system, selected and trained volunteers leave the parent company and start their own business, which then contracts to provide specified services to the parent company as well as other clients, using a microcomputer link.
2. This method of working is eminently suitable for "information workers" whose function is to analyse, process, interpret, and present information, but other groups of workers, such as maintenance engineers, are also operating in this way. Most staff working this system are either executive, professional, or managerial.
3. Advantages to management include:
 - savings in accommodation and administration costs;

- the ability to retain staff who might otherwise cease work for domestic or other reasons.

Advantages to staff are savings in travelling time, the ability to arrange work to fit in with domestic and other commitments, and the opportunity to start their own business.

4. Problems likely to be encountered include, for staff, isolation from the parent company, while for management there may be difficulties setting up work control mechanisms (such as assessing the value and price to be paid for various items of work) and assessing the quality of output. Staff may also lack loyalty to the company once their own business is set up.

NIL HOURS CONTRACTS

1. Under this arrangement, employers can call on one or more people from a pool of people who have agreed to attend for work at minimum notice usually for short periods of time. Payment is usually hourly, daily or weekly. Only rarely will such staff be guaranteed a minimum amount of work during a given period, or paid a retaining fee. These arrangements can be found in retailing, banking and teaching. The staff concerned are mainly ex-employees who, perhaps because of domestic commitments, are temporarily unavailable for full-time work but wish to maintain their expertise or their contact with their previous employer with a view to returning to work. For management, the benefit lies in having experienced staff available at short notice to cover unforeseen or temporary shortages of permanent staff, particularly sick absence, or for short term peaks of work such as the Christmas shopping period.

PART-TIME WORKING

(see also reduced worktime systems)

1. Part-time working can be temporary or permanent, and the hours worked can be arranged in a wide variety of ways, including alternate week working; mornings or afternoons only; lunchtimes and/or evenings only; one, two, three, or four days a week; or a specified number of days each month.
2. Part-time work has traditionally been a feature of retailing, domestic, typing and clerical work; data processing and the catering trade. It is now increasingly to be found in the professions and at senior administrative levels. Conditions of service may be less favourable than for full-time staff (see annex).
3. There are many benefits of part-time work for management.

The most often quoted are:

- ability to match working hours with fluctuating work demand;
- better productivity;
- retention of valued staff;
- lower incidence of sick leave and absence;
- more efficient organisation of work.

For staff, part-time work allows permanent work to be combined with other commitments or interests, or even other employment.

4. Disadvantages can include: additional personnel effort and overhead costs; and providing cover during off duty periods.

REDUCED WORKTIME SYSTEMS.

(see also **part-time working**).

1. Also known as "Vee Time". Voluntary reduction in work systems are a variant of part time working which allow full time staff to reduce their working hours in return for a proportionate reduction in salary. The number of hours is usually a fixed percentage of normal conditioned hours. The system is currently in use in America in business and in

local authorities, where it was introduced primarily as a means of reducing staff costs and retaining specialist staff who no longer wish to work full-time. Advantages to management include:

- savings in salaries;
- increased organisational efficiency;
- better staff morale;
- minimisation of lay-offs when there are troughs of work.

SABBATICALS, SABBATICAL LEAVE.

1. Sabbaticals permit permanent staff to enjoy a period of time off work, and return to the same or similar job or position. Traditionally the facility has been available to particularly able or long serving, usually senior staff for a specific purpose such as special study, writing, or unpaid work in another field, perhaps for philanthropic purposes. Arrangements vary but some proportion of existing salary is usually paid. More recently, sabbatical leave has been introduced to accommodate staff who need time off for

domestic reasons and whose services the employer wishes to retain, or as a reward for long and meritorious service. In the latter case, the sabbatical leave, if taken before retiring age, can help to make room for staff whom management wish to promote.

2. In the Belgian Civil Service, a sabbatical leave scheme has been introduced as a means of reducing unemployment, and is open to staff with domestic commitments or for examinations and training. Staff are paid a proportion of their regular salary and are replaced during their absence by registered unemployed people.

SHIFT WORKING.

(see also annual hours contracts, compressed working week)

1. Shift working is the arrangement of work in relays during a 24-hour period. There are many different systems. The most common is used to provide continuous cover and consists of three 8-hour shifts or two 12-hour shifts. Staff work a regular number of shifts each week (eg on five in seven 24 hour periods), but this can be varied (eg 10 in 14). The times of attendance are usually rotated over a cycle of weeks.
2. Continuous shift working is mainly used in areas involving machinery, where it is more economical to keep the machinery running, or where the machinery cannot be switched off without damage to itself or the product, or in areas where a 24 hour service is required like security, maintenance, communications, and transport.
3. Shifts can also be used when cover is needed for only part of the working day or week (ie, from Monday to Friday, or Monday to Saturday), or when weekends are covered by voluntary overtime.
4. Overtime is usually required to provide staff cover in cases of absence because of annual or sick leave, and it is also used when work overruns the shift period.
5. In shift systems, each operation throughout the week is covered by a succession of shift "crews", (usually 3, 4, or 5). For example in a 4-crew continuous operation, the 168 weekly hours are divided by 4, so that each worker works 42 hours a week. As working hours decline, overtime is necessary to bring hours up to 42 a week, or the use of "spares" (supplementary workers who work in different posts to cover the vacant shifts needed to bring hours down to the agreed working week). The difficulties created by this are stimulating some organisations to increase the number of staff working each shift crew from 4 to 5 in an effort to reduce overtime levels.

6. **Split shifts** involve staff working eight hour shifts, but divided into set periods (ie two 4-hour shifts) worked at different times of the day. They can be used by management to cover peaks of work; but the system usually incurs additional payments to staff to compensate for the disruptive effect on leisure time.
7. **Mini shifts** (also known as "twilight shifts") are worked by part-time staff to supplement existing staff where the output of machinery varies at certain times of the day. They are usually of a short duration, and may have irregular start and finish times. They are also used by some organisations for typing to be done in the early evening between 4 and 8pm.
8. The main advantage of shift working is that work can be carried out at whatever time is most beneficial to management without depending on voluntary arrangements. Among the disadvantages are the complex rostering and pay arrangements that are involved. These are usually subject to union agreement and are often difficult to alter in response to changing work needs. Shift rostering systems are thus often somewhat inflexible.

SPLIT SHIFTS.

(see shiftworking)

STAGGERED HOURS.

1. Staggered hours involve varying start and finish times. Staff usually work a normal 8-hour day, five day week, with staggered start and finish times within certain band widths, for example: start between 08.00-10.00; finish between 16.00-18.00. This arrangement is commonly used in urban offices to avoid rush hour travelling. It can be advantageous to management because it extends the hours during which an office is open. It can also be used to cover work where an extended service is required, such as mail and messenger services and transport, without resort to overtime. A disadvantage can be the difficulty of providing supervision and ensuring that the pattern of hours meets the need of the work.

SUB-CONTRACTING

1. Sub-contracting involves work originally done by staff employed by an organisation being contracted out to other companies, who usually specialise in the functions concerned. It is used mainly for production and ancillary services, such as packing and deliveries, and also for direct and

indirect ancillary functions, such as typing and cleaning.

2. Sub-contracting has become more prominent in outside industry because of economic uncertainty during the recession. The main advantages offered to management are:

- it provides a specialist function;
- it is easier to adjust the usage of sub-contractors than in-house staff.

TEMPORARY WORK

(see also **casual work**)

1. Temporary work involves staff who work for a company or organisation, but who are not part of the company and who are not eligible for the same benefits as permanent staff. It is used for short term or irregular work demands, or work which does not require continuity of staffing. It is often used to cover seasonal peaks of work (eg hotel staff in holiday resorts), absence of permanent staff (eg on maternity leave), or to supply a specific skill which is not cost-effective to permanently in-house.

2. Attendance patterns for temporary staff can vary across the whole range of those worked by permanent staff. Temporary staff have no security of tenure, and do not qualify for superannuation, nor usually for other benefits available to full-time employees, although temporary staff employed by agencies may enjoy some of these benefits.

3. Temporary work has traditionally been used in clerical, typing, construction, gardening and retail work, and in the hotel and catering industry. The advantages to management include:

- lower staff costs;
- reduced personnel effort;
- ability to match staff with fluctuating workload;
- ability to take on ad hoc work;
- provision of cover for absence of existing staff;
- ability to dispense with unsuitable staff easily;
- means of testing suitability for permanent employment.

4. Temporary work has increased greatly since the recession (when employers were reluctant to take on additional staff because of economic uncertainty) as a cost effective alternative to using permanent staff on overtime to cover fluctuating work demand.

TWILIGHT SHIFTS
(see Shift Working).

ANNEX II: FINANCIAL MANAGEMENT ASPECTS

1. One of the reasons for undertaking a central study of this subject was that working patterns impinge on a very large area of administrative expenditure, namely staff costs. Although better value for money was to be the primary aim, the potential for actual savings from even relatively small increases in efficiency was likely to be well worth pursuing. This annex discusses the costs of existing working patterns, how those costs are managed, and the scope for savings.

Costs.

(Note: All of the figures are 1985/86 provisional outturn figures except where otherwise stated).

2. The total Civil Service pay bill in 1985/86 was £6,919m, which represents about 5% of all public expenditure. Non-industrial pay accounted for £4,900m, of which £2,702m (39%) was spent by the departments who took part in the survey. Within this global figure, expenditure on only two alternatives to standard working patterns can be accurately identified, and a third very crudely estimated.

Overtime.

3. Expenditure on non-industrial overtime in 1985/6 was £268m (3.9% of the non-industrial pay bill). £215m of this (58%) was spent by the departments who took part in the survey

Casual staff.

4. Expenditure on non-industrial casual staff in 1985/6 was £47.6m (0.7% of the total non-industrial pay bill). £17m (36%) of this was spent by the departments who took part in the survey.

Shift Disturbance Allowance (SDA)

5. The Treasury does not normally collect information about departmental expenditure on SDA, but in a special exercise Treasury Pay division produced a 'snapshot' figure of £1.65m for expenditure on SDA for non-industrials during September 1985 (see Appendix 1 for a breakdown of expenditure by some of the departments who took part in the survey). This figure cannot be used to calculate an accurate annual figure for SDA, but, assuming a variation of +/-20%, non-industrial SDA across the service during 1985/6 may have been somewhere between £15.8m and £23.8m.

Financial management

6. Current financial management policies call for budget holders to be given responsibility for the cost-effectiveness of their operations. Manpower budgeting is an essential element of this. The recent multi-department review of budgeting pointed to the need to improve the integration of manpower planning and budgeting processes, particularly in the context of the introduction of running costs budgeting. The review team considered that existing mechanisms for determining workloads and matching manpower requirements are insufficient to address these requirements.
7. Our examination of the information available to line managers about the cost of working patterns bears out these views. The main source of information is departmental pay systems and, since this information is recorded primarily for pay purposes and to produce global figures for pay costs, it cannot easily be manipulated to give figures for expenditure on the separate elements of non-standard working. Although the nature of the study did not permit detailed investigation of the way local managers estimate, monitor and control expenditure on non-standard working patterns, it is difficult to see how they could do so adequately without this basic information.
8. Moreover, although some departments now include a limited amount of advice on the relative costs of various types of employment in their guidance to budget holders, many managers receive no assistance in making comparative judgements between the cost of one working patterns and another. For example: whether it would be cheaper to employ part-time staff for work outside normal hours as opposed to full-time staff on overtime; whether it is more cost-effective to allow the number of permanent staff to increase during peak periods of work (and waste away as the workload reduces) or to reduce the permanent core to a minimum and take on casual staff to cover the peaks; whether it is less expensive, as was suggested to us during our discussions with one department, to cover continuous, 7-day working by means of a six day shift roster plus voluntary overtime on Sundays, or to operate a fully rostered shift system.
9. Determination of the most cost-effective working pattern to meet particular circumstances will depend greatly on managers' ability to compare the financial implications of the range of working patterns that are available. We endorse the recommendations of the MDR of budgeting that departments should develop methods of providing information which will allow line managers to do this, as part of the overall development of their financial management information systems.
10. One difficulty is that managers have been precluded from

considering options which might prove to be less expensive in terms of overall manpower costs, but which would increase the total manpower count. This is a constraint which does not, generally, apply outside the Civil Service, and it could restrict the development of certain alternative working patterns, particularly these which, like annual hours contracts, are aimed at reducing high levels of overtime.

Scope for savings.

11. Although the need to reduce running costs was the most commonly quoted reason for introducing alternative working patterns outside the Civil Service, most firms found it difficult to identify (separately from the other savings) those which resulted directly from the introduction of these patterns. Firms had found it unnecessary to attempt quantification provided changes were leading to increased productivity.
12. Some firms were, however, able to give us a indication of the extent to which manpower costs had been reduced, although they warned that alternative working patterns could not be assumed to be the sole cause. The introduction of part-time working and annual hours appear to be the most easily measured arrangements.

One firm operating an annual hours system, has reduced expenditure on overtime from 28% of the pay bill to "virtually nil". Another company, which had previously used 4 shift-crews of 7 members (requiring either 2 spare staff or staff working 15% overtime to provide full cover), has now changed to 5 crew working (using only 5 staff in each crew) and finds that the new system is 25% cheaper than employing spare staff, and just as productive.

Another firm now using annual hours contracts has reduced overtime by half - from 16% to 8%. This resulted in a 12% saving on payroll costs.

13. Other firms have found cost benefits in increasing the use of part time staff. Savings on pension contributions, National Insurance contributions, lunchbreaks and teabreaks meant, for one firm, that part time staff were 12% less expensive than full time staff.
14. Contracting out has also been used to reduce costs. One company which contracted out its transport operations saved 30% of a £600,000 budget.
15. While it is impossible to use these figures as a valid

basis for predicting the scope for savings in the Civil Service, it is reasonable to suppose that the introduction of some alternative working patterns in certain areas would be worth considering on cost grounds. If, for example, non-industrial overtime were to be reduced by just 5% across the Civil Service, savings of the order of £13.4 million a year would result. Savings might also be made by introducing fully rostered shift systems in areas of continuous operations.

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FROM: S P JUDGE

DATE: 28 September 1987

MR KEMP

cc PS/Chancellor
PS/Chief Secretary
Sir Peter Middleton
Mr F E R Butler
Mr Anson
Mr Luce
Mr Alderson
Mr Culpin
Mr Gilhooly
Mr Chivers
Mr Graham
Mrs Harrop
Mr Bell
Mr Cropper

CIVIL SERVICE PAY - OUTSTANDING ISSUES

The Paymaster General discussed the situation with the SCPS again this morning with you, Mr Gilhooly and Mr Graham.

2. You recalled that the original offer - worth about 1 per cent - would have cost £5-6 million this year and £8-9 million in a full year. The Society said that they could not deliver their membership on this offer: Departments shared this view.

3. You sought approval for a revised offer - worth just under 1.5 per cent - costing £13-14 million in a full year. By delaying implementation until January the cost this year would be only £3-4 million.

4. Alternative strategies included:

- i. declining to make any offer to the Society. You thought it would be very difficult to explain why the discussions had produced nothing;
- ii. making the original offer (paragraph 2 above), knowing that the Society would not accept it; and
- iii. continuing the negotiations. You thought this was likely to lead to a higher offer at a later date.

5. You reported that you had discussed the situation with Sir Peter Middleton and Mr F E R Butler, who were mainly concerned:

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- i. whether the offer would improve the Civil Service's pay and management systems; and
- ii. whether it would look like rewarding bad behaviour.

On the former, there were noticeable management benefits. There was some risk with the latter. But Christie - whose attitude was friendly, verging on desperate - had followed a personally risky strategy. The Society's original war aim had been 2 per cent, and some elements would accuse him of selling out. He is up for re-election next year (if the forthcoming Employment Bill is enacted).

6. You said that the offer meant spending more than you had anticipated in July, but more was being secured in return. The major users of Society grades - eg C&E and MOD - were in favour of making the offer, and could accommodate it within running costs. DHSS were warmishly neutral, while some minor users - eg DOE and DTI - were unhappy: they would just have to come along.

7. You mentioned a possible problem with the IRSF. Some of their grades had perceived historical linkages with Society grades. The original offer had broken these, in the IRSF's favour: this situation would now be reversed. You hoped that this could be wrapped up with the current negotiations with Tony Christopher on long-term arrangements. There could be a minor problem if the IRSF said they wanted this money for their people now.

8. The Paymaster General authorised you to make the offer described in paragraph 3 above. So far as "nods and winks" were concerned, the Government had entered into negotiations in July with their eyes open and in good faith. There should only be a problem if the eventual outcome was bigger than the Unions originally expected: this was not the case. You agreed to provide briefing for IDT, who should not volunteer words on whether a deal had been stitched up behind the scenes in July, but should be able to refute such suggestions from the Press. You very much hoped that the Society executive would be able to secure the agreement of their membership.



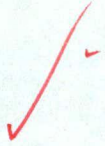
S P JUDGE
Private Secretary
NM 87/253

py

FROM: E P KEMP
29 September 1987

MR FLITTON

- cc Principal Private Secretary
- PS/Chief Secretary
- PS/Paymaster General
- Sir Peter Middleton
- Mr F E R Butler
- Mr Anson
- Mr Luce
- Mr Chivers
- Mr Gilhooly
- Mr Truman
- Mr Graham
- Mr Cropper



SOCIETY CONCORDAT

You may know that after a considerable amount of difficulty we eventually agreed a concordat with the Society (SCPS) yesterday, under which they consent remarkably to flexibilities and co-operation in the management field which they have rejected in the past. The concordate and the money are subject in the first place to endorsement by their Executive and then to approval by their members in ballot. I attach a copy of my letter to the Society of yesterday, together with some briefing notes which you may like to draw on.

2. The letter if fully endorsed represents a very considerable shift in the Society's position, including a commitment to approach change from now on in a positive and constructive way and to co-operate fully in all developments such as FMI, other changes in Government management structure, the introduction and use of new technologies and new working practices. There is also recognition by them of the need for measures such as the direct recruitment of staff at varying levels, the employment of staff other than on permanent appointments, and the use of consultants. There is also a positive recognition that, subject to the continuation of the normal practice to look for redeployment, job losses could result. The Society also accepts that the grading guidance for these people should be improved to ensure these developments can proceed. As you know grading guidance is not negotiable but the Society's acceptance of the improvements

is an essential part of their commitments to go along with the changes happening now and in prospect. This is likely to give the Society a considerable tummy ache, which can only be appeased by the pay consequentials.

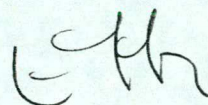
3. You will need to emphasise in any questioning that the pay adjustments are fairly modest, averaging $1\frac{1}{2}$ per cent. This relates to amounts now in payment - 1 September 1987 - but the Society may choose to make the increases for each grade look bigger by relating them back to 1 April 1987 rates.

4. You will need to steer a careful course on the linkage between what the Society is accepting and the money. The points to get over are first that though the Society cannot in the last resort prevent change, they can obstruct these developments and make life considerably more difficult and costly. Second that the package involves acceptance of worthwhile changes in the work of Society grades. In terms of management flexibilities, for these junior and middle managers in the Civil Service, the concordat should be seen alongside parallel developments in flexible pay which we are progressing (the IPCS deal concluded) with other unions and are now to take forward with the Society. But it does not of course establish any principle of paying for this or that change.

5. In terms of headline, again there are conflicting points. Other unions may seek to present this as a pay off for suspending strike action earlier this year. This is simply wrong - if the deal had not been worth doing we would not have done it. Indeed we would very much like to get out something on the lines "The Society, having been beaten in the Summer strike, have now caved in on a lot of Treasury principles in return for tuppence ha'penny". This is in fact a very good description, from some points of view, of the position. On the other hand, we suspect that the Society will have a great deal of trouble selling this deal - if indeed they do not turn it over later today at their Executive - and we do not want to make life more difficult for them either now or in the run up to their ballot. Thus if you are actually asked for a view it would be best

to say that this is just one more of the very many developments and negotiations that go on in the Civil Service the whole time in relation to civil servants pay - more recently in recent years than hitherto - and we are constantly looking for managerial and pay flexibilities, and we are glad that the Society is now joining in.

5. All that said, I have to confess that it is not easy now to foretell exactly how the Press will come out. If you have to be forced in either direction I would rather you were forced in the direction of endorsing a substantial move on the part of the Society in return for relatively little money, than in the direction of pretending nothing had happened. In fact we judge the letter, if endorsed, would represent a very substantial move, both politically and industrially, for what previously has been a most notable backward and Luddite organisation.



E P KEMP



H M Treasury

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E P Kemp
Deputy Secretary

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L Christie Esq
General Secretary
Society of Civil and Public Servants
124-130 Southwark St
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28 September 1987

D Christie

1. I wrote to you on 7 July and proposed a review of the changing nature of the managerial tasks carried out by Society grades. I went on to say that together we should explore the possibilities of reaching a concordat on recent and prospective developments including, I instanced, the use of new technology and the evolution of the Financial Management Initiative. You wrote to me on 13 July accepting this way forward.
2. We have now had considerable discussions and I write to you with our proposals.
3. During our discussions, we agreed that the duties and responsibilities of the Executive grades and other grades represented by the SCPS include the day to day management and operation of government business as part of their overall responsibilities for carrying out the policies of the Government of the day. In that context, the Official Side recognises the continued role that the SCPS plays in representing the legitimate interests of its members.
4. We also agreed that the aim of both the Official Side and the SCPS is to ensure that the Civil Service is both efficient and effective in carrying out its tasks. We both accordingly recognise the need for and welcome the continuing process of change in the civil service. The Society commits itself to approaching change in a positive and constructive way and to cooperate fully in all these developments.
5. Both sides recognise the need to ensure that civil service staffing requirements are met and staff deployed and redeployed in the most efficient and effective way; and that the varying and changing needs of a career service will normally best be met by personnel management, career development, and training policies which develop and equip the grades concerned the better to meet these needs and to cope with the management and implementation of change.

6. Though no list can be comprehensive we have identified together a number of current and prospective developments within the Civil Service, thus: developments in the Financial Management Initiative and other aspects of Government management and structure; the introduction and developing use of technologies; and the introduction and development of new working practices.

7. These developments are either with us or are in prospect and must go forward. The objectives of such developments include importantly improving the efficiency and cost effectiveness of the civil service, the better to deliver the desired standard and quality of service to Ministers and the public. It is the aim of both sides that where possible, managerial change should be achieved in a way which takes into account the working conditions and arrangements and the job satisfaction of staff.

8. Both sides recognise that when circumstances arise which pose particular requirements - such as when in-service resources or expertise are not readily available to meet a particular need - use may need to be made of measures such as the direct recruitment of staff at varying levels, the employment of staff other than on permanent appointments, and the use of consultants. In such instances, the Official Side will consult with SCPS representatives at a departmental or national level as provided for in existing arrangements. Such discussions would cover the reasons why the situation had arisen and whether they were likely to recur in the future.

9. Both sides also recognise that changes such as those described in paragraph 6 above will from time to time lead to consequential reductions in posts needed in particular areas; thus contributing to the objectives listed in paragraph 7 above. Where this happens, it will remain the normal practice to give consideration to redeploying staff elsewhere. The Official Side recognises that reasonable arrangements would be needed to safeguard the interests of individual staff members who may be affected, and to minimise any adverse effects on them.

10. To those ends the Society accepts that the grading guidance appropriate to SEOs, HEOs and EOs should be revised and improved to ensure that these developments can progress and proceed within the duties of each grade. This does not, of course, affect the Society's continuing right to be consulted under existing arrangements.

11. Alongside the changes referred to above, we would propose pay adjustments effective from 1 January next as shown in the note attached. We would expect these changes, both in respect of grading guidance and pay, to be extended to non-departmental bodies on the normal basis.

12. In my letter of 7 July I repeated our willingness to consider constructively with you long-term developments in the pay structure and pay determination system as it might affect your grades on a basis which could be mutually advantageous and mutually acceptable, and referred specifically to the developments which we had under discussion with certain other Civil Service unions, based on the outline which was sent to Peter Jones with my letter of 3 March last; though I added it was not our intention to pursue this package without your agreement.

In your reply of 13 July you entered certain reservations but you said that the Society was however prepared to discuss with us in a positive way how Civil Service pay might be dealt with in the future. You have since amplified this to make it clear that you are prepared, without commitment but without restriction, to discuss with us the possibility of a more structured system for determining the pay of Society grades for the future. We welcome this and look forward to entering into talks with you in the immediate future.

13. We also raised with you again the possibility of the application to your grades of pay additions which might be earned by individuals according to their performance or for other reasons. You repeated that the Society's current position was that such an approach would not be acceptable to your members. We note the position, but would hope that as part of our discussions about a more structured pay determination system for the longer-term we could keep under review the possibility of adding this sort of element to the pay structure of your grades in due course.

14. I should be grateful if you would confirm that this letter accurately represents our discussions.

To succeed
EPK

E P KEMP

DRAFT

CONCORDAT WITH THE SOCIETY

NOTES FOR GUIDANCE

Nature of the "concordat"

See Treasury letter of 28 September. The essentials are that the Society commits itself to approaching change in a constructive way, and to co-operate fully in all these developments. The developments referred to include, but this is not an exhaustive list, developments in the Financial Management Initiative and other aspects for Government management structure; the introduction and developing use of technologies; and the introduction and development of new working practices; and acceptance of advances in the definition of jobs for these grades. In addition reference is made to the need, where circumstances arise, to use measures such as direct recruitment of staff at varying levels, the employment of staff other than on permanent appointments, and the use of consultants. Finally the Society agrees positively to discuss with us without commitment and without restriction the possibility of a more structured system for determining the pay of Society grades in the future.

What is given in return?

2. Pay adjustments to date from 1 January 1988, assuming the Society agrees to this, worth around 1.5 per cent on the pay bill as a whole, with increases of around 1.8 per cent for (1.9 per cent for Executive Officers) people on the top of the scale; and .8 per cent elsewhere.

What is a "concordat"? (if asked)

According to Chambers dictionary, "concordat" means an agreement.

Unlikely Society will agree to these changes?

3. Hope very much that they will. Note that this goes contrary to many of Society's stated policies of the past. But changes represent way in which Civil Service is developing, and glad that the Society is prepared to co-operate fully with this process.

Relationship with industrial action in the Summer?

4. None. When Society called off action proposed to Treasury that discussion should take place about modernising grading guidance and attitude to change, and such discussions have now taken place. The concordat is the upshot.

Cost?

6. Worth about 1½ per cent (about £14 million) on pay bill of grades concerned on a full year basis (one quarter of that in 1986-87). All costs to be found from within Departments running costs limits as set.

What happens if Executive recommends against deal/membership vote against deal?

7. Great pity. Hope that even if Executive recommends against it members will think better. If members vote against it management will need nevertheless to press on with these changes, but process will be more tedious and painful for all concerned than would otherwise have been the case.

Future pay flexibilities

8. This deal essentially about management flexibilities and facilitating of pushing forward FMI, new technologies, new working practices, and the like. Pay flexibilities as such not neglected. Society now prepared to talk about structured long-term pay deal, which is hitherto been off

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limits. Regret the Society continues to oppose performance pay, but Government made it clear that it will press on in this area.

Implications for other grades?

9. Concordat deals with Society middle management grades and is tailored for them. No read across to other grades.

Reactions of other unions?

10. You must ask them.

FROM: E P KEMP
29 September 1987

MR FLITTON

cc Principal Private Secretary
PS/Chief Secretary
PS/Paymaster General
Sir Peter Middleton
Mr F E R Butler
Mr Anson
Mr Luce
Mr Chivers
Mr Gilhooly
Mr Truman
Mr Graham
Mr Cropper

SOCIETY CONCORDAT

You may know that after a considerable amount of difficulty we eventually agreed a concordat with the Society (SCPS) yesterday, under which they consent remarkably to flexibilities and co-operation in the management field which they have rejected in the past. The concordate and the money are subject in the first place to endorsement by their Executive and then to approval by their members in ballot. I attach a copy of my letter to the Society of yesterday, together with some briefing notes which you may like to draw on.

2. The letter if fully endorsed represents a very considerable shift in the Society's position, including a commitment to approach change from now on in a positive and constructive way and to co-operate fully in all developments such as FMI, other changes in Government management structure, the introduction and use of new technologies and new working practices. There is also recognition by them of the need for measures such as the direct recruitment of staff at varying levels, the employment of staff other than on permanent appointments, and the use of consultants. There is also a positive recognition that, subject to the continuation of the normal practice to look for redeployment, job losses could result. The Society also accepts that the gradng guidance for these people should be improved to ensure these developments can proceed. As you know grading guidance is not negotiable but the Society's acceptance of the improvements

is an essential part of their commitments to go along with the changes happening now and in prospect. This is likely to give the Society a considerable tummy ache, which can only be appeased by the pay consequentials.

3. You will need to emphasise in any questioning that the pay adjustments are fairly modest, averaging 1½ per cent. This relates to amounts now in payment - 1 September 1987 - but the Society may choose to make the increases for each grade look bigger by relating them back to 1 April 1987 rates.

①
②
4. You will need to steer a careful course on the linkage between what the Society is accepting and the money. The points to get over are first that though the Society cannot in the last resort prevent change, they can obstruct these developments and make life considerably more difficult and costly. Second that the package involves acceptance of worthwhile changes in the work of Society grades. In terms of management flexibilities, for these junior and middle managers in the Civil Service, the concordat should be seen alongside parallel developments in flexible pay which we are progressing (the IPCS deal concluded) with other unions and are now to take forward with the Society. But it does not of course establish any principle of paying for this or that change.

③
④
5. In terms of headline, again there are conflicting points. Other unions may seek to present this as a pay off for suspending strike action earlier this year. This is simply wrong - if the deal had not been worth doing we would not have done it. Indeed we would very much like to get out something on the lines "The Society, having been beaten in the Summer strike, have now caved in on a lot of Treasury principles in return for tuppence ha'penny". This is in fact a very good description, from some points of view, of the position. On the other hand, we suspect that the Society will have a great deal of trouble selling this deal - if indeed they do not turn it over later today at their Executive - and we do not want to make life more difficult for them either now or in the run up to their ballot. Thus if you are actually asked for a view it would be best

to say that this is just one more of the very many developments and negotiations that go on in the Civil Service the whole time in relation to civil servants pay - more recently in recent years than hitherto - and we are constantly looking for managerial and pay flexibilities, and we are glad that the Society is now joining in.

5. All that said, I have to confess that it is not easy now to foretell exactly how the Press will come out. If you have to be forced in either direction I would rather you were forced in the direction of endorsing a substantial move on the part of the Society in return for relatively little money, than in the direction of pretending nothing had happened. In fact we judge the letter, if endorsed, would represent a very substantial move, both politically and industrially, for what previously has been a most notable backward and Luddite organisation.

EPK

E P KEMP



H M Treasury

Parliament Street London SW1P 3AG

E P Kemp
Deputy Secretary

Switchboard 01-270 3000
Direct Dialling 01-270 4400

L Christie Esq
General Secretary
Society of Civil and Public Servants
124-130 Southwark St
LONDON SE1 0TU

28 September 1987

D. Christie

1. I wrote to you on 7 July and proposed a review of the changing nature of the managerial tasks carried out by Society grades. I went on to say that together we should explore the possibilities of reaching a concordat on recent and prospective developments including, I instanced, the use of new technology and the evolution of the Financial Management Initiative. You wrote to me on 13 July accepting this way forward.
2. We have now had considerable discussions and I write to you with our proposals.
3. During our discussions, we agreed that the duties and responsibilities of the Executive grades and other grades represented by the SCPS include the day to day management and operation of government business as part of their overall responsibilities for carrying out the policies of the Government of the day. In that context, the Official Side recognises the continued role that the SCPS plays in representing the legitimate interests of its members.
4. We also agreed that the aim of both the Official Side and the SCPS is to ensure that the Civil Service is both efficient and effective in carrying out its tasks. We both accordingly recognise the need for and welcome the continuing process of change in the civil service. The Society commits itself to approaching change in a positive and constructive way and to cooperate fully in all these developments.
5. Both sides recognise the need to ensure that civil service staffing requirements are met and staff deployed and redeployed in the most efficient and effective way; and that the varying and changing needs of a career service will normally best be met by personnel management, career development, and training policies which develop and equip the grades concerned the better to meet these needs and to cope with the management and implementation of change.

6. Though no list can be comprehensive we have identified together a number of current and prospective developments within the Civil Service, thus: developments in the Financial Management Initiative and other aspects of Government management and structure; the introduction and developing use of technologies; and the introduction and development of new working practices.

7. These developments are either with us or are in prospect and must go forward. The objectives of such developments include importantly improving the efficiency and cost effectiveness of the civil service, the better to deliver the desired standard and quality of service to Ministers and the public. It is the aim of both sides that where possible, managerial change should be achieved in a way which takes into account the working conditions and arrangements and the job satisfaction of staff.

8. Both sides recognise that when circumstances arise which pose particular requirements - such as when in-service resources or expertise are not readily available to meet a particular need - use may need to be made of measures such as the direct recruitment of staff at varying levels, the employment of staff other than on permanent appointments, and the use of consultants. In such instances, the Official Side will consult with SCPS representatives at a departmental or national level as provided for in existing arrangements. Such discussions would cover the reasons why the situation had arisen and whether they were likely to recur in the future.

9. Both sides also recognise that changes such as those described in paragraph 6 above will from time to time lead to consequential reductions in posts needed in particular areas; thus contributing to the objectives listed in paragraph 7 above. Where this happens, it will remain the normal practice to give consideration to redeploying staff elsewhere. The Official Side recognises that reasonable arrangements would be needed to safeguard the interests of individual staff members who may be affected, and to minimise any adverse effects on them.

10. To those ends the Society accepts that the grading guidance appropriate to SEOs, HEOs and EOs should be revised and improved to ensure that these developments can progress and proceed within the duties of each grade. This does not, of course, affect the Society's continuing right to be consulted under existing arrangements.

11. Alongside the changes referred to above, we would propose pay adjustments effective from 1 January next as shown in the note attached. We would expect these changes, both in respect of grading guidance and pay, to be extended to non-departmental bodies on the normal basis.

12. In my letter of 7 July I repeated our willingness to consider constructively with you long-term developments in the pay structure and pay determination system as it might affect your grades on a basis which could be mutually advantageous and mutually acceptable, and referred specifically to the developments which we had under discussion with certain other Civil Service unions, based on the outline which was sent to Peter Jones with my letter of 3 March last; though I added it was not our intention to pursue this package without your agreement.

In your reply of 13 July you entered certain reservations but you said that the Society was however prepared to discuss with us in a positive way how Civil Service pay might be dealt with in the future. You have since amplified this to make it clear that you are prepared, without commitment but without restriction, to discuss with us the possibility of a more structured system for determining the pay of Society grades for the future. We welcome this and look forward to entering into talks with you in the immediate future.

13. We also raised with you again the possibility of the application to your grades of pay additions which might be earned by individuals according to their performance or for other reasons. You repeated that the Society's current position was that such an approach would not be acceptable to your members. We note the position, but would hope that as part of our discussions about a more structured pay determination system for the longer-term we could keep under review the possibility of adding this sort of element to the pay structure of your grades in due course.

14. I should be grateful if you would confirm that this letter accurately represents our discussions.

Yours sincerely
EPK

E P KEMP



CH/EXCHEQUER	
REC.	01OCT1987 110
ACTION	PMG
COPIES TO	

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

12

The Rt Hon Lord Young of Graffham
Secretary of State for Trade and Industry
1 Victoria Street
LONDON
SW1H 0ET

30 September 1987

Dear David,

MANAGEMENT DEVELOPMENT - HANDY AND CONSTABLE

Thank for your letter of 29 September enclosing the draft paper for the meeting of Ministers on 2 October to consider our response to the Handy and Constable Reports. I am sorry that I cannot attend or be represented at Ministerial level, because of Scottish commitments - but I have asked an official to attend.

I think that the Report of the Working Group of officials is a reasonable basis for us to work on in defining the Government's role on management development and the attitude it should take to the Handy and Constable Reports. But I am concerned that our message does not become too watered down. It is very encouraging that at last industry, as represented at least by the CBI, has apparently recognised the crucial importance of doing more on management development. We must not be lukewarm in our support for what they now seem prepared to do - with gratifyingly little evidence as yet that they are looking for Government expenditure beyond what would be normal in support of the appropriate education provision. We need to be seen to be supporting them wholeheartedly and, in our role as employer, to be leading by example.

I am copying this letter to Nigel Lawson, Norman Fowler, Richard Luce, Peter Walker and Kenneth Baker.

Yours truly,
Malcolm Rifkind

MALCOLM RIFKIND

FROM: R I G ALLEN
DATE: 13 OCTOBER 1987

PRINCIPAL PRIVATE SECRETARY

cc Mr P Kemp
Mr Flitton

cc PS/P179
as before
D.L.C. copy

Principal Private Secretary

SCPS CONCORDAT: DAVID BRINDLE STORY

*Disputed that part of the top spin will
have come from the CPSA, who are desperate to rubbish*

The Chancellor asked about the origins of the Brindle story in today's FT (copy attached). Details of the concordat had in fact already been published in the Times two weeks ago.

*Society
Lacwellan
Heavenly!*

The Treasury source referred to in the article was John Flitton (IDT) who spoke to Brindle yesterday. John told me that he had followed very closely the line taken in Peter Kemp's minute of 29 September (copy also attached together with Peter's letter of 28 September to the General Secretary of the SCPS). Note in particular the guidance in paragraph 5 of Peter's minute:

" if you [IDT] have to be forced in either direction [by the Press] I would rather you were forced in the direction of endorsing a substantial move on the part of the Society in return for relatively little money, than in the direction of pretending nothing had happened."

John assures me that at no time during his discussion with Brindle did he make any claims about a Treasury "triumph". Indeed, the article itself is reasonably accurate and balanced: it is the headline which causes the problem in relation to the current discussions within the Society, and the forthcoming ballot (the article does not suggest that the result of the ballot is a foregone conclusion).

I have asked John Flitton to have a word with David Brindle to make the point that the headline was not very helpful.

RAF

R I G ALLEN

FROM: R I G ALLEN
 DATE: 13 OCTOBER 1987

cc Sir P Middleton

PRINCIPAL PRIVATE SECRETARY

cc Mr P Kemp
 Mr Flitton

NSM:

a
 see also P Kemp's
 manuscript connect a
 copy below *AK*

SCPS CONCORDAT: DAVID BRINDLE STORY

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12/17

R I G ALLEN

Encs

Treasury claims pay triumph

BY DAVID BRINDLE, LABOUR CORRESPONDENT

THE TREASURY believes it has won important concessions from the Society of Civil and Public Servants, the traditionally hard-line, middle-management Whitehall union, in a pay deal being voted on in the next two weeks.

The deal would give most of the society's 86,000 members pay rises of almost 2 per cent from next January 1, on top of the basic 1987-88 Civil Service settlement of 4.25 per cent plus a separate premium of up to 2 per cent, paid from the start of this month.

The union, which is recommending acceptance of the deal, says it would mean overall increases of between 5.2 per cent and 11.9 per cent for its members in the pay year as a whole. It says the Treasury's strings present no great threat to members.

However, the Treasury points out that the union is formally accepting key and controversial management policies including:

- The Government's Financial Management Initiative.
- New technology and new working practices.
- Use of outside consultants and short-term contracts.
- Direct entry of staff at senior levels.

The Treasury said yesterday the deal made "very substantial ground" in areas which had caused difficulty in the past.

The society, on the other hand, says the deal includes no more than general acknowledgement of a role for the above policies, stipulates consultation with the union in all cases and - most important - excludes any performance-related or regional pay variation.

Mr Leslie Christie, the union's general secretary, says in a circular to members that the offer is an undeniable success and due reward for the pay campaign fought by society members earlier this year.

The overwhelming majority of society members who are at or near the top of their pay scales

would receive overall rises in 1987-88 of between 8 per cent and 9 per cent. The January payment would be 1.8 per cent or 1.9 per cent for all those at the top of scales.

The Treasury, which has been under pressure to improve pay levels to ease recruitment problems among Whitehall middle-managers, has formally reserved the right to reopen discussions on performance, regional and other pay flexibility.

The deal will be voted on by society members in the fortnight beginning next Monday. The leadership's recommendation makes it almost certain the terms will be accepted in secret ballots at more than 1,000 workplace meetings.

The IRSF tax officers' union and the CPSA clerical civil servants' union are still discussing pay with the Treasury in the light of both the society's offer and the pay flexibility deal reached with the IPCS scientific and technical officers' union.

Downey to quit as head of Audit Office

By Terry Dodsworth, Industrial Editor

SIR GORDON DOWNEY, the Comptroller and Auditor General, is to retire at the end of this year after a six-year spell in office during which he has presided over sweeping changes in the National Audit Office.

Although there is no set retirement date for the Comptroller, who is appointed by the Queen, Sir Gordon said yesterday that he had decided to depart just short of his 60th birthday to pursue other activities.

The National Audit Office was created after a parliamentary move in 1983 to make the former Exchequer and Audit Department independent of the Government.

Sir Gordon has since taken a number of steps to sharpen up surveillance of government departments. The most significant has been the emphasis given to value-for-money reports on government activities and various public bodies.

JobCentre strike to go ahead

BY JIMMY BURNS, LABOUR STAFF

THE LEFT-LED CPSA civil servants' union is to press ahead tomorrow with a nine-day strike at 23 JobCentres in protest at a government ethnic monitoring exercise.

However, the union has failed to secure majority support for industrial action on the issue from members employed in the sector nationally.

More than 1,000 CPSA members in 115 JobCentres in Lon-

don, the West and East Midlands, Yorkshire and Humberside were urged to strike in a ballot held last week. In 92 JobCentre branches which produced returns, CPSA members voted by a majority of more than 2-1 against action.

Support for the strike rather than co-operation with ethnic monitoring was focused in the London area - 22 out of 23 local JobCentres - and in Toxteth in

Liverpool.

The Manpower Services Commission said yesterday that it was running the monitoring scheme as part of a continuing process to improve racial equality. However, it added that it did not intend to take legal action against the union over the strike.

When the CPSA last organised a strike against ethnic monitoring - on the grounds that it was "racist" and discriminatory because it involved questions unconnected with race - it faced a High Court writ from the Department of Employment.

The Government then said the strike was political and not a legitimate trade union dispute as defined by the Employment Act 1982.

*RIGHT
Ch rang me about this - not a clerical? Who did it?*

Alan

20



FROM: CATHY RYDING
DATE: 14 October 1987

MR R I G ALLEN

cc Mr P Kemp
Mr Flitton

SCPS CONCORDAT: DAVID BRINDLE STORY

The Chancellor has seen and noted your minute of 13 October.

CR

CATHY RYDING



FROM: S P JUDGE
DATE: 26 October 1987

APS/CHANCELLOR

cc PS/Chief Secretary
PS/Sir Peter Middleton
Mr F E R Butler
Mr Anson
Mr Kemp
Mr Scholar
Mr Gilhooly
Miss Sinclair
Mr Painting

*✓ Check.
WAS with A. H. ...*

SCRUTINY ON THE LONDON AREA: STAFF/OPERATIONAL PROBLEMS

I attach:

- a submission from the Chairman of Customs & Excise;
- the Paymaster General's response;
- the summary of the report, which the Paymaster thinks the Chancellor should see - especially paragraph 2.

Copies of the report have been sent to FP and Pay.

*PS. I realize all
this stems from a
scrutiny upon
w/ consultation
for P.M.'s visit
proposed for
see R. 144s. M.*

S P JUDGE
Private Secretary



Board Room
H M Customs and Excise
King's Beam House
Mark Lane London EC3R 7HE

FROM: J B UNWIN

DATE: 20 OCTOBER 1987

PAYMASTER GENERAL

cc: Sir Robin Ibbs

SCRUTINY ON THE LONDON AREA : STAFF/OPERATIONAL PROBLEMS

We have just received John Barnard's report on this subject. You might find it helpful to have my first reactions.

2. The report is a close companion piece to the earlier Gudgin report on VAT skills on which, as you know, I have already made PES proposals. Gudgin considered the steps needed to ensure that the skills and experience of our VAT staff generally can match the increasingly sophisticated requirements of effective control of the tax : this report concentrates specifically on the area of our greatest difficulty - London.

3. Barnard has produced a wealth of statistical analysis and related judgements which we will obviously need to consider carefully. But there is no doubt about his central finding. This is that because of acute difficulties of getting and keeping experienced and skilled staff, the effectiveness of our controls, especially of VAT, in the very area where proportionately most revenue is at stake is well below standard. Barnard calculates that on this account about £150 million revenue per annum is being foregone.

4. It is clear to me already that a top priority of the Board must be to take decisive action to tackle this problem. We must, over as short a period as possible, markedly improve our experience and skill levels in London so as to achieve much better standards of control. Success in doing so would undoubtedly be very good value for money.

5. As you will see, the report proposes a complicated and comprehensive set of interlocking measures. These take account of the recent changes in the terms for assisting transfers of staff and also of the new scheme for local pay additions. Barnard has also noted the special efforts which the Department has already been making to recruit and retain staff in the London area. But while he recognises that all these measures are helpful, he argues that they will not by themselves be enough to tackle the particular nature of the problem which this Department faces in applying effective tax control. I am sure that Barnard is right in believing that special measures will be needed and that we must make provision for these in 1988-89. But we shall obviously need to examine the detail of his specific proposals with great care. In particular we must ensure that action flowing from this report sits coherently with our wider follow-up to the Gudgin report; and where we need to seek a derogation from existing service-wide terms and conditions we shall want to be able to justify that by very precise targeting of problems peculiar to this Department with a definite pay-off.

6. We shall plan, therefore, to undertake without delay an intensive analysis of the package of measures proposed by Barnard and to discuss them both within the Department and with the Treasury before we draw up an action plan. Because of the self evident need for early action, we shall give this work the highest priority.

7. There is intense interest within the Department - both managers and staff - in the issues covered in the report and I want to make it available as soon as possible. I should be very grateful, therefore, if you could give your early approval for the usual wider circulation, including to the Trade Union Side.

X| 8. I am sending a copy of this minute to Robin Ibbs.



J B UNWIN



FROM: S P JUDGE
DATE: 26 October 1987

PS/CUSTOMS AND EXCISE

cc Sir Robin Ibbs

SCRUTINY ON THE LONDON AREA: STAFF/OPERATIONAL PROBLEMS

The Paymaster General was grateful for Mr Unwin's submission of 20 October, and the enclosed scrutiny report. He has commented that this is obviously a thorough and interesting report on a critical subject.

The Paymaster is content for you to make the report available (your paragraph 7). But he would like to delay this for a week or so, in order to give the official Treasury a little time to digest it.

S P JUDGE
Private Secretary

SUMMARY

1. In essence the problem is summed up in an analogy drawn by one Collector who said that if Customs and Excise was a selling organisation the shareholders would complain bitterly that the company was operating in its prime market with too few sales teams and its most inexperienced salesmen.

The operational damage

2. The Department is unable to maintain the levels of control necessary to ensure the effective collection of its taxes. Last year inadequate control resulted in lost revenue estimated at £149 million, mainly from Value Added Tax. On this basis control in London is about 70% effective.

The difficulties

3. London suffers a high turnover of executive staff which combines with low levels of experienced replacement. The results are serious staff shortages and high numbers of inexperienced staff.
4. Both sides of the turnover - replacement equation are affected by the unpopularity of working in London. On the one hand staff seek to transfer out of the London area (or resign from the Department) whilst, on the other, staff are reluctant to transfer into London from elsewhere.
5. At the heart of London's unpopularity is that it is an expensive place to live and staff can enjoy a relatively higher financial standard of life elsewhere. Important too is quality of life. Many staff set great store on a provincial life-style which cannot be met in London.

The future prospect

6. In VAT the workload is increasing by about 3% per year and the work itself is becoming more complex. The Department secured provision for additional HEO resources in 1986/7 to enhance VAT control. Most of these additions were planned for London and, although the London complement was increased, the Department was forced to utilise the bulk of the provision in VAT control elsewhere. Overall, almost 100 HEO posts were added to London's complement in 1986/7 but there were over 150 unfilled HEO vacancies by the end of the year.
7. To meet the growing complexity of the work greater involvement of HEO and SEO level staff is planned in VAT control and the VAT Skills Scrutiny recommends a further expansion of HEO posts which will impact heavily in London. Clearly, unless the problem is resolved the Department will face escalating difficulty with corresponding increases in lost revenue.

The way forward

8. Our approach seeks to improve the long term stability of London executive staffing by increasing the core of staff prepared to live and work in London on a permanent basis.
9. The good health of the HEO and SEO grades ultimately relies on a cadre of EOs strong enough to provide good quality promotees. For this reason we concentrate on the EO grade and we recommend a recruitment strategy designed to capture recruits content to live and work in London long term.

To keep staff in London underlying pay must be sound, both to meet the competition of other London employers and to ensure reasonable comparability of real earnings between London and elsewhere. Without reasonable comparability it is no surprise that staff seek, and will continue to seek, higher standards elsewhere.

11. Due primarily to escalating house prices the comparability gap is too wide, particularly for staff not yet, or only just, on the housing ladder and particularly for those staff working in high cost housing areas not attracting London Weighting. High accommodation costs in London cause very real difficulties for young staff and we recommend measures to provide financial help for first time buyers and for staff renting accommodation. These measures are designed to lessen the pressure on staff to move elsewhere, either by resignation or by transfer.
12. It is unlikely, however, that London will ever be wholly self-sufficient in its staffing, nor is it desirable that it should be so. The Department will continue to seek the infusion of new blood and there will be a continuing need to bring staff to London from elsewhere.
13. Some incoming staff may be prepared to remain long term but it is likely that most will be prepared to stay only for a tour of duty. Our approach here is to ensure that such tours of duty are fully effective and we recommend changes to the Department's transfer rules to extend the period to be served before becoming eligible for further transfer. The changes will also contribute towards improved stability.
14. The numbers of staff prepared to come to London on transfer are already inadequate and extending the period to be served is likely to worsen an already bad situation. Accordingly we recommend some financial enhancement to permanent transfer terms, again on the housing front. We also recommend a greater certainty of transfer out of London after an effective period of duty has been served.

Short term measures

15. The measures associated with our overall approach will bring about a steady improvement in the overall experience and will provide for most of London's HEO needs as the core of EOs strengthens. They will not, however, afford immediate relief to the current crisis of HEO shortages. We deal with this by providing pay additions for HEOs working in LVOs facing the worst difficulty.

Implementation

16. To deal with the difficulties of high cost housing and accommodation we recommend a number of benefits not presently available under Civil Service code provisions and beyond the competence of the Department to implement without Treasury agreement. We are aware that the difficulties are not borne exclusively by Customs and Excise staff but they represent major links in the chain ultimately leading to substantial loss of Customs and Excise revenues.
17. The recently announced scheme for Local Pay Additions requires close targetting to specific offices and on these same principles it is not axiomatic that our recommendations must be applied to the Civil Service overall. We can speak only of the position as we have found it in Customs and Excise where we consider the measures we have recommended both essential and fully justified.

Cost benefit

10.

Over an eight year period the cost of our recommendations is estimated at £30.5 million (including capital funding for loans of £13.2 million). We estimate the maximum benefit of this investment to be £450 million over the same period.

SUMMARY OF RECOMMENDATIONS

Number	Recommendation	Paragraph
1.	Critical examination of control arrangements with a view to transferring control to non London offices is given by managers each year when annual work reviews are conducted in VAT and other fields of work.	6.13
2.	When new office sites are selected within the London Problem Area, that high priority should be given to: a. Convenience to public transport and local amenities. b. Good local environment. c. The London Weighting area appropriate to where the work is performed. Any investment appraisal should recognise the relative effectiveness to be expected.	6.18
3.	The Department continues the arrangement whereby CSC recruit EO level staff specifically for the Department in London and affected areas.	8.13
4.	The Department develops procedures for vigorously marketing itself to school leavers and university graduates in the London area.	8.13
5.	The Department negotiate with HM Treasury a scheme for first time buyer mortgage assistance.	8.18
6.	The Department negotiate with HM Treasury a rent allowance for EO staff not yet on their maximum salary who work in London and equivalent high cost housing post codes.	8.21
7.	The Department negotiate with HM Treasury a system to allow restart of AHCA or EFA paid to staff in the London Problem Area, London HQ, ID or LAP, for a further period.	8.25
8.	Appointees to the EO grade should serve for 5 years in their Unit of Appointment before being allowed to apply for transfer elsewhere.	9.10
9.	Promotees to SEO, HEO and EO grades should serve for 5 years in their Unit of Appointment before being allowed to apply for transfer, unless they have received full basic training in the work discipline to which appointed, when a 4 year minimum term should apply.	9.11

Additional ...
EFA ...

10. SEO, HEO and EO level staff transferring at the same grade should serve for 4 years in their Unit of Appointment before being allowed to apply for transfer again, unless they have received full basic training in the work discipline to which appointed, when the 3 year rule should apply. 9.12
11. Local Collection rules to reflect our recommendations concerning the national transfer rules. 9.13
12. The Department negotiate with HM Treasury a change to the AHCA rules to ensure that the maximum payment compensates fully for the actual cost of an additional mortgage, limited to £30,000. 9.19
13. The Department should arrange for newly recruited EOs to receive re-location allowances. 9.22
14. The Department designates posts at HEO and SEO levels that are difficult to fill and advertises them to staff with the guarantee that, should they apply for and be appointed to such specific posts, they will secure transfer out when they are eligible and the senior applicant for any post for which they are considered suitable. 9.26
15. The Department establishes a re-location service in Personnel Directorate to promote London and to offer advice on residential areas and allowances available. 9.29
16. The Department negotiate with HM Treasury for a pay addition of, say, £1,500 per annum to be paid to all HEOs working in Local VAT offices situated in the Inner and Intermediate London Weighting zones. A provision for such staff to opt for a supplementary transfer grant of, say, £5,000 in lieu of any pay addition should also be negotiated. 10.5
17. The Department includes a part-time option in clerical recruitment advertising and tests the effectiveness of using such staff in selected offices. 11.8

PMG

UNCLASSIFIED



FROM: CATHY RYDING
DATE: 27 October 1987

BTR
30/11
4/11

PS/SIR P MIDDLETON

bf 9/112

cc: PS/PMG

SCRUTINY ON THE LONDON AREA: STAFF/OPERATIONAL PROBLEMS

The Chancellor has seen PS/Paymaster General's minute to me of 26 October.

2. The Chancellor has commented that he realises that this correspondence derives from a scrutiny report; but he would nonetheless be grateful for Sir P Middleton's views of the propriety of Mr Unwin copying his letter to Sir Robin Ibbs.

pse chase

bf 15/112

CR

CATHY RYDING

pse chase + bf
22/11
BF 27/11

bf 30/11

Note

I have chased
with Simon Sargent.
He will come back to me.

Tony pse
chase again &
let me know
outcome. Thanks

MPW 27/11

MPW 13/11

bf 2/112



P V H Smith
The Solicitor

Solicitors Office
HM Customs and Excise
Kings Beam House
Mark Lane London EC3R 7HE

Tel: 01-382 5121

16 NOV 1987

ECONOMIC SECRETARY	
REC'D	19 NOV 1987
ACTION	Miss Sinclair
COPIES TO	PS/Chancellor 2nd.
	PS/PMG
	Sir P Middleton
	Mr Kemp
	Mr Gilhooly

13 November 1987

Economic Secretary
HM Treasury
Parliament Street
LONDON SW19 3AG

cc Sir Robin Ibbs

Mr Gilhooly
Mr Michie

EFFICIENCY SCRUTINY PROGRAMME 1985/86
SCRUTINY OF HM CUSTOMS AND EXCISE LEGAL SERVICES AND
THE SOLICITORS OFFICE

Implementation Report

This scrutiny was conducted by Mr R C Shepherd and Mr A C Nicholson from 1 September 1985 to 31 January 1986; the following were the formal terms of reference:

"To consider the needs of the Customs and Excise Department for legal services and how these can best be provided taking into account need for work and value for money considerations; to consider the instruction of and support required by lawyers and the division of responsibilities between the lay staff in operational units and in Headquarters and the lawyers; to consider what changes may be needed and to make recommendations."

Internal Copies:	Chairman	Mr Weston	Mr Nash	Mr Butt
	Mr Knox	Mr Jefferson-Smith	Mr Howard	Mr Nissen
	Mrs Strachan	Mr Russell	Mr Finlinson	

The Action Plan was submitted to the Paymaster General on 29 April 1986 and I can now report that the 23 accepted recommendations, modified as appropriate, have been - or are in the course of being - implemented. Liaison has been maintained with the Efficiency Unit following the publication of the scrutiny report, and the progress of implementation monitored with them. The build up of financial savings was forecast to occur over a five year period culminating in 1990/91 and the attached implementation account, summarising the position reached on each of the recommendations, is on target against that schedule.

In certain areas, principally in the Prosecutions sphere, the recommended savings have been overtaken by a very large increase in the volume of work.

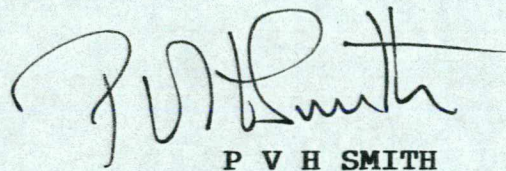
Considerable progress has been made in the delegation of work hitherto performed by professional lawyers to professionally non-qualified executive staff; there is still some room for further progress in this respect, but a stage has been reached when it will be essential to proceed more carefully and only when non-qualified staff have acquired the necessary relevant experience.

In the realm of time recording we are evaluating the benefits of experiments before deciding on what detailed time recording techniques should be inaugurated as part of the longer term development of performance indicators.

Detailed enquiry into the Scrutineers' findings resulted in a revised estimate of savings and of the costs of implementation; the foreseen savings now amount to £787,000 per annum, with once and for all implementation costs of £330,000.

E. R.

Apart from the purely financial implications of the scrutiny I am happy to report that very considerable progress has been made in the improvement of management - by courses, by the delegation of work and responsibility for budgets and planning, by an alteration in line management responsibilities, and perhaps most important of all, by inculcation of a change of attitude.



P V H SMITH

IMPLEMENTATION ACCOUNT - LEGAL SERVICES SCRUTINY

Rec	State	Long term Annual Savings Accepted £K	Achieved to date £K	Annual Costs £K	One off Costs £K
1	Rejected				
2	Progressing)				
3	Implemented)	-265.4	71	18.5	28
4	Progressing)				
5	Implemented				
6	Rejected				
7	Implemented	14	7	7	-
8	Implemented				
9	Progressing	-	-	2	4
10	Implemented				
11	Implemented				3.175
12	Progressing	34	-	-	-
13	Implemented	-	-	-	15.950
14	Implemented				
15	Implemented				
16	Implemented				
17	Progressing	206	73.48		
18	Implemented	-	-	23.5	
19	Progressing	155	-	-	220*
20	Implemented				
21	Implemented	43	13.5	26.5	1
22	Progressing				
23	Progressing				
24	Implemented				23
25	Implemented	147.5			33
		<hr/>	<hr/>	<hr/>	<hr/>
		864.9	164.980	77.5	328.125
					(330K in Summary Report)
		<hr/>			
		77.5			
		<hr/>			
		787.4	Net savings per annum		

*£220K committed one off expenditure not yet incurred.

Management

Recs 11, 12, 13, 14 all implemented except 12 -saving of one Principal post ties in with R25 and outcome of Staff Inspection.

Management Information

Recs 8, 9, 10, 23

Cost effectiveness

Recs 2, 4, 17, 19, 21

Other

Recs 3, 5, 7, 15, 16, 18, 20, 22, 24, 25

Rejected

Recs 1, 6

LEGAL SERVICES SCRUTINY

MAJOR RECOMMENDATIONS

Management

11-14

Major budgets have been delegated

Organisation has been restructured so that line management follows responsibility for work.

Appropriate training courses and seminars have taken place to improve management techniques and attitudes; more are planned.

Management Information

8

Regular planning links have been established with operational directorates, and have been integrated with annual planning and budgeting cycles.

9, 10 & 23

Time recording trials are being evaluated. Manual procedures of a snapshot nature rather than the computerised systems originally envisaged are likely to be established in areas where they will improve effectiveness without damaging efficiency.

Cost Effectiveness

2 and 4

Delegation of court appearances to local staff is progressing well; a substantial programme of training will be completed by mid 1988 and will increase their effective-

ness. A 30% increase in the prosecution load in 1986/87 gave added impetus to the delegation. In the long term, further progress will be impeded by the national move towards the Crown Prosecution Service. Shortage of staff in CPS has precluded the latter from taking work from us while private lawyers have proved very expensive.

17

Three divisions now operate successful schemes delegating work from prosecutions lawyers to teams of Executive Staff. Increased implementation targetted for end 1987 (with increase in staff resulting from Staff Inspection).

19

Successful pilot scheme run for referring civil debt recovery cases direct to Solicitors Office from LVOs. Full implementation by phased programme ending in Oct 1988.

21

Transfer of VCA appeals work from VCA to Solicitors Office implemented fully from Oct 1987.

OTHER RECOMMENDATIONS

3, 5, 7, 15, 16,
18, 20, 22, 24 & 25

Implemented. The final recommendation (25) was for a staff inspection of the Solicitors Office which has been completed: discussions on implementation of the recommendations will take place shortly.



WHO DOES WHAT AT THE CENTRE

**A note on the responsibilities of the main central divisions
concerned with management change in the Civil Service**

FROM: L J HARRIS
DATE: 18 November 1987

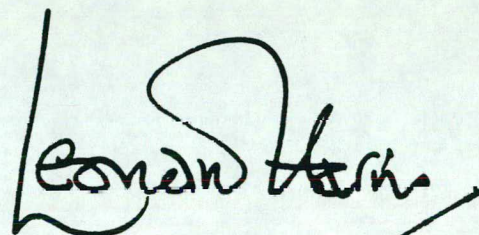
ALL PRINCIPALS AND ABOVE IN THE TREASURY AND OMCS

"WHO DOES WHAT AT THE CENTRE"

It will come as no surprise that there are many people in departments who are unclear about the roles of the Treasury and OMCS and the responsibilities of sections in the central departments for promoting management change. The recent changes here added to their mystification.

The attached guide, which updates an earlier print, seeks to clarify matters. Like the earlier versions, it has been restricted to areas of "management change" and it does not attempt to describe all the various relationships between central divisions and departments. Its main purpose is to help people in departments who need to deal with the centre, and copies are being sent to FMI key contacts in Departments and to PEOs in Small Departments for their distribution.

Extra copies are available from the Treasury's Publishing Unit in room 53c/4 (270 4558) if needed.

A handwritten signature in black ink, appearing to read "Leonard Harris". The signature is written in a cursive style with a large, sweeping initial 'L'.

L J HARRIS

WHO DOES WHAT AT THE CENTRE

A note by the Financial Management Group

Certain changes in the distribution of functions between the central departments took place on 1 October 1987. Responsibility for the central management of the Civil Service is now shared between the Treasury and the Cabinet Office (Office of the Minister for the Civil Service).

2. The OMCS was reconstituted from the Management and Personnel Office of which the functions have been divided between OMCS and the Treasury. Those MPO functions which bear directly on financial management, manpower, pay and financial conditions of service have been transferred to the Treasury. This change reflects the increasingly close association between pay, structure and manpower issues in the Civil Service, and between the various consultancy, inspection and review services. Some 70 staff have moved with their work from the MPO to the Treasury.

3. In addition to its established functions of pay, superannuation, grading, numbers and industrial relations matters, the Treasury now has responsibility for terms and conditions of service where there is a financial aspect, eg flexible working patterns, retirement and redundancy, performance related pay; policies bearing on manpower and grading issues, eg recruitment, retention, structure, dispersal; advice and guidance on good management practice, information management and employment of consultants. The MPO Accountancy Support Unit has been reabsorbed into the Accountancy Adviser's Group in the Treasury. The Central Unit on Purchasing, previously a joint Treasury/MPO Unit, is now part of the Treasury. The functions carried out by the Joint Management Unit, including its work on budgeting and policy evaluation, have also been transferred to the Treasury as part of a new Financial Management Group.

4. The Cabinet Office (OMCS) deals with Machinery of Government questions; Code and Guide; selection, development and training; equal opportunity; personnel management policies eg promotion, probation, staff appraisal and reporting; communications with staff and motivation; conduct and discipline; health and welfare matters.

5. The attached notes set out briefly the present roles and duties of those at the centre who have a responsibility for promoting management change in the Civil Service. The prime responsibility lies, of course, in the individual Departments themselves. The notes are not intended to be a comprehensive guide to all parts of the central departments. The numbers of staff (excluding clerical support) are given as an indication of the resources available. A suggested contact point is offered for anyone who needs further information.

OCTOBER 1987

These notes supersede those issued by the Joint Management Unit in July 1986.

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TREASURY

Expenditure Divisions

1. Most of the dealings between a Department and the Treasury are conducted through the specific expenditure division which is responsible, within the Treasury, for the control of that Department's expenditure (including its running costs and manpower) and for the scrutiny of the costs and outputs of its programmes. That division is also responsible for scrutinising the action taken by the Department to get better value for money from its administrative and programme expenditure, and for monitoring the Department's systems for financial management and programme evaluation. The specific expenditure division often provides a general channel of communication on the other matters described below, and draws on advice from specialist Treasury Divisions.

2. The General Expenditure Policy Group (staff about 45) is responsible for the planning, monitoring and control of aggregate public expenditure; and for coordinating the maintenance and improvement of the systems in these areas. GEP Group also edits many of the Treasury's publications on public expenditure (notably the annual Public Expenditure White Paper).

Contact point: Sheila James 270 5523

Running Costs and Manpower: Staff Inspection: Management and Efficiency

3. These divisions - which are part of the Running Costs and Superannuation Group - have general responsibility on the expenditure side of the Treasury for running costs and manpower policy and provide a central focus for the efficiency with which departments use manpower and other resources.

4. RCI (14 staff excluding Staff Inspection and Evaluation Division) is responsible for policy on Civil Service running costs, manpower numbers, contracting out, staff inspection and grading and the geographical locality of Civil Service work. It co-ordinates the handling of running costs in the annual expenditure survey.

Contact point: Graham Binns 270 4996

5. Staff Inspection and Evaluation Division, a part of RCI, (39 staff; 30 practising staff inspectors) advises expenditure divisions and operating departments on the development and use of staff inspection. It prescribes and advises on the use of staff inspection techniques, work measurement, and grading standards (including the use of job evaluation). For each department there is a nominated specialist who liaises with the departmental inspectorates and regularly takes part in the departmental inspection programme. SIED resources are available for consultancy support to departments. Requests should be directed in the first instance to the departmental inspectorate, complementing authority or Establishments Division as appropriate.

Contact point: SIED Support Group 270 4837

6. **RC2** - the Management and Efficiency Division (some 20 staff) - transferred from MPO on 1 October 1987. It is responsible for policy and practice on management services, and information management. It also undertakes reviews of activities common to several departments; and disseminates guidance on good management practice on a wide range of management subjects of general interest to departments (eg stores and stockholding, office service management, and management of records). It also undertakes consultancy work in support of central initiatives both at the centre and in departments.

Contact point: Malcolm Boardman 270 6123

Pay and Management Group

7. The Treasury's Pay Divisions (74 staff) deal with pay and allowances for the industrial, non-industrial Civil Service and specialist and support grades including the Open Structure and the higher Civil Service together with the development of that system. Responsibilities include London Weighting; the initiative on local pay; starting pay on appointment and promotion; conditions of service (such as hours and leave and the control of fee-paid and part-time employment); allowances and other financial conditions of service associated with mobility of staff at home and overseas.

Contact point: John Graham 270 5436

8. **Personnel Management and Recruitment** (about 30 staff) is responsible for personnel management policy for all groups and classes (which includes recruitment, career development and promotion patterns, structure and inter-departmental movement for those groups and classes), and general policy on recruitment structure, including unified grading, personal promotions and inter-departmental trawling and transfers.

Contact point: John Barker 270 6321

9. **Industrial Relations Division** (10 staff) is responsible for industrial relations within the non-industrial Civil Service and for other issues such as CISCO and certain non-financial conditions of service.

Contact point: David Faulkner 270 4697

10. **Superannuation Division** (53 staff) is responsible for Civil Service superannuation policy, including central arrangements for redundancy and early retirement, and administers the Principal Civil Service Pension Scheme. It advises on Parliamentary pensions, and coordinates policy on public service superannuation schemes generally. Advice on these issues is provided to Treasury Divisions and to departments.

Contact Point: Patrick Sheridan 270 4547

Manpower Statistics Division

11. Manpower Statistics Division (19 staff) maintains statistical databases about civil servants and provides briefing and statistics on Civil Service manpower, pay and administrative costs. The manpower data that MS collects from departments includes information on recruitment and retention.

12. The Division also undertakes Service-wide manpower planning work and provides technical advice on manpower planning and statistical techniques generally. The MS advisory service is available both to departments and within the centre.

Contact point: John Parrett 270 5276

Financial Management Group

13. The Financial Management Group (FM1 and FM2; staff of 6) works with colleagues at the centre, including Treasury Expenditure Divisions, to develop and carry forward the programme of management reform designed to achieve better value for money in Government departments and NDPBs. Its work includes the follow up to the multi-departmental reviews of budgeting and consultancy, inspection and review services; and promoting policy evaluation through seminars, guidance and consultancy assistance.

Contact points: Peter White 270 5477 and Dave Jackson 270 6429

Central Unit on Purchasing

14. The Central Unit on Purchasing (14 staff) helps and advises departments to improve the efficiency and effectiveness of their purchasing and supply. The Unit's remit covers all aspects of materials management, including service contracts, competitive tendering (contracting out), stockholding, quality assurance and standards and the monitoring of capital expenditure contracts. Most senior members of the Unit's team have been recruited from the private sector and are able to assist departments on the above and on such things as contracts work, methods and systems employed in purchasing organisation, purchasing techniques and training. In addition they can provide help in identifying external consultants in the purchasing and supply field when departments require that kind of assistance.

Contact point: Mark Caldon 270 6471

Central Computer and Telecommunications Agency

15. Central Computer and Telecommunications Agency (total staff some 500) is responsible for assisting departments with the development and use of information technology for scientific and administrative purposes, it also advises Expenditure Divisions who have responsibilities for approving IT expenditure. Its functions fall into the following main categories:

- a. advice and help to individual departments on the planning, design, development, and implementation of IT strategies and projects;
- b. work on key issues and developments which will be of assistance to departments collectively in the effective application of IT to Government;
- c. development and management of interdepartmental communications facilities;
- d. procurement of IT goods and services.

Contact point: Roddy McKee 217 3339.

Operational Research

16. The Operational Research/Management Systems Division (8 staff) is primarily concerned with providing OR advice within the Treasury. Its main work for departments is the dissemination of ideas on output measures, performance indicators, and related matters.

Contact point: Jeff Jones 270 5370.

Public Services Economics Division

17. The Public Services Economics Division (8 staff) provides an economic consultancy service to Treasury public service expenditure divisions and to the rest of the Treasury on general public expenditure issues. It is also responsible for the economic content of most central guidance on appraisal and management of public expenditure. For example it takes the lead in producing the Treasury's guides on investment appraisal.

18. PSE welcomes enquiries from departments for clarification of specific technical issues.

Contact point: Stephen Nicol 270 5496

Management Accounting Development Division

19. The Management Accounting Development Division (MA) (14 staff) advises expenditure divisions, other consultancy or review groups, operating departments and some NDPBs on the requirement for, the specification of and the development of financial control systems, focusing particularly on management accounting and budgetary control systems. It also advises on the interpretation and use of data from such systems in assisting the management planning and control process. The Division also contributes to the development of the central financial and accounting processes, financial reporting and public expenditure control in the context of improving arrangements. It provides advice on financial training needs and is responsible for the production of the Ready Reckoner for staff and other costs. It also provides guidance to departments on the employment of consultants and is responsible for maintaining the Register of Management Consultants.

20. Some consultancy assistance is available, on a wide range of accounting matters, particularly on the review and design of internal financial and management accounting systems.

Contact point: David Jamieson 270 4749

Commercial Accounting Division

21. The Commercial Accounting Division (13 staff) provides financial accounting and commercial advice to expenditure divisions on trading organisations in the public sector, including nationalised industries, public corporations, Government owned companies, non-departmental public bodies and Government trading funds. The advice covers such matters as the form of annual accounts, the interpretation of financial statements, performance monitoring and the appointment and duties of statutory auditors. Similar advice is given in respect of private sector companies. The Division also maintains Treasury guidance on fees and charges policy and advises on repayment services and the preparation of memorandum trading accounts (tasks previously handled by MA).

Although primarily acting in support of expenditure divisions, the Division is pleased to deal with enquiries from operating and sponsor departments.

Contact point: Ken Bradley 270 4759

Internal Audit Development Division

22. The Internal Audit Development Division (11 staff) is responsible for the development of internal audit in Departments. It sets standards, monitors performance and provides advice on practice and organisation. It monitors and co-ordinates internal audit training in liaison with the Civil Service College. The Division produces the Government Internal Audit Manual.

23. Consultancy assistance is available.

Contact point: IA Support 270 5617

CABINET OFFICE (OFFICE OF THE MINISTER FOR THE CIVIL SERVICE)

Personnel Management

24. Personnel Management aims to develop and promulgate Service-wide policies in personnel management, and to assist departments in their operation. Much of the current work is in support of the implementation by departments of the Personnel Work Action Programme.

25. **PM1** (10 staff) is responsible for formulating policy and providing advice on the relationship between the Crown and civil servants, conduct and discipline, political activities, probation, seniority, letters of appointment, special advisers and the CSAB. It has recently completed a comprehensive review of the material in the Civil Service Pay and Conditions of Service Code and the Establishment Officers Guide for which MPO was responsible before 1 October 1987 and plans to replace it with a new Personnel Management Handbook early in 1988.

Contact point: Ms Henrietta Hutcheon 270 6231

26. **PM2** (23 staff)* advises and helps departments on the management of change and the motivation of staff. It is concerned particularly with the following areas: staff reporting and appraisal; promotion policy and procedures; management/staff communications; project work in departments to promote employee involvement, improved job design, team working and job satisfaction; the use of information technology in personnel management; advising departments on the personnel management implications of the Data Protection Act; research studies in areas of change in personnel management; and policy on staff welfare services.

*Including the service to the customer study team, whose report is due to be completed by the end of December 1987.

Contact point: Caroline McKane 270 6260.

27. **PM4** (11 staff) is responsible for the development and promotion of effective equal opportunity policies in the Civil Service. Duties include co-ordination of the ethnic origin staff-in-post surveys and monitoring ethnic origin of new applicants; monitoring the progress of action to achieve equality of opportunity for women; developing good practice in implementing the Code of Practice on the Disabled; promoting the use of ethnic origin data and sex data to monitor promotion and recruitment procedures. Current work also includes a review of equal opportunity training in the Civil Service.

Contact point: Stewart Macdonald 270 5836

Senior Staff and Europe

28. Senior Staff and Europe Division (12 staff) is concerned with the central management of the Senior Open Structure (Grades 1-3), including appointments, promotions, transfers, appraisal and the award of discretionary pay increments, and succession planning for posts at these levels. The Division also stimulates and gives guidance on secondments and interchange with industry and commerce, other parts of the public sector and overseas Civil Services, and advises on the filling of posts in European Community institutions.

Contact point: Jane Lacey 270 6288

Personnel Management Secretariat

29. The tasks of the PM Secretariat (4 staff) include secretariat to Establishment Officers' Meetings (Main and Small Departments), the Joint Personnel Management Committee and meetings of Heads of Executive Departments. It is responsible for liaison with the Treasury and Civil Service Committee and assembles briefings on oral questions for answer by the Minister of State, Privy Council Office. It also works on specific projects which require material to be drawn together from across the department.

Contact point: Dick Browne 270 6339

Machinery Of Government Division

30. Machinery of Government Division (6 staff) provides advice on questions concerning the allocation of functions between departments; the definition of the Civil Service; non-departmental public bodies; relations between Government and Parliament, including accountability, House of Commons disqualification, Departmental Select Committees; and the Parliamentary Commission for Administration. The division also provides central guidance on a variety of procedural questions.

Contact point: Ros Mulligan 270 6145

Training

31. Training Division (about 20 staff) advises top management in the OMCS on the role of training in management change, with a principal objective of optimising the contribution of training towards achieving efficiency and effectiveness. The Division aims:

a. to ensure that the training implications of central policy initiatives receive early and detailed consideration and that practical training proposals are included in policy implementation plans;

b. to provide a training advisory and consultancy service to departments by means of a team of six Training Liaison Officers who have been specially selected for their training experience and expertise;

c. to assist departments in improving their managerial quality and competence by supporting and co-ordinating the service-wide Senior Management Development and Management Development Programmes (SMDP and MDP);

d. to build a training community within the Service which exchanges experience and ideas, encourages best practice, and which strengthens the knowledge, professionalism and quality of departmental training organisations.

Contact point: Charles Ramsden 213 4400

Civil Service College

32. The College (200 staff including 90 teaching staff) exists to improve the work performance of civil servants and to develop their potential to fill other and more senior posts. But it does only that training which is better provided centrally rather than by Departments for themselves or by outside institutions. College students come from a wide range of grades and backgrounds but the emphasis is on those who need specialist training in certain areas, senior staff, and those expected to go further in their careers. Many courses have direct relevance to the training needs of participants in the SMDP and MDP and reflect the lessons of current initiatives such as the FMI and the Review of Personnel Work. There are courses up to Grade 3 level and above on general management and management skills, and financial and resource management, among other subjects.

33. Consultancy assistance is available to operating Departments including help with the design of courses and the provision of specially tailored packages.

Contact point: Phil Cook, College Secretary, GTN 2803 4245

Top Management Programmes Group

34. The Top Management Programmes Group (11 staff) plans and delivers training courses for very senior staff from the public and private sectors: the Top Management Programme (four per year, Civil Service Grade 3's, each 6 weeks long); the Summer Node (equivalent level, 2 weeks long); and supports the Winter Node (Grade 2 and private sectors equivalents) and Spring Sunningdale (Grade 1 and Company Chairmen/Chief Executives). The group also advises members of the Senior Open Structure, on an individual basis, about training and development opportunities, and is responsible for the assessment of training needs for the top 3 grades.

Contact point: Martin Le Jeune 270 5982

Civil Service Commission

35. The Commission (343 staff) carries out recruitment to permanent appointments at Executive Officer level and above, regulates secondments and recruitment to limited period appointments at those levels, and issues instructions and guidance on recruitment to more junior levels. It seeks to sustain the effective management of the

Civil Service by selecting candidates best fitted to meet departments' changing needs, and by adapting recruitment procedures to those needs, consistent with fair and open competition and selection on merit. The Commission has a Recruitment Research Unit responsible for research-based maintenance and development of Commission Selection procedures.

Contact points: Commission Secretariat:
Mrs Janet Woodage GTN 2439 355

Recruitment Research Unit:
Steve Netherwood GTN 210 6654

Press and Information

36. Information Services Division, (staff of 10), has responsibility for promoting and protecting the image of the Civil Service. It advises top management and staff in OMCS and where necessary other departments on all aspects of press relations and 'presentation'. It works closely with Information Division, Treasury, 10 Downing Street press office and information divisions in other departments.

Contact point: John Wright 270 6370

OTHER

Efficiency Unit

37. The Efficiency Unit (6 staff) works for the Prime Minister's adviser on efficiency, Sir Robin Ibbs, whose remit is to help Ministers to improve management, reduce costs, and improve effectiveness in Government. Sir Robin assists Ministers, at the centre and in departments, to use their systems:

- a. to set targets for improving the value for money delivered by specific areas of administrative costs or policy;
- b. to commission scrutinies and other work to bring about improvements;
- c. to review progress in the achievement of lasting reforms in financial and staff management and implementing the findings of previous scrutiny work.

38. The Efficiency Unit derives from this the central programme of efficiency work using the scrutiny technique.

Contact point: Alan Cogbill 270 0094

Enterprise and Deregulation Unit

(Originally established in the Cabinet Office, now in Department of Trade and Industry).

39. The Enterprise and Deregulation Unit (25 staff and private sector secondees) is a central unit which reports to the Secretary of State for Trade and Industry. It supports him in pursuing the remit given him by the Prime Minister to promote policies for the growth of enterprise and wealth creation. The Unit has a direct interest in management change in the Civil Service and a particular interest in communications between Government and business and in the enforcement practice of departments dealing with businesses.

40. The Unit has responsibility for pursuing the Government's policy of minimising regulation and improving the awareness of the impact on business of proposals for new regulations. The EDU acts as a focus of expertise on deregulation and on compliance cost assessment techniques. EDU is the pivot, advising Departmental Deregulation Units who are responsible for pursuing enterprise and deregulation policies in each Department. The Unit also co-ordinates occasional cross-departmental reviews of particular areas of regulation such as Government licensing requirements. The Unit draws upon the views of a group of businessmen who form the Advisory Panel on deregulation.

Contact point: Howard Ewing 215 4547.

mp

**HM TREASURY
OFFICE NOTICE**

**ON (GENERAL) (87) 101
23 NOVEMBER 1987**

HM TREASURY DEPARTMENTAL WHITLEY COUNCIL MEETING 1987

I attach for information, the minutes of the meeting held on 16 July, which have now been agreed by both sides, together with the opening statements from the Chairman and Vice-Chairman.

DAVID BUTLER

CHAIRMAN'S OPENING STATEMENT

I should like to extend a warm welcome to you all to this year's Departmental Whitley Council. I look forward to a productive discussion of those issues which concern us all.

2. The last twelve months has, so far as the management of the department is concerned, been a period of consolidating and building on the initiatives of the last few years. Over this time we have seen changes in our reporting procedures: the introduction of new approaches to training: experiments with performance pay: changes in our internal financial and budgeting processes and the rapid spread of new technology, including experiments with improved general office systems. All of these issues are part of a substantial programme of change in the way in which we manage ourselves. Our task now is to assess the impact of these changes and experiments and, in the light of the views of staff and the DTUS, to improve and where necessary amend our approach.

3. I am of course well aware that these changes are taking place against a background of some turbulence. All parts of the office, Chessington, CCTA, CISCO and central Treasury, are facing new challenges some of these challenges bring in their wake uncertainties. And we are having to face these challenges, I recognise, during a period in which the turnover of staff has been higher than we would have wished. There are signs that we are coming to grips with some of these problems. Our recruitment of typists and secretaries has gone well - so much so that for the first time in many years we have all but eliminated our dependance on Agency typists. Again despite

the pressures of the market place, we are continuing to recruit good quality AAs and AOs. At Chessington, the shortfall of staff at EO level which we have experienced for many years has been substantially reduced. And generally our losses of IT staff have declined.

4. On these fronts therefore we have made progress. But we have to keep working to avoid slipping back. We cannot afford to be complacent.

5. Elsewhere, notably amongst economists and fast-stream generalists, the past 12 months have seen losses beyond those which we have traditionally experienced. There are a large number of factors at work here but it is clear that pay levels are amongst them. The key, as elsewhere, is flexibility and although it is unrealistic to assume that we can solve our problems quickly, the proposals now on the table in national discussions offer a way forward.

6. It is, I think, clear to us all that the Civil Service is undergoing a period of fundamental change. As a department we are at the centre of the drive for that change. We must be careful to preserve our traditional strengths and values whilst encouraging new ones. Treasury staff have always risen well to the pressures and new demands placed upon them and consequently our reputation in the Service and elsewhere is deservedly high. Our collective aim must be to maintain that reputation - and I am confident that we will.

DTUS STATEMENT FOR DWC MEETING 1987

Review

Looking back over this last year we are struck by a curious phenomenon emerging from events which on the surface appeared to be unconnected. There appears to have been an attitude towards the staff which we can only explain by the deliberate application of a policy of repression towards nearly all groups of staff. There seems to be a desire to operate a system of Industrial Relations where the management either does not consult the DTUS or ignores the views expressed when consulted. The kindest thing that can be said is that there has been a massive insensitivity in the higher echelons of the Treasury EOG towards its staff. The only other explanations which do not have overtones of deliberate oppression are those of incompetence or ineptitude.

Privatisations etc.

The list of occasions where this phenomenon might be detected is dismally long. The first instance which we will cite is aptly one concerning Sir Peter Middleton. We wrote to him on the 8th of January registering a formal disagreement over the privatisation of the porter/messengers and instead of denying what had happened as he has before there has as yet (26-5-87) been no acknowledgment of receipt of the letter. We live in hope. That introduces the general subject of the privatisations going on in the Treasury to which the staff organisations have all objected with no effect so far. The first was that of the porter/messengers which after initial non-consultation proceeded with the CSU Headquarters putting up a case for non-privatisation on the grounds that it was cheaper to use in-service staff. The Official Side accepted that it was cheaper but went ahead with the privatisation on the grounds that it might not be so in the future - a really professional and responsible attitude well within the normal bounds of fair tendering. The privatisation of the travel service has also produced its share of lack of communication or consultation as has the reorganisation of the Treasury Library.

Allowances and Supplements.

The Treasury has also had an unsavoury history in the area of payment of allowances to its staff. The ADP allowance had a discretionary element which was paid in some other departments but not in the Treasury. The staff in CCTA, a so-called centre of excellence in Government, were concerned that in view of the difficulty of procuring staff of the right quality, there should be some payment of the discretionary part which was designed to overcome the problems experienced in that area. The Treasury was totally unwilling to pay any part of the discretionary allowance until the MAFF Guildford strike which forced the national

payment of the whole amount which now has no discretionary part. There was also the problem of the Treasury's unwillingness to pay the Lower Skills Supplement to Personal Secretaries and Senior Personal Secretaries even though it was quite clear from the national agreement that it should be paid. The staff began to take action without reference to their union and only later invited a member of the CPSA Departmental Executive Committee to their meeting. They of course finally obtained payment of the allowance but only after their line managers had been canvassed by the Management and gave a resounding "Yes" vote.

Health and safety.

The problem of asbestos exposure in Riverwalk House is the next area where the management has been dragging their feet in an apparent attempt to thwart the fair representation of the facts of the case. At the last DWC meeting on 5 June 1986 the management agreed that the personal files of the staff who came into contact with asbestos had to be noted. But a year later despite meetings with the DTUS and LTUS, a complete explanation of our views and an apparent acceptance of them, there has still been no action whatsoever as far as we are aware.

Annual reports and accommodation.

There was also the instance where staff in Norwich subsequently discovered that their Annual Confidential Reports had been sent to another department without their knowledge. Apparently the basis was that EOG thought the department might wish to employ them even though they themselves would not wish to transfer to that department, had they known the facts. There were also changes in accommodation at Norwich without any consultation whatsoever with staff.

Promotion.

There is a Promotion Agreement between the DTUS and the Official Side but the latest HEO/SEO board has brought to light the fact that the Official Side feels that they can sign agreements but subsequently act in a manner that they admit to being outside that agreement without obtaining the prior agreement of the other party to the agreement. They seem to feel that they are either outside the bounds of acceptable behaviour or that their actions should not be subject to objections of mismanagement from the other signatory to the agreement, the DTUS.

Recruitment and retention.

There is now a major problem in recruiting and retaining staff in central Treasury. Certainly amongst FDA grades the problem is worse than in many other departments so the

conclusion could be drawn that it is not just national conditions which are causing our problems. There has been correspondence with Sir Peter Middleton and the Chancellor but to no avail as yet. Morale in the Department has been known to be low for some considerable time at most levels. There has been no indication that management has taken this seriously. The current management attitude can only cause morale to plummet further with a consequent fall in the efficiency and effectiveness of the department.

Pay.

The low pay in the Civil Service has also contributed greatly to the problems of recruitment and retention. No highly qualified young staff wish to join the service and many leave to obtain a decent living. In the Public Sector this year Police, Firemen, Nurses, Doctors, Dentists, University Lecturers, Teachers, Armed Forces and Local Government have all received higher pay awards than we have. The Treasury in it's central position is well placed to observe the effects of bad pay and has a major role in policy making. It should be able to use it's influence to improve the situation indeed it ought to have been doing so already although there seems to be no evidence that it has.

The future.

The attitude described in this document is the same that caused the problems leading to Joseph Whitley's proposals that in Industrial Relations, both sides should negotiate rather than take unilateral action. We would like to see a little more goodwill and willingness to compromise from the management of this department. A new Establishment Officer has recently taken over but hope that his influence would result in a better understanding and handling of the problems inherent in Industrial Relations is rapidly fading.

M TREASURY DEPARTMENTAL WHITLEY COUNCIL MEETING 1987

MINUTES OF MEETING HELD IN ROOM 29/2 TREASURY CHAMBERS ON THURSDAY 16 JULY at 10.45AM

Present:

Sir P E Middleton (Chairman)	Mr T Newell (Vice Chairman)
Mr F E R Butler	Mr R Taylor CPSA
Mr C D Butler	Mr H Evans FDA
	Mr P Wynn-Owen FDA
Dr P I Freeman	Mr R Evans IPCS
Mr D S B Simpson	Mr T Gallagher SCPS
	Mr M Clarke SCPS
Mr R Stannard	Mr B King CSU
Mr B M Fox	Mr Collins SCPS
Mr I Wilson	Ms S Mould SCPS
Mr E J Needle	Mr P Attwell CPSA
Mr R N Edwards	Mr J Boreham CSU
	Mr R Paul CPSA
Mr R E Dyer	Mr Monaghan CPSA
Mr B S Smith	
Mr B Porteous	
Mr J M G Taylor)	
) Secretaries	
Mr T J Eldridge)	

ITEMS

1. Matters arising from the last meeting
2. Promotion Agreement
3. Privatisation
4. Training
5. Health and Safety
6. Pay and Allowances
7. Any Other Business

Sir Peter Middleton welcomed the Trade Union Side to the meeting. Opening statements had been exchanged. The Official Side did not accept many of the criticisms made by the Trade Union in its statement; the tone of many of the comments made, moreover, was quite disproportionate to the issues. However, most of the points raised by the DTUS were covered by the items on the agenda, and he suggested that they should be discussed there. Any that were not resolved could be dealt with in correspondence with the Principal Establishment Officer. **Mr Newell** agreed with this approach. He said that the main difference between the two opening statements was that the DTUS' reflected recurrent problems which failed to get resolved satisfactorily, while the Official Side's was bland and wildly overoptimistic.

1. **Item 1 - Matters Arising**

There were none.

2. **Item 2 - Promotion Agreement**

Mr Newell said he had hoped for a productive discussion. But the Official Side had taken action outside the current agreement in relation to the last HEO/SEO board, without consulting the DTUS. He expected that action should generally fall within the framework of an agreement; if not, discussions with the DTUS should precede any alternative being furthered. DTUS were still considering the proposed revisions to the current Agreement. **Mr C D Butler** said a meeting had been arranged to discuss this. He hoped that it would look to the future, and he expected a productive discussion. **Sir Peter Middleton** invited Mr C D Butler to proceed in this way.

Mr C D Butler

Item 3 - Privatisation

Mr Newell said the DTUS was grateful for the recent letter from **Mr Porteous** which outlined future proposals for competitive tendering. He hoped the Official Side would continue to keep the DTUS informed in this way so that it could play its full part in the consultation process. **Mr C D Butler** agreed that the Official Side's aim was to consult the DTUS at the right moment. He emphasised that the department was committed to a programme which examined whether its activities could be put out to tender. There were several stages to this process before any contracts were let. The first stage was to agree the specifications for market testing. The next stage was to test the market to see whether the private sector could undertake the task. Only at the final stage was a potential outside contract proposal assessed against an in-house service and a judgement made. **Mr Newell** said the DTUS wanted to be consulted early in the process; in practice they were usually notified of developments only after decisions had been taken. One such instance was the decision to establish the travel agency implant. **Mr Porteous** noted that the DTUS had in fact received the tender documents for the travel agency implant before any decision was taken, although he acknowledged that they had been circulated late. **Mr Newell** asked what benefits and savings were likely to be achieved by the travel agency implant. **Mr Porteous** said if the DTUS indicated more precisely the information which they required he would try to meet their needs. He commented that cost comparisons were difficult in the travel business because of product differentiation. **Sir Peter Middleton** said the general message was clear: the DTUS should be brought into discussions when they could make a useful contribution. The Official Side should seek to continue to improve the position.

Official Side

Item 4 - Training

Mr Fox said that management were devoting considerable effort to improving training. There were signs that this was bringing results, but there was much left to do. Numbers attending training courses in 1986-87 had increased by 12 per cent; at AO and AA level, members of staff attending training had increased by 29 per cent and training days had increased by 33 per cent. More PDPs had been returned by this stage in the year than in the whole of last year. EOG had emphasised the importance of training at ASRs, and line managers had responded well. Training now averaged over 2 days for each member of staff across the department, and was moving towards the Civil Service average of 3 days. But more work still needed to be done to make PDPs effective, and to take forward the Young People's Project (YPP). He would welcome an input from the DTUS in this process.

Mr R Evans wondered whether the improved figures for AA and AO staff reflected higher levels of turnover. **Mr Fox** said that turnover in 1986-87 was similar to 1985-86 which implied that the increases were more due to the greater efforts of Training Section and the increased willingness of line managers to release staff for training. **Mr Evans** said that these figures had started from a very low base and the DTUS would look for similar increases in future years. **Sir P Middleton** said there were still some obstacles to overcome, particularly as the Treasury was very tightly staffed. But he was determined to improve training performance; line managers must co-operate in releasing staff.

Mr Wynn-Owen said that training for FDA grades averaged less than two days a year. This was disturbing. Reality did not match intent. A more positive planning effort by central management was required to improve the position: it was not enough to leave the initiative to individuals to arrange their own training. Secondments outside the service were a part of training, but he noted that only six members of the Treasury in FDA grades were on secondment to the private sector at 30 April 1987 compared with 47 who were out with other government departments. He hoped for a more positive commitment in the future.

Sir P Middleton said that the balance between individual initiative and central planning for training needed to be got right. Secondments needed to be carefully chosen, to ensure value for money.

Mr Newell said people could usefully be seconded out from CCTA to the computer industry to gain experience. **Dr Freeman** said that CCTA did what it could on this front, but propriety needed to be guarded. There was in fact only one at present.

Mr R Evans said that short term secondments in, caused a problem, particularly, for the IPCS grades. He might wish to discuss this separately. **Mr Fox** agreed that the balance between individual initiative and central action had swung too far towards individual effort. But management should avoid imposing mandatory training as far as possible. Previous experience of such training had not been successful. On secondments, recent losses in FDA grades meant that less staff had been available. Because the wastage rate was now dropping, EOG were again building up the secondment programme. The Treasury had a good record in relation to other government departments.

Mr C D Butler said there was evidence of some under-recording of training. EOG were currently looking at ways of ensuring that proper account was taken of, for example, on-the-job training. **Ms Mould** noted that the YPP included 35 days mandatory training. This might sit awkwardly with EOG's emphasis on the individual and line manager making training course decisions. **Mr Fox** said that certain courses should indeed be mandatory. It was in relation to other courses that the balance should be struck. **Mr Gallagher** noted that the training requirements should be determined by grade not age. The figures for AO/AA take up were encouraging, although there was evidence that staff were still dissatisfied. **Mr Fox** acknowledged that there was some scepticism about the effort put into developing junior staff. There were two sides to this: formal training, and encouraging line managers to use their staff effectively. The YPP would help with the first; as for the second, there were signs that line managers were giving their AOs and AAs, better quality work. **Mr Newell** agreed, but noted that many AOs and AAs were still brigaded into registries. When his branch had been restructured, one of his AOs had resigned rather than go into a clerical pool, a system which he said, resulted in dissatisfaction for all and was bad management practice. **Mr R Taylor** said career training, as opposed to training related to current work was important. **Mr Fox** agreed. **Mr H Evans** hoped that there would be genuine improvements to the department's training effort. The greatest constraint continued to be the burden of day-to-day work.

Sir P Middleton said that he appreciated that divisional work created difficulties. But this should not be an excuse. Training was of long term benefit both to individuals and to the department as a whole. Central and line management should ensure that

training requirements were met. The Official Side would welcome suggestions from the DTUS for the future.

Item 5 - Health and Safety

Mr R Taylor asked for a statement on asbestos removal in Riverwalk House. DTUS were also unhappy with management's position on the noting of personal files of those who came into contact with asbestos.

(i) Asbestos removal

Mr Smith said that the asbestos removal contract would be completed the following day, and a status report on the building would be available in due course. **Mr Newell** said that the DTUS would like a copy of this report. It had been a long and difficult operation, resulting in severe inconvenience for all, but a satisfactory conclusion had now been reached. CCTA were now looking at other ways of improving accommodation in Riverwalk House.

Mr Smith

(ii) Noting of personal files

Mr Fox said the DTUS had suggested that all staff who had worked in Riverwalk House, or were frequent visitors, should have their files noted. Management's view was that noting of files should be confined to those who had actually been exposed to disturbed asbestos dust. Blanket noting of files would serve no purpose as far as later cover was concerned. The Health and Safety Executive had confirmed that management's practice was already in advance of the formal requirement, and of common practice. **Mr Newell** said management had misunderstood the DTUS' position. The DTUS did not just want blanket coverage of all individuals who had ever worked in RWH, but there seemed no alternative since there was no real check in the past on disturbances to the asbestos. For example, the troublesome central

heating system, which was closely associated with asbestos or with material containing asbestos, had been worked on frequently in the past without any precautions being taken, whatsoever. As many as possible of the staff who had been present during these and other works should have their files noted.

Mr R Taylor said that asbestos contamination might not be confined to Riverwalk House. Some work on wiring and trunking in connection with a computer suite had been undertaken in his room. When one of the panels was removed a considerable amount of dust had appeared, although he was unclear whether this was from asbestos. It was important that contractors should be aware of any potential problems. **Mr Porteous** pointed out that this incident was several years ago and procedures had been improved.

Sir Peter Middleton said that the noting of files should be discussed further outside DWC. The outcome of these discussions should be reported to him at an early date. It was important the matter be resolved quickly, and he would take a close interest in it.

Official Side

(iii) **Other health and safety matters**

Mr R Taylor understood that PSA had approved the use of water based equipment, for fighting electrical fires at Chessington. **Mr Edwards** said that this matter was still under discussion with PSA. Chessington management would insist on the installation of the proper extinguishers and if PSA declined to cooperate, would purchase them locally.

Mr H Evans quoted an extract from the publication "Business" of July 1987, which referred to the smell from HM Treasury toilets, and asked whether improvements to the GOGGS lavatories could be expected. **Mr C D Butler** said PSA had been urged over a long period to carry out a major programme of work to refurbish the lavatories but had been unable to commit to a starting date because they lacked the necessary PES provision. The Treasury was therefore paying for a feasibility study to be undertaken by PSA which would outline a plan in the hope that work could start in 1988-89. A costed report on this was awaited. **Mr H Evans** said this was a helpful reply which he hoped, at the end of the day, would produce higher standards.

Mr Newell was concerned at the number of fire doors in GOGGS which kept coming off their hinges. **Mr B Porteous** said he had corresponded with PSA about the fire doors. He had registered the Treasury's concern. Although financial responsibility for upkeep of fire doors rested with the Treasury, the responsibility for carrying out work rested with PSA. He asked that staff should report all faults to the office keeper so that further action could be taken.

Mr R Taylor said he understood that the Treasury might soon get a fire certificate for GOGGS. **Mr Porteous** said a number of measures had to be taken by PSA to meet the fire officer's recommendations before a fire certificate could be issued.

Item 6 - Pay and Allowances

Mr H Evans said that all on the Union Side were concerned that pay levels were insufficient to attract, retain and motivate staff. Many of the people who

had left the Treasury had cited poor pay as a reason for their decision. It was true that the numbers resigning had fallen off recently, but the overall trend remained bad. People felt strongly that there must be catching up with pay levels outside. He would not wish to sign up to an agreement that did not allow this. The proposals for flexible pay, regional pay, and performance related pay would be examined carefully. But the current performance bonus scheme had gone down badly. He noted the recent decisions made by clearing banks in relation to London weighting for their staff. He looked to the departmental Official Side to take its own responsibilities as seriously as the national Official Side took its responsibilities.

Sir Peter Middleton noted the points made. He assured Mr Evans that the departmental Official Side was aware of its responsibilities. It had to be recognised that the work climate in which the Civil Service operated was changing. There was a general thrust towards more flexible arrangements, and he urged the Union Side to consider carefully the proposals for a long term agreement.

Mr Newell said that earlier pay policies had contributed to Civil Service pay falling well behind that of the private sector. In practice the Civil Service was the only employer which adhered to these policies. **Mr C D Butler** said the Treasury's recruitment and retention position was not necessarily subject to the same influences as that of other Civil Service departments, and the solution to its problems might also be different. **Mr R Taylor** said he thought other departments felt less constraint because they did not share the dual role as employer of staff and as negotiator on behalf of the Civil Service.

Mr C D Butler said recruitment, retention, and motivation was influenced by non-pay factors over which the department as employer had greater control. Management had sought to improve these factors considerably in recent years, and further efforts were in train. **Mr Gallagher** asked whether statistics could be made available to the DTUS on recruitment and retention. **Mr Fox** said these would be included in the revised Personnel Management Statistics which should be issued in the Autumn.

Mr Fox

Mr Attwell said the Office Notice (ON(87)50) which attached a note by Pay group, represented one side's view and should not have been issued. He also sought an assurance that the Treasury would not seek to employ staff through YTS in place of permanent recruits. **Sir P Middleton** said that the Office Notice had been issued throughout the Civil Service. It explained the Government's position in relation to the pay offer. He noted the Union Side's view. **Mr Fox** said that, for practical reasons, the Treasury did not use the YTS.

Sir Peter Middleton, summing up this part of the discussion, said that he had taken careful note of the points made by the Union side in relation to pay and recruitment. These would inform management's thinking on these matters.

Item 7 - Other Business

There was no other business. **Sir P Middleton** thanked those present for a most useful meeting. He noted that this would be **Mr F E R Butler's** last DWC. The Official and Union Sides both wished Mr F E R Butler every success in his future post.

The meeting closed at 12.45.

Date of issue: November 1987



CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

pm

The Minister of State
Privy Council Office
The Rt. Hon. Richard Luce MP

REC.	25 NOV 1987
ACTION	PMG WITH BOOKLET
COPIES TO	

Horse Guards Road
 London SW1P 3AL
 Telephone: (01)-270 5929

C87/5157

The Rt Hon Norman Fowler MP
 Secretary of State for Employment
 Caxton House
 Tothill Street
 LONDON SW1H 9NF

24 November 1987

Alan Munn,

"GETTING THE BEST OUT OF PEOPLE" - A NEW BOOKLET ON COMMUNICATIONS AND EMPLOYEE INVOLVEMENT IN THE CIVIL SERVICE

... I enclose an OMCS booklet "Getting the Best Out of People" which will be published by HMSO on 30 November. The booklet is aimed at Civil Service managers and it is designed to encourage them to improve two-way communications within their commands, and the methods they use to involve staff at all levels in the work and the organisation.

The main part of the booklet (Chapter III) consists of case studies provided by departments illustrating the many different kinds of activity in the field of communications, motivation and staff involvement. These activities range from communications surveys and audits, to house journals and newsletters; from team briefing systems to quality circles; from videos to job satisfaction projects. They cover large departments and small offices. The two introductory Chapters, I and II, put all this into the context of motivation and employee involvement issues generally.

You may like to look at the first chapter and then at a few of the individual case studies in Chapter III. The booklet is designed to be dipped into in this way, not read from cover to cover. Departments and people outside the Civil Service who see the booklet will I believe find the studies both interesting and of value. Copies are being sent to departmental Establishment

Officers, the Council of Civil Service Unions, and to bodies like the Institute of Personnel Management, the Industrial Society, the CBI and the Industrial Participation Association. We also hope to publicise it in the national press.

I am copying this letter to Ministers in charge of departments.

~
hul.

RICHARD LUCE



Civil Service :

13/8/87 - 29/2/88



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

The Rt Hon Viscount Whitelaw PC CH MC
Lord President of the Council
Privy Council Office
68 Whitehall
LONDON SW1A 2AT

PMP

CHIEF SECRETARY	
REC.	- 1 DEC 1987
ACTION.	Mr REVOLTA
COPIES TO	Mr ANSON
	Mr KERR, Mr GILMORE
	Mr HASTON, Mr A WILLIAMS
	Mr FRIE, Mr CALL

30 NOV 1987

Dear Willie

SALE OF VEHICLE REGISTRATION NUMBERS

The possibility of offering for sale to the general public attractive registration numbers has been around for some time. Primary legislation is required before even a pilot scheme could be tried. I believe such a scheme could be attractive and a useful, if relatively minor, source of revenue. I am therefore writing to seek H approval to public consultations.

The demand for "cherished" registration numbers - those already in circulation - is growing. The volume of numbers being transferred is now increasing at 15% a year, and the prices fetched by attractive numbers are rising commensurately.

There are very many attractive numbers which are not in circulation. This may be because the vehicles to which they were attached have been scrapped, because they are in a range which was never issued, or because they have been deliberately suppressed from issue. The latter category includes not only numbers which might be regarded as obscene (which would remain suppressed) but also those which are potentially attractive, such as those which appear to spell names, and low numbered ones from recent and current series. Although such registrations are in high demand, and would in some cases fetch considerable sums on the open market, we have not hitherto been willing to release them because in the absence of a market there has been no fair way of doing so.

A good deal of work on a possible scheme for the sale of numbers has been carried out by my officials. However, work was suspended when the motor industry's difficulties over the registration year identifier led to our setting up a review of

alternatives to the present numbering system. The review is still underway. A public consultation paper on a range of possible options is currently out for comment. But it is already clear that none of the prospective options being considered by the review group is so radical as to be incompatible with a sale of numbers scheme. I would therefore like to press ahead with the development of a sales scheme without further delay.


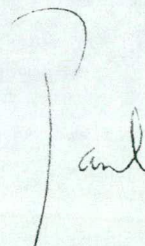
I would like to prepare draft legislation to give me the power to sell an undertaking to assign a specific registration number. The provisions would need to allow for various possible ways of doing this, and in particular for both direct sales by the Department, or sales through an agent. The powers would cover the registration system in Great Britain; application to Northern Ireland could probably be achieved by subordinate legislation. The necessary provisions could be put into a form suitable for a handout Private Member's Bill for the 1988-89 Session, though I do not think there is a need to distance ourselves from them if a suitable slot in programme legislation becomes available.

Details of how the scheme would work in practice are still undecided. I would like to go out to public consultation early next year to help decide some of the policy issues. But I think it is likely that we should want to start with a relatively small-scale scheme, operated by the Department direct, to test the water. At a later stage we will want to look at the possibility of contracting out the bulk of the operation, but I think it important for the Department to keep a close grip on the scheme while we experiment. That was certainly the view of the Police, when we consulted them last year on the proposals.

I also consider that the scheme should start by selling only numbers that have not been previously issued. Selling numbers that have been issued, but which no longer appear to be in circulation, would be more contentious - especially with old vehicle enthusiasts - and this might affect the public's reception of the scheme.

I should be grateful for comments on this proposal, preferably by 18 December. I would propose to circulate the consultation document as soon as possible after that date, and seek formal policy approval and then drafting authority thereafter.

I am copying this letter to members of H Committee, and to Sir Robert Armstrong.


PAUL CHANNON 

1315/19

mmp

FROM: M G RICHARDSON
DATE: 27 NOVEMBER 1987

CHIEF SECRETARY

cc PPS
Sir P Middleton
Mr Anson
Mr Kemp
Mr Turnbull
Mrs R Butler
Mr Gieve
Miss Chalk

✓

REVIEW OF END-YEAR FLEXIBILITY (EYF)

This minute, which is for information only, reports that we are setting in hand a review of the EYF scheme for capital expenditure in order to assess how the arrangements are working and whether they might be improved.

2. When the EYF scheme was introduced in 1983 on an experimental basis, the TCSC asked for it to be reviewed after two years. That review, which was completed early in 1986, proved to be somewhat premature; it was inevitably very difficult after a relatively short period of operation to establish quantified evidence of the benefits of EYF. The then Chief Secretary accordingly asked for a further review to be undertaken after another two years.

3. This second review is now beginning. It will cover five years of operation (from 1983-84 to 1987-88). We plan to secure comments from departments by the end of March; to examine these with the help of expenditure divisions and to analyse the extent of end-year surge in 1987-88 by July; and to put a submission to you with conclusions and recommendations prior to the summer break.

4. Any tighter timetable would prevent a full analysis of 1987-88, in addition to stretching staff resources; indeed, the schedule looks exacting compared to the last EYF review, which took 18 months, owing to other work priorities.

5. It is possible, however, that we could come under pressure to complete the review more quickly, as a result of Next Steps developments; annuality has already come under fire in the agency context. We shall have to consider how to respond to such pressure if and when it emerges. Meanwhile, there will at least be presentational advantage in demonstrating that we have the review in hand. And whatever happens on the agency front, most Government services in the immediate future will continue to be delivered by departments and subject to annuality rules.

M G Richardson

M G RICHARDSON

REVENUE SECRETARY
OFFICE



Mr Kemp
PS/chancellor

EFFICIENCY UNIT

PS/CST, PS/FST/PS/AG
Sir P Middleton
Miss Mueller
Mr Anson, Mr Scholar
Mr Lucey, Mr Gilhooly
Mr Chivers, Mr Tueman, Miss Sinclair

70 WHITEHALL, LONDON SW1A 2AS

Enquiries: 01-270 0273

Direct line: 01-270

Peter Lilley Esq MP
Economic Secretary, HM Treasury

PS/ctc

30 November 1987

Dear Mr Lilley,

CUSTOMS AND EXCISE SCRUTINY OF THE LONDON AREA

I have seen the report of this scrutiny. It provides convincing evidence of the problems faced by Customs and Excise in the London area and of the revenue losses that follow. There is clearly a strong incentive on the Department to take action.

Those recommendations which are internal to the Department seem soundly based. In particular, ensuring you make the best use of staff by extending effective tours of duty is a sensible way of getting the most from a scarce resource.

I am less persuaded by some of the recommendations which relate to terms and conditions of service. Much obviously needs to be done to attract and retain staff but there is a danger that too broad an approach will not be an efficient or economic way of tackling the problem. I therefore fully support the Chairman's comments about the need to ensure that any changes are precisely targeted and that the benefits are clearly identified. You will of course also need to be certain that any action you take in London will not harm the rest of the country or other Departments.

I look forward to seeing the Action Plan in January and in the meantime the Efficiency Unit will be in touch with your officials.

Yours sincerely,
R.L. J.K.

ROBIN IBBS

007/3649

FROM: A G TYRIE

DATE: 2 DECEMBER 1987

MR D REVOLTA

*Might be worth
putting Mr C / STP
all these things*

cc

PS/Chancellor
Mr Cropper
Mr Call

SALE OF VEHICLE REGISTRATION NUMBERS

I think this could be a very popular (albeit minor) measure but it is a shame that Mr Channon has been persuaded by his department to go for a 'small scale scheme', thereby risking the loss of much of the political benefit. I would be interested to know how solid the Department of Transport's arguments for keeping 'a close grip on the scheme' actually are. I am also sceptical that selling old numbers no longer in circulation would be so unpopular with old vehicle enthusiasts. What's the evidence for that?

M. May

pp A G TYRIE

mpw



FROM: MISS M P WALLACE
DATE: 7 December 1987

MR REVOLTA

cc Mr Cropper
Mr Call
Mr Tyrie

SALE OF VEHICLE REGISTRATION NUMBERS

The Chancellor has seen Mr Tyrie's minute of 2 December, and has commented that we might as well push Mr Channon along these lines.

mpw.

MOIRA WALLACE



CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

pmg

The Minister of State
Privy Council Office
The Rt. Hon. Richard Luce MP

C87/5423

Rt Hon Douglas Hurd MP
 50 Queen Anne's Gate
 LONDON SW1H 9AT

CH/EXCHEQUER	
REC.	07 DEC 1987 ✓
ACTION	PMG With Attachments #12
COPIES TO	

Horse Guards Road
 London SW1P 3AL

Telephone: 01-270 5929

7 December 1987

Dear Douglas,

PROGRESS IN THE CIVIL SERVICE IN IMPLEMENTING EQUALITY OF OPPORTUNITY FOR PEOPLE OF ETHNIC MINORITY ORIGIN

I plan to publish three reports later this week on the employment of ethnic minorities in the Civil Service. The texts of these reports have been cleared at official level with all interested departments. The intention to publish was confirmed in the Government's reply to the Report from the Select Committee on Employment on 'Discrimination in Employment'. The main report covers the third phase of the staff-in-post surveys: reports on the previous phases were published in 1984 and 1986. Copies of ... the reports are attached together with a summary of the findings.

These reports demonstrate that the Civil Service is taking a lead in monitoring the effectiveness of its equal opportunities policy. The latest staff-in-post surveys show that black and Asian staff are adequately represented overall, but that we must improve the opportunities available at higher grades. The other reports list the positive steps being taken to encourage more black and Asian people to apply for Civil Service posts, and outline what departments are doing to monitor the recruitment process.

OMCS are co-ordinating the release of the three reports with an image building campaign run by the Civil Service Commission designed to present an attractive image of the Civil Service as an equal opportunities employer offering careers to able black and Asian candidates. We aim by adopting this co-ordinated approach to raise awareness of opportunities and attract more young black and Asian people.

... I will be informing Parliament of my intention to publish through a written PQ on 8 December. I enclose a draft Press Release which I propose to issue on 9 December. Officials will also be

briefing selected journalists and are preparing detailed question and answer briefing. I have asked my Press Office to liaise with yours and those of other interested colleagues to coordinate the handling of any follow-up press enquiries. I have also asked my officials to get in touch with yours and other departments where the proportion of black and Asian staff is low or where there is a poor response rate to the surveys, to have talks about what will be done to improve matters.

I am sending copies of this letter to the Prime Minister, members of H Committee, other interested Ministers whose Departments are listed in the Report and to Sir Robert Armstrong.

RICHARD LUCE

u
Richard

ANNEX

Briefly, the three reports highlighted three main issues:

(i) the SCPR report shows that school pupils tend to have an inaccurate image of the Civil Service as an upper/middle class white male organisation.

(ii) the Trial Recruitment Survey shows up disparities between success rates of ethnic minority and white candidates for clerical posts.

(iii) the London and South East Staff in Post Survey of ethnic origin shows that while the overall numbers of ethnic minority staff are roughly in line with estimates of the economically active minority population, staff from the ethnic minorities tend to be lower grades. The report draws attention to variations in the percentage of ethnic minority respondents between departments. For example, in DHSS 13% of respondents are black and Asian compared with 10% in the DE Group; 6.4% in Customs and Excise and 2.2% in MOD

The findings from all the surveys to date show the same trends as the London and South East survey. These are as follows:

(i) overall 5.6% of respondents are black and Asian, with large departmental variation. The overall average proportion of black and Asian respondents varies from 5.2% in DHSS; 4.9% in Inland Revenue and DE Group, to 2.3% in the Home Office and 1.4% in MOD.

(ii) black and Asian staff are concentrated in lower grades.

CONFIDENTIAL

FROM: K CHIVERS

DATE: 8 December 1987

1. MR KELLY ^{write} 8.12.
2. CHANCELLOR OF THE EXCHEQUER

cc Chief Secretary
 Financial Secretary
 Paymaster General
 Sir P Middleton
 Mr Anson
 Miss Mueller
 Mr Kemp
 Mr Luce
 Mr R I G Allen
 Mr Gilhooly
 Mr Truman
 Mr G Jordan
 Mrs Smith

Ch / content to
 write as drafted?
 upon 8/12

OK as
 sent

SUPPORT GRADES REVIEW

I understand that the Chancellor would like to send a minute to the Prime Minister telling her about the agreement which he has approved with the Civil Service Unions. I attach a draft.

2. I have told Mr Sheldon (General Secretary of the CSU) that he can expect a decision shortly, and we have agreed that if the decision is positive I shall let him know tomorrow and we can coordinate announcements on Friday 11 December. Mr Sheldon has agreed to use the same figures as we shall in describing the pay implications of the agreement, and I am confident that he can be trusted generally to present it in a constructive and responsible way.



KIT CHIVERS

CONFIDENTIAL

pl type final
for Ch signature
M

DRAFT MINUTE

FROM: THE CHANCELLOR OF THE EXCHEQUER

TO: THE PRIME MINISTER

SUPPORT GRADES REVIEW

so-called

You will wish to know that

I have just approved an agreement with the Civil Service Union covering some 17,000 staff in the office support grades. These grades, which ~~include~~ ^{comprise} porters, messengers, paper keepers, and cleaners, ^{on numbers} have been substantially reduced by contracting out, and ^{the union} this agreement is both a response to the competition from contracting out and an acceptance that continuing competition from the private sector is something that the Union will have to live with. ^{no direct}

2. The agreement involves restructuring these grades into 5 bands and removing all demarcation lines between them. It will make for a much more efficient service and ^{over time} will enable Departments to make useful savings. It is not a "Flexible Pay" agreement like the IPCS and IRSF agreements (it does not include arrangements for long term pay determination), but it will provide valuable ^{operational} flexibility and it commits the Union to cooperating in all aspects of change in the management of the Civil Service - including the use of ^{outside} contractors.

3. The pay increases which will be associated with it are as follows:

- around 3 per cent from 1 January 1988;
- around 6½ per cent from 1 April 1988 (which will subsume the 1988 pay settlement for the grades concerned);

- a little less than 2 per cent from 1 January 1989; and
- a further 1¼ per cent on average from 1 January 1990.

4. These are substantial increases, but the management benefits will also be substantial and Departments are prepared to absorb the costs within their running cost limits. The deal honours a commitment which we gave to the CSU at the time of the April 1987 pay offer, on the basis of which they accepted 4¼ per cent (the first union to do so) and stayed out of the 1987 industrial action. It will also have the effect of taking these staff out of the 1988 pay bargaining so that they will become a moderating influence on the new union - the NUCPS - into which they are about to merge with the Society *of Civil Servants.* *and Public*

5. All in all I ^{*believe*} think this is a good deal and represents a ^{*useful*} carrying forward of our policies ^{*for*} on improving the efficiency of the Civil Service. It will not prejudice the possibility of moving to a long term pay agreement for the NUCPS as a whole ^{*as a*} when they are ready for it.

6. I propose to announce the agreement on Friday 11 December.

NIGEL LAWSON

CH/EXCHEQUER ✓ 12	
REC.	30 DEC 1987
ACT	FST. PMG
COPIES TO	EST
	Sir P Middleton
From the Private Secretary	



10 DOWNING STREET
LONDON SW1A 2AA

1. ✓ Alex
 2. ✓ Minis
 3. ✓ Andrew
 4. ✓ Julie
- \$ pm

24 December 1987

Dear Alex,

I write my farewell letter - I hope not too characteristically - at the last possible moment. I leave No.10 and the Civil Service today, to join Marks and Spencer.

I have enjoyed my two years in No.10 immensely and I want to thank you and many other Private Secretaries in Whitehall for your help and good humour.

My successor is Paul Gray, also from the Treasury.

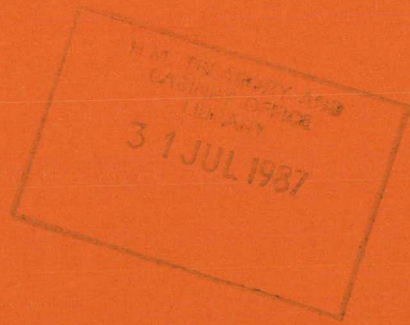
I am copying this letter to the Private Secretaries to members of Cabinet and to Trevor Woolley (Cabinet Office).

Yours ever
David

(David Norgrove)

Alex Allan, Esq.,
H.M. Treasury.

Chancellor of the Exchequer.
12/2.



Civil Service Statistics 1987

HM TREASURY

A Publication of the Government Statistical Service

Civil Service Statistics 1987

HM Treasury
A Publication of the Government Statistical Service

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Government Statistical Service

A service of statistical information and advice is provided to the government by specialist staff employed in the statistical divisions of individual departments. Statistics are made available through publications and further information and advice on them can be obtained from the departments concerned.

Enquiries about statistics in this publication should be made to the Manpower Statistics Division, HM Treasury, Parliament Street, London SW1P 3AG. Telephone 01-270 5268.

The price of Civil Service Statistics 1987 has been set in order to recover editorial costs incurred by HM Treasury in the preparation of the material for publication.

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Introduction

1. Civil Service Statistics is published annually, to provide relevant facts and figures on manpower in the civil service.

2. The major part of the booklet, starting on page 12, is a series of tables showing the numbers of civil servants, where they work, how they are organised, etc. These introductory paragraphs provide background information and draw out some key facts. Definitions, sources and general notes are on page 11, and a selected bibliography on page 10.

Civil Servants as Public Servants

3. Civil servants constitute about 2% of the working population and 10% of all public sector employees. There are many community services such as health, education, personal social services, defence, and policing which are largely provided by other public servants, though civil servants are often involved in the formulation of policy for such services.

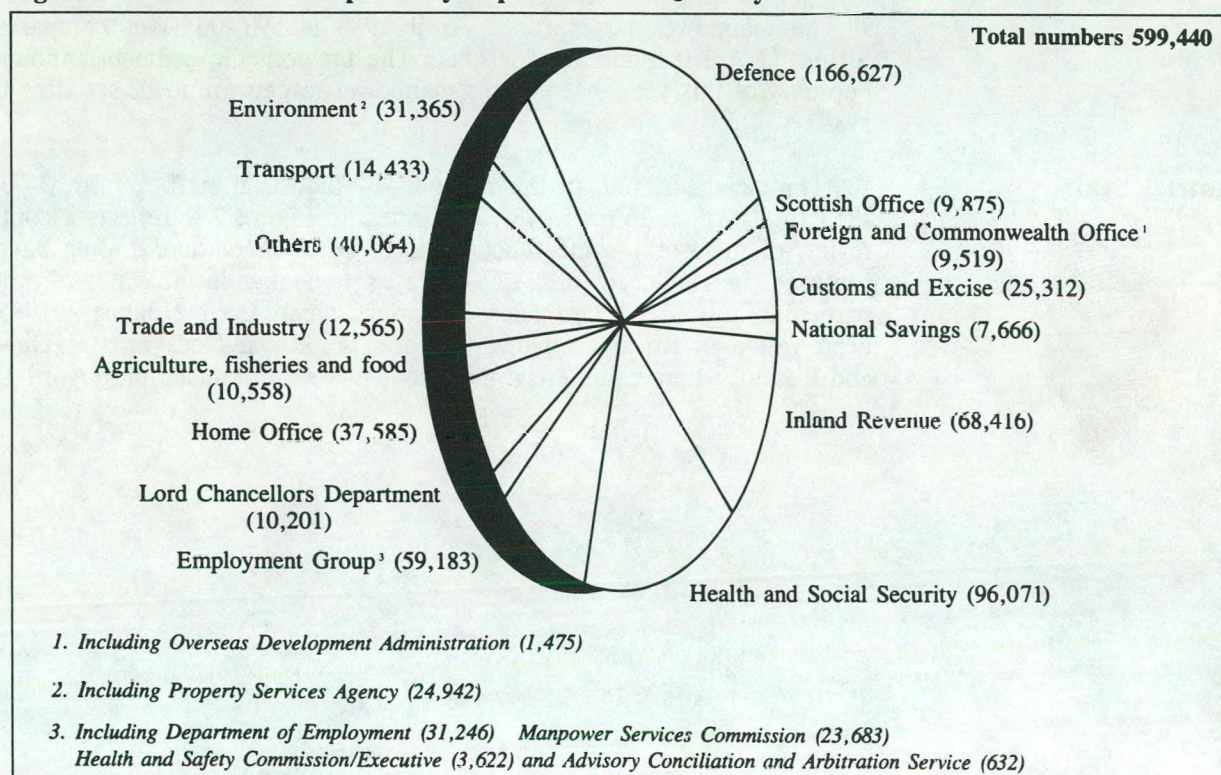
Their Work

4. About half of all civil servants are engaged in the provision of services to the public : paying pensions and benefits, collecting taxes and contributions, running the courts of justice, staffing prisons, running job centres, helping the export effort, giving advice and paying grants to farmers, and controlling immigration. Over a quarter are employed in the Ministry of Defence. The remainder are divided between service-wide support services (such as accommodation, printing and information), services which are largely self-financing (such as those provided by the Department for National Savings and the Royal Mint), and central administrative and policy duties.

Their Departments

5. Table 1 (page 12) gives a breakdown of staff in post by Government Department. Departments vary greatly in size, with the eight smallest having fewer than 100 staff each and the seven largest together accounting for about three quarters of all civil servants. The sizes of the larger Departments are shown below:

Figure 1 Civil Service Manpower by Department at 1 January 1987



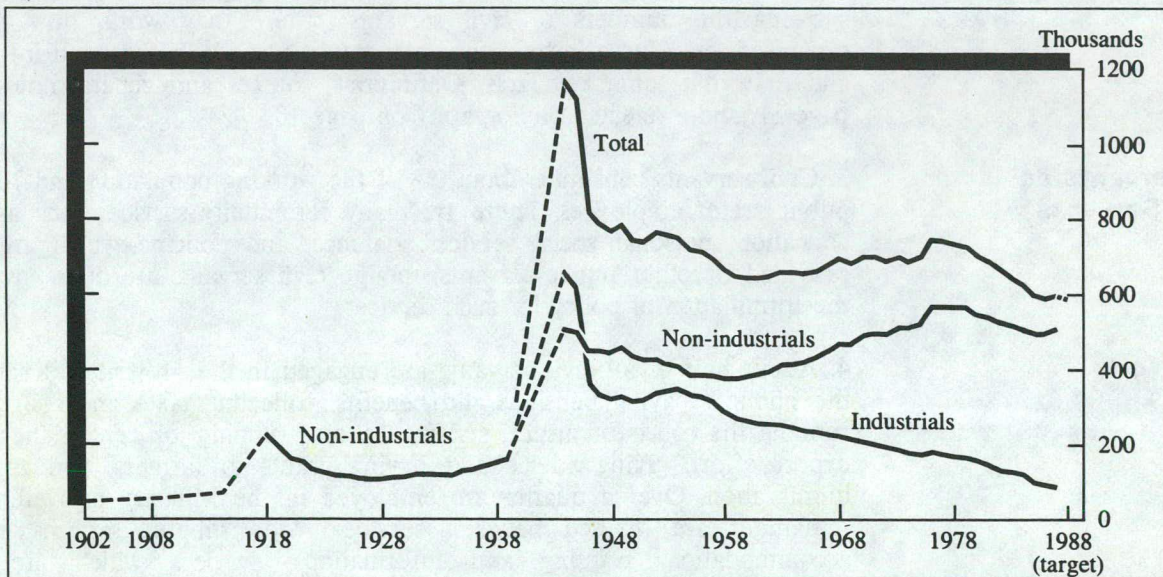
Their Salaries

6. The salary scales of the major grades together with the associated numbers employed are given in Table 6 on page 28 .

History of Staff Numbers

7. Figure 2 shows the size of the civil service since 1902. (No figures are available for industrial staff prior to 1939.) The overall manpower target for 1 April 1988 is also shown. Numbers are shown in the historical series on page 33.

Figure 2 Civil Service — Staff in Post at 1 April 1987



8. The main feature of the historical series is the expansion of the civil service to meet the needs of the two War economies. In each period, staff numbers increased threefold: to 221,000 non-industrial staff in 1918 and to well over one million in 1944. By 1947, nearly 400,000 staff (mainly in military establishments and the Royal Ordnance Factories) had been shed. Numbers declined slowly from 1947 (784,000) to 1960 (643,000), but rose to almost 700,000 by 1968. In 1976 the numbers increased to 748,000 – the highest level for over twenty years. Since 1976, staff numbers have fallen almost continuously.

9. The manpower target for 1 April 1988 is 590,400. This compares with current (1 April) numbers of 597,800. The previous Government announced in February of this year that no new manpower targets are to be set after 1 April 1988.

Industrial Staff

10. The steady decline in the numbers of industrial staff – from 347,000 in 1954 to 90,000 at 1 April 1987, illustrated in Figure 2 – reflects a continuing review of the work. Some functions have been discontinued, some have been continued in a reduced form, and there was a change in the status of others. In particular, the Royal Ordnance Factories, which from 2 January 1985 have been vested in Royal Ordnance plc, and the Royal Dockyards at Devonport and Rosyth, where commercial management was introduced on 6 April 1987.

11. The grading structure of the industrial civil service is different from that for the non-industrial civil service. Industrial staff are located largely within the Ministry of Defence and the Property Services Agency. Three grades are recognised : craftsmen (e.g. carpenters, electricians, fitters), non-craftsmen (e.g. cleaners, messengers), and "trade raters" (e.g. printing grades within HMSO, firemen in the Ministry of Defence fire services). Some occupations are common to both the industrial and the non-industrial civil service. Whether such common-occupation workers are classed as industrial or non-industrial employees is determined by the overall character of their workplace. Non-craftsmen are divided into 11 pay bands. Jobs are allocated to pay band according to job description; the two lowest bands are described as non-skilled, the remaining bands as semi-skilled. Craftsmen have a single pay band : they are paid a basic rate plus an allowance, if appropriate, for specific skills or responsibilities. The pay of "trade raters" is linked to national agreements outside the civil service.

Departmental Trends in Non-Industrials

12. Numbers of non-industrial staff have declined more slowly than numbers of industrials. Since 1980, most departments have contracted, although more recently some - notably Employment, Health and Social Security and the Home Office - have increased their numbers in response to the pressures on the services they provide.

Their Locations

13. Civil servants work throughout Britain. About three-quarters of non-industrial staff (and a greater proportion of industrials) work outside London, often in extensive networks of local and regional offices. Whitehall administrators and policy makers form a relatively small proportion of the total; with supporting staff, they account for only about one in twenty of the non-industrial staff in the civil service.

14. The following table shows the main locations of civil servants in 1979 and 1987.

A Main Locations of Non-Industrial¹ Staff at 1 January

Full-time equivalents²

Location ³	Staff in 1987	Staff in 1979	Location ³	Staff in 1987	Staff in 1979	Location ³	Staff in 1987	Staff in 1979
London:			Birmingham	8,410	8,759	Bath	5,369	6,207
Inner Zone	75,310	87,333	Plymouth	7,162	7,555	Blackpool	4,921	4,970
Intermediate Zone ³	20,594		Manchester	6,979	9,318	Sheffield	4,855	3,095
Outer Zone ³	20,108	47,692	Liverpool	6,634	7,500	Portsmouth	4,552	6,758
Newcastle	13,481	17,536	Leeds	6,592	7,653	Durham	4,375	3,807
Edinburgh	12,557	13,890	Sefton	6,159	5,061	Southampton	4,161	5,004
Glasgow	11,429	11,371	Swansea	5,879	6,566	Nottingham	4,141	5,493
Cardiff	8,904	10,323	Bristol	5,804	6,382	Southend	4,069	4,943

¹ Home Civil Service

² Part-time staff are counted as half units.

³ Civil service pay areas for London (see note on page 18) and administrative districts elsewhere.

⁴ Outer Zone divided into Intermediate and new Outer Zone at 1 October 1983

15. The reduction in the overall size of the civil service has resulted in a decrease in the numbers since 1979 in most areas. Of major locations, only in Glasgow, Durham, Sefton and Sheffield have staff numbers increased. The Manpower Services Commission moved to Sheffield in the early 1980s and accounts for most of the 57% increase in staff there since 1979. Portsmouth has had the largest proportional reduction in staff, mainly reflecting the conversion of the dockyard to a fleet maintenance base - the numbers there were a third lower in 1987 than in 1979.

Occupational Groups and the Open Structure

16. The non-industrial grades contain widely differing numbers of staff, ranging from the Administrative Officer grade with some 85,000 members to highly specialised grades with only a few. Most grades are grouped into larger structures according to the type of work involved. The main structures together with their component numbers are shown in Table 4, pp 20-25.

17. At the senior levels of the service, where management forms a major component of most jobs, there are service-wide common pay and grading arrangements. These unified grades are known as the Open Structure, and cover grades from Permanent Secretary level to Principal level. Within the unified grades there are no formal barriers to movement between the former occupational groups, eg scientists, administrators, economists; each post should be filled by the person best equipped in terms of skills, ability and experience. The Open Structure was set up in 1972 with 3 grades (down to Under Secretary). Grades 4-6 (down to Senior Principal level) were unified on 1 January 1984, and a further extension to Grade 7 took place on 1 January 1986. This last extension included approximately 60 different grades and 11,900 staff.

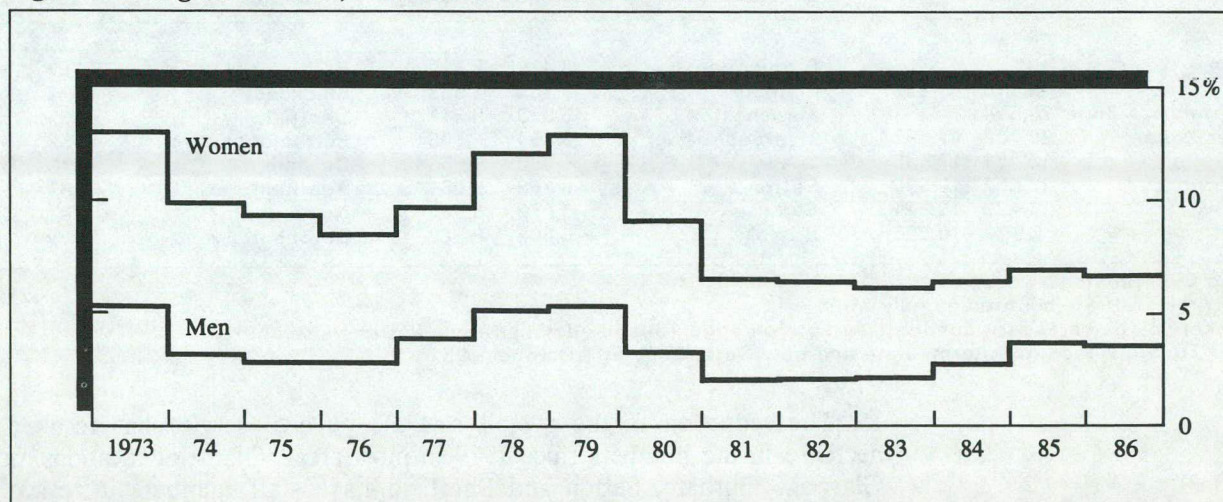
Entrants

18. Table 8 (page 30) shows age distributions by sex of entrants to the main non-industrial recruitment grades. There were 48,600 recruits in 1986, 1,600 more than in 1985 (see Table 7), but still many fewer than the number recruited each year before 1979. Just over half of the recruits in 1986 were women. Women recruits have for some years outnumbered men, gradually increasing the proportion of women among non-industrial staff to the present 50%. However, the rate of change in the balance of the sexes is held back by the higher resignation rate of women (Figure 3). Comparable figures for industrial staff are not collated centrally.

Resignations

19. Within an overall resignation rate of 5.2% for 1986, the rate for women was twice as high as that for men. The 1986 rate was rather higher than that experienced during the early eighties but lower than the rates of the late seventies. The rates were higher for younger age groups and shorter lengths of service.

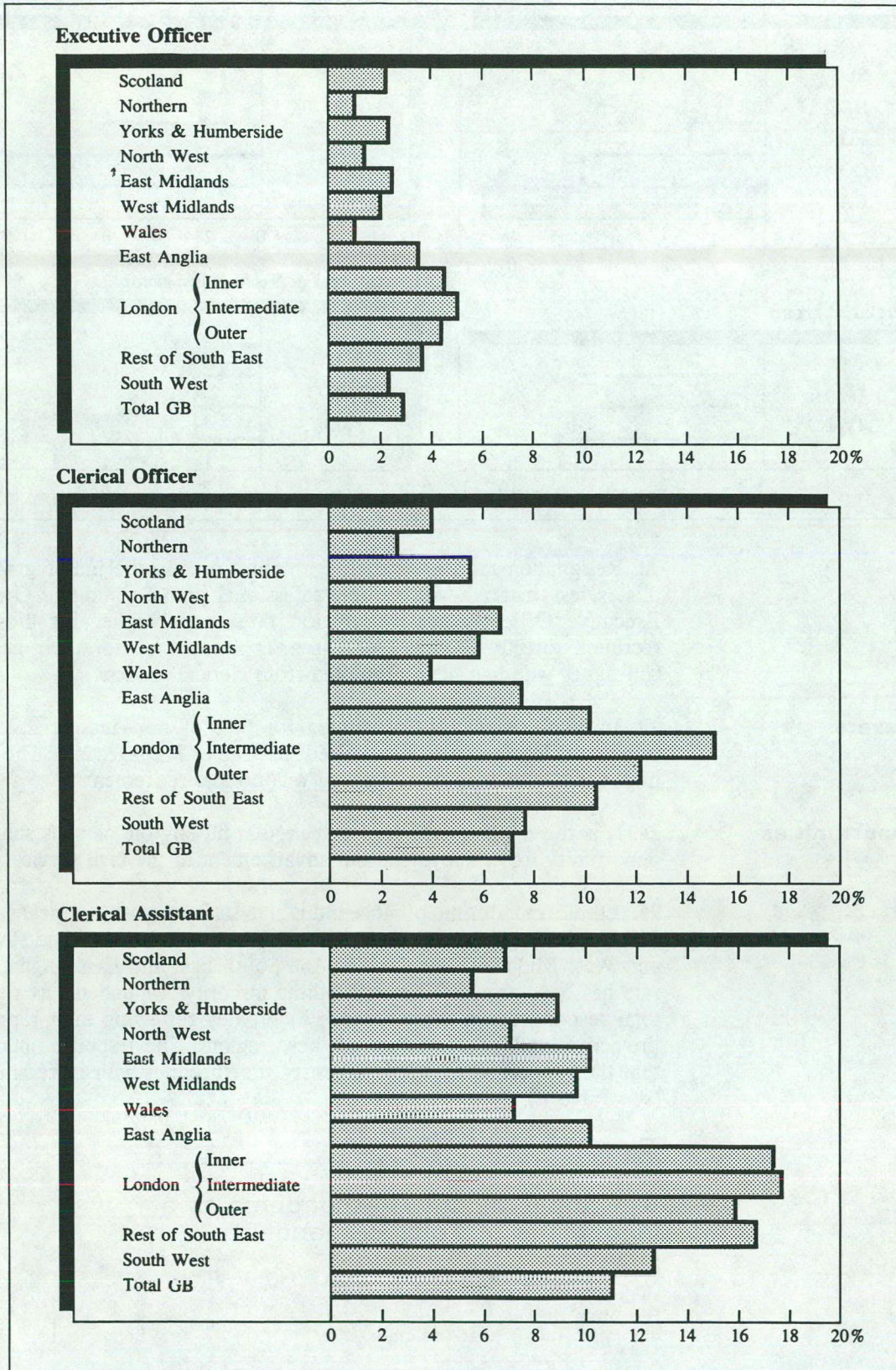
Figure 3 Resignation Rates, Non-Industrial Home Civil Service



Resignations by Region

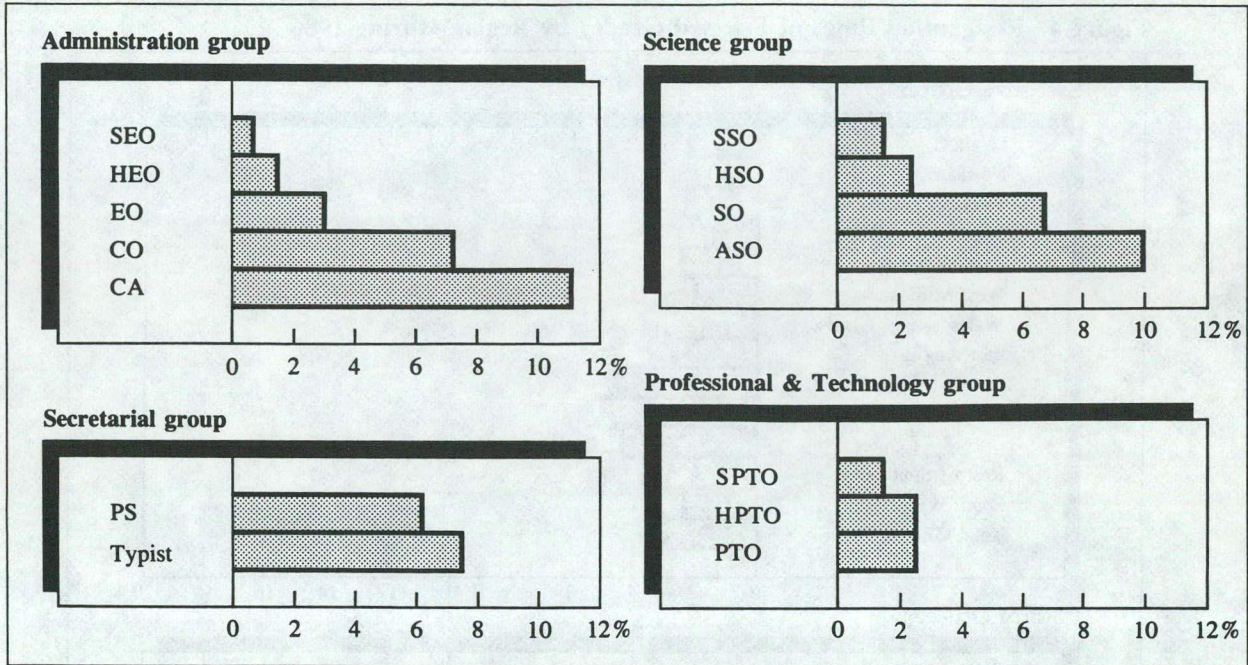
20. Figure 4 shows resignation rates for the main entry grades by region for 1986. Resignation rates were higher in the South East than in the rest of Britain and highest amongst Clerical Assistants in the London pay area.

Figure 4 Resignation Rates of Selected Grades by Region During 1986



21. Figure 5 summarises the resignation rates in 1986 among the major non-industrial grades.

Figure 5 Resignation Rates of Selected Grades During 1986



22. Resignation rates are generally highest among the junior grades, although this is less marked within the Professional and Technology Group. For the Executive Officer grade, resignation rates were higher for those who were recruited directly to that grade (see Table 9) than for their generally older colleagues who had been promoted from clerical grades.

Other Leavers

23. In 1986 resignations accounted for 60% of non-industrial leavers. Other causes of leaving are summarised in Table 7 (page 29). The single most important "other cause" of leaving was normal retirement.

Equal Opportunities

24. It is the policy of the civil service that all eligible persons shall have equal opportunity for employment and advancement in the civil service.

25. Ethnic monitoring of non-industrial staff in post by means of voluntary surveys has so far been undertaken for the North West and Avon, the East and West Midlands, and London, the South East and East Anglia. The response rate has been around 70%, with ethnic minority respondents as a percentage of total respondents in these areas (5%) broadly reflecting their representation in the active working population of these regions. The response obtained suggests that the proportion of ethnic minority staff declines with increasing grade level (see Table B).

B Ethnic Minority Respondents as a Percentage of Total Respondents

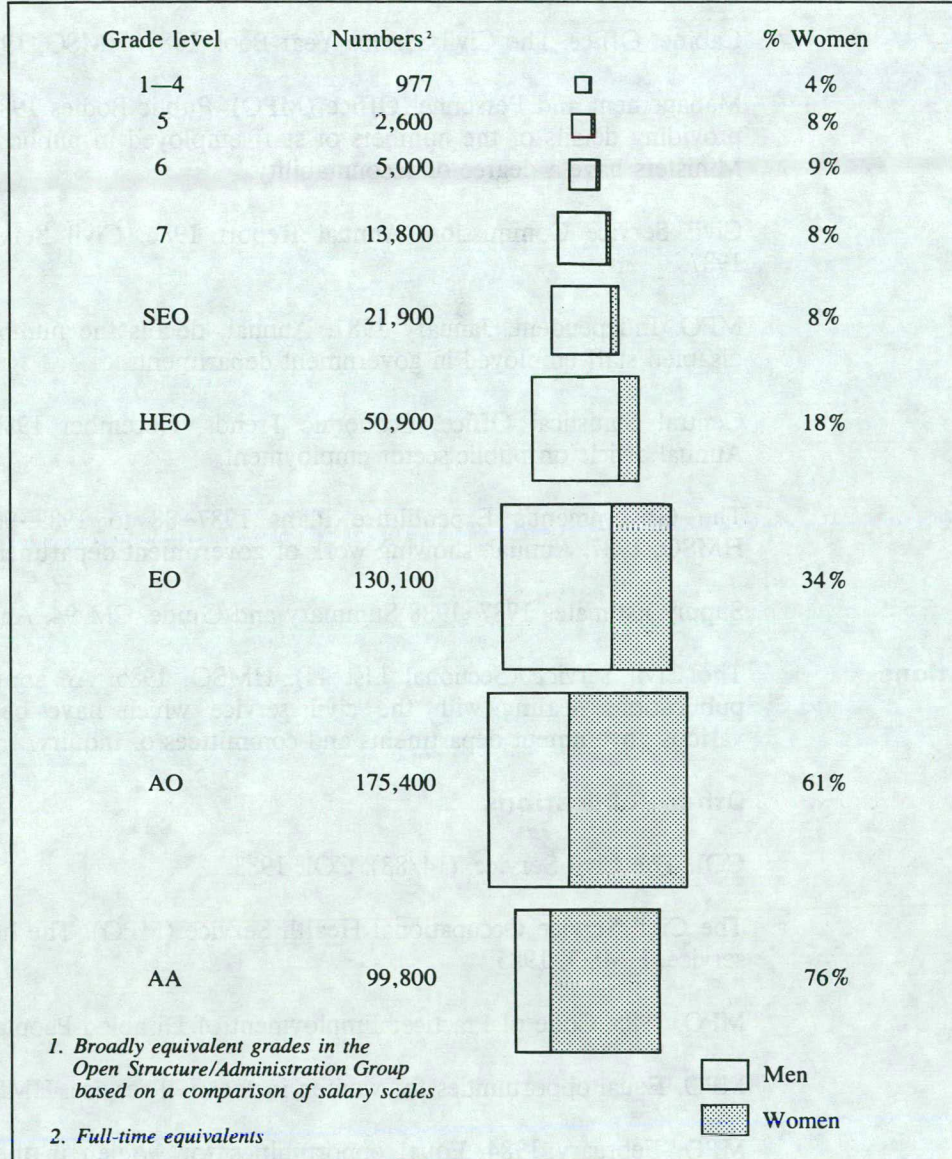
Grade	%
Higher Executive Officer and above	2
Executive Officer	4
Administrative Officer/Assistant	8

Source: Mandate

26. At 1 June 1986 some 7,600 registered disabled people were employed in the civil service - 1.3% of all employees.

27. Figure 6 below shows the distribution by sex of the non-industrial home civil service by grade level. Women account for between two-thirds and three-quarters of employees at the lowest grade levels; but, apart from some levelling off between the grades of Senior Executive Officer and Grade 5, their representation declines with increasing grade level, to only 4% at the most senior grade levels (1-4).

Figure 6 Staff in Post by Grade Level Equivalents¹ for the Non-Industrial Home Civil Service at 1 January 1987



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- General** Central Office of Information (COI) Britain 1987: an official handbook. HMSO, 1987.
- Cabinet Office. The Civil Service Year Book 1987. HMSO, 1987.
- Public Bodies** Management and Personnel Office (MPO). Public Bodies 1986. An annual list providing details of the numbers of staff employed in public bodies for which Ministers have a degree of accountability.
- Recruits** Civil Service Commission. Annual Report 1986. Civil Service Commission, 1987.
- Disabled Staff** MPO. Independent. January 1987. Annual, details the numbers of registered disabled staff employed in government departments.
- Public Sector** Central Statistical Office. Economic Trends, December 1986. HMSO, 1985. Annual article on public sector employment.
- Functions** The Government's Expenditure Plans 1987-88 to 1989-90. CM 56 I-II. HMSO, 1987. Annual, showing work of government departments.
- Supply Estimates 1987-1988 Summary and Guide. CM 94. Annual.
- HMSO Publications** The Civil Service (Sectional List 44). HMSO, 1985. An annual list of recent publications dealing with the civil service which have been produced by various government departments and committees of inquiry.
- Other Publications**
- General** COI. The Civil Service. (14/83). COI, 1983.
- Health** The Civil Service Occupational Health Service (MPO). The health of the civil service. HMSO, 1985.
- Disabled Staff** MPO, 1985. Code of Practice: Employment of Disabled People.
- Women** MPO. Equal opportunities for women in the civil service. HMSO, 1982.
- MPO, February 1984. Equal opportunities for women in the civil service: a programme of action.
- Personnel Work** MPO. Review of personnel work in the civil service: report to the Prime Minister by J S Cassels. HMSO, 1983.
- Pay** Civil Service Pay and Conditions of Service Code. MPO. Pay scales for the civil service, revised periodically.
- Ethnic Surveys** MPO. Ethnic Surveys of Non-Industrial Recruitment to the Civil Service : North West and Avon.
- MPO. Regionally Phased Ethnic Surveys of Staff in the Non-Industrial Civil Service. Phase 1 : East and West Midlands. June 1986.

Definitions, Sources and General Notes

The **definitions** used in Civil Service Statistics are as follows:

The *Civil Service* comprises the Home Civil Service and the Diplomatic Service (but not the Northern Ireland Civil Service, the Northern Ireland Court Service and the Overseas Civil Service).

A *Civil Servant* is a servant of the Crown working in a civil capacity who is not: the holder of a political (or judicial) office; the holder of certain other offices in respect of whose tenure of office special provision has been made; a servant of the Crown in a personal capacity paid from the Civil List.

The distinction between *non-industrial* and *industrial* civil servants is, in general, the one which exists in outside industry between white and blue collar workers and is reflected in membership of different trade unions. Thus industrial civil servants working in factories, dockyards, workshops, etc are represented by the national trade unions representing manual workers performing comparable work in outside industry.

Locally engaged staff overseas, and *employees of grant aided bodies* - other than the Manpower Services Commission and its former agencies, the Health and Safety Commission and Executive, and the Advisory, Conciliation and Arbitration Service - are *excluded* from the figures.

Casual staff normally engaged for a short period only, normally not more than 6 months, are *excluded* from the figures.

Part-time staff are those who work less than the normal weekly hours. Those working 10 hours or more per week are *included* in the staff in post tables as half-units and the totals are described as *full-time equivalents*.

Period appointments are made where the duration of the job is known to be limited or where there are management reasons for appointing someone for only a limited period to an on-going job. They are *included* in the figures except for a small number (about 200 in total) prior to 1 July 1980.

The main **sources** used in the compilation of the tables are as follows:

a. *Quarterly Staff Returns from departments* - these give overall totals of staff in post for the civil service in Tables 1 to 5.

b. *Mandate* - which is a central computer-based record of basic information supplied by departments for almost all non-industrial civil servants in the Home Civil Service. Each quarter, data is received from departmental staff records showing each

person's sex, age, grade, location etc, but not showing any name or personal reference number. Figures of entrants and leavers during 1986 (particularly for the last quarter) are subject to revision because of late notifications.

The sources used are stated at the foot of each table.

General Notes

The annual net changes which can be inferred from the definitive staff in post totals for non-industrial staff in the Home Civil Service (Table 4) differ from those deducible from the Mandate figures of entrants and leavers. This is because of some differences between the two sources in their reporting times and coverage, and in the counting of part-time staff.

The fourth footnote to Table 4 indicates some of the grades whose members are incorporated in unified Grade 7 introduced on 1 January 1986. Former grade titles have been replaced by the numbered grade as shown below although job titles to describe the nature of the work will be commonly used:

Grade 7:

Principal and corresponding professional and scientific grades

Tables 7 and 8 give figures from Mandate of entrants which are not directly comparable with the numbers shown as "appointed" in the statistical tables in Part 2 and Part 3 of the Civil Service Commissioners' Annual Report. The figures from Mandate relate to those officers whose actual date of entry to the service was during the calendar year, while the Civil Service Commission figures relate to the number of candidates, internal and external, who were certified as being qualified for appointment before the beginning of February of the following year (whether or not they actually took up duty).

In all tables a dash (-) means nil or negligible and two dots (. .) means not applicable. In tables where figures have been rounded, there may be an apparent slight discrepancy between the sums of the constituent items and the totals shown.

1
Civil Service
Staff in post¹
Analysis by department

Full-time equivalents²

Department	1 January 1986	1 January 1987		1 April 1987	Targets	
	All Staff	Non-Industrial	Industrial	All Staff	1 April 1988	All Staff
Agricultural Produce, Intervention Board for	728	794	-	794	798	786
Agriculture, Fisheries and Food	11,169	9,956	602	10,558	10,480	10,731
Arts and Libraries, Office of	50	50	-	50	52	53
Cabinet Office	1,669	1,635	9	1,644	1,709	1,657
Charity Commission	317	319	-	319	330	330
Crown Estate Office	28	29	-	29	29	32
Customs and Excise	25,151	25,312	-	25,312	25,859	26,627
Education and Science	2,405	2,401	-	2,401	2,429	2,450
Employment Group:						
Employment (including OME)	29,728	31,219	27	31,246	32,357	32,244
Manpower Services Commission	20,793	23,181	502	23,683	23,952	22,786
Advisory, Conciliation and Arbitration Service	618	632	-	632	629	650
Health and Safety Commission/Executive	3,556	3,554	68	3,622	3,526	3,564
Energy	1,041	1,031	4	1,035	1,031	1,037
Environment (excluding Property Services Agency) ³	6,630	5,816	607	6,423	6,488	6,628
Property Services Agency	23,906	13,923	9,108	23,031	22,801	22,390
Crown Suppliers	1,915	1,402	509	1,911	1,906	2,004
Export Credits Guarantee Department	1,750	1,738	-	1,738	1,739	1,736
Fair Trading, Office of	321	316	-	316	313	319
Foreign and Commonwealth:						
Diplomatic Service and Communications	8,118	7,829	215	8,044	8,055	8,222
Overseas Development Administration	1,541	1,446	29	1,475	1,451	1,615
Friendly Societies, Registry of	123	126	-	126	134	139
Government Actuary	58	59	-	59	59	66
Health and Social Security	92,839	95,809	262	96,071	95,669	98,843
HM Stationery Office	3,387	2,006	1,356	3,362	3,350	3,270
Home Office	37,024	34,535	3,050	37,585	37,658	39,856
Information, Central Office of	878	800	15	815	824	910
Inland Revenue	70,279	68,391	25	68,416	67,798	67,974
Land Registry	7,053	7,291	7	7,298	7,310	7,755
Law Officers' Department	20	18	-	18	19	19
Lord Chancellor's Department	10,149	10,201	-	10,201	10,305	10,800
Mint, Royal	993	361	630	991	976	945
National Investment and Loans Office	51	52	-	52	51	52
National Savings, Department for	7,776	7,573	93	7,666	7,699	7,400
Northern Ireland Office	175	167	9	176	175	176
Office of Gas Supply ⁴	-	19	-	19	19	30

Footnotes on next page

1 (continued)
Civil Service
Staff in post¹
Analysis by department

Department	Full-time equivalents ²					Targets
	1 January 1986	1 January 1987		1 April 1987	1 April 1988	
	All Staff	Non-Industrial	Industrial	All Staff	All Staff	All Staff
Office of Telecommunications	90	112	-	112	116	120
Ordnance Survey	2,956	2,818	143	2,961	2,965	2,966
Paymaster General's Office	862	865	-	865	876	897
Population Censuses and Surveys, Office of	2,118	2,056	4	2,060	2,059	2,204
Privy Council Office	32	32	-	32	32	33
Crown Prosecution Service ⁵	246	3,242	-	3,242	3,374	4,540
Public Record Office	406	413	-	413	412	425
Trade and Industry	12,510	12,223	342	12,565	12,593	12,504
Transport ³	14,506	13,917	516	14,433	14,350	14,213
Treasury	3,347	2,518	817	3,335	3,359	3,227
Treasury Solicitor	437	434	-	434	453	467
Welsh Office	2,283	2,126	119	2,245	2,278	2,260
Scottish Departments:						
Scottish Office	9,891	9,151	724	9,875	9,832	9,970
Scottish Courts Administration	869	860	-	860	869	947
General Register Office, Scotland	265	266	-	266	262	274
Lord Advocate's Department	21	21	-	21	21	21
Crown Office and Procurator Fiscal Service	963	986	-	986	981	1,034
Registers of Scotland	874	870	-	870	874	939
Scottish Record Office	125	108	12	120	125	122
Total for all Civil Departments	425,040	413,009	19,804	432,813	433,811	441,259
Defence	171,466	93,698	72,929	166,627	164,003	148,000
Total for all departments	596,506	506,707	92,733	599,440	597,814	589,259⁶

Source: Quarterly Staff Returns

¹ The totals relate to industrial and non-industrial staff, excluding casual or seasonal staff.

² Part-time staff are counted as half units.

³ The total for the Department of the Environment includes staff providing common services for this department and the Department of Transport.

⁴ The Office of Gas Supply was formed on 18 August 1986.

⁵ On 1 October 1986 the new Crown Prosecution Service was formed. The figure for 1986 refers to the office of the Director of Public Prosecutions whose responsibilities have now expanded to include the new CPS.

⁶ As shown in Cmnd 56 II.

2
Civil Service
 Staff in post¹
 Analysis by department: 1981 to 1987

At 1 January: Full-time equivalents²

Department	1981	1982	1983	1984	1985	1986	1987
Total for all departments	695,070	675,424	652,534	632,591	619,570	596,506	599,440

Notes on comparability of figures (● indicates a change which affected the total for all departments)

¹ All figures include both industrial and non industrial staff. Casual staff are excluded.

² Part-time staff are counted as half units. Departmental totals are rounded to whole numbers.

Agriculture, Fisheries and Food, Ministry of	13,218	12,502	12,231	11,787	11,219	11,169	10,558
Agricultural Produce, Intervention Board for	572	571	588	614	720	728	794
Cabinet Office including Central Statistical Office	591	554	547	1,705 ⁴	1,659	1,669	1,644
Management and Personnel Office (inc. Parliamentary Counsel)	..	1,378 ³	1,278	.. ⁴	..	..	..
Civil Service Department	4,954	.. ³	..	..	..	..	..
Treasury	1,006	4,177 ³	3,992	3,707	3,363	3,347	3,335

³ From 16 November 1981 work on efficiency, personnel management, recruitment and training has been discharged by the Management and Personnel Office; other functions of the Civil Service Department (including the Civil Service Catering Organisation) were transferred to the Treasury.

⁴ In June 1983 the Management and Personnel Office (including Parliamentary Counsel) became part of the Cabinet Office.

Civil Service Pay Research Unit	77	.. ⁵
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⁵ On 1 October 1981 the Civil Service Pay Research Unit was disbanded.

Charity Commission	329	327	324	332	321	317	319
Crown Estate Office	111	109	109	109	28 ⁶	28	29

⁶ From 1 April 1984 the reduction in numbers reflects the decision that salaries of staff engaged on Estate management duties should be met from Land Revenue Funds.

Crown Prosecution Service	223	225	226	218	227	246	3,242 ⁷
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⁷ On 1 October 1986 the new Crown Prosecution Service was formed. Figures for 1981 to 1986 refer to the office of the Director of Public Prosecutions whose responsibilities have now been expanded to include the new CPS.

Customs and Excise	26,945	26,418	25,585	25,137	25,535	25,151	25,312
Defence, Ministry of	211,103	201,665	191,715	184,670	176,355	171,466	166,627
Royal Ordnance Factories	21,667	19,869	18,450	18,245	18,967	.. ⁸	..

⁸ On 2 January 1985 the Royal Ordnance Factories were incorporated as a public limited company and are therefore no longer part of the Civil Service.

Source: Quarterly Staff Returns

2 (continued)
Civil Service
 Staff in post¹
 Analysis by department: 1981 to 1987

At 1 January: Full-time equivalents²

Department	1981	1982	1983	1984	1985	1986	1987
Education and Science							
Department of, and University Grants Committee	2,538	2,477 ⁹	2,423	2,373 ¹⁰	2,436	2,405	2,401
Office of Arts and Libraries	40	.. ⁹	..	44 ¹⁰	49	50	50
⁹ On 1 April 1981 the Office of Arts and Libraries ceased to exist as a separate department and its functions and staff returned to the Department of Education and Science. ¹⁰ In July 1983 the Office of Arts and Libraries became a separate department.							
Employment, Department of (including OME)	23,823	30,596	30,601	30,639	28,833	29,728	31,246
Advisory, Conciliation and Arbitration Service	705	689	680	648	615	618	632
Health and Safety Commission/Executive	3,922	3,730	3,620	3,578	3,582	3,556	3,622
Manpower Services Commission	23,672	23,502	22,715	22,272	20,838	20,793	23,683
Energy, Department of	1,208	1,153	1,110	1,089	1,080	1,041	1,035 ¹⁹
Environment, Department of the¹¹	11,211	9,697 ¹²	8,450	7,739	6,566	6,630	6,423
Property Services Agency	34,163	31,069	29,101	27,553	26,639	25,821	24,942
Transport, Department of¹¹	13,129	13,191 ¹²	13,007	14,084 ¹³	14,297	14,506	14,433
¹¹ The Department of the Environment and the Department of Transport share common services over a wide range of activities, these shared staff being included in the totals of the former department. ¹² From 1 April 1981 some 765 non-industrial common services staff employed in work for the Department of Transport and previously counted in the Department of the Environment are included in the figures for the Department of Transport. ¹³ In June 1983 some 1454 non-industrial staff employed in the Aviation and Shipping Divisions of the former Department of Trade were transferred to the Department of Transport.							
Export Credits Guarantee Department	1,914	1,821	1,797	1,802	1,779	1,750	1,738
Fair Trading, Office of	324	305	291	308	303	321	316
Foreign and Commonwealth	11,515	11,194	10,980	10,968	9,820 ¹⁴	9,659	9,519
¹⁴ On 1 April 1984 responsibility for the Passport Office was passed to the Home Office.							
Friendly Societies, Registry of	116	120	118	115	120	123	126
Government Actuary's Department	63	63	61	62	60	58	59
Health and Social Security, Department of	98,298	96,849	94,686	90,263	93,588	92,839	96,071
HM Stationery Office	6,019	5,570	4,520 ¹⁵	3,837	3,501	3,387	3,362

¹⁵ From 1 April 1982 some 160 former staff of HM Stationery Office are excluded from the manpower count.

Source: Quarterly Staff Returns

2 (continued)
Civil Service
 Staff in post¹
 Analysis by department: 1981 to 1987

At 1 January: Full-time equivalents²

Department	1981	1982	1983	1984	1985	1986	1987
Home Office	35,482	34,851	35,013	35,325 ¹⁶	36,584 ¹⁴	37,024	37,585
¹⁶ In June 1983 some 279 non-industrial staff employed in the Radio Regulatory Department of the Home Office were transferred to the Department of Trade and Industry.							
Industry, Department of	8,960	8,414	7,826	.. ¹⁷	..	..	..
Trade, Department of	7,104	6,883 ²³	6,725	.. ^{13,17}	..	..	..
Trade and Industry, Department of	..	..	..	12,801 ^{16,17}	12,460 ²⁰	12,510	12,565
¹⁷ In June 1983 the Departments of Trade and Industry were merged to become one department.							
Information, Central Office of	1,158	1,071	969	960	925	878	815
Inland Revenue	76,240	73,338	73,568	70,525	69,175	70,279	68,416
Land Registry	5,653	5,601	5,785	6,648	6,792	7,053	7,298
Law Officers' Department	20	20	20	19	20	20	18
Lord Chancellor's Department	10,022	9,893	10,208 ¹⁸	10,110	10,093	10,149	10,201
Public Trustee Office	311	299	.. ¹⁸	..	..	..	..
¹⁸ On 1 July 1982 the Public Trustee Office was absorbed within the Lord Chancellor's Department.							
National Investment and Loans Office	63	61	57	53	53	51	52
National Savings, Department for	10,034	9,383	8,451	8,030	7,862	7,776	7,666
Northern Ireland Office	219	201	199	187	171	175	176
Ordnance Survey	3,408	3,233	2,985	2,803	2,959	2,956	2,961
Office of Gas Supply	..	..	..	..	..	..	19 ¹⁹
Office of Telecommunications	..	..	..	..	50 ²⁰	90	112
¹⁹ On 18 August 1986 the Office of Gas Supply was formed. It was staffed by personnel on transfer from the Department of Energy.							
²⁰ On 1 October 1984 the Office of Telecommunications was formed. It was staffed by personnel on transfer from the Department of Trade and Industry.							
Paymaster General's Office	926	915	885	846	831	862	865
Population Censuses and Surveys, Office of	2,618	2,569	2,206	2,107	2,076	2,118	2,060
Privy Council Office	37	34	32	31	31	32	32

2 (continued)
Civil Service
Staff in post¹
Analysis by department: 1981 to 1987

At 1 January: Full-time equivalents²

Department	1981	1982	1983	1984	1985	1986	1987
Public Record Office	409	406	400	398	403	406	413
Royal Mint	1,305	1,178	1,118	1,005	956	993	991
Treasury Solicitor's Department	454	426	423	448	446	437	434
Science Museum	484	477	472	478	.. ²¹	..	..
Victoria and Albert Museum	620	618	604	638	.. ²¹	..	..

²¹ From 1 April 1984, the Victoria and Albert and the Science Museum were accorded Trustee Status and are therefore no longer included in the manpower count.

Scottish Office (including Royal Scottish Museum)	10,928	10,581	10,305	10,184	9,849 ²²	9,891	9,875
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²² From 31 March 1984 approximately 400 staff of the State Hospital, Carstairs were excluded from the manpower count.

Scottish Courts Administration	884	908	898	869	883	869	860
Scottish Record Office	136	136	130	123	120	125	120
General Register Office, Scotland	374	334	294	268	258	265	266
Registers of Scotland	514	572	606	701	806	874	870
Lord Advocate's Department	18	18 ²³	18	21	21	21	21
Procurator Fiscal Service	820	915 ²³	916	942	977	963	986
Exchequer Office, Scotland	56	.. ²³	..	..	..	..	..

²³ On 1 April 1981 the work of the Exchequer Office, Scotland, was absorbed into that of other departments, including Department of Trade, Crown Office and Lord Advocate's Department.

Welsh Office	2,357	2,263	2,216	2,173	2,269	2,283	2,245
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Source: Quarterly Staff Returns

3
Civil Service
Staff in post¹
Principal departments by economic planning region: 1 January 1987

Department	Economic Planning Region								
	South East								
	Inner ² London	Inter- mediate ³ Zone	Outer ³ London	Rest of SE	Total SE	South West	West Midlands	North West	Northern
NON-INDUSTRIAL STAFF									
Agriculture, Fisheries and Food	2,091	2	862	1,777	4,732	1,068	695	353	435
Cabinet Office	1,208	-	-	404	1,612	2	-	8	1
Customs and Excise	3,822	893	1,733	7,507	13,955	1,185	1,053	2,250	651
Defence	10,379	2,790	3,779	23,818	40,766	21,957	4,567	2,326	1,616
Education and Science	1,271	67	8	97	1,443	66	65	88	601
Employment Group ⁴	5,858	2,183	1,894	6,035	15,970	3,794	5,314	8,977	3,744
Energy	826	12	4	16	858	4	5	20	2
Environment (including Property Services Agency) and Transport	7,744	2,499	1,817	5,030	17,090	3,005	1,428	1,724	711
Health and Social Security	9,081	5,067	2,939	9,784	26,871	4,633	6,980	15,364	14,577
HM Stationery Office	368	10	-	90	468	73	19	172	3
Home Office	6,305	2,013	1,459	5,740	15,517	2,668	2,504	3,902	1,922
Inland Revenue	7,055	3,119	2,852	9,658	22,684	4,368	5,638	9,562	3,263
Land Registry	210	504	523	1,250	2,487	1,888	43	906	462
Lord Chancellor's Department	3,003	631	339	1,220	5,193	590	802	1,191	408
National Savings	152	8	-	-	160	1	-	2,078	2,314
Ordnance Survey	32	28	79	2,000	2,139	104	73	90	47
Population Censuses and Surveys, Office of	725	-	-	736	1,461	10	-	585	-
Scottish Office	19	-	-	-	19	-	-	-	-
Trade and Industry	6,359	57	1,139	737	8,292	196	269	392	247
Treasury (including CISCO)	1,618	5	423	196	2,242	17	6	11	7
Welsh Office	39	-	-	-	39	-	-	-	-
Other Departments	7,145	706	258	2,906	11,015	1,787	339	617	190
All Departments	75,310	20,594	20,108	79,001	195,013	47,416	29,800	50,616	31,201
INDUSTRIAL STAFF									
Agriculture, Fisheries and Food	2	-	82	116	200	67	55	1	12
Defence	603	1,073	1,748	19,555	22,979	19,905	4,576	697	1,799
Employment Group ⁴	6	22	29	95	152	51	45	77	33
Environment (including Property Services Agency) and Transport	2,049	444	575	1,725	4,793	1,701	468	312	245
Health and Social Security	6	26	2	8	42	32	24	71	78
HM Stationery Office	627	30	-	27	684	107	9	422	25
Home Office	107	12	89	607	815	434	405	301	183
National Savings	-	-	-	-	-	-	-	34	27
Ordnance Survey	1	-	4	80	85	7	6	7	5
Royal Mint	-	-	-	-	-	-	-	-	-
Scottish Office	-	-	-	-	-	-	-	-	-
Trade and Industry	5	-	117	49	171	-	-	-	-
Treasury (including CISCO)	133	22	29	158	342	201	25	48	13
Other Departments	33	1	1	21	56	88	8	6	-
All Departments	3,572	1,630	2,676	22,441	30,319	22,593	5,621	1,976	2,420

¹ Differences in staff totals from one date to another may reflect changes in machinery of government (see notes to tables 1 and 2).

² Part-time staff are counted as half-units.

³ London pay areas: Inner is within 5 miles of Charing Cross; Intermediate Zone is from 5 to within 10 miles; and Outer is from 10 to within 18 miles.

⁴ Including Employment, Manpower Services Commission and Health and Safety Commission/Executive.

Yorkshire and Humberside	East Midlands	East Anglia	Wales	Scotland	Northern Ireland	Elsewhere	All Areas	Department
594	445	1,063	378	188	4	1	9,956	Agriculture, Fisheries and Food
-	-	-	6	5	-	1	1,635	Cabinet Office
1,212	790	960	642	1,945	655	14	25,312	Customs and Excise
3,765	2,109	1,524	2,512	7,727	828	4,001	93,698	Defence
60	42	34	-	-	-	2	2,401	Education and Science
7,229	3,289	1,221	3,054	5,985	-	9	58,586	Employment Group ⁴
5	43	1	2	91	-	-	1,031	Energy
1,386	876	1,109	5,127	1,837	247	518	35,058	Environment (including Property Services Agency) and Transport
6,757	5,452	1,874	4,342	8,884	16	59	95,809	Health and Social Security
13	-	1,119	24	80	34	1	2,006	HM Stationery Office
2,671	2,733	1,605	858	127	16	12	34,535	Home Office
5,970	2,839	1,793	4,379	6,736	1,159	-	68,391	Inland Revenue
-	681	438	376	-	-	10	7,291	Land Registry
778	478	239	510	1	-	11	10,201	Lord Chancellor's Department
2	-	-	1	2,976	1	40	7,573	National Savings
79	71	38	56	119	-	2	2,818	Ordnance Survey
-	-	-	-	-	-	-	2,056	Population Censuses and Surveys, Office of
6	-	-	-	9,118	-	8	9,151	Scottish Office
220	161	68	1,782	536	5	55	12,223	Trade and Industry
3	1	194	8	26	-	3	2,518	Treasury (including CISCO)
-	-	-	2,055	-	-	32	2,126	Welsh Office
358	211	152	1,290	3,504	59	2,810	22,332	Other Departments
31,108	20,221	13,432	27,402	49,885	3,024	7,589	506,707	All Departments
54	42	96	43	32	-	-	602	Agriculture, Fisheries and Food
2,479	2,183	1,162	3,626	10,403	1,793	1,327	72,929	Defence
62	63	15	34	57	-	8	597	Employment Group ⁴
559	401	394	647	964	168	88	10,740	Environment (including Property Services Agency) and Transport
5	5	1	3	1	-	-	262	Health and Social Security
2	-	6	6	78	17	-	1,356	HM Stationery Office
319	299	207	87	-	-	-	3,050	Home Office
-	-	-	-	32	-	-	93	National Savings
6	5	8	6	8	-	-	143	Ordnance Survey
-	-	-	630	-	-	-	630	Royal Mint
-	-	-	-	724	-	-	724	Scottish Office
-	-	-	-	171	-	-	342	Trade and Industry
22	5	-	52	109	-	-	817	Treasury (including CISCO)
7	89	1	119	31	9	34	448	Other Departments
3,515	3,092	1,890	5,253	12,610	1,987	1,457	92,733	All Departments

Sources: Mandate and Departmental Returns

4
Home Civil Service
Staff in post¹
Main groups, classes and grades

Group, Class or Grade	1 January 1985			1 January 1986		
	All Staff ²			All Staff ²		
	Men	Women	Total	Men	Women	Total
All Non-Industrial Grades³	262,323	234,460	496,783	256,914	234,617	491,531
Open Structure						
Grades 1 - 3	644	26	670	633	26	659
Grade 1	38	1	39	37	1	38
Grade 2	138	2	140	132	2	134
Grade 3	468	23	491	464	23	487
Grades 4 - 7 ⁴	5,293	280	5,573	16,171	1,279	17,450
Grade 4	170	6	176	179	7	186
Grade 5	1,892	129	2,021	1,945	144	2,089
Grade 6	3,231	145	3,376	3,203	174	3,377
Grade 7 ⁴	..	..	..	10,844	954	11,798
General Category						
Administration Group	96,394	126,256	222,650	92,907	127,241	220,148
Principal ⁵	3,839	429	4,268	..	..	..
Senior Executive Officer	6,754	635	7,389	6,966	746	7,712
Higher Executive Officer D	165	62	227	171	64	235
Higher Executive Officer	18,916	4,995	23,911	18,911	5,480	24,391
Administration Trainee	89	31	120	77	29	106
Executive Officer	25,212	18,685	43,897	25,199	19,653	44,852
Clerical Officer ⁶	26,095	55,564	81,659	25,733	55,735	81,468
Clerical Assistant ⁶	15,324	45,855	61,179	15,850	45,534	61,384
Economist Group	238	37	275	98	28	126
Economic Adviser ⁵	161	17	178	..	..	..
Senior Economic Assistant	45	15	60	59	18	77
Economic Assistant	32	5	37	39	10	49
Information Officer Group	730	250	980	619	240	859
Principal Information Officer ⁵	90	17	107	..	..	..
Senior Information Officer	248	44	292	251	45	296
Information Officer	315	134	449	299	142	441
Assistant Information Officer	77	55	132	69	53	122
Librarian Group	145	238	383	145	253	398
Principal Librarian ⁵	4	1	5	..	..	..
Senior Librarian	25	22	47	27	22	49
Librarian	54	78	132	55	89	144
Assistant Librarian	62	137	199	63	142	205
Statistician Group	329	107	436	62	54	116
Statistician ⁵	259	55	314	..	..	..
Senior Assistant Statistician	41	24	65	44	30	74
Assistant Statistician	29	28	57	18	24	42

¹ This table shows staff in their substantive grade.

² Part-time staff are counted as half-units and numbers rounded to whole units.

³ Information for individual groups, classes and grades is drawn from Mandate and the totals for all grades are derived from the Quarterly Staff Returns. The sum of the individual figures is lower than the all grades totals because the grade coverage of the table is not comprehensive and there are timing differences between the two sources.

Full-time equivalents² (all staff): Numbers

1 January 1987

Whole-time			Part-time			All Staff ²			Group, Class or Grade
Men	Women	Total	Men	Women	Total	Men	Women	Total	
252,509	236,102	488,611	1,255	22,362	23,617	253,136	247,283	500,419	All Non-Industrial Grades³
									Open Structure
637	26	663	2	-	2	638	26	664	Grades 1 - 3
38	1	39	-	-	-	38	1	39	Grade 1
132	3	135	1	-	1	133	3	136	Grade 2
467	22	489	1	-	1	467	22	489	Grade 3
16,485	1,331	17,816	49	127	176	16,510	1,394	17,904	Grades 4 - 7 ⁴
163	7	170	-	-	-	163	7	170	Grade 4
1,954	148	2,102	2	11	13	1,955	153	2,108	Grade 5
3,478	248	3,726	9	6	15	3,483	251	3,734	Grade 6
10,890	928	11,818	38	110	148	10,909	983	11,892	Grade 7 ⁴
									General Category
95,343	131,180	226,523	253	9,509	9,762	95,469	135,935	231,404	Administration Group
..	..	..	..	..	..	..	..	..	Principal ⁵
7,236	898	8,134	1	18	19	7,237	907	8,144	Senior Executive Officer
150	66	216	-	-	-	150	66	216	Higher Executive Officer D
19,153	6,084	25,237	20	158	178	19,163	6,163	25,326	Higher Executive Officer
70	21	91	-	-	-	70	21	91	Administration Trainee
25,396	21,421	46,817	25	779	804	25,408	21,811	47,219	Executive Officer
26,807	55,872	82,679	119	4,553	4,672	26,866	58,149	85,015	Administrative Officer ⁶
16,531	46,818	63,349	88	4,001	4,089	16,575	48,818	65,393	Administrative Assistant ⁶
104	24	128	-	2	2	104	25	129	Economist Group
..	..	..	..	..	..	..	..	..	Economic Adviser ⁵
56	8	64	-	2	2	56	9	65	Senior Economic Assistant
48	16	64	-	-	-	48	16	64	Economic Assistant
595	255	850	-	2	2	595	256	851	Information Officer Group
..	..	..	..	..	..	..	..	..	Principal Information Officer ⁵
253	47	300	-	-	-	253	47	300	Senior Information Officer
282	153	435	-	2	2	282	154	436	Information Officer
60	55	115	-	-	-	60	55	115	Assistant Information Officer
146	245	391	-	11	11	146	250	396	Librarian Group
..	..	..	..	..	..	..	..	..	Principal Librarian ⁵
28	22	50	-	-	-	28	22	50	Senior Librarian
61	88	149	-	-	-	61	88	149	Librarian
57	135	192	-	11	11	57	140	197	Assistant Librarian
74	60	134	-	2	2	74	61	135	Statistician Group
..	..	..	..	..	..	..	..	..	Statistician ⁵
52	37	89	-	2	2	52	38	90	Senior Assistant Statistician
22	23	45	-	-	-	22	23	45	Assistant Statistician

Sources: Mandate and Departmental Returns

⁴ Grade 7 was introduced on 1 January 1986. It includes senior staff formerly members of the Administration, Science, Professional and other groups and classes. See page 6 of the introduction for further details.

⁵ From 1 January 1986 members of this grade are incorporated in Grade 7 in the Open Structure. (See the general notes on page 11 for further details).

⁶ The Clerical and Data Processing Grades were restructured on 1 January 1987. The new grade of Administrative Officer absorbed the Clerical Officer and Senior Data Processor grades and the new grade of Administrative Assistant absorbed the grades of Clerical Assistant, Data Processor and Trainee Data Processor.

4 (continued)
Home Civil Service
 Staff in post¹
 Main groups, classes and grades

Group, Class or Grade	1 January 1985			1 January 1986		
	All Staff ²			All Staff ²		
	Men	Women	Total	Men	Women	Total
Secretarial Category/Group	154	24,654	24,808	151	24,374	24,525
Superintending Grades	5	1,752	1,757	6	1,703	1,709
Senior Personal Secretary, Personal Secretary (including Trainee Personal Secretary)	29	4,432	4,461	31	4,487	4,518
Specialist and other typists	120	18,470	18,590	114	18,184	18,298
Science Category/Group	11,609	1,915	13,524	8,966	1,862	10,828
Principal Scientific Officer ⁵	2,083	49	2,132	..	..	..
Senior Scientific Officer	2,837	156	2,993	2,730	167	2,897
Higher Scientific Officer	3,115	399	3,514	2,902	401	3,303
Scientific Officer	2,049	599	2,648	1,943	634	2,577
Assistant Scientific Officer	1,525	711	2,236	1,391	660	2,051
Professional and Technology Category						
Professional and Technology Group ⁶	32,573	259	32,832	..	..	..
Principal P & T Officer ⁵	2,203	18	2,221	..	..	..
Senior P & T Officer	5,037	38	5,075	4,906	39	4,945
Higher P & T Officer	7,323	62	7,385	6,704	76	6,780
P & T Officer	..	..	..	..	..	..
P & T Officer III	9,528	48	9,576	..	..	..
P & T Officer IV	8,482	93	8,575	7,275	105	7,380
Graphics Officer Group ⁷	364	42	406	350	52	402
Marine Services Group ⁷	506	-	506	492	-	492
Related Professional and Technology Grades⁸						
Technical Officer B	526	71	597	..	..	..
Trainees (All Categories)	22	-	22	15	-	15
Technical Grade 1 ⁸	504	71	575	497	78	575
Technical Grade 2 ⁸	..	..	..	..	..	..
Technical Grade 3 ⁸	..	..	..	..	..	..
Security Category/Group	1,621	109	1,730	1,274	80	1,354
Security Officer I	1	-	1	-	-	-
Security Officer II	8	-	8	7	-	7
Security Officer III	38	1	39	34	2	36
Security Officer IV	319	12	331	248	9	257
Security Officer V	1,255	96	1,351	985	69	1,054
Social Security Category/Group	15,551	33,392	48,943	15,280	32,926	48,206
Local Officer 1	7,357	8,906	16,263	7,344	9,109	16,453
Local Officer 2	8,194	24,486	32,680	7,936	23,817	31,753
Data Processing Category/Group	1,154	6,191	7,345	1,130	5,925	7,055
Training Category/Instructional Officer Group	5,487	102	5,589	5,305	109	5,414
Legal Category⁷	511	160	671	27	14	41
Museums Category	113	62	175	115	64	179
Police Category/Group	3,424	184	3,608	3,326	213	3,539
Research Officer Category⁷	216	96	312	155	67	222

Earlier footnotes are on page 20 and 21.

⁷ From 1 January 1986 some senior staff in this group of grades are incorporated into unified grades.

Full-time equivalents² (all staff): Numbers

1 January 1987

Whole-time			Part-time			All Staff ²			Group, Class or Grade
Men	Women	Total	Men	Women	Total	Men	Women	Total	
119	21,887	22,006	3	4,605	4,608	121	24,189	24,310	Secretarial Category/Group Manager Grades ⁹
3	1,625	1,628	-	30	30	3	1,640	1,643	
26	4,538	4,564	-	101	101	26	4,588	4,614	Senior Personal Secretary, Personal Secretary (including Trainee Personal Secretary)
90	15,724	15,814	3	4,474	4,477	92	17,961	18,053	Typists
8,855	1,794	10,649	26	104	130	8,868	1,846	10,714	Science Category/Group
..	..	..	..	..	..	..	..	..	Principal Scientific Officer ⁵
2,677	171	2,848	15	9	24	2,684	176	2,860	Senior Scientific Officer
2,798	389	3,187	6	35	41	2,801	406	3,207	Higher Scientific Officer
2,061	657	2,718	2	28	30	2,062	671	2,733	Scientific Officer
1,319	577	1,896	3	32	35	1,321	593	1,914	Assistant Scientific Officer
27,037	292	27,329	25	5	30	27,050	294	27,344	Professional and Technology Category
..	..	..	..	..	..	..	..	..	Professional and Technology Group ⁸
5,030	52	5,082	17	3	20	5,039	53	5,092	Principal P & T Officer ⁵
6,931	76	7,007	3	2	5	6,932	77	7,009	Senior P & T Officer
13,564	153	13,717	5	-	5	13,567	153	13,720	Higher P & T Officer P & T Officer
1,512	11	1,523	-	-	-	1,512	11	1,523	P & T Officer IV
346	67	413	-	1	1	346	68	414	Graphics Officer Group ⁷
470	-	470	-	-	-	470	-	470	Marine Services Group ⁷
544	428	972	-	15	15	544	435	979	Related Professional and Technology
5	-	5	-	-	-	5	-	5	Grades⁸
456	74	530	-	-	-	456	74	530	Technical Officer B
72	288	360	-	7	7	72	291	363	Trainees (All Categories)
11	66	77	-	8	8	11	70	81	Technical Grade 1
1,695	96	1,791	33	5	38	1,711	99	1,810	Technical Grade 2
2	-	2	-	-	-	2	-	2	Security Category/Group
10	-	10	-	-	-	10	-	10	Security Officer I
41	3	44	-	-	-	41	3	44	Security Officer II
321	13	334	-	-	-	321	13	334	Security Officer III
1,321	80	1,401	33	5	38	1,337	83	1,420	Security Officer IV Security Officer V
15,847	33,571	49,418	45	1,886	1,931	15,869	34,514	50,383	Social Security Category/Group
7,499	9,514	17,013	25	613	638	7,511	9,821	17,332	Local Officer 1
8,348	24,057	32,405	20	1,273	1,293	8,358	24,693	33,051	Local Officer 2
..	..	..	..	..	..	..	..	..	Data Processing Category/Group⁶
5,018	114	5,132	6	2	8	5,021	115	5,136	Training Category/Instructional
53	30	83	-	2	2	53	31	84	Officer Group
58	28	86	-	4	4	58	30	88	Legal Category⁷
3,637	263	3,900	1	-	1	3,638	263	3,901	Museums Category
146	67	213	-	5	5	146	70	216	Police Category/Group
									Research Officer Category⁷

Sources: Mandate and Departmental Returns

⁸ From 1 January 1986 P & T Officers I & II have been retitled Senior P & T Officer and Higher P & T Officer respectively, P & T Officer III has been retitled P & T Officer. P & T Officer IV has been made obsolescent. No statistics are available for P & T Officer and Technical Grades 1 and 2 at 1 January 1986.

⁹ The Secretarial Group was restructured on 31 March 1986. The Superintending grades have been retitled Manager grades.

4 (continued)
Home Civil Service
 Staff in post¹
 Main groups, classes and grades

Group, Class or Grade	1 January 1985			1 January 1986		
	All Staff ²			All Staff ²		
	Men	Women	Total	Men	Women	Total
General Service Classes						
Actuaries	25	2	28	24	3	27
Cartographic and Recording Draughtsmen	2,511	476	2,987	2,496	476	2,972
Cleaners	104	1,805	1,909	88	1,567	1,655
Medical Officers	480	92	572	468	98	566
Messengers, Office Keepers and Paper Keepers	4,744	4,577	9,321	4,722	4,416	9,138
Pharmaceutical Officers	54	16	70	52	23	75
Photographers	465	23	488	434	25	459
Photoprinters (including former Duplicator Operators)	859	2,110	2,969	884	1,995	2,879
Process and General Supervisory	1,686	84	1,770	1,265	43	1,308
Psychologists	179	68	247	176	77	253
Stores Officers	1,720	71	1,791	1,659	73	1,732
Telecommunications Technical Officers	710	1	711	865	3	868
Telephonists	296	1,520	1,816	281	1,460	1,741
Teleprinter Operators	387	244	631	369	231	600
Departmental Classes						
Home Office Grades						
Immigration Service	1,287	233	1,520	1,301	275	1,576
Prison Governors	533	68	601	528	75	603
Prison Officers (all grades)	16,934	911	17,845	17,128	955	18,083
Inland Revenue Grades						
Taxes Grades	14,683	14,897	29,580	13,934	15,625	29,559
Inspectorate ⁷	4,777	724	5,501	3,876	740	4,616
Tax Officer (Higher Grade)	6,011	4,308	10,319	6,028	4,919	10,947
Tax Officer	3,895	9,865	13,760	4,030	9,966	13,996
Collection Grades	3,640	4,306	7,946	3,466	4,224	7,690
Collector and above ⁷	2,081	1,073	3,154	1,958	1,120	3,078
Assistant Collector	1,559	3,233	4,792	1,508	3,104	4,612
Valuation Office Grades	2,705	1,163	3,868	2,342	1,234	3,576
Professional Grades ⁷	1,414	163	1,577	1,033	182	1,215
Non-professional Grades	1,291	1,000	2,291	1,309	1,052	2,361
Capital Taxes Office Grades						
Examiner and above ⁷	148	33	181	92	28	120
Bailiffs (Courts Service)	788	5	793	798	8	806
Driving and Traffic Examiners (Transport)	1,653	41	1,694	1,772	62	1,834
Health and Safety Executive Grades						
Factory Inspectorate	758	83	841	760	94	854
Mines and Quarries Inspectorate	97	-	97	84	-	84
JCC Industrial Grades¹⁰						
Non-craft	47,904	14,899	62,803	45,722	14,139	59,861
Craft	32,713	176	32,889	30,616	146	30,762
Apprentices	4,425	81	4,506	4,441	192	4,633

Earlier footnote is on page 22.

¹⁰ The JCC (Joint Coordinating Committee) is the negotiating body for the pay and conditions of service of industrial staff covered by a national agreement. The figures exclude staff whose pay and conditions are linked to non-Civil Service agreements.

Full-time equivalents² (all staff): Numbers

1 January 1987

Whole-time			Part-time			All Staff ²			Group, Class or Grade
Men	Women	Total	Men	Women	Total	Men	Women	Total	
24	2	26	2	1	3	25	3	28	General Service Classes
2,480	486	2,966	19	43	62	2,489	508	2,997	Actuaries
62	297	359	34	2,286	2,320	79	1,440	1,519	Cartographic and Recording Draughtsmen
449	101	550	22	5	27	460	104	564	Cleaners
4,730	4,185	8,915	69	164	233	4,765	4,267	9,032	Medical Officers
56	28	84	-	-	-	56	28	84	Messengers, Officer Keepers and Paper Keepers
427	19	446	1	1	2	428	19	447	Pharmaceutical Officers
895	1,867	2,762	2	121	123	896	1,927	2,823	Photographers
1,221	45	1,266	-	-	-	1,221	45	1,266	Photoprinters (including former Duplicator Operators)
137	72	209	-	7	7	137	75	212	Process and General Supervisory Psychologists
1,632	81	1,713	-	-	-	1,632	81	1,713	Stores Officers
853	2	855	-	-	-	853	2	855	Telecommunications Technical Officers
262	1,373	1,635	1	149	150	263	1,447	1,710	Telephonists
362	209	571	2	7	9	363	212	575	Teleprinter Operators
									Departmental Classes
1,285	313	1,598	-	-	-	1,285	313	1,598	Home Office Grades
519	79	598	-	-	-	519	79	598	Immigration Service
17,497	953	18,450	-	37	37	17,497	971	18,468	Prison Governors
									Prison Officers
13,754	14,923	28,677	200	1,368	1,568	13,854	15,607	29,461	Inland Revenue Grades
3,895	821	4,716	125	47	172	3,958	844	4,802	Taxes Grades
5,892	4,865	10,757	51	425	476	5,917	5,078	10,995	Inspectorate ⁷
3,967	9,237	13,204	24	896	920	3,979	9,685	13,664	Tax Officer (Higher Grade)
									Tax Officer
3,393	4,097	7,490	8	267	275	3,397	4,231	7,628	Collection Grades
1,925	1,154	3,079	3	48	51	1,927	1,178	3,105	Collector and above ⁷
1,468	2,943	4,411	5	219	224	1,470	3,053	4,523	Assistant Collector of Taxes
2,267	1,197	3,464	15	57	72	2,274	1,226	3,500	Valuation Grades
978	187	1,165	9	9	18	982	192	1,174	Professional Grades ⁷
1,289	1,010	2,299	6	48	54	1,292	1,034	2,326	Non-Professional Grades
80	25	105	-	4	4	80	27	107	Capital Taxes Office Grades
									Examiner and above ⁷
800	13	813	36	-	36	818	13	831	Bailiffs (Courts Service)
1,811	74	1,885	-	-	-	1,811	74	1,885	Driving and Traffic Examiners (Transport)
748	91	839	2	8	10	749	95	844	Health and Safety Executive Grades
84	-	84	-	-	-	84	-	84	Factory Inspectorate
									Mines and Quarries Inspectorate
42,650	11,326	53,976	217	3,557	3,774	42,758	13,105	55,863	JCC Industrial Grades¹⁰
28,635	140	28,775	25	2	27	28,648	141	28,789	Non-craft
4,580	84	4,664	-	-	-	4,580	84	4,664	Craft
									Apprentices

Sources: Mandate and Departmental returns

5

Home Civil Service: Non-industrial staff in post

Major departments by selected occupational groups and grades: 1 January 1987

Group/Class/Grade/Sex	Ministry of Defence	Department of Health and Social Security	Inland Revenue	Department of Employment Group ²	Home Office	Department of the Environment ³
Grade 5	276	121	225	100	78	177
Grade 6	720	144	988	108	60	254
Grade 7	2,712	869	1,778	578	412	1,220
Administration Group and related grades						
Men						
Senior Executive Officer	993	1,013	272	950	220	336
Higher Executive Officer	2,207	3,638	530	2,541	565	804
Executive Officer including LOI and TOHG ⁴	3,138	9,608	6,678	5,205	795	1,050
Administrative Officer including LOII and TO ⁴	4,921	10,711	4,312	7,150	1,073	1,275
Administrative Assistant	2,172	3,710	3,833	1,485	361	376
Total ⁵	13,458	28,704	15,628	17,348	3,030	3,861
Women						
Senior Executive Officer	64	187	34	149	43	71
Higher Executive Officer	464	1,633	170	1,281	202	297
Executive Officer including LOI and TOHG ⁴	2,240	11,715	5,684	7,072	721	826
Administrative Officer including LOII and TO ⁴	10,345	30,328	10,312	19,599	2,005	2,168
Administrative Assistant	7,286	11,388	10,982	5,119	1,002	927
Total ⁵	20,401	55,268	27,184	33,229	3,985	4,299
Men and Women						
Senior Executive Officer	1,057	1,200	306	1,099	263	407
Higher Executive Officer	2,671	5,271	700	3,822	767	1,101
Executive Officer including LOI and TOHG ⁴	5,378	21,323	12,362	12,277	1,516	1,876
Administrative Officer including LOII and TO ⁴	15,266	41,039	14,624	26,749	3,078	3,443
Administrative Assistant	9,458	15,098	14,815	6,604	1,363	1,303
Total ⁵	33,859	83,972	42,812	50,577	7,015	8,160
Science Group	6,438	39	7	247	485	317
Economist Group	1	8	-	24	-	4
Statistician Group	8	13	6	14	5	4
Information Officer Group	101	18	-	81	19	29
Librarian Group	117	26	-	23	14	56
Medical Officers Class	27	303	-	63	98	-
Secretarial Category	5,170	2,782	5,033	1,666	981	1,368
Legal Group	1	4	7	5	-	2
Instructional Officer Group	1,839	7	-	2,172	1,006	-
Messengers Class	556	1,308	385	315	309	492
Paper Keepers Class	342	355	94	82	157	191
Photoprinter Class	918	196	53	102	53	202
Telephonist Class	851	196	167	179	22	50
Other Groups and Grades ⁴	39,762	5,448	16,836	2,250	23,821	8,615
All Non-Industrial Staff						
Men	61,090	34,078	27,582	22,057	27,005	14,056
Women	32,608	61,731	40,809	36,529	7,530	7,085
Total	93,698	95,809	68,391	58,586	34,535	21,141

¹ Part-time staff are counted as half-units and numbers are rounded to whole units.² Includes the Department of Employment, the Manpower Services Commission, the Advisory, Conciliation and Arbitration Service and the Health and Safety Commission and Executive.³ Includes the Department of the Environment, the Property Services Agency and the Crown Suppliers.

Customs and Excise	Department of Transport	Department of Trade and Industry	Ministry of Agriculture, Fisheries and Food	Other Departments	All Home Civil Service Non-Industrial Staff	Group/Class/Grade/Sex
71	89	171	113	687	2,108	Grade 5
109	114	144	98	995	3,734	Grade 6
394	578	778	396	2,177	11,892	Grade 7
Administration Group						
Men						
1,306	158	248	140	1,601	7,237	Senior Executive Officer
4,207	446	645	312	3,268	19,163	Higher Executive Officer
6,083	696	866	462	4,255	38,836	Executive Officer including LOI and TOHG ⁴
2,545	831	934	431	5,020	39,203	Administrative Officer including LOII and TO ⁴
795	721	529	337	2,256	16,575	Administrative Assistant
14,941	2,858	3,245	1,690	16,471	121,234	Total ⁵
Women						
31	15	36	26	251	907	Senior Executive Officer
427	140	165	137	1,247	6,163	Higher Executive Officer
2,658	544	623	339	4,288	36,710	Executive Officer including LOI and TOHG ⁴
3,003	1,936	1,357	816	10,658	92,527	Administrative Officer including LOII and TO ⁴
1,690	2,593	785	941	6,105	48,818	Administrative Assistant
7,810	5,233	2,971	2,267	22,565	185,212	Total ⁵
Men and Women						
1,337	173	284	166	1,852	8,144	Senior Executive Officer
4,634	586	810	449	4,515	25,326	Higher Executive Officer
8,741	1,240	1,489	801	8,543	75,546	Executive Officer including LOI and TOHG ⁴
5,548	2,767	2,291	1,247	15,678	131,730	Administrative Officer including LOII and TO ⁴
2,485	3,314	1,314	1,278	8,361	65,393	Administrative Assistant
22,751	8,091	6,216	3,957	39,036	306,446	Total ⁵
5	255	1,069	1,402	450	10,714	Science Group
1	9	7	9	66	129	Economist Group
2	6	14	10	53	135	Statistician Group
2	18	97	20	466	851	Information Officer Group
2	3	43	27	85	396	Librarian Group
-	7	-	-	66	564	Medical Officers Class
500	452	992	699	4,667	24,310	Secretarial Category
4	-	6	2	53	84	Legal Group
-	-	-	-	112	5,136	Instructional Officer Group
324	234	339	248	1,477	5,987	Messengers Class
104	43	253	58	1,101	2,780	Paper Keepers Class
42	30	378	48	802	2,824	Photoprinter Class
61	11	19	31	123	1,710	Telephonist Class
940	3,977	1,697	2,838	14,435	120,619	Other Groups and Grades ⁴
All Non-Industrial Staff						
16,245	7,519	6,481	5,430	31,593	253,136	Men
9,067	6,398	5,742	4,526	35,258	247,283	Women
25,312	13,917	12,223	9,956	66,851	500,419	Total

Sources: Mandate and Departmental Returns

⁴ The Social Security Category (DHSS, page 23) and the Inland Revenue grades of Tax Officer and Tax Officer Higher Grade (page 25) are included with Clerical Officer and Executive Officer for the purposes of this table. Many other large groups are confined to single departments. See Table 4 for further details, especially: Police Category (MOD, page 23); and Departmental classes for Home Office and the Department of Transport (page 25).

⁵ Includes small numbers of HEO(D)s and Administration Trainees.

6 Salary Bands: Main Grades

Full-time equivalents¹

Grades	Staff at 1 Jan 1987	Salary Bands at 1 Jan 1987		Percentage on Maximum	Percentage receiving Inner London Weighting	Percentage receiving Intermediate and Outer London Weighting
		£ Minimum	£ Maximum			
Open Structure						
Grade 1	39	-	62,100 ²	-	-	-
Grade 2	136	41,500	43,500	88	-	-
Grade 3	489	32,350	35,350	70	-	-
Grade 4	170	28,975	30,475	52	51	8
Grade 5	2,108	23,730	27,065	73	65	4
Grade 6	3,734	18,020	24,302	77	33	9
Grade 7	11,892	14,318	19,465	48	43	9
Administration Group						
SEO	8,144	11,639	14,629	79	32	6
HEO	25,326	9,430	11,961	79	26	7
EO	47,219	5,250	9,452	64	20	8
AO	85,015	3,507	6,791	55	14	8
AA	65,393	3,157	5,499	37	9	8
Social Security Group						
Local Officer 1	17,332	5,250	9,685	70	6	10
Local Officer 2	33,051	3,507	7,046	79	6	10
Inland Revenue Grades						
Inspector	4,120	7,324	12,661	81	10	9
Tax Officer (Higher Grade)	10,995	5,250	10,007	75	7	8
Tax Officer	13,664	3,507	7,415	54	4	7
Collector	2,270	5,250	10,007	71	10	11
Assistant Collector	4,523	3,507	7,415	46	6	10
Science Group						
Senior Scientific Officer	2,860	10,558	13,762	78	10	17
Higher Scientific Officer	3,207	8,405	11,323	77	7	17
Scientific Officer	2,733	6,711	9,225	46	7	14
Assistant Scientific Officer	1,914	3,398 ³	7,129	41	4	11
Professional and Technology Group						
Senior P&T Officer	5,092	11,851	14,734	59	22	16
Higher P&T Officer	7,009	9,169	11,660	82	11	11
P&T Officer	13,720	7,632	10,081	64	6	8
Other Grades						
Personal Secretary	4,113	6,307	7,526	- ⁴	52	5
Typist	17,808	4,664	6,063	41	14	8
Messenger	5,124	4,806	5,386	72	34	10
Paperkeeper	2,301	5,532	5,841	87	29	18
Telephonist	1,642	3,061	5,496	78	6	8
Senior Prison Officer	2,865	7,508	8,062	94	9	2
Prison Officer	15,482	5,711	7,489	69 ⁵	11	2
Instructional Officer III	3,520	8,155	9,946	93	2	5

Sources: Mandate, Departmental Records.

¹ Part-time staff are counted as half units.

² This grade is paid a flat rate.

³ This grade has an age related junior scale. The minimum shown is the minimum of the junior scale.

⁴ There are no Personal Secretaries on the maximum, due to restructuring of their pay scale.

⁵ This includes staff on the maximum of the main scale and those on 12 and 15 years service increments.

7

Home Civil Service: Non-industrial staff Entrants and Leavers

	Numbers						
	1980	1981	1982	1983	1984	1985	1986 ¹
Entrants²	48,620	32,380	30,997	30,658	40,928	46,964	48,561
of which:							
Men	16,798	11,239	12,055	12,740	16,402	18,343	19,226
Women	31,822	21,141	18,942	17,918	24,526	28,621	29,335
Resignations	33,121	22,175	23,727	21,659	23,802	27,126	26,178
of which:							
Men	9,632	5,538	6,426	6,189	7,765	9,489	9,043
Women	23,489	16,637	17,301	15,470	16,037	17,637	17,135
Other Leavers	21,620	21,394	22,524	22,163	20,422	23,981	17,667
of which:							
Men	13,969	13,816	13,963	13,191	12,563	15,012	10,313
Women	7,651	7,578	8,561	8,972	7,859	8,969	7,354
Other Leavers (by cause)							
Retirement at Minimum Age	4,594	4,526	4,570	4,775	4,554	4,320	3,809
Retirement above Minimum Age	10,811	10,606	11,061	9,687	8,513	8,111	6,603
Ill Health Retirement	2,383	2,064	2,245	2,398	2,249	2,200	2,306
Premature Retirement in the Public Interest	157	740	1,017	926	1,008	653	725
Voluntary Early Retirement ³	495	255	-	1,350	109	191	85
Death	1,634	1,432	1,288	1,146	1,093	977	866
Redundancy	228	721	1,218	884	1,117	617	543
Other Causes	1,318	1,050	1,125	997	1,779	6,822 ⁴	2,730

Source: Mandate and Departmental returns

¹ Figures for the latest year are provisional and subject to increase as departments submit late notifications.

² Excluding those previously in another grade.

³ Ad hoc voluntary schemes designed both to assist in reducing staff surpluses and improving overall efficiency. These operated during 1980-81, 1983-86.

⁴ On 2 January 1985 the Royal Ordnance Factories were incorporated as a Companies Act company and transferred from the manpower count.

8

Home Civil Service: Non-industrial staff

Entrants to all grades and to the main recruitment grades¹ by Age and Sex

Grade	Year	Age distribution (percentages) ²									Numbers ³	Of which:	
		16-17	18-19	20-24	25-29	30-34	35-39	40-44	45-49	50 and over		Men	Women
All Non-Industrial Grades	1984	13	27	27	9	6	6	4	3	4	40,928	16,402	24,526
	1985	11	23	30	10	6	7	5	3	4	46,964	18,343	28,621
	1986	6	20	34	13	7	7	6	3	5	48,561	19,226	29,335
Administration Group													
Administration Trainee	1984	-	-	72	26	2	-	-	-	-	50	37	13
	1985	-	-	84	16	-	-	-	-	-	32	23	9
	1986	-	-	91	9	-	-	-	-	-	46	33	13
Executive Officer	1984	-	12	54	18	8	4	4	1	1	1,527	811	716
	1985	-	8	55	17	7	6	5	1	-	2,046	1,122	924
	1986	-	4	49	24	9	6	5	1	1	2,465	1,307	1,158
Clerical Officer	1984	6	30	35	11	6	5	4	2	1	4,390	1,639	2,751
	1985	5	25	37	12	7	7	4	2	2	6,460	2,276	4,184
	1986	3	18	41	14	7	7	5	2	2	7,613	2,590	5,023
Clerical Assistant	1984	23	39	23	4	3	3	2	1	1	17,859	5,650	12,209
	1985	19	34	27	5	4	4	3	2	2	20,411	6,050	14,361
	1986	11	30	35	7	4	4	4	2	2	16,905	4,979	11,926
Social Security Group													
Local Officer 1	1984	-	6	53	15	10	10	4	1	1	336	119	217
	1985	-	5	53	14	12	10	6	1	-	414	149	265
	1986	-	2	54	19	11	8	5	1	-	514	187	327
Local Officer 2	1984	7	35	36	10	5	4	2	1	1	3,791	1,236	2,555
	1985	6	25	39	13	7	6	3	1	-	2,205	665	1,540
	1986	4	26	42	12	6	5	3	1	1	3,703	1,231	2,472
Science Group													
Scientific Officer	1984	-	-	81	14	2	1	-	-	-	257	186	71
	1985	-	-	86	11	3	-	-	-	-	308	216	92
	1986	-	-	83	13	3	-	-	-	-	429	304	125
Assistant Scientific Officer	1984	8	47	39	4	1	1	1	-	-	346	222	124
	1985	10	45	35	5	3	-	1	-	-	356	234	122
	1986	3	40	47	6	2	1	1	1	-	380	270	110
Professional and Technology Group													
P & T Officer ⁴	1986	-	-	23	28	12	9	12	5	10	513	495	18
Other Grades													
Inspector of Taxes	1984	-	-	65	31	2	2	-	-	-	51	34	17
	1985	-	-	47	38	10	5	-	-	-	86	59	27
	1986	-	-	23	44	22	8	2	2	-	125	72	53
Tax Officer	1984	9	43	28	7	5	5	2	1	-	246	95	151
	1985	6	21	29	14	11	10	6	2	1	659	194	465
	1986	4	21	29	13	13	11	6	3	-	358	125	233
Typing Staff	1984	12	24	19	9	8	10	9	5	4	2,495	9	2,486
	1985	13	20	18	9	8	14	8	6	5	2,663	9	2,654
	1986	6	15	23	10	10	13	11	6	7	2,491	8	2,483
Messenger and Paperkeeper	1984	-	1	2	6	7	11	11	18	45	846	600	246
	1985	-	-	1	11	7	11	11	18	42	932	612	320
	1986	-	-	1	9	6	10	15	16	43	982	639	343

¹ Excluding those previously in another grade.

Source: Mandate

² Percentages are individually rounded and may not sum to 100.³ Figures for the latest year are provisional and subject to increase as departments submit late notifications.⁴ P & T Officer was introduced on 1 January 1986, incorporating the obsolete PTO III grade and some of the staff in the obsolescent PTO IV grade.

9
Home Civil Service: Non-industrial staff
Resignations from selected grades during 1986
Length of service in the Civil Service and age distributions¹

Numbers and percentage rates

Grade	Length of service in years							Age					Total
	Less than 1	1-2	2-3	3-4	4-5	5-9	10 and over	Under 20	20-24	25-29	30-39	40 and over	
Numbers													
Administration Group													
Executive Officer (All)²													
Men	99	60	57	39	30	110	155	3	127	196	166	58	550
Women	73	61	57	57	55	236	273	8	151	280	266	107	812
Executive Officer (Direct Entrant)													
Men	97	55	51	26	18	31	23	3	106	104	75	13	301
Women	71	53	51	41	27	71	17	6	119	113	84	9	331
Clerical Officer													
Men	460	279	222	198	241	296	111	206	990	363	137	111	1,807
Women	814	501	406	350	614	1,006	574	276	1,825	1,130	549	484	4,264
Clerical Assistant													
Men	872	436	296	139	130	148	25	632	1,041	224	67	82	2,046
Women	1,865	1,107	542	361	349	533	230	1,233	2,274	599	391	490	4,987
Social Security Group													
Local Officer 1													
Men	14	9	6	6	3	18	32	-	13	29	29	17	88
Women	21	18	7	10	7	90	104	2	34	90	101	30	257
Local Officer 2													
Men	205	158	94	74	79	103	28	117	450	174	61	19	821
Women	414	298	211	137	230	495	182	194	923	499	231	120	1,967
Secretarial Group													
Typing Staff													
Men and Women	384	232	204	120	135	310	172	172	498	279	258	350	1,557
Inland Revenue Grades													
Tax Officer (Higher Grade)													
Men	19	18	15	3	4	29	48	7	28	46	39	16	136
Women	22	22	31	7	4	24	65	3	51	48	60	13	175
Tax Officer													
Men	20	36	11	23	28	44	21	7	108	41	20	7	183
Women	39	58	25	54	76	182	99	31	211	183	79	29	533
Rates													
Administration Group													
Executive Officer (All)²													
Men	8.1	6.4	7.3	5.9	4.9	2.3	1.0	4.1	6.3	3.5	1.6	0.8	2.2
Women	6.8	7.3	7.9	8.2	8.6	4.5	2.3	7.1	7.1	5.8	4.1	1.5	3.9
Executive Officer (Direct Entrant)													
Men	8.1	6.8	8.5	6.4	6.9	3.0	1.4	4.6	8.4	6.1	3.6	1.6	5.1
Women	6.9	8.1	9.2	9.9	15.1	9.9	3.7	6.5	8.9	9.1	7.9	3.1	8.2
Clerical Officer													
Men	19.0	13.0	14.5	11.2	13.5	3.6	1.4	18.7	12.3	5.8	3.2	1.8	6.9
Women	17.4	12.2	14.2	10.5	15.4	5.2	2.9	15.9	12.3	10.0	5.9	2.3	7.3
Clerical Assistant													
Men	16.3	11.6	18.2	12.4	17.5	6.3	1.9	14.7	14.6	12.5	7.0	4.0	12.6
Women	14.9	12.3	14.9	13.1	17.9	6.2	2.7	13.9	14.5	13.8	9.4	3.6	10.6
Social Security Group													
Local Officer 1													
Men	9.4	6.2	8.0	7.2	3.2	1.2	0.6	-	5.0	2.0	0.8	0.8	1.2
Women	8.4	6.1	6.1	6.0	3.9	3.3	1.7	15.4	6.7	3.9	2.6	1.0	2.6
Local Officer 2													
Men	31.5	15.4	16.1	15.3	17.8	4.0	1.4	23.5	16.0	7.7	4.2	1.8	10.2
Women	19.4	11.3	13.0	9.8	17.4	5.6	2.7	15.2	12.5	8.1	5.4	2.2	8.0
Secretarial Group													
Typing Staff													
Men and Women	15.4	10.6	14.9	9.7	14.5	5.6	2.6	14.9	14.4	11.0	6.9	3.7	7.7
Inland Revenue Grades													
Tax Officer (Higher Grade)													
Men	7.9	6.4	10.2	4.3	7.0	4.2	1.1	26.9	6.4	4.4	1.4	1.0	2.3
Women	6.2	6.3	19.9	7.6	5.1	2.7	2.0	10.3	9.6	4.3	2.8	1.0	3.4
Tax Officer													
Men	15.6	11.7	15.5	7.3	9.0	3.1	1.4	5.6	9.6	3.3	2.2	1.1	4.6
Women	10.1	9.3	17.6	8.3	9.9	4.7	2.5	13.6	8.6	6.7	3.8	1.0	5.1

Source: Mandate

¹ Figures for the latest year are provisional and subject to increase as departments submit late notifications.
² The figures include staff previously in another grade as well as direct entrants from outside the service.

10
Home Civil Service: Non-industrial staff
Resignations from selected grades during 1984, 1985 and 1986¹

Grade	Numbers			Rates		
	1984	1985	1986	1984	1985	1986
Open Structure						
Grade 5	24	25	15	1.2	1.2	0.7
Grade 6	31	31	33	0.9	0.9	0.9
Grade 7 ²	..	..	158	..	..	1.3
Administration Group						
Senior Executive Officer	54	64	57	0.7	0.8	0.7
Higher Executive Officer	295	401	368	1.3	1.7	1.5
Executive Officer (All)	1,198	1,401	1,362	2.7	3.2	3.0
Executive Officer (Direct Entrant)	526	671	632	5.7	7.2	6.4
Clerical Officer	5,216	6,120	6,071	6.2	7.4	7.2
Clerical Assistant	5,816	7,103	7,033	9.4	11.2	11.1
Social Security Group						
Local Officer 1	353	374	345	2.2	2.3	2.0
Local Officer 2	2,273	2,790	2,788	7.5	8.8	8.5
Inland Revenue Grades						
Inspector	91	126	138	2.3	3.1	3.3
Tax Officer (Higher Grade)	246	340	311	2.5	3.3	2.8
Tax Officer	832	865	716	5.8	6.0	5.0
Collector	59	49	78	2.7	2.2	3.4
Assistant Collector	303	333	310	6.1	7.0	6.7
Science Group						
Senior Scientific Officer	69	69	45	2.1	2.3	1.5
Higher Scientific Officer	127	116	78	3.4	3.4	2.4
Scientific Officer	214	219	163	8.1	9.0	6.7
Assistant Scientific Officer	217	188	199	9.4	8.8	9.9
Professional and Technology Group						
Senior P & T Officer	80	91	76	1.5	1.8	1.5
Higher P & T Officer	160	178	171	2.1	2.6	2.5
P & T Officer ³	..	..	268	..	..	2.5
Other Grades						
Personal Secretary	260	284	253	6.5	7.1	6.2
Typist ⁴	1,695	1,617	1,497	8.2	7.9	7.5
Data Processor	411	392	390	6.8	7.0	7.2
Messenger	138	156	161	2.5	3.0	3.1
Paperkeeper	55	43	87	2.3	1.9	3.7
Telephonist	113	114	94	6.1	6.4	5.4
Cleaner	376	350	252	10.5	11.4	9.2
Senior Prison Officer	2	6	8	0.1	0.2	0.3
Prison Officer	176	194	216	1.2	1.3	1.4
Police Constable	57	65	71	2.0	2.4	2.3
Instructional Officer III	82	117	83	1.9	3.0	2.3

Source: Mandate

¹ Figures for the latest year are provisional and subject to increase as departments submit late notifications.

² Grade 7 was introduced on 1 January 1986. Comparable figures for earlier years are not shown.

³ P & T Officer was introduced on 1 January 1986, incorporating the obsolete PTO III grade and some of the staff in the obsolete PTO IV grade.

⁴ The grades of Typist and Specialist Typist were restructured and combined in March 1986. The figures for 1984 and 1985 have been adjusted to reflect this.

HISTORICAL SERIES

Non-Industrial Staff from 1902 and Industrial Staff from 1939

Thousands as at 1 April each year

Non-		Non-				Non-			
Year	Industrial	Year	Industrial	Industrial	Total	Year	Industrial	Industrial	Total
1902	50	1939	163	184	347	1965	420	235	655
1910	55					1966	430	232	662
1914	70					1967	451	229	680
1918	221	1944	505	658	1164	1968	471	222	693
1919	194	1945	499	615	1114	1969	470	214	684
1920	161	1946	452	366	819	1970	493	208	701
1921	158	1947	457	326	784	1971	498	202	700
1922	133	1948	445	317	761	1972	496	194	690
1923	124	1949	458	326	784	1973	511	189	700
1924	115	1950	433	313	746	1974	512	180	692
1925	114	1951	425	316	740	1975	524	177	701
1926	110	1952	429	333	762	1976	569	179	748
1927	108	1953	414	341	756	1977	571	174	746
1928	106	1954	405	347	751	1978	567	168	736
1929	109	1955	386	334	719	1979	566	166	732
1930	111	1956	384	328	711	1980	547	157	705
1931	118	1957	381	314	696	1981	540	150	690
1932	119	1958	375	289	664	1982	528	138	666
1933	118	1959	375	271	647	1983	519	130	649
1934	117	1960	380	263	643	1984	504	120	624
1935	128	1961	387	256	643	1985	498	101	599
1936	133	1962	394	253	647	1986	498	96	594
1937	142	1963	410	252	662	1987	507	90	598
1938	152	1964	414	244	658				
						1988	target		590

Notes:

Differences in the scope of the Civil Service have the following effects on the numbers:-

Staff of the Forestry Commission, a grant aided body, were included before 1939.

About 10,000 staff of approved societies and local authorities were transferred to the Ministry of National Insurance in 1949/50.

7,000 non-industrial and 10,700 industrial staff were transferred out to the UK Atomic Energy Authority in 1954.

Staff of the Manpower Services Commission and its agencies (18,600 at 1 January 1985) were excluded from the manpower count in 1975; due to the Employment Protection Act of 1975 they were counted as Civil Servants with effect from 1 January 1976.

5,600 non-industrial and 13,400 industrial staff in Royal Ordnance Factories are excluded from 1985 onwards.

Staff of the Post Office have been excluded throughout the series, but from 1970 staff of the Department for National Savings (15,000 at that date) have been included.

Data is not available in respect of industrial staff before 1939. Part-time staff are counted as half units from 1939.

Casual staff are excluded from the non-industrial figures from 1967.

Manpower targets for 1988 were published in The Government's Expenditure Plans 1987-88 to 1989-90 Cmnd 56 II.



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MANAGEMENT IN CONFIDENCE

FROM: C J A CHIVERS
DATE: 19 January 1988

- 1. DAME ANNE MUELLER
- 2. PS/CHANCELLOR

adm 19/1

Thanks. 1 set by [unclear] for [unclear] observations PMG [unclear] [unclear]

- cc PS/Chief Secretary
- PS/Paymaster General
- Sir Peter Middleton
- Mr Kelly
- Mr Truman
- Mr Reed

ALTERNATIVE WORKING PATTERNS

I understand that the Chancellor has read Mrs Goldsworthy's report about Working Patterns, and has asked what is our programme for implementing it.

The Goldsworthy Report

2. The report, which was produced in the former MPO, described how working patterns outside the civil service have developed in recent years and looked at the scope for similar developments in Government Departments. It concluded that in some cases more flexible working patterns could have advantages for both management and staff, but that the benefits would vary between Departments depending upon the type of work being done. It suggested that these ideas needed to be tested in real work situations by means of pilot experiments.

3. The ideas examined were:

- Recurring temporary contracts
- Nil-hours contracts
- Homeworking
- Annual hours contracts
- Part-time work on a large scale
- Individual part-time staff

39/10

- Period Contracts
- Reform of central guidelines on flexible working hours
- Reform of shift disturbance allowance regulations
- Reform of travel and subsistence allowance regulations

A glossary is attached at Annex A to explain what is meant by these terms. [i.e. an English/MPO-speak dictionary!]

Handling

4. The report was sent to Departments and to the Civil Service Trade Unions at the end of September, 1987. It was issued on the basis that it was a study document - it was not prescriptive - and that it was for Departments, and in particular line managers in the big network departments, to think how they could use these ideas to their advantage.

5. That was a necessary first step: these are not the sort of changes that can be imposed from the centre. But we recognised that it would not be sufficient to leave the initiative entirely to Departments: we have set up a working party under Treasury chairmanship to put pressure on Departments to come forward with ideas, to collect and exchange Departments' ideas and to ensure that the ideas, if they are acceptable, are implemented. There are, as the report makes clear, potential savings to be made, although at this stage one needs to be cautious about estimating how large they might be.

The problems for management

6. Launching experiments in alternative working patterns is not a straightforward matter in the civil service. These experiments all point towards the greater fragmentation of the civil service pay system. The prospect of such diversity is a worry to Departments (and to us, it must be said), because it requires that management should be tough enough to resist extending changes from areas in which they are to its advantage to areas in which the balance is in favour of the staff.

7. As an example of what is involved, we have just approved a radical proposal from Customs and Excise which emerged, not from Goldsworthy, but from a parallel scrutiny. It will help Customs to deploy their staff at the ^{posts} ~~posts~~ more effectively at the times when they need them most at - after a transitional period - no net additional cost. But in order to make the change possible we have had to allow Customs to offer their staff some degree of temporary earnings protection so that they will not lose out too badly when their overtime is reduced. The idea of protecting overtime earnings involves breaching a hallowed principle, and Departments will need to be robust to fight off the repercussions. But we judged that the scheme was worth doing, and Departments will just have to face the risks.

Problems for the Unions

8. But if these changes pose problems for management they pose even greater problems for the unions, and particularly for the CCSU, whose very existence is threatened by this sort of initiative. The reactions we have had to the Working Patterns Report to a considerable extent fore-shadow those we can expect to receive to the "Next Steps": indeed one suspects that many of those who have commented on Working Patterns in the Press have confused it with "Next Steps". These developments will in any case receive added impetus under the new Agency regime.

9. There was an outcry from the unions when this "leaked" report came out. (In fact it was sent to them in a completely normal, above-board way by Dame Anne Mueller at the same time as it was circulated to Departments). Changes in this area have great potential for industrial relations trouble, and Departments will need to handle them carefully. That is why the report emphasised, and we have emphasised to Departments, that they will need to proceed in consultation, and so far as possible in agreement with, their local trade unions. We have held two meetings so far with the CCSU, at which differences of view among the unions have been evident: the FDA and the IRSF see some attraction in alternative working patterns and are willing to explore the subject in a positive way; the IPCS are cautiously positive; but the CPSA

MANAGEMENT IN CONFIDENCE

(Mr McCreadie) and the Society (Mrs McKnight) have been doctrinaire in their opposition.

10. We have emphasised at these meetings that it is not the intention to "exploit" anyone or to "create a second class civil service": we want to develop more varied work patterns because that is the way the labour market is developing and we need to match outside employers if we are to recruit as economically as possible in the 1990s and meet the preferences of a considerable number of our existing staff. The CCSU asked us to halt the process of local departmental consultation while we debated the issues centrally. We refused to do that. We have not so far set Departments a timetable for coming up with ideas, but we shall be consulting them at the end of this month and taking their minds on what would be a realistic timetable for proposals, consultations and implementation.

Mr Barry Field's Question

11. You will have seen that Mr Barry Field MP has put down an oral question for answer on 25 January:

"To ask Mr Chancellor of the Exchequer, when he expects to implement the recommendation of the Working Patterns of the civil service contained in the study document issued by the Cabinet Office."

The draft reply we propose is:

*Mr
Revise
behind.*

~~"[No timetable for implementation has yet been established, but] Departments are considering the implications of the report and I shall be inviting them to let me know their plans within a reasonable period."~~

12. We should be clearer by the end of this month what a reasonable timetable would be.



KIT CHIVERS

A. **RECURRING TEMPORARY CONTRACTS:** An arrangement whereby staff are contracted to work for a certain period each year for a fixed number of years, usually to provide additional staffing for peak periods of work or absence of permanent staff, particularly where these are predictable. Such an arrangement would be helpful in areas where the work is time-critical, and cannot be held until staff are available to do it.

B. **NIL-HOURS CONTRACTS:** An arrangement whereby staff are not contracted to work for any minimum period, but to work as called upon by management, usually to provide cover for absences or additional staffing at peak periods, particularly where these are unpredictable. Such an arrangement may be most appropriate for junior grades, particularly in areas such as public caller offices, where a given level of staffing is essential.

C. **HOMEWORKING:** Two types of arrangement are possible:

- staff who spend most of their time travelling and making visits who would work at home on tasks like the preparation of reports;
- staff who would work at home on tasks currently undertaken in an office, but which could be done at home, with or without the use of new technology.

D. **ANNUAL HOURS CONTRACTS:** Under an annual hours contract the total number of hours an employee is contracted to work is rostered in advance. Shift and premium payments are annualised and paid in equal monthly or weekly amounts. Such an arrangement would help to provide more flexible shift rosters which are less likely to depend on high levels of overtime and within which any reductions in the number of conditioned working hours could be accommodated relatively easily.

E. **PART-TIME WORK ON A LARGE SCALE:** These arrangements can be used to cover:

- work which peaks at certain times of the week or month;
- work when there is need for extended operation;
- where part-timers can be relatively more productive than full-time staff.

F. **INDIVIDUAL PART-TIME STAFF:** Under these arrangements, individuals would be employed at all levels for tasks which only require part-time staffing. Such staff would be recruited directly as well as from among existing staff who wish to work part-time. These arrangements would help to achieve a more satisfactory distribution of business and to retain staff who might otherwise leave, not just for domestic reasons, but to take other jobs.

G. **PERIOD CONTRACTS:** The potential usefulness of extending such arrangements would be for 'one-off' requirements such as a major change in systems of administration for large executive operations which would create work for longer than casuals could be employed, but not permanently. Such appointments would allow management to bring staffing up to necessary levels for work without increasing permanent complement and then having to declare redundancies or rely on wastage.

H. **REFORM OF CENTRAL GUIDELINES ON FLEXIBLE WORKING HOURS:** This should aim to ensure that the guidelines reflect the need for FWH scheme to provide benefits to management, as well as staff.

I. **REFORM OF SHIFT DISTURBANCE ALLOWANCE REGULATIONS:** The aim would be to provide managers with maximum scope for obtaining efficient and effective shift systems within the framework of the Civil Service pay system. The present system should be examined to determine what amendments it is capable of sustaining to achieve this.

J. **REFORM OF TRAVEL AND SUBSISTENCE ALLOWANCE REGULATIONS:** A re-examination of the rules could help to ensure that as far as possible they do not inhibit the efficient management of working time, and do not cause distortions of working patterns for travelling staff.

Ch/X is now
approved by officials &
PMG is considering.



FROM: ROSIE CHADWICK
DATE: 20 January 1988

MR REED

cc PS/Chancellor
Mr Chivers

mjon 20/1

BARRY FIELD PQ

The Paymaster General has been asked to answer this question and has seen the draft reply. He thinks it reads rather oddly (mainly because of the way the question is phrased) and we would be grateful for your comments on the alternatives set out below.

X | "Departments are already considering the report, and have been asked to come forward with proposals on alternative working patterns which meet their particular needs".

OR

"This report recommended that Departments should consider certain alternative working patterns. They are doing this and will be reporting any plans they may have for implementing changes to the Treasury [soon/in due course]".

MINISTER IMMEDIATE

RC

ROSIE CHADWICK
Assistant Private Secretary

MONDAY 25
THURSDAY 14 JANUARY 1988

TREASURY

C - Isle of Wight

■

MR BARRY FIELD : To ask
Mr Chancellor of the Exchequer, when he expects to implement
the recommendation of the Working Patterns of the Civil Service
contained in the Study Document issued by the Cabinet Office.

DRAFT REPLY

PMG

~~No timetable for implementation has yet been established,~~
~~but~~ Departments are considering the implications of the report
and I shall be inviting them to let me know their plans within
a reasonable period.



mpw

FROM: MOIRA WALLACE
DATE: 25 January 1988

PS/PAYMASTER GENERAL

cc PS/Chief Secretary
Sir Peter Middleton
Dame Anne Mueller
Mr Kelly
Mr Chivers
Mr Truman
Mr Reed

ALTERNATIVE WORKING PATTERNS

The Chancellor has seen and was grateful for Mr Chivers' minute of 19 January. He would be grateful for any observations the Paymaster General may have on the programme for implementing Working Patterns.

mpw.

MOIRA WALLACE

COMMERCIAL IN CONFIDENCE

FROM: C D BUTLER, EOG
DATE: 19 February 1988

PAYMASTER GENERAL

- cc Chancellor
- Chief Secretary
- Financial Secretary
- Economic Secretary
- Sir P Middleton
- Sir G Littler
- Dame A Mueller
- Sir T Burns
- Mr J Anson

*I am not sure
as a consequence
of the way
which the
TSRMC
runs
the contract*

PARLIAMENT STREET STAFF RESTAURANT

It is Government policy to require departments to subject their catering services to competitive tendering. We have just completed the process for the Parliament Street restaurant. I invite you to endorse the recommendation that a 3 year contract be offered to the existing Treasury Staff Restaurant Management Committee.

Background

2. At present the Staff Restaurant is one of CISCO's "managed units". It is run by a Committee which consists of a number of voluntary members from both the Official and Staff sides. It engages professional management staff from CISCO. No other restaurant staff are civil servants; their pay and conditions are set by the Committee.

3. The service conforms to CISCO's Common Tariff which details quality and quantity of standards. The Committee is required to adhere to the tariff prices throughout the operation, unless they are advised otherwise by the Department. The Committee is notified of periodic changes by CISCO, normally once or twice annually. The department provides a subsidy to cover the difference between the income and the direct costs.

The basis of the new contract

4. Catering firms were invited to bid for a 3 year fixed price contract to provide a specific service (Annex B) which would continue to conform to the Common Tariff.

COMMERCIAL IN CONFIDENCE

5. Four caterers were short-listed from an original list of 21 who expressed interest in our advertisement, seven of which were invited to tender. These four were: Commercial Catering Group Ltd, Taylorplan Catering Services Ltd, ARA and CISCO on behalf of the Treasury Staff Restaurant Management Committee. Details of the assessment of the bids are shown in Annex A. They made a final presentation to a selection panel of representatives from the finance, office service and internal audit divisions of the Treasury. The panel based its selection on a comparison of the relative costs and the prospective quality of service offered by the competitors. They were assisted by a representative from the CISCO Directorate of Contractor and Consultancy Services [who was, however, not present during the Committee/CISCO presentation, was not privy to the details of the Committee/CISCO tender and took no part in final selection].

6. The panel rejected the bids from Commercial Catering Group Ltd and Taylorplan Catering Services Ltd. The staffing and pay levels of the former were considered insufficient to provide a satisfactory service for the projected sales levels. The bid from Taylorplan was turned down because the management structure and cover offered were thought inadequate.

7. The choice between ARA and CISCO is more finely balanced. Both contractors were judged able to meet the operational requirement (Annex B). Also, there was little difference in the subsidy level sought, although ARA was slightly higher. Both tenders represented a saving of approximately £1100 per annum compared with the present level of subsidy. However, the panel were unanimous in recommending that a 3 year contract should be offered to the present Committee.

8. The main reason was that, in an evenly balanced decision the preference should be given to the competitor in occupation. The Committee were best able to demonstrate where the future development of the restaurant service might lie. There would be less disruption to the service in the immediate post-tender period. Furthermore the Committee tender had a small price advantage over ARA.

9. Finally, the panel were not convinced by the answers given by ARA on possible renegotiation of the contract. ARA had a proviso included in their tender for the renegotiation of the subsidy should ARA see it as inadequate due to changes in inflation. When pressed ARA were unwilling to specify at what rate of inflation above the present rate the renegotiation process

would commence. This was judged to be unacceptable in the context of a fixed price contract.

Conclusion and Recommendation

10. I agree with the panel's recommendation. The service provided by the present Committee is a good one, notwithstanding the vagaries caused by shortage of staff related to uncertainty over the award of the new contract. I judge that most Treasury staff - and some Ministers - are satisfied with it. It would require a considerably better offering from elsewhere to convince me and them that the disruption and uncertainty caused by change was better value for money. I invite you to agree.



C D BUTLER

PARLIAMENT STREET STAFF RESTAURANT: SYNOPSIS OF TENDERING PROCEDURES AND SUMMARY OF ASSESSMENTS

Tendering Procedures

An advertisement was placed in the 'Caterer and Hotel Keeper', the trade magazine for the catering industry, on 12th and 19th October 1987. It invited contractors to tender for the Parliament Street Staff Restaurant business.

Concurrently, a draft operational requirement, trading projection and model contract was prepared by the Civil Service Catering Organisation Regional Office for consideration by the Department. These papers formed the basis of the Tender Documents.

The Operational Requirement showed the potential customer usage, the service to be provided, security constraints, the tariff menu and financial controls expected and broad details of the cleaning, insurance etc aspects of the proposed service.

An Office Notice was issued seeking staff views on the service to be provided by the new contractor. Where practical, the ideas received were incorporated into the Operational Requirement agreed by the Department.

Twenty one organisations expressed interest, of whom seven were shortlisted and sent the Tender Document. The main selection criteria were:-

- i. Previous knowledge of Government catering contracts;
- ii. Previous experience of catering in large organisations; and
- iii. Size and ability to provide back up facilities.

At this stage one candidate withdrew.

A 'walk round' was then organised for the six remaining contractors. This showed them the layout of the building, and the position and facilities available within the Staff Restaurant eating and kitchen areas and kiosks.

The completed Tender Documents (except that prepared by CISCO on behalf of the Committee) were sent to CISCO Directorate of Contracts and Consultancy Services for comment. The Directorate also prepared matrices of the trading projection figures for the Selection Panel. The preparation of the comments and figures on the CISCO tender was undertaken by EOG2.

As a result of further shortlisting, two contractors were rejected because the subsidy sought was considered excessive. The remaining four were invited to make their final presentation on 11 February 1988.

Summary of Assessments

COMMERCIAL CATERING GROUP LIMITED

Represented by

Southern Area Director
Business Development Manager
Prospective Catering Manager

Subsidy Sought

Year 1 - £20,780
Year 2 - £21,762
Year 3 - £23,130

Total - £65,079

This was the cheapest tender appraised by the selection panel.

Commercial Catering Group Limited (CCG) operate a number of fixed price contracts. But the specifications of the Common Tariff were seen by CCG as being extremely detailed and more rigorous than those they had experience of.

CCG had a prospective Catering Manager in mind. His qualifications were satisfactory for the type of operation in the Parliament Street building.

Proposed staffing levels were low, with wages for unskilled workers the lowest of any tender. However, CCG considered that the pay was adequate for the task and that the staff in complement was correct. Extra work would be covered by staff flexibility.

The low sales projection shown in the Tender Document was confirmed. CCG agreed that they had allowed for extra profit, should they not be able to break even on other areas of their trading projection.

Best nett prices for goods delivered to the Restaurant would be identifiable. But it was admitted that the cost of certain goods was high. Insurance costs were confirmed as being part of the Management Fee. CCG admitted that they had underquoted on both the cost of special meals and the cost of replacing disposables.

CCG explained that one main grill per day would be available and not the full choice as shown in the Tender Documents. However, they were keen to put an emphasise on home cooked food.

TAYLORPLAN

Represented by:

Divisional Manager
Business Development Manager
Operations Manager

Subsidy Sought

Year 1 - £34,852
Year 2 - £36,795
Year 3 - £38,515

Total - £110,162

Unfortunately, the representative from Taylorplan who has attended the 'walk round' was not at the selection interview. Therefore,

the Taylorplan team were not aware of the layout of the building and were not sure of the type of Restaurant.

Taylorplan operate a number of fixed price contracts of comparable size to the Parliament Street Restaurant.

The Canteen Manager (who had not yet been selected by Taylorplan) would report to an Area Manager responsible for twelve other units. The Area Manager would hope to visit Treasury between every five and ten days.

The tender showed only one Manager in charge of the Parliament Street operation. Taylorplan stated that relief management could cover; the regional team is backed with three mobile relief managers and the Area Manager herself claimed she could cover if required. However, on cover for day to day management control Taylorplan waivered between the chef or the control clerk as being in charge of the restaurant when the manager was elsewhere.

The staffing levels quoted were adequate and the pay levels were judged ~~more~~ satisfactory to retain staff in the Whitehall area. The low level of sick pay quoted in the tender was identified as being non-management staff receiving only statutory sick pay.

Projected sales increases were low and barely covered the Common Tariff increases. Taylorplan said that this was deliberate to cover any errors in the tender. Food gross profit was at the recommended 52 per cent. But the Sales Manager admitted that this would be difficult to achieve. Taylorplan confirmed that prices and specifications would be adhered to.

Costs for goods delivered would be at best nett prices and would incorporate any discounts received by Taylorplan.

Overall, the tender was disappointing. Although it showed a considerable saving over the present subsidy, the reasons for the saving raised doubts about the feasibility of the overall tender. The management team also presented a disorganised picture of their operation.

ARA

Represented by:

Managing director
Regional sales manager
District manager

Subsidy sought:

Year 1	£46032
Year 2	£50338
Year 3	£52816
	<hr/>
Total	£149186

The company has wide experience of fixed price catering contracts in the Civil Service, for example in MOD and the Home Office.

The Restaurant Manager for H M Treasury had been identified. He currently works for ARA in charge of the catering facilities for a large oil company. He would report to the local District Manager. The District Manager is responsible for eight units and is concentrating on gaining more business in central London.

When questioned on staffing levels, ARA considered the number of staff allowed for was correct. Leave and holidays would be

covered from regional relief staff and management teams. ARA claimed the wage rates for general assistants and cashiers compared well with their other contracts in the area. Conference functions, buffets etc required out of hours would be staffed on an overtime basis.

ARA stated that the special menu prices quoted in the Tender Documents reflected the labour costs involved. But they admitted that this would be an extra area of profit should they use staff to undertake food preparation during the day for evening functions.

The food sales increase of 7 per cent shown in the Tender Documents was claimed by ARA to be an increase in the first year only. They then expected to only hold the sales level. However, the panel felt that the true increase was approximately 3 per cent above inflation. This was because the Common Tariff biannual price rise allowed for inflation of food prices.

The Food Gross Profit of 48.6 per cent sought by ARA was lower than the Common Tariff recommended level (52 per cent). ARA claimed that this was because of potentially poor beverage sales and subsequent lack of high profit. If overall sales increased ARA agreed that staff would be increased at no cost to the Treasury, subject to viability. It was pointed out that the reverse could not apply on a fixed price contract.

Commodity purchase costs would be at best nett prices and would incorporate all discounts. High cleaning material costs were explained as including equipment, mops and buckets etc. But at £27 per day these costs were higher than expected.

ARA argued that if the cost of goods rose because of inflation and their profit margins were squeezed, they should be free to renegotiate the tender. In particular, if the level of service was not to be altered ARA would press the department to increase the subsidy. But ARA would not be drawn on what level of inflation would trigger renegotiation. Neither would they comment on the effect of a reverse situation. ARA also argued that any improvement in the kiosk sales would have to be agreed between ARA and the Treasury. Excess costs would be borne either by extra profits or completely by the Treasury. However, ARA said that should they gain the contract, they would discuss this.

Finally, ARA concluded the interview by giving the Board a presentation to show the commitment of ARA and their staff to high quality service.

CISCO ON BEHALF OF THE TREASURY STAFF RESTAURANT MANAGEMENT COMMITTEE (hereinafter called the Committee)

Represented by:

Director of CISCO operations
Chairman of staff restaurant management committee. ~~canteen~~
Canteen manager

Subsidy sought

Year 1 - £46,936
Year 2 - £48,575
Year 3 - £51,838

Total £147,350

CISCO obviously have great experience in tendering for and running fixed price contracts. The Staff Restaurant Management Committee

are current holders of the Parliament Street Staff Restaurant contract.

The Committee felt that the use of the restaurant facilities was adequate. But, with the benefit of experience, it could see areas of improvement. These included: increasing the food range and opening times of the kiosks; providing specialised food from the Staff Restaurant; and rearranging the food bars and tills in the Restaurant to ease flows. But the Committee recognised that the customer was its most important asset. It would respond, within Common Tariff parameters, to customer demand on the size and/or cost of portions in order to increase turnover.

All goods brought in would be on best nett price basis. They would reflect all discounts received by the Committee.

The panel considered the projected Management Fee to be high. The Committee explained that it reflected the cost of both the immediate management and the back up within CISCO HQ (which included cost of hygiene inspections). CISCO HQ costs reflected the demand placed upon them by the Committee to retain the level of service required by the customer.

The staffing levels and structure put forward by the Committee were considered to be satisfactory. The Committee maintained that they could recruit and retain staff on the pay rates quoted. Relief for both staff and management (this from CISCO) would be provided within the costs quoted.

The overall gross profit margins were acceptable. However, the Committee stated that the projected subsidy increases were declining relative to turnover. Profits resulting from improvements foreshadowed by the Committee would be used to offset future staff cost increases. Therefore, if the Committee's turnover reduced and profits fell, the Committee would review its costs. The Committee recognised that if the subsidy level had to be increased it would lose the contract. Conversely however, the Committee would plough excess profit back into the operation in the form of lower prices or larger portions.

Monitoring the content

At present, the Department effectively employs 70 per cent of an EO to monitor the current contract. This would continue should the contract be retained.

However the panel were aware that should the contract go to an outside organisation, the EO would increase to 100 per cent.

The current duties of the Committee members were seen by the panel as being part of their overall duties. This would continue should the Committee retain the contract. If the Committee lost the contract then the Committee members' overall duties would reduce. But it was likely that the present Committee Chairman's involvement would remain or increase because of his current position in the Treasury as Controller of Office Services.

RECOMMENDATIONS

The Panel were unanimous in recommending that the contract should be offered to CISCO on behalf of the present Staff Restaurant Management Committee.

The Committee had an obvious advantage of being the present incumbents. They had used this advantage well in identifying areas of improvement. The management/staffing levels were considered to be adequate for both the current and improved levels of service as promulgated. The Committee's willingness to plough back excess profit into the operation was seen as being of benefit to the customer in particular and the department in general.

It was felt that a Committee run restaurant was more susceptible to direct and indirect management pressures to maintain the service levels. In addition the disruption caused by changing contractors would be eliminated.

The presentation made by ARA was considered to be very professional and potentially more innovative than the Committee with prospective management identified and CV presented to the Panel. However, high staffing levels and high other costs linked to poor gross profits made this the most expensive of the tenders by a small margin. The panel found it difficult to reconcile the planned increase of 7 per cent in overall sales stated by ARA with continued low profit margins foreseen on food sales. Additionally ARA's views on increasing kiosk sales which would require capital

expenditure and renegotiating the subsidy in the event of inflation increases above an unspecified rate, made the panel doubt ARA's commitment to remain within the subsidy sought.

The panel felt that the tender bid from Taylorplan was flawed. Most importantly the lack of a second manager and the difficulty the company had in identifying who would be responsible when management were absent for a short time were seen as drawbacks. Taylorplan appeared not to have done enough homework on the contract. The lack of liaison between the person undertaking the 'walk round' and the rest of the team suggested a weak management structure and poor internal communications. This was felt to be a potential risk. In addition, the admitted difficulty of reaching the recognised profit margins on projected sales was seen as unsatisfactory.

The presentation by CCG was seen as flawed by unrealistically low staffing levels. The prospective manager gave the impression of being capable, but could not explain why he was interested in the move from his present equally responsible post. The low staffing and poor pay rates produced a low overall cost. However, the Panel felt that the staffing levels projected would be inadequate in providing a satisfactory service for the sales projected. CCG appeared not to have taken sufficient care in their costing exercise. They also appeared to be ready to try to fall below the standards required by the Common Tariff to retain their profit margins.

OPERATIONAL REQUIREMENT

UNIT: HM TREASURY
ADDRESS: Treasury Chambers, Parliament Street, London SW1
DEPARTMENT: HMT

1. ENTITLED USERS

i. There are approximately 2000 Treasury and OMCS staff in the building. The main catering services are situated on the 4th floor and access is via a lift to all floors. The access of goods is restricted but a goods lift services this part of the building.

ii. There will, from time to time, be visiting civil servants and some guests of the entitled users using the resataurant. Such guests would be accompanied by an entitled user since access is strictly controlled.

2. SERVICES

i. Services are required Monday-Friday throughout the year except on Good Friday, Easter Monday, May Day, Spring and late Summer Bank Holidays, Christmas Day, Boxing Day and New Year's Day. In addition to these statutory bank holidays, the restaurant will be closed or provide a limited service on Maunday Thursday afternoon and one extra day at Spring Bank holiday and Christmas (as appropriate).

ii. **Morning Service:** [09.30-11.45]

This service is provided from the main Restuarant Servery and provides a range of cooked breakfast items plus cold snacks, morning goods and a large range of pastries.

iii. **Kiosks:** [09.30-14.00]

There are 2 kiosks, one situated on the ground floor and the other on the 4th floor, each can be serviced by lift. Each kiosk serves hot/cold snacks, beverages, confectionery and various other snack items and is open on a continuous service basis. Each kiosk has a telephone link with the restaurant.

iv. **Lunch Service:** [11.45-14.15]

This is provided from a self-service food hall. A wide choice of main meals are available plus salads. An example of a typical weeks menu is shown at Appendix A.

v. **Vending Machines:**

There are 6 Wittenborg machines spread throughout the building - they comprise 4 HC beverage and 2 merchandisers. The machines are located on each floor except the first and they are available on a 24 hour 7 day basis. Each machine has a multi-coin facility.

vi. **Bar Service:** [12.00-14.15]

The bar serves draught beers, lagers, bottled beers, spirits and wine. Also a range of cold bar snacks. A current bar tariff is attached at Appendix B.

vii. **Conference Beverages:**

This service is provided both morning and afternoon to various conference rooms and private offices spread throughout the building. A separate service for conference beverages is provided by HMT messengers.

viii. **Buffet and special lunches:**

This type of lunch is provided on request and is available at any level up to and including ministerial level. The demand fluctuates week to week and also depending on the time of year. Functions may be held either at 11 Downing Street or the Treasury Chambers Restaurant. The restaurant incorporates two fully furnished dining rooms set aside specially for party catering. It is used at lunch time and in the evening providing hot and cold food to a high standard. Working lunches are also provided in offices and conference rooms spread throughout the building.

ix. Conference beverages, buffet, working and special lunches are provided on a credit sales basis. The contractor will be responsible for collecting all monies owed. Prospective contractors should give examples of menus for these meals ranging in value from, say, £1 to £15 and in type from "finger buffets" to "full dinner".

3. **EMERGENCY SERVICES**

In the event of an emergency or closure of all or part of the normal services, the catering service will be provided to meet the Department's needs and will be subject to discussion between the contractor and the Department having due regard to the operational practicalities.

Should it not be possible to reach agreement on the provision of costs of these services HMT will be free to seek alternative tenders for that service (paragraph 10 refers).

4. **TARIFF AND MENU**

The current tariff, together with explanatory notes, and database is attached at Appendix C. This details the quality and quantity standards required and the current selling prices. These are to be used and maintained by the successful contractor throughout the operation unless they are advised otherwise by HMT.

The selling prices, based on CISCO's best net buying prices, should enable the caterer to achieve overall food gross profits of 52% after deduction of VAT (see also accompanying note to the Common Tariff - FOOTNOTE 2.)

Selling prices are revised, generally twice annually, to take account of increased commodity costs and Civil Service pay rises.

Caterers who consider they will either:

- a. not be able to achieve, or
- b. expect to improve on

the stated overall gross profit on food and beverage sales, should state their reasons.

5. CONTROLS

All sales should be rung through the till provided. Records are required of the daily transaction count in all service points with tills, with a separate count for each period. Where there are no tills, daily sales sheets or similar records must be used to provide a daily transaction count.

Proper books of account must be maintained and these and any supporting documents will be available for information by authorised Department personnel or other nominees at any time. Supporting documents should include:

- a. daily menu and records of quantities/portions of each dish and item prepared and sold;
- b. a staff register and attendance record.

6. PREMISES AND EQUIPMENT

Details of the kitchen equipment are attached at Appendix D. The maintenance of heavy equipment and these premises will be the responsibility of HMT.

Light equipment will be provided and it will be the contractor's responsibility to maintain this equipment in accordance with the inventory (attached at Appendix E).

There will be no charge for lighting, fuel or accommodation.

If the contractor wishes to modify or change the service, the catering areas or the equipment, such requests should be submitted in writing to HMT.

7. CLEANING

The contractor shall be responsible for keeping the catering area tidy. This will include any necessary cleaning of the consumer area during and immediately after use and a thorough cleaning of the tables and chairs. The consumer and kitchen areas currently form part of the cleaning contract for the building. This excludes any rooms kept locked, ie store rooms and the kiosks which are the contractor's responsibility to keep clean.

8. INSURANCE

The contractor will be responsible for insurance cover, third party risks and employers liability and any other insurance which may be necessary, eg insurance to cover stock losses (see Tender Document 1 - Model Contract - Clause 10).

9. INCOME

An analysis of sales for month of October 1987 is attached. (See paragraph 12. Tenders - (d)). This indicates the shape and level of present business.

10. CONTRACT TERMS

- a. The contract will be based on a fixed price for a 3 year period.
- b. The contractor will have sole catering rights except where specified to the contrary (paragraphs 2 vii & 3 also refer).
- c. All goods purchased by the contractor, for use on the premises to which the contract relates, shall be at prices net of discounts.

11. VARIATION OF REQUIREMENTS

- a. The Department may from time to time, by giving not less than 30 days notice in writing to the Contractor, amend the Operational Requirement. Any such variation shall be subject to a fair and reasonable price adjustment to be agreed between the Department and the Contractor.
- b. If circumstances beyond the control of the caterer, eg closure of premises, prevent the provision of the service in accordance with the terms of the contract and thereby the caterer unavoidably incurs additional costs, the department may consider a claim from the caterer to meet part or all of these.

12. TENDERS

Catering contractors should submit the following information in support of their tender:

- a. labour costs - Tender Documents RTD 3a and 3b,
- b. commodity costs, at best net prices, for items listed - Tender Document RTD 5.
- c. a trading projection - Tender Documents RTD 4(1), (2) and (3).
Note: Sales income should be based on 48 weeks trading. Food sales should only include items where the caterer expects to achieve a (52%) gross profit (or their equivalent). Bought in items where a lower gross profit will be achieved should be included in sundries. (See also paragraph 4).

It is important that sales are broken down into the categories on RTD 6.

- d. Tenderers should complete the right hand columns of RTD 6 adjusting the sales mix and levels shown, to those they expect to achieve, and from this estimate their annual income for RTD 4. **Note:** Selling prices on RTD 6 include VAT, estimated annual income should be VAT exclusive.
- e. a specimen week's menus, designed especially to serve to the customers in this unit.

13. ACCOUNTING AND STATISTICAL INFORMATION

The model contract (Clause 4) refers. On a form similar to CF201 attached at Appendix F, the contractor should submit monthly accounts for the appropriate portion of the annual sum, supported by a monthly trading statement showing details of income and expenditure. From time to time other statistics may be required by the Department.

14. ARRANGEMENTS TO VISIT THE SITE

Contractors who are invited to tender will have the opportunity to visit the premises, if they so wish, before submitting their proposals. The date proposed is 30 November 1987. If you wish to attend please advise Mr B Redman by 27 November 1987. Attendance is restricted to a maximum of 2 persons per company.

15. HYGIENE

Should any matters arise relating to hygiene these must be referred to HMT who will consult CISCO.

CISCO will be responsible for annual hygiene inspections, these will not normally be announced in advance.

16. MONITORING

HMT will make arrangements for the contractor's performance to be monitored.

17. SECURITY

i. No person will be able to work without the approval of the Department (HMT). The Department will need a period of at least 4 weeks to ensure approval can be given, since it should not be assumed that approval is automatically conferred. The Department reserves the right to refuse or withdraw approval. In such circumstances, the Department's decision is final and will not be challenged.

ii. Once approval has been given the Department will issue an entry pass. Staff will be able to enter/leave the building only if a current authorised pass is offered for inspection.

iii. A limited number of casual staff may enter the building only by prior approval and a temporary day pass will be issued. Such staff must be escorted by another member of the catering staff when entering or leaving the building. Unless by prior agreement, such staff will be strictly restricted to work only in the catering area on the 4th floor.

18. CATERING STANDARDS

i. The caterer will be responsible for ensuring that all current legislation relating to catering is fully complied with.

ii. The Department requires that an adequate level of staff shall be provided at all times to ensure that all services are operated daily to the high standard expected by the Department. The catering management shall be of sufficient number and calibre to ensure that the needs of the Departments are met at all levels. No changes in staffing or management levels will be made without the written consent of the Department; the Department shall from time to time require verification that such levels are being maintained.

19. DELIVERIES

Goods can only be delivered via the King Charles entrance which is manned by a security guard 07.00-16.30 Monday-Friday. Goods are off-loaded at ground level. The caterer is responsible for the immediate removal of all deliveries from the goods entrance to the restaurant area. Any persons making deliveries

to the caterer will not normally be allowed access to the building unless by prior notification. Passenger lifts are not to be used for the transportation of goods and refuse except in an emergency. The disposal of waste is the responsibility of the caterer and can only be moved off site via the goods lift.

20. LIFT SERVICE

Deliveries are moved to the restaurant via a goods lift which is a short distance away from the goods entrance. There are numerous lifts spread throughout the building which run from the 4th floor to the basement.

21. FIRST AID

Employers are responsible for making proper first aid arrangements for their staff. This includes the provision of a suitably equipped first aid box and appropriate first aid training. Tenders should state how they will meet this requirement.

COMMERCIAL IN CONFIDENCE



FROM: S P JUDGE
DATE: 29 February 1988

MR C D BUTLER

cc PS/Chancellor
PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
Sir Peter Middleton
Sir Geoffrey Littler
Dame Anne Mueller
Sir Terence Burns
Mr J Anson

PARLIAMENT STREET STAFF RESTAURANT

The Paymaster General was grateful for your submission of 19 February. He is content with your recommendation that a 3 year contract be offered to the existing Treasury Staff Restaurant Management Committee.

S P JUDGE
Private Secretary



FROM: MOIRA WALLACE

DATE: 29 February 1988

PS/PAYMASTER GENERAL

cc Chief Secretary
Financial Secretary
Economic Secretary
Sir P Middleton
Sir G Littler
Dame A Mueller
Sir T Burns
Mr J Anson
Mr Butler

PARLIAMENT STREET STAFF RESTAURANT

The Chancellor has seen Mr Butler's minute of 19 February. He has commented that he is impressed - as a consumer - by the way in which the TSRMC runs the Treasury canteen.

MW

MOIRA WALLACE