

PREM 19/1176

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809

Long Term Management & Manpower Policy

Shrinking down of Local Authority Staff

Performance Related Pay

Financial Management

PART 16

CIVIL SERVICE

PE 1: MARCH 1979

PE 16: JULY 1984

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
3.7.84		2.10.84					
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PREM 19/1176

Material used by
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PART ENDS .

PART 16 ends:-

CDL to PM

~~SS/OCS to CDL~~ 30.11.84.

PART 17 begins:-

Sir R. Ibbas to PM 4.12.84.

Cabinet / Cabinet Committee Document

The following document, which was enclosed on this file, has been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES.

Reference: LCA to CC(84) 28th Conclusions, Minute 5

Date: 26 July 1984

Signed Wayland Date 13 August 2013

PREM Records Team



10 DOWNING STREET

David Barclay ✓

deleted

CIR Report

I have put forward your
minute to the PM but
please check with Press Office
that they know of no reason
why the CIR Report should
not be published on 4 December.
(The PM will be in Dublin but
that does not matter).

FERS

23.11.



Chancellor of the Duchy of Lancaster

PRIME MINISTER

TOP MANAGEMENT PROGRAMME

You agreed in April that the Top Management Programme should go ahead.

The attached report describes progress since then. Industry and commerce have responded enthusiastically: over 90 public companies and nationalised industries have expressed positive interest in the Programme and over 70 firm nominations were received for the 40-45 places available in 1985 at a cost of £4000 each. All the participants for the three Programmes in 1985 - from both public and private sectors - have now been selected; and many nominations are having to be held over for the 1986 Programmes. The first Programme begins on 4 February 1985.

In May, you considered that publicity for the Programme would be premature. In view of the progress we have made and the fact that so many people and organisations necessarily know about it, we now need to inform Parliament. I have already told the Chairman of the Treasury and Civil Service Committee about the Senior Management Development Programme aimed at mid-career development of those who will in time reach the top of the Civil Service. The Top Management Programme will seek to bring out in those who are already Under Secretaries and about to be promoted to that rank, qualities of leadership, initiative, decisiveness and enthusiasm which are so important in our strategy to improve the Civil Service's efficiency and management skills. I propose to send a copy of the attached report to the Chairman of the TCSC and that the Civil Service Unions should be given a copy. I also plan to use the forthcoming debate on the Civil Service in the House of Lords to announce this new development. Once it is public knowledge, I believe that the Programme should be presented positively as part of our strategy to improve management in the Civil Service.

Prime Minister (41)

had Gowrie is ready to announce the top management programme, which seems to have got off to a good start. But the proof of the pudding will be in the eating. Content?

Darb
4/12

GOWRIE

30 November 1984

DRAFT 23 NOVEMBER

REPORT TO THE TREASURY AND CIVIL SERVICE COMMITTEE

TOP MANAGEMENT PROGRAMME

Introduction

In response to a recommendation made by the Treasury and Civil Service Committee in its report "Efficiency and Effectiveness in the Civil Service"¹ that a senior staff course be established for those expected to rise to top posts, the Government announced² that a review of training needs would consider what additional training provision was needed for such officers. This review³, which evaluated the Service's training and career management procedures, recommended that a course lasting 3-4 weeks should be established with substantial participation from outside the Service.

Subsequently in January of this year, the Government appointed a Director of a new programme of training for civil servants at the point at which they are promoted to Grade 3 (Under Secretary) level. The Director consulted widely inside and outside the Civil Service, and has had the benefit of help and advice from many individuals in industry, commerce, the professions, universities, business schools and other institutions. His proposals, which have been endorsed by the Government, are for a six-week programme:

- comprising a four week mixed phase with half the participants coming from industry and

commerce, followed by two weeks for the civil servants only;

- mandatory for civil servants around the point of entry to Grade 3 and to be undertaken between jobs;
- repeated 4 times a year;
- within an estimated annual cost of £500-600,000.

Objectives

The programme will bring together top managers with the highest potential from all sectors of the economy to review major changes likely to affect them and how best to manage change and uncertainty; and to work together on current problems. The objectives of the programme are therefore to improve the ability of all the participants to:

- understand, as far as is possible, the nature, extent and significance of the fundamental changes taking place in the economic, international, industrial, technological, physical and social environments;
- formulate strategies to meet the challenge of these changes and cope with the uncertainties

surrounding them, given scarce resources;

- seek increased value for money and year-on-year improvement in productivity and efficiency of service to customers, by setting clear objectives and managing organisations and resources positively;
- lead and motivate people to carry out tasks efficiently, imaginatively and with commitment;
- understand one another's attitudes, priorities and approaches to major problems and issues.

For civil servants the additional two weeks of the programme will be spent considering in further depth the challenges facing the Civil Service, in particular the management of resources and of people; and, through a series of options aimed at improving important skills and deepening knowledge of particular subjects, improve their ability to perform as top civil servants at a time of radical change.

Method

The emphasis will be on active participation by the programme members and on their learning from one another. The programme will be rigorous and demanding but informal and varied. In order to achieve the greatest depth of learning and understanding participants will work together under the guidance of tutors who are experts in their own field. They will be complemented

by practitioners from the public and private sectors to add practical dimensions to the tutoring and to take part in seminars on subjects of major topical importance. A vital part of the programme will be syndicate work on current problems (rather than historic case studies) aimed at producing practical solutions for implementation by top management action. The main components of the first programme (to be held in February 1985) are outlined at Annex A.

The first year

There will be three programmes in the first year and four a year thereafter. Each programme will cater for about 24 participants. The mixed phase of the programme in February 1985 will take place at Elvetham Hall, near Fleet, Hampshire; the second in July at The Node, near Knebworth, Hertfordshire; and the third in October at Nuneham Park, near Oxford. The Civil Service phases will take place in the Civil Service College at Sunningdale. Participants for the 1985 programmes have been selected. The response from the private sector, nationalised industries and other parts of the public sector have been very encouraging: for example, a wide range of companies was approached; most expressed positive interest in the programme and over 70 nominations were received for the 40-45 places available in 1985. Participants have now been selected for each of the three programmes in 1985

to produce a balance between the different sections of industry and commerce and between departments and other public organisations.

Evaluation

The programme will be rigorously evaluated to assess:

- the extent to which it meets its stated objectives;
- the effect on individual participants and on the subsequent value added to their organisations.

Other Developments

The Top Management Programme is part of a broader programme to improve the management, efficiency and effectiveness of the Civil Service. In particular a complementary Senior Management Development Programme, of which the Committee has been recently informed⁴, is being set up to improve mid-career development and training of staff.

Conclusion

It is difficult for any organisation to release its very best people for four, or in the case of the Civil Service six, weeks. But if those destined for the highest posts

are to be successful in managing change positively and confidently, they need preparation. The programme will provide an immediate, economical and practical way of doing this at the highest feasible level. The opportunity for representatives of all sectors of the economy to learn together from one another and from practitioners and tutors of the highest quality will be invaluable.

- 1 Third report from the Treasury and Civil Service Committee - Session 1981-2. Efficiency and Effectiveness in the Civil Service. HC236-1.
- 2 Efficiency and Effectiveness in the Civil Service. Cmnd 8616 September 1982.
- 3 Civil Service Management Development in the 1980s - July 1983
- 4 Lord Gowrie's letter of 12 November 1984 to the Chairman of the Treasury and Civil Service Committee

TOP MANAGEMENT PROGRAMME
COMPONENTS OF THE TWO PHASES

1. The mixed phase will be divided into four parts:-

(a) The major changes in the environment: (25%)

to achieve the first objective, examination, necessarily selective, of the most important current and future changes in the economic, international, industrial, technological, social and physical environments within which organisations, including governments, have to operate; and of the uncertainties surrounding future changes. The criterion for deciding what to include in this category will be the extent to which major changes in the environment are occurring, are likely to occur or ought to occur but may not because of institutional impediments;

(b) The challenge of top management: (30-35%)

to achieve the second, third and fourth objectives, examination of the role of the top manager in strategy formulation and implementation and in the efficient management of finance and people, in times of radical change and scarcity of resources;

(c) Problem solving: (30%)

to consolidate the learning process and strengthen mutual understanding, major topical problems of direct concern to all the participants will be prepared and documented beforehand, solutions sought through analytical work in mixed syndicates and presented to experts at the highest level for criticism and discussion. There will be a strong emphasis on producing practical solutions designed for implementation by top management action;

(d) Seminar discussions: (12%)

to broaden and deepen understanding, major issues will be discussed by panels of distinguished experts, both academic and practising and often with radically different views, and debated afterwards by the participants and their guests.

Each part will be complementary to the others and overlap will be avoided. Together they will form a coherent whole.

2. The Civil Service phase will be divided into four parts:-

(a) Top Management in the Civil Service: (40%)

examination of the major changes facing the Civil Service over the next 5-10 years and of the management and leadership roles of the top civil servant. A significant proportion of the time will be spent in considering how to achieve more efficient use of resources in the public sector (particularly in participants' own operational areas) and on the strategic issues surrounding the introduction of information technology systems;

(b) Optional courses: (35%)

participants will be able to choose from a range of options - short intensive courses aimed at improving important skills (eg negotiating, presentation, time management and stress management) or deepening their knowledge of particular subjects of importance to their jobs (eg administrative law, the EC, options appraisal and policy analysis);

(c) Problem solving: (15%)

to consolidate the learning process and to deepen understanding of some of the lessons emerging from the mixed programme, major topical problems of concern to participants will be tackled in syndicate groups. The method will be similar to the mixed phase with an emphasis on producing practical solutions designed for implementation by top management action;

(d) Seminar discussions: (10%)

major issues of concern to the Civil Service will be discussed before dinner by a panel of distinguished experts, both academic and practising, and debated after dinner by the participants and their guests.

CS: Long Term: Pt 16

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DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH
TELEPHONE 01-928 9222
FROM THE SECRETARY OF STATE

Handwritten: Dubs
8/12

30 November 1984

Handwritten: Jean Gray

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

Thank you for your letter of 23 November and enclosed Note. I am not persuaded that the Research Councils should suffer any further erosion of their resources. I continue to have real doubts about the overall benefits of this change in relation to its costs. In this I am not alone among colleagues, some of whom also see hurtful consequences if the cost had to be met out of their present cash allocations.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, Sir Robert Armstrong, Sir Robin Ibbes and Dr Nicholson.

Handwritten: Jean
Kear

Lord Gowrie
The Chancellor of the
Duchy of Lancaster
Management & Personnel Office 122
Great George Street
LONDON SW1P 3AZ

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Civil Service
Long Term

- 3 DEC 1984



MANAGEMENT IN CONFIDENCE



FROM: CHIEF SECRETARY

DATE: 29 November 1984

Prime Minister (1)

*Agree to the establishment
of a small central unit
on these lines?*

PRIME MINISTER

INSPECTION AND CONSULTANCY SERVICES IN DEPARTMENTS

Following your meeting on 17 October, Sir Robert Armstrong and Sir Peter Middleton are writing to departments asking them to tackle the recommendations in the CIR Report and to report their plans for action. We will be monitoring progress and will report to you on the outcome in 12 months as recommended in the CIR Report.

2 In the meantime, Grey Gowrie and I have been considering the recommendation that our two departments should review the organisation and role of the CIR services of the central departments. It would be sensible to announce the action we propose at about the same time as the CIR report is published on 4 December.

3 Our action on this has to take account of an important point of timing. We cannot abandon central controls before new methods of control are working effectively. The primary responsibility for carrying through the fundamental changes which will follow the Report clearly rests with the top management of each department. But the central departments must be able to provide leadership and to monitor progress. In addition the Treasury needs now and for the future to retain sufficient services under its direct control to support its overall responsibility for efficiency and resource allocation.

MANAGEMENT-IN-CONFIDENCE

CC NO
CC Eff. Unit

Robin Ibb
advise please
mb

End
29/11

4 We do not believe another reorganisation of the Treasury and MPO specialist services is the answer. It would cause confusion at an important time. What is needed is co-ordination, in particular to ensure a multi-disciplinary approach is adopted wherever necessary.

5 To ensure co-ordination, we propose to set up a small joint unit. It would help us to co-ordinate the work of the two central departments and to provide the necessary leadership to the other departments. It would work with departments themselves on key aspects of management changes and advise us of any obstacles which were being encountered. It would advise us also about changes in the central departments which would help progress elsewhere, e.g. by bringing together the work of different specialist disciplines. Among its first tasks would be to assist departments in the preparation of action plans to implement the CIR Report.

6 The unit would not be large. An Under Secretary and two others with supporting staff and a modest consultancy budget. The manpower would be found within existing allocations. We propose to keep the work of the unit under close review to ensure it functions effectively. If necessary we will not hesitate to suggest changes in the arrangements.

7 If you agree, we think it would be sensible to announce the setting up of the new unit (and the winding up of the Financial Management Unit) in a written answer at about the same time as the CIR Report is published

8 Grey Growrie agrees with these proposals. I am sending him a copy of this minute. A copy goes also to Sir Robin Ibbs.



PETER REES

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1

air service Pt 16

Ray Tom Day

NOV 9 1981

CONQUEROR

CONFIDENTIAL



CC/NO.

Treasury Chambers, Parliament Street, SW1P 3AG
 01-233 3000

29 November 1984

Paul Thomas Esq
 Private Secretary to the
 Chancellor of the Duchy of Lancaster
 Management and Personnel Office
 Gt George Street
 LONDON SW1

nbpm
sent
29/11

Dear Paul,

wm DB

PERFORMANCE RELATED PAY AND UNIFIED GRADING

The Chancellor has seen a copy of the Chancellor of the Duchy's minute of 23 November to the Prime Minister, enclosing the draft of an announcement on performance related pay and unified grading.

The Chancellor is broadly content with the substance of the text, subject to some detailed points set out below. He agrees that it is sensible to announce these two major managerial initiatives at the same time. However, he has stressed that it is very important that we get the tone of the announcement right. In the wake of the recent House of Lords ruling on the GCHQ case, he believes we must ensure that the Government is not seen by the unions to be behaving in a high handed manner in introducing these changes. We understand that your officials have already made a number of amendments to the draft to reflect the Treasury's concern on this point. But the Chancellor would be grateful to be assured that Lord Gowrie is personally content that the announcement strikes the right note from this angle.

Apart from this, the Chancellor would like to see the following changes made to the text.

First, he believes the wording of the second paragraph on page 2 goes beyond the decision reached by the Cabinet last July. While the Chancellor understands Lord Gowrie's concern about presentation, he thinks it would be damaging to arouse expectations which may not be fulfilled. He would therefore like to see this paragraph read as follows:

"The Government will enter into immediate consultations with the Civil Service unions. It is also prepared to

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enter into discussions with the unions about the possibility of conducting further experiments at other grading levels. The method, timing and finance for such further experiments would all be for decision. But any such schemes identified and approved would be introduced as early as practicable."

Second, the Chancellor would like a specific cost to be given for the extension of unified grading. He therefore suggests the last sentence of the announcement might be replaced by:

"The consequential cost involved in aligning the pay of the grades concerned in central government departments is expected to be minimal in 1985/86, and to build up to around £4m per annum when the scheme is fully implemented. It will be met from within planned departmental programmes."

In order to emphasise the difference in the funding of performance bonuses from the funding arrangements for unified grading, the Chancellor also suggests that the last sentence of the paragraph at the top of page 2 of the draft answer might be rephrased as follows:

"This will not come from the existing provision for Civil Service pay and related expenditure. It will be additional to existing departmental allocations, but will be met from within planned public expenditure totals."

Finally, the Chancellor considers that it would be unwise to make a firm statement about the date of implementation of unified grading. Many details remain to be resolved and some, such as the proposed pay scale for the new unified grade, will need to be discussed with the unions. The Chancellor would therefore prefer to say that the Government hopes it may be possible to implement unified grading with effect from 1 April next year. This would leave us free to postpone the date for six months or so, if we saw good reason for doing so. (The Chancellor has pointed out that the inclusion of a reference to unified grading in the statement is in any case dependent on the Secretary of State for Education and Science withdrawing his reservation.)

The Chancellor notes that Lord Gowrie makes no mention of a parallel announcement in the House of Commons. He believes this is essential, given that we shall be telling Parliament for the first time that additional money is to be made available to Departments for performance bonuses. He would therefore be grateful if you could arrange for an identical Question and Answer to be tabled, for answer by the Minister of State, in the House of Commons.

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We should be grateful if your officials could keep in close touch with ours over arrangements for consulting with other Departments and the Civil Service unions at the next stage.

I am copying this letter to Andrew Turnbull (No 10), Richard Hatfield (Cabinet Office) and to Ian Beesley (Efficiency Unit).

Yours sincerely,

Margaret O'Mara

MISS M O'MARA
Private Secretary

Civil Service

PT 16

Lay Term

R. R. May

NOV 6 1984

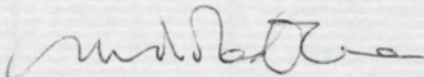
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MR BARCLAY

28 November 1984

PERFORMANCE-RELATED PAY

The only quibble I have with the draft Parliamentary Answer proposed by Grey Gowrie is that "good performance" might be linked, in the second paragraph, to the achievement of better value for money.


NICHOLAS OWEN

PRIME MINISTER

This minute from Lord Gowrie covers two separate issues: performance related pay, and the extension of unified grading.

Performance related pay

Cabinet agreed in July that a start had to be made with the introduction of performance related pay. Lord Gowrie is now ready to announce a 3-year experiment, limited to relatively senior staff. Operation will be largely at the discretion of Permanent Secretaries, but up to one in five staff in the grades between Principal and Grade 3 should be able to earn bonuses with a minimum value of £500. The cost is estimated at £4 million a year.

The unions will resent the narrow scope of the experiment, and Lord Gowrie therefore wants to allow as long a period of consultation as possible before the scheme is due to start on 1 April 1985.

Agree announcement next week, subject to Chancellor's views (not yet received, but expected to be generally favourable)?

Unified grading

Most colleagues have accepted, with more or less enthusiasm, the extension of unified grading to Principals. But Sir Keith Joseph remains opposed, because of the extra cost this change would impose on the research councils (estimated at £ million a year).

A further meeting between Lord Gowrie and the Education Secretary is planned for next week. I suggest you reserve your position until then.

Agree?

David Barclay
28 November 1984

PRESS OFFICE

file *Bemaj*

CONSULTANCY INSPECTION AND REVIEW REPORT

Sir Robin Ibbs has sought the Prime Minister's approval of publication of the CIR Report on 4 December. Copies will be placed in the Library, and publication announced by the Prime Minister by way of Written Answer.

BF I attach a copy of the Foreword to the Report which the Prime Minister has approved. This gives the general flavour. Do you see any objection to the timescale proposed?

David Barclay
26 November 1984



10 DOWNING STREET

THE PRIME MINISTER

The money which pays for public expenditure is earned through the efforts of taxpayers. Those taxpayers - and those who are the customers for essential public services - rightly expect value from every pound spent in their name.

This report points to a further stage in the government financial reforms begun in 1982. The reforms are intended to ensure that those who work in government feel a personal responsibility to increase value for money and can act accordingly. I endorse the report and look to the leadership of the Civil Service to implement these changes.



DRAFT FOREWORD TO CIR REPORT

The money which pays for public expenditure is earned through the efforts of taxpayers. Those taxpayers - and those who are the customers for essential public services - rightly expect value from every pound spent in their name.

This report points to a further stage in the government financial reforms begun in 1982. The reforms are intended to ensure that those who work in government ^{not only} feel a personal responsibility ~~to~~ ^{for improving} ~~increase~~ value for money ~~and can act accordingly~~. I endorse the report and look to the leadership of the civil service to implement these changes.

^{are}
but ~~also have~~ able to discharge that responsibility effectively.
~~the freedom to~~



Treasury Chambers, Parliament Street, SW1P 3AG

Sir Robin Ibbs
Efficiency Unit
70 Whitehall
London SW1

28 September 1984

John Martin

*NBBm
or
1/10*

INSPECTION AND MANAGEMENT CONSULTANCY IN DEPARTMENTS

Thank you for your letter of 31 August.

2 We can discuss the general issue further at the Prime Minister's meeting (now arranged for 17 October). So I need only say that I have a good deal of sympathy with your approach, and certainly agree that line managers need to take more responsibility for improving value-for-money—we cannot rely on the efforts of "central authorities" on their own. So the issue is partly, as you say, transitional, and partly how much central checking will still be needed, and in what form, to control manpower effectively and keep line managers up to the mark.

3 Your letter goes on to make the interesting suggestion that we should invite Tony Wilson, on his arrival next month, to lead a review into the way managers should carry out their budgeting responsibilities. The Treasury is already doing a certain amount to help departments develop their budgetary control systems. Your suggestion is for a much closer involvement with a few, especially those furthest along the road. Many are still at quite an early stage. Responsibility for managing some types of expenditure has often been delegated without managers concerned yet having been involved seriously in the process of setting their budgets. That stage will be reached at different times by different departments, so that I would prefer to keep the precise timing of the review flexible to allow for this.

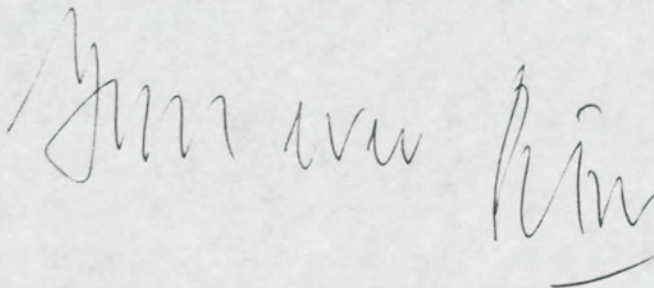
MANAGEMENT IN CONFIDENCE

4 It would not I think be practicable now to review the budgeting process leading up to the plans for next financial year, with the Survey already in train and the Estimates bids due with us by early December. But the aim would be to select some departments whose budgeting cycle will effectively begin with their work for the 1985 public expenditure survey.

5 When Tony Wilson arrives I shall want to discuss with him how much time he can allot to this among his initial priorities, and how best to proceed with this study. We can settle the exact terms of reference at that stage.

6 For our meeting with the Prime Minister, it will I think be enough to say that we have agreed to set up, as part of our monitoring of departments' progress with budgeting control, a more concentrated study with a few departments, to distil principles and examples of good practice in budget setting and review of subsequent performance.

7 I am copying this letter to the Prime Minister, Lord Gowrie MPO, and Sir Robert Armstrong.

A handwritten signature in cursive script, appearing to read 'Peter Rees', is written in dark ink. The signature is fluid and somewhat stylized, with a horizontal line underneath the name.

PETER REES

Civil
Service
bag
M 16.

E1 OCT 1964

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CABINET OFFICE

010
From the Chancellor of the
Duchy of Lancaster
Lord Gowrie

CCO
DMS
26/11
MANAGEMENT AND PERSONNEL OFFICE
Great George Street
London SW1P 3AL
Telephone 01-233 8610

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and
Science
Elizabeth House
York Road
London SE1 7PH

23 November 1984

Dear Keith,

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

We agreed that our officials should look more closely with the Treasury at the issues affecting the consequential implementation of unified grading and pay arrangements at Principal level in the Research Councils.

I have now received the attached note, which I understand has been agreed with your officials, showing a revised, and rather lower, estimated cost of passing on the pay consequentials to the PSOs in the Research Councils and outlining possible ways of proceeding.

In the light of the support received from other colleagues for introducing the reform in the Civil Service next year, the real options are rather limited. You have already explained the serious implications of attempting to break the current pay linkage between Research Council and Civil Service staff. These considerations would no doubt apply as strongly even if their respective pay levels were to diverge for only a short period. If we defer the reform in the Civil Service, however, we should not only be losing the valuable momentum we have built up in introducing changes to help improve efficiency and effectiveness. We should also be denying ourselves the managerial benefits which many departments expect to flow from rationalising into a single grade a complex structure containing over 11,000 staff currently in some 100 different grades.

MANAGEMENT IN CONFIDENCE

My own view is that only option (d) avoids unduly harsh penalties. The costs in the first year are very small indeed, and there is a considerable time lapse before the full costs are incurred. In view of this and the recent improvements in the Science Budget, I hope you will now find it possible to withdraw your objection.

I attach considerable importance to a very early combined announcement about unified grading and performance related pay in the wider context of our programme for personnel management reforms. I shall be minuting the Prime Minister separately about performance bonus scheme proposals in the hope that I shall be able to make such an announcement well before the House of Lords debate on 5 December. It would therefore be most helpful to have an early response.

I am copying this letter to the Prime Minister, to the Chancellor of the Exchequer, Sir Robert Armstrong and Sir Robin Ibbs.

Lows,
Gus
G

GOWRIE

ENC

MANAGEMENT IN CONFIDENCE

UNIFIED GRADING AT LEVEL 7: COST AND OTHER IMPLICATIONS FOR THE RESEARCH COUNCILS

Note by officials of MPO, Treasury and DES

1. Lord Gowrie proposed, in his letter of 3 August, to his colleagues that unified grading and pay should be further extended in the Civil Service next year to include grades at Principal level with the object of improving efficiency and effectiveness by providing greater flexibility at a key level in the structure, making it easier to deploy staff and develop talent. The Prime Minister and her colleagues generally, but not the Secretary of State for Education and Science, were prepared to agree. Sir Keith Joseph, in his letter of 14 September to the Chancellor, raised objection to the proposal primarily on the grounds that, if the Research Councils were to follow the Civil Service, the consequential costs, in addition to several other significant extra burdens they were already having to bear, would create unacceptable extra pressure on the Science Budget and conflict with the Government's policy of protecting the Science Budget.

2. Cabinet Office (MPO) and Treasury officials have examined the issues involved with those of the Department of Education and Science and officers of the Research Councils. This note reports on the cost of adopting unified grading at Principal level in the Research Councils, and identifies possible options.

Staff Numbers and Costs

3. The pay of certain staff in Research Councils has - as a matter of Government policy - long been linked to that of equivalent grades in the Civil Service. When the Councils were established the Government gave an undertaking that their staff's terms and conditions would be "substantially" aligned with those of the Civil Service. There are approximately 1,200 scientific staff currently graded and paid at Principal Scientific Officer (PSO) level; about 40 professional (PPTO) staff, and about 50 administrative Principals. By contrast, in the Civil Service, there are some 2,160 PSOs, and about 9,000 administrative Principals, PPTOs and other grades at the same level.

4. The cost for the Councils thus arises mainly from the assimilation of PSOs. The pay scale to be adopted for a new unified grade in the Civil Service and the terms of assimilation are subject to negotiation with the unions concerned. The cost estimates given in paragraph 5 are based on the following assumptions:-

i) the scale and assimilation terms would be constructed on broadly similar lines to those used for the earlier extension of unified grading down to Senior Principal level;

ii) as with the earlier extension of unified grading, the salary increases for certain grades including PSOs would be phased over time;

iii) to construct a comparable baseline, in the absence of unified grading the present pay differential between Principal and PSO would remain unchanged.

On these assumptions, the estimated transitional and long term costs (at 1984 pay rates) of introducing unified grading at Principal level in the Research Councils are:-

	Date of Introduction 1 April 1985	Date of Introduction 1 October 1985
Costs in 1985-86*	£6,000	£3,000
Costs in 1986-87	£½m	£¼m
Costs in 1987-88	£1½m	£1m
Long-term Annual Costs	£1½m	£1½m

*Costs for this period are very low because only staff below the minimum of the new scale would benefit in the first year.

Other assimilation arrangements which would phase in the cost more slowly (eg over 5 years) are being considered by the Treasury.

Options

6. The main options for consideration include the following:-

a) abandon the Civil Service reform. This would be unwelcome to other Ministers and the main Civil Service departments because it would mean foregoing the positive advantages foreseen in a unified pay and grading structure at Principal level. On the other hand, it would remove what would otherwise be an additional pressure on the Science Budget; on their present cash planning figures, the Research Councils do not attach any priority to the introduction of unified grading at Principal level;

b) defer the reform for the whole Civil Service for a full year. This would lose the current momentum as an impetus for change, which emerged as an important factor in recent Ministerial exchanges, and would have comparable disadvantages, at least for one year, for main Civil Service departments as outlined under a). Because of the phasing proposals this would defer the costs for two years and by gaining time, preserve for the present the full effects of the additions for science the Secretary of State has secured in this year's PES;

c) to proceed with introduction in the Civil Service in 1985, but delay extension of the reform to Research Council staff. However, the terms on which the Councils' pay relationship with Civil Service staff has been maintained would make it difficult now to divorce the Research Councils from Civil Service pay changes, either in amount or timing, and the pay parity in this area which they now enjoy is convenient in the cases of exchanges and trawls. The present view of the Research Councils is that if the reform goes ahead in the Civil Service it would be quite impracticable for them to resist its simultaneous introduction. To break the link with

Civil Service pay in this one respect would certainly cause problems with Research Councils' staff and their unions; Ministers would therefore wish to consider this course carefully before deciding to adopt it;

d) to proceed with the introduction of the reform in the Civil Service in 1985, and to extend it to the Research Councils at the same time. But this would be unacceptable to the Secretary of State for Education and Science as overtly contributing to the erosion of the science base through growing non-scientific expenditure and as damaging his intentions for the use of the additional money recently gained in PES for Research Council restructuring and new scientific opportunities. If the cost had to be met from the existing budgets of the Research Councils, at least one Council considers that it would have to meet the cost by redundancies. This option would only be acceptable to the Secretary of State if the necessary PES additions were made now to the Science Budget to meet the cost for the Councils, from outside the DES PES block. This would contravene the Chancellor's condition for the implementation of unified grading that its costs should be contained within existing provisions.

If the common operative date was deferred to 1 October, this would halve the Councils' first year cost from £6000 to £3000, and the second year cost from £½ million to £¼ million.

26 NOV 1984





FROM: CHIEF SECRETARY
DATE: 15 November 1984

(2)
PRIME MINISTER

AT 12/11

[Handwritten signature]

CIVIL SERVICE NUMBERS

You will wish to know the latest Civil Service manpower figures.

2 We now have departments' staff-in-post figures for 1 October 1984. The total stands at 617,200 - a reduction of 2,000 on the last quarter. The size of the Civil Service has now fallen by 115,100 (15.7 per cent) since the beginning of the last Parliament. The reduction in numbers produces a gross saving in pay costs in a full year of about £ one billion at current rates. This is partially offset by the costs of services contracted out to the private sector or hived off to other public sector bodies; these cannot be precisely costed.

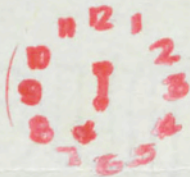
3 The reduction of 2,000 in the last quarter comprises 700 non-industrials and 1,300 industrials. Gross savings totalled about 3,000; the most significant reductions were in the Ministry of Defence (1,050, mainly due to the contracting out of the issue of accommodation stores at RAF Quedgeley and the general rundown of Portsmouth Dockyard), the Department of Employment (690, mainly due to the planned rundown in local offices following a work measurement exercise) and the Manpower Services Commission (460, mainly as a result of the rundown in the Skillcentre Training Agency). There were offsetting increases of about 1000, of which about 170 were in the Department of Trade and Industry (due to the transfer in of staff in the Radio Interference Service), and about 160 in Customs and Excise (reflecting, among other things, the recruitment of more staff to combat drug smuggling).

4 The October figures will be announced by way of a written answer within the next day or so.

[Handwritten initials PR]

PETER REES

16 NOV 1984





cc Mr Owen

cf

Please keep in civil service file

Ref. A084/2975

MR BARCLAY

Dms
R/L

Resignations of Fast Stream Principals and Assistant Secretaries

You asked for details of the numbers of resignations of fast stream principals and assistant secretaries. Figures for the last three years are as follows:

Principals

<u>1982</u>	<u>1983</u>	<u>1984 to date</u>
12	16	19

Assistant Secretary

<u>1982</u>	<u>1983</u>	<u>1984 to date</u>
2	0	7

2. Details of the figures for 1984 broken down by Department --- are shown in the attached annex.

Rosalind Mulligan

ROSALIND MULLIGAN

7 November 1984

RESIGNATIONS OF FAST-STREAM PRINCIPALS AND ASSISTANT SECRETARIES
1 JANUARY 1984 TO PRESENT

Principals

Department of Employment	1	British Telecom
Home Office	2	Pressure group Not known
Environment/Transport	4	All private sector
MAFF	2	John Lewis
Cabinet Office	Nil	
Education	Nil	
Scottish Office	Nil	
Inland Revenue	Nil	
Trade and Industry	1	Merchant Bank
Treasury	2	BBC Church
Energy	Nil	
DHSS	1	National Health Service
Customs	Nil	
MOD	4	Orion Royal Orion Royal Lazards Hill, Samuel
Welsh Office	2	Allied Hambro Oxford University
	<hr/>	
	19	

Assistant Secretaries

Treasury	1	Headmaster
Energy	1	Enterprise Oil
Environment/Transport	2	Deloitte Haskin & Sells Private Sector
Trade & Industry	1	Private industry
DHSS	1	Accountancy firm
Welsh Office	1	Welsh Tourist Board
	<hr/>	
	7	



10 DOWNING STREET

From the Private Secretary

5 November 1984

✓
cc Cabinet
Sir R. Ibbs
CO

Dear Paul,

Scrutiny of Internal Talent: Promotion Blockages

The Prime Minister considered over the weekend Lord Gowrie's minute of 29 October, in which he reported on the scrutiny of internal talent, and on measures to alleviate promotion blockages.

The Prime Minister is content with the proposals for improving the development of middle-ranking staff and would like to see them implemented as soon as possible. She notes the analysis of promotion blockages contained in Annex B to Lord Gowrie's minute and agrees with him that the Government needs to be seen to be tackling this issue. Indeed the Prime Minister wonders whether the measures already in train (such as the special early retirement scheme), together with the further policy work now proposed, represent a sufficiently vigorous reaction to problems which already exist. She would be grateful for the Chancellor of the Duchy's further comments on this question, and on the scope for a more immediate package of proposals to tackle the worst existing blockages.

I am sending copies of this letter to Private Secretaries to members of the Cabinet, and to Sir Robin Ibbs and Sir Robert Armstrong.

Yours ever,
David

David Barclay

Paul Thomas Esq
Chancellor of the Duchy of Lancaster's Office.

PRIME MINISTER

Attached are Lord Gowrie's proposals for making better use of talented junior staff and for tackling promotion blockages in the Civil Service.

The measures proposed for junior staff are welcome as far as they go. The key recommendation is for a much more systematic approach to postings and training - it remains to be seen how well this laudable objective will survive day-to-day pressures in Departments. There are several other ideas (e.g. the use of "assessment centres" and a management potential test) which would be steps in the right direction. But so far, only further studies are proposed.

The section on promotion blockages is long on analysis and short on action. Annex B records that:

"Manpower planning work has demonstrated clearly that the fall in promotion prospects in the Civil Service is likely to be substantial and sustained - lasting over the next ten years at least and possibly beyond."

Yet Lord Gowrie concludes that "we have to decide what effect the blockages will have on the motivation and efficient performance of staff, and balance this against the cost of remedial measures". The future tense surprises me. I think there are many who would say that the effect of promotion blockages on morale, and on the retention of able staff, is already all too apparent.

You may like to:

- (i) endorse Lord Gowrie's proposals for making better use of internal talent and express the hope that they will be implemented rapidly;

Yours

- (ii) note the analysis of promotion blockages and possible counter measures, but *Yes*
- (iii) question the conclusion that it will be sufficient just to monitor the position and take action "as and when problems develop"; *Yes*
- (iv) suggest that Lord Gowrie might instead consider further, in consultation with the Chancellor, the case for a more immediate package of additional measures to tackle the pinch points that are already apparent. *Yes*

DWS

2 November 1984



Chancellor of the Duchy of Lancaster

PRIME MINISTER

SCRUTINY OF INTERNAL TALENT; PROMOTION BLOCKAGES

You wanted to be sure we were doing all we could to bring on able junior staff in the Civil Service. I reported earlier in the year the initiatives I had launched to look for improved ways to identify and develop talented young civil servants, and to tackle the promotion blockages that can impede their career progress. I promised to report back to you when the work was complete.

Internal Talent

A central team from the Cabinet Office (MPO) have conducted a scrutiny of the means we use to identify and develop young staff with high potential, together with seven department teams. I attach a precis of the central team's report (Annex A). This draws out the general lessons both from the scrutiny and from the departmental reports.

The exercise has identified a gap between the highly intensive development we give to very small numbers of the most able staff (within special schemes such as the Administration Trainee scheme) and the much less systematic arrangements for the generality of staff. The report recommends a new system of identifying the more able staff amongst the latter group, and the introduction of a management development programme in each department consisting of a series of planned postings and training. It also proposes ways to improve transfers into the special schemes.

I think the report is a good one, and Robin Ibbs agrees. He has commented that he thinks it presents a sensible, constructive and balanced series of proposals for developing middle ranking staff without an increase in bureaucratic arrangements. It complements the work we have been doing at more senior levels with the plans for a Senior Open Structure course and a Senior Management Development Programme. Together they will provide a comprehensive set of proposals for management development in the Civil Service.

With your agreement, I should like to proceed quickly with the implementation of these proposals, in consultation with departments and Robin Ibbs. At the same time I recognise that the coincidence of these exercises, together with the other initiatives we already have in hand for next year on unified grading and performance bonuses, will place a strain on the resources of the personnel divisions in departments concerned with implementation. This may need to be reflected in the allocation of resources to them, and in the pace of progress. I should however be most reluctant to delay a start on implementing these proposals.

Promotion Blockages

... You share, I know, my concern at the promotion blockages that are beginning to form at various levels. I attach a note on the results of work that has been done on the extent of the problem and the measures that might be taken to tackle it (Annex B). It looks at how the blockages might be tackled across the whole range of personnel policies, including retirement policy, the pay and grading system, the appraisal, promotion and career development systems and recruitment policy.

It is clear from the manpower planning evidence that the promotion blockages are likely to worsen gradually over the next decade or so and possibly beyond. Like all statistical projections, this one is critically dependent on the assumptions on which it was based, but it has been tested for its sensitivity to quite major changes - such as an upturn in wastage - and the outcome still remains broadly the same. The fundamental problem is the large number of young people in junior grades (recruited when assumptions of continued growth were still appropriate), and the sharp reduction in vacancies at most senior levels to which they might aspire.

Promotion prospects have both fallen and risen in the past; there is no 'right' level. Some fall in prospects is inevitable with manpower reductions, and is quite common in other large public and private organisations at the present time. Like them, we have to decide what effect the blockages will have on the motivation and efficient performance of staff, and balance this against the cost of remedial measures. It is not a judgement we have to make all at once. The blockages are already inherent in the age and grade make-up of the Service, they will develop over an extended period, and measures to counter them can be activated as and when the problems develop.

But what we must do is ensure that we have a full range of appropriate measures available and ready for use as they are needed at particular times and in particular parts of the Service. We also need to ensure that our personnel policies are correctly geared to the changed circumstances in which they will be exercised. Above all, we need to create a sense in the Service that the government is conscious of the problem, and intends to alleviate it where possible and as opportunities arise.

One, highly visible, means for tackling promotion blockages is early retirement. With your agreement and that of the Chancellor of the Exchequer I launched earlier in the year a Special Early Retirement Scheme. That scheme is now nearly complete and when it is should result in the creation of between 400 and 500 promotions. My officials are currently evaluating the outcome of the exercise. I will let you have a report in due course. Beyond this one-year programme of early retirement, we can also improve the efficiency and

MANAGEMENT IN CONFIDENCE

effectiveness of early retirement mechanisms, to enable them to be used more flexibly and to be directed at areas of greatest need. My officials are now completing a major review of retirement policy with this aim in mind; I plan to put proposals to you before Christmas.

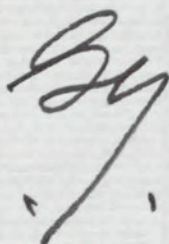
Early retirement, despite its immediate impact, is not a panacea. Its effects on promotion blockages may be short lived and in some instances may create other long-term problems. It also has a cost. In the case of the Special Early Retirement Scheme the average cost for each promotion generated is some £10,000-£12,000. We therefore need to tackle the problem on a wider front as well. So the reports identify other measures which are designed to help maintain motivation, adjust expectations and stabilise the manpower system in the longer term.

Conclusions

To emphasise our wish to encourage the career progression of able young civil servants I should like to publish the scrutiny report and the results of the Special Early Retirement Scheme, linking these to other initiatives in this field. I would also like my officials, in consultation with departments, to pursue the other measures identified to ameliorate promotion blockages. In the few cases where this might require any additional financial provision, I would then put proposals to the Chancellor of the Exchequer.

I would be grateful for your authority to proceed accordingly.

I am copying this minute to the Chancellor of the Exchequer, other Cabinet colleagues, Sir Robin Ibbs and Sir Robert Armstrong.



GOWRIE

29 October 1984

PRECIS

SCRUTINY OF INTERNAL TALENT

1. **Purpose.** The purpose of the scrutiny was to examine the methods used to identify and develop junior staff with middle and senior management potential and to recommend improvement where necessary.

2. **The problem.** There are different problems for specialists and administrators. In the Administration Group there are difficulties in maintaining a satisfactory supply to the Principal grade in a number of departments. Latent ability is not lacking but there is a deficiency of staff with the right skills and experience to adapt to changing work patterns and responsibilities. The major cause of this seems to be a general lack of systematic development and preparation of staff with Principal potential outside of the special schemes such as the Administration Trainee (AT) scheme. Yet the AT scheme cannot be relied upon as a training scheme for Principals. It supplies only 20% of Principal posts and is pitched firmly at providing a supply for the Open Structure. It is also too narrow in the experience it gives. Numbers cannot be expanded without exacerbating promotion blockages. But, if AT recruitment continues only at levels needed to supply the Open Structure, the number of fast stream Principals will eventually be more than halved thus worsening the Principal shortage. Finally, initiatives such as the FMI will make radical changes in management style necessary and increase the need for systematic training and development.

Specialists are dealt with separately below.

3. **Proposed solution.** In the short term existing staff will need to deal with these new challenges making the maximum use of existing training opportunities. In the longer term we need to identify as early as possible as many as possible of the EOs, HEOs and SEOs who have the potential to reach at least Principal level and to give them systematic development to prepare them for such posts. To do so we need a **management development programme** which ensures a **planned and integrated pattern of postings and training** for the most able of these staff, and which feeds into and is compatible with the programmes already introduced or being developed for more senior staff (the Senior Management Development Programme).

5. **Identification.** To extend systematic development more widely we need a better means of identifying the most able staff. The current appraisal system needs to serve much wider purposes and is insufficiently discriminating to identify the relatively small numbers of staff with higher potential. We recommend an annual **Senior Management Review** in each operational unit (HQ division, region, research establishment etc) to identify the small number of staff with highest potential.

6. **Content of the development programme.** We propose wide departmental discretion over the form content and structure of the programme but set out the minimum we think it should contain. The centrepiece of this is a planned postings policy, greater use of short term attachments and project work in contrasting areas of work (including outside the Civil Service) and careful integration with formal training. The role of the Cabinet Office will be to ensure that each department sets up a programme to audit its effectiveness and to provide a central source of expertise.

7. **Assessment Centres.** We believe both the identification and development process could be assisted by a wider use of assessment centre techniques ie a package of interviews, tests and job simulation exercises. Such techniques are increasingly used by outside organisations. Their advantage is that they enable strengths and weaknesses to be identified which are not apparent in performance of the present job but are critical to the successful performance of a later job. We believe there is scope for wider use of these techniques in the Civil Service and recommend consideration is given to mounting a consultancy project to design a package of tests to be followed by pilot exercises in major departments.

8. **Specialists.** Although it is dangerous to generalise about the widely varying disciplines and sub-disciplines which together make up the specialist groups, there is in general little difficulty in providing an adequate supply to Principal equivalent levels. The major problem is in identifying those with potential to reach the Open Structure and to equip them with the administrative and managerial skills that are an important ingredient of most jobs at that level. We therefore propose a similar identification and development process but with adaptations to take account of the different structure of the specialist groups, their differing needs and existing development opportunities.

9. **The SEO grade.** One of the causes of the Principal shortage in headquarters offices is the difficulty of Principals delegating sufficient work because of large

reductions in the support staff immediately below that level. (The number of ATs and HEODs has more than halved since 1976 and the number of HQ SEOs has fallen by 25%.) We recommend a review of the Principal - SEO - HEO mix of grades with the aim of enhancing the role of the SEO grade by down-grading some Principal posts and up-grading some HEO posts. The best of these SEO posts should be designated SEO development posts and filled by newly promoted HEOs with the potential for rapid advancement to Principal level.

10. **AT/HEOD scheme.** To improve the management qualities in the fast stream we propose research into a possible management potential test at CSSB, that more management posts be given to ATs, HEODs and fast stream Principals and that the AT/HEOD training modules in staff and resource management at the Civil Service College are made mandatory. To improve the number of serving Civil Servants passing through the scheme we make a number of proposals including better information and preparation before CSSB, detailed feedback afterwards and a revision of the marking scale to enable borderline candidates to be more positively identified and given development close to that for the fast stream including rapid movement through SEO development posts and, exceptionally, grade-skipping to Principal.

11. **Obstacles to development.** We recommend a review of the operation of seniority fields with the aim of reducing them to the minimum necessary particularly for junior staff. To improve mobility we recommend the Treasury consider improving the transfer terms to London, that more use is made of short-term attachments to give wider experience rather than permanent moves and that experiments should be carried out in the use of re-location firms where it would be cost effective to do so.

12. **Resources.** The management development programme would cost about £120,000 to set up and about £1.3 million a year to operate, a large proportion of which could be met within existing provision. We consider that this would be an investment which would enable us to get better value for money from the Principal grade (total annual salary bill £67 million per year). Assessment centres would cost about £50,000-£100,000 to develop and about £150,000 a year to operate for 400 participants. There are other small costs identified in the report.

13. **Conclusion.** We believe the above measures are a coherent set of measures to tap the talent existing in junior grades within the Service and are compatible with and will feed into the measures being introduced to develop more senior staff -

namely the Senior Management Development Programme and the Senior Open Structure Course.

14. **Cost.** The total cost of the scrutiny was [£155,000].

PROMOTION BLOCKAGES IN THE CIVIL SERVICE - PROGRESS REPORT, OCTOBER 1984

Introduction

1. Manpower planning work has demonstrated clearly that the fall in promotion prospects in the Civil Service is likely to be substantial and sustained - lasting over the next 10 years at least and possibly beyond. This prospect is, like all forecasts, dependent on the assumptions on which it was based but testing those assumptions for their sensitivity to changes and events such as an upturn of wastage leaves the forecast outcome broadly the same.
2. What is less clear is how serious a problem in terms of the efficient functioning of the Civil Service the predicted fall in prospects represents. To produce effective performance, staff need a level of commitment which is based on an adequate set of rewards, both material and intangible. But the judgment as to the extent to which the fall in promotion prospects is affecting, and will affect motivation and hence performance, is highly subjective. It is, however, unlikely to be negligible. Some of the potential remedies to alleviate the problem can be assessed, more or less, in a quantitative way but there are other less tangible aspects of motivation which also need to be kept in view. While the fact that as promotion is at present virtually the only tangible reward or form of recognition in the Service for sustained high performance, can lead one to conclude that diminution of this would adversely affect efficiency, there are other strong motivational forces - pride in work, commitment to the Service and, more negatively, fear of the consequences of a marked drop in individual performance - that might help to sustain the general level of performance at at least an adequate level even in the face of a real reduction in expectations.
3. The work that has been done has established that there is no single straightforward or rapid solution to promotion blockages. Just as the blockages gradually form over time, so the measures to counter or alleviate them can be developed and applied over a period. What is needed is to set up an adequate range of measures in reserve which can be activated as and when needed; the decision to use these and the amount of resources (where required) can be settled in the light of prevailing circumstances of the time, just as, for example, there are standing rules to permit voluntary early retirement schemes which can be activated from time to time for a fixed period and within a fixed budget. In parallel with this we need also to ensure that future developments in Civil Service personnel policy are used in a way that will ease, rather than worsen promotion blockages in the future.

Wider Personnel Policy Measures

4. The fastest acting and most visible remedy is the early retirement of an older official to make way for the promotion of a younger one. Early retirement has been used widely by outside organisations faced with similar structural difficulties to our own. It has, however, only short term effects in that it merely advances a promotion that would have been made in due course anyway. While therefore it can provide a boost to morale and be particularly useful in replacing the less efficient with the more efficient it does nothing to tackle the underlying causes of the blockage. It is also expensive. The retirement rules are currently being reviewed to remove anomalies to make them more flexible and to enable expenditure to be controlled through delegated

departmental budgets rather than as at present as a charge on central funds. The aim is to improve their efficiency and effectiveness. The amount of money devoted to early retirement each year can then be determined separately in the light of prevailing circumstances.

5. The other major personnel measure that can be of assistance in ameliorating promotion blockages is to reduce the predominance of promotion as a reward by the development of alternative incentives such as merit pay. The experiment in the use of merit pay agreed by Cabinet in July will provide an opportunity for the value of this method in the promotion blockage context to be tested although the predominant reason for proceeding with such schemes remains the improvement of efficiency.

Other easing out measures

6. To date early retirement by its nature has been concentrated on the over fifties but in terms of manpower planning to produce a more even age and grade structure, there is much to be said for easing out, as and when possible, individuals across the whole range of the age spectrum. To do so under current rules by way of financial inducement would prove prohibitively expensive. We are therefore examining in the context of the retirement review ways in which more modest financial inducements could be given. Another incentive, as an alternative to a financial inducement, which we think is worth exploring further is the concept of a limited life return ticket. This would give individuals the option to resign to pursue a career elsewhere with a guaranteed right of return exercisable for up to, say, five years. This could either be a right of return in the same grade or conceivably (as their contemporaries progress) to the next higher grade. We already allow a return ticket for staff leaving to take up appointments with the European Community. The French have a similar system to allow their high fliers to move out to industry for short periods. A scheme of this kind carries no compensation cost, but there is a commitment to honour if the individual returns (although by no means all will), and this could be difficult for the department concerned which would have to find a vacancy. Those who do not come back will have been withdrawn from the Service free of cost, while those who do return will have the added advantage of useful experience outside. It is, however, likely to attract some of the best people in the Service at that level if introduced, of whom the more successful are the least likely to return. The shortage of high quality Principals in the short-term means that this is not an option for immediate use but it could be attractive in the future.

Avoiding bottleneck grades

7. Both the scrutiny of internal talent and the work on promotion blockages have identified particular problems in the headquarters areas of many departments by a bottleneck in the SEO grade. Measures to counteract this include a more imaginative use of the SEO grade without adding to the chain of command and permitting the grade to be skipped in certain circumstances. Both of these options will be pursued as part of the action plan to implement the talent scrutiny.

Overbearing

8. A cheaper alternative to early retirement but a measure which still carries a price tag is to allow a greater degree of "overbearing". This occurs where a person is allowed to occupy a post graded below his current grade - eg, someone in Grade 5 occupying a Principal post two grades below. There is an additional cost. *assuming both were at the top of their scales, instead of a Grade 5 earning £23,159 and a Principal earning £16,656, there will be two Grade 5s earning £23,159 and £19,243 respectively. There is also a pension cost. However, one has nevertheless created a promotion opportunity at a very much lower cost than an early retirement - though without the additional advantage of creating a whole chain of promotions in the manner of an early retirement. There is an additional offsetting advantage to that cost in that someone of Grade 5 experience and ability will be occupying a Principal post. However, no increase in cash limits would be implied in a decision to enable overbearing to take place on a larger scale. It would be left to departmental discretion to exercise this authority within existing cash and manpower ceilings.

*In the case of a Grade 5 occupying a Principal post and a Principal being promoted to fill the Grade 5 vacancy,
Other, cost-free, personnel policy measures

9. There are a number of other ways in which broader personnel management policies, including recruitment, could be redirected to encourage more realistic expectations about future careers, and to ensure that the future pattern of recruitment reflects the expected promotion position. These measures include: building on the present initiative to revise appraisal procedures, so as to place more emphasis on improving performance in the present grade (and giving that clearer recognition) rather than, as in the past, placing emphasis on the promotion implications of staff reporting; revising promotion procedures to suit the present climate; improving satisfaction with the work within a grade by enabling greater freedom of action through enhanced delegation of responsibility, and by ensuring sufficiently varied jobs including periods outside the department on secondment. These measures do not have a direct cost; they are more concerned with exploiting, or shifting the emphasis of, existing and developing policies.

10. The more radical measures contemplated under the general heading of recruitment policy, such as the introduction of a form of the "Short-Service Commission" adopted by the Armed Services would carry additional cost if higher rates of pay prove necessary to attract people on these terms. However, the interdepartmental committee which examined this subject recommended against the introduction of such measures unless it could be shown that existing recruitment proves incapable of dealing with the situation.

Cost comparisons

11. While there are extreme difficulties in analysing for comparative purposes the cost of different ways of helping to deal with promotion blockages some basis for comparison can be established. However, it is important to emphasise the costs vary significantly with the individual circumstances of the officer involved, and the effects of the expenditure on the number of promotions created depends on the officer's grade and the organisation in which the individual officer is working. There is also the

varying expense of spending money at different periods of time and the varying extent which the effects will endure; for example, early retirements can only bring forward those promotions which would occur anyway in due course. However, the annex to this report attempts a necessarily crude comparison to show the approximate ranking for typical examples of each of those measures which produce fresh promotion opportunities. The early retirement schemes as they are currently constituted (and they are under review) and easing out of younger staff over 40, are the most expensive. The most cost-effective help can be obtained through grade skipping, reallocation of functions and work between grades, and by overbearing. Wider decisions on merit pay, retirement policy and the extension of unified grading all have important consequences, and subject to Ministerial approval and consultation, the next phase of action should be to develop a plan which takes both the conclusions in this report and decisions on those wider policies, into account.

A COST COMPARISON OF TYPICAL EXAMPLES OF POSSIBLE
MEASURES TO HELP PROMOTION BLOCKAGES

<u>Measures</u>	<u>Approx Cost</u> <u>(£)(1)</u>	<u>No of promotions</u> <u>created or brought</u> <u>forward (2)</u>	<u>Cost/promotion</u> <u>(£)</u>
V.E R. (3)	44,000	3(5)	15,000
F.P.R.(4)	61,000	4(5)	15,000
Easing out, under 40(6)	25,000	3	8,000
Easing out, over 40(7)	115,000	3	38,000
Grade skipping HEO-Prin	0	2	0
Reallocation of functions	0	2	0
Overbearing (8)	3,000+	1	3,000+

(1) Costs are funded and undiscounted, and are confined to additional costs to any accrued pension rights payable at normal retiring age.

(2) Assuming new promotions are generated at each grade from EO equivalent upwards (ignoring grade 6, which is often skipped).

(3) 55 year old Principal with 36 years service

(4) 57 year old Grade 3 with 35 years service.

(5) Within 5 years of an early retirement the net additions to the number of promotions will be close to zero.

(6) 35 year old Principal.

(7) 42 year old Principal.

(8) Grade 5 occupying a Principal post and a Principal promoted to Grade 5. In addition there will be more increased pension costs at age 60.



Treasury Chambers, Parliament Street, SW1P 3AG
The Rt Hon The Earl of Gowrie
Chancellor of the Duchy of Lancaster
Management & Personnel Office
Great George Street
LONDON SW1P 3AL

22 October 1984

John Swan

*John Swan
23/10*

CIVIL SERVICE COLLEGE: NEXT STEPS ON REPAYMENT

I have seen a copy of your letter of 23 August to Leon Brittan outlining proposals for extending repayment for Civil Service College courses. I agree that the Steering Group should be asked to work up plans for a gradual move to full repayment for the bulk of College developmental training, which would begin to operate from 1 April 1986.

The principle of a move in that direction is clearly right, though the Steering Group will need to look in depth at the cost and the benefits of the programme.

You have suggested that the Group might wish to look at a "central customer" regime for specific courses identified at the centre. I have no objection to their examining the issues, but the Group should bear in mind that Departments already foot the bill for mandatory requirements resulting from centrally prescribed conditions relating, for example, to pay, conditions of service, accommodation and so on, and I can see no immediate reason why training should be treated differently. I would, of course, wish to be consulted in due course about any specific recommendation for central Treasury funding.

Finally, Patrick Jenkin's letter of 18 September asked about PES provision. I understand that transfers were made when job related courses were moved over to repayment. A similar arrangement could be applied to any extension of repayment, though the amount available for transfer would of course be limited to existing provisions.

I am copying this to the recipients of your letter.

Barney Hayhoe

BARNEY HAYHOE

CIVIL SERVICE : Long Term R16



23 OCT 1984

Bem

MASTER



CIVIL SERVICE: Long term
policy: Pt 16

cc 80
CDLO
RTA
PM, AMT

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBIN IBBS

INSPECTION AND MANAGEMENT CONSULTANCY IN DEPARTMENTS

The Prime Minister held a meeting today to discuss your minute of 27 July covering the report of the Efficiency Unit on Consultancy, Inspection and Review Services in Government Departments. The Chief Secretary, the Chancellor of the Duchy of Lancaster, Sir Robert Armstrong and Sir Peter Middleton were present in addition to yourself.

In discussion, there was general acceptance of the principles of putting responsibility on line managers for improving efficiency and of organising the management services to assist them in doing so. Line managers must be encouraged to make constructive use of management support services and not, as now, regard them as an imposition from outside producing recommendations for reductions in staff against which rearguard actions had to be fought. The Chief Secretary and Sir Peter Middleton said that the Treasury fully endorsed these objectives. The Treasury were concerned about two aspects. One was timing: they would not wish to see traditional methods of central control dismantled before new methods of control were seen to be working effectively. The other was that the Treasury needed to retain sufficient management services under its direct control to support its central responsibility for resource allocation.

Summing up the discussion, the Prime Minister said that there was general agreement with the conclusions of the report. The Treasury and the Efficiency Unit were in touch with each other about its implementation. She was still not impressed by the present standard of financial management in spending departments. It was essential to increase the sense of financial responsibility among line managers and to reward those who were effective, without weakening the Treasury's knowledge and control.

I am copying this minute to Mr. Broadbent (Chief Secretary's Office), Mr. Thomas (Chancellor of the Duchy of Lancaster's Office), Sir Robert Armstrong and Sir Peter Middleton.

H.R.B.

17 October 1984

PRIME MINISTER

16 October 1984

CONSULTANCY, INSPECTION AND REVIEW (CIR) SERVICES

The discussion tomorrow is about ways of getting better value for money from 5,000 CIR staff, costing £100 million per year.

The main point at issue at the meeting will be whether staff inspection staff (560) should retain their independence to advise top managements and the Treasury, as Treasury would prefer, or whether they should advise line managers, as Robin Ibbs proposes. Robin Ibbs will argue that once managers are controlled by budgets, and set challenging objectives, staff inspection should provide managers with the help they will need, rather than operate as a control.

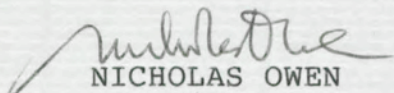
The Treasury are doubtful. They suspect that managers' instincts will be to retain or increase staff, to resist staff cuts or downgrading of posts. They point out that in an area where control-via-the-budget has been adopted, eg in the HSMO, which is now a trading fund, top management still feel the need for staff inspection. If it is left to line managers to invite staff inspection, those with the most well-padded payrolls will not seek advice.

There is much in the Treasury argument. Managers will want to retain as many staff as possible in order to achieve their FMI objectives. They will not welcome challenges from staff inspectors on the need for the work they do - a prescribed and vital part of staff inspection.

However, staff inspection does not currently work that well. Reports take too long to complete; managements typically implement only a small part of them. To save six posts takes over a man-year of staff inspection - surely too long.

We recommend a solution along these lines:

- i. Line managers must have staff targets; they will then know what is expected of them and will be encouraged to seek advice from staff inspectors on how to achieve staff savings
- ii. Top management in departments can use their judgement on how to deploy staff inspectors but
- iii. they must settle departmental staff targets with the Treasury and see that their line managers deliver
- iv. Treasury must retain its inspectorate, partly to advise on Whitehall's staffing standards and training of inspectors (as now) and partly to assist in Treasury's negotiations on departmental staff numbers.


NICHOLAS OWEN

MANAGEMENT IN CONFIDENCE



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

CC 10

2

W/M

Lord Gowrie
Management and Personnel Office
Great George Street
London SW1P 3AL

15 October 1984

Dear Grey.

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

Thank you for your letter of 5 October on this subject.

I am by no means clear that the phasing possibilities will meet my concern since the full bill would still eventually fall on a Science budget which is already under considerable pressure. However, I agree that our officials should examine the issues in more detail with the Treasury in the way you suggest, and I am willing to look at this again when we have a report from them.

I am copying this letter to the Prime Minister, to other members of the Cabinet, and to Sir Robert Armstrong and Sir Robin Ibbs.

Em. / Ken



CS -
note
A

Mr Barclay

12 October 1984

CONSULTANCY INSPECTION AND REVIEW

We have reprinted the CIR report and have taken the opportunity to correct some minor errors in the first printing.

X/ Please could you ensure that the Prime Minister has the new (yellow) copy of the report in place of the original (blue) copy in time for her meeting on 17 October.

I am copying this note, with new copies of the report, to the offices of the Chief Secretary, Lord Gowrie and Sir Robert Armstrong.

Charlotte Caplan

Charlotte Caplan
Efficiency Unit

Ref. A084/2712

PRIME MINISTER

The Secretary of State for Defence mentioned in Cabinet the other day his concern about the implications for the efficiency of the public service of the fact that the level of pay increases for management staff in the private sector has recently greatly exceeded the level of pay increases for the "comparable" people in the public service, so that the Civil Service is seen to have fallen even further behind the private sector than before.

2. The Ministry of Defence lost three of their best young Principals in August and September. You may like to see the attached copies of two letters which they have sent to explain their decisions to leave the public service: the deterioration of promotion prospects, the earnings disparities, and the loss of esteem of the Civil Service in the public eye all feature in these letters.

3. The wastage is not confined to bright young administrators and scarcity groups like computer programmers. The Ministry of Defence are also losing an alarming number of scientists.

4. If these trends continue unchecked, the implications for the efficiency and morale of the Civil Service in ten years' time could be extremely serious.

5. As you know, we are doing something to encourage early retirement and to introduce merit pay on an experimental basis. These measures may slightly improve promotion prospects and motivation, but I fear that, because the measures themselves are relatively modest (and in the case of merit pay experimental) their effects will not be very great. The problem of the earnings gap is something which will have to be thought about in connection with next year's pay settlement and Top Salaries Review Body review. I hope that we may be able to persuade Ministers to use whatever opportunities are open to them publicly to commend the work of the Civil Service and the management changes which are in train: that would do much to reassure

feeling in the Civil Service, though it would no doubt be difficult to persuade the media that there was much general news value in such speeches.

6. I am sending copies of this minute and of the two letters to the Chancellor of the Exchequer and the Chancellor of the Duchy of Lancaster.

ROBERT ARMSTRONG

ROBERT ARMSTRONG

11 October 1984



4/9/84
MINISTRY OF DEFENCE
GENERAL SECRETARIAT
100, Whitehall, London SW1A 2HB

MINISTRY OF DEFENCE

Main Building, Whitehall, London SW1A 2HB
Telephone (Direct Dialling) 01-218 -2837
(Switchboard) 01-218 9000

515/84
S/K

4th September 1984

J L L Imrie Esq
Head of CM(A)1

Dear Sir,

Following our discussion on 3 September, I am now writing formally to advise you that I propose to take up an offer of employment from the merchant bank Lazard Brothers and Company Ltd and, therefore, that I wish to leave the Ministry of Defence. You kindly offered me the option of a six months' 'lifeline' by releasing me initially on special unpaid leave, and I wish to accept this. I have not yet sorted out either the fine points of my terms and conditions or the proposed transfer date with Lazards, although I am confident that there should be no last-minute hitches: I assume, however, that the six months' 'lifeline' begins on the day I start at Lazards.

I said that I would let you know in some detail why I have decided to leave the MOD. First, I should say that I go with a heavy heart: I have enjoyed enormously my work in the MOD - variously in the Private Office, Defence Sales and DS12 - and, both intellectually, and in terms of working relationships with my civilian and military colleagues, I could not have wished for a finer place to work. But three factors have eroded my confidence in the Civil Service and the Department: first, the significant loss of senior posts in the MOD following an from re-organisation must mean (even if PVR provides some slight once-and-for-all relief) that the promotion prospects to one, two - and three-star posts will now be significantly worse for junior Principals. My career prospects therefore are deteriorating, and, most depressingly of all, there is little or nothing I can do to improve my lot within the Civil Service. Secondly, Civil Service pay has fallen woefully behind that in the private sector, and I judge that, for example, my peers (lawyers, bankers, accountants etc) outside Government Service will be earning very significantly more - as much as 50-100% - than I earn, quite apart from a whole raft of additional fringe benefits. Thirdly, I feel that the status and esteem of the Civil Service in the public eye has been diminished to such an extent that it is now almost an embarrassment to admit to being a Civil Servant. Government pronouncements on, and attitude to, the Public Service give no cause for comfort - indeed, I expect the climate to get colder still.

Given that these three factors are unlikely to change - save perhaps for the worse - my analysis led me, sadly, towards the inescapable conclusion that, in order to be assured of better career and pay

prospects, and to be able to take greater public pride in my work, I would have to leave. Lazards have offered me a job which - assuming I make the grade - will satisfy these criteria. I should add that initially my pay at Lazards will be only marginally more than my current salary - I am not therefore being seduced by a fast buck - but I feel that Lazards offers career and pay prospects which far exceed those I could possibly hope for in the MOD however efficient my performance.

I hope you will find this a useful explanation of my reason for leaving. I would like to hope that the problems could be rectified so that fast streamers would not be so tempted to leave, but I see little or no prospect of this, and I regret, for the sake of the Civil Service, that more will reach the same inexorable conclusions that I have reached.

I have already mentioned that no date has yet been fixed for my arrival at Lazards. Clearly, though, I would like to press on as fast as possible, and I imagine you would wish to appoint someone to this key job in DS12 fairly soon. I should like to aim to join Lazards at the beginning of November - but perhaps we could discuss timings in detail when you have considered the 'staff plot' implication: I am of course anxious that the least possible disruption takes place within DS12, and I believe my successor should be in post a good month before the early December Ministerials in Brussels - hence the proposal for the beginning of November. I understand from CM(Conduct) that no special permission is required to take up an appointment with Lazards, as they are not in any contractual relationship with the MOD.

Would you please regard this letter as the formal notification of my intended transfer?

Yours sincerely
Jonathan Dawson

J D S DAWSON



MINISTER OF STATE FOR
THE ARMED FORCES

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2216 (Direct Dialling)
01-218 9000 (Switchboard)

10 August 1984

D.
AM
26

Dear Mr Hasho-Smith

MAF 10/8

When we met yesterday, I informed you that I had decided to accept an offer of employment with the Orion Royal Bank and to resign from the Civil Service. You asked me to confirm this in writing and I am now doing so.

As I said yesterday, I have had an immensely varied and interesting career in the Civil Service - first as an Administration Trainee in the ROF organisation, DS8 and IP2; then as a HEO(A) on loan to the FCO, based for part of the time in Geneva and New York as a member of the UK Disarmament Delegation to the United Nations; and more recently as a Principal in DS17, ESW(Army), DS11 and, for the past year, as the Private Secretary to Minister(AF). I could not have hoped for a better start to my career; and I can say without hesitation that I have the greatest admiration for my colleagues and that I have been enormously impressed with the quality of their work.

Much as I have enjoyed my career in the Ministry of Defence, however, I have over the past two years increasingly felt that my future does not lie in the Civil Service. The experience of the past year in particular has contributed to this process but it has not been the main cause. (I do not deny that it has placed a very considerable strain on my wife and our young family.) More important factors, as I told you yesterday, have been the steady erosion of the position of the Civil Service in the earnings league; the low regard in which I find the Civil Service is held by many of my private sector contemporaries; and, with the squeeze on Civil Service numbers, the increasingly difficult promotion prospects.

I do not see any significant improvement in the future. I admire many of the achievements of this Government and I am personally in sympathy with many of its objectives. But there is a world of difference between its performance as a Government and its record as an employer. As a line manager, I have found it increasingly difficult to justify its actions to my staff. And as an employee, I am not surprised that so many should feel demoralised and disenchanted.

(10)

my own case, however, these are not the principal reasons for resignation. In general, I regard myself as having been extraordinarily fortunate in the positions I have occupied and I shall always be grateful for the way in which my own career has been planned and managed. In my own case, the apprehension I feel for a future career in the Civil Service has come at a time when I have become increasingly interested in the operation of the international economy and in the role of the key financial institutions (this was also a particular interest in my Economics degree). I have become increasingly interested in pursuing a career in the City and the offer of employment I have received from the Orion Royal Bank will allow me to work in this field. After careful thought, I have decided to accept their offer.

When we spoke yesterday, you suggested that I might inform Minister(AF) of this decision on his return from overseas in mid-September with a view to leaving my post in mid-October. On reflection, I believe it would be in the interests of all concerned if I informed Mr Stanley as soon as possible, with a view to leaving the Civil Service at the end of September. I would not want him to learn of my resignation from a third party: not only would this be greatly discourteous on my part but it could well put you and my colleagues in a most difficult position. He has also just told me of his intention to come into the office for part of the week commencing 27 August. I therefore propose to inform him in writing early next week and to explain my decision to him in more detail when I see him at the end of August.

Finally, may I take this opportunity to thank you for all you personally have done to make my career in the MOD such an interesting and demanding one and for the interest you have shown in my progress.

Yours ever

Philip Francis

P M W FRANCIS
Private Secretary

R M Hastie-Smith Esq CB

11 1 OCT 1984





CABINET OFFICE

~~From the Minister of State~~

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE
Great George Street
London SW1P 3AL
Telephone 01-233 8610

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and
Science
Elizabeth House
York Road
London SE1

5 October 1984

Dear Keith,

NBM
R

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

I have seen your further letter of 2 October to Nigel Lawson on this subject. I appreciate that if an extension of unified grading in the Civil Service had to be applied also to the staff of the Research Councils, there could be significant and unwelcome implications for the science budget. But I am also concerned that we should press on with this important component of our programme of Civil Service reform which our colleagues generally have welcomed.

Clearly, if the introduction of unified grading was accompanied by the immediate alignment of the pay of the groups concerned, it would be difficult to contemplate meeting the whole cost of that next year (though at first sight the estimate of £2 million in respect of Research Council staff seems somewhat on the high side). While we have yet to determine the basis on which pay would be aligned, we have envisaged that it would be subject to some phasing arrangements to help manage the financial aspects of the transition. I think there may be a way forward here.

I therefore suggest that we ask our officials to examine with the Treasury as a matter of urgency what the phasing and transitional possibilities are and to report to us so that we can judge whether such an approach might meet both our

MANAGEMENT IN CONFIDENCE

concerns, or whether the matter will need further discussion with colleagues. If you agree, I will ask my officials to proceed accordingly.

I am copying this letter to the Prime Minister, to other members of the Cabinet and to Sir Robert Armstrong and Sir Robin Ibbs.

*Lewis,
e/ry*

GOWRIE

MANAGEMENT IN CONFIDENCE

CIVIL SERVICE - Long-term PR16

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MANAGEMENT IN CONFIDENCE



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

The Rt Hon Nigel Lawson MP
 Chancellor of the Exchequer
 HM Treasury
 Parliament Street
 LONDON SW1

Pne Minister:

The Treasury
 accept the force
 of Sir Keith's case.
 They are seeking
 a solution together
 with Lord Gowrie

2 October 1984

3/6

Jan Nigel.

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

I have seen Grey Gowrie's letter of 26 September.

Grey suggests that it is within our power to avoid passing on the proposed extension of unified grading to the Research Councils. As I explained in my letter of 14 September to Grey, when the Research Councils were established in their present form in the mid-60s, it was decided as a matter of policy that their staff's conditions of service would be "substantially" aligned with Civil Service conditions. Binding commitments to this effect were made in the House by the then Government. I cannot believe that the Research Council's staff would acquiesce in a decision to exclude them from new unified grading arrangements in the Civil Service.

It is not obvious to me that the case for extending unified grading in the Civil Service is now so overriding that the cost implications for the Research Councils - and indeed for the Civil Service itself - can just be brushed aside. The science budget is under great pressure. I am not prepared to add to these pressures gratuitously by accepting the extension of unified grading at the present time. Departments who commission work from the Research Councils would also be affected because the cost of extending unified grading would be reflected in higher fees.

I have said that I am willing to have the matter reconsidered in a year's time and for officials meanwhile to investigate further the costs of the various different options for extending unified grading. I cannot agree now however that implementation of the reform should go ahead.

cont/d.....

MANAGEMENT IN CONFIDENCE

I am copying this letter to the Prime Minister, to other members of the Cabinet, Sir Robert Armstrong and Sir Robin Ibbs.

Conover,

Kerr,

CIVIL SERVICE : Long Term
Pt 16

11 12 1
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- 2 OCT 1984



Note. Spoke to KS's private office and conveyed PM's comments. Agreed would delay minutes until after KS had written.

cc MS

Prime Minister (2)

Chancellor of the Duchy of Lancaster

AT
28/9

This will bring little comfort to Sir Keith Joseph, who is worried about the £2m bill for the Research Councils.

It is asking a lot to expect him to hold the line at X. There are 1200

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1

26 September 1984

Principal Scientific Officers working for the Councils, and the Government is committed to "substantial alignment" of their conditions with the civil service.

Nigel, Sir Keith will be writing again.

K.S. is in difficulty
Can we not delay
Unified Grading?
N.S. or let us make more money for
make in concerned. I
should have the full
could easily come
for the
£100 m

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

Colleagues have now commented on the proposal for an extension of unified grading to Principal level which I put to you in my letter of 3 August, and most have supported the change. I am sure that these measures will enhance our ability to develop and make the best use of the talent in the Civil Service and remove the long-standing sense of discrimination often felt among professional and scientific staff.

In his letter of 14 September, Keith Joseph mentioned the implications for staff in the Research Councils. I recognise that it might be difficult for him to avoid passing on such an important change in Civil Service structure to the Research Councils but it is of course a matter for his decision as their sponsoring Minister, subject to Treasury consent. There may be other cases in which controlled fringe bodies whose pay and conditions are modelled on the Civil Service will not follow this extension of unified grading. They will need to reach their own judgements, with colleagues who are responsible for them, on whether the change would be sensible and worthwhile in their particular organisational circumstances. Clearly cost will always be an important factor in the decision. I do not think it would be right to hold back on this agreed reform in the Civil Service until the position in all these bodies has been clarified.

Dub
27/9

MANAGEMENT IN CONFIDENCE

I suggest that we should press ahead now with plans for implementing the reform. I am asking my officials to consult yours about the manner and timing of an early announcement and approach to the Civil Service unions. Among the more important issues of substance to be resolved is the pay structure of the new unified Grade 7 to which your letter of 8 August referred. I suggest that officials should give early attention to this.

I am copying this letter to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbs.

Lewis,
e/er

GOWRIE

SEP 1984
L B G A 12 1 2 3 4 5 6 7 8 9 10 11 12



2 MARSHAM STREET
LONDON SW1P 3EB

01-212 3434

My ref: J/PSO/16384/84

Your ref:

18 September 1984

*above
JMS
18/9*

Dear Guy,

*will request if
required*

Thank you for sending me a copy of your letter of 23 August to Leon Brittan about repayment for Civil Service College Courses.

Clearly the philosophy of repayment for services is sound and ensures efficiency and economy in their use. I always saw repayment for job related training as the logical first step towards a sensible costing structure for all training.

However there are some risks when we are talking about developmental training - most line managers will always put job related training with its obvious short-term benefits ahead of developmental training which has wider, and longer term, returns. For that reason I welcome the phased programme which will enable us to judge the effects as we go.

I see developmental training as an essential feature of good career management. To achieve an efficient and effective Civil Service we need to realise the full potential of our staff and developmental training is a necessary part of that drive. It also provides a platform for putting across the important messages of our financial management, and similar, initiatives.

On a practical note, we will need to ensure that the appropriate PESC transfers are arranged. And, of course, the charging arrangements for providing Departmental speakers will need to be reviewed.

I am sending copies of this letter to the Prime Minister, Ministers in charge of Departments and Sir Robert Armstrong.

*Yours
Patrick*

PATRICK JENKIN

The Lord Gowrie

CEN 10



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

MANAGEMENT - IN CONFIDENCE

The Rt Hon The Earl of Gowrie
Chancellor of the Duchy of Lancaster
Management & Personnel Office
Great George Street
LONDON
SW1P 3AL

17 September 1984

nb pm
JMS
17/9

FURTHER EXTENSION OF UNITED GRADING IN THE CIVIL SERVICE

I should like to add my voice to those of my colleagues who have written to you to support the extension of unified grading in the Civil Service at Principal level proposed in your letter of 3 August.

There will be undoubted advantages here since this Department have a very wide range of grades at this level. Unification should improve and make more efficient our personnel management of these grades. It should also contribute to a better working atmosphere by removing some long-standing grievances on equity amongst the professional and technical staff.

Although the timetable you propose is a very tight one, there is a lot to be gained by continuing the momentum that was generated by the extension of unified grading down to Grade 6 as from the beginning of this year. The existing pay arrangements for the grades involved in this further step are complex and equalisation problems will not easily be solved. There are particular problems with aligning pay scales of some of our departmental grades. Nevertheless, I believe it will be well worth while going ahead and doing so as quickly as possible. I therefore support your proposed starting date of 1 April 1985.

I am copying this letter to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbs.

MICHAEL JOPLING

CIVIL SERVICE : LONG TERM : PE 16.

17 SEP 1984



Handwritten notes:
10/12
10/12
10/12

MANAGEMENT IN CONFIDENCE



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Lord Gowrie
Minister of State
Management and Personnel Office
Great George Street
London SW1P 3AL

pa ends 17/9

Prime Minister (2)

*To note Sir Keith's
wishes about the Research
Councils. We will show
you Lord Gowrie's reply.*

14 September 1984 *ends 14/9*

Dear Guy,

FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

The implications of your proposals for DES would be limited but I am worried about the position of the Research Councils. Their pay and conditions are tied to those of the Civil Service, so if we adopted unified grading at Principal level they would be bound to follow. The Government gave an undertaking when the Research Councils were established that their staff's terms and conditions of service would be "substantially" aligned with Civil Service conditions. This commitment was made in the House by the then Education Secretary on two occasions in 1964 and 1965. It means in effect that neither we nor the Research Councils would be able to resist the pressure from the Councils' staff for unified grading down to Principal level to be extended to them. The Councils employ some 1200 PSOs and while the total cost to them of unified grading at Principal level would depend on the precise form of the new arrangements, we calculate that it could be as much as £2m a year.

I am already concerned that various significant extra burdens are eating away at the science budget and undermining our policy of protecting the science base. I have raised this issue already with Treasury Ministers and it underlies several of my PES bids this year. I am therefore reluctant to agree to a development which, although perhaps desirable on other grounds, will undoubtedly add to these burdens. I see from Nigel Lawson's letter of 8 August that he expects Departments to absorb the extra costs, and while I could accept this for DES I cannot do so for the Research Councils.

I must therefore oppose the proposed extension of unified grading at the present time. I note that the Chancellor has also expressed scepticism about whether the benefits would be worth the costs involved within the Civil Service. I would not object, however,

MANAGEMENT IN CONFIDENCE

to officials being invited to look further at the potential benefits and the financial implications of the various different options for extending unified grading with a view to our reconsidering the matter in say a year's time. Even then, however, I may have to reserve my position so far as the Research Councils are concerned.

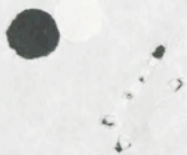
I am copying this letter to the Prime Minister, to other members of the Cabinet, Sir Robert Armstrong and Sir Robin Ibbs.

Encom.

Kear

4 SEP 1984

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FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.



HOUSE OF LORDS,
SW1A 0PW

10th September 1984

Management in Confidence

The Right Honourable
The Earl of Gowrie,
Privy Council Office,
Whitehall,
London,
SW1.

*nbpun
ans
12/9*

My dear Grey:

The Further Extension of Unified Grading in the Civil Service

Thank you for sending me a copy of your letter of 3rd August to Nigel Lawson. I agree that we should extend unified grading down to Principal level. The arguments in favour appear to be conclusive.

It is very desirable, if the fruits of the exercise are to be realised in my Department, that the legal group should be included in the arrangements. I know that some restructuring of the junior legal grades has to be undertaken to make a better fit with the administrative grades. I understand that this is under way and, when it has been completed, I ~~w~~ould like to take advantage of the benefits which you set out in your letter.

Yours:

Copies of this letter go to the Prime Minister, other members of the Cabinet, Sir Robert Armstrong and Sir Robin Ibbs.



10 DOWNING STREET

From the Private Secretary

3 September 1984

PERSONNEL WORK ACTION PROGRAMME

The Prime Minister was grateful for Lord Gowrie's minute of 22 August, in which he reported on progress with the Personnel Work Action Programme. The Prime Minister has also seen Sir Robin Ibbs' minute of 31 August on this subject.

The Prime Minister has noted with satisfaction the progress which has been made over the past year. She agrees with Sir Robin Ibbs that close attention should now be given to getting practical benefits from the systems changes that have been made.

I am sending a copy of this letter to Sir Robin Ibbs, and to Richard Hatfield (Cabinet Office).

(David Barclay)

Paul Thomas, Esq.,
Management and Personnel Office

ECU



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

G.T.N. 2915

From the Minister of State for Social Security

Lord Gowrie
Minister of State
Management and Personnel Office
Great George Street
LONDON
SW1P 3AL

31 August 1984

*Johns
4/9*

De Grey,

THE FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

In Norman Fowler's absence I am replying to your letter of 3 August to the Chancellor.

We are content that we should go forward towards extending unified grading to Principal and equivalent levels with a target of April 1985. The impact on this Department is likely to be small in terms of any increase in the small but nevertheless steady trickle of professionals who have moved into administrative Principal posts in recent years; but we accept that lateral transfers at this important development level will be simpler to accomplish with unified grading, and we appreciate that the benefits in some other Departments may be greater than in DHSS.

Unified pay will be welcome as it will benefit the Professional and Technical and Science Groups, improve morale and possibly help to ease recruitment problems.

We agree that it will be important to have genuine central consultations with the unions, though realistically there may not be much prospect of reaching collective agreement. We have not been able to make much progress with the DHSS Trade Union Side on discussion of the detailed procedures for implementing unified grading down to Grade 6 and we can expect the unions to be even more sharply divided over extension to Grade 7. Given these difficulties the timetable is tight and settlement of the pay arrangements will be crucial.

I am copying this letter to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbs.

*all good wishes
y
RHE*

DR RHODES BOYSON

gc NO



CONFIDENTIAL - MANAGEMENT IN CONFIDENCE

EFFICIENCY UNIT

70 WHITEHALL, LONDON SW1A 2AS

Enquiries : 01-233 8412

Direct line : 01-233 7359

B/A for meeting
on 17 Oct post

Dms
3/9

31 August 1984

The Rt Hon Peter Rees QC MP
Chief Secretary to the Treasury

Dear Peter,

INSPECTION AND MANAGEMENT CONSULTANCY IN DEPARTMENTS

I was grateful for a copy of your minute of 3 August to the Prime Minister commenting on the report about the organisation of management support services in departments.

You are worried that control will be weakened if line managers are made responsible for staff numbers and grading without "regular detailed inspection" by staff inspectors. I understand your concern and agree that we cannot simply hand over a responsibility for budgetary control (including manpower) to an unprepared line organisation. I also agree that senior line management must not sign away its own right to investigate what is going on. But there is a great difference between holding people accountable for what they do and second-guessing them. My experience is that regular cyclical inspection of the staff inspection kind dilutes line management responsibility and reduces their desire to achieve improvements.

I do not think that we will get sustained improvement on the scale Ministers ought to expect if we concentrate the onus to improve on central authorities. Indeed the present state of affairs shows the limitations of relying on central authorities. It is when staff at all management levels begin to believe that the only way forward is for them to do better that dramatic advances are possible. And the key to securing that change of attitude is to make those in the "line" feel personally responsible to their bosses for improving value for money.

This is not how line management in the civil service has traditionally seen its role. We must signal urgently that the

new management systems, which put so much emphasis -rightly- on line management, are intended to produce results in the shape of improvements and economies. We cannot give that signal if we seem to be continuing with the old ways. The game will continue to be played as it always has been and the temptation will be for line management to continue to put its talents into moderating the impact of the inspectorate.

The task for the next couple of years, therefore, is to get line management into a position where it takes up the challenge of the new responsibilities and expectations. The CIRC report identifies that need.

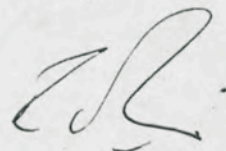
As a practical way of taking this forward I suggest that when Tony Wilson arrives you and I should ask him to lead a multi-department review, on scrutiny lines, about how line managers should construct budget bids, probe the budget proposals of their subordinates and subsequently evaluate budget performance.

There are now sufficient departments who will be on their second round of budget setting this autumn for such a study to be feasible. In each department participating in the review an examining officer should observe, on a sampling basis, every stage of the budget setting process in a number of situations and at a variety of levels and then conduct a post-mortem with the people concerned under the guidance of Tony Wilson and with the help of the Financial Management Unit. It will be important to emphasise that the exercise is not concerned with accuracy and adequacy of information - important though that is. The aim would be to establish the kind of questioning and evidence that the supervising budget authority should adopt in order to make the systems come alive as instruments for delivering results now and for maintaining (if not increasing) the extent of budgetary control.

If you agree this is a constructive way forward perhaps my officials could discuss with yours precisely what terms of reference we should give the study and how it is best set up so that we can have a proposal on the table when we meet the Prime Minister.

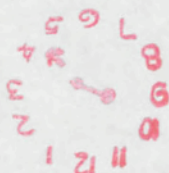
I am copying this to the Prime Minister, Grey Gowrie and to Sir Robert Armstrong.

yours ever,



ROBIN IBBS

Civil Service Long term



- 3 SEP 1964



Prime Minister:

PRIME MINISTER

Yes MB

Lord Gowrie's report is attached agree Sir Robin 1465 advice at para 6?

JR 31/8

PERSONNEL WORK ACTION PROGRAMME: REPORT ON PROGRESS, MID-1984

1. Your private office asked for my observations on the progress report submitted by Lord Gowrie on 22 August. As Lord Gowrie's covering minute says, I saw the report in draft and offered comments which I am glad to hear he found valuable.

2. There has been some good progress in the past twelve months particularly in those areas which are traditionally handled by personnel divisions. With this improvement in the infrastructure, attention now needs to be focused on achieving demonstrably better performance from staff.

3. Lord Gowrie and I both believe that the key lies in line managers accepting responsibility for the performance of their staff and learning how to get the best out of them. Lord Gowrie is absolutely right to encourage departments to set targets in this area for 1985 and to give priority to achieving progress against these. This is important because benefits from delegation to line managers do not yet come through sufficiently in the detail of departmental reports.

4. There is a need to establish clear evidence that the new approach to staff appraisal described in the report has in practice tightened up reporting standards; also that the delegated authority to line managers to deal with poor performance is actually resulting in this being dealt with more effectively and expeditiously.

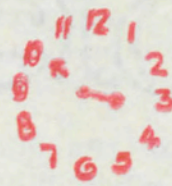
5. I support the intention to monitor departmental action from the Cabinet Office (MPO). However, there is a need now to establish clearly the criteria against which progress will be measured.

X) 6. Overall my advice is that you and your colleagues should ask that attention be given increasingly in the next twelve months to getting results and to realising the practical improvements potentially available from the system changes that have been made.

7. I am copying this to Lord Gowrie and to Sir Robert Armstrong.

ROBIN IBBS
31 August 1984

31 AUG 1984





QUEEN ANNE'S GATE
LONDON SW1H 9AT

29 August 1984

Dear General,

THE FURTHER EXTENSION OF UNIFIED GRADING IN THE
CIVIL SERVICE

You sent me a copy of your letter of 3 August to the Chancellor of the Exchequer proposing that unified grading should be extended to Principal level from 1 April 1985.

I am in principle in favour of this proposal. It should help promising staff, especially professionals, to widen their experience and fit themselves for a range of senior posts. But the proposal does involve fairly substantial pay increases for PSOs and PPTOs which may not be all that easy to accommodate within existing cash provision. For that reason, if for no other, it may be unrealistic to think in terms of having the scheme fully in operation by 1 April next year.

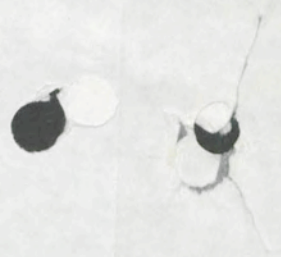
*Dr
22/8*

I am copying this letter to the recipients of yours.

*Yours,
L
G*

The Earl of Gowrie

CIVIL SERVICE : Log ten



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29 AUG 1984



FILE
RW

10 DOWNING STREET

From the Private Secretary

28 August, 1984

TRAINING FOR SENIOR MANAGEMENT

bf // The Prime Minister has now seen Sir Robin Ibbs' minute of 23 August about Training for Senior Management. She agrees in general with Sir Robin Ibbs' comments and very much hopes that Lord Gowrie will take them into account in pursuing his proposals. In particular she has asked that Lord Gowrie report to her by the end of the year with performance targets for the training programme as proposed by Sir Robin Ibbs.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office) and to Sir Robin Ibbs (Efficiency Unit).

(Timothy Flesher)

P. Thomas, Esq.,
Lord Gowrie's Office.

WPC



NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

MANAGEMENT - IN CONFIDENCE

Rt Hon Lord Gowrie
Minister of State
Management and Personnel Office
Great George Street
LONDON
SW1P 3AL

28th August 1984

N 276x

Dear Gary,

THE EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

I am responding to your letter of 3rd August to Nigel Lawson about the extension of unified grading to Principal level.

In Scottish Office terms, the disadvantages of further extending unified grading now outweigh the advantages. So far the benefits of unified grading to Senior Principal level have been very small in the Scottish Office and we are still faced with many time-consuming residual problems in assimilating all the professional and technical grades. We would rather have been given time to complete the work remaining on grades 4-6 and let the new arrangements settle in a little before moving on to the next stage.

I am conscious, however, that such changes must be carried out on a Service-wide basis and that other and larger Departments strongly favour the timing you propose. If colleagues support your proposal for 1 April 1985, I am willing to go along with it. But I am very disappointed to see that you - and, as expected, Treasury - assume that the extra cost will be met within existing provision. We have a very much higher than average share of those in the grades affected and the cost could, I am told, mean a further arbitrary and damaging staff cut.

I am copying this letter to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbs.

Yours sincerely,

Camp

CIVIL SERVICE L-7

4



30 AUG 1987



NORTHERN IRELAND OFFICE
 WHITEHALL
 LONDON SW1A 2AZ

SECRETARY OF STATE
 FOR
 NORTHERN IRELAND

Lord Gowrie
 Minister of State
 Cabinet Office
 Management and Personnel Office
 Great George Street
 London SW1P 3AL

24 August 1984

*WJM
 N
 27/8*

*Dear Sir
 UNIFIED GRADINGS?*

Although your proposals do not extend to the Northern Ireland Civil Service that Service in view of the pay implications will follow the Home Civil Service on this issue in order to maintain pay parity. Unlike the Home Civil Service component of the Northern Ireland Office which will not really be affected by these changes there is likely to be considerable impact on the Northern Ireland Civil Service which has a significant number of staff in the grades involved. The view of the Northern Ireland Civil Service is that while pay alignment at this level will be welcome it envisages practical difficulties in achieving the timetable which has been proposed. However perhaps when you are in a position to put forward precise proposals we will be in a better position to gauge the impact of the proposed change.

I am copying this letter to the Prime Minister, other members of the Cabinet, Sir Robert Armstrong and Sir Robin Ibbs.

WJM

23 AUG 1984

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5 4



DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 5144

GTN 215

(Switchboard) 215 7877

From the Minister for Trade

MANAGEMENT IN CONFIDENCE

The Rt Hon Lord Gowrie
Minister of State
Cabinet Office
Great George Street
LONDON
SW1P 3AL

24 August 1984

Norman Tebbit

*NB/TM
OK
24/8*

THE FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

In your letter of 3 August to Nigel Lawson you sought the agreement of colleagues to the proposal to extend unified grading down to and including Principal level, with effect from 1 April 1985. I am replying in Norman Tebbit's absence on leave.

I was in favour of the adoption of unified grading down to the Senior Principal level and I support also its extension to include the Principal and related grades. Within my Department, the additional freedom this will give in the deployment of staff at the key level of Principal will be particularly valuable. The reduction in grades, to which you have drawn attention, should also be especially advantageous in simplifying the management of the Civil Service. Finally, this extension of unified grading would remove the anomaly which has been particularly damaging to the morale and motivation of scientific and technical staff, who in certain areas have been interchangeable with Principals, but have been paid at significantly lower rates. In all these ways your proposals should help to achieve a further improvement in the efficiency of the Civil Service.

The timetable you propose is a tight one since there is a good deal of work still to be done. However, I think it is important to maintain the momentum generated by the adoption of unified grading down to Grade 6 with effect from 1 January 1984. I support therefore your proposed implementation date of 1 April 1985.



MANAGEMENT IN CONFIDENCE

I am copying this letter to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbs.

Yours,

PAUL CHANNON

Paul

Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switsfwrdd)
01-233 (Llinell Union)
6106
Oddi wrth Ysgrifennydd Gwladol Cymru



NPB.M. Duty Clerk
APT 24/8

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switchboard)
01-233 (Direct Line)
6106
From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

MANAGEMENT IN CONFIDENCE

24 August 1984

See Lord Gowrie

UNIFIED GRADING

Thank you for your letter of 3 August.

In principle I agree that unified grading should be extended to Principal level. However, the timing of the announcement will need some care as perhaps it would be advantageous to have the pay issue out of the way, one way or another, before a further hassle with the unions and in particular the SCPS, takes place. The SCPS have, I understand made it plain that they would, albeit reluctantly, go along with Unified Grading to Grades 5 and 6 but that they would contest extending it to the Principal grade. If industrial action takes place over the pay issue departments may find it difficult to meet the timetable for this further extension by 1 April next year.

As for costs my Department may have difficulty in finding the extra resource from within present cash limits but no doubt my officials will discuss these issues with Treasury officials once the details are clearer.

I am copying this letter to the Prime Minister, other members of the Cabinet, Sir Robert Armstrong and Sir Robin Ibbs.

Yours sincerely
Nicholas Edwards

Approved by the Secretary of State
and signed in his absence

The Earl of Gowrie
Minister of State



Prime Minister

The original minute

from Lord Gowrie is attached.

PRIME MINISTER

Agree with Robin 1665
Yes, no comments?

DT

24/8

TRAINING FOR SENIOR MANAGEMENT

Your Private Secretary's minute of 6 August asked me to comment on the MPO proposals about training for able people in their early 30s.

My immediate reaction is that great care will be necessary if the proposals are to be made a useful reality and not to become bureaucratic.

My main concern, however, is whether they address the right problem. There have been many training initiatives before, the supply of training is plentiful. In my experience the key to progress lies in changing management attitudes and doing so quickly. If we do not achieve this the effort and money on training will almost certainly be wasted.

The changed attitudes I have in mind come when the Permanent Secretary and his senior colleagues make it clear that a better quality of management in the department is essential. What is most important is the attitude of those at the top.

The progress achieved since 1979 is based on your consistent leadership and encouragement. Currently we are basing the drive for improvement on your value for money seminars with Ministers, the targets we are asking Ministers to set for improving value for money, and the scrutinies to help deliver these improvements. These are all practical expressions of your determination to improve the quality of management in the public sector.

I have three further practical suggestions aimed at creating a more beneficial climate for better management:

1. It would be of immense importance if, whenever you appoint a Minister to a new post, or a Permanent Secretary, you tell them - face to face - that you expect them to give a high priority to setting targets to improve value for money and will judge their success, in part, on what they achieve.
2. What most people want is either training to do their current job better, or to enable them to do a new job as they move. A priority task for the Management and Personnel Office should be to help departments develop clear and recognised career progression patterns into which practical training can be integrated. Training in the abstract is of much less value.



3. The most effective way I can take an interest in this area is to specify (through our value for money exercise) that we expect each department to have targets for the development of people.

You might also wish to invite the Minister of State (Privy Council Office) to report back, say, by the end of the year with performance targets for the training programme.

I am copying this to Lord Gowrie and to Sir Robert Armstrong.

ROBIN IBBS
23 August 1984

conqueror



CABINET OFFICE

From the Minister of State

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Great George Street

London SW1P 3AL

Telephone 01-233 8610

The Rt Hon Leon Brittan QC MP
Secretary of State for the Home Department
50 Queen Anne's Gate
London SW1H 9AT

23 August 1984

Leon Leon,

CIVIL SERVICE COLLEGE: NEXT STEPS ON REPAYMENT

The Civil Service College successfully introduced a scheme of part-repayment on 1 April 1983 for job-relevant training. The scheme followed a Rayner Scrutiny and rested on the broad repayment philosophy: that is, that customers who paid the cost of services would make better choices in the use of those services, and that there would in consequence be greater efficiency and economy in the use of resources.

2. When these arrangements were under discussion 3 years ago, it was agreed that for "developmental" courses (where the immediate relevance to departmental activities was less clear or where the benefits might be reaped in a subsequent posting) there might be a risk that charging would seriously damage this essential aspect of Civil Service training. The arrangements established thus allowed for the Cabinet Office (Management and Personnel Office) to fund some of the fixed overheads of the College - defined now as the PSA accommodation charge for the London and Sunningdale centres - and to provide central funding for such developmental training. Non-Exchequer bodies and those outside the Civil Service would continue to pay for all training. The present situation is that about half of the total training offered by the College is paid for by charges levied on departments or outsiders.

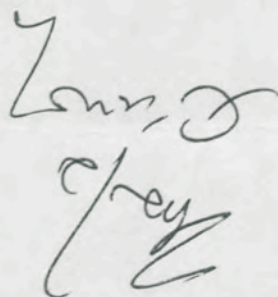
3. Barney Hayhoe, writing on 10 August 1981 from the then Civil Service Department about the new arrangements, explained that the Prime Minister attached importance to the principle of repayment for Civil Service College training and saw these arrangements as a first step, and not as a last word. I now propose to take the second step and this letter is to tell colleagues the path I propose to follow.

4. In co-operation with departments through the official College Repayment Steering Group, I want now to plan a gradual move to full repayment by departments for the bulk of College developmental training. The move will be phased, for reasons which I mention below. This phased programme should begin to operate as from 1 April 1986. The programme will assume central funding to cover College overheads and certain groups of training which cannot sensibly or readily be charged out to departments will remain.

5. The purpose of a phased programme, rather than the immediate introduction of a full-blown repayment scheme, is to enable us to take stock as the programme is introduced. Foreign experience suggests that the introduction of full repayment is sometimes attended by initial troubles which have had to be righted over a period. We can benefit from this experience. So far repayment has not affected demand for job-relevant training; it is important that developmental training should also be unaffected, as it is an essential feature of our policy on management development at various levels in the Civil Service.

6. It is with this in mind that I am now asking the College Repayment Study Group to draw up a phased programme of full repayment for all College courses. It will be open to the Group to consider, among other things, how far it might be possible to take the "central customer" concept, or variants of it, further for some developmental courses by identifying a specific central policy division, perhaps in the Cabinet Office or Treasury, which would sponsor certain blocks of training. But the essential feature of the programme will be a move to repayment for developmental courses.

7. Copies of this letter go to other Ministers in charge of departments, to the Prime Minister, and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'L. Gowrie', written in a cursive style.

LORD GOWRIE

COPY LIST: PRIVATE SECRETARIES TO:-

Prime Minister

Lord President of the Council

Lord Chancellor

Secretary of State for Foreign and Commonwealth Affairs

Chancellor of the Exchequer

Secretary of State for Education and Science

Secretary of State for Northern Ireland

Secretary of State for Energy

Secretary of State for Defence

Secretary of State for Scotland

Secretary of State for Wales

Secretary of State for the Environment

Lord Privy Seal

Secretary of State for Social Services

Secretary of State for Trade and Industry

Chancellor of the Duchy of Lancaster

Secretary of State for Employment

Minister of Agriculture, Fisheries and Food

Secretary of State for Transport

Attorney General

Minister for Overseas Development

Lord Advocate

23 AUG 1984

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CCSO
(without report)

MINISTER OF STATE, PRIVY COUNCIL OFFICE

PRIME MINISTER

PERSONNEL WORK ACTION PROGRAMME: REPORT ON PROGRESS, MID-1984

in A13 -
... When we announced the launch of our Personnel Work Action Programme last July, you asked me to arrange to let you have a progress report after a year. This I attach. It includes a substantial section recording progress and results so far in each major department, as well as a summary of what has been achieved in particular on the highest priority tasks, across the Civil Service as a whole.

General Assessment

2. While we recognised at the outset that the Action Programme would take time to carry through to completion, and there is still a great deal to do, I personally find much of the progress that the report records very encouraging. Departments do increasingly recognise that personnel work is about efficiency, and that the object of the programme is to ensure that staff are well managed and motivated to improve the performance of government in value for money terms. There is real evidence in these reports that a major change of attitude among Civil Service managers and staff is now well under way, and that the management systems and approach which the Financial Management Initiative has created will be matched by a better prepared body of line managers with the necessary delegated authority to operate those systems with their staff in an effective way.

3. The departmental contributions to the report are interesting reading, though there is inevitably a good deal of common ground between them. I have picked up below some specific examples of the signs of change. Evidence of results is another matter: it is one thing to set up training or management development programmes, or a better appraisal system. The real results are not those activities in themselves, but their effect on the performance of departments in carrying out their businesses. The management information systems developed under the Financial Management Initiative should enable us to identify such improvements. But at the same time we shall need to monitor specifically the direction and quality of effort they put into their personnel work as the Action Programme goes forward.

The Priority Tasks

4. Our first priority task was to improve career management and training. There is good evidence of progress generally; and it is particularly interesting, for example, to see how the Scottish Office (among others) have targeted particular fields of work such as finance work, nationalised industry sponsorship and information technology for particular attention, even at quite junior levels. Others, like the Lord Chancellor's Department, have identified key specialist posts for which people need to be developed - in their case, Court Administrators. When it comes to broader based management development work, the Ministry of Defence have done a great deal with training and career development, including exchanges with industry, linked to succession planning and assisted by a computerised personnel management information system. This is a path on which many departments are now set.

5. Turning to individual performance, the new approach to staff appraisal and reporting, with tighter report standards based much more on actual performance on the job, is well launched. Many departments are also improving the simplicity and openness of their reporting systems: for example the Treasury. The Home Office, among others, are asking line managers to place extra emphasis on the ability of their staff to manage resources and are providing fresh guidelines on staff reporting to help them. When it comes to dealing with inefficiency and poor performance, the departmental reports show that in the larger departments particularly line managers are increasingly being given delegated authority to deal with poor performance; particular examples are the Department of Employment group, the Customs and Excise and the Departments of the Environment and Transport, which are all pursuing this vigorously. By contrast, and I think sensibly, some of the smallest departments (such as the Treasury and the Department of Energy) are sufficiently concentrated to be able to justify a more centralised approach, though again bringing line managers much more into the process of deciding what action to take when staff fall below standard.

6. One of the high priority tasks we set was that of introducing unified grading down to Assistant Secretary and Senior Principal levels and this was done on 1 January. Some departments such as the Inland Revenue (with a high proportion of departmental, rather than general Service grades) have not found that it has made much difference to their ability to transfer staff between different kinds of post. But others have found it useful and there is considerable pressure from the big departments to extend unified grading further, down to Principal level, and a scheme for this is well advanced. It is clear, though, that it is the use of which unified grading is put rather than the re-structuring by itself which counts, and we shall need to keep a close eye on this for the future.

7. The Cabinet has now agreed in principle to introduce from 1 April 1985 an experimental scheme of merit bonuses. Officials are now working up details for your approval.

Personnel Management Responsibilities of Line Managers

8. To achieve efficiency and better value for money in the Civil Service we need to delegate to line managers much greater managerial responsibilities and hold them accountable for the discretion they exercise. This applies just as much to the responsibility for managing people as to those financial aspects covered by the Financial Management Initiative. Greater delegation is one of the main aims of our Personnel Work Action Programme, and it requires a marked change in attitudes.

9. The pace of change will vary according to departments, as of course the needs of very large employers like the MOD and the DHSS are not the same, in personnel terms, as those of the smallest departments. We have set a target of end-1984 for each Department to produce a statement of its own personnel policies and objectives. These statements will be the basis for further work in 1985 to transfer to line managers more responsibility for the staff they manage. The DHSS has already delegated to branch office managers power to promote staff to clerical levels, and to regional organisations the recruitment of junior staff (other specific responsibilities will follow later this year and in 1985). In the Lord Chancellor's Department recruitment up to Clerical Officer level is now carried out by Circuit Administrators and pilot tests are beginning on delegation of a much wider range of personnel management responsibilities.

10. I will encourage departments to agree targets for 1985 that will ensure that progress in this direction is treated as a priority matter. I expect to be able to report in 1985 substantial progress with this objective.

Other Developments

11. I am much encouraged by the general loosening of our rigid working patterns which is reported: much more part-time working, more flexibility in working hours, new working patterns, including job sharing. The Department of Education's report offers one illustration of this.

12. Finally, the recognition that high quality staff are a valuable asset to be developed with particular care is something that runs right through the report. It is not just those who are close to, or may eventually rise to the top, but those who have a key role to play in middle and upper middle management who need to be identified and have their capabilities for managing people to be developed to the full. And we still need some people who are experts in personnel matters to support line managers. The Civil Service College is now running foundation courses leading to the Institute of

Personnel Management qualification and a number of staff in key posts have already qualified. I also remain convinced of the importance of the central departments - the Cabinet Office (MPO) and the Treasury - enhancing their capacity to evaluate the quality of staff management in departments. Departments themselves, as much more authority is delegated out and down to line managers, are confronting the same questions. It is in this area that I see room for fresh thinking in the coming year and the multi-departmental scrutiny on central inspection and review capacity will be a valuable contribution to that.

13. I have shown the report in draft to Sir Robin Ibbs, who has offered some valuable comments. I am grateful for his suggestions, and share in particular his view that, while much improvement is being made in specialist personnel activities, the key to the better use of staff must lie in a much more effective contribution from and acceptance of responsibility by line managers in this sphere. Copies of this go to Sir Robert Armstrong and Sir Robin Ibbs.

e/ey

LORD GOWRIE

22 August 1984

Management in Confidence

PERSONNEL WORK ACTION PROGRAMME

REPORT ON PROGRESS AS AT

MID-MAY 1984

Cabinet Office
(Management and Personnel Office)

Management in Confidence

PERSONNEL WORK ACTION PROGRAMME

REPORT ON PROGRESS AS AT

MID-MAY 1984

Cabinet Office
(Management and Personnel Office)

Personnel Work Action Programme: Report on Progress as at mid-May 1984

1. Introduction

1. On 14 July 1983 the Minister of State, Privy Council Office, announced in Parliament the Government's priorities for action on personnel work in the Civil Service in the coming year. An Action Programme was prepared by the Cabinet Office (copy at annex A) setting out in detail the work to be carried out in the Cabinet Office and in departments, with timetables for completion. Before the Election the Prime Minister instructed that a report on progress on the tasks of the highest priority should be submitted to her in about a year. This paper is intended to meet that commitment.

2. The Personnel Work Action Programme set out a programme of priority and longer term tasks in support of the Government's overall aim to improve standards of personnel management in parallel with the Financial Management Initiative. Improvements in the quality of personnel management in the Civil Service are needed to achieve better value for money by all civil servants, making the best possible use of its human talents and expertise. The picture as at mid-May 1984 shows that substantial progress has already been made on the Government's highest priority tasks.

3. This paper:

a. reports and comments on progress during the period to mid-May 1984 in relation both to tasks identified by Ministers as being of the highest priority, and also to other matters selected by departments for early action;

b. summarises the priorities for action by departments in the next 12 months;

c. proposes the steps to be taken by Cabinet Office (MPO) both in carrying forward those matters within its control and in monitoring and evaluating departments' activities.

4. **Annex B** describes the activities undertaken and progress achieved by Cabinet Office (MPO) and departments in respect of those recommendations of the Review of Personnel Work and other initiatives which were not among the highest priority tasks for 1983-84.

5. As part of this review of progress the major Civil Service departments have summarised the progress they had achieved over the past 12 months, and listed those areas of work which have been selected for priority attention in 1984-85. **Annex C** to this Report consists of copies of the reports by those departments. At the end of Annex C is a summary of progress made in the smaller Civil Service departments together with a brief account of their plans for action in the coming year.

B. General Comments

6. The discretion given to departments to select for early action, in addition to the highest priority tasks, such recommendations of the Review of Personnel Work, etc as met their particular requirements has resulted in a wide spread of activity and progress against the programme targets. However, the main effort by departments has been concentrated on the following key areas:

a. the review of existing departmental policies, to develop improved personnel management practices and procedures and to set these out for the benefit of staff and line managers within the framework of a personnel management policy statement for each department;

b. the establishment of succession planning and the associated relevant experience through postings, training courses and other means including outside secondments especially at middle to senior management levels;

c. preparation for more extensive delegation and devolution of personnel management responsibilities to line managers both from the centre to departments and within departments to line managers. This is occurring especially in relation to recruitment of junior staff, action on probation and inefficiency, and career development of a majority of staff at lower grading levels. There is a close connection here with developments under the FMI, especially in delegation of authorities for management of people and resources forming part of the move towards a more sharply accountable management as a whole. The variety of departments' responses on the personnel side illustrates the differing requirements of their operations and organisations.

d. preparations for, and consultations about, the establishment of reporting and appraisal arrangements which, in parallel with developments under the Financial Management Initiative, put greater emphasis on performance than in the past;

e. improvement in the coverage and effectiveness of personnel records systems, making use of current developments in Information Technology, which becomes more essential in the context of greater delegation to line managers of responsibilities for the personnel management of staff.

7. This substantial programme of work entails not only major changes in formal personnel management systems, but in the behaviour and attitudes of civil servants, both as managers and staff, to their work. If the full potential in value for money terms of the resource management systems being developed and implemented as part of the Financial Management Initiative is to be realised, then selection, training, development and motivation, posting, appraisal and promotion arrangements have to enable managers down the line to exercise their delegated authority in respect of the staff as well as the financial and material resources for which they are accountable. Signs of success are to be found in many places and at all levels and the departmental reports reflect this. The action programme is about attitudes and behaviour as well as systems; before it is complete, any assessment of how far the intended results are being achieved must be a subjective judgement. For example, in respect of inefficiency procedures, the eventual aim is not only to give managers a quicker and more workable system, but to instil in staff the realisation that inefficiency simply will not be accepted, and so to underpin the drive for better performance. Similarly, the benefits of better career management (including training and succession planning) emerge progressively as key vacancies become easier to fill with people of the right calibre, experience and preparation: the end result is the heightened effectiveness of the areas of work in which these posts exist. A personnel strategy **does** permit short term gains to be realised; but it is only the steady pursuit of a coherent policy over time that brings the longer gains whether in terms of specific problems such as promotion blockages solved or eased, or of releasing the creative energy and commitment of staff at all levels in getting needed work done better at less cost.

c. Summaries of Progress by Cabinet Office (MPO) and by departments on Tasks of Highest Priority

Priority Task 1: Career Management and Training - to examine ways to extend existing succession planning arrangements for senior posts and to improve career management for those likely to get to the top - this was to involve in particular reinforcement of training effort. (This task is considered under 3 subject headings).

8. Succession Planning

a. The arrangements introduced in 1981 have been extended to cover a wider range of senior posts and these came into full operation in 1983. Cabinet Office (MPO) is currently conducting a review of present arrangements in the light of experience to see how the scheme might be developed to improve its effectiveness and how it might be simplified to reduce the burden on departments and on the centre, and thereby extract the maximum benefit from the resources devoted to it. New instructions will be issued after discussions with departments in May for implementation in the 1984-85 succession planning exercise.

b. Consistent progress in the extension of succession planning arrangements to key grades and posts below Grade 3 was reported by departments. Most are already operating a more systematic approach to training in relation to succession and career planning of individuals. Particular attention has been, and is being, paid to the succession to posts requiring specialised knowledge and experience, including, for example, finance, nationalised industry sponsorship and Information Technology. The benefits so far have principally been to direct more attention to planning ahead for selection to certain classes of post where this had not been done. The pay back period in terms of improved training and management development for those identified as potential successors to key postholders is necessarily a longer one, and it is to this aspect in particular that emphasis will now need to be given so as to reap the potential value of the considerable investment of effort which departments have put into setting up the system.

9. Personnel Management Policy Statements

a. Cabinet Office (MPO) guidance on departmental statements has been issued. For the centrally managed groups, the proposal has been discussed with the relevant management committees: for the Statistician Group a separate statement is being prepared. Staff in other groups will be subject to the policy statement of the departments in which they serve. A checklist of points to be covered in a training strategy was issued to larger departments in March 1984. A revised checklist will be issued to all departments by end July 1984.

b. Development of these statements has proved to be a considerable challenge, but all departments report good progress towards preparation and issue of personnel management policy statements by the end of 1984. Most statements are designed to cover all staff in the department, but some will deal separately with the requirements of specialised groups or particular grades of staff, such as Executive Officers and HM Inspectors in the Department of Education and Science, for example. Several statements, including those of the Lord Chancellor's Department and the Treasury, will incorporate desired career profiles or other manpower models. Other departments are preparing statements dealing with particular areas of personnel procedures, such as promotion eg in HM Customs and Excise. In all

cases it is planned that policy statements will be published for the guidance of staff as well as line and personnel managers. While it would be premature to assess the prospects at this stage, there are clear signs that the process of articulating policy statements and guidance for managers, has itself been productive in bringing recent management developments into focus in terms of the staff implications.

10. **Fitting people for Top Posts**

a. The recommendation on Checklists of required competence is being pursued by Cabinet Office (MPO) in the context of the career development of those identified at an early stage in their career as having the potential to rise to the senior Open Structure. The object will be to provide them with an appropriate blend of training and experience to prepare them in good time for the positions they may eventually reach. MPO aim to produce outline proposals by the end of June which can, after discussion with departments be put into action early in 1985.

The Director of the New Open Structure Course took up his appointment at the beginning of January 1984. He has prepared outline proposals for the course which have been approved by the Prime Minister. Work is now proceeding on the detailed design of the course, with the aim of starting the first course in January 1985.

The CS College has prepared and circulated a list of "Selected Courses for Assistant Secretaries, Principals and Equivalent Grades, March 1984-July 1985". The College also runs a number of seminars and courses for staff at Grade 3-5, and the scope and number of these is under constant review.

A pilot study of the knowledge and skills required by middle and senior managers in Cabinet Office is taking place, in full co-operation with departmental management. This will report by October 1984.

A new Senior Management Course for managers at Grade 5 and above was introduced in September 1983. A modular Senior Personnel Course (broadly on the lines of the Senior Finance Course) is being designed and will be introduced during 1985.

The Senior Finance Course has been extended. The course has been in high demand, with priority for attendance being given to newly-appointed Principal Finance Officers, those identified in succession plans and others with major finance responsibilities. Attendance at 5 of the modules will normally be mandatory for newly appointed Principal Finance Officers.

Departments' progress in planning and delivering FMI training has been monitored through visits by Training Liaison Officers. A video, entitled "The need for change and the Financial Management Initiative" was made available to departments in January 1984. A self-instructional package on Government Accounting will be available during the summer of 1984. The FMI has affected the focus and emphasis of a wide range of courses at the Civil Service College. In 1983-84 the College ran a series of FMI awareness seminars for senior staff. In addition, specialised courses have been provided to increase knowledge and skills relevant to the FMI (eg in finance, accountancy, audit, systems and management services).

The Financial Management Coordination Group (chaired by HM Treasury with Cabinet Office (MPO) participation) commissioned a review of departments'

needs for staff with financial skills at various depths and how these needs could be met by recruitment and training. A report was submitted in April 1984.

Cabinet Office (MPO) Training Division and the Financial Management Unit are jointly examining the training needs of managers of delegated budgets in departments. They are also working on the development of training materials based on the three reports recently produced by the Financial Management Unit. The implications for additional student days of applying the concept of a quantitative criterion to the management training of various groups of staff have been examined.

b. Emphasis has been placed by departments including, for example, D Energy, DES, DHSS and ODA, on the more systematic identification of training needs of staff, and also on the availability as well as the suitability, of training courses both within and outside the Civil Service. Reviews of existing training courses and arrangements have been carried out in nearly all departments: increasing emphasis is being placed in, eg MOD, Home Office and the Lord Chancellor's Department, upon job related and cost effective training, particularly courses on the management of resources, and on financial control and audit, including FMI aspects. Greater effort is not restricted to training only for those with the highest potential: programmes of progressive developmental, management and technical training have been developed for grades from EO (and equivalent) upwards, for example, in the Department of Energy). Among other areas in which greater effort has been aimed is that of training for personnel staff and line managers to whom personnel responsibilities are being delegated.

Priority Task 2: Staff Appraisal and Reporting: to tighten reporting standards and make the basis of staff assessment more performance orientated.

11. The Cassels' Report recommended extensive reforms to move from a service-wide standard system to one in which departments determined their own systems, within basic principles, to meet more closely the needs of their businesses. Primary emphasis was to be given to assessing and improving performance, by manager and staff discussing achievements more openly and comparing them with job objectives agreed in advance. Action on this comprised 3 stages:

- i. Cabinet Office (MPO) to determine basic principles taking account of practice outside the Service, the views of departments and national consultation with the unions;
- ii. departments to design own forms and systems, consult unions and test forms; and
- iii. departments to phase in the new systems with appropriate training.

The first stage was completed in February 1984 when, after extensive research and consultation with departments and national unions, the Cabinet Office (MPO) issued draft principles although the unions nationally still maintain some objection. Departments have begun the second stage and some have started consulting their unions. Cabinet Office (MPO) will assist them with the testing of forms and is developing guidance and training material with leading departments. Although complications during first stage delayed the testing and developing of training packages, most departments expect to be able to train their staff and introduce their new procedures and forms progressively during the 1985 reporting year as originally envisaged.

Priority Task 3: Performance Related Pay: to consider ways of introducing performance related pay into the Civil Service.

12. Options for the introduction of performance related pay into the Civil Service are being considered.

Priority Task 4: Inefficiency and Poor Performance - to improve the effectiveness of procedures to deal with inefficiency and poor performance.

13. a. The Review of Personnel work called for important changes in both centrally determined and in departmental procedures in order to enable inefficient staff to be dealt with fairly but more expeditiously than hitherto. The central procedures concerned have now been changed after the necessary negotiations with the unions. These changes shorten the minimum period during which staff should be on formal trial from 6 months to 3 months and simplify the decision making process.

The related question of the financial terms on which staff found to be inefficient are removed from employment will need to be determined as part of the review of all existing early retirement arrangements.

b. Good progress is also being made in Departments. Most have reviewed their procedures and have issued revised, simplified guidance to line managers to whom decisions on action in response to inefficiency and poor performance are being more extensively delegated. In a number of cases action is being associated with changes in present probation rules. Even where Departments have decided to retain these decisions in personnel branches, line managers are being more closely involved in such decisions and are developing a more realistic appreciation of the quality of performance to be expected from staff.

Priority Task 5: Unified Grading - to introduce a scheme for unified grading down to Assistant Secretary and senior Principal levels.

14. The Action Programme announced that unified grading would be extended at senior levels in the Service. On 1 January 1984 three unified grades were introduced, replacing some 100 separate occupational grades. This change has increased flexibility in the staffing of posts by making it much easier to select the best person for each job, whatever their previous occupational background. Departments have been pressing ahead with the adjustments needed in personnel procedures to enable full advantage to be taken of the structural change and these will be progressively introduced over the next few months.

A scheme of further extension of unified grading to Principal level is being considered by Establishment Officers with a view to an early report to Ministers.

D. Further Action: Priority Tasks in 1984-85 for Departments and Cabinet Office (MPO)

15. In their reports (Annex C) departments have also identified the tasks selected for priority action during the next 12 months. In general these represent the completion of the original Action Programme tasks of the highest priority, and increasing emphasis on the consequences of the greater delegation to, and within, departments of responsibility and accountability for a widening range of personnel management and financial management functions.

The most important of these tasks are:

- a. issue of the departments' personnel management policy statements;
- b. further delegation to line managers, in association with developments under the FMI, of personnel management responsibilities, including: recruitment, probation, inefficiency action, career development, postings and promotions;
- c. development of departmental training strategies and continued emphasis on training for staff with delegated financial and management responsibilities;
- d. consolidation of the extensions of succession planning arrangements, and interchange/secondments;
- e. continued development, through to operation, of improved computerised personnel record systems;
- f. implementation of necessary changes in the work of personnel divisions emphasizing their monitoring and guidance role consequent on delegation;
- g. further action on the recommendations of the Joint Review Group (Women);
- h. participation in the MPO-led scrutiny of internal talent.

In the view of Cabinet Office (MPO) such a programme of action, if substantially completed in the next year (and subject to the MPO monitoring action proposed in paras 16-19 below) would represent a satisfactory advance towards the long term improvement in effectiveness of personnel management policies in the Civil Service.

16. This departmental action will be complemented by continuing action by Cabinet Office (MPO), assisted where appropriate by the Treasury and in addition to its regular operations, in following up to completion those tasks in the Action Programme which remain outstanding. Among the most important of these tasks are:

- a. completing the wide ranging review of all premature retirement arrangements in order to provide a more coherent package of early retirement measures offering better value for money, and taking action to implement agreed changes;
- b. introducing the new course for staff entering the senior Open Structure;
- c. issuing guidance and training material associated with the new model report forms;
- d. if Ministers decide that unified grading should be extended to Principal, to press ahead with early implementation;
- e. preparing proposals for the follow up to the study on professional qualifications;
- f. carrying to implementation Ministers' decisions on merit pay when ascertained;

17. This programme, supports the main thrust of improved management techniques involving the delegation to, and within, departments of responsibilities for

the personnel management of their staff and the allocation of authority to the level at which responsibilities are exercised. This represents a very substantial task for departments. Its corollary is the obligation placed upon central departments which can be expressed as the dual responsibility:

- a. to provide expert guidance and assistance to departments, and to discover and disseminate to them examples of best practice from within and outside the Public Sector; and
- b. to evaluate departments' practice and performance against the desired standards and criteria.

18. The British Civil Service is not unique in facing such demands: some of the largest and best organisations in this country and abroad have encountered similar problems in reconciling greater delegation of management responsibilities with steady improvement in overall standards of performance. The experiences of the US Federal Government, British Petroleum, IBM (UK) Ltd and ICI indicate that no complete or perfect solution has yet been found, even though the main components of the functions involved are clear. In Cmnd 8616 ("Efficiency and Effectiveness in the Civil Service") these were expressed as follows "it is the function of the Treasury and the MPO as of the centre of any large organisation to promote high standards of administration by a combination of guidance, prescription and scrutiny".

19. Greater emphasis on the means of assisting and guiding departments amounts to a development of the tasks already carried out by Cabinet Office (MPO). However the prescription and scrutiny functions take on a new dimension when related to a much more highly devolved management (including personnel management) system. The spectrum of possible activity by Cabinet Office (MPO) in particular can range from:

- a. a flexible approach under which ad hoc reviews of particular functions in one department, or a number of departments, could be carried out by teams formed in accordance with the tasks involved, when appropriate with consultant participation, as well as departmental team members, and normally led by or on behalf of the Cabinet Office (MPO) Division having functional responsibility. A variant of this approach could consist of MPO participation in departmental reviews; alternatively (or in addition)
- b. to the setting up of more formal multi-functional management review teams which would be able to carry out a planned programme of reviews of departmental activity. This would have significant resource implications for Cabinet Office (MPO).

It seems likely however that the former approach would enable the methodology of the review to be more easily adapted to meet the specific needs of the problem or area to be covered.

20. The central departments will need to settle, in principle, by the time departmental personnel management policy statements have been issued (the end of 1984), how their share of the responsibility for carrying forward this programme is to be achieved. This will involve a programme of reviews and enquiries to be led from Cabinet Office (MPO), with the resource implications that go with that, for both central and operational departments, which will need to be considered in connection with the 1985-86 PES review.

21. A substantial part of this programme will entail providing expert advice and guidance from the centre to help departments to meet their particular needs, and to

develop further (with the help both of consultants and of good experienced managers drawn from departments) the capacity of the Cabinet Office (MPO) to provide this, across the full range of personnel management functions. Plans to bring this about are now being developed [for implementation in 1985].

Cabinet Office (Management and Personnel Office)
Whitehall, London SW1P 3AL

Report on Progress as at mid-May 1984

MANAGEMENT IN CONFIDENCE

(0 - Fraser (Objective 3) Report, follow-up action
Key to abbreviations - (PW - RPW Report recommendations

PERSONNEL MANAGEMENT ACTION PROGRAMME 5 TASKS OF HIGHEST PRIORITY

PRIORITY AREAS AND TASKS	Cross references to Fraser and RPW Reports	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
<p>1. <u>CAREER MANAGEMENT AND TRAINING</u>: To improve career management and training by:</p> <p>a. <u>Succession Planning</u></p> <p>- extending present arrangements to cover wider range of senior posts</p>	0.13 PW.28	<p>PM1 to consider areas for extension and invite departments to extend their arrangements accordingly.</p> <p>Liaise with departments</p>	<p>Commissioning letter, June 1983</p> <p>Review Spring 1984 continuing</p>	<p>Departments to extend their arrangements</p>	September 1984
<p>b. <u>Personnel management policy statements</u> for all staff, covering career management policy; postings patterns and policies; training strategy; clarification of responsibilities.</p>	01-12, 14 and 28 PW 25 and 48	<p>PM1 to take stock of departmental progress in the Autumn with a view to determining completion dates.</p> <p>PM3 to consult departments on coverage of centrally-managed groups to write and issue policies</p>	<p>Autumn 1983</p> <p>Summer 1983</p> <p>End April 1984</p>	<p>Departments to prepare draft statements</p> <p>Departments to promulgate policy statements</p> <p>Departments to prepare training strategies</p>	<p>To be determined</p> <p>To be determined</p> <p>To be determined</p>

FINAL DOCUMENT

Personnel Committee Report on Progress at end May 1984

Annex A

NEW FROM SHEET ATTACHED

MANAGEMENT IN CONFIDENCE

(0 - Fraser (Objective 3) Report, follow-up action
 - PW - RPN Report recommendations

PERSONNEL MANAGEMENT ACTION PROGRAMME - TASKS OF HIGHEST PRIORITY

Key to abbreviations -

PRIORITY AREAS AND TASKS	Gross references to Fraser and RPN Reports	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
1. <u>CAREER MANAGEMENT AND TRAINING</u> : To improve career management and training by:					
a. <u>Succession Planning</u> - extending present arrangements to cover wider range of senior posts	0.13 PW.28	PM1 to consider areas for extension and invite departments to extend their arrangements accordingly. Liaise with departments	Commissioning letter, June 1983 Review Spring 1984 continuing.	Departments to extend their arrangements	September 1984
b. <u>Personnel management policy statements</u> for all staff, covering career management policy; postings patterns and policies; training strategy; clarification of responsibilities.	01-12, 14 and 28 PW 25 and 48	PM1 to take stock of departmental progress in the Autumn with a view to determining completion dates. PM3 to consult departments on coverage of centrally-managed groups to write and issue policies	Autumn 1983 Summer 1983 End April 1984	Departments to prepare draft statements Departments to promulgate policy statements Departments to prepare training strategies	To be determined To be determined To be determined

MANAGEMENT IN CONFIDENCE

PRIORITY AREAS AND TASKS	Cross references to Fraser and RPW Reports	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
c. <u>Fitting people for top posts through</u>					
- Checklists of areas of required competence;	0.29	<u>PM1</u> to invite departments to prepare checklists for each main career stream	by end 1983	Departments to prepare plans and implement.	Spring 1984 onwards
- Identifying the training needs of ASs (and equivalent) and USs:	0 31	Continued development and monitoring thereafter	Continuing	<u>Departments to review training needs at these levels in consultation with MPO as appropriate</u>	mid-1984 onwards
- Identifying financial and management training needs and developing appropriate programmes;	0 15-21	<u>Training Division and CS College</u> to review adequacy of existing AS/US training opportunities	mid-1984		
		<u>CS College</u> to review content and scope of Senior Finance Course	mid-1983	Consultations on Senior Finance Course	June 1983
		<u>Training Division and CS College</u> to clarify needs and priorities and determine contributions by CS College, departments and outside institutions	Continuing	<u>Departments to develop and introduce departmental training course, suited to their needs</u>	continuing
- specifying quantitative training criterion for those with senior management potential	0.30	<u>Training Division</u> examine the training needs for various groups; and prepare proposals in consultation with PM Divisions and departments	November 1983 - onwards	<u>Departments to adopt quantitative training criteria or objectives. The identification and timing of training.</u>	end 1983 and continuing

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MANAGEMENT IN CONFIDENCE

PRIORITY AREAS AND TASKS	Cross references to Fraser and RPW Reports	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
- a new course for staff entering the Open Structure.	0 32 and 33	Appointment of course director and support staff. Early tasks to settle the aim, length and content of the course; and the extent of non-Civil Service participation. First course to run probably - January 1985	mid 1983	To identify and release participants	September 1984 onwards
2. <u>STAFF APPRAISAL AND REPORTING:</u> the objective is to tighten reporting standards and to make the basis of assessment more performance-orientated.	PW 17-24	<u>PM2</u> (with PMRB, Training Division and CS College) to recommend revised appraisal system; consult CCSU; test model forms; issue guidance to departments and provide model training package.	March 1984	<u>Departments to advise on proposed revisions, devise own systems in accord with established principles, consult Unions, test forms, train staff, and introduce revised systems.</u>	end 1985
3. <u>PERFORMANCE-RELATED PAY</u>		<u>PM4</u> to develop proposals in consultation with departments.	End 1983		

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MANAGEMENT IN CONFIDENCE

PRIORITY AREAS AND TASKS	Cross references to Fraser and RPW Reports	NPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
<p>4. <u>INEFFICIENCY AND POOR PERFORMANCE</u></p> <p>To improve the effectiveness of procedures to deal with inefficiency and poor performance, covering: trial periods and appeals; line management authority; the role of personnel branches; withholding of increments; abolition of compensation for premature retirement on inefficiency grounds.</p>	PW 34-41 042	<p><u>CRS Division</u></p> <p>In consultation with HMT, departments and CCSU to revise:</p> <p>i. Code paras 10546-10576, including - reducing minimum trial periods from 3-6 months; - removing requirement for a retirement board.</p> <p>ii. Sections 10.9-10.12 of the PCSPS to abolish compensation for premature retirements on inefficiency grounds.</p> <p>PM4 to review guidance on withholding increments in the context of performance related pay [see item 3]</p> <p>* Subject to the possible need for primary legislation.</p>	<p>End 1983</p> <p>End 1983*</p>	<p><u>Departments to</u></p> <p>i. Review internal procedures, particularly line management authority and role of personnel branches.</p> <p>ii. Review appeals procedure in light of revised Code provisions.</p> <p>iii. Implement revised Code and PCSPS provisions.</p>	<p>end 1983</p> <p>End 1983 onwards</p> <p>Easter 1984</p>
<p>5. <u>UNIFIED GRADING:</u></p> <p>a. To prepare and implement a scheme for unified grading down to SP level.</p> <p>b. To examine the possibility of unified grading down to Principal level.</p>		<p>PM4 to prepare and implement scheme in consultation with Departments and the CCSU.</p> <p>PM4 to examine the implications in consultation with departments and to prepare proposals.</p>	<p>end 1983</p> <p>end April 1984</p>	<p>Departments to implement new scheme(s)</p>	<p>1984 onwards</p>

MANAGEMENT IN CONFIDENCE

PERSONNEL MANAGEMENT ACTION PROGRAMME 1983: CIVIL SERVICE MANAGEMENT DEVELOPMENT IN THE 1980s - POINTS FOR FOLLOW UP

ANNEX A

(Starred items are relevant to the list of tasks of Highest Priority)

THE RECOMMENDATION + DESIRED OUTCOME	Cross Reference	NPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
<p>Points number 1-12, 14 and 28</p> <p><u>Personnel management policy statements for all staff, covering career management policy; postings patterns and policies; training strategies; clarifications of responsibilities.</u> ★</p>	RPW report recommendations 25 and 48	<p>PM1 to take stock of departmental progress in the autumn with a view to determining completion dates.</p> <p>PM3 to consult departments on coverage of centrally managed groups. write and issue policies.</p>	<p>Autumn 1983</p> <p>Summer 1983</p> <p>end April 1984</p>	<p>Departments to prepare and promulgate statements and prepare training strategies.</p>	To be determined
<p>Number 13</p> <p><u>Succession planning arrangements: to extend present arrangements to cover a wider range of more senior posts.</u> ★</p>	RPW report recommendation 28	<p>PM1 to consider areas for extension and invite departments to extend their arrangements accordingly</p> <p>Liaise with departments:</p>	<p>Commissioning letter, June 1983. Review, Spring 1984.</p> <p>Continuing</p>	<p>Departments to extend their arrangements</p>	September 1984
<p>Numbers 15-21</p> <p>To identify financial and management training needs and develop appropriate training programmes</p> <p>(continued overleaf) ★</p>		<p>CS College to review content and scope of Senior Finance Course</p>	<p>Mid 1983</p>	<p>Consultations on Senior Finance Course</p>	<p>June 1983</p>

THE RECOMMENDATION + DESIRED OUTCOME	Cross Reference	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
		Training Division and CS College to clarify needs and priorities and determine contributions by CS College, departments and outside institutions	continuing	Departments to develop and introduce departmental training courses suited to their needs.	continuing
Numbers 22-27 Professional qualifications study to be completed covering the use of qualifications in various areas of work (including personnel management), the development of links with outside institutes, the use of incentives; and to pursue the possibility of a qualification relevant to administrative work in the Civil Service.		Training Division to complete and present the report. Action plan to be drafted by: Action will be consequent upon the report.	July 1983 September 1983		
Number 29 Checklists of the areas of required competence.		PM1 to invite departments to prepare checklists for each main career stream. Continued development and monitoring thereafter.	By end 1983 continuing	Departments to prepare plans and implement	Spring 1984 onwards

THE RECOMMENDATION + DESIRED OUTCOME	Cross Reference	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
Number 30 Specifying a quantitative training criterion for those with senior management potential.		Closely linked with no 29. Training Division to examine the training needs for various groups in consultation with PM Divisions and Departments.	November 1983 onwards	Departments to adopt quantitative training criteria or objectives. The identification and timing of training.	end 1983 and continuing
Numbers 31-32 Identifying the training needs of ASs (and equivalent specialist grades) and USs.		Training Division and CS College to review the adequacy of existing AS/US training opportunities	end 1983	Departments to review training needs at these levels in consultation with MPO as appropriate.	mid 1984 onwards
Number 33 A new course for staff entering the Open Structure.		Appointment of course director and support staff. Early tasks to settle the aim, length and content of the course; and the extent of non-Civil Service participation. First course to run probably	mid 1983 September 1984	Departments to identify and release participants	September 1984 onwards

THE RECOMMENDATION + DESIRED OUTCOME	Cross Reference	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
<p>Numbers 34-37</p> <p>Mid-career entry: the intake of mid-career recruits should be expanded while still retaining the concept of a predominantly career service.</p>	Objective 3 item 43	PM1 to consider greater use of short term contracts, the resumption of DEP and US competitions, and the introduction of direct entry HEOD and AS schemes.	end 1983	None	
<p>Numbers 38-39</p> <p>The business appointments rules and the financial package offered should be reviewed to make period appointments more attractive.</p>		CRS division to revise rules taking account of Select Committee recommendations if and when these arrive.	by January 1984	Treasury to consider general financial package on offer to staff on limited period appointments.	
<p>Numbers 40-41</p> <p>Wider experience for serving Civil Servants: greater movement of civil servants should take place outside the Service on secondments, as non-executive directors and on short term attachments; and greater use should also be made of inwards secondments.</p>		PM1 has written to departments	continuing	Departments are taking action	

THE RECOMMENDATION + DESIRED OUTCOME	Cross Reference	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
<p>Number 42</p> <p>The guidance on discharging staff on grounds of inefficiency or limited efficiency should be reviewed.</p> <p style="text-align: center;">★</p>	RPW report recommendation 39				
				See Annex B: RPW recommendations 35-41	
<p>Number 43</p> <p>Promotion prospects: MPO should pursue further ways of overcoming promotion blockages.</p>	Objective 3 items 34-37	PM1 to run interdepartmental Steering Group; interim report due: Final report:	June 1983 November 1983	Not yet known	

MANAGEMENT IN CONFIDENCE

PERSONNEL MANAGEMENT ACTION PROGRAMME 1983: REVIEW OF PERSONNEL WORK IN THE CIVIL SERVICE - RECOMMENDATIONS

ANNEX B

(starred items are relevant to the list of Tasks of Highest Priority)

THE RECOMMENDATION + DESIRED OUTCOME	Cross references	MPO TASKS - and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
RECRUITMENT					
1. Departmental experiments with greater flexibility in operating local recruitment; to be reviewed in September 1983.		MPO (Recruitment Division): i. to amend guidance to departments ii. to review feedback	by mid-May 1983 October 1983	Departments: i. to experiment as desired, on receipt of MPO guidance and ii. to report back on outcome in	October 1983
2. Departments to have discretion to conduct their own local recruitment - from end April 1983.		In light of outcome of EOM of 7.4, MPO (Recruitment Division) to amend guidance as necessary	by August 1983	Action at departmental discretion.	
3. Repayment for collective recruitment schemes.		None.		Appropriate budgeting systems to be devised (in line with FMI plans)	
4. Departments to involve line managers more closely in local recruitment.		None		Departments to develop cost-effective ways of involving line managers in recruitment.	Continuing
5. Departments to monitor and evaluate local recruitment.		None		Departments to set up monitoring arrangements where they have not already done so.	Continuing

MANAGEMENT IN CONFIDENCE

THE RECOMMENDATION + DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
6. MPO to review local recruitment arrangements.		MPO to review local recruitment arrangements	by end 1985	To cooperate with MPO in the review.	
7. EO recruitment to continue to be undertaken by the Civil Service Commission (CSC).		No change.		No change.	
8. CSC to improve quality and speed of EO recruitment, including a continuous scheme of recruitment.		Action already in hand by Civil Service Commission.	by 1984	None.	
9. Proposals for a recruitment concordat, repayment, and closer involvement of departments in EO recruitment to be worked up during the scrutiny of the CSC.		Scrutiny Report to be received by In the light of the outcome of the scrutiny, CS Commission to effect the introduction of a recruitment concordat, repayment and closer involvement of departments in EO recruitment.	November 1983	To work with the CSC implementing agreed scrutiny recommendations.	
10. Review of revised arrangements for EO recruitment.		Ministerial decisions to be made by Civil Service Commission, in consultation with departments to conduct review.	end 1983 end 1985	To cooperate with CSC in the review.	

MANAGEMENT IN CONFIDENCE

THE RECOMMENDATION + DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
11. In relation to specialist recruitment, proposals for: i. repayment - to be worked up during the scrutiny of the CSC. ii. a recruitment concordat and closer involvement of departments in recruitment - to be worked up by the CSC following the scrutiny.		As recommendation 9. As recommendation 9.		As recommendation 9. To co-operate with CSC in developing proposals.	
<u>PROBATION</u> 12. Probation to be limited to 1 year, except for Administration and other Trainee grades.		MPO (Recruitment Division) to submit proposals to EOM on revised procedures and guidance in Establishment Officers Guide. MPO to consult CCSU.	November 1983 by Spring 1984	Departments to consider, adopt and implement revised procedures.	by mid 1984
13. Emphasis of probation to be on positive development of recruits and on identifying in good time those not likely to make the grade.		None.		Departments to issue guidance to line managers as appropriate.	
14. Probationers to demonstrate a capacity to reach a good standard of performance to merit confirmation of appointment.		As recommendation 12.		Departments to implement new provisions, on receipt of revised EOG guidance from MPO.	

THE RECOMMENDATION + DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
15. Departmental probation procedures to be streamlined and made the responsibility of line management.		None		Departments to amend procedures and guidance, in the light of their needs.	
16. Authority for taking decisions on probation to lie with line management.		None.		Departments to amend procedures and guidance, in the light of their needs.	
STAFF APPRAISAL ★					
17. Written appraisal reports to be made annually on all staff.		None.		None.	
18. Departments to have discretion to devise their own appraisal systems and forms within a centrally-prescribed framework of general principles.		PM2 (with PMRB, Training Division and CS College) to recommend revised appraisal system; consult CCSU; test model forms; issue guidance to departments and provide model training package.	March 1984	Departments to advise MPO on proposed revision, devise own systems in accord with established principles, consult unions, test forms, train staff and introduce revised systems.	end 85
19. MPO to take responsibility for establishing principles; providing guidance on good practice; and giving expert advice on form design.					
20. The annual appraisal form to emphasise performance in the job.					

THE RECOMMENDATION + DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
21. Every performance report form to include a scale rating of overall performance.					
22. Performance to be assessed against an agreed job definition including where possible, targets agreed at the outset of the year.					
23. Performance reports to be completely open, with space for individual's comments, and to form the basis of an appraisal interview.					
24. No further degree of openness in relation to the promotion and longer term potential parts of the appraisal system.		No change.		None.	
CAREER DEVELOPMENT AND POSTINGS					
25. Each department should prepare a statement of its career management policy. ★	Objective 3 items 1-4, 6-12 and 28 - also RPW Rec 48	See Annex A			
26. CDIs to be undertaken selectively, as need arises rather than as a matter of routine.		PM2 Division, MPO, i) to draft revised guidance; ii) to consult CCSU and iii) to issue revised guidance to departments (after completion of action on Recs 18-23)	in 1984	Departments to revise CDI procedures as they see appropriate.	

THE RECOMMENDATION+ DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
27. Mobility obligation to remain a condition of service.		None.		No change.	
28. MPO to be responsible for overseeing departmental succession plans and career development plans for certain groups of specialists and staff already in, or considered potential candidates for, the Open Structure.		None.		No change.	
29. More selectivity in circulation within departments to trawl notices.		MPO to consult further with CCSU and departments.		Departments to revise procedures and renegotiate union agreements, as necessary.	
<u>PROMOTION</u>					
30. Departments to monitor the effect and cost of greater reliance on paper boards at junior levels or interview boards at some senior levels and disseminate the results to all departments.		None.		See recommendation.	No fixed timetable
31. Departments to publish information on promotion procedures, vacancies and required experience and skills.		None.		See recommendation.	by April 1984 (but see recommendation 25 with which this may be associated)

THE RECOMMENDATION+ DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
32. Interview board members to be given more information and training.		None.		See recommendation.	Immediate and continuing
33. Trial of revised promotion pooling arrangements; if unsuccessful, abolition of routine promotion pooling exercises.		PMI Division, MPO, i. to revise the promotion pooling arrangements; consult the CCSU; and issue guidance to departments. ii. to monitor the cost and effect of the revised arrangements and review the outcome.	by end September 1983	To operate revised promotion pooling arrangements on receipt of guidance from MPO.	
<u>INEFFICIENCY</u>					
34. Framework for inefficiency procedures to continue to be determined centrally.		None. <u>Recommendations 35, 36 and 40.</u>		No change.	
35. Formal trial periods to be reduced from a minimum of 6 to a minimum of 3 months. ★		CRS Division in consultation with HMT, departments and CCSU to revise: i. Code paras 10546-10576, including reducing minimum trial periods from 3 to 6 months; removing requirement for a retirement board. ii. Sections 10.9-10.12 of the PCSPS to abolish compensation for premature retirements on efficiency grounds. * Subject to the possible need for primary legislation	end 1983 by *end 1983	Departments to: review internal procedures, particularly line management authority and role of personnel branches; implement revised code and PCSPS provisions	end 1983 Easter 1984

THE RECOMMENDATION + DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
36. There should be recognised departmental procedures for appeals but these need not require a Departmental Retirement Board. ★		As recommendation 35.		Departments to review in-house appeal procedures, in light of revised Code instructions.	end 1983 onwards
37. Authority to determine inefficiency cases to rest with line management. ★		None.			
38. Personnel staff to assist and monitor line management in inefficiency cases, when they should be involved automatically. ★		None.			
39. Current discretion to withhold increments for unsatisfactory performance to be more vigorously applied. ★	Objective 3, item 42.	PM4 Division to review guidance on withholding increments in the context of performance related pay.			
40. Compensation payments in cases of premature retirement on inefficiency grounds to be abolished. ★		As recommendation 35.			

THE RECOMMENDATION + DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
41. MPO to review the full range of early retirement arrangements. ★		CRS Division, MPO, to undertake the review in autumn 1983 for completion:	by Easter 1984	Departments to cooperate in the review.	
<u>IMPLICATIONS FOR PERSONNEL WORK IN DEPARTMENTS</u>					
42. Each department to develop a coherent personnel strategy tailored to its needs.		CS College to devise and offer seminars on personnel strategy - Start Autumn 1983.	continuing	As column I	by April 1984 (but see, eg recommendation 25 with which this may be associated.
43. & 44. Departments to define explicitly the division of responsibilities between line and personnel divisions, and so far as possible to enhance the responsibility of line managers for the management of their staff. Their training needs to be assessed and met.		MPO, Training division to work with departments in assessing training needs. CS College to take account in existing management courses.	continuing	As column I Departments i) to amend procedures and guidance, in the light of their needs and ii) to assess the training needs of line managers and arrange for them to be met.	continuing
45. Personnel staff to place more emphasis on providing support to line management, exercising a monitoring and coordinating function, and taking responsibility for personnel strategies.		CS College to investigate need for training on organising and managing the personnel function.	end 1983.	Departments to revise procedures and job descriptions in the light of their needs.	continuing

THE RECOMMENDATION → DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
46. All new personnel managers to undertake 3 weeks basic training at the CS College from September 1983; requirement to be reviewed by MPO's Training Division after 3 years.		i. Civil Service College to provide appropriate courses. ii. MPO, Training Division, to review the mandatory training requirement.	from September 1983 in September 1986	i. Departments to identify and release staff concerned. ii. Departments to cooperate with MPO Training Division in the review. Departments may make use of comparable training provided in their own training units.	From September 1983 September 1986
47. Departments to identify and meet personnel managers' training needs. Other than those met by the basic course.		No additional action; the CS College already provides modular courses on specific areas of personnel activity		As column I	from September 1983
48. Each department to publish an explicit statement of its personnel policies. ★	SEE RECOMMENDATION 25				
49. Departments to be responsible for own personnel policies and procedures. MPO to promulgate basic principles and advice, and audit departmental performance. ★	Recommendation 42	Continuing action for MPO CS Commission/Recruitment Division CRS, PM, CS College and Training Division.	continuing	Departments to frame personnel strategy to meet their own particular requirements.	by April 1984 (but may be associated with recommendation 25)
50. MPO initiatives to be approved by its top management and to be subject to consultation with EOM.		MPO Top Management to issue instructions.	by end August 1983	None.	

THE RECOMMENDATION → DESIRED OUTCOME	Cross references	MPO TASKS and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
51. MPO to draw up action document on RPM and related reviews.		Relevant MPO Division to draw up Action Document for approval of Minister of State - to be cleared with departments - to be subject of consultation with CCSU in Summer 1983. consultation completed:	by end August 1983 July 1983	None	
52. MPO to devise arrangements for selective audit of departmental performance.		Relevant MPO Divisions to prepare proposals for approval of Senior Management Group.	by end 1983	Departments to cooperate in devising proposals, as necessary.	during 1983
53. Increased interchange of staff between MPO and operational departments; policy to be applied fully to the PM Group of MPO.		PS Division, MPO, to take steps to increase interchange of staff, with special reference to PM Divisions.	immediate and continuing	Departments to cooperate in interchange arrangements	immediate and continuing
54. MPO to establish links with outside personnel management interests; and to consider enabling key PM staff to take appropriate courses of study.		i. All Divisions of MPO to establish outside links, as appropriate. ii. PS Division, MPO, to consider training needs of key PM staff in light of the study of Personnel Qualifications.	immediate and continuing by end October 1983.	None.	
<u>OTHER TOPICS</u> 55. Responsibility for authorising work-related allowances to lie with line managers.				Departments to amend procedures and guidance in the light of their needs.	December 1983

THE RECOMMENDATION + DESIRED OUTCOME	Cross references	MPO TASKS - and divisional responsibilities	Completion Date	DEPARTMENTAL TASKS	Completion Date
56. MPO to review specified problems of accommodation management and establish guidelines for good practice for promulgation to departments.		<p>MPO, ME2 Division</p> <p>i. in their review of accommodation management to explore the problems reported by LCD and Home Office; to examine the extent of under or over provision of space; and to seek to extend the use of budgetary mechanisms for control of accommodation and related expenditure; and</p> <p>ii. to promulgate guidelines for good practice in accommodation management to departments.</p>	by April 1984	Departments to consider application of guidelines on good practice in accommodation management, on receipt.	

PERSONNEL MANAGEMENT ACTION PROGRAMME 1983: OTHER MAJOR INITIATIVES

ANNEX C

(Starred items are relevant to the list of Tasks of Highest Priority)

THE RECOMMENDATION + DESIRED OUTCOME	Cross Reference	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
<p>1. <u>Joint Review Group (Women):</u> report published december 1982 "Equal Opportunities for Women in the Civil Service".</p> <p>To prepare an action plan for MPO and departments on the 73 recommendations which include modifying traditional working patterns to enable more women, especially those with domestic responsibilities, to maintain the continuity of their careers. The Report proposes that increased opportunities should be made available for part-time working and job sharing. There should be improvements in maternity provisions and more facilities for child care and special leave. There are also recommendations in the areas of promotion, training, assignment and reinstatement to help more women to progress to senior levels.</p>		<p>Equal Opportunities Branch to prepare draft programme of action on JRG(W) recommendations following discussion at EOC.</p> <p>Discussion with CCSU on draft programme of action.</p> <p>Final programme of action to be submitted to Minister of State after consultation with Establishment Officers: promulgation to follow.</p>	<p>early June 1983</p> <p>by end July 1983</p> <p>September 1983</p>		

THE RECOMMENDATION → DESIRED OUTCOME	Cross Reference	MPO TASKS - and Divisional responsibility	Completion Date	DEPARTMENTAL TASKS	Completion Date
2. <u>Ethnic monitoring:</u> To conduct two further ethnic surveys of all non-industrial civil servants in two geographical areas.		<u>Equal Opportunities Branch</u> to conduct two further surveys in the North West Economic Planning Region and the County of Avon	Autumn 1983		
<u>Monitoring of race relations policy in the Civil Service</u> Report of the Joint Working Party on a review of policies and procedures to be published in the Autumn.		<u>Equal Opportunities Branch</u> To submit report, once agreed by the Joint Working Party, to Establishment Officers for acceptance of recommendations. Publication of report Guidance to departments amended as necessary	Early August 1983 Autumn 1983 Autumn 1983		
3. <u>Atkinson Report on Selection of Fast-Stream Graduate Entrants</u> to examine and implement as appropriate recommendations to make the present procedures a more cost-effective means of identifying the best candidates for the 1980s and beyond while maintaining or improving their fairness.		<u>CSSB/AGD/RRU Working Group</u> , involving PMI and outside clients, taking account of the report on Tax Inspector Recruitment: a. to submit an action plan and timetable for examining the recommendations and for implementing recommendations agreed by the Commissioners b. to put in hand and oversee the work necessary to plan and develop changes in practice and procedure.	by early June 1983 continuing		

PERSONNEL WORK ACTION PROGRAMME:
REPORT ON PROGRESS AS AT MID-MAY 1984

Reports by Cabinet Office (MPO) and by departments on progress achieved on other Personnel Management Tasks

A. The Fraser Report Recommendations

1. Professional Qualifications Study. The Study was completed on time and its report was issued as a discussion document in September 1983. Comments have been received from departments and some outside bodies, and the aim is to announce a response by November 1984.

2. Mid-Career Entry. A competition for direct entry Principals was held in 1983. A report on the outcome and moves for the future was discussed by Establishment Officers in April prior to a submission being made to the Prime Minister. A proposal for HEOD recruitment was also discussed in April.

3. Business Appointments Rules. No final recommendations were received following the last review of the Business Appointments Rules by the Treasury and Civil Service Select Committee in 1981 and a sub-committee of the Select Committee is in process of re-examining them. The MPO, in consultation with those Departments most concerned, has been looking at the existing rules and has produced a re-draft which attempts to clarify them. This re-draft will need to be further considered within Departments and account taken of comments from the sub-committee before revised rules can be promulgated.

4. Wider Experience for Serving Civil Servants.

a. The number of Civil Servants seconded to the private sector has continued to rise as a result of recent initiatives, and increased by 25% in 1983. Although there is a limit to the extent to which the scheme can continue to expand, not least because of the capacity of the private sector to accommodate staff from the Civil Service, it will be important to maintain the momentum. The effect of interchange is of course cumulative and over the years a steadily growing number of civil servants will have gained valuable experience of the private sector and departments will have benefited from the influx of outsiders bringing knowledge and experience from the world of business into Whitehall.

b. Most departments have adopted this recommendation for urgent attention. Arrangements for secondments with organisations in industry and commerce are being actively pursued. In MOD, for example, the Secretary of State has launched a scheme to exchange some 50 people at a time between MOD and the defence industries for periods of between 6 and 12 months. Priority is being given to broadening

the industrial and commercial experience of staff in the Department of Energy through secondments and attachments. About 20% of non-technical staff at Principal level and above have been or are now on secondments to industry and commerce.

5. Promotion Prospects.

a. The report from an interdepartmental committee was sent to MPO/Treasury ministers in November. Further work has been commissioned.

b. Some departments have identified the issue as one for action in the coming year: Cabinet Office (MPO) guidance is awaited.

B. The Cassels Report Recommendations

6. Recruitment

a. Cabinet Office (MPO) action has taken place as follows:

Departmental Experiments with Greater Flexibility

(1) i. A departmental recruitment memorandum was issued in May 1983 about experiments with greater flexibility in operating local recruitment.

ii. Departments' response to a questionnaire issued in December 1983 were received by the end of March 1984 and have been analysed. The experimental arrangements allowing greater flexibility seem generally to be working well and to merit incorporation in the standard procedures. There are one or two points of detail to be clarified but, after appropriate consultation, revised guidance will be issued to departments.

Departmental Discretion on Local Recruitment

(2) A departmental recruitment memorandum giving departments discretion to conduct their own recruitment was issued in August 1983.

Review of Local Recruitment Arrangements

(3) Although no immediate action is required, the questionnaire mentioned at 1. ii, above was also designed to obtain a preliminary indication of the effects of 2 above and some other information relevant to the 1985 review.

EO Recruitment

(4) EO recruitment on a continuous basis is now under way; the boarding programme, begun in March 1984, is proceeding satisfactorily. Other detailed

measures for speeding up the system, including a number of those mentioned in the Calder report, are under consideration.

Recruitment Concordat, Repayment and Closer Departmental Involvement for Recruitment of EOs and specialists

(5) The report on the scrutiny of the Civil Service Commission was submitted in May 1984. Its recommendations are under consideration.

Review of Revised Arrangements

(6) The Civil Service Commission has written to departments with a broad outline of how it is proposed to review EO recruitment in 1985. Consideration of the detailed coverage of the review will continue throughout 1984.

(7) Extensive guidance on the conduct of departmental recruitment was issued in 5 Supplements to the Establishment Officers' Guide at the end of 1982. A further supplement concerning recruitment to the Secretarial Category was issued in April 1984. A revised and consolidated Guide section "General Principles Governing Recruitment to the Civil Service" was issued in December 1983.

b. Departments have seized with enthusiasm the opportunities for devolution of clerical and more junior recruitment to line managers, as part of the process of delegation of personnel management responsibilities. For example, in the Department of Health and Social Security local managers in its Regional organisation, as well as HQ and Provincial Central Offices, have full responsibility for recruiting clerical staff. Similar arrangements exist in the Lord Chancellor's Department and the Treasury. Nearly all have reported successful implementation of local recruitment for junior grades together with implementation of more flexible methods of recruitment eg use of Job Centres, the setting up of separate recruitment arrangements by larger departments, and repayment arrangements where combined recruitment takes place. Training effort has been needed to ensure the effectiveness of local manager participation in the recruitment process, and the overall costs of local recruitment are being subjected to review to confirm their cost effectiveness. Some departments plan a full review later in 1984 prior to Cabinet Office (MPO)'s review planned for 1985.

7. Probation

a. Probation Limit of 1 Year and Standard of Probationers. A draft revision of the Guide entry on probation has been accepted by Establishment Officers and has been sent to the Council of Civil Service Unions (CCSU) and the Trade Union side of the Joint Coordinating Committee (JCC) for comment. Implementation of the revised procedures should

begin in August 1984.

b. A number of departments have completed a review of their probation arrangements under the present rules, in several instances as part of their plans for the delegation of wider personnel management responsibilities. Revised instruction and guidance for line managers are under discussion with the unions.

8. Circulation of Trawl Notices

CCSU has been consulted and advice prepared for issue to departments

9. Promotion

a. A new streamlined promotion pooling scheme has been agreed with departments. This will be discussed with the CCSU prior to implementation in the Autumn.

b. While most departments are awaiting the outcome of consideration of revised reporting and appraisal procedures, several have already undertaken radical reviews of existing procedures for more junior level staff as part of the general thrust towards delegation of personnel management responsibilities. Several departments, including DOE/DTP, are experimenting with, and evaluating, the use of "paper" boards for CA/CO promotion. On the other hand C & E are moving towards greater use of interview boards because of the needs of their widely dispersed staff in a wide range of disciplines.

10. Implications for Personnel Work in Departments

a. The timing of the Civil Service College seminar on personnel strategy was adjusted to match the timescales of departments' work on personnel strategies. A seminar for Principal Establishment Officers will be held in July 1984 involving distinguished speakers from the private sector.

The need for training on the organisation and management of the personnel function is still under investigation. A 3 week course for new personnel managers has been established by CS College, and the Institute of Personnel Management has agreed that successful implementation of the course plus one module will qualify for the Institute's Foundation Certificate in Personnel Practice. Four courses will have been held by the end of the present academic year (one more than planned, because of high demand), and four (again one extra course) are planned for 1984/85. Other Divisions of Cabinet Office (MPO) have established and developed links with a number of outside firms, institutions and management consultants. Interchanges between Cabinet Office (MPO) Personnel Management Divisions and operational departments continue to be actively pursued: some 210 (13%) of the Cabinet Office's 1700 staff are loanees.

b. Departments have reviewed their needs for personnel management training and the availability of relevant courses in the light of current developments. In a number of cases

internal training provision is to be reviewed in the coming 12 months. Many departments are in the advanced stage of development of improved personnel record system using New Technology, and others are beginning initial studies. In the DTI, for example, completion of the first stage of their PERMIS scheme is associated with their response to the FMI. In MAFF hardware and software packages have been selected, and a pilot scheme is about to be set up.

11. Review of Accommodation Management.

Fieldwork began in January 1984 and has involved MPO association with accommodation reviews in two departments. Problems of accommodation management and plans for review have been discussed with a number of other departments and information obtained about budgetary systems at present in operation. In view of the size of Home Civil Service accommodation costs (£860 m in 1983/84 including rates) this subject has been proposed for a multi-department review as part of the 1984/85 Efficiency Programme. In order to draw upon the results of this more detailed and wide-ranging review of accommodation to produce guidelines for good practice, and to avoid duplication of effort, the multi-department review will largely subsume the planned MPO efficiency review, and management guidelines will not be issued until the main review work is complete. Because of the timetable for the multi-department review, due to end April 1985, guidelines will not be available until June 1985.

C. Other Major Initiatives

12. Joint Review Group (Women)

a. A Programme of Action was announced by means of a Written Answer on 9 February 1984 following discussions with the Council of Civil Service Unions and its submission to the Minister of State. The CCSU have formally agreed the Programme, although they expressed reservations because certain Joint Review Group recommendations have not been included and because they feel that the Programme has watered down many of the remaining recommendations. The Programme, consisting of 70 items for action, was circulated to departments by means of a General Notice on 13 February 1984. Action will be taken over the course of the year on a number of items for which the initiative rests with the Cabinet Office (MPO) or HM Treasury. The progress of departments in respect of the remaining items will be reviewed annually by the Joint Personnel Management Committee and by the Cabinet Office (MPO) as appropriate.

b. Policy statements have been issued and equal opportunity officers already designated in most departments. (They also cover race relations.) Departmental procedures are being reviewed: in DHSS a departmental policy on job sharing has been agreed with the Trade Union Side and by early April 800 applications had been received; discussions are continuing with the unions on part-time working. DES, for example, has adopted a policy of encouraging applications for reinstatement by women after they have had families, and wherever possible part-time working

is provided. Other departments, too, are active on this front.

13. Ethnic Monitoring and Monitoring of Race Relations Policy in the Civil Service

The two surveys of staff in post in the North West (Lancashire, Merseyside, Cheshire, Greater Manchester) and the County of Avon were held during November as planned, apart from certain staff in the Land Registry engaged in industrial action who were covered early in 1984. A survey of all job applicants in the areas is in hand, covering recruitment schemes run between March and August 1984. It is expected that the results of the survey of staff in post will be published shortly.

14. Monitoring of Race Relations Policy in the Civil Service

The report on the review of personnel policies and procedures was agreed by the Council of Civil Service Unions and sent to Establishment Officers in October 1983. Following final approval by the Minister of State the report was published on 16 December 1983 and departments were asked to take action as appropriate by means of a General Notice on 16 January 1984. Consequential guidance to departments is in the process of being issued although it is likely to be some months before all the consequential amendments can be made.

15. The Atkinson and Adams Report on Selection of Fast Stream Graduate Entrants

The programme of "double intakes" at CSSB in the Appointments in Administration competition, recommended by the CSSB/AGD/RRU Working Group's December 1983 submission to the Civil Service Commissioner, began in April 1984. The results of the Working Group's longer term study of the practicalities and resource consequences of modifying the Qualifying Test and CSSB stages are about to be submitted to the Commissioners.

16. The Working Group has co-opted an Inland Revenue representative for its work on the recruitment of graduate Tax Inspectors. Most of the Adams Report recommendations have been, or are being, implemented. Only a few issues remain to be resolved.

PERSONNEL WORK ACTION PROGRAMME : REPORT ON PROGRESS AS AT MID MAY 1984

Reports by Main Departments

MANAGEMENT: IN CONFIDENCE

PERSONNEL WORK ACTION PROGRAMME: REPORT TO THE PRIME MINISTER,
MAY 1984

MAFF REPORT

I INTRODUCTION

1. This report describes the progress achieved by MAFF in accordance with the Personnel Work Action Programme. It is divided into two main sections: the first describes progress made to date whilst the second covers current work and that planned for the next 12 months. In each section the paper considers separately the items of highest priority in the Action Programme and two other items of particular importance to MAFF: these are delegation of personnel work to line managers, and computerisation of personnel records.

II PROGRESS ACHIEVED UP TO MAY 1984

A. ITEMS OF HIGHEST PRIORITY IN THE ACTION PROGRAMME

Career Management and Training

2. MAFF has already extended its succession planning arrangements to a range of key posts outside the Senior Open Structure. Though this is an extra burden senior line managers welcome the discipline and aim to take it further down their lines. As a result of the work so far areas of potential training need have been identified and staff who appear on succession plans have been asked to undertake appropriate training to equip them for future postings. In the field of financial management training a training strategy has been prepared to support the implementation of the Financial Management Initiative in the Department. 700 budget centre and cost centre managers will be trained as a first step.

3. MAFF's Personnel Division has prepared a draft personnel management policy statement which will shortly be circulated for consultation within the Ministry. It is in part a product of the bilateral discussions that the Division has had with the line managers of all of the main groups of staff on a new approach to personnel management

in MAFF (see paragraphs 8 and 9 below). It will also need to reflect central rules and guidance on various personnel policy matters which have yet to be issued by Cabinet Office (MPO). It is intended that the policy statement will be published in a pocket guide which will be issued to all staff to inform them of personnel policies and procedures of interest to them.

Staff Appraisal and Reporting

4. A major task for MAFF's Personnel Division since the summer of 1983 has been the development of new staff report forms and procedures. Following agreement by Permanent Secretaries in October 1983 on the central principles to apply across the whole Service, the MAFF Management Board considered first drafts of a new form and procedures in December 1983. A revised draft was circulated to selected line managers and in the light of their comments a further draft has been prepared. The Departmental CCSU are being consulted. Training plans are being developed to help managers and staff use the new forms when introduced.

Performance - Related Pay

5. No Departmental action required.

Inefficiency and Poor Performance

6. MAFF procedures, particularly as regards the authority of line managers and the supporting role of personnel branches, have been reviewed during the bilateral discussions between Personnel Division and line managers (see paragraphs 8 and 9 below). Provisional agreement has been reached for most of the main groups of staff on the allocation of responsibilities for action on inefficiency and poor performance. Final agreement within MAFF is subject to the revised central guidance, and the amendments to the Code and PCSPS, which have yet to be issued by Cabinet Office (MPO).

Unified Grading

7. On the introduction of the new system of unified grading in January 1984, the Director of Establishments wrote individually to all MAFF staff in grades affected. An office notice was issued to

all staff to explain the new scheme. New procedures for promotion into and within the extended Open Structure have been prepared and the Departmental CCSU are being consulted.

B. OTHER ITEMS OF PARTICULAR IMPORTANCE TO MAFF

Delegation of Personnel Work to Line Managers

8. Because of the geographical and functional structure of MAFF the most important sections of the Action Programme for the Department were those which recommended a more precise definition of personnel management responsibilities and their allocation to line managers. The main thrust of the work on the Action Programme in MAFF has been directed towards these sections. MAFF's Personnel Division has held a major programme of bilateral discussions with the line managers of all of the main groups of staff and has prepared draft "charters" describing the arrangements for personnel work for each group.

9. Although the pattern varies from one group to another, the movement in all cases is towards giving line managers greater responsibility for personnel management decisions, with the Director of Establishments and his personnel staff placing greater emphasis on their monitoring, advisory and support role. The bilateral discussions and the draft "charters" cover all aspects of personnel work. The "charters" have provided a substantial part of the foundation for the Departmental Statement of Personnel Management policies, which is being developed in parallel with them, and will be made widely available to staff.

Computerisation of Personnel Records

10. The Report on the Review of Personnel Work in MAFF recommended that priority should be given to considering the detailed requirements for a computerised system of personnel records. This is an important adjunct to a more devolved system of personnel management. The MAFF Management Board agreed to this recommendation in April 1983. Detailed specifications for the system and the database design are at an advanced stage. The type of hardware to be used has been selected and a decision has been taken to purchase a commercial software package and to modify it to meet MAFF's specific requirements.

hardware and some of the necessary software have been purchased to set up a pilot system.

III. CURRENT WORK AND WORK PLANNED FOR 1984/85

A. ITEMS OF HIGHEST PRIORITY IN THE ACTION PROGRAMME

Career Management and Training

11. MAFF will continue to identify individuals in or likely to join the extended Open Structure to ensure that they receive appropriate training to develop their senior management potential. MAFF will implement its detailed programme of financial management training as part of its work on the FMI. At levels below the Open Structure, work will start on developing a strategy and objectives for training for each main group of staff, in collaboration with the line managers concerned.

12. It is planned that the pocket guide for staff informing them of personnel policies and procedures will be completed and issued by the end of 1984.

Staff Appraisal and Reporting

13. Work will continue on the new system of staff appraisal and reporting. After consultation with the Departmental CCSU, final drafts of the form and procedures will be prepared and tested. Detailed training plans will be drawn up when the form and procedures have been decided. The Departmental Agreement on Procedures for Staff Reports and Promotion will be renegotiated with the CCSU. The intention is that the new system will come into operation in the 1985/86 reporting year.

Inefficiency and Poor Performance

14. When the Cabinet Office (MPO) has issued revised central guidance and amendments to the Code and PSCPS, MAFF will finalise its Departmental procedures, consult the Departmental CCSU, and introduce them as soon as possible.

Finalised Grading

15. Consultations with the Departmental CCSU on the new procedures for promotion into and within the extended Open Structure will be completed and the new procedures introduced during 1984.

B. OTHER ITEMS OF PARTICULAR IMPORTANCE TO MAFF

Delegation of Personnel Work to Line Managers

16. The "charters" for all of the main groups of staff will be finalised and submitted to the MAFF Management Board for endorsement. A handbook of procedures for managers with personnel management responsibility will be prepared, setting out detailed procedures on all aspects of personnel work. The Departmental CCSU will be consulted both on the "charters" and on the handbook. The intention is to complete consultations and issue all of these documents by the end of 1984. Increased responsibility for personnel management would then be transferred to line managers as appropriate on 1 January 1985.

Computerisation of Personnel Records

17. The pilot system of computerised personnel records will be introduced during 1984/85, with the intention of bringing the full system into operation during 1985/86.

PERSONNEL WORK ACTION PROGRAMME:
IMPLEMENTATION IN THE CABINET OFFICE

In addition to the tasks contained in the Action Programme which are common to all government departments the Review of Personnel Work included two recommendations specific to the Cabinet Office (Management and Personnel Office). Recommendation 53 was that 'the present policy of increasing interchange of staff between MPO and operational departments should continue' and that 'special attention should be given to ensuring the application fully to the MPO's Personnel Management Group'. It is Cabinet Office policy to encourage such interchanges. To help secure them a formal Loan Exchange Scheme was negotiated with departments in 1982; through this interchanges are actively pursued. In the Personnel Management Group 13 key posts are filled by staff on loan from other departments. Many other posts eg in the Secretariat, the Management and Efficiency Group and the Civil Service College are also filled by staff on loan. In total some 210^{of}/Cabinet Office's 1700 staff (approx 13%) are loanees.

2. Recommendation 54 was that 'the MPO should establish continuing links with the IPM and outside professional managers to keep abreast of developments in personnel management and should consider enabling a small number of key personnel management staff to acquire deeper knowledge through appropriate courses of study'. A link has been formed with the IPM through a study of professional qualifications in the Civil Service conducted by Training Division MPO and attendance at the Civil Service College personnel management practitioner course can now lead to the award of the IPM Certificate in Personnel Practice. In addition we aim to be supporting about 6 in the first year of our own staff to study for the full IPM qualification.

3. Our approach to the Action Programme itself has been to tackle first the tasks designated as of highest priority together with a number of other items selected on the basis of cost effectiveness.

Tasks of Highest Priority

4. A draft personnel management policy statement has been prepared which sets out the aims and objectives of the Department's personnel

management policies. It describes in broad terms the structure of the Department and the respective roles of personnel and line management with full regard to the Financial Management Initiative. The statement when complete will form part of a new Handbook for Staff which will describe in detail how the personnel function will operate in the Department and the part which the staff themselves should play in it. We plan to finalise the Handbook before the end of 1984.

5. In general delegation of personnel functions to line managers is being dealt with alongside financial delegation under the FMI. During 1984/85 a start will be made on delegating certain functions eg the authorisation of substitution, some special leave and overtime. Subject to further advice from the central Personnel Management Group and others we also propose to transfer to senior line managers the responsibility for handling cases of probation, inefficiency and poor performance. The role of the Personnel Division in all these matters will be to provide expert advice, particularly in difficult cases. We intend to issue guidance to line managers as an aid to undertaking their expanded role.

6. A succession plan for the Open Structure plus key posts at Assistant Secretary level has been drawn up. In fitting people for top posts we are continuing to develop our programme of experience postings, including loans out to other departments and appropriate organisations. The Training Division in the Department has agreed to undertake a survey of our management development needs to identify the skills eg managerial, specialist, which are required.

7. To meet our financial training requirements arising from the introduction of new procedures under the FMI, a series of seminars will be held during May 1984 for all managers and key support staff who take on new responsibilities.

8. On staff appraisal and reporting we are awaiting the new model report forms to be provided by the Personnel Management Group. Once these are received we will consult our Departmental Trade Union Side and line managers about introducing a new form and any revised

procedures. The timing of progress here will depend particularly on the availability of the model forms and any associated guidance.

9. Unified grading has been extended down to and including Senior Principal (Grade 6) as from 1 January 1984; the consequential amendments to our procedures eg promotion, are being considered and will be in operation by the end of the year.

10. Before the Joint Review Group Report on Women was received the Cabinet Office launched its own study of the situation within the Department. A report has been received and is being considered with the Trade Union Side.

Other Items

11. Trawl notices: we have examined our procedures for the internal circulation of trawls. We have been able to streamline the systems with some savings in staff time and processing costs largely by being more selective in our distribution and by limiting the initial information with further details available on application.

12. Local recruitment: we have achieved worthwhile savings in staff effort by taking advantage of the flexibility permitted in the use of Job Centres. Line managers in the locations outside London are closely associated with all local recruitment. At Basingstoke the Cabinet Office mounts the local collective recruitment scheme. This has been reviewed in the context of moving to repayment. However the conclusion was that the infrequency and small scale of the operation would not justify the administrative costs of introducing a repayment scheme. Local recruitment is monitored through the local personnel section which operates the scheme.

13. Promotion: a revised agreement has been concluded with our Departmental Trade Union Side; it includes a provision for paper boards at junior level.

14. General: alongside the implementation of the Action Programme, the amalgamation of the previously separate Cabinet Office and MPO Personnel Services Divisions has led to a review, which is continuing, of personnel management policies and procedures with the aim of retaining best practice and harmonising the two systems where differences exist, eg retirement policy and methods of record keeping.

Cabinet Office

MANAGEMENT IN CONFIDENCE

H M CUSTOMS AND EXCISE

PERSONNEL WORK ACTION PROGRAMME: REPORT TO THE PRIME MINISTER

General

Momentum on implementation of the departmental action plan is being maintained although we are still obliged to wait for central guidance on some topics. Nevertheless, where possible, preparatory work is being undertaken. A general Personnel Management Policy Statement which will be issued for all staff to see is at an advanced stage of drafting and is currently under consideration by the Board prior to discussion with TUS. Clear statements of policy are to be included in each book of standing instructions where this has not already been done and the general statement will draw attention to the appropriate books for the guidance of those who may wish to consider a subject in more detail.

Recruitment

Information has been obtained from 25 centres of local recruitment in which the Department is involved and this information is now being assessed to see if any changes in recruitment arrangements are needed. In particular, consideration is being given to the continuation of collective recruitment and the possibility of introducing a repayment scheme where we recruit for others. The costs of local recruitment are being analysed with a view to identifying ways of improving cost-effectiveness. Dates for implementation must await full analysis of the information available and decisions on changes needed, if any.

Probation

The amended draft EOG section on probation was received from MPO and we have responded. At EOM on 5 April 1984 it was

agreed that there would be a special derogation for us to retain a probation period of two years for Executive Officers because of the long period of technical training required in the first year. The remainder of the revised EOG section has been accepted and the target implementation date of 1 August 1984 agreed.

Staff Appraisal

Discussions with TUS have commenced on the degree of openness to be included in the new appraisal system. Meanwhile, a review of the appraisal system has been agreed and resources for this review will be provided by Management Services, Training and Personnel Divisions. The aim of the review is to streamline the system without losing any of the significant features and trials of the new staff report form will be incorporated into the review. The report of the review will open the way for full discussion of the proposed new system with TUS. At the same time, preparations are well advanced for an enhanced training package on staff reporting. This must now await final decisions on the new system but a similar package on JAR interviews has been trialled and is ready for use. Some additional resources have been allocated to central monitoring of the operation of the appraisal system.

Career Development and Postings

These subjects are included in the general statement of policy and, in greater detail, in the relevant books of standing instructions. As an important part of career development, training available is described comprehensively in one of the books where the full range of departmental induction, vocational and management training appropriate to each grade is described. This permanent instruction is supplemented by the issue of circulars describing the availability of additional training at the Civil Service College and outside institutions. For senior staff, close liaison is established between the Heads of Training and Personnel Divisions on the one hand and the Director Personnel

and the PEO on the other. With such small numbers of fast-stream and open structure staff the needs of each can be considered individually and this consideration is now established as a regular procedure. Similarly, for those not in the fast stream nor destined for the open structure but likely to reach relatively senior levels, careful consideration is given by line, personnel and training managers.

Career development interviews are available on a selective and voluntary basis to Clerical Officers and it is hoped that discussions with TUS will enable extension of this selective facility to executive grades by January 1985. Regional training and development officers have received some training to ready them for their increased responsibilities for career guidance.

Before career management can develop fully it will be necessary to re-negotiate certain fundamental agreements with TUS to integrate more completely policies on appraisal, training, development and posting. Initial consideration is being given to this integration but it will undoubtedly encounter stiff TUS opposition.

Promotion

A comprehensive publication on promotion procedures is at an advanced stage of drafting and it is hoped to publish in July subject to consultation with TUS. This will supplement the general policy statement on the principles on which promotion is based. Meanwhile we are moving towards greater use of interviews in promotions because of the special needs of our widely dispersed staff working in a wide range of different disciplines. Conscious of the cost of an increased interviewing commitment, we are considering the use of regional sifting and promotion panels. This will be included in an overall evaluation of the relative performance of candidates promoted by interview and paper board. A firm guidance, instruction and training pattern has been established for members of promotion and selection boards.

We have indicated support for the MPO proposals on promotion pooling.

Inefficiency

We have decided to delegate authority to the 22 regional Collectors (Assistant Secretary level) and to 3 Assistant Secretaries in the main HQ locations to decide on cases of inefficiency arising in staff at EO level and below. These comprise 75% of the Department's complement. For staff at HEO level and above decisions on inefficiency will be made centrally within the Personnel Directorate for the present. Appropriate provision for appeals is to be made and we hope to reach agreement with TUS by early autumn 1984 with instructions to be issued by November 1984 and full implementation by 1 January 1985. Personnel Directorate will continue to monitor and evaluate the effects of these decisions. Further changes in respect of related subjects such as health, unsatisfactory attendance etc will be brought into line when the proposed guidance is received from MPO.

Implications for Personnel Work in Departments

The overall strategy is contained partly in the Board's Management Plan and partly in the policy statement shortly to be issued. Within these two important documents the division of responsibilities between line and personnel managers will be indicated and the support, monitoring and co-ordinating role of personnel staff will be emphasised. Special training of selected personnel managers has commenced utilising the Civil Service College and reviews of the personnel content of existing departmental training are proceeding. Feed-back from all students attending any courses containing personnel management material will be co-ordinated and measured against identified needs.

Other Topics

Changes required for the delegation of decisions on leave and special leave will be completed by autumn 1984. This is slightly later than anticipated but the effect on costs will be minimal. Trawl procedures have, in the main, been adjusted and full implementation of the desired changes should be achieved by June 1984. An approach has been made to the Treasury about delegation

of authority on purely departmental allowances but resolution of this problem must probably await the outcome of current pay negotiations, particularly in respect of clerical grades.

Conclusion

Steady progress is being made but our major thrust over the next few months will be on the revision of the staff appraisal system. No doubt we will encounter some of the same opposition departmentally as was encountered centrally but our plans are well advanced to take early advantage of any breakthrough in negotiation when we have the evidence of the MSD review to hand. In parallel with this thrust priority will also be given to the changes to inefficiency procedures and to improving career management systems for more senior staff. Training needs have been examined and we are looking closely at what is available testing various facilities with selected staff. Plans for meeting the more widespread needs for FMI training are proceeding and we hope to make a start in the autumn when results from pilot systems have been analysed.

PERSONNEL WORK ACTION PROGRAMME: CONTRIBUTION TO MPO REPORT

DEPARTMENT OF EDUCATION AND SCIENCE

1. The Department has concentrated on the "tasks of highest priority" and other areas where maximum cost benefit can be achieved and/or early action is needed for departmental reasons. Recommendations in other areas will be pursued. The following areas are being given priority.

Personnel Management Policy Statement

2. A thorough study of DES personnel management policy was undertaken, in consultation with the departmental trade union side, during the Management Review of the Department in 1979. But some of the results of that earlier work require review and some new topics need to be covered. A first draft of a new policy statement has been prepared after discussion with senior managers and its general lines have been set by the Department's Management Group chaired by the Permanent Secretary. The target is to issue the statement by the end of the year.

3. Alongside the policy statement the Department will issue a series of published documents on all aspects of the career management of specific grades, covering recruitment grades and one or two others. The Executive Officer document has been approved by senior management and will issue shortly following final consultations with the TUS. This will provide a model for the other grade documents which the Department intends to produce within the next 12 months. They will be consistent with the wider personnel policy statement.

4. A thorough review of personnel management in HM Inspectorate is in train, taking account of issues arising from the Rayner scrutiny and of changing demands on HMI. Statements on specific aspects of personnel policy are being issued to HM Inspectors as the review progresses and a consolidated document will be issued if necessary on completion of the review.

Responsibilities of Line Managers

5. The balance of responsibility for personnel management between central grade managers and line managers is being re-examined. The Department has already delegated some personnel responsibilities to "branch establishment officers" in each

Under Secretary command and more substantial responsibilities to the managers of its main outstations, for example in respect of recruitment and promotion. The controller of its second main office, at Darlington, has complete delegated personnel management authority up to EO level (with substantial involvement above that level); and the Senior Chief Inspector has extensive authority in respect of HM Inspectors. There is less scope for delegation in the London policy headquarters with its small commands and high interchange of staff, but this area is being reviewed nevertheless to establish whether any other aspects of personnel work could with advantage be passed to line managers. Conclusions should be reached by the end of this year and reflected in the personnel policy statement.

Staff Appraisal and Reporting

6. Following the publication of the Review of Personnel Work report to the Prime Minister, the Department has prepared drafts of new report forms designed to emphasise performance in the job.

A statement about procedures to be associated with the new report form is now being drafted and, as soon as it is ready, the trade union side will be consulted about both documents. The Department's training unit is designing a staff training programme which will come into effect as soon as the new forms and procedures are agreed. The objective is to test the new system in 1985 and bring it into effect in 1986.

Training

7. At senior levels (Assistant Secretary and above) a substantial proportion of staff - selected on the basis of present job and succession planning - have recently attended financial, management and information technology courses at the Civil Service College and elsewhere. The intention is now to establish more systematic ways of assessing training requirements, mainly in the context of succession planning. At more junior levels the Departmental Training Officer has reviewed the scope and balance of all the courses at the Departmental Staff Training Centre and options for external training and has reported to the Management Group. This report provides the basis for the training strategy section of the personnel policy statement. The identification of and staffing to meet financial and management training needs has taken priority in the Department's domestic training programme. New courses have been introduced for staff with responsibilities for the management of the Department's cost centres and for centrally controlled accounts.

Inefficiency and poor performance

8. DES internal practices for dealing with inefficiency and poor performance are being examined; the preliminary finding is that they are generally consistent with the recommendations of Chapter 8 of the RPW. Line managers are already involved in decisions on inefficiency cases but further study is required on the possibility of greater delegation to them (although stopping short in the headquarters office of making line managers responsible for the final decision to dismiss). The new staff report form is intended to oblige managers to be more explicit in their judgements and thus secure earlier recognition and action to deal with poor performance.

Equal Opportunities

9. In the middle management grades the proportion of women employed by DES is about three times the service-wide figure. The proportion at more senior levels is expected to rise in the next few years. The Department has adopted a policy of encouraging applications for reinstatement from women who wish to resume their careers after having a family and wherever possible to provide the opportunity for part-time work (so far up to and including Principal level).

10. Work has started on the action programme arising from the recommendations of the Joint Review Group on the Employment of Women and on the implementation of the MPO Code of Policy on Race Relations. An Equal Opportunities Officer has been appointed to cover both.

Wider experience for serving civil servants

11. A programme of exchange and secondments at levels from Assistant Secretary to HEO is being developed with local authorities, universities, Research Councils and the private sector. Exchange or one way secondments are in hand with each of these sectors. The Department intends to create a permanent system, at a level judged to be cost effective, whereby staff in the appropriate grades are on loan to outside bodies and others are loaned to serve in the Department.

MANAGEMENT IN CONFIDENCE

PERSONNEL WORK ACTION PROGRAMME: PROGRESS ACHIEVED IN THE MINISTRY OF DEFENCE AS AT MID-MAY 1984

1. Tasks of Highest Priority

Item 1: Career Management and Training

a. Succession Planning. Succession plans were produced in 1983 for all posts at Grade 3 (Under Secretary) level and above and for posts at Grade 4 level for specialists. These will be revised and updated during 1984. The possibility of preparing similarly detailed succession plans for other key posts within existing personnel management resources is being kept under regular review.

b. Personnel Management Policy Statements. The announcement made by the Secretary of State for Defence on 12 March 1984 about his proposals for the future defence organisation, which were subsequently published as Defence Open Government Document 84/03 is likely to have considerable implications for personnel management policy within the Ministry of Defence. The details are still being worked out. The departmental training strategy is being updated to take account of these changes and also training needs arising from the Financial Management Initiative, the professionalism study and other internal studies of management/development training.

c. Fitting People for Top Posts. Substantial progress has been made in identifying training needs for senior management staff, particularly those who feature in succession plans. Priority has been given to financial management training. A study has been carried out with the objective of identifying further training needs, not only of finance staff but also of other types of staff including line managers who have responsibilities for the control and management of resources. The recommendations of

this study are now being considered in the light of the introduction of Staff Responsibility Budgets from 1 April 1984 and the planned introduction of Executive Responsibility Budgets in a rolling programme from 1 April 1985. For administrators, training needs in the areas of computer appreciation and personnel management are now being identified. A record of the job experience of administrators has been added to the Department's computerised Civilian Personnel Management Information System (CIPMIS). This is proving a valuable aid in identifying training needs. Consideration is being given to enlarging this facility to cater for specialist grades.

Item 2: Staff Appraisal and Reporting

Line managers and the Departmental Trade Union Side are being consulted about the proposed new departmental staff reporting and appraisal system. It is the intention to hold trials of the new forms and procedures later in the year, with the aim of introducing the revised arrangements during the 1985 reporting season.

Item 4: Inefficiency and Poor Performance

Departmental procedures have been reviewed in the light of existing central guidance. The decision has been taken to delegate responsibility to line managers for approving the premature retirement on inefficiency grounds of non-mobile non-industrial staff and industrial staff with more than 5 years service). Responsibility for defending such decisions on appeal to the Civil Service Appeals Board and Industrial Tribunals will also be delegated and a programme of training courses for local managers likely to be involved with CSAB hearings has been drawn up. Delegation will take effect towards the end of 1984, as set

as departmental guidance notes for line and personnel managers have been prepared in the light of the revised central guidance yet to be issued by the Cabinet Office (MPO). The Departmental Trade Union Side has been consulted about these proposals and their comments are awaited. The future policy for mobile grades has yet to be determined but if responsibility for the personnel management of certain grades is transferred to line managers, delegation of decisions in inefficiency cases will probably follow.

Item 5: Unified Grading

Departmental personnel management procedures for the implementation of unified grading down to Grade 6 (Senior Principal level) have been considered and proposals have been put to the Departmental Trade Union Side for comment. No organisational changes are considered necessary, at least for the time being. Many posts in the Enlarged Open Structure will continue to carry some form of "labelling" which will determine the qualifications and experience needed by the individuals best suited to fill them. But posts are being identified which can be thrown open to any member of the enlarged unified structure, regardless of previous occupational grouping. Career development arrangements will be modified progressively to enable the identification and development of those of the highest potential, regardless of occupational background. The extension of unified grading down to Principal level has also been studied. The Ministry of Defence, as the major employer of PSOs and PPTOs, has reaffirmed its support for this further development which is seen as bringing substantial benefits to the Department.

Annex A: Civil Service Management Development in the 1980's

On the initiative of the Secretary of State for Defence, a scheme was launched at the National Defence Industries Committee last year to exchange some 50 people at a time between the MOD and the defence industries for periods of between six and twelve months. This scheme has been slow to get off the ground because both sides have had difficulty in identifying suitable people in sufficient numbers for secondment but contacts have been established and some arrangements for exchange are well advanced.

Further efforts are being made now to ensure that momentum is not lost. The Ministry of Defence has made a significant contribution for some time to the Civil Service-wide secondment with industry scheme.

Annex B: Review of Personnel Work in the Civil Service

- a. Recruitment. The Ministry of Defence has continued to participate in the co-ordinated recruitment arrangements where these exist. Local recruitment schemes have been monitored during the financial year 1983/84 and the results are now being evaluated. MPO proposals are awaited on future central recruitment arrangements for EO's and specialist grades.
- b. Probation. Departmental procedures will be reviewed in the light of the revised Establishment Officers' Guide section on probation (EOG(84)7). It is doubtful that the shorter probation period can be implemented on 1 August 1984. It may be necessary to defer this until a revised package of probationary procedures, including the delegation of end-of-probation decisions to line managers, is ready and has been agreed with the Departmental Trade Union Side. The end of 1984, when delegation in inefficiency cases is expected to take place, may be a more realistic date.
- c. Career Development and Postings. The more selective use of career development interviews and changes in the trawling system have been

examined as part of the study referred to under Item 1b.

- d. Promotion. No major changes in promotion arrangements are envisaged before the introduction of a new staff reporting and appraisal system. If responsibility for personnel management of certain mobile grades is transferred to line management, there will be a greater degree of delegation for promotions. More emphasis is being placed on the training of and provision of information for Board Members.
- e. Implications for Personnel Work in Departments. Ministry of Defence personnel management courses have been revised to reflect the new concepts recommended in the Review of Personnel Work and greater emphasis is being placed on the training of newly appointed Personnel Management staff.

Annex C: Other Major InitiativesItem 1: Joint Review Group (Women)

Following publication of the Programme of Action on 9 February 1984, the Policy Statement has been published to all employees and an Equal Opportunities Officer designated. A statement of progress likely to be achievable within the Ministry of Defence is being prepared as a basis for discussion with the Departmental Trade Union Side.

Item 2: Race Relations Policy and Ethnic Monitoring

The Race Relations Policy Statement has been published. Action is in hand to review departmental policies and procedures to ensure that personnel and line managers are aware of their responsibilities in regard to the avoidance of racial discrimination. Agreement has been reached with the Departmental Trade Union Side on a Code of Practice for safeguarding the confidentiality of ethnic data held on computerised personnel records. An encouraging response was received from MOD staff to the ethnic surveys held last autumn in the North West and Avon.

A. TASKS OF HIGHEST PRIORITY

CAREER MANAGEMENT AND TRAINING

a. Succession Planning

Senior Management is considering proposals for a broadly based career stream approach offering a number of Senior Management openings at Grade 3 level and above. The proposals envisage identifying "starred principals" and adopting a more structured approach to succession planning and selective use of Management Development Programmes. Subject to their being consistent with the guidance to be issued by MPO the new arrangements should come into effect by the target date of September 1984.

b. Identifying Training needs of A/Ss and U/Ss - Financial and Management Training Needs

The Group has published a digest of good quality senior management and developmental training courses, within and outside the Civil Service.

The digest identifies postholders, down to Principal level, who would benefit from these courses. These arrangements will need to take account of the guidance on quantitative training criterion, for those with senior management potential, to be issued by MPO. We propose to undertake a formal analysis in 1985 of management training needs for DE HQ staff.

c. Open Structure Course

The Group has identified Senior staff to send on these courses.

STAFF APPRAISAL AND REPORTING

Senior Management has endorsed in principle the proposals of the Departmental Management Working Group established to consider and implement the RPW and RSWP recommendations within the Group. The Group will be adopting separate report forms for performance appraisal and promotability assessment, to be completed simultaneously each year. Staff will be able to see their performance appraisal and JARs will be undertaken by the Reporting Officer. Senior line managers, regional personnel specialists and the DE Grade Trade Union Side are being consulted about the new report forms developed by the Working Group. A programme of trial testing should be completed by October with the aim of introducing the new reporting arrangements in June 1985 - 6 months before the completion date in the Action Programme.

INEFFICIENCY AND POOR PERFORMANCE

Management has agreed detailed proposals which streamline procedures for dealing with inefficiency and delegate authority to line management. The proposals and accompanying guidance to staff and managers will be finalised when MPO issue central guidance, at which time discussions will be held with the Group Trade Union Side.

Subject to the MPO guidance being issued shortly, we aim to implement the revised procedures before the end of 1984.

UNIFIED GRADING

The new Open Structure is already operating throughout the Group and the necessary changes to posting and promotion procedures are being developed with the Heads of Profession. A Grade 6 Review, reflecting the extension of unified grading, is underway.

PERSONNEL MANAGEMENT POLICY STATEMENT

A draft policy statement, which takes account of the experience gained in operating the new procedures and policies introduced under the RPW Action Programme, will be put to the Group TU Side in the Autumn with the aim of issuing an agreed statement before the end of the year. Much of this hinges on the introduction of key changes in personnel policies. We are also looking more generally at how we give staff and line/personnel managers usable and up to date guidance on personnel issues.

B. OTHER WORK UNDERWAY

WIDER EXPERIENCE FOR DE GROUP STAFF

The Group is actively pursuing a policy of creating more secondment opportunities. The Permanent Secretary is writing personally to a number of firms about the Group's secondment programme and a brochure explaining it will shortly be published. Senior managers are being asked to identify suitable staff for secondment and posts which might be filled by inward secondment of people from outside the Civil Service.

RECRUITMENT

Local recruitment procedures are operating well and, on the evidence available, appear to be more efficient and cost effective than the centralised arrangements which previously operated. Monitoring arrangements have been introduced and a full review is planned for Autumn 1984, prior to MPO's planned review in 1985.

The DE Group is particularly interested in EO recruitment (the Group has produced a video for use by CSC Board Chairmen) and awaits the CS Commission proposals for closer involvement of departments and its review of revised arrangements for EO recruitment; we wish to be closely involved in these initiatives and have given early consideration to the issues involved.

PROBATION

Guidance and instructions incorporating the recommendations of the RPW have been prepared and will be discussed with the Group TU Side in August/September, subject to prior completion of MPO negotiations with the CCSU. The new procedures are expected to come into operation in October/November 1984.

CAREER DEVELOPMENT AND POSTINGS

The DE Group is one of 7 departments involved in the study of career development for staff who have the potential to reach ^{at} least principal level. Earlier work on this had been undertaken by a department^{al} Working Party on career Development, set up in October 1983 following the Group's internal review of personnel management. The Review Team on Career Development will complete its work in late June 1984. This work will lead to significant changes in the DE Group Management Trainee Scheme.

In common with other departments the DE Group finds it difficult to fill posts [at SEO level and below] in Greater London. An information pack to attract staff to London has now been published and this, coupled with articles in house journals and the use of shortage panels, is intended to help tackle this problem.

PERSONNEL MANAGEMENT COURSES

We have identified 25 personnel managers who will be studying for the IPM foundation course during 1984/85.

Equal Opportunities for Women

A departmental Joint Review Group is making good progress in carrying forward the MPO- CCSU recommendations. Following the earlier publication of a general policy statement and guidance notes on job allocation and promotion, new guidance and instructions aimed at encouraging greater availability of part-time work will shortly be issued. Priority is also being given to restatement, special level and training and it is hoped to reach agreement on these issues before the end of May.

The Department is funding a short research project into why women fare less well than men in promotion; the study will look at promotion from EO to HEO and follow on from the MPO funded study on promotion from CO to EO. The Group is also represented on the Working Group on Alternative Working Patterns.

Race Relations Policy

The ethnic surveys conducted in Avon and the North West met with an encouraging response rate of 85% in the DE Group and have provided a sound basis for further action.

A thorough review of the Group's policies and procedures was completed in March following the publication of the MPO/CCSU Review of Policies and Procedures and prior to the CRE Code of Practice taking effect on 1 April. Additional instructions and guidance have been issued and equal opportunity officers, with responsibilities for both sex and race, designated in each part of the Group. We intend to hold a short seminar for equal opportunity officers later in the year.

Retirement, Redeployment and Redundancy

We are looking carefully at our policies in each of these areas with the aim of developing our procedures to meet changes in staffing levels.

DEPARTMENT OF ENERGY
PERSONNEL WORK ACTION PROGRAMME

The Department of Energy is carrying out a programme of personnel work tailored to its practical needs.

2 The Department has about 1,100 staff, most of them in one building. The business of the Department is concerned with energy supply and demand and includes a high concentration of difficult policy and technical issues of importance to the economy. In personnel terms the Department needs a high proportion of able administrative and professional staff who can tackle these issues successfully.

3 The Department's programme of personnel work covers the main areas of the Fraser and Cassels Reports but gives priority to those aspects which particularly relate to its needs. These include the development of commercial, industrial and professional expertise among staff, a vigorous training programme with particular reference to financial management and the preparation of a personnel management policy statement which updates and clarifies responsibilities.

DEVELOPING STAFF EXPERTISE

4 The Department attaches importance to recruiting staff with relevant backgrounds where possible. Thus:

- a. some 275 staff, about 25 per cent of total manpower, are in technical and professional posts: for instance, petroleum specialists, gas and electricity engineers, economists and scientists;
- b. some 15 per cent of the Department's Principals and non-technical Grade 5 staff were employed in industry before joining the Department;
- c. over two-thirds of Principals with a degree have it in a scientific or numerate subject, law or economics. The same applies to around half those non-technical Grade 5 staff who have a degree.

5 The Department is developing the career management of its staff with a view to broadening their industrial and commercial experience through secondments and other attachments. Thus:

- a. around 20 per cent of the Department's non-technical staff at Principal level upwards either have been or are at present on secondment to industry or commerce;

b. between 5 and 10 per cent of the Department's Principals are normally inward secondees from industry or commerce;

c. attendance on training courses arranged by outside bodies, particularly private sector companies and business schools, is encouraged where possible. Over 25 per cent of Principals and non-technical Grade 5s have now been on such courses.

6 The Department will continue to develop this policy over the next year.

TRAINING

7 The Department has carried out a thorough review of its training programme with particular reference to the need to strengthen financial management. Training occupies a central role in a variety of recent reports and initiatives. The Fraser report, the Cassels report, the Financial Management Initiative, the Department's own scrutiny of running costs, the introduction of unified grading, the initiative on equal opportunities for men and women - all place weight on training. The Department's exercise aims to draw their conclusions together and devise a coherent plan for following them through.

8 The Department has approached the task from three angles.

9 First, grade training. The aim has been to define the core of basic training which is regarded as appropriate for all members of each grade. One conclusion has been the desirability of developing a course on the management of resources, to be conducted in-house by the Department itself. The aim of this course, designed for officers from Executive Officer to Principal, will be to encourage greater cost consciousness and efficiency and to improve managerial skills including the management of staff. Discussions are in hand with the Director of Management Studies at the Civil Service College and with Cabinet Office Training Liaison Officers.

10 Second, job-specific training. The content of every post throughout the Department from Executive Officer to Assistant Secretary has been analysed in terms of its training needs. This includes in particular the skills required for the monitoring of nationalised industries, the control of programme expenditure (the Department is responsible for the administration of some £1200 million of Vote-funded programmes) and the executive management of running costs. This exercise has also covered more specialist training needs such as computer work, information technology, operational research, statistics, internal audit, home defence planning and international policy.

11 Third, career development training. The analysis described above is an important input into the identification of areas of required competence in the development of staff to occupy senior management posts. The exercise has covered technical, scientific and

professional posts across the Department and is designed to facilitate the implementation of unified grading.

PERSONNEL MANAGEMENT

12 Work is well advanced on the preparation of a departmental statement on personnel management. This will comprise a statement of general policy underpinned by a series of more detailed notes on specific aspects of personnel management. These will be issued individually to each member of staff.

13 The restatement of the Department's personnel management policy will reflect not only recommendations in the Cassels Report but also the extension of unified grading and the programme of action on equal opportunities for women. Separate exercises are well advanced on revised arrangements for probation; staff appraisal and reporting; career interviews; and promotion to grades 5 and 6 taking account of the extension of unified grading.

14 Both the FMI and the Cassels Report identify a need for line managers to be more accountable for the effective deployment and management of staff under their control. The Department's statement on personnel policy includes greater participation by line managers in decisions affecting staff: for example, membership of recruitment panels, responsibility for the selection of inward secondees (including Business Advisers), and decisions on confirmation or termination of appointments at the end of probation service, and more meaningful involvement in identifying the career development requirements of staff.

THE WAY AHEAD

15 The next phase of the Department's personnel initiative beyond May 1984 will comprise implementation of the training strategy, with particular emphasis on the working up of the internal course on the management of resources, further development of retirement policy and the introduction and testing of new reporting and appraisal procedures. In addition, the Department attaches importance to tackling the serious problem of promotion blockages which it faces and the allied need to encourage and bring on young talent.

Department of Energy

PERSONNEL WORK ACTION PROGRAMME - DRAFT PROGRESS REPORT FOR DOE AND DTp -
MAY 1984

1. This note summarises progress by these departments on the items included in the Personnel Work Action Programme. There are several areas where action by departments awaits prior steps centrally.

PERSONNEL MANAGEMENT POLICY STATEMENT

2. A career development policy statement was published for administration group grades in 1974 and was updated in 1982 with a further notice putting more emphasis on the advantages of longer postings and more specialisation. A further statement - or statements if appropriate - on administration group and other grades will be issued by the end of 1984 : our aim will be to reflect the latest policy on as many as possible of the other items in the Programme, notably on probation, staff appraisal and inefficiency.

SUCCESSION PLANNING

3. Succession plans have been produced for all Deputy Secretary posts and for all "key" Under Secretary posts (including PEO/PFO posts) in the Departments. Job Descriptions and career plans have been made for all the staff concerned and in respect of all other Under Secretary posts.

4. A scheme has also been prepared for succession arrangements for senior posts in the finance Directorates of DTp, DOE(C) and the PSA (covering Assistant Secretary and Senior Principal posts and possible successors among Principals). Job descriptions (including skill/specialist requirements) have been drawn up showing likely dates for next vacancies and indicating training requirements for postholders.

5. A similar scheme has been made in respect of the Nationalised Industry Sponsor Divisions.

STAFF APPRAISAL

6. Now that central discussions between MPO and CCSU on proposed revisions in the reporting and appraisal system have been concluded, work has commenced on the preparation of departmental forms and guidance. It is intended that these should be ready for introduction for all reports due in 1985 and onward.

INEFFICIENCY

7. Guidance from MPO on revised procedures is awaited, notably on the shortening of trial periods and on compensation. In the meantime, we have completed a review of our present procedures which has been promulgated to managers. New guidance to managers has stressed their role in cases of inefficiency - in particular, their responsibility to seek to correct performance which falls below the required standard and to report for further action cases in which the desired improvement does not occur. The need to distinguish issues of conduct and discipline from performance and inefficiency has been emphasised to line managers, and personnel staff alike.

UNIFIED GRADING

8. These departments have implemented unified grading for grades 5 and 6 with effect from 1 January 1984. We are pursuing its further extension in consultation with other departments.

SECONDMENTS

9. These departments have an active secondments programme. Over the 12 months up to March 1984, we have arranged 87 outward and 17 inward secondments. These have included an Under Secretary/Local Authority Chief Executive exchange.

RECRUITMENT

10. These departments have taken no steps to withdraw from the established co-ordinated inter-departmental schemes for local recruitment outside London. We agree with the conclusion by PEOs on 7 April 1983 that such co-ordination is beneficial and, where departments (notably DHSS and IR) have withdrawn, we are discussing alternative arrangements with other departments. Recruitment carried out by DOE and DTp is already closely monitored; and line managers are involved wherever practicable. Generally, we have found it necessary to make use of the experimental measures authorised for a more flexible operation of local recruitment schemes only when recruiting for posts at DVLC Swansea and associated offices in South Wales.

11. Proposals for the improvement of EO recruitment are awaited from the Commission. We have supported the proposal that the Commission should interview on a 5-day week and undertaken to provide members for this heavier workload.

PROBATION

12. We have contributed to discussion of the proposed new guidance issued by MPO. New guidance to line managers has been issued in PSA. Full implementation of the proposals throughout DOE, DTp and PSA awaits the formal promulgation by MPO of revised procedures. A review of procedures is well advanced, however, and we expect to be able to implement them throughout the Departments when the central guidance comes into effect on 1 August 1984. While it is intended that decisions on the confirmation of probationers will continue to be taken by a personnel officer, guidance is planned for managers making clear that the decision will largely turn on the attention they have given to training the probationer up to a fully satisfactory standard; and on the reports they provide on the performance during the probationary period.

CAREER DEVELOPMENT AND POSTINGS

13. These departments have discontinued programmed career development interviews for some time and they are now arranged as the need arises.

14. On trawls circulated from other departments, our policy is to make them known to our staff wherever possible : this does not represent an un-due burden. The main problem is with the release of specialists such as ADP staff who are difficult to replace : it is made clear on all trawl notices that release may not be easy.

PROMOTION

15. We have run a CA/CO Board on which some candidates were passed without interview. This approach to boarding is considered to have been a success on this occasion. We have found that reporting standards at all levels are poor; if uncorrected, this tends to undermine confidence in paper boarding. It is not proposed to extend paper boards to higher levels at present, although the case for doing so will remain under review in the light of progress on improving reporting standards.

16. We have overhauled our training for board members and are running a heavy programme of courses.

17. We have contributed to proposals for revising the promotion pooling system for administration group grades put forward by MPO. In our view, a more radical review is required if the scheme is to regain its usefulness.

IMPLICATIONS FOR PERSONNEL WORK IN DEPARTMENTS

18. Our personnel management policy is subject to continuous review in the light of our needs. We are also reviewing the scope for increased delegation of responsibility to line managers, including the grading of posts in their command.

19. We are developing an on-line computer system to store personnel data in a form more readily accessible to personnel officers. The pilot study, which is going well, is due to be completed by the end of June.

TRAINING

20. We are reviewing our training strategy and priorities, in the light of a departmental report which proposed greater emphasis on defining and meeting present and future departmental requirements. We already run a course for career development officers, which is being reviewed and revised and are also making use of the new course at CSC Sunningdale.

EQUAL OPPORTUNITIES

21. The Civil Service policy statements on equal opportunities for men and women and on racial discrimination have been published. These departments participated in the ethnic surveys in Avon and the North West last November. The policy statements largely reflect departmental practice but our procedures are being reviewed, especially with a view to implementing further recommendations of the Joint Review Group on Women.

PERSONNEL MANAGEMENT ACTION PROGRAMME : DIPLOMATIC SERVICE

The Diplomatic Service is fully committed to establishing better and more effective personnel management procedures, consistent with the principles underlying the Action Programme. Although the Programme has been drawn up for the Home Civil Service, we shall adapt its recommendations, wherever possible, to meet our own requirements.

DELEGATION OF RESPONSIBILITY

We consider this to be a fundamental theme of the Action Programme and of particular relevance to the Diplomatic Service. Over 50% of the members of the Service are overseas at any one time, scattered among 213 Posts covering 164 countries. Over half of these Posts have a

UK-based staff of no more than 6. Inevitably Heads of Mission and their Heads of Chancery assume responsibility for personnel management. As well as around 2,750 UK-based staff, this delegation affects some 6,900 locally-engaged staff who, in almost all respects, are the direct analogues of the clerical and ancillary workers in large home departments.

i. LOCALLY-ENGAGED STAFF

The Head of Mission is already responsible, subject to general guiding principles, for all of the key areas of personnel management which the personnel review identified as suitable for delegation. These include recruitment and dismissal, provision of any necessary local training, and ensuring that staff are properly managed and motivated. As part of our FMI programme, we have already delegated considerably discretion on local expenditure to Heads of Post. This has been extended in the current financial year to local casual labour and overtime as a possible first step towards delegation of responsibility for all local staff costs.

ii. UK BASED STAFF

The fragmented and widely dispersed structure of the Diplomatic Service creates both opportunities and

obstacles. The concept of a career Service and the tenets of fair and open competition rule out the involvement of overseas Posts in hiring UK-based staff. It would in any case be neither practical nor cost-effective. Similarly we do not think it would be right to delegate to Heads of Mission responsibility for the termination of service, whether during probation or afterwards. Diplomatic Service officers are expected to perform a wide variety of tasks under many different circumstances and performance in any one job would not necessarily provide sufficient evidence on which to judge an officer's overall potential. We consider it unavoidable that decisions of this kind must continue to be taken centrally if we are to maintain the necessary degree of coherence and consistency.

However, this still leaves a considerable burden of personnel management responsibility with heads of Mission who must motivate and get the best out of their staff, provide or arrange for any on-the-job training that may be necessary and, through the reporting and job appraisal system, ensure that the progress of staff is properly monitored. Indeed the Head of Post's responsibility must extend beyond the normal managerial ones to include the personal well being and security of his staff and their families.

In those areas where our organisation most closely resembles the Home Civil Service we already have substantial delegation. The Director of Communications

is responsible for the personnel administration of almost 1,100 staff in our Communications Division at Hanslope Park. There is full delegation of responsibility for recruitment, probation, career development, promotion, inefficiency and matters of leave, attendance etc with consultation with central departments over difficult individual cases or where matters of general principle are involved. There was similar delegation to the Chief Passport Officer for the administration of the Passport Office until responsibility for it was transferred to the Home Office on 1 April.

PRIORITY AREAS AND TASKS

i. Career Development

a. Career Plans

Formal career planning procedures have been operating in the Diplomatic Service since 1970. Career plans for individual officers are drawn up and revised regularly during the course of an officer's career. The basic inputs are the annual Confidential Reports, job appraisal interviews, career development interviews prior to posting overseas or during home leaves and an annual questionnaire in which officers are invited to state personal choices as regards Post and duty, together with any special circumstances which may have to be taken into account.

b. Policy Statement

These procedures have been drawn up in consultation with the Trade Union Side and have, in the past, been circulated to staff. In the context of the Action Programme we plan to issue not later than Autumn 1984 a revised statement which will explain the way in which the personnel departments are organised, career plans drawn up and postings decided. Within the last 12 months we have also issued separate statements covering particular aspects of career development for example, the assessment system used in our promotion procedures, and the operations of the special unit which handles the postings of junior Diplomatic Service officers. We consider that this modular approach which pays particular attention to the needs of particular groups of staff is a useful one which should complement any general statement.

ii. TRAINING

Training is an integral part of the career planning process. Managers are required to report on training needs in the annual Confidential Reports and Personnel Departments consider this aspect in revising the career plans of the individual officers. All career plans are circulated automatically to the Head of Training Department and increasingly individual officers are

invited to attend courses on the basis of training recommendations made.

a. Organisational Needs

We are particularly conscious of the need to provide training for organisational needs. Throughout their careers officers are required to attend appropriate training before taking up jobs involving functions with which they are unfamiliar, for example accounts and administration, or commercial work or consular work. Management training is regarded as specially important. In addition officers may be given background training in specific subjects eg European Communities or economics or International Relations; and attend courses such as those run at Defence Colleges in the United Kingdom and elsewhere, and at Business Schools.

b. Language Training

The extensive language training programme has recently been examined by an outside consultant and his report is now being implemented. The effect of this will be the strengthening of the already considerable knowledge within the Diplomatic Service of Western European Languages to the extent that officers will acquire a command of at least two of these languages.

c. Financial Management

Financial Management training needs have been identified and an appropriate programme developed. Where these needs cannot be covered by internal FCO courses, generalist officers are encouraged to attend courses organised by the Civil Service College. The College also provides for most of the FCO's specialised needs eg internal audit, investment appraisal and Government finance and accountancy. To supplement this Finance Department in the FCO plan to produce a guide to monitoring and estimating for issue to all spending departments and to organise regular one-day seminars for staff in these departments.

d. Senior Grades

Diplomatic Service officers about to enter the Senior Grade (ie Senior Open Structure) are likely to have had a different range of job experience from their Home Civil Service contemporaries and most of them will be going on to do a rather different sort of job: about 85% of senior grade appointments are overseas as are about 75% of the DS4 posts from which the promotees will be drawn. We are considering carefully whether the new course for senior management staff entering the open structure would be suitable for Diplomatic Service staff and have asked the organisers to keep open the possibility of our sending DS officers on the programme. We hope that the course could include some consideration of the interaction between

foreign and domestic policy and have offered any help that might be needed in developing this idea, including the provision of speakers.

e. Training Strategy

The overseas commitments of the Diplomatic Service may make it difficult to establish mandatory training criteria for Diplomatic Service members. Training will have to be taken when officers are available in the United Kingdom or during their leave periods but we are working on the formulation of a general training strategy which will set out clearly the aims of the training programme and patterns of training that are desirable for officers in various grades or following various career development paths. This would form part of our overall career policy statement.

iii. INEFFICIENCY AND POOR PERFORMANCE

Diplomatic Service procedures are closely modelled on those set out in the Establishment Officers' Guide and the Civil Service Pay and Conditions of Service Code. Our procedures were reviewed during 1983 in light of experience of individual cases but we would expect to revise them again to reflect any changes which may be made in the Code and Guide to improve the effectiveness of methods for dealing with inefficiency and poor performance.

STAFF REPORTING AND APPRAISAL

The present Diplomatic Service reporting form reflects many years of development in close consultation with the Trade Union Side. It provides for an assessment of both performance and potential and, consistent with the objectives of the action programme, emphasises current performance in the job. Most recently a separate section has been added dealing specifically with managerial qualities.

Because of the central role of staff reporting and appraisal in both career development and line management a comprehensive hand-book covering reporting procedures has been produced and is made available to all reporting officers. This is supplemented by a training course for all staff who move into management grades.

The Department is working towards the implementation of its own Action Programme which embraces action on the CO(MPO) Tasks of Highest Priority as well as in areas which are seen as a Departmental priority. The DHSS Action Plan requires urgent action to be taken in seven main areas. These are:

- a) Recruitment;
- b) Probation arrangements;
- c) Staff Appraisal (MPO Priority Task No 2);
- d) Career Development and Postings (MPO Priority Task No 1);
- e) Promotion;
- f) Inefficiency (MPO Priority Task No 4);
- g) Greater Devolution of Personnel Functions to line management.

Separate action has been taken on MPO Priority Task No 5 (Unified Grading) (see para 9).

2. There are two topics (Probation, Inefficiency) where the need for action is seen as sufficiently pressing to require this Department to begin consultations on amended procedures to the fullest extent allowed within the current central rules, pending a fuller review to be undertaken when MPO rules are revised.

3. In all these areas the underlying theme has been to place more responsibility for personnel management decisions with line management, and to delegate that authority to the lowest appropriate level in the management chain. Because of the diverse nature of the Department it has not proved possible to make uniform progress in all parts; but some 75% of the staff are contained within the Regional Organisation where the greatest progress in delegation has been achieved. A summary of progress is set out below.

RECRUITMENT

4. Following a successful experiment with local recruitment in two Social Security regions, DHSS local offices have been withdrawn from collective schemes and local line management have full responsibility for the selection of clerical staff for their own offices. New instructions and guidance have been drawn up and training in recruitment interviewing given to local office staff. The working of these procedures is being closely monitored. Recruitment of clerical staff is already devolved to Headquarters and the two Central Offices of the Department in the provinces.

PROBATION

5. Proposals have been drafted to delegate to local office managers authority to monitor progress of probationers and if necessary to dismiss unsatisfactory probationers with less than 52 weeks' service. The proposals would allow local managers to dismiss in virtually all cases where a probationer's work performance, attendance record or conduct are regarded as unsatisfactory. The guidance continues to emphasise line management responsibility for the training and positive development of new recruits. These proposals have been put to the Department Trade Unions Side and discussions are taking place with a view to implementation by October 1984.

6. The scope for introducing similar procedures in other parts of the Department, particularly the larger management units, is being examined further, and there will be a fuller review on receipt of the revised Central principles.

STAFF APPRAISAL

7. Action is proceeding in parallel with MPO/CCSU discussions. Advantage has been taken of the discretion available to Departments to devise their own appraisal and reporting arrangements within the centrally prescribed framework. The Department staff appraisal system will embrace separate reports on performance and promotability. Performance Reports, which will be fully disclosed to staff, will concentrate on performance of pre-determined objectives and levels of achievement and will be completed annually. Separate Reports on promotability will be completed as required for officers under active consideration for promotion and will concentrate on personal qualities and ability. Provision is being made for a maximum period to elapse without completion of a report on promotion potential to ensure that talent does not go unremarked.

8. Proposals and draft forms have been developed and put to Departmental Trade Unions. Discussions are continuing and it is intended that first trials of the forms will take place later in 1984 with full implementation in 1985.

CAREER DEVELOPMENT AND POSTINGS

9. Action has been taken in accordance with MPO arrangements to extend succession planning arrangements in the Department to all Under Secretary and selected Assistant Secretary posts. Unified grading has been introduced for all levels down to Senior Principal.

PERSONNEL POLICY STATEMENT

10. A draft statement of DHSS Personnel Management Policy together with a specific statement on career development arrangements has been put before Departmental Trade Unions and discussions continue. When these statements have been promulgated - mid-1984 - the main Departmental management units (Headquarters, Central Offices, the Regional Organisation) will prepare statements of career management policy for staff within those units. Career development policies will be developed centrally for centrally-managed professional groups but within the Department, Heads of Profession will build on these and the Departmental policy statement to produce their own career development arrangements.

11. The existing arrangements for secondments to the NHS, other Government Departments and non-Service organisations continue to be used. These arrangements will be kept under review and expanded to include the private sector if opportunities for this can be developed.

TRAINING

12. Training Branch has drawn up a conspectus of training available currently, both within the Department and externally, in disciplines relevant to FMI. Senior line managers have carried out an analysis of their own and their staffs' training needs and have provided Training Branch with a detailed schedule of their requirements. Where these are not met by existing programmes, Training Branch will consider, with the line management concerned, appropriate alternative arrangements.

PROMOTION

13. An internal review of Departmental arrangements for promotion into the grades of HEO, SEO and Principal has taken place and proposals for new arrangements are under discussion with Departmental Trade Unions. The new proposals delegate to the Controllers of the major management units within the Department responsibility for the selection and authorisation of officers for promotion, giving more immediate line management input to the promotion of officers to serve in their units. Action has also been taken to improve the matching of promoted officers to the vacancies to which they are to be assigned.

14. Responsibility for promotion to clerical posts in local offices within the Regional Organisation has been delegated to local office managers. These promotions are determined without interviews; a review of promotions at clerical levels in the other major units within the Department is being conducted with a view to switching from interviewing to "paper boards".

15. The arrangements for selection and training of Chairmen and members of interviewing boards are being considered as part of a general review of the training needs of personnel staff and line managers.

INEFFICIENCY PROCEDURES

16. An internal review of the procedures for dealing with inefficiency and poor performance has been carried out which identified a number of improvements which can be pursued within existing guidelines pending completion of the MPO revision of central rules. Detailed proposals have been drawn up which include simplified guidance, fewer formal warnings, shorter timescales, reduced levels of monitoring, and increased involvement and responsibility of line management in handling cases. These proposals are being put to Departmental Trade Unions and discussions continue with a view to implementation before the end of 1984. Consideration will be given to any further changes required as a result of amendments to central guidelines.

DEVOLUTION OF PERSONNEL FUNCTIONS TO LINE MANAGEMENT

17. In addition to the specific changes set out above which call for greater delegation of responsibility to line managers, action has been taken in a number of other areas to increase line management authority. These include:

- a) decisions on special and annual leave - proposals are with DTUS with a view to implementation in August 1984;
- b) monitoring and initiation of action on sick leave - proposals to be developed for implementation in 1985;
- c) claims for payment of standard mileage allowances for extended journeys - implemented.

CONTINUING ACTION

18. Action will continue to ensure that the items set out above are implemented within the specified timetable. Action will also be taken on other recommendations contained within the Report of the DHSS Review of Personnel Management. These areas are internal to DHSS and centre on streamlining procedures, reducing record keeping, and shifting the emphasis in Personnel Branches to monitoring and providing guidance to line management in the exercise of their primary responsibility for management of the staff in the units.

19. A working party is in existence which is charged with reviewing the training implications of this shift in emphasis, and developing a training strategy to ensure that the proposed changes are implemented efficiently.

OTHER MAJOR INITIATIVES

Joint Review Group (Women)

20. A Departmental policy on job-sharing has been agreed with the Departmental Trade Unions and as a result job-sharing is now available; at the beginning of April some 800 applications had been received of which over 300 have so far been accepted as feasible. Discussions with DTUS are continuing on part-time working.

21. The Department has co-operated with MPO and the City University in a research project to establish why women fare less well than men in securing promotion.

Ethnic Monitoring

22. A Departmental Equal Opportunities Officer has been appointed. The Department has also participated in the recent MPO Survey of Ethnic Minority Civil Servants in the North West and Avon Planning Regions.

PERSONNEL WORK ACTION PROGRAMME

HOME OFFICE REPORT

A number of priority items are being handled at central level by the MPO. The Home Office has been contributing to discussions on these with other departments. The following report ignores those matters on which the MPO is taking the lead and picks out only the most significant items from the detailed action plans which are currently being put into effect.

1. Succession Planning

We have extended arrangements for succession planning to a range of key posts in the extended Open Structure and the position is reviewed at regular intervals.

Implemented/ongoing

2. Personnel Management Policy Statement Career Management Policy Statement

A draft statement which covers career management as well as other personnel policies has been prepared and is currently the subject of discussion with management and the TUS. Its publication is being delayed until the end of the year so that it can be combined with the issue of a new "Guide to Line Managers". This will deal primarily with the role of line managers in managing personnel to achieve the most effective working of the department and will cover all the areas included in the Cassels Report except recruitment. (All recommendations on recruitment which can be implemented without action by the central departments have already been implemented in the Home Office or are subject to discussion with the TUS and will be implemented from May 1984 onwards).

Our objective is to provide a fairly concise booklet backed up by a series of detailed notes of guidance on particular aspects of work, eg ASRs, promotion procedures, disciplinary action. The timescale of progress on different aspects varies, eg a joint Official Side/TUS working party on promotion procedures will report in June 1984; a review of disciplinary matters, efficiency and inefficiency, will be completed in September. The target is to produce the

"Guide to Line Managers" with its supporting documents and prefaced by the personnel policy statement by the end of the year.

December 1984

3. Staff Appraisal and Reporting

A new ASR form has been devised in the light of central guidance, placing considerable emphasis on the management of resources and the achievement of objectives. This is currently the subject of consultation with management and the TUS. It will be issued in time for use in the 1985 reporting cycle, together with revised notes of guidance for line managers.

1985 cycle

4. Financial and management training

We have introduced a programme of one-day seminars for staff at Principal level and above which cover the main aspects of financial work and also a two-day course in financial management for more junior staff.

Management training is being restructured on a modular basis so that staff may receive training relevant to their level of authority but taking account of previous experience. Work on the modules is progressive but the aim is to introduce the new programme fully from January 1985.

Our consideration of training has gone wider than these two issues since the organisation and management of training has been subject to a separate scrutiny. The provision of training is being reorganised with a greater emphasis on job-related help designed to make staff fully effective more quickly. The content of specialist courses is also being reviewed to see if they can be made more cost effective.

Financial training	Implemented/ongoing
Management training	Progressive/full effect January 1985
Re-organisation of training	June 1984
Review of specialist courses	Dec 1984

In addition to the priorities identified by the reports on management and personnel work we are giving priority to a review of the scope for the further computerisation of personnel management records. This will not only lead to staff savings but will also provide a more effective management information base and increase the efficiency of the personnel department. The initial study will be completed in June 1984.

PERSONNEL WORK ACTION PROGRAMME
(PWAP): INLAND REVENUE

Introduction

1. Work on the implementation of the PWAP is being carried out against the background of several major organisational changes in the department - including the computerisation of PAYE - all designed to increase effectiveness and efficiency, but all of them also making heavy demands on personnel (and other) resources. The choice of priorities is therefore important.

2. In some areas, particularly financial training and parts of career development, significant progress has been made. In others, including the priority tasks concerned with probation, inefficiency and staff appraisal, there have been obstacles to progress. Revised departmental guidance on probation and inefficiency is well advanced, but we shall not be able to move towards implementation until the final version of the new Code is available; and some aspects are likely to meet with strong trade union opposition. The continuing debate about the new appraisal forms between MPO and the CCSU has held back effective departmental action.

A more detailed account of the position under the various headings of the action programme follows.

Financial Training

3. A training programme has been organised and is under way and on schedule. Training needs have been identified. Briefing and background notes are being prepared. Several senior officers have attended and others will be attending the senior finance course. Within the department specialist training is being provided for staff operating the new FAMAS. A series of seminars for line managers has been arranged. These cover the whole field including the development of top management systems, management and financial information systems, and refer to the introduction of delegated budgeting.

Probation and inefficiency

4. There is a common thread in the recommendations related to these two subjects and we are taking them together. Consultations with management across the department have taken place and a working party is coordinating the draft of new departmental instructions.

We should be able to apply the principles of the revised Code on probation (recently received from MPO) within the department. On inefficiency we are still awaiting a draft of the new central code, but have been acting on the assumption that it will follow closely the path we had envisaged. We are expecting to open discussions shortly with our trade union side; up to now we have been prevented from doing this by their refusal to talk while consultations were continuing between MPO and CCSU.

5. We are in favour of delegating to line management responsibility for taking decisions on probation and inefficiency, and reducing the involvement of personnel sections to an advisory role. But this leaves many practical issues to be sorted out with the unions because of the structure of the department; for example the wide variety of our functions means that the heads of local offices range from HEO to Assistant Secretary. There is therefore a lot of detail to be discussed with the unions to show that we are providing a fair and coherent plan for decision taking on dismissals.

6. Probation and inefficiency are being treated as top priority topics, and we hope to be able to introduce

the new procedures fairly quickly after the publication of the new central codes.

Staff appraisal

7. Work on designing new report forms has been held back by the MPO/CCSU discussions. The unions' objection to the basic concept of the new forms means that we shall need to have full discussions with them. We are keen to improve reporting standards further; but for this it is essential to have an appraisal system which enjoys the confidence of all levels of management as well as staff. We therefore want to avoid being driven into a position where the new system has simply to be imposed; in our view it will be well worthwhile to try to carry the unions with us. This means that negotiations are likely to be lengthy, but we shall press ahead as fast as possible. Our aim will be to introduce a new system in 1985.

Career management

8. Following a review last year, a major restructuring exercise for the merger of our Collection and Taxes staff groups (covering about 85% of the staff of the department) is well advanced. The review report, which was issued to the staff, contained major sections on career development; and over 100 Collection

staff have already been selected for training as tax inspectors. A statement on career development for fully trained inspectors in the light of the reorganisation of our tax office network was issued last year. Discussions with the unions are continuing on these matters; and because of the major organisational changes mentioned in paragraph 1, we shall for the time being concentrate our efforts on career development aspects related to those changes.

9. We have reviewed our policy on career development interviews. Less than 2 per cent of the staff are interviewed each year and we see no scope for further savings. We shall be concentrating on improving the quality of the small number of interviews which have been identified as less than satisfactory.

10. On succession planning, the centrally prescribed arrangements for senior staff are already being implemented. At other levels there is already a substantial amount of succession and career planning work, and we shall be building on this.

11. For trawls, we already have a policy of selected issue; we publish only those where we are reasonably confident that some of our staff have the appropriate qualifications. We are

however considering whether greater selectiveness is possible.

Recruitment

12. A review of our procedures has been carried out and head office monitoring began on 1 April. Plans are being prepared for further delegation to and involvement of line management; but at present these cannot be implemented because we do not have the staff resources at local level for this work. The position is being kept under review. Collective schemes on a repayment basis were introduced on 1 April.

Non-financial management training

13. Over the last year we have been reviewing the effectiveness of our management training by reference to achieved results, and we believe there is scope for improvement. We are setting up 2 reviews, covering general departmental training arrangements and more specifically the training of tax inspectors; management training will be included in these.

14. We shall be reviewing the adequacy of training arrangements for personnel managers. At present we rely almost entirely on the use of Civil Service College courses, on a selective basis.

Because of resource constraints it has not been feasible to introduce departmental personnel courses (though all officers attend training courses before conducting appraisal interviews).

Promotion

15. With small exceptions, promotions in all parts of the department except the Valuation Office are made by "paper" boards (no interviews) because it is more economical. We are monitoring the costs of the promotion boards in the Valuation Office and some savings have been achieved by reconstituting the boards with fewer members and lower grades. A small number of staff attend Civil Service College courses, and the Valuation Office provide some internal training on interview boards; there are no plans for expansion of those arrangements.

Equal opportunities and race relations

16. Copies of the Joint Review Group report on equal opportunities for women and of the Race Relations Review have been distributed within the department. The two policy statements have been circulated to all members of staff, and arrangements are being made to incorporate them in instruction manuals and recruitment material.

Attendance at many departmental training courses is mandatory so that women and ethnic minorities are fully represented. On those courses where selection lies largely in the hand of line management we have introduced a monitoring system. Training courses generally cover conscious and unconscious discrimination.

17. In the context of the Joint Review Group report we made proposals to our trade union side in December for the introduction of greatly expanded opportunities for part-time working throughout the department; and this subject is also covered in the recently negotiated New Technology Agreement with the IRSF. Discussion of this, and of the other matters raised in the report, will begin with the unions shortly.

Unified grading

18. Unified grading down to and including Senior Principal level was introduced into the department on 1 January. Modifications of the personnel management arrangements are under consideration and any necessary changes will be discussed with the unions. Because of the highly technical nature of much of the department's work the scope for practical application in the department is limited, and so far as its objectives are feasible they are already largely achieved by means of secondments. (The position of the

handful of staff left outside the unified structure will be considered further as soon as the results of the Treasury staff evaluation and job weighting exercise are available.)



LORD CHANCELLOR'S DEPARTMENT

PERSONNEL WORK ACTION PROGRAMME : PROGRESS REPORT

Succession Planning

1. In addition to identifying successors for senior appointments, the Department is actively seeking to identify staff suitable for appointment to the fast stream. It is also singling out for attention individuals who appear to have potential to succeed in time to key posts, such as Courts Administrator, and those with aptitudes for specialist posts, for example in audit, information technology, and financial control.

Personnel Management Policy Statement

2. A Personnel Management Policy Statement is being prepared and will be promulgated by the end of the year. It will stress the increasing role of line managers in personnel matters and clarify the respective roles of individual members of staff, office managers, Courts Administrators, Circuit Administrators and Circuit and HQ Personnel Branches in assessment and career development. Key elements of the career development programme, such as Annual Reports, Job Appraisal Reviews (JARs) and Training will be explained. The Statement may contain some sample career profiles. The main areas of work in the department will be summarised, the scope for interchange of staff explored, and targets for ideal posting periods in various grades identified. Recruitment, promotion and retirement policies will be described.

3. A draft statement has been considered already by

management and staff representatives, and an ad hoc joint committee has been established to produce the final document.

Staff Appraisal and Reporting

4. Proposals are being drawn up for a new staff report form. Special attention is being given to the extent to which its contents should be open to the subject of the report, the way in which past performance will be appraised and how future performance can be targeted. These proposals will be discussed shortly with the Trade Union Side.

Recruitment

5. Circuit Administrators have responsibility for local recruitment up to CO level. Some recruitment boards are held in cooperation with other departments, others are run by the Circuit Office and a number, particularly for bailiffs and typists, are delegated to the local office manager in question. Office managers are being given greater training in selection interviewing.

6. The Department is playing a greater part in the recruitment of Executive Officers by setting out its requirements to the Civil Service Commission more specifically and by releasing more staff to sit on recruitment boards.

Career Development of Executive Officers

7. The guidance on the induction, training, posting and development of Executive Officers, particularly direct entrants, is being revised in order to help fit them to meet the needs of the department and to ensure that the best use is made of their talents.

Devolution of Personnel Work to Courts Administrators

8. The devolution of certain personnel functions from Circuit Offices to Courts Administrators has been proposed. The functions in question are:-

- a. responsibility for career interviewing of EOs and below, including bailiffs but excluding Direct Entrant EOs;
- b. responsibility for career cards and files, including the programme of career interviews for EOs and below;
- c. organising and conducting induction courses for new entrants;
- d. the scrutiny of reporting standards;
- e. the follow up of matters arising from JARs;
- f. monitoring the performance of new entrants, excluding Direct Entrant EOs, during their probationary period;
- g. giving authority to office managers to hold a local recruitment board for staff up to CO level;
- h. responsibility for authorising temporary promotion, overtime, further education, the employment of casual staff and applications for special leave.

9. A pilot scheme to test these proposals is to be introduced in the Midland and Oxford Circuit in June; it will last for 18 months. Some strengthening of the Courts Administrators' staff will be necessary; increases will be contained within the existing Circuit manpower ceiling.

Training

10. A review of training, in conjunction with the Management and Personnel Office, is under consideration. Training packages for staff in Finance, Internal Audit and the Information Technology Unit have been prepared; similar packages for administrative staff are under consideration. A review of training for selection and promotion board members has been carried out; current courses now fully meet the department's needs. An agreed policy on training of new personnel officers is being implemented. Under this arrangement, all new personnel officers at HEO level and above will take the 3 week Course run by the Civil Service College. Officers taking the Course will be encouraged to study for the IPM Diploma but this will not be mandatory.

New Technology

11. Improved recording and retrieval of personnel information is essential if personnel management and manpower planning is to be carried out more efficiently. Consideration is being given to the use of departmentally based micro-computers.

Manpower Planning

12. Closer attention is being paid to the age distribution of staff in particular grades and work areas, together with other relevant factors, such as wastage rates, in order to help determine departmental policy in relation to future recruitment, retirement and posting of staff.

NORTHERN IRELAND OFFICE

Introduction

1. The Northern Ireland Office (NIO) employs both Home Civil Servants (HCS) and Northern Ireland Civil Servants (NICS). Implementation of the Personnel Work Action programme which is being coordinated for HCS by MPO has to be related also to the parallel exercise being coordinated for NICS by the Department of Finance and Personnel.
2. Paragraph 1.18 of the Cassels Report recognised that the application of its recommendations would have to be tailored to the needs and structures of individual departments. Relevant characteristics of the NIO include the relatively small size of the department itself (4,500 staff including nearly 3,000 prison service grades) and the small size of the HCS contingent within it, which numbers less than 200 and is clearly too small to merit the degree of delegation to line management envisaged for larger departments, particularly those with regional and local offices.
3. An important feature of the NIO's strategy has been to involve line management in consideration of the Cassels report and of its relevance to the department. As the NIO wishes to operate similar policies throughout the department, a consultation paper was agreed between the Northern Ireland Office and the NI Department of Finance and Personnel and used by the Permanent Under Secretary in discussions with senior line management (Assistant Secretary equivalent and above) at meetings in London and Belfast. The paper concentrated on staff reporting and appraisal, probation procedures, promotion, and the general question of delegation of authority from the Establishment Divisions to line management.
4. The general consensus emerging from the meetings was that while line managers would welcome a greater involvement in personnel management, individual divisions were too small to discharge effectively the full range of personnel activities that might be delegated in larger departments. The NIO therefore proposes to

retain responsibility at the centre for recruitment and for decisions regarding probation, inefficiency, career development and postings. Line management will be encouraged to contribute to decision making to the maximum extent that is practicable.

5. The following paragraphs refer exclusively to developments and work in hand in respect of the HCS group within the Northern Ireland Office.

Succession planning

6. The NIO has been dependent on loans from other departments to fill most of its open structure posts. By agreement with the MPO the department operates a modified form of succession planning, which includes all Under Secretary and Deputy Secretary posts. Succession planning for certain of the Assistant Secretary posts, including the head of the Resources Control Division, will be introduced into the 1984 exercise.

Identifying training needs

7. The identification of training needs has focussed primarily on financial training as part of the department's response to the Financial Management Initiative (FMI). Six HCS staff in the grades of Assistant Secretary and Under Secretary attended finance orientated courses in 1983. A review of management training needs for fast stream personnel including ex-fast stream Principals, is currently in hand.

Staff appraisal and reporting

8. Because of its size and dependence on other departments for loans and secondments, the NIO does not wish to devise its own staff appraisal forms, but to adopt a format common to other departments. It will therefore await further central guidance before implementing a revised appraisal system. In the light of the consultations with line management the department has, however, decided its preferred method of appraisal interviews and disclosure of performance ratings. Discussions with the Trade Union Side on openness, greater attention to performance, the nature of appraisal interviews and other related issues are in progress.

Personnel management policy statement

9. Work on a personnel management policy statement is in hand with the assistance of the MPO guidance of 3 February 1984.

Wider experience for serving civil servants

10. While the NIO has not seconded any officer to industry or the private sector, an active policy of secondment and import has been pursued with other Government Departments in Whitehall and with the other Northern Ireland Departments. Initially all posts at Assistant Secretary and Under Secretary level were filled from outside the NIO, but in recent years there have been promotions to both grades from the permanent cadre of NIO officials. The small scale and policy orientation of those divisions which are manned mainly by HCS results in a dearth of posts which give line management experience of managing or directly influencing large administrative units. To enable officers of promise to achieve a wider experience of public administration, the policy of secondment to other Government Departments has been used extensively for middle management grades (Principal and SEO) and, following the Review of Personnel Work, has now been extended to the HEO grade. While this policy will continue, it has to be balanced by the Northern Ireland Office's need to provide a high quality service to Ministers. It follows, therefore, that the availability of good quality staff from other departments for loan to the NIO is an essential ingredient of the policy's success.

Priorities in remainder of 1984

11. NIO's priorities in 1984 will be the Action Programme's recommendations on staff reporting and appraisal, the production of a personnel management policy statement, succession planning and the identification of training needs.

PERSONNEL WORK ACTION PROGRAMME : ODA PROGRESS REPORT

TASKS OF HIGHEST PRIORITY

1. Career Management and Training

a) Succession Planning

In addition to existing succession planning arrangements in the three senior grades of the Open Structure, ODA has reviewed staffing requirements below grade 4 level and has identified a number of more demanding or specialised posts, particularly at grade 5 level, for which succession planning arrangements are desirable.

b) Personnel Management Policy Statements

ODA will be discussing informally with the Trade Union Side the issues to be covered in the Personnel Policy Statement before detailed drafting commences. This should help to avoid producing a statement which is little more than a bland declaration of intent.

There has already been useful progress on a number of the topics which are likely to be covered in the Statement, although we still await a first meeting with the Trade Union Side about the statement itself. Relevant areas on which work is already well advanced include policy on equal opportunities, which has already been agreed and publicised; new promotion procedures for ODA's two headquarters locations; revision of staff report forms for which a draft drawing on recent central guidance has been prepared for discussion with the TUS; the departmental training strategy, formulated following a review in 1983.

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This training strategy has been broadly endorsed by senior management and comments have been received from the TUS. The strategy envisages much greater involvement by line managers in the planning of training requirements for their staff; the specification of mandatory and optional courses for each individual grade; the computerisation of staff training profiles; and close links between the development of training courses and the development of the Financial Management Initiative and new personnel management initiatives. We envisage that the training profile of individual officers will form part of the Annual Staff Report.

Our work on the FMI is being separately reported, to form part of the forthcoming White Paper. But it may be noted here that as part of that work we shall be making a major effort to develop specified objectives and measures of output for administrative and advisory grades, to help define the role of the individual in achieving the priorities of the department.

In addition to further work on the issues noted above, ODA will be identifying and seeking to agree with the Trade Union Side other subjects to be treated in the Personnel Management Policy Statement. These will certainly include recruitment, postings policy, and other aspects of career development work. We also await promised central guidance on other points which should be covered in the Statement, including probation, inefficiency issues and early retirement.

2. Staff Appraisal and Reporting

New ASR forms have been drafted as indicated under 1(b) above. We anticipate difficult negotiations with the TUS on both format and openness of reporting. Once internal agreement has been

/reached

reached on both points, widespread further training will be necessary both on completion of reports and on conducting JARs, to ensure that the new approach to reporting is properly understood and is implemented with reasonable consistency.

3. Performance-related Pay

Central guidance awaited.

4. Inefficiency and Poor Performance

ODA has reviewed internal procedures and has confirmed that these are consistent with existing Code provisions. Further central guidance is now awaited.

5. Unified Grading

The extension of unified grading down to the new grade 6 has been implemented and ad hoc promotion procedures have been applied to initial vacancies at grades 5 and 6. The creation of the extended Open Structure has significant implications for promotion procedures, and these are being discussed with the Departmental TUS, taking account of the experience of ad hoc arrangements to date.

OTHER ITEMS, NOT COVERED UNDER "TASKS OF HIGHEST PRIORITY"

Financial Management Training

An intensive series of seminars has been undertaken, to explain the detailed implications of the FMI for ODA operations to all levels of staff.

Special training has been agreed and is under way for staff employed on audit work. Staff interested in specialist

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accountancy training are being identified, as are administrative posts where accountancy skills and experience would be a valuable asset.

Wider experience for serving Civil Servants

Initial staff exchanges with a merchant bank have taken place. In addition, we continue to have five staff at Principal level and above on secondment to international development banks and institutions. Discussions are also in progress with other private sector concerns and with the Commonwealth Development Corporation about the scope for further staff exchanges.

Training of Personnel Staff

Personnel staff are undergoing Civil Service College courses. One new member of the Personnel Division is already undertaking training leading to an IPM qualification. Similar training opportunities will be expanded.

PERSONNEL WORK ACTION PROGRAMME REPORT ON PROGRESS SCOTTISH OFFICE

INTRODUCTION

1. The Scottish Office (SO) was one of the 9 Departments to conduct a departmental scrutiny forming part of the multi-departmental review co-ordinated by Management and Personnel Office (MPO). The Departmental Trade Union Side (DTUS) has been involved in consultation and discussion, both on the elements of the Departmental scrutiny and of the central review, from an early date.
2. Consultation with DTUS has, for the most part, been constructive and a good measure of agreement has already been achieved concerning action arising from recommendations which were of a local nature. In certain other areas eg appraisal, where local action has been delayed pending the outcome of exchanges at national level between MPO and the Council of Civil Service Unions (CCSU) nevertheless a good deal of work of a preparatory nature has been undertaken.
3. The SO approach appears in one major aspect to be at some variance from the centrally recommended policy, namely that part directed towards substantial delegation of personnel work from central personnel divisions to line managers. The SO Departmental Scrutiny Team took the view that, as a highly centralised policy department with relatively few large blocks of staff, delegation, apart from adding to the existing loading on line management, would be likely to result in a loss of overall efficiency. It is however also relevant to add to that comment, the fact that, as well as being able to avoid the personnel management problems associated with a dispersed department, the SO has for some time now established in a number of important areas of personnel management work a degree of operational partnership between line managers and personnel divisions; assignments for example are made only after discussion and, whenever possible, with agreement on both sides and line managers already have authority to move staff around in their own command. The DTUS in SO have strongly supported the view that the existing SO structure and procedures best serve the needs of both management and staff and that no fundamental changes should be made. With the advent of the Financial Management Initiative (FMI), due to come into operation fully on 1 April 1985, line management responsibilities for personnel as for other matters will be considerably sharpened within the existing partnership arrangements operating between line and centre.
4. In all other areas SO strategy is more precisely in line with the recommendations contained in the central review and good progress is being made both in planning and in implementation. The following paragraphs set out action to date and the current state of preparedness on some of the issues to which a significant degree of priority has been attached.

PERSONNEL MANAGEMENT POLICY STATEMENT

The Department is preparing, for production by the end of the current year, a Personnel Management Policy Statement which will give a strategic overview of our objectives for the main elements of personnel management eg assignment, training, appraisal, promotion. An important aim is to identify the respective roles in career development of Personnel Divisions, line management and individuals, stressing that considerable responsibility rests with individuals themselves. So many elements of personnel management are still undergoing major changes that it is difficult to make much progress with drafting, and consultations with the Unions on the draft cannot begin until the direction which the Department is to take on appraisal has been clarified, that being a central element of personnel management. It is envisaged that consultation will begin in the summer.

STAFF APPRAISAL AND REPORTING

6. Departmental progress here has inevitably been limited by the failure nationally to reach agreement on a frame work of general principles within which Departments will have certain freedoms to devise systems appropriate to their own needs. However senior SO management have already agreed that the performance section of the revised appraisal form should be open to all staff who wish to see it and that reporting on performance and promotability will continue, as now, to be conducted on an annual basis. A good deal of effort has been directed towards the preparation of a SO model form and supporting papers and these are effectively ready to be tested now. Our ETUC, who have been kept in the picture, have however made it clear that, while matters remain unresolved nationally, they do not wish to consider further the testing of these forms. Without a resolution of outstanding differences between MPO and CCSU implementation at Departmental level will not be easy and, pending a policy line from CCSU and individual Trade Union HQ it is difficult to forecast the prospects for locally negotiated implementation of a revised system.

7. The training requirements for staff are fully appreciated and contingency plans have been drawn up to try to ensure that an effective programme can be mounted and carried through prior to the introduction of any new system.

EQUAL OPPORTUNITIES

8. The policy statement on equal opportunities for men and women in the Civil Service has been issued. Central policy requirements covering areas such as promotion and training were already being met in the SO but a joint sub-committee

of the General Purposes Committee of the Departmental Whitley Council has also been established to consider other major items contained in the Programme of Action. The department has too forwarded contributions on the experience of part-time working to the Working Party on alternative work patterns set up by MPO.

9. The race relations policy statement has also been issued to all staff although little action was called for in SO as procedures already in operation matched those recommended in the Report. Compared with certain areas in England the ethnic group population in Scotland is very small and this has, to date, been reflected in the composition of the Scottish Office workforce.

SUCCESSION PLANNING ARRANGEMENTS

10. Staff with a background appropriate to financial work have been identified down to Principal level and detailed plans have been laid for succession to AS posts in that area. Similar plans have been made for Nationalised Industry Sponsor Division and preparations are in hand for succession to senior ADP posts. Arrangements in respect of succession planning for most of the large number of PTS groups in the Scottish Office have existed for some time.

WIDER EXPERIENCE (INCLUDING INCREASED INTERCHANGE) FOR SERVING CIVIL SERVANTS

11. Fresh contacts, particularly with outside industries, are currently being pursued and a circular letter has been issued to all staff at Principal, SEO and HEOD levels to help identify those interested in periods of temporary service in other Government Departments, EEC Institutions and outside organisations. The response has been encouraging although no great interest is being shown in the specific Whitehall opportunities now identified, other than those in central Departments, most staff preferring the prospect of loan or secondment to locally based interests. One HEOD has however recently taken up a one year assignment with MPO and efforts in this area will continue. During 1983 a total of 18 outward assignment to other organisations took place. However the difficulties now experienced in obtaining the release of good quality staff at a time of manpower reductions may affect this picture in future.

INEFFICIENCY/POOR PERFORMANCE

12. We are currently awaiting the outcome of discussions at national level before considering any formal amendments to Departmental policy. Meantime however Personnel Divisions are pursuing a more rigorous approach, within existing policy boundaries, towards cases involving poor performance and limited efficiency. Encouragingly, a more realistic appreciation by line managers

performance problems has also recently become evident.

LOCAL RECRUITMENT

13. Prior to 1 January 1984 SO policy was to participate in co-ordinated local recruitment wherever possible and to assist the co-ordinating Department by providing chairmen and members of selection panels. On that date DHSS and D of E withdrew from their co-ordinating roles and since then, in the areas formerly covered by these Departments, SO have dealt directly with local Job Centres. Involvement to date has been largely limited to a number of recruitment exercises for outstationed Administration Group staff but results have been highly satisfactory and local line managers have appreciated the opportunity to select their own staff with the PM role being confined to ensuring that applicants meet the required standard. Some ad hoc recruitment using Job Centres has also been undertaken for junior professional and technical grades.

14. From 1 April 1984 Inland Revenue, who act as the co-ordinating Department for the Edinburgh area will charge Departments for these services and it is expected that Department of National Savings, who act as co-ordinator for the Glasgow area, will do likewise. The bulk of Scottish Office recruitment takes place in the Edinburgh area and the Department is currently considering whether to continue to participate in co-ordinated arrangements there or whether, in light of experience at outstations, to assume responsibility for direct recruitment. Important considerations here, other than convenience, will include cost and staff resources.

UNIFIED GRADING

15. The application of the extension of unified grading to grades 5 and 6 with effect from 1 January 1984 has been implemented although discussions with central Departments continues over a number of exclusions. Departmental arrangements were discussed fully with all trade union interests and promotion boards have already been mounted under the revised procedures for hitherto administration or professional areas. No particular difficulties have as yet arisen but in view of the large number of PTS groups in the Scottish Office we would see difficulty in relation to the extension to principal level.

CONCLUSION

16. Scottish Office management subscribe unreservedly to the importance of properly developed personnel management policy and to the need to ensure that sufficient resources are allocated to carry them through. The implementation of RPI recommendations will therefore continue to be afforded a very high priority and the Department looks forward to tackling those areas which have to date been held up pending national level discussion.

PROGRESS IN IMPLEMENTING THE PERSONNEL WORK ACTION PROGRAMME

Report by the Department of Trade and Industry

GENERAL

1 A major personnel management achievement in the Department this year will be to complete the introduction of the first stage of the computer-based Personnel Management Information System (PERMIS). This will form one part of the department's overall Management Information System, a key element in its response to the Financial Management Initiative. PERMIS will promote Personnel Management Division's primary aim of providing the Department with staff in the numbers required, possessing the skills and experience needed to carry out their tasks efficiently, and ensuring that the most able staff are deployed on the Department's highest priority tasks. The increase in the division's effectiveness will also assist progress on a number of Action Programme objectives. When PERMIS is fully developed, it will also result in a reduction in numbers employed on this work.

2 Working relations between line managers and personnel managers have been strengthened by the reorganisation of personnel management work in the department to focus responsibility for meeting the staffing needs of each line division at a single point. Regular review meetings are now held with divisional line managers for forward planning of staff movements to meet the expected needs of the division. Major meetings have also been held with both line and personnel management to discuss the whole range of recommendations in the Review of Personnel Management Work, and to consider in particular the scope for further delegation to line management, a theme which underlines a number of the individual proposals.

TASKS OF HIGHEST PRIORITY

Career Management and Training

3 On succession planning, we have established formal plans to cover all posts at Grade 3 level and above, and are extending our planning to certain Grade 5 posts requiring special expertise, in the main personnel and financial management and nationalised industries work. Individuals identified in the plans are, wherever possible, given suitable training to prepare them for the proposed postings, and particularly in the case of younger staff, the Department is aiming to develop their careers so as to provide suitable experience and background. Periods of secondment to private sector companies, and other methods of improving financial and commercial understanding, are particularly important in this respect.

4 A statement on Personnel Management Policy was issued to all staff last year. The statement drew attention to the personnel responsibilities of line managers as well as personnel managers and emphasised the need for close co-operation between them. The statement described career management and postings policy in the department, emphasising the need to work towards longer postings for most administrative staff at headquarters so as to increase expertise.

5 On training, particular attention is being given to seminars on the Financial Management Initiative which, starting from senior levels, are now being provided for all staff down to clerical levels. FMI sessions are included on all Management, Introductory and Workskills courses.

Staff Appraisal and Reporting

6 On staff appraisal and reporting, the main issue is the extent to which the Department should move towards open reporting. Consultation

with line managers has revealed widely differing views. These are being considered, and we shall want to consult further with managers and TUs before deciding on the next steps. We are also reviewing our staff appraisal procedures. New notes for the guidance of reporting and counter-signing officers will have to be written, and a major training effort undertaken before the new arrangements can be launched.

7 We are continuing to seek to improve reporting standards. This subject is covered in all the review meetings with line management and we intend to provide improved feedback from personnel managers. An increased effort has been put into training reporting officers.

Inefficiency and Poor Performance

8 We are carrying out a review of procedures to enable us to handle cases more speedily and effectively. Decisions on proposals to delegate to line managers of major outstations authority to take decisions on inefficient officers in non-mobile grades, including decisions to dismiss, should be taken shortly. New guidance for line managers will be drawn up once these decisions have been taken and the proposed revisions of the PCSPS have been agreed centrally.

Unified Grading

9 Following the extension of unified grading to Senior Principal level at the end of last year, we have drawn up proposals for revised procedures for postings within, and promotion into, the extended Open Structure. We shall shortly be consulting our Trade Unions about these proposals, which are designed to ensure that all eligible staff are considered, and are seen to be considered, on an equal footing. We hope to hold our first promotion reviews under the new procedures later this year.

OTHER TASKS

Recruitment

10 On recruitment we are experimenting with more flexible procedures, which have generally been found to be helpful. We are now undertaking more of our own recruitment for outstations, with local management closely involved.

Probation

11 We have been reviewing our probation procedures in the light of the proposal to reduce the probation period for most staff, with the accent for all recruits being on positive development to a high standard. We are considering delegating authority to confirm appointment of non-mobile staff to line management in major outstations.

We will prepare new guidance to line managers once these decisions have been taken and the proposed revisions to the Establishment Officers' Guide on probation have been centrally endorsed.

Training

12 We have prepared a training strategy which, in addition to the training for all grades on the Financial Management Initiative recorded in para 5 above, lays particular emphasis on training on information technology. The recently formed Information Technology Training Unit has already made a significant contribution to the educational and training needs arising from the Department's major computer projects. This contribution will be expanded over the next few years. The Unit has also set up a computer training suite aimed at providing a wide range of practical Information Technology training.

Career Development

13 For the development of scientific and engineering staff in the Department, an action plan has been prepared which aims to widen career development opportunities for technological staff in the Department and to promote a more positive role for them in the Department's policy work. An important element of the plan - namely a scheme for training along the lines of that for HEODs in order to produce a cadre of young technological generalists - is well underway.

14 The Department is also participating in the interdepartmental scrutiny of internal talent. We attach a great deal of importance to improving the arrangements for identifying young people of high potential and ensuring that that potential is developed to the full.

15 In the light of the decisions on the delegation of responsibility for inefficiency action and confirmation of appointment, we shall review our arrangements for career management of non-mobile staff in out-of-London offices with a view to achieving greater delegation to line management. New guidance and training for line managers will be required.

Wider Experience for Civil Servants

16 We are continuing an active programme to provide wider experience for serving Civil Servants by interchange and secondments to industry,

commerce and other government departments and organisations. We intend to increase significantly our outward secondments of specialist and executive staff this year. We welcomed the opportunity provided by the direct-entry Principal competition to bring in a number of people with experience of industry and commerce.

Training of Personnel Managers

17 We have run several in-house training courses for personnel managers. The more senior personnel managers, and those who intend to specialise in personnel management and related subjects, will also be attending the Civil Service College courses for personnel managers.

Equal Opportunities for Women in the Civil Service and Race Relations Policy

18 We are publishing the policy statement on equal opportunities for men and women and the programme of action, which have been agreed by the Management and Personnel Office (MPO) and the Council of Civil Service Unions (CCSU) in response to recommendations made in the report of the Joint Review Group on Employment Opportunities for Women in the Civil Service. We have also promulgated the race relations policy statement which has been prepared by the Management and CCSU members of the Joint Working Party on Race Relations in the Civil Service. All recruitment advertising originated by the Department now includes a statement that the Civil Service is an equal opportunities employer, and the Department has designated an Equal Opportunities Officer. We are considering the other recommendations on these subjects, taking into account the resource implications.

19 The Department has participated in the ethnic monitoring of non-industrial civil servants employed in the North West Economic Planning

Region and in the County of Avon and will be participating in the ethnic monitoring of non-industrial recruitment in both areas.

AGEMENT IN CONFIDENCE

HM TREASURY: PERSONNEL WORK ACTION PROGRAMME: PROGRESS REPORT

KEY POINTS

Work is under way on a statement of personnel management policies to be issued to all Treasury staff. The target date for completion is mid-1984. The statement will cover, inter alia, the objectives of personnel management; personnel management in practice; the responsibilities of line management; career prospects and postings policies; and training. As background, a manpower model for Treasury fast-stream staff has been developed, and this will be extended to all Treasury staff during 1984. The progress of this work will depend on plans, now well advanced, to handle more and better personnel information on an on-line computer system, a project which is also being used to review, streamline and systematise personnel procedures. These three related operations are the essential basis for improved personnel work. Other main changes in hand are as follows.

SUCCESSION PLANNING

2. Succession planning was extended in 1983 to all the necessary posts, including the 8 key Senior Principal posts which require specific skills and experience.

TRAINING

3. Department-wide familiarisation seminars on the Treasury's financial management system should be completed in the Autumn. In addition a study has begun of ways to improve the existing training programme for staff in public expenditure divisions: this study will also examine whether the training approach adopted for public expenditure work can be applied to other policy areas.

STAFF APPRAISAL AND REPORTING

4. A revised report form has been prepared, with the main objectives of sharpening the emphasis on achievement and resource management, and radically simplifying the whole appraisal and reporting process. It will broadly maintain existing practice on disclosure. This work encompasses new procedures for handling reporting and appraisal both in the line and in Personnel Division. Discussion with the unions and with line managers will begin shortly, with the aim of testing and introducing new procedures by 1 January 1985. Agreement with our Unions will largely turn on the progress of central discussions with CCSU.

EFFICIENCY AND POOR PERFORMANCE

5. The Treasury's initial view is that decisions on dismissals should remain with personnel branches; indeed, that the size and practical circumstances of the department would make it an expensive mistake to do otherwise. We wish to review other aspects of our procedures and practice once central instructions on the proposed changes in the rules are received.

WIDER EXPERIENCE FOR SERVING CIVIL SERVANTS

6. No additional action is proposed: the Treasury already has a full and successful programme of secondments to industry, commerce, other government departments and other governments.

RECRUITMENT

7. *The Treasury now recruits independently in London, Basingstoke and Chessington.*

For 1983 the Treasury at Norwich established links with HMSO and the Inland Revenue: these departments have now withdrawn from the collective recruitment arrangements and in future the Treasury will undertake its own clerical recruitment at Norwich.

PROBATION

8. Detailed probation arrangements such as the timing of reports on progress during the first year are being overhauled and we are considering in which areas of the department it would be sensible to leave the final decision on probation to line management. Decisions will be reached by mid-1984.

DELEGATION TO LINE MANAGEMENT

9. For major personnel decisions - eg recruitment, dismissal, promotion - greater delegation to the Chessington Computer Centre, Central Computer and Telecommunications Agency and the Civil Service Catering Organisation is under consideration. We see little scope for significant delegation of these major decisions to the much smaller commands within the headquarters Treasury. For other personnel decisions a comprehensive review is under way with the emphasis on leaving as many decisions as possible with the line. The aim is to complete this review in time for its results to be included in the statement of personnel management policies.

10. As part of the Treasury's work to improve financial management we are introducing this summer (subject to review after 2 years in the light of costs and benefits) an annual staffing review between line and personnel management. The objectives are to give line management greater certainty as to staff resources at their disposal during the planning period; to provide more stability in the staffing of individual commands; and to enable line and central management together to identify key points for action in the coming year.

JOINT REVIEW GROUP REPORT ON WOMEN

11. The Treasury had carried out its own study on this subject (before the Joint Review Group study); had agreed the recommended changes with its unions, and prepared a statement of policy. Implementation was delayed at the request of the Cabinet Office (MPO) pending the preparation and publication of the JRG Action Programme, which covered the same ground. The recommendations are largely being implemented already, but the statement of policy (which will now be discussed with the unions and issued) is an important factor in making them fully effective.

PERSONNEL WORK ACTION PROGRAMME: WELSH OFFICE

The Welsh Office is a multifunctional department of some 2,200 staff. About 1,400 of these staff are based in Cardiff, where most of them are engaged on work similar to that of headquarters divisions in Whitehall departments; about 500 are located out of Cardiff in five reasonably substantial offices; and the remainder are widely scattered in small groups over a considerable number of locations. The diversity of functions and working environments imposes some constraints upon the Department's arrangements for personnel management, and means that such arrangements cannot always be applied in a uniform manner across the whole department.

The following paragraphs describe the work which is in hand within the Welsh Office in connection with the Personnel Work Action Programme:

(a) Recruitment

The heads of the five main out-of-Cardiff offices, to which reference has already been made, are now responsible for their own recruitment of clerical, typing and messengerial etc staff. Recruitment in Cardiff, and for other locations, is undertaken by Personnel Management Division, the previous arrangements under which another Department took the lead in organising most Civil Service recruitment in the Cardiff area having now come to an end.

(b) Probation

Discussions are in progress with the Trade Union Side concerning some "notes of guidance" which it is intended to issue to line managers. These are intended to permit line managers to undertake most of the procedures which have to be operated for those on probation, including where appropriate the giving of oral and written warnings, subject to the requirement to consult Personnel Management Division at specific stages, particularly in cases of difficulty where non-confirmation of an officer's appointment appears to be a possibility.

(c) Personnel Management Policy Statements

Work is in hand on the preparation of a Personnel Management Policy Statement, and the next stage will then be to discuss it with the Trade Union Side. Effectively the main problems of personnel management in the Welsh Office derive from the multi-functional nature of the Department and the small size of some of its functional groups, including some responsible for major areas of policy. A balance has to be struck between the desirability of allowing staff to spend fairly lengthy periods in particular areas of work in order to build up expertise and knowledge and the need which sometimes arises for them to move to other quite different areas of work in order to meet urgent staffing requirements arising in these areas or in the interest of their career development - for example on promotion.

(d) Career Development, Annual Reporting, Promotion and Succession Planning

It is hoped that general guidelines for the policy to be adopted on postings of staff, which it is envisaged may involve seeking to identify staff who are willing to specialise in a particular area of work, in the sense that over a period of a decade or so they would expect to spend not less than about two thirds of their time in this area, will emerge from the work which is in progress on the preparation of a Personnel Management Policy statement.

The Department's practice as regards career development interviews is that these may be arranged at any time at the initiative of the officer concerned; they are normally conducted by the appropriate Grade Manager in Personnel Management Division. However, the appropriate Grade Managers in Personnel Management Division are increasingly seeking to take the initiative by calling up for interview staff for whom postings are under consideration, particularly when such postings involve promotion following promotion boards; and it is also being found that an increasing proportion of those who have been unsuccessful at promotion boards are tending to seek career interviews following the announcement of the results. This too is being encouraged to the extent that resources are available to cope with the resultant demand for interviews.

Efforts are continuing to improve standards of annual staff reporting within the Department; and to undertake more comparative analyses of annual staff reports within Personnel Management Division so that divergencies of reporting standards can be identified and corrected. Steps have been taken to introduce a more standardised format for the reports made by promotion boards upon individual candidates so as to identify more clearly the conclusions which the Board has drawn from the annual staff reports on the one hand and the interview performance on the other hand. In parallel with this, efforts are being made to improve the feedback to line managers from promotion boards, especially where this seems to throw useful light upon reporting standards, and more generally to improve the availability to line managers of information about their staff held by Personnel Management Division which will enable them to contribute more effectively to the career development process.

The Department is seeking to build upon the work undertaken each year as part of the central Service-wide succession planning exercise by extending the planning exercise to lower levels so as to increase the benefits to be derived.

(e) Training

Work is in hand on plans which it is hoped will enable the provision of training particularly at middle to senior management levels to be approached in a more systematic manner. Draft statements of what appear to be the training needs of the different functional areas of the Department, identifying where possible specific courses of value which are available at the Civil Service College and elsewhere, have been drawn up and will be further refined in discussions with senior line managers; and the training records of staff at the appropriate levels will be issued to the staff concerned on a regular basis for verification as well as being given to their line managers so that they can give more attention to any apparent gaps that should be filled. It is also hoped to integrate these arrangements with the internal succession planning exercise so that future postings can be taken into account in deciding upon the training which an officer should be undertaking.

(f) Inefficiency Procedures

In parallel with the efforts being made to improve standards of annual staff reporting, steps are being taken to increase knowledge among line managers of the procedures which have to be followed in inefficiency and limited efficiency cases. They have also been given a greater role in these procedures and it is now the practice for the oral and written warnings prior to the formal placing of an officer on a trial period to be given by the appropriate line manager.

(g) Inward and outward secondments of staff

Efforts continue to promote secondment of Departmental staff to outside employers, and staff at middle management levels have recently been invited to state whether they are interested in being considered for any opportunities which may arise. A number of inward secondments of staff have also been arranged.

Over the next twelve months the principal specific targets will be the preparation of a Personnel Management Policy Statement and the establishment of the improved arrangements for planning the training of staff at middle to senior management levels; in addition to following up as necessary within the Department the various initiatives contained in the Personnel Management Action Programme which are at present being carried forward mostly by the central Departments.

WS

MANAGEMENT IN CONFIDENCE

PERSONNEL WORK ACTION PROGRAMME

REPORT OF PROGRESS MADE IN THE SMALLER GOVERNMENT DEPARTMENTS

1. The original participants in the Review of Personnel Work (*Cassels Report*) and the fieldwork for the Civil Service Management in the 1980's (FRASER) Report, were drawn mainly from large departments. The findings and recommendations of the two reports tended to reflect this situation, but there were underlying principles of general relevance suitable for application across the Civil Service, that departments could tailor to their needs.

2. This section of the report concentrates on the progress made in those departments which are members of Establishment Officers' Meetings (Small Departments) (EOM(SD)). The size of these departments varies considerably. The smallest has only 30 staff and the largest 8,000 but most have less than 1,000 staff, in single locations, a factor which needs to be borne in mind when progress is being considered. The structure of these departments also dictates, to some extent, the relevance of various recommendations. For example few of the departments have more than a handful of posts at Grade 6 or above, and some have their senior posts filled by larger departments with which they are linked eg Office of Fair Trading (OFT) with Department of Trade and Industry (DTI). Hence many items of the Action Programme are not readily applicable, particularly in such fields as succession planning and fast stream career development for senior staff.

3. Departments are, however, conscious of the need to review their personnel management procedures and progress has been good on those items of general relevance. In some cases departments had identified and were implementing changes, prior to publication of the RPW and Fraser reports. Export Credits Guarantee Department (ECGD) had identified the need for greater delegation of responsibility to line management and has been able to make good progress on a number of aspects, even without the support of their Trade Union Side.

In other departments eg HM Stationery Office (HMSO) and the Royal Mint, Trading Fund operation was already tending to concentrate

responsibility and accountability in the hands of line managers. The further impetus provided by the Cassels and Fraser reports was therefore welcomed.

TASKS OF HIGHEST PRIORITY

Personnel Management Policy Statements

4. A good start has been made on the development and implementation of personnel management policy statements. Most departments have completed their initial draft statements and are ready to begin consultations with their TUS. Some departments have been able to progress further and have already begun these discussions, eg OFT, Land Registry, and ECGD. The coverage of the statements varies from department to department depending on their size and structure. At the National Investment and Loans Office (NILO) they are combining their statement with details of the department's history and functions plus a graphic picture of the branch structure. It is anticipated that this will be of use not only to current staff but also as an induction package for new recruits.

5. The Scottish Courts Administration (SCA) is subject to recommendation for a major organisational change which may flow from the implementation of the Grieve Committee report and has been unable to make early progress under this item. Their intention, however, is to have a plan of action, covering all those recommendations applicable to the SCA, for implementation on completion of consultations on the future of the department.

Staff Appraisal and Reporting

6. All departments are actively considering the type of report form they will adopt for future use. The intention amongst departments is to introduce the new forms in the next reporting round. This will vary in each department but introduction should be completed by end 1985.

7. Some of the larger departments are well forward with their arrangements. The Department of the Director of Public Prosecutions (DPP) has already begun consultations with their TUS and both the Land Registry and the Department for National Savings (DNS) expect to do so shortly. At HM Stationery Office (HMSO) a shorter and more relevant form had already been introduced at Principal level and above to supplement the standard report form. New forms will be based on this but will cover all grades. It is anticipated that many of the smaller departments will adopt one of the Cabinet Office (MPO) model forms.

8. The aim for all departments is to tighten reporting standards and annual monitoring of reports will be a significant feature of the new procedures. The Treasury Solicitor's Department has identified some disparity in reporting standards, and, with the help of Cabinet Office (MPO) in-house seminars have been provided for reporting and countersigning officers.

Inefficiency and Poor Performance

9. Work in this area is well advanced and most departments have reviewed and revised their procedures. The Charity Commission issued revised guidance in October 1983, in which they stressed the importance of clear and open lines of communication between line and personnel managers to enable prompt and effective decisions to be made.

10. In general revised procedures encourage greater line management involvement and accountability, especially in relation to probation periods. Probation procedures are being streamlined and with the implementation of new procedures line managers are being given the responsibility of telling staff what is required of them, giving oral and written warnings, and for the decision to retain or dismiss.

11. A firmer line is being taken not only on performance during probation periods but also during the remainder of service. The Crown Office is considering the introduction of formal one year probation periods following promotion. HMSO have revised their

procedures for withholding or withdrawing increments and have shortened their timescale for dealing with sub-standard staff. At the Treasury Solicitor's Department increments are paid subject to certificates of satisfactory performance and are withheld when line managers are unable to sign the certificates; they are restored only in consultation with the line manager and the subsequent authority of the Treasury Solicitor.

OTHER TASKS

Training

12. Departments are concentrating considerable effort on the training and development of their staff. In particular training for the Financial Management Initiative (FMI) has received much attention. Most departments have covered the groundwork on FMI training and some have drawn up plans for more detailed training on specific aspects. The Office of Population Censuses and Surveys (OPCS) have created a new Principal post to head their FMI unit, to provide the necessary impetus for full introduction of the FMI. Generally emphasis is being given to increased professionalism amongst staff, including personnel staff, in all departments and interested members are being encouraged to study for professional qualifications. At the DPP the training needs of Grade 5 staff are under review. At the Crown Office an Assistant Solicitor post has been created to concentrate on the training and development of senior legal staff in the areas of management and financial awareness.

Delegation

13. Whilst there has been little scope for delegation in the smaller departments the larger ones have made considerable progress in this area. Line managers are now involved in all aspects of recruitment at clerical levels and below, including interview boarding. Those departments with regional networks eg Land Registry, DNS, have given their regional offices considerable delegated authority in recruitment matters. At HMSO line managers authorise substitution and determine temporary promotions, they can also move

staff within their line commands and play a major role in other postings; consideration is also being given to transferring the responsibility for personnel management of certain specialist groups entirely to line management. The Royal Mint is particularly forward having delegated to line managers most aspects of personnel work referred to in the RPW report.

Promotion

14. Some departments have already completed major reviews of their promotion procedures. The review at the Registers of Scotland has resulted in a change from paper boards to interview boards but at HMSO the reverse is true. Here, paper boards are used below CA and above Principal level and are to be held on a trial basis for SEO(Tech) to Principal (Tech). The changes reflect the differing needs of two totally different departments; on the one hand we have HMSO with over 4,000 staff whilst the Registers of Scotland have barely 600.

CONCLUSION

15. Virtually all the departments have mentioned that a shortage of resources has prevented them from making as much progress as they would have liked. This particularly so in the smaller departments where personnel units sometimes consist of only four or five staff. Nevertheless, each department has concentrated on those aspects of the Action Programme which are particularly relevant with the result that real progress has been made. Departments are agreed that the exercise has presented them with an excellent opportunity for bringing all current personnel policies and procedures up to date to reflect the rapidly changing needs of the 1980's

CONFIDENTIAL



C/DO

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

G.T.N. 2915

From the Minister of State for Social Security

The Rt Hon. Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
London SW1P 3AG

22 August 1984

NBM
R

In Nigel,

THE DHSS NEWCASTLE SHIFTWORKING DISPUTE

In Norman Fowler's absence I thought I should let you know about our thinking on the handling of this dispute, now in its 15th week. Norman wrote to the Prime Minister on 13 July and this led to two days' talks at ACAS, in itself an unprecedented step. Since then officials here have twice conducted extensive and prolonged negotiations direct with the Unions but attempts to obtain a settlement of the dispute broke down at a meeting on 21 August. It is a sad commentary that the CPSA national leaders, who had themselves suggested using ACAS, now seem to have dropped out of the picture, other than to act as paymasters to the 400 or so strikers who are being represented by some of the best-known militants in CPSA politics.

Our next step is to make what we have regarded as a very reasonable offer, tabled on 1 August, direct to the strikers. It is difficult to judge the response, but it may persuade sufficient of the strikers to return to work to enable us to carry out the bulk of the benefit uprating programme on time, using contingency procedures. This is of course, a most important factor in our thinking. However, we need to consider the position if the direct offer fails to persuade sufficient of the strikers to return. The next step in our minds is to seek to recruit the minimum number of new staff to be trained quickly to do the basic uprating work. I know that Norman intended to write to colleagues before taking this step because although it is the next logical step, it holds out the possibility of escalating the dispute. I say "possibility" because our assessment is that staff on other work at Newcastle are unlikely to take industrial action in support of the shift-workers and that staff in Local Offices are also unlikely to act. (Both groups have in fact done well in coping with the effects of the strike in keeping services going for the public.) However, it is possible that efforts will be made to call for support at the two computer centres, at Reading and Livingston, which make payments to the unemployed. The risks of industrial action at Reading where the unions have already made

E.R.

CONFIDENTIAL

soundings cannot be ruled out particularly if the CPSA make strike pay available.

I think our officials have been remarkably patient in the negotiations and I think it is time for us to take the initiative by the steps I have indicated. I am copying this letter to Number 10, Tom King, members of E(PSP) and Sir Robert Armstrong. A reply by Tuesday 28 August would be necessary if we are to meet the uprating timetable.

*All good wishes
Yr ever
Rhe*

Dr Rhodes Boyson

CONFIDENTIAL

23 AUG 1984

11 12 1
10 9 2
8 7 3
6 5 4

cc/no



Department of the Environment
2 Marsham Street London SW1P 3EB
Telephone 01-212 7601

Minister for Housing and Construction

NBPM
K

Mr. Grey

My Ref: J/PSO/16039/84

22 AUG 84

THE FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

In your letter of 3 August to Nigel Lawson, you invited Patrick Jenkin's agreement to these proposals. I have seen Nigel's reply of 8 August. *-? will request*

I am sure it is right to press on with the extension of unified grading to Principal level without delay. The further removal of the barriers associated with occupational labels will assist Management by enabling it to make the best use of available staff, without cumbersome procedures. It will also help to foster a better working atmosphere where members of different occupational groups work closely together on comparable tasks, by removing the bad feeling caused by the substantial differentials between pay scales. In addition, it will broaden the scope for bringing on officers of high potential who need experience outside their own occupational field.

I hope very much that we can maintain the momentum by proceeding with the extension of unified grading within the timescale you suggest. Implementation will not be without its problems, but delay will not remove them.

I am copying this letter to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbs.

[Handwritten signature]

IAN GOW

The Rt Hon The Earl of Gowrie

CIVIL SERVICE
LT. #16

22 AUG 1984





GCNO

DEPARTMENT OF THE ENVIRONMENT
2 MARSHAM STREET LONDON SW1P 3EB
01-212 3434

My ref: PSO/44349

Your ref:

21 August 1984

D... Guy,

N...
J

I have read with interest the report on the ethnic surveys of non-industrial Civil Service staff in the North West and Avon, circulated with your letter of 23 July.

I agree that an ethnic minority representation of only 0.9% in these two areas is a cause for great concern. We clearly must do all we can to encourage people from the ethnic minorities to apply to join the Civil Service, and to assure them that they will be given full equality of opportunity. In this connection, the continuing recruitment survey is clearly very important, because it will indicate the proportion of applicants from minorities and also show how they fare under our recruitment process. At the same time, I think we must press on with extending the survey Service-wide. I accept that the very small numbers so far identified make it difficult to draw conclusions from monitoring : this would be less so if we were dealing with larger Service-wide numbers. And, in any case, it is not easy to show that we are concerned about representation of minorities if we do not even have any figures : we have had several questions in the past Session about ethnic minority numbers and I have felt it was pretty weak to say we don't know.

/ I am copying this letter to the recipients of yours.

G...
Sense

SIR GEORGE YOUNG

Civ Service Long term



22 AUG 1954



20
cc 100
DT 22/8
1) Mr Fletcher: to see
2) please p.a.

amb
17/8

Treasury Chambers, Parliament Street, SW1P 3AG

David Barclay Esq
10 Downing Street
LONDON SW1

17 August 1984

Dear David

CIVIL SERVICE MANPOWER NUMBERS: STAFF IN POST AT 1 JULY 1984

There were 619,200 civil servants in post at 1 July 1984. This represents a reduction of about 4,800 during the quarter, and indicates that Civil Service manpower is continuing to fall faster than had been planned.

The 1 July figure means that Civil Service manpower numbers have been reduced by 15.4 per cent since the Government took office in 1979. This represents a gross reduction of about £882 million in pay costs for a full year at 1983-84 rates. This is partially offset by the costs of services contracted out to the private sector or hived off to other public sector bodies; these cannot be precisely costed.

The reduction of 4,800 in the last quarter is made up of 3,400 non-industrials and 1,400 industrials. The biggest reductions were in Defence (1,500), Inland Revenue (870) and Employment (650). And about 700 were removed from the count because of the decision to exclude women on unpaid maternity leave.

As you know, we usually publish these figures by means of an arranged PQ and let the Prime Minister know the figures before we do so. We were unable to do this before Parliament rose for the Summer Recess so, exceptionally on this occasion, we intend to publish them on Monday, 20 August by means of a Treasury Press Notice.

M E CORCORAN
Private Secretary



PRESS NOTICE

CIVIL SERVICE MANPOWER

Civil Service numbers fell by 4,800 in the second quarter of the year, to stand at 619,200 on 1 July. This brings the reduction in the size of the Civil Service to more than 113,000 - or 15.4 per cent - since the beginning of the last Parliament. The reduction of 4,800 comprised 3,400 non-industrials and 1,400 industrials.

Commenting today on these figures, the Minister of State Treasury, Mr Barney Hayhoe MP, said the reduction was a further step towards the Government's aim of slimming down the Civil Service by around one-fifth between 1979 and 1988.


 MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB
 CPO
NB Pm

TELEPHONE 01-218 9000

DIRECT DIALING 01-218 2111/3

Jm
4/8

MO 20/11/6

9th August 1984

De Nigel

Grey Gowrie sent me a copy of his letter to you on this subject dated 3rd August.

For the reasons he sets out in his letter I strongly support his proposals. We employ a substantial proportion of the Science and Professional and Technology groups in the Civil Service who will be affected by this proposal and I am convinced that it will bring substantial benefits. Although there may be some union resistance, I believe that this will mainly have the tactical aim of achieving the best available terms. I do not think that there will be any serious or long lasting opposition in principle to the changes we are proposing to make.

I also strongly support the aim of announcing our intentions at the latest by the first week in September. This is likely to be a good moment for the Government to be seen to be introducing an enlightened reform into the Civil Service.

I am sending copies of this letter to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbs.

yours

Michael Heseltine

The Rt Hon Nigel Lawson MP

Civil
Service
L. T. McCh



MR. REDWOOD

You will have received a copy of Sir Robin Ibbs' letter to the Prime Minister of 27 July about inspection and management consultancy in Departments. But you may not have seen the Chief Secretary's minute of 3 August, a copy of which I attach.

The Prime Minister has agreed to hold a meeting with those most closely involved to discuss Sir Robin's proposals. This has been arranged for 10 a.m. on Wednesday 17 October.

I am sure that the Prime Minister would find it helpful to have the Policy Unit's advice, and perhaps you or Mr. Owen could be available to attend the meeting.

DB

8 August 1984



PRIME MINISTER

nbpm. Dip will
copy to HMT, since
this is really a marker
for their benefit

SENIOR OPEN STRUCTURE REVIEWS

DMB
7/8

I refer to the Chief Secretary's minute of 27 July.

I am entirely in favour of the arrangements agreed between Permanent Secretaries for reviewing the top management structure of each department. My department will co-operate to the full in this programme. I am also in favour of a strict control over the total number of senior posts in the Civil Service as well as overall staff numbers and costs. What would be a problem, however, certainly for my department, would be a presumption that our top posts must not exceed a number based on a review undertaken two or three years ago. Management structures must adapt to changing needs. Indeed, my Permanent Secretary is currently negotiating with Sir Peter Middleton about additional posts which would bring our total to two above that level. The need for this lies mainly but not wholly in the consequences of the proposed abolition of the GLC and the metropolitan counties. Of course, I do not wish to prejudge in any way the review to be undertaken later on in the Department of Transport. I am sure it will be a very thorough one. I am simply putting up a marker that we should not take a static view of the number of senior officials required to carry out the work and implement our policies.

NICHOLAS RIDLEY

7 August 1984



DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 5422

GTN 215)

(Switchboard) 215 7877

JF7069

Secretary of State for Trade and Industry

7 August 1984

Lord Gowrie
Minister for State
Cabinet Office
Management and Personnel Office
Great George Street
LONDON
SW1P 3AL

*nbpm
dms
7/8*

D Gray

ETHNIC MONITORING IN GOVERNMENT DEPARTMENTS

*with
DH*

I was interested to read the report of the ethnic surveys of civil servants in the North West and Avon which was enclosed with your letter of 23 July to Leon Brittan. My Department has appointed an Equal Opportunity Officer and has issued a Race Relations Policy Statement on the lines recommended in the report on "Race Relations - A Review of Policies and Procedures in the Civil Service". It is following up the other recommendations in that report.

2 I am copying this letter to the Prime Minister, Ministers in charge of Departments, Barney Heyhoe and to Sir Robert Armstrong.

NORMAN TEBBIT

CIVIL SERVICE
L.T.

PERSONAL



da

10 DOWNING STREET

From the Private Secretary

SIR ROBIN IBBS

Training for Senior Management

As you will see from the attached copy of my letter to Mary Brown, the Prime Minister would be most grateful if you could take an interest in the proposals for training younger staff with management potential which were submitted by Sir Robert Armstrong on 23 July.

As background, you may find it helpful to know that the Prime Minister is concerned that the proposals on management training generally which emanate from the MPO may tackle only the surface of the problem without getting at the substance.

(David Barclay)

6 August 1984



10 DOWNING STREET

From the Private Secretary

6 August 1984

Training for Senior Management

The Prime Minister was grateful for Lord Gowrie's minute of 3 August, to which was attached one from Sir Robert Armstrong dated 23 July about training for senior management.

The Prime Minister agrees that planning work should now proceed on the programme outlined in the Cabinet Office document attached to Sir Robert Armstrong's minute. She has asked that Sir Robin Ibbes should be given an opportunity to comment on the proposals.

David Barclay

Mrs. Mary Brown,
Office of Arts and Libraries.



cc DB.

10 DOWNING STREET

From the Private Secretary

SIR ROBIN IBBS

Inspection and Management Consultancy in Departments

The Prime Minister gave preliminary consideration over the weekend to your minute of 27 July, to which was attached a report by the Efficiency Unit on consultancy, inspection and review services in Government departments. The Prime Minister has also seen a copy of the Chief Secretary's minute of 3 August commenting on this report.

BS
The Prime Minister proposes to hold a meeting after the holidays to discuss the issues raised in the above correspondence. We will be in touch to arrange a time.

I am sending copies of this minute to John Gieve (Chief Secretary's Office), Mary Brown (Lord Gowrie's Office) and Richard Hatfield (Cabinet Office).

(David Barclay)

6 August 1984



Prime Minister

Agree that further work should now be done on these

MINISTER OF STATE, PRIVY COUNCIL OFFICE

proposals for improving the training of younger staff?

PRIME MINISTER

Yes - but please refer to Robert's letter for advice.

TRAINING FOR SENIOR MANAGEMENT

I commend to you the attached minute from Robert Armstrong of 23 July and the report prepared by my officials on senior management training. This report was prepared in the light of your comments on the Open Structure Course - you commented that such a course was unlikely to succeed unless eligible staff had had suitable training earlier in their careers.

The report suggests a sensible programme for the development of the management potential of most of the younger people who are Principals and Grade 5. Basically this will be done by appropriate career postings so that the staff concerned learn on the job about such matters as financial control, personnel work and, in particular, line management. But this will, of course, be reinforced and supplemented by periods of training. The Civil Service College already offers many worthwhile courses for staff at Principal and Grade 5 (Assistant Secretary) levels. In many cases, however, departments feel unable to release their best staff to go on such courses. Among other recommendations, therefore, this report seeks to ensure that good staff will be obliged to have a minimum amount of formal training - on average 5 days a year - either from their departments, the Civil Service College or business schools.

Annex G of the report gives a flavour of the training now available at the Civil Service College. I have been impressed by the quality of these courses on my own visits there. They include practical training in management skills - both of staff and projects - with a particular emphasis on new technology. There is an important programme of courses and seminars on financial management - the management of budgets, resource allocation, investment appraisal - all essential for staff moving to the most senior positions. There is also, of course, training covering more traditional Civil Service policy work and the legal and Parliamentary framework. These courses will be particularly useful for specialists moving into senior management posts who will not have had the general administrative background of many of their colleagues. I should be very glad to arrange a visit to the College sometime in the Autumn if you would like to see more of these activities on the ground.

I think this report provides a sensible way forward, using what is good in the existing system, while ensuring that the best staff will have a more stringent programme of training and career development. I hope you will agree that planning work should now proceed on this basis so that the programme can come into operation at the same time as the Open Structure Course, that is 1 January 1985.

LORD GOWRIE
3 August 1984

PRIME MINISTER

INSPECTION AND MANAGEMENT CONSULTANCY IN
DEPARTMENTS

Sir Robin Ibbs' minute proposes some fundamental changes in the way the management support services operate.

He favours a shift of emphasis towards budget-based management, under which the central services would support line managers rather than fight them.

The Chief Secretary is not happy (see minute at Flag A). He fears a weakening of control, particularly of manpower, if responsibility is delegated too far to line managers.

The differences between Sir Robin and the Chief Secretary are probably wide enough to need a meeting.

Agree a meeting after the holidays?

Yes not

Sub

3 August 1984



u.n.s.
n.b.p.m.
Sub
6/8

CABINET OFFICE

From the Minister of State

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Great George Street
London SW1P 3AL
Telephone 01-233 8610

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1

3 August 1984

Dear Nigel,

THE FURTHER EXTENSION OF UNIFIED GRADING IN THE CIVIL SERVICE

see Pt 12 at frag.

Janet Young wrote to your predecessor and colleagues on 21 January 1983 proposing the extension of unified grading in the Civil Service (ie the removal of grading and pay barriers to the most efficient lateral deployment of staff) initially down to Senior Principal level but with the longer term aim of extending unification at least down to Principal level.

Janet's proposals were agreed and the first stage - the introduction of unified grades 4, 5 and 6 - took place on 1 January this year. Good progress has been made in consolidating the new structure and I think we can regard the operation as a successful, and well worthwhile, reform. I was anxious not to lose the momentum of our achievements and my officials have had extensive discussions with the personnel managers of the major employing Departments, and with Permanent Secretaries who have very direct responsibilities for the management, deployment and development of staff at these levels, about the further extension of unification to Principals and their professional equivalents. Although views are not uniform a substantial majority has emerged in favour of the early extension of unified grading to Principal level (with 1 April 1985 as the target date) but against further extension of unified grading below that level.

The most important points are:-

(i) our objective is, and must continue to be, to increase the efficiency and effectiveness of the Civil Service as it reduces its size. Especially at the more senior levels, we must get the right people into the jobs for which they are best fitted irrespective of their formal occupational groupings or recruitment backgrounds. The extension of unified grading to Principal level would make this easier and give us additional early opportunities, going beyond the range of our present capability, of developing the potential of senior management candidates by giving them wider experience at a crucial and formative stage of their careers.

(ii) unification would bring about 12,000 staff currently in over 100 separate grades, many with different rates of pay, into a single unified grade. It would be a further clear signal of our determination to press ahead with reform wherever it serves administrative needs and helps to improve the quality of the service. Staff would increasingly recognise that ability and performance alone governed their career prospects.

(iii) the removal of artificial class barriers at Principal level would overcome the time and resource-consuming difficulties inherent in the present rather cumbersome arrangements for interchange between staff groups.

(iv) it would remove, in a way which at the same time offered positive management benefits, the long-standing and sometimes acute sense of grievance felt by professional and scientific staff about the relative pay advantage of administrators. It is, of course, always difficult to estimate the effect of such perceived discrimination, but the payment at different rates of individuals who may be working closely together in multi-disciplinary terms or even doing the same work (in, for example, the Science and P&T Groups) has undoubtedly had an adverse effect on morale and motivation.

The unified Principal level grade (Grade 7) would initially be based on a "core" consisting of the three main categories (Administration, Professional and Technology, and Science), together with such other general service and departmental groups and classes as management considerations suggest can readily be included. Residual problems could be mopped up later.

MANAGEMENT IN CONFIDENCE

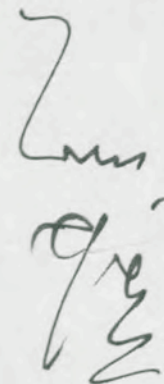
Unified grading necessarily requires unified pay, and the alignment of pay rates, including the terms of assimilation for staff entering the new grade, are of course essentially matters for you to negotiate with the unions. I understand however that talks between our officials suggest that full year costs, when the operation is complete, could be under £5 million. The cost in 1985/86 might be considerably less than this if we decided to phase in the new arrangements. It is for you to advise on how the costs should be met but, given the possibility of phasing and the advantages to be gained, I would expect Departments to be willing to absorb the extra costs within existing cash provisions, and this is no doubt what you will look for.

We will need to consult the unions in depth, not only on the pay consequential, but on the detailed arrangements for unification. When we do so we can expect reactions similar to those we encountered in creating Grades 4, 5 and 6. The IPCS will be strongly in favour of our proposals, the SCPS will oppose them and the FDA will haver. Realistically there is little likelihood of reaching agreement with the unions collectively on the central issues and we may well need to consider imposing the new arrangements. This prospect need not daunt us so long as we are careful about the pay arrangements we propose - and engage in a full and genuine consultation process.

To sum up we are committed to examining the case for extending unified grading to Principal and equivalent levels and there is considerable Parliamentary interest in the matter. I now invite my colleagues to agree that we should embark on this major reform with a view to adding a new unified Grade 7 to the Open Structure in April 1985. Given the amount of work needed to bring the project to fruition I would hope that we could announce our intentions at the latest by the first week of September - subject to reconsideration nearer the time in the light of the position on the current Civil Service pay negotiations.

I am copying this letter to the Prime Minister, to other members of the Cabinet, to Sir Robert Armstrong and to Sir Robin Ibbs.

LORD GOWRIE



CIVIL SERVICE : L-T. #16

6 AUG 1984





FROM: CHIEF SECRETARY
DATE: 3 August 1984

PRIME MINISTER

INSPECTION AND MANAGEMENT CONSULTANCY IN DEPARTMENTS

I have just seen a copy of Sir Robin ^{with AP?} Ibbs' minute to you of 27 July, with the Efficiency Unit report on the organisation of management support services.

This is a vital area of civil service management. Line managers require specialist advice so that they can carry out effectively the new responsibilities devolved to them under FMI. But top management also need to draw on the skills of the management support services, to carry out the investigations and scrutinies needed (as the report recognises) to allocate resources and ensure value for money.

I have not had a chance yet to study the report and discuss it with officials here. I will let you have my considered views soon and you may wish then to discuss the issues with some of us. But I thought you might find it helpful if I made some preliminary comments on three points in which the Treasury has a particular interest.

(i) Internal audit (Recommendation (3)). Over the last few years a good deal of effort has been put into raising the standard of internal auditing in departments. This is important, to provide top management with an independent assurance on propriety, regularity and value for money, and the systems to secure these. So I agree with the emphasis, in recommendation (3), on the need to retain internal audit as an independent function with its own standards, though of course properly coordinated with other management services.

(ii) Staff inspection (Recommendation (6)). However much responsibility is delegated to line managers, the top management in each department will need to keep up the pressure for economy in use of cash and manpower resources. At present staff inspection provides a check for top management on whether particular areas of the department are over-staffed or over-graded (or the contrary). Recommendation (6) argues against top management continuing to insist on "regular detailed inspection"; the suggestion is that manpower allocation problems can all be "resolved as part of the budget-setting process", relying on "a basic assumption of productivity growth". I fear that this would weaken the Government's control of manpower. I have written recently to colleagues encouraging them to improve their departments' staff inspection performance. I am still receiving their replies and I would like to consider them alongside the report's recommendation before giving you my considered view.

(iii) The role of the centre (Recommendation (7)). I would be very ready to join with the Minister of State (Privy Council Office) to monitor departments' progress and report as proposed in recommendation (7)(a). (7)(b), which proposes a review of our central management support services aimed at a "multi-disciplinary approach", may be more difficult. The Treasury has been bringing its specialists to bear on the twin problems of resource allocation and value for money by integrating their work more closely with the expenditure divisions. Of the management support functions (conveniently listed in paragraph 2 of Sir Robin Ibbs' covering minute), the Treasury has central teams concerned with most - internal audit, computing advice, staff inspection, management accountancy, micro-economics and operational research. Each of these groups needs to keep its identity as a central source of professional advice to departments - for example the internal auditors and management accountants will report to our new Accountancy Adviser

and will indeed comprise the bulk of the staff reporting directly to him). It seems to me that to lump all these together with the internal management consultants from MPO in a large "multi-disciplinary" group might well break useful links and risk a good deal of confusion. So I hope that the proposed review can examine all the relevant organisational options before we reach a conclusion.

I am sending copies of this minute to the Minister of State (Privy Council Office), Sir Robert Armstrong and Sir Robin Ibbs.

T. Green
J. P. R.
[Approved by the Chief Secretary]



CE 110

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

3 August 1984

The Earl of Gowrie PC
Minister of State
Privy Council Office
Room 62/2
Great George Street

Await other responses.

Dear Minister,

UNIFIED GRADING

I have seen your minute of 27 July to the Prime Minister suggesting that you should write to colleagues with specific proposals for the extension of unified grading down to Principal level in the Civil Service.

Last year, you will recall, I expressed some scepticism about the benefits of extending unified grading down to Senior Principal level. I remain sceptical about this further extension. I suspect that many Departments will find that the direct financial cost, as well as the staff resources needed to operate new personnel arrangements, will seem disproportionate in terms of the actual managerial gains.

That said, I would not want to stand out against the extension of unified grading to Principal level if the major employers of scientific, professional and technical staff in the Civil Service believe that it would bring them real benefits. But I believe we should not go further down this road unless there is general acceptance by colleagues that:-

- a. nothing must be said in public until the Civil Service pay negotiations are out of the way. Unified grading is unpopular with the majority of civil servants, as well as with the majority of their unions;
- b. the cost of the exercise must be met from within Departments' existing resources. I

MANAGEMENT IN CONFIDENCE



cannot agree to make new money available for it; and in any event I think it reasonable to expect the Departments who want further unified grading to arrange matters so that they can afford it. On amount, I am asking my officials to ensure a solution costing less than the £5 million per annum mentioned in your minute.

I am copying this letter to the Prime Minister and to Sir Robert Armstrong.

Yours sincerely,

Judith Simpson

NIGEL LAWSON

approved by the Chancellor & signed on his behalf.

CS: Long term a Pg 16

SJA



10 DOWNING STREET

From the Private Secretary

3 August, 1984

Dear John,

SENIOR OPEN STRUCTURE REVIEWS

The Prime Minister was grateful for the Chief Secretary's minute of 27 July setting out proposals for a continuing programme of reviews of the Open Structure.

The Prime Minister is broadly content with the arrangements proposed by the Chief Secretary, and in particular, with the aim of ensuring that the number of Open Structure posts remains in aggregate no higher than the level that emerged from the Open Structure Review. She agrees that it would be right to seek further reductions where possible, and that as a general rule compensating reductions should be sought for new Open Structure posts.

The Prime Minister has expressed the hope that in implementing these proposals, full use will be made of outside consultants where appropriate. She trusts that Ministers will be involved in decision taking following reviews in Departments; and she would herself like to see periodically a summary of the overall results.

I am sending copies of this letter to Private Secretaries to the members of Cabinet, and to Richard Hatfield (Cabinet Office).

Yours ever,
David

DAVID BARCLAY

John Gieve, Esq.,
Chief Secretary's Office

sl

MANAGEMENT IN CONFIDENCE

- I agree and I suggest that you add
1. MR. BUTLER *Yes* (a) that you would like to see a summary showing the outcome of the reviews for all Departments;
 2. PRIME MINISTER (b) that any net addition to the number of open structure posts in any Department should be submitted to you before it is approved.

I don't think that is necessary

SENIOR OPEN STRUCTURE REVIEWS

FERS
2.8.

I attach a minute from the Chief Secretary setting out proposals for conducting regular reviews of the Civil Service open structure.

Two points strike me:

- (i) Apart from a brief reference to outside consultants being used in support of the Treasury, the proposals envisage all the work being done by present or former members of the open structure itself.
- (ii) There appears to be no provision for the referral of the conclusions of such reviews to Ministers.

Agree to respond to the Chief Secretary by saying that you are broadly content with his proposals, although you hope that full use will be made of outside consultants where appropriate, and that Ministers will be involved in the taking of decisions following reviews?

Dub

1 August 1984



he vs

10 DOWNING STREET

From the Principal Private Secretary

30 July 1984

Unified Grading

The Prime Minister has seen Lord Gowrie's minute of 27 July on unified grading and is content that he should write round to colleagues making specific proposals on the lines he suggests.

I am copying this letter to David Peretz (HM Treasury) and Sir Robert Armstrong.

E. E. R. BUTLER

Mrs Mary Brown,
Privy Council Office.

A handwritten signature, possibly 'MB', written in dark ink.

PRIME MINISTER

INSPECTION AND MANAGEMENT CONSULTANCY IN DEPARTMENTS

Under my guidance the Efficiency Unit has just completed an investigation of management support in departments, based on scrutinies in MOD, DTI, DHSS, Scottish Office, HMT, and PSA. I commend to you the attached report by Kate Jenkins, Brian Morris and Charlotte Caplan of the Efficiency Unit.

2. There are over 5000 staff involved (costing around £100 million a year). They include:

- 1000 Internal auditors
- 850 Advisers on computing
- 550 Internal management consultants
- 400 Staff inspectors
- 300 Statisticians
- 250 Management accountants
- 150 Economists
- 150 Scientists
- 100 Operational researchers
- 1900 Support staff

These staff variously advise on, audit or control the use of resources within departments. Such expenditure is well justified if departments use them to good effect.

3. On the basis of the scrutinies there is evidence of good work in many areas but there are also worrying signs of overlapping work, gaps, confusion and lack of purposive planning and monitoring of results. Only staff inspection has readily available data about results and there the average is for 8 posts to be saved for each man-year of effort. (This compares with about 60 posts per year of effort from scrutinies - though the crude comparison probably exaggerates the difference.) Implementation rates for staff inspection are about 70% on average and have been declining.

4. This alone would justify radical re-appraisal. The position is more serious, however. Your government has started a fundamental reform to modernise management in the civil service. If, as a result, we do not get substantially better value for money - and with some urgency - a great deal of effort will have been wasted. I have therefore considered how these inspection and consultancy services should support the financial reforms at the heart of your policies for better value for money.

5. The reforms rightly put the brunt of improvement on line management. Line management will not be able to deliver the full potential of the changes unless they are supported imaginatively by those at the top of the departments and the services covered by this review.



CONFIDENTIAL - MANAGEMENT IN CONFIDENCE

6. I have discussed this with senior Treasury officials and understand their worries about the effectiveness of the budget based management. We are not yet in a position to say with certainty how rapidly the balance between traditional inspection, control through budget setting, and support for the line manager in his new responsibilities for achieving results should change. But I see these as transitional problems. We need clear targets to ensure that we get the budget system working and that we are seen to want to help line managers be successful.

7. What we need, and must aim for, is a system which supports line managers and yet works for top management in its job of setting targets and investigation. For example, one of top management's jobs is to create for the public sector an equivalent discipline to competition in the business sector through setting ambitious but realistic targets for improving value for money. At the same time as enabling this to happen, however, I am convinced that we will not achieve good results unless we break the tendency for line managers to aim at surviving the attention of these services rather than at using them positively.

8. Some departments are thinking hard about this difficult transition. But consideration needs to be more widespread and more visible.

9. With that in mind I recommend in summary (further details are given in chapter 4 of the report): → in attached folder (2 copies)

1. Ministers in charge of departments ensure that Permanent Secretaries make it clear generally in the department that line managers are primarily responsible for improving efficiency and that the budget system will increasingly become the main method of monitoring and controlling their performance.
2. Ministers seek recommendations for action from their Permanent Secretaries to organise inspection and consultancy services in each department in the light of the needs of modern management in the civil service, and the recommendations in the report.
3. Internal audit should have an independent programme of work and its organisation be reviewed in about 3 years' time.
4. The work programmes for the forces covered by this report should be approved by the Permanent Secretary who should ensure that:
 - for the next two years at least, their principal task should be to handle the period of change to control by budget; and
 - investigations instituted by top management concentrate on areas of wide significance.



CONFIDENTIAL - MANAGEMENT IN CONFIDENCE

5. You invite Treasury Ministers and the Minister of State (Privy Council Office) to :
- monitor all departments' progress (including their own) in putting this report into effect and to report back to you in 12 months' time;
 - review by 31 December 1984 the organisation and roles of their central services to reflect the multi-disciplinary approach recommended for departmental management support groups.

ROBIN IBBS
27 July 1984

conqueror

CONFIDENTIAL - MANAGEMENT IN CONFIDENCE

**CONSULTANCY, INSPECTION
AND REVIEW SERVICES
IN GOVERNMENT DEPARTMENTS**

**Report to the Prime Minister
by the Efficiency Unit**

July 1984

CONSULTANCY, INSPECTION
AND REVIEW SERVICES
IN GOVERNMENT DEPARTMENTS

REPORT BY THE EFFICIENCY UNIT

Kate Jenkins
Brian Morris
Charlotte Caplan
Les Metcalfe

July 1984

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1. INTRODUCTION

1.1 Between September 1983 and March 1984 six departments carried out scrutinies of their internal consultancy, inspection and review (CIR) services. The departments were:

Ministry of Defence
Department of Health and Social Security
Property Services Agency
Scottish Office
Department of Trade and Industry
HM Treasury

The terms of reference are set out in Annex 1.

1.2 The scrutiny teams looked at:

- the full-time services whose primary function is to improve the internal administration of departments. These are staff inspection, management services and internal audit. This was the main focus of the review;
- professional and semi-professional specialists such as operational researchers, computer specialists, accountants, economists and statisticians who advise on the effectiveness of operations and of programmes;
- the contribution of task forces set up to tackle specific reviews, including efficiency scrutinies;
- the use of external consultants.

The central team in the Efficiency Unit also carried out a survey by questionnaire of CIR resources and organisation across the whole Civil Service and looked at practice in the private sector.

1.3 This report uses the evidence from the departmental scrutinies as a basis on which to make recommendations about the ways in which departments should now be restructuring their consultancy, inspection and review services to support the management reforms which were initiated in May 1982*.

1.4 The cost of the entire review was about £152,000.

* "Financial Management", note to departments by the Treasury and MPO dated 17 May 1982; published as appendix 3 to "Effectiveness and Efficiency in the Civil Service", Cmnd 8616, HMSO, 1982.

2. THE EXISTING ORGANISATION OF CIR SERVICES

2.1 Consultancy, inspection and review in departments involves about 5,000 staff and costs about £100m a year. The details of the organisation of CIR services are set out in:

- Annex 2: Staffing and cost;
- Annex 3: Functions of the four main services;
- Annex 4: Survey of existing services in all departments.

2.2 The CIR services are used in departments for three main purposes:

- (a) to advise line managers on internal administration (for example O&M advice on re-organising a registry) or designing and running programmes (for example specialist advice on computerising benefit payments);
- (b) to audit line management operations for top management to review the effectiveness of controls or value for money, for example through internal audit;
- (c) to control the use of resources, for example setting new complements by means of staff inspection or vetting applications for new equipment, often with reference to centrally set standards.

2.3 The present CIR services may become involved in all or any of these purposes. For example staff inspection and management services units commonly contribute to all three. The precise use departments make of their CIR services depends on:

- the way the services are organised;
- the quality of their staff and the way they see their role;
- the demands made on them by customers;
- the interest and support they get from top management;
- prescription and guidance from the central departments.

2.4 These factors are inter-related. For example, a critical PAC report on internal audit in 1981*, followed up by increased

* "Internal Audit in Central Government", 9th report from the Committee of Public Accounts, Session 1980-81, HMSO, 1981.

prescription and guidance from the Treasury, stimulated top management concern in departments and led to the development of greater independence of internal audit units, improved selection and training of staff and new working methods. The quality and effectiveness of CIR staff also influences the demands made on them - their work is to a large extent "quality-driven". The MOD scrutiny noted that, in the central management services unit:

"Virtually no assignments are now suitable for HEOs and an increasing number require full-time participation by Principals with SEO or HEO(D) assistance."

2.5 A significant common feature is that the fragmented organisation and specialised training of the different CIR services tends to isolate them from each other and focuses their attention on specific aspects of management rather than on the process of management as a whole. The DHSS scrutiny identified at least 20 separate units which contribute to CIR work. Despite this fragmentation, a general and increasing emphasis on improving value for money has led the work of different services to converge on many similar issues.

2.6 The departmental scrutiny teams all reported examples of sound and constructive work by CIR units. For example, the central management services unit in DHSS had estimated that the potential savings from its recommendations in 1982-83 were 1,540 posts. But the scrutiny teams also found evidence of:

- overlaps;
- gaps;
- confusion among customers as to what help was available;
- problems in monitoring effectiveness;
- lack of coherent planning.

2.7 Overlaps occurred when different CIR units carried out projects in the same work area within a short space of time:

"We found that issues relating to Statutory Sick Pay have been investigated by the Social Security Policy Inspectorate, five Regional Survey units and Internal Audit." (DHSS)

Overlaps of a different kind resulted from the focusing of attention on common issues:

- the Scottish Office report described an uneasy split of work on information technology between its computer services, management services and office services divisions;

- challenging "need for work" is a prescribed part of staff inspection, but is also an essential part of efficiency scrutinies and management services projects.
- all CIR services are concerned with performance indicators, but the examining teams found no evidence of a co-ordinated approach.

2.8 Gaps in coverage were noted mainly in:

- contributions to policy and programme review;
- the review of sponsored bodies;
- in the ability to mount multi-disciplinary audits to examine value for money in all aspects of the management of an operation or programme.

The DHSS team estimated that 99% of CIR capacity was devoted to the 3% of expenditure represented by administrative costs. MOD was the only department developing multi-disciplinary audits.

2.9 Many line managers are unsure about what specialist advice is available. For example:

"notwithstanding its effectiveness in specific parts of the Department the majority of DTI remains only very vaguely aware of the capabilities of the Operational Research Unit." (DTI).

"We found a fair degree of uncertainty among line managers as to what is on offer from CIR and who to turn to for help with a particular problem." (DHSS)

2.10 Few of the CIR units monitored their own effectiveness.

"None of the capabilities could tell me the value added to PSA's operations as a result of their activities." (PSA).

"All three MS units regard their objectives as comprising increased operational efficiency and effectiveness, cost and manpower savings, improved management controls and more effective planning ... It is impossible to quantify their success in these respects." (MOD).

In many cases individual projects were neither costed nor subjected to any assessment of their success. There was some evidence of wide

variations in effectiveness, as measured, for example, by the extent to which recommendations were actually implemented and the time taken in implementation.

"Many assignments take longer than they should. In staff inspection, the average length of time between the start of an inspection and the publication of a report was eight months. Two reports on assignments conducted in 1982 have not yet been published ... where reports are available on the staff inspections carried out in 1982, I estimate that only 30% of these staff reductions have been implemented." (PSA)

2.11 With the exception of MOD, where a Management Audit Board co-ordinates most CIR work, the examining teams found central planning of the CIR services to be absent or inadequate. For example the DHSS Regional Directorate produced a "shopping list" of 51 areas of concern to HQ branches, but regional survey teams picked up only six of these:

"clearly the priorities of line management at regional level were not co-incident with those of headquarters, but this is not being picked up as an issue for concern and resolution in any central mechanism seeking to ensure that CIR capacity is being used on those areas of highest departmental priority." (DHSS)

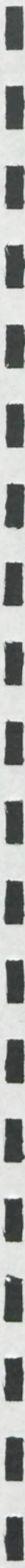
2.12 A vital element in central planning is the quality, experience and training of the staff in CIR units. The received wisdom is that staff, apart from professional specialists, do spells of three to five years before returning to line management posts where their skills will also be highly relevant. In practice senior staff tend to have spent far longer continuous spells on CIR work than this (Annex 4). The ability of the CIR services to change themselves and promote change in others must be influenced by a lack of fresh blood and fresh ideas. It is particularly worrying that in some departments there has been little staff turnover in internal audit, above the EO training grade, in spite of the heavily critical PAC report in 1981.

2.13 These problems led the examining teams to propose a number of changes. Annex 5 is a summary of each report's recommendations. They centre around:

- re-organisation to bring most of the CIR units together in one or two managerial groups; MOD have already established such a pattern and their scrutiny recommends its further development;

- new arrangements for co-ordinating CIR programmes and planning its longer term role;
- better control of individual projects through costing and assessment of effectiveness; use of risk analysis in audit planning;
- broader-based training for staff in the main CIR services, for example, training in basic O&M techniques, staff inspection techniques and microcomputer applications for all staff;
- attribution of costs to customers.

2.14 The survey of relevant practice in the private sector (summarised in Annex 6) provides a substantial contrast to the pattern found in the government departments. The picture is of limited, decentralised services whose work is largely led by the demands of line managers. Some differences are inevitable - businesses, even nationalised industries, are not accountable to Parliament as government departments are - but the survey's findings are significant, particularly now that, with the changes in management structures, departments are becoming in many ways more "business like". The remaining sections of this report concentrate on what these management changes will mean for the CIR services.



3. THE CHANGES IN CIVIL SERVICE MANAGEMENT

3.1 The departmental recommendations (paragraph 2.13) arose mainly from the evidence the examining teams collected of how CIR services operate at present. They are a sensible and practical approach to the deficiencies which were identified. However, these services have to operate in organisations which are in the process of substantial change. In the terms of reference for the scrutiny it was made clear that the teams should also look at the implications for the CIR services of the new structures which are being set up as a result of the Financial Management Initiative (FMI). This posed some difficulties for the scrutiny teams - departments are at different stages in implementing their FMI organisation and the teams found that line managers were far from clear about what the pattern of their responsibilities would be in the future.

3.2 The FMI has given shape and impetus to a change in management responsibilities that was already under way in parts of the Civil Service. The emphasis on lines of responsibility that are clear, objectives that are stated and agreed and activities that are monitored and assessed has encouraged the development of management structures on similar lines in many departments - for example:

- a top management group responsible for planning and allocating major resources on the basis of an annual review of functions, priorities and achievements (eg the Activity and Resource Management review in DTI; MINIS in MOD);
- annual budgets extending down each vertical line of command to individual cost centres (eg local offices in DHSS; Under Secretary commands in central Treasury);
- management information systems to enable managers to monitor their costs and outputs during the year.

3.3 The examining teams found these structures in place or in an advanced state of planning. But it was less clear to them whether line managers below the most senior levels fully understood what the changes meant for the way they do their jobs.

"Until the publication of Cmnd 9058* (which has not been widely distributed in the Department) and the distribution in November 1983 of an office notice on Financial Management ... it is clear that the relationship between the various

* "Financial Management in Government Departments", Cmnd 9058, HMSO, September 1983

departmental activities and the government-wide FMI was really understood only by a small group at the centre of the Department ... Indeed, even now we suspect that at, say, Principal level the general understanding of the FMI remains hazy." (DTI)

3.4 The budget-setting process and the discipline of working to explicit targets within a set budget will provide top management with a new and powerful resource control system. The system not only provides a means of tightening financial controls, but should also provide a means of improving and monitoring the function of management year on year to produce continuing improvements in value for money in each management area.

3.5 Line managers will have more power to choose how to deploy their resources but will have to be more accountable for their achievements. This in itself means a substantial change in the approach and the skills line managers need to bring to their jobs. Managers at all levels have to see themselves as part of a dynamic process in which the challenge and re-appraisal of their own functions and resource needs will become a routine part of their job, not one to be left to central resource controllers or occasional external reviews.

3.6 The new controls and responsibilities of the FMI go wider than the management of running costs. For example, a recent review of the role of finance divisions in DOE* concluded that day-to-day control of programme expenditure should be the responsibility of policy line divisions, while finance divisions should concentrate on central co-ordination with additional responsibility for challenging and auditing line management's performance. This report is mainly concerned with the central services in departments which deal with organisational and manpower issues; the DoE report suggests a similar approach to the finance organisation.

3.7 Departments are now beginning to develop the managerial skills and attitudes that will bring the new management systems to life. The budget and target setting process is at the heart of this. This process puts responsibility both for resource control and for achieving results firmly within the line of command from cost centres at one end to the top management group at the other. The development of managerial initiative and responsibility for value for money must be encouraged by redefining the central controls exercised by finance and establishments divisions to ensure that budgetary controls exercised down the line are real. As the same time the centre of departments will need to develop the capacity to monitor performance.

* "Review of the role of Finance Divisions in the Department of the Environment", Sally Booth and David Hampson, DOE, November 1983

3.8 The systems of control in departments go well beyond the scope of this review. But some of the CIR services affect the activities of line managers in a very direct and visible way. The way in which manpower and financial controls are handled - most notably the extent to which the budget setting process is regarded as a serious one - will be of crucial importance in encouraging line managers to accept that the primary responsibility for improved efficiency is theirs.

3.9 As a result of the FMI, line managers should become the main resource controllers once the size of their budget has been agreed and set. They will be responsible for organising their money and manpower, authorising and monitoring their own detailed complements and expenditure and, at the margins, they should be able to switch expenditure between manpower and other resources. Top management should be the internal resource allocators within the department. They should be responsible for determining how the department's total cash and manpower should be deployed between different functions, subject to the votes approved by Parliament. This shift in responsibilities will mean that the pattern of demand for CIR services will alter as the functions of the customers alter.

Line Management

3.10 Line managers will, for the first time, combine responsibility for management and policy development with responsibility for resource control. They will need training to ensure that the information used for their budgets is accurate and relevant. Their training should include:

- the rudiments of staff inspection and management skills, so that organisation, numbers and grading can be properly assessed;
- finance and budgeting;
- the use of new technology.

There is an important role for staff inspectors and management services staff working with training divisions to ensure that line managers are properly equipped to carry out their responsibilities.

3.11 The departmental scrutiny teams felt that, once this training had taken place, line managers could manage without the more routine external advice and inspection available now:

"The main source of expertise about a job lies, as has frequently been pointed out, in the people who actually do it; and once line managers have the knowledge, the powers and the

motivation to improve their performance, we think that for the most part they will prefer to use their own skills, and those of their staff, rather than call in outside CIRC experts." (DHSS)

However, in some circumstances, departmental CIR staff would continue to offer advantages of independent appraisal and an extra pair of hands when needed, as well as expertise not available in the line.

3.12 There is a good case for line managers heading large executive operations developing some specialist support of their own, but they and other managers will still need access to other specialist advice from time to time. Management services, staff inspection and computer advisory staff within departments should be able to provide much of the extra support line managers need, but it will have to be at an expert level.

3.13 All the departmental reports recommended grouping or closely co-ordinating the main advisory services. This opens the way to:

- ironing out the gaps and overlaps which the teams found;
- offering the line manager a single point for advice in identifying his problem and the skills needed to tackle it;
- providing the right mix of skills to deal with each issue.

The creation of a single unit to advise and support line management would also have the advantage of flexibility. A single unit which is responsible for meeting all demands for internal consultancy can adapt itself to fit changing needs in a way which separate units, organised to provide separate skills, cannot. While skills are supplied by separate units, the practitioners' own definition of what they are there to supply will tend to get in the way of matching their customers' real needs.

Top Management

3.14 The senior management of a department has a dual role. It includes the senior line managers each with continuing responsibility for his or her line management command. The development of the FMI has also given them a strategic role in planning and resource allocation for the department as a whole. This role requires them to act in a corporate manner as a group, not as individuals, looking across all the operations of their department. The top management group will need to be certain that it has support staff with the right expertise to brief it collectively, to ensure that it can exercise a firm grip on departmental operations.

3.15 The organisation and the skills of the support staff will need to be capable of changing over time as the organisation of the department changes. The main functions of the support staff for top management should be to:

- encourage the development of the FMI in the department, and to plan future strategic initiatives;
- act as secretariat in the annual round of budget-setting and reviews;
- advise on the setting of objectives and targets;
- identify particular areas for detailed investigation, audit or scrutiny;
- carry out investigations.

3.16 The scrutiny teams found that these functions are at present split between different units dealing with the FMI, with policy planning, manpower allocation and other CIR services. There are obvious advantages in having as many of these functions as possible in a single unit which is directly responsible to top management. All the functions except detailed investigations could be done by a small central unit. It should be staffed at a sufficiently high level to ensure that the advice given to top management and the discussions with line management are constructive and realistic.

3.17 Many departments have already developed a central unit which provides support for the top management system. But the relationships between the FMI systems and the existing audit, staff inspection and management services activities are often far from clear.

3.18 There will be occasions when top management wants a particular area of a department investigated by someone outside the line management chain. In a small department this kind of investigative capacity might be provided from within a top management secretariat, but in the larger departments different skills and different mixes of skills will obviously be necessary. It is never easy to combine a requirement for a special investigation with the proper use of the expensive staff resources involved.

3.19 There are a number of possibilities:

- to develop a separate investigating unit within the top management unit;

- to draw on staff from the management support unit (and elsewhere) to carry out investigations on behalf of top management;
- to combine within a single unit all the functions of the secretariat, management support and audit.

3.20 Maintaining a separate field force of investigators working only to top management is unlikely to be an economical solution and risks perpetuating problems of overlap and duplication of effort. On the other hand, combining all the functions within a single unit could damage the relationship between line managers and the support function. Line managers may be reluctant to seek advice from staff who are also seen to be involved in the central budget-setting and review process. The second option will probably be preferable in most departments, though mounting large investigative assignments will need close co-ordination between the top management and line management support units.

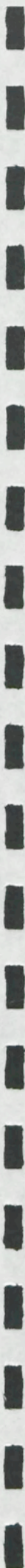
3.21 The scrutiny teams recognised that there is a need to maintain the role of internal audit in giving independent assurance to the Accounting Officer that the internal controls within his department are adequate. The internal auditors tend to guard their professional independence fiercely; this independence is essential but should not be carried to organisational extremes. There is a need for internal audit's work programme to be properly co-ordinated with other activities and for internal auditors to contribute to other investigative or review work on behalf of top management.

The Central Departments

3.22 Both the Treasury and the MPO have a co-ordination role for the CIR services. The Treasury's Staff Inspection and Evaluation Division maintains close contact with departmental staff inspection units and monitors and issues guidance notes on professional aspects of staff inspection. A similar central function is performed for internal audit. The MPO is responsible for the co-ordination of management services.

3.23 The central departments should look critically at their role in relation to management support in departments. At present the centre has some 120 staff employed in the co-ordination and monitoring functions for staff inspection, management services and internal audit, plus a large proportion of the 500 staff in CCTA who perform similar functions on the ADP side. The central groups provide valuable co-ordination and a means of disseminating new techniques, skills and ideas as well as providing training. The development of a small management support unit at the centre, with close links with the

departments and with the Treasury and the MPO, may be the most sensible way of approaching the need for co-ordinating the centre's activities. It is particularly important in this area of the development of management skills that the centre should not be seen to be dragging its heels in developing its own organisation while encouraging departments to be more innovatory.



4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Management in the Civil Service is undergoing substantial change. It is inevitable that the next few years will be a transitional period. It is impossible to be sure what will be the best arrangements for consultancy, inspection and review in each department. These services need to be ready to stimulate and encourage the change and to plan for the consequential changes within their own organisations as well as across their departments. The people doing CIR work will have a strong influence on the success of the management reforms which were begun in May 1982.

4.2 Line managers in the Civil Service still need to be informed and reassured about their future role. Senior management in departments must make a reality of the FMI principles which emphasise line management's real responsibility. This change is both the most important and the most difficult of the governments' management reforms. The existing culture is one in which civil servants have been trained to work to central procedures with relatively little scope for personal initiative or accountability. Line management must be told unequivocally what is expected of them, and the nature of their new responsibilities, in a way which is honest and unambiguous. It must be clear how accountability will flow through the line management chain, and that senior management gives a high priority to helping line managers to be successful.

4.3 The recommendations that follow are aimed at three main objectives:

- To ensure that line management understands the implications of the management changes that are under way;
- To plan and manage the CIR services to support these changes, starting immediately with the change to resource management by budget;
- To monitor and co-ordinate the changes in the central departments.

The Implications of the Management Changes

4.4 Recommendation (1) Ministers in charge of departments with their Permanent Secretaries should ensure that line managers throughout their department understand that:

- (a) the primary responsibility for resource management and control and for achieving improvements in value for money lies with line managers;

(b) the cycle of budget and target setting and review through the year will become the main method of monitoring, assessing and controlling line management's performance;

(c) line managers will be given the authority they need to discharge their responsibilities, in the expectation that their activities may be audited but that the control mechanism is the budget;

(d) there will be arrangements for line managers to be helped by specialists, within their own organisation, or within the department, or from outside;

(e) CIR staff (except for Internal Audit) will be accountable primarily for how far they have helped line management improve its performance.

Organisation of CIR Services

4.5 Detailed organisational structures cannot and should not be prescribed centrally. They must be designed by each department to fit its own structure. Some re-organisation will be inevitable and the pattern may differ between departments.

4.6 Recommendation (2) Ministers should seek proposals from their Permanent Secretaries, within the next six months, for action to re-organise their CIR services. Options to be considered should include:

(a) regrouping the existing specialists to create a multi-disciplinary management support group, including staff inspection, management services, operational research and computer experts, and with access to other specialists; this support group should provide expert advice to both line management and to the top management group;

(b) developing a small top management secretariat which works directly for the senior management group and can co-ordinate the investigations and scrutinies commissioned or authorised by that group. The secretariat should draw on whatever source of expertise, within or outside the department, is most appropriate for the work it commissions.

The heads of large executive organisations which have their own CIR services should also review them on the lines of sub-paragraph (a).

4.7 Recommendation (3) Internal audit should be maintained as an independent function, but internal auditors should work in close co-operation with the management support group. How best to organise this co-operation will vary from department to department. Hitherto a majority of departments have emphasised the independence of internal audit by keeping a separate unit. That has obvious merit, provided that co-ordination with work to improve value for money is satisfactory and there are no artificial barriers which hinder joint working with other services where this is appropriate. On the other hand, departments should be free to group internal audit with other functions where the Accounting Officer is satisfied that there are advantages in this and that the independence and central standards of internal audit will be maintained. These organisational arrangements should be further reviewed in three years time.

4.8 Recommendation (4) Career planning for internal audit and management support staff, outside the functional specialisms, should ensure that spells of continuous service are no more than five years, and that senior staff have real line management experience in addition to experience in their specialism.

The Transition to Budget-based Controls

4.9 Recommendation (5) For the next two years at least, the principal task of the management support group should be to handle the difficult period of change to resource control by budget. They will need to work directly with line managers and with training divisions to ensure that line managers have the resource control systems and the skills that they will need. Once the new budget structure is in place, the management support group should have the resources to develop as an expert advisory service for line management.

Investigations by Top Management

4.10 Recommendation (6) Work programmes for the services covered by this report should be approved by the senior management group. Investigations sponsored by senior management itself should concentrate on problem areas of wide significance. Although from time to time the senior management group may want to sample the position on a particular management issue, for example grading standards in one organisation of the department, it should not use its assignment staff for detailed second-guessing. These issues should be resolved as part of the budget-setting process and the responsibility for putting any deficiencies right should lie within the line.

4.11 One way of ensuring that line managers have an incentive to make efficiency improvements could be through a basic assumption of productivity growth reflected in the budgets. There may be transitional problems, but in the end, if there continue to be regular detailed inspections, the sense of responsibility that the FMI is intended to engender in line management will not emerge because line managers will not see themselves as having the final responsibility to seek improvements in value for money for themselves.

4.12 This report has not dealt with the responsibility for central resource control and budget-setting in departments. The roles of the PFO and PEO are already altering as management structures alter. In changing the role of the CIR services, senior management will obviously have to take into account these other changes to the finance and personnel functions, and ensure that the central organisation of the department is properly co-ordinated.

The Central Departments

4.13 The fundamental issue for the central departments, as for the centre within each department, is that to secure better control they must relax control of detail. That is a difficult thing to do. It is crucial, if the new style of management is to succeed, that the centre is seen to accept and fully endorse its principles. The key role here falls to the head of the Treasury and to the head of the Civil Service through their leadership of the service and their departments' sponsorship of Finance Officers and Establishment Officers respectively.

4.14 Recommendation (7) Treasury Ministers and the Minister of State (Privy Council Office) should jointly ensure that their departments:

- (a) monitor all departments' progress including their own in putting this report's recommendations into effect and report on progress in July 1985 and July 1986;
- (b) review by 31 December 1984 the organisation and roles of their central CIR services to ensure that they are able to reflect developments in departments and, in particular, development of the multi-disciplinary approach recommended for departmental management support units; this will include their role in training, practical support and co-ordination, monitoring effectiveness and participation in individual assignments.

THE TERMS OF REFERENCE

1. The terms of reference for the departmental scrutinies were:

"to examine internal consultancy, inspection and review (CIR) capabilities to establish how well they meet current and foreseeable departmental needs, having regard to the Financial Management Initiative and service-wide requirements and standards. The review will consider in particular how well such capabilities provide:

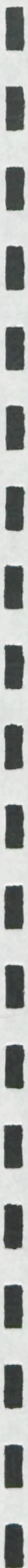
(1) assistance to senior management in reviewing and monitoring the execution of policy and the management of programmes;

(2) monitoring, inspection and audit services to Accounting Officers to enable them to exercise "arm's length" controls over delegated management;

(3) consultancy services to help line managers;

(4) for the promotion of particular managerial practices and developments, such as information technology, and promulgating guidance and standards as appropriate;

The study will consider how best to meet such needs cost-effectively, and will make recommendations for improvement as appropriate."

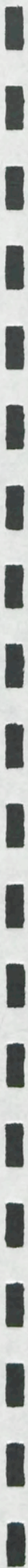


THE EXISTING CIR SERVICES - STAFFING AND COST

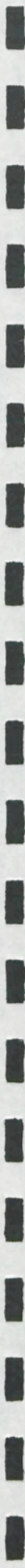
<u>Function</u>	<u>Assignment Staff (Main grade)</u>	<u>Total Staff</u>	<u>basic staff cost (£m)</u>	<u>total cost (£m)</u>
Internal Audit	982 (HEO/EO*)	1,308	17.9	23.1
Staff Inspection	415 (SEO/HEO)	559	8.9	12.4
Management Services	560 (SEO/HEO)	778	12.0	14.8
Operational Research	92 (SSO/HSO)	139	2.6	3.9
ADP Advisory Services **	833 (SEO/HEO)	1,185	15.1	18.9
Management Accountancy **	248 (Prin/SEO)	519	6.1	7.7
Statistics **	297 (Prin equiv.)	657	10.5	13.9
Economics **	165 (Prin equiv.)	307	4.8	6.0
Other (eg scientific advisers)	155	229	6.7	9.8
Totals	3,747	5,681	84.6	110.5

* EO is a training grade for internal audit.

** Figures for these functions may overstate the numbers of staff, particularly in support grades, who are involved in consultancy and review. They may include some staff engaged in other specialist activities such as collecting statistics, enhancing existing computer systems and routine accountancy work.



<u>Function</u>	<u>Mode of work</u>	<u>Customer</u>	<u>Control</u>	<u>Out-turn</u>
Staff Inspection	Rapid method of work survey to assess need for work, organisation, staff numbers, grading. Works on a fixed or partly selective cycle; sometimes acts at line management request.	1) Treasury - for controlling manpower ceilings and grading standards. 2) Departmental top management - for adjusting complements. 3) Line managers - for deploying staff more efficiently.	1) Treasury - through prescribed standards, annual report-back, right of entry by SIED inspectors. 2) PEO.	In 1982 staff inspectors recommended net savings of 3,500 posts; actual savings of 2,700 (£30m a year) were agreed.
Internal Audit	1) Identifies and evaluates internal control systems and compliance with them. 2) Routine checks on transactions (being phased out). 3) Value for money audit concentrating on aspects of effectiveness, efficiency and economy (increasing but not yet common). Works on a fixed or partly selective cycle; some use of risk analysis for selection.	1) Accounting Officer - to assure him of adequacy of controls and protect him against adverse external audit. 2) Line managers - advice on specific weaknesses in systems. 3) National Audit Office - provides background for effective choice of NAO audit topics.	In theory AO (sometimes through an audit committee); day-to-day usually PFO. Treasury provides guidance on standards and training. PAC takes close interest.	Not usually measured. Qualitative criterion is degree of assurance that can be given to AO. The number of implemented recommendations is sometimes monitored.
Management Services	Uses mainly work study and O&M techniques to advise on organisation, procedures, office technology, forms design etc. Work planned mainly in response to customer demand.	1) Departmental central management - to promote good management practice and review particular operations. 2) Line managers (mainly US/AS level) - to advise on improving efficiency of operations.	PEO or PFO; but individual assignments may be wholly under control of customer. (MPO provides some guidance and specialist assistance when requested).	Seldom measured but where resulting cost savings are monitored, MS units are often shown to pay their way several times over.
ADP Advisory	Advice on scope for new technology and appraising and developing new systems.	Departmental and line management.	1) PEO or PFO. 2) Treasury (CCTA) controls all procurement, sits on departmental strategy committees, prescribes standards eg on project management.	Not often measured, though long term payoffs can be very large.



SURVEY OF EXISTING CIR SERVICES IN DEPARTMENTS

Introduction

1. In addition to the detailed investigations of six departments, a questionnaire survey was conducted into the current use of CIR services in the central government departments covered by the FMI. The purpose was to provide a broad picture of the scale, cost and organisation of existing CIR capabilities. Before this review, information was only available on some of the services concerned.

2. Questionnaires are blunt instruments; they provide breadth rather than depth. In interpreting the results of this survey two particular points need to be borne in mind.

- Departments were asked to respond on the basis of readily available information and not engage in substantial primary data collection.
- Defining the scope of the survey was difficult. While some capabilities such as internal audit, staff inspection and management services fall clearly within any definition of CIR, the extent to which other specialist resources are used for CIR purposes is less easy to define.

Main Findings

3. The main findings of this survey are:

(a) The supply of CIR services is significantly greater in terms of manpower and costs than was originally thought;

(b) The distribution of effort is more towards central control and assurance than performance improvement. The increasing scale of resources in the ADP area may be modifying this;

(c) There is little evidence of positive co-ordination of CIR work in relation to departmental objectives or line management needs;

(d) In total, departments are not large users of external consultants. But there is great diversity in their use. A few departments account for most of the expenditure on external consultants.

Staffing

4. Each department was asked to provide information about the numbers and the distribution of staff in CIR services. Annex 2 summarises the results.

5. The most significant figure in Annex 2 is the total number of staff. In the early stages of the review, informed guesses about the total numbers of staff engaged in CIR work put the total at about 3,000. The total of more than 5,500 may be due to the inclusion of support staff and the broad definition adopted. But excluding support staff still gives a total of over 4,000 management and assignment staff and a broad definition is appropriate in the context of the FMI.

6. There is a distinction between the services found in all, or virtually all departments and those which are not. The former category includes internal audit, staff inspection and management services. ADP advisory services are found in more than half the departments covered (18) but management accountancy (15), statistics (13), economics (11) and operational research (10) occur in less than half. There are also a few capabilities specific to particular departments.

7. In staff numbers, internal audit is closely followed by ADP advisory services. This is important for the future insofar as it reflects a relatively recent but substantial government commitment to developments in information technology. However, ADP is not established in all departments.

External Consultants

8. Departments were asked to indicate the extent to which they use external consultants. A few departments are heavy users, but most use outside consultants very little or not at all. The total expenditure on outside consultants is estimated at £15.5 million, of which £12.9 million is accounted for by DTI, PSA and DHSS. If anything, these figures are underestimates because not all departments separately record this type of expenditure. For example, DTI reported that some external consultancy work is borne on programme expenditure budgets.

Organisation and Accountability

9. There are strong similarities in the organisation of CIR services across departments. Virtually all staff are located in central units or in units subject to central co-ordination via PEO or PFO. Variations in the form of organisation are due mainly to differences in scale or geographical dispersion. Line management control is very much the exception.

Co-ordination and Planning

10. Only a minority of departments reported overall co-ordinating arrangements with regular planning meetings covering all CIR services. Independent planning was more common. Work programmes are developed by a combination of regular cycles of investigation, self selection of areas for scrutiny, responses to line management needs and investigations mounted as part of departmental planning.

Value Added

11. Assessing value added by CIR services is difficult because of the indirect contribution they make to departmental performance. Nevertheless, performance is monitored and assessed in a number of ways including:

- cost savings;
- staff reductions;
- numbers of recommendations implemented;
- measureable increases in output;
- improved management controls.

Other criteria that were quoted infrequently were training and improved performance through read across from demonstration projects.

12. The results suggest that efforts to measure value for money are patchy. Measures of economy are more common than measures of efficiency or effectiveness. Measures are most developed in the management services, staff inspection and internal audit areas. There are systematic efforts in some, but not all departments, to evaluate the performance of ADP advisory services. Specific measures of performance in the areas of management accounting, operational research, economics and statistics are least frequent.

13. So far as it is possible to ascertain, performance criteria have been developed internally within CIR units. They are not based directly on client appraisals of performance.

Recruitment, Training and Length of Service

14. The patterns of recruitment and training in CIR services contain few surprises. In management services and staff inspection, recruitment is through normal career postings or trawls with no specific required qualifications, but with good background in the department and preferably some line management experience. For internal audit, recruits to the training grade (EO) are selected on general aptitude, but for more senior posts internal audit experience (and increasingly qualification) is required.

15. The requirements for management accounting and ADP are more stringent. Trawls and career postings are open to people with relevant professional qualifications; ICA, ACA, ICMA, CIPFA, in the case of management accounting. ADP candidates must pass a test at an appropriate level. For recruits to both of these functions relevant experience prior to entry is required. For operational research,

economics and statistics, the normal path is direct entry with a relevant degree for professional qualifications. Relevant field experience is also considered desirable depending on the level of appointment.

16. Initial and in-service training for management services, staff inspection, internal audit, management accounting and ADP are provided through combinations of on-the-job training, departmental background courses and Civil Service College courses. Staff inspectors take the Treasury Staff Inspection course (nine days). Entrants to internal audit undertake a longer period of training. Completion of a course leading to the IIA professional qualification is now usually required (16 weeks of formal tuition spread over a two year programme).

17. The training needs of operational researchers, economists and statisticians are largely met at the pre-entry stage. However, they are expected to participate in relevant seminars and undertake some specific training at the Civil Service College or elsewhere.

18. Accurate data on length of service of existing staff proved difficult to assemble. Nevertheless the information available showed that conventional wisdom about length of service in CIR functions should be treated with scepticism. Where data proved difficult to obtain, respondents quoted the expected period of continuous service as about three to five years. But actual information revealed a different pattern.

19. The pattern is grade-related. Existing staff at EO and HEO levels have been in post on average for quite short periods of time, say, one to three years. Staff in Assignment Officer grades: HEO, SEO, Principal have been in post for longer than the expected period of three to five years. Staff in management posts at Senior Principal and Assistant Secretary levels often have substantially longer periods of continuous service: 10 to 15 years or more.

20. If further examination confirmed that senior staff tend to have stay longer in all CIR functions than the three to five year norm, personnel management arrangements should be reconsidered. Greater stability might justify a greater investment in training. On the other hand if, for motivational reasons and because CIR functions can act as a training ground for future line management, more rapid turnover were desired, changes in career development practice, if not in policy, are needed.

MAIN RECOMMENDATIONS FROM THE DEPARTMENTAL SCRUTINIES

A. DHSS

The main recommendations were (in summary):

1. Early steps should be taken to provide line managers, at appropriate levels, with an up-to-date and positive description of the CIR facilities on offer.
2. The Department should accelerate the process of viewing and managing its CIR services capacity as a whole, with a view to developing its capacity to respond to FMI needs as effectively as possible.
3. More positive steps should be taken to establish the cost-effectiveness of various CIR services and to build up or cut back the amount of this capacity as appropriate.
4. The number of man-years available to assist in programme review should be trebled, from about 10 to 30, subject to -
 - (a) ensuring that this resource is a capacity on which line management can draw, and is not treated as a substitute for line management's own responsibility for programme review;
 - (b) qualities of mind - particularly the ability to handle conceptual and numerical issues - being recognised as more relevant than formal professional qualifications;
 - (c) aiming to supplement this "programme CIR", whenever appropriate, with data-collecting and observational skills drawn from "administrative CIR" resources.
5. That the Department notes the need to continue to improve the quality of administrative CIR to meet the likely needs of the FMI.
6. The work of Management Services, Staff Inspection and Internal Audit should be planned as a whole with the aim of eliminating both overlaps and work of relatively low cost-effectiveness.
7. That the Department should aim to bring all its CIR as quickly as possible under the control and management of a single Under Secretary (or equivalent grade), with the aim of managing and monitoring CIR as a whole, making CIR fully responsive to the developing needs of the FMI, adjusting the amount of specific CIR resources in response to those developing needs, and encouraging the development of inter-disciplinary working wherever appropriate.

B. THE SCOTTISH OFFICE

The main recommendations were (in summary):

1. To merge staff inspection and management services into a Scottish Office Efficiency Unit whose staff would receive basic training in both disciplines. It would provide a comprehensive service to management aimed at improving efficiency and effectiveness, but would give up:
 - detailed work on new technology;
 - office equipment approvals;
 - work for fringe bodies except on behalf of sponsoring policy divisions.
2. To reduce staff on central complementing and grading functions.
3. To improve control of assignments eg prior costing, cost attribution, monitoring results.
4. To keep the Internal Audit Unit separate, but take specific steps to improve co-ordination with the efficiency unit.
5. To set up a new Information Technology Development Unit to operate as an agent of change by promoting and developing the use of new technology; to have a separate identity within the computer directorate, but to develop close links with the efficiency unit and basic expertise in management services techniques.
6. To develop policy and programme review within the PES and (along with efficiency work generally) within the management planning framework under direction of the Management Group; line managers to be responsible for policy and programme review work with a strengthened role for Finance Divisions in challenging and assisting them; available specialist assistance to be drawn to line managers' attention.
7. To co-ordinate all efficiency and review work under a single committee which would also keep under review the role and organisation of the CIR capabilities as the FMI develops.

C. DTI

The main recommendations (in summary) were for:

1. Closer liaison between all current CIR capabilities and better awareness of each other's skills.
2. Continuing improvement in recruitment and training standards, especially in management advisory services.
3. Better education of potential clients in the capabilities of internal CIR services.
4. Attribution of costs to clients wherever feasible, with any subsequent moves towards full repayment guided by Departmental studies already in train.
5. Pilot studies of the use of auditable manpower control systems by line management and, if these prove successful, extension of the practice to the whole Department, with the phasing out of traditional staff inspection in favour of selective systems audit based on best Internal Audit practice.
6. Placing full responsibility for the employment of consultants on line management, but with a strengthened central capability for advice on good practice and evaluation and for monitoring of total expenditure and trends.

D. MOD

The main recommendations (in summary) were that:

1. The direction of staff inspection units for all parts of the Department should be brought together under the Director General of Management Audit (DGMA) - at present only the Central Staffs and the Procurement Executive inspectorates are under the DGMA's control.
2. The DGMA should not be responsible for complementing or the allocation and control of manpower ceilings. These functions should become the responsibility of line management and their exercise should be co-ordinated by the part of the Department which is responsible for allocation and control of defence expenditure.
3. In the Headquarters and Procurement Executive areas, staff inspection, internal audit and management services should be integrated to form two Directorates of Audit and Consultancy. For the services in the field, on the other hand, these disciplines should for the time being remain separate.
4. The concept of Special Manpower Audit should be developed. Under this, selective efficiency scrutinies should be mounted into the utilisation, organisation and grading of manpower in comparable areas (eg catering, flying training, stores) across the department as a whole rather than within individual management areas.

E. PSA

The main recommendations were (in summary):

1. To establish a high level committee structure to control the implementation of future developments and systems in PSA, advise the Executive Board on priorities, staffing resources and levels of capital investment.
2. To organise all CIR activities so that they are co-ordinated at a level below the Chief Executive.
3. To set up a Directorate of Information Technology Services to provide a comprehensive, multi-disciplinary, consultancy service to line managers; and a capability to implement the computer and telecommunications strategy on which a consultant's report is expected shortly.
4. To develop plans for an audit and efficiency unit to be fully operational when certain key budgetary control systems are available and suitable staff have been recruited and trained.
5. To establish budgetary control concepts for CIR activities including charging clients for the services provided.
6. To determine and set annual performance targets by CIR management for its own staff so that better quantitative and qualitative measures of achievement can be established.

F. HM TREASURY

The main recommendations were (in summary):

1. Some complementing work at present done by Management Services Division which does not fit in with its consultancy and inspection role under the new financial management systems should be transferred to Finance Division.
2. CIR services should cost all individual assignments, and develop output measures for their own work, quantified wherever possible.
3. For as long as staff inspection continues in its present form, it should fully carry out that part of its terms of reference which requires it to test the need for work before advising on organisation, staffing and grading.
4. Managers of responsibility centres should in future be asked to include in their annual work programme returns, any bids they have for CIR assignments, so as to enable CIR services to plan their own work programme better.
5. The 2 main elements of CIR - Internal Audit and Management Service Division - should work more closely together in support of the PEFO and the Planning Board. The Head of Internal Audit should have his headquarters in the Parliament Street building.
6. The unit in Finance Division which services the Planning Board - the Treasury's top management committee - should form part of CIR and work directly to the PEFO.
7. The terms of reference of Management Services Division should be extended to include responsibility for supporting the PEFO in his roles as adviser to the Planning Board and as promoter of good management practice throughout the Department.
8. The head of Management Services Division should, ex officio, be a member of the top management boards of CCC, CCTA and CISCO. There should be two-way traffic in information and advice between his and the three organisations.
9. The Treasury should be linked with another of the Departments for which the Chancellor is responsible, so as to be able to borrow (on repayment) CIR capabilities which the Treasury needs but has not got. If the arrangement is successful, the link might be developed further, so as to provide better career prospects within CIR for staff in the small Treasury unit.

COMPARATIVE SURVEY OF PRIVATE SECTOR PRACTICE

Introduction

1. As part of the CIR review, the central team conducted a survey of business practice. The purpose was to identify best business practice in the use of CIR services and draw from it lessons relevant to government.

2. The findings are based on confidential interviews with senior managers in a number of private businesses and nationalised concerns including Bass Charrington, British Rail, British Steel, IBM, ICI, Trust House Forte and Unilever, supplemented by information from other businesses, from Arthur Young, McClelland Moores, management consultants with public and private sector experience, and more general discussion with informants at the City University Business School and the London Business School.

The Role of CIR: Improving Performance and Assuring Accountability

3. Comparisons between management in business and government sometimes encounter difficulties because of differences in culture and context. However, in the case of CIR, the differences provide pointers to the role specialist services should play in implementing the FMI. CIR services are used in business and government to improve performance and assure accountability. Most of this report is devoted to improving performance which is the primary emphasis in business.

4. It must be borne in mind that there are grey areas between improving performance and assuring accountability. The special status of internal audit in assuring accountability is reflected in its independence of line management and a general practice of direct reporting to board level. But in business it also plays a role in safeguarding performance standards and reducing risks and may play an advisory role in designing control systems.

5. The basic attitude to the use of specialist services in business was summarised by one respondent as follows: "Nothing is perfect. We expect managers to be looking for ways of improving performance as part of their normal job and to call in specialist help when they need it."

6. Specialist help is deployed in two ways. Within an existing framework of policy and organisation it is used by line management to assist them in tightening up the day-to-day management of the business and to reduce or correct deviations from operating plans. This depends on well developed planning, budgetary control and management information systems which prompt line management to take corrective

action where needed and also to identify opportunities for improvement. Specialists can also have an important role in designing organisation structures and management systems.

7. There are significant differences among businesses in the use of specialist services, reflecting among other things, how diversified the business is and how interdependent are its component parts. Businesses are also more flexible and varied in the specialists they use. The nature of the business and the opportunities to improve performance are the critical determinants of specialists used.

8. Despite the diversity, three common themes emerged from interviews that are relevant to the future management of CIR in government departments.

(a) The use of services is demand-led.

(b) The supply of services is limited.

(c) There has been a shift to decentralised organisation aimed at making specialist services more responsive to line management.

In addition, business practice offers alternatives to the conventional model of the role of the centre as a source of detailed prescription.

A. Demand-led Use

9. People interviewed did not start from descriptions of resources currently committed by their business to CIR functions. They began with demand rather than supply. They stressed that the need for specialist services arose within the management process as line managers considered how to improve performance.

10. Demand is determined by managers at all levels in the course of setting objectives and attempting to achieve them. Specialist help is targeted on problem areas where managers responsible for achieving results feel there are significant opportunities for improving performance, or where important gaps or weaknesses in existing systems have been identified.

11. For example, expertise may be needed to deal with actual or anticipated deviations from planned output and cost levels. In the first instance it is for line management at the appropriate level to take corrective action. If they need specialised inputs to do so, it is up to them to decide what skills are required and how to deploy them. They are also expected to take into account the cost of using specialists to help solve operational problems.

12. In addition to these trouble-shooting functions, CIR services play a part in diagnosing more general weaknesses in management systems beyond the competence of individual managers. This may involve efforts to simplify procedures, to develop measures of performance and to create key indicators which provide more appropriate and useful flows of information to management.

13. While line management responsibility for performance is a governing principle, specialists are not totally subordinate to line management. In some businesses, specialists have an acknowledged role in the formulation of objectives. Top management takes account of the views of specialists on the feasibility of objectives and the timescale of implementation before setting specific targets or initiating strategic changes.

B. Limited Capabilities

14. The supply of CIR services in the businesses investigated was limited and in some cases almost non-existent. In line with the cut-backs that have taken place in recent years there has been a trend towards scaling down the supply of specialist services. Differences in provision are attributable in part to variations in business characteristics. Although the evidence is not conclusive, businesses retaining the largest capabilities appeared to be those whose activities are more interdependent and less standardised. There is more scope for specialists to improve performance in those circumstances.

15. Limited capabilities reflect a trend towards reducing the size and importance of centralised corporate planning staffs. Responsibility for planning has been shifted to line management and decentralised. Limited capabilities therefore reflect an assumption that line management will not only keep the show on the road, but also identify where improvements in performance can be made and take the initiative in securing them.

C. Decentralised Organisation

16. Decentralised organisation of specialist services is consonant with, and partly reflects, the division of most large businesses into units defined around profit or cost centres. The main advantage of decentralisation is to provide an efficient and flexible way of matching supply to demand. Specialists are either integrated into the line management structure or, if organised separately, the costs of their services are charged out to specific budgets. Often, they work in teams and task forces with line management.

17. The emphasis on decentralisation does not preclude the use of some specialists by top management. Particular types of expertise, for example financial, legal, tax or economic forecasting expertise

are required primarily by top management. The design of new management systems, the introduction of new technology, organisation and management of major change are also functions which call for centrally located expertise.

18. Central capabilities are concerned with helping top management establish the framework within which line management operates and address longer term issues of business strategy. They do not provide a pool of common services that line management can draw on at will.

The Role of the Centre

19. As well as these implications for the internal organisation of departments, business practice is also relevant to the structuring of relations between the centre of government and departments. The conventional centre/periphery model is basically one of centrally promulgated standards with monitoring arrangements to assume compliance. But, particularly in the transitional phase of the FMI, ways are needed of promoting better management rather than regulating behaviour according to established standards.

20. Business practice offers alternative models which do not involve detailed central prescription or even a centrally located unit.

- A single advisory unit available to individual units on a contract basis is sometimes economical. The benefits are increased if it has a remit and the credibility to accelerate the introduction of, say, advanced information technologies more rapidly.
- An agency model is another alternative. One sub-unit is given a leadership role and acts as an agency on behalf of others which lack its expertise in for example purchasing or design. The agency may also acquire a training function.
- Another possibility is a specialist network which functions under the aegis of the centre, but with a wide measure of discretion. Where there is a need to produce a co-ordinated response to a general problem, such as establishing a common set of accounting standards, a temporary network of specialists drawn from the relevant organisations may be the best way to secure agreement and rapid implementation.

21. None of the models detract from the role of the centre in safeguarding standards once they are established. Their importance is that they provide ways in which the centre can draw on and use expertise in departments to develop standards and contribute to improving performance.

Conclusions

22. Although there are identifiable common themes, business practice in the use of specialist expertise is diverse. Even if it were more uniform, drawing inferences about its relevance to government would not be straightforward. Aside from general differences in context, there are also differences of function and organisation among departments, which make it important that they formulate their own solutions. However, business practice does underline the need to base solutions on a realistic assessment of current management capabilities and as clear as possible a picture of future needs.

23. The difficulties of doing this in government should not be underestimated. One danger of a snapshot survey such as this is that developments over time are ignored. Current business practice in the use of specialists depends on past investments in management systems and line management competences. Government is at a much earlier stage in the process of developing appropriate management systems and competences. The problems are more complex and there is less departmental experience to draw on. This makes it doubly important that the potential contributions of existing specialist services are carefully evaluated.



FROM: CHIEF SECRETARY
DATE: 27 July 1984

PRIME MINISTER

SENIOR OPEN STRUCTURE REVIEWS

*See Pt 10
At flap*

You will recall that in his Open Structure Review Report, Sir Geoffrey Wardale said that there should be "continuous and systematic review of [Open Structure] posts to strengthen CSD's [now Treasury's of course] control" (report summary point 2). He said also that the CSD's [Treasury's] control should be reinforced by the examination of work in departments, using agents of suitable status and experience (report - recommendation 6.3).

In the published Treasury report on the general Open Structure Review, we said that every three years or so "official heads of departments will carry out in consultation with the Treasury and the Management and Personnel Office a comprehensive review of their top management structures".

*Pt 10 at
flap*

When my predecessor reported to you on the Open Structure Review, you expressed a particular interest in the method a frequency of reviews of Open Structure posts. Therefore, I thought you would be interested to hear what we propose to do to meet this commitment. Sir Peter Middleton has agreed arrangements with Permanent Secretaries as follows:

- (a) A continuing three-yearly programme of review of departments' top management structures, starting in Autumn 1984. The programme will, as the Treasury report suggested, take advantage, where possible, of the natural opportunities for review provided by changes of head of department, or changes in

the pattern of business (the programme will be drawn up in consultation with departments and the Cabinet Office (MPO). It will cover all departments with five or more senior Open Structure posts; review of departments with less than five posts would be ad hoc).

(b) Reviews to be carried out in the first instance by heads of departments themselves without direct Treasury participation (but they could opt to go straight to (d) below if they preferred to short circuit the proposed two-stage procedures, eg. in cases where they wanted an increase).

(c) When requesting a head of department to carry out a review, the Treasury will ask him to pay particular attention to areas about which the Treasury has cause for concern, eg. particular "suspect" posts, unsound organisation, (these assessments will be based on our experience in dealing with departments).

(d) The head of department to report the outcome of his review to Sir Peter Middleton with a copy to Sir Robert Armstrong. If they are satisfied with it, that would be the end of it. However, if they are dissatisfied with any aspect of the review or if his review has caused the head of department to propose any increase in the number or grading of his department's senior open structure posts, there would be a second stage review by the Treasury of the area in question, or wider if necessary.

(e) The second stage review by the Treasury to be carried out by retired Permanent Secretaries or Deputy Secretaries. Support will be provided by the Treasury's Staff Inspection and Evaluation Division. An outside consultant might be brought in to participate in a review where it was judged

that this would increase its effectiveness.

(f) The report on the second stage review to be made to the Treasury; and copied to the department, and to Sir Robert Armstrong. Obviously one would hope that the reviewer's conclusions will be acceptable to both the Treasury and the department.

Sir Anthony Acland and Sir Clive Whitmore respectively have agreed that the programme should include (as the Open Structure Review did) reviews of senior Diplomatic Service posts in London and Service posts at 2-star level and above in the Ministry of Defence.

The aim of these reviews will be to ensure that the number of Open Structure posts remains (in aggregate) no higher than the level that emerged from the Open Structure review, and to seek further reductions where possible. Generally we are taking the line that there should be compensating reductions for new Open Structure posts (the line you have taken on Norman Fowler's proposal for additional senior posts to implement the Griffiths report).

I hope you are content with these arrangements, and agree with the proposed line on numbers of posts.

A copy of this minute goes to Cabinet colleagues, and to Sir Robert Armstrong.



PETER REES

CIVIL SERVICE : Long Term
At 16

30 JUN 1964

COPIED

MEMORANDUM



Prime Minister

Content that Lord
Gowrie should write round
with this proposal as
proposed at X/?

MINISTER OF STATE, PRIVY COUNCIL OFFICE

FERB

27.7.

PRIME MINISTER

UNIFIED GRADING

You will remember that last year we decided to "unify" Civil Service posts at the Assistant Secretary and Senior Principal level into a single grade structure in order to make the best use of our human resources at these levels. Unification of Grades 4, 5 and 6 accordingly began on 1 January last and good progress has been made. At the same time we said that we would consider extending unified grading down to Principal level.

The process of internal study and discussion by officials has now been completed and, while there are differences of view between Departments, most would now welcome the extension of unified grading to the Principal level and the majority view of both Permanent Secretaries and their Principal Establishment Officers is that we should move to establish the 'new unified Grade 7 from 1 April next. Support is particularly strong from Departments like the Ministry of Defence who face significant, and time consuming, problems in effectively managing staffs of many different professional disciplines - scientists, engineers and administrators - who often work side by side but do so against a background of irritating differences in pay, status and professional demarcation lines.

Unified grading of course inevitably means unifying pay and we have had extensive discussions with the Treasury, and departmental managers, on this. The Treasury would be responsible for the actual negotiations (as they were when we unified Grades 4, 5 and 6) and can be expected to come up with the cheapest acceptable solution. It is impossible to be sure of the cost in advance of negotiations but the scenarios we have examined suggest that it might lie in the region of £5 million when the operation is complete and there are possibilities of staging which could reduce this in the first year or so. The bulk of the money is likely to be spent in bringing the pay of scientists and engineers up to the level of their administrative counterparts. Given their interest in the outcome it is to be expected that Departments would absorb much of the cost within existing cash provisions.

If we carry it through this will be a major reform of Civil Service personnel management (bringing about 12,000 staff currently in over a hundred separate grades into a single unified grade); would be a further and clear signal of our determination to press ahead with reform wherever it makes good sense; and would underline the fact that the career prospects of staff would increasingly rest on ability and performance alone.

The change would, I judge, be welcomed by our supporters in Parliament as a considerable step forward to establishing an efficient and effective Civil Service. It would also be very favourably received by the IPCS - one of our biggest and most moderate unions - who have long bitterly resented what they see as discrimination against scientists and engineers in the public service. Other Civil Service unions would be either neutral or opposed - regrettable but at least ensuring that we would not face united opposition on that front.

X The next step is for me to write to colleagues making specific proposals but I thought you would wish to know what is in the wind first. Given the considerable amount of detailed work which will be needed if the 1 April 1985 target date is to be met, I intend to write around next week with a view to a decision and an announcement by early September.

I am copying this minute to the Chancellor of the Exchequer and to Sir Robert Armstrong.

LORD GOWRIE

27 July 1984

Lord SANDYS to ask Her Majesty's Government:

When the results of the ethnic surveys of non-industrial civil servants in the North West and the County of Avon will be published.

The EARL of GOWRIE:

A report on the survey is published today. Copies have been placed in the Library. Of the 64,000 staff issued with a questionnaire, 77% completed the ethnic origin question, 0.9% of whom classified themselves as belonging to an ethnic minority. A survey of applicants for Civil Service posts in these areas is currently being carried out and will cover recruitment schemes in the period March-August 1984.

The Government wishes to give further encouragement to people from the ethnic minorities to apply for Civil Service posts and is determined to ensure that they are given full equality of opportunity both at the recruitment stage and in their subsequent careers. To this end we are vigorously following up the recommendations of the report on a Review of Policies and Procedures as they affect race relations in the Civil Service which was published in December 1983.

Officials are having discussions with the Council of Civil Service Unions about arrangements for possible future ethnic surveys of non-industrial civil servants in other areas. A decision on this will be made as soon as possible.

G

hie ECL

23 July 1984

Thank you for your letter of 20 July, with which you enclose a draft of the article which Lord Gowrie will be submitting to the Editor of The Times.

As I told you on the telephone, we have only one comment on the text. This is that it might be better to omit the word transfer from towards the end of the middle paragraph on page 2.

David Barclay

Mrs Mary Brown,
Lord Gowrie's Office.



Cabinet Office

Management & Personnel Office

Whitehall SW1

PRESS RELEASE

23 July 1984

REPORT ON ETHNIC SURVEYS OF CIVIL SERVANTS IN
THE NORTH WEST AND COUNTY OF AVON IS PUBLISHED

A report entitled: "Ethnic Surveys of Non-Industrial Staff in the Civil Service: North West and Avon" is published today. It gives details of the ethnic surveys of non-industrial civil servants in the North West and the County of Avon begun in November 1983 which have been undertaken by the Cabinet Office (Management and Personnel Office) and Government Departments with offices in these areas. The surveys have had the co-operation of the Council of Civil Service Unions, and the Commission for Racial Equality has been consulted throughout their conduct. A survey of applicants for Civil Service posts in these areas is currently being carried out.

Lord Gowrie, the Minister of State, Privy Council Office, announced in reply to a Question today in the House of Lords:

"A report on the surveys is published today. Copies have been placed in the Library. Of the 64,000 staff issued with a questionnaire, 77% completed the ethnic origin question, 0.9% of whom classified themselves as belonging to an ethnic minority. A survey of applicants for Civil Service posts in these areas is currently being carried out and will cover recruitment schemes in the period March-August 1984.

"The Government wishes to give further encouragement to people from the ethnic minorities to apply for Civil Service posts and is

determined to ensure that they are given full equality of opportunity both at the recruitment stage and in their subsequent careers. To this end we are vigorously following up the recommendations of the report on a Review of Policies and Procedures as they affect race relations in the Civil Service which was published in December 1983.

"Officials are having discussions with the Council of Civil Service Unions about arrangements for possible future ethnic surveys of non-industrial civil servants in other areas. A decision on this will be made as soon as possible."

Free copies of the report on the surveys can be obtained from Central Management Library, Cabinet Office, Room 130/4, Great George Street, London, SW1P 3AL. (Tel: 01-233 5771).

Information Services
Room 57/G
Government Offices
Great George Street
LONDON, SW1P 3AL
(Tel: 01-233-6147)

NOTES FOR EDITORS

1. The decision to conduct the surveys was announced by Baroness Young, the then Lord Privy Seal, on 24 March 1983 following the completion of a pilot ethnic survey in Leeds, who said that the Government had decided to gain broader experience of ethnic monitoring by these surveys.
2. It is the policy of the Civil Service that all eligible persons shall have equal opportunity for employment and advancement in the Civil Service on the basis of their ability and qualifications and fitness for the work. The Government is and will remain committed to a policy of equal opportunity in the Civil Service.
3. The surveys in the North West and the County of Avon follow pilot surveys in Leeds during 1982 covering staff in the grades represented by the Civil and Public Services Association, the Inland Revenue Staff Federation and the Civil Service Union (broadly clerical, secretarial and messengerial grades) and applicants for jobs in Leeds in these grades. Reports in the Leeds surveys were published in two volumes.(1)
4. As in the Leeds surveys, staff in the North West and the County of Avon were asked to indicate their ethnic origin on a voluntary basis. The ethnic classification followed that used for the survey of staff in Leeds except that

(1) Ethnic Monitoring in the Civil Service: A Survey in Leeds (HMSO 1982 and 1983 - ISBN 0 11 630463 4 and ISBN 0 11 630467 7).

an additional classification of Chinese origin was included and the category of West Indian was changed to Caribbean. The information obtained by the surveys has been included in the computerised personnel records held on all non-industrial civil servants and consideration is now being given to the use of the data for monitoring purposes.

5. The overall response rate for the two surveys, based on questionnaires sent to 64,047 staff, was 77.1%. Although not as high as the rate obtained in Leeds (92.2%) it represents a considerable achievement and compares favourably with rates obtained by other employers. In the Leeds exercise staff were given an undertaking that no record of their answer would be kept as it was purely a pilot exercise, and this undoubtedly affected the response rate; it was also on a much smaller scale and intensive efforts by management and unions to encourage staff to co-operate in the survey were therefore feasible.

6. It is not possible to make an accurate assessment of the number of civil servants from the ethnic minorities in the two areas because the proportion of the ethnic minorities among the 23% non-respondents is not known.

7. A model Code of Practice for safeguarding the confidentiality of the ethnic data has been agreed with the Council of Civil Service Unions to be adapted by departments to their particular procedures and needs.

8. It is hoped that the results of the survey of job applicants can be published by the end of the year.

9. In December 1983 a report entitled "Race Relations: A Review of Policies and Procedures in the Civil Service" was published which detailed the findings of a review of Civil Service personnel policies and procedures with regard to their impact on race relations. The review was undertaken with the co-operation of the Council of Civil Service Unions and made 30 recommendations.

Ethnic Surveys

of non-industrial staff in the
Civil Service:
North West and Avon

INTRODUCTION

1. In 1982 the Government undertook a pilot ethnic survey in Leeds which covered staff in or people applying to join the grades represented by the Civil and Public Services Association (CPSA), the Inland Revenue Staff Federation (IRSF) and the Civil Service Union (CSU). The survey was conducted with the full co-operation of the Council of Civil Service Unions (CCSU), and consultation took place with the Commission for Racial Equality (CRE) and the Leeds Council for Community Relations. It was carried out by means of voluntary self-classification and highly successful response rates of around 90% were achieved. The findings of the survey and its background were published in *Ethnic Monitoring in the Civil Service: A Survey in Leeds*.*

2. Following the successful completion of the pilot ethnic survey the Government announced on 24 March 1983 that it had decided to gain broader experience of ethnic monitoring by arranging to hold surveys of the ethnic origin of non-industrial civil servants in the North West (Lancashire, Cheshire, Greater Manchester and Merseyside) and the County of Avon during the autumn. Some recruitment schemes in both areas would also be monitored. On 9 May 1983 the then Lord Privy Seal wrote to the CCSU saying that the purpose of the surveys was to build on the findings of the Leeds survey and thus take further the steps necessary to establish a sound statistical basis for monitoring in the Civil Service.

3. The two areas were chosen as having a fair proportion of people of working age of New Commonwealth or Pakistani origin; there are also a large number of Civil Service posts in the areas. It was thought to be appropriate to contrast an area in the North (which has a large Asian community) with one in the South (which has a large Afro-Caribbean community).

4. Unlike the Leeds exercise, which was conducted on the basis that all record of individual answers to the questionnaire would be destroyed, details of the ethnic origin of individuals on the staff would be retained on the computerised personnel records covering all non-industrial civil servants. This information would be stored on a confidential basis and would be accessed only in accordance with an agreed Code of Practice. When the results of the initial ethnic count were known, the use of the data for monitoring purposes would be considered.

5. These surveys have also had the co-operation of the CCSU, and consultations took place with the CRE and the Community Relations Councils in both areas. The surveys covered all non-industrial civil servants in the areas (excluding casuals), some 64,000 staff in all. The ethnic monitoring of recruitment schemes in the two areas began this Spring and is to continue until August 1984.

METHOD OF CLASSIFICATION

6. There are basically two methods of direct determination of ethnic origin: self-classification and classification by another person, for example management identification. The surveys followed the Leeds exercise in using self-classification as the sole method. Although classification by another person may be simpler to operate and therefore cheaper, the clear policy of the Trade Union Side, reflecting the advice of the Commission for Racial Equality, has been in favour of self-classification. Furthermore, if there is to be a system of monitoring based on permanent records, it can be argued that individuals themselves should be responsible for their own classification.

*Volume One, HMSO 1982, ISBN 0 11 630463 4; Volume Two, HMSO 1983, ISBN 0 11 630467 7.

CLASSIFICATION INTO ETHNIC GROUPS

7. Various forms of ethnic classification are in current use but there is no agreed definitive classification. A classification had already been successfully used in the survey of staff in post in Leeds. This was used again, but with the addition of a category for those of Chinese origin in view of the considerable Chinese population in the areas, particularly Liverpool, and the alteration of the West Indian category to 'Caribbean'. The latter was done at the suggestion of the Bristol Community Relations Council; it avoided the need for a separate 'Guyanese' category and it was felt it could be more acceptable to younger ethnic minority respondents. The questionnaire is shown at Annex A together with the explanatory letter.

PREPARATORY ARRANGEMENTS FOR THE CONDUCT OF THE SURVEYS

8. The preparatory arrangements for the conduct of the survey were agreed and supervised by a joint management/union working party. When the decision to hold the surveys was announced on 24 March 1983, an Office Notice was circulated by departments advising staff of the intention to carry out the surveys. In early May the surveys were discussed with representatives from the ten computer centres holding Civil Service personnel records. During late May and early June representatives from the Cabinet Office (Management and Personnel Office), the Council of Civil Service Unions and the Commission for Racial Equality met representatives of Community Relations Councils in the two survey areas to tell them what was being proposed and to give them an opportunity to comment on the proposals. At this time the representatives from the Cabinet Office (MPO) also met local representatives of departments in the areas to give them a fuller idea of what was involved and to ensure that the arrangements for the surveys would fit in as smoothly as possible with existing procedures. Before the surveys began in November the officers in departments responsible for co-ordinating the surveys arranged for the briefing of senior regional and line management. In the interest of consistency the Cabinet Office (MPO) provided guidance on the conduct of the surveys and briefing material covering their background and purpose. Shortly before the surveys staff were warned that they would be receiving a questionnaire. Briefing by the Trade Unions of Branches and members was carried out from the time the surveys were announced but the detailed briefing took place in the last few weeks before the surveys began. Detailed briefing was delayed while agreement on a confidentiality code of practice (see paragraph 10 below) was awaited. On 8 November the surveys were announced in a Press Notice and press briefings in both areas were held.

CONDUCT OF THE SURVEYS

9. Departments distributed the questionnaire to staff at various dates between 7 and 21 November 1983. (Owing to industrial action it was not possible to launch the survey in the Land Registry until early 1984.) A computerised ethnic questionnaire, showing the recipient's name and unique pay reference number, together with an explanatory letter, signed by a senior departmental officer, was sent to all non-industrial staff in the two regions. Each individual was asked to return the completed form direct to the appropriate departmental computer centre in a confidentially marked envelope. When the information from the questionnaire had been placed on the computer (and a check made to ensure that the computer had accepted the information and placed it on the departmental staff record) the questionnaires were destroyed and a form completed to record that this had been done, except for two batches of questionnaires:

- (a) those which had been rejected for punching (apart from those where the questionnaires had been mis-keyed by the punch operator or missed altogether, which were simply resubmitted);

- (b) those where one of the 'other' categories was completed (ie boxes 13, 26 and 31).

These were sent for examination to the Cabinet Office (MPO) with the names of the individuals removed and under confidential cover so that problem areas relating to the ethnic question itself could be identified.

10. These arrangements, together with safeguards for ensuring the confidentiality of the ethnic information once it was included in the computerised records, followed a model Code of Practice agreed for this purpose with the Council of Civil Service Unions and which departments used as a basis for agreeing their own Codes with their Departmental Trade Union Sides. The model Code of Practice and an explanatory paper are at Annex B.

11. One month after the survey the computers issued another questionnaire (identical to the first one) to non-respondents (ie members of the target population for whom the computer had no entry). This was accompanied by a letter giving the reasons for the reminder (specimen shown at Annex C). As with the first covering letter, it was produced on appropriately headed paper for each department and signed as before. In identifying non-respondents departments were asked to distinguish between cases where:

- (a) the questionnaires had been filled in by respondents and unintentionally spoilt, in which case reminders were to be sent;

- (b) respondents had purposely spoilt the questionnaires and by doing so made clear that they did not wish to participate in the surveys, in which case no reminder was to be sent. It was recognised that some difficulty could be experienced in differentiating questionnaires deliberately spoilt from those where, for example, respondents had not read the instructions carefully, and hence in deciding who should or should not receive a reminder. It was accepted that this could require a subjective decision by departments.

12. It was necessary to modify these arrangements slightly in the case of the computer centres at Chessington and the Scottish Office which perform an agency function on behalf of a number of departments. The questionnaires were distributed via the employing department so that their explanatory letter could be attached. However the completed questionnaires were returned direct to the computer centre.

13. It was agreed that following the surveys each respondent would be sent a personal print-out showing the ethnic origin data held about him or her in the computerised personnel record (see paragraph 5 of the model Code of Practice at Annex B (page 11 below)).

NEW ENTRANTS

14. Anyone joining the Civil Service in a non-industrial grade in either of the survey areas from the operative date of the surveys is being invited to complete an ethnic questionnaire. The need to explain the surveys fully to new entrants and to make every effort to obtain a high response rate, bearing in mind the voluntary nature of the surveys, has been emphasised to management in the areas.

RESULTS OF THE SURVEYS

15. Of 64,047 non-industrial civil servants in the two areas invited to participate, 49,360 valid responses were received which represented a response rate of 77.1%. Of these respondents, 426 (0.9%) identified themselves as belonging to an ethnic

minority group. The response rate at Avon (79.6%) was higher than in the North West (76.5%). These figures and those in the paragraph below include responses received following the reminder sent to non-respondents. The effect of the reminder was to increase the response rate from 73% to 77%.

16. There were 23 departments involved in the surveys and 16 of them obtained a response rate of 80% or over. Tables 1 and 2 (at Annex D) show the response rate to the questionnaire by department in each survey area, together with a breakdown between white and ethnic minority respondents, and Table 3 (at Annex D) shows the totals for both areas.

17. The overall sex breakdown among the ethnic minority respondents was about even with 193 males and 222 females. This is in line with the breakdown among white respondents (see Table 4 Annex E). However males predominated among Africans (17 males, 6 females) and in the "other groups" category (34 males, 18 females) while females predominated among Caribbean staff (33 males, 59 females) and Indians (45 males, 61 females). In addition, the ethnic minority respondents were younger than the "white" respondents, in that 11.0% were aged 50 or over, compared with 25% of the "white" respondents (see Table 5 Annex F).

18. There were 39 staff from the ethnic minorities identified at levels above Executive Officer, 63 at Executive Officer level, 172 at Clerical Officer level and 141 at Clerical Assistant level. These figures include staff outside the Administration Group (see Table 6 Annex G).

19. The response is not as high as that achieved at Leeds (92.2%). This was undoubtedly affected by the fact that in the Leeds exercise, as a pilot survey only, it was made clear to staff that all records of their answers would be destroyed once the survey was completed. There is also the consideration that the comparatively small number of staff covered in Leeds (less than 4,000) allowed more intensive publicity efforts by management and unions than were feasible in the larger surveys. The following three factors may also have affected the response rate:

(a) **Confidentiality** - Each questionnaire carried an identifying number which some (mainly white) respondents had obliterated. The very fact that reminders were sent indicated that non-respondents had been recorded and identified.

(b) **Resistance to classification** - There was some resentment about any form of ethnic classification and to there being no breakdown of the "white" category.

(c) **Positive discrimination** - Some staff appeared to be suspicious that ethnic surveys would lead to people from the ethnic minorities being treated more favourably than their "white" colleagues even though positive discrimination as such is unlawful.

USE TO WHICH DATA WILL BE PUT

20. The response rate of 77.1% may be sufficient for ethnic monitoring purposes. It should be possible to follow and compare the careers of respondents from the ethnic minorities and those of their "white" colleagues who also responded. Such career events as wastage, promotion, allocation to duties, attendance at training courses etc could be followed through. The model for monitoring discussed for women in Chapters 5 and 8 of the report of the Joint Review Group on Employment Opportunities for Women in the Civil Service* could be used.

* Equal Opportunities for Women in the Civil Service, HMSO 1982, ISBN 0 11 630466 9.

FUTURE SURVEYS

21. Several pointers emerged from the surveys in the North West and Avon as to how a higher response rate might be achieved in any future surveys:

(a) holding separate briefing meetings for both management and trade union personnel, as well as joint management/trade union meetings for the staff generally; these briefing meetings should be started earlier to ensure that adequate time is given for local staff and management to be made fully aware of the need for the surveys and the use to be made of the data;

(b) including in the covering letter to the questionnaire a positive statement that while departments have the information on sex, marital status and nationality, information is also needed on ethnic origin to guard against racial discrimination;

(c) improving the questionnaire presentationally; and

(d) improving the briefing and the letter to staff by drawing more explicit attention to the widespread problem of discrimination in society in general, and in the employment field in particular.

Dear Colleague

WE NEED YOUR HELP

We are carrying out surveys of ethnic origins in the North West Economic Planning Region (Lancashire, Cheshire, Greater Manchester and Merseyside) and the County of Avon. We wish to ask people who work in the non-industrial Civil Service in these areas to say what their ethnic origins are.

The Civil Service has a policy of equal opportunity. This says that all people, no matter what their sex or marital status, race, colour, nationality or ethnic or national origins, will receive the same treatment when working and pursuing their career in the Civil Service.

The Government wants to find out whether this policy is working and is committed to taking steps to ensure further progress is made to achieving equal opportunity. To do this we need to know about the ethnic origins of people working in the Civil Service.

During 1982 a survey of the ethnic origins of civil servants was carried out in Leeds. More than 90% of civil servants in the area co-operated in this survey. To build on the findings of the Leeds survey we are carrying out surveys in two more areas this autumn. These surveys will be on a much larger scale. They will cover all non-industrial civil servants in the areas concerned, and thus take further the steps necessary to establish a sound statistical basis for monitoring the Civil Service.

This survey is concerned only with the ethnic origins of staff, not their nationality or citizenship (for the most part civil servants are British citizens). We are asking you therefore to tick one box in the attached questionnaire to show your ethnic origin. The answer you give will be retained on your department's computer record system. It will be treated in strict confidence and will be protected by effective safeguards which have been agreed with the Council of Civil Service Unions.

The information will be used only to further the Civil Service's policy of equal opportunity by staff involved in this work. **It will not be made available for any other use.**

Please fill in the attached questionnaire and return it sealed in the envelope provided [to the person who gave it to you]. **Please do this if possible on the day you receive the questionnaire.**

The Council of Civil Service Unions are co-operating fully with the survey, and it also has the support of [..... Community Relations Council and the Commission for Racial Equality].

If you have any difficulties with the questionnaire please consult your line manager or your Trade Union representative, [or if you wish telephone].

THANK YOU FOR YOUR HELP

Yours sincerely

ETHNIC SURVEY QUESTIONNAIRE

Annex A

DEPARTMENT OF ADMINISTRATIVE AFFAIRS

A N Other
Room 9/99
Main Building
Somewhere

Pay Ref: 123/4567

Please show your race or ethnic origin by ticking one of the boxes below.
Please make sure that you read all the categories before you tick the box that applies to you.

		Tick One Box:	
Are you WHITE?	01	<input type="checkbox"/>	
Are you BLACK?	11	<input type="checkbox"/>	of Caribbean origin
	12	<input type="checkbox"/>	of African origin
	13	<input type="checkbox"/>	of other origin (please describe below)
Are you ASIAN	21	<input type="checkbox"/>	of Indian origin
	22	<input type="checkbox"/>	of Pakistani origin
	23	<input type="checkbox"/>	of Bangladeshi origin
	24	<input type="checkbox"/>	of East African origin
	25	<input type="checkbox"/>	of Chinese origin
	26	<input type="checkbox"/>	of other origin (please describe below)
Do you belong to some other group or groups?	31	<input type="checkbox"/>	(Please describe below)

Thank you for your co-operation.

Please return this form to

by

STAFF IN CONFIDENCE

ANNEX B

ETHNIC SURVEYS IN THE NORTH WEST ECONOMIC PLANNING REGION AND COUNTY OF AVON: CONFIDENTIALITY OF ETHNIC ORIGIN INFORMATION ON STAFF IN POST

INTRODUCTION

1. This paper details arrangements for the storage of ethnic information on computerised personal records and outlines, in the form of a model Code of Practice, uses to which this information may be put and the safeguards that will be needed to preserve the confidentiality of the information. It is essential that these records should be subject to stringent and effective safeguards.

REASONS FOR RECORDING AND METHODS USED

2. The ethnic information obtained will be used only for the purposes of monitoring the effectiveness of the Civil Service's policy of equal opportunity. On no account will data be used for any other purpose or made available to any other Government department except as set out in the Code of Practice.

3. All monitoring will involve the use of statistical summaries of the ethnic information in which the identities of respondents will not appear. Such summaries may show, for example, the proportion of people from each ethnic minority group in various grades in the Civil Service and how they progress at the various stages of selection and during their career, in comparison with a majority group.

4. To achieve this it will be necessary to associate the data on ethnic origin with other personal information such as age, grade, sex and date of entry to the Civil Service, which is held on eight Departmental Staff Records (also known as departmental PRISMS) and on two agency systems (at the Chessington Computer Centre and the Scottish Office Computer Service). Data on ethnic origins will be added to these computerised Departmental Staff Records and held in a way which safeguards the confidentiality of the ethnic information and restricts access to it to a limited set of people who have a legitimate interest.

5. HM Treasury's manpower statistics system (MANDATE) already receives a regular quarterly data input from Departmental Staff Records. From 1 January 1984 MANDATE files will include ethnic data. The data sent to MANDATE contains no names or other personal identification. Nevertheless HM Treasury and MPO staff will be careful not to breach confidentiality accidentally by releasing tables with such small numbers in certain groups that the ethnic origin of individuals could be easily inferred.

CONFIDENTIALITY SAFEGUARDS IN THE COLLECTION OF THE DATA

6. Confidentiality starts as soon as the questionnaire has been completed. Staff completing the form should therefore seal it in a "Staff-in-Confidence" envelope provided. The sealed envelope should be opened only at the computer centres where the punching is to take place. When the information has been placed on the Departmental Staff Record the questionnaires should be destroyed. However two batches of questionnaires should not be destroyed:

- (i) those which have been rejected as unsuitable for punching;

(ii) those where one of the "other" categories (codes 13, 26 and 31) has been completed.

7. Questionnaires falling in either of these groups should be sent for examination, **with the names of the individuals removed**, under confidential cover, to:

Management and Personnel Office
Equal Opportunities Branch
Room 320
Standard House
28 Northumberland Avenue
LONDON WC2N 5AL

8. These questionnaires will be examined for the sole purpose of seeking to test the validity of the question itself and whether, as a consequence, any changes should be made. Since the forms will by then be anonymous there can be no question of this examination involving reference back to the individual. Questionnaires used for this purpose will be destroyed within six months.

ACCURACY OF THE DATA

9. Individuals will be advised of the ethnic information which has been recorded about them in order to ensure that it is accurate. This procedure will have the same confidentiality safeguards as when the information is provided by the individual. The print-out should go to everyone, including non-respondents and those respondents whose questionnaires have been rejected as unsuitable for punching.

CODE OF PRACTICE

10. A model Code of Practice is appended. This model is commended to departments to be used with modifications agreed in the light of departmental circumstances following discussion with departmental Trade Union Sides. The model avoids technical description of the means of securing confidentiality since details will depend on the computer systems in use. Certain details will, however, need to be incorporated in each department's Code of Practice as indicated by brackets at paragraph 10 of the model. In particular, Official and Trade Union Sides will need to determine the ways in which access will be secure. It will be essential for the security arrangements to be described in a way which is intelligible and credible to staff who may wish to refer to the Code.

11. The Code of Practice is intended to cover those aspects of monitoring which can be foreseen at the moment. It is likely that new areas of monitoring may emerge and the Codes may need modification to permit them. In this event, MPO will offer a revised model for discussion with the Council of Civil Service Unions, and the Joint Working Party will commend the new model to departments. If data protection legislation requires any changes in the Code, it will be amended accordingly. If changes are required to a department's Code of Practice to meet departmental circumstances they should be made by agreement with the Departmental Trade Union Side (see paragraph 14 of the model Code).

CABINET OFFICE
Management and Personnel Office
Whitehall
London SW1

ETHNIC MONITORING

MODEL CODE OF PRACTICE FOR INDIVIDUAL DEPARTMENTS

1. This Code of Practice relates to confidentiality of information gathered about the ethnic origins of staff. The ethnic information obtained will be treated with the highest degree of confidentiality; it will be used only for the purpose of monitoring the effectiveness of the Civil Service's policy of equal opportunity and on no account will data in respect of any identified individual be used for any other purpose or made available to any other body, including Government departments, except as set out below.

2. Confidentiality starts as soon as the questionnaire has been completed. An envelope marked "Staff-in-Confidence" will be provided in which staff should return the questionnaire to the computer centre where the punching is to take place. The envelope should be sealed before despatch. It will be opened only at the computer centre. Apart from the exceptions at paragraph 3 below, the questionnaire will not be copied, and when the information has been stored in the Departmental Staff Record, the questionnaire will be destroyed.

3. Two batches of questionnaires will **not** be destroyed until a later date:

- (i) those which have been rejected as unsuitable for punching;
- (ii) those where one of the "other" categories has been completed.

Questionnaires falling in either of these groups (or copies of them) will be sent for examination, **with the names of the individual removed**, under confidential cover to the Management and Personnel Office for scrutiny to test the validity of the ethnic questionnaires and to determine whether any changes should be made to them. This material will be destroyed within six months.

4. No record of the ethnic origins of an individual gathered under a monitoring exercise will be held on paper in personal files or any other departmental files. The computerised record will be the sole record.

5. Individuals will be given a print-out of the ethnic origin information held about them on the computer file.

6. Ethnic origin data will not be transferred from the computerised Departmental Staff Record to any computer system other than: (a) a departmental staff record system under the control of the individual's employing department should he or she transfer to another department; (b) the Treasury's MANDATE system, in which case no name or other unique identifier will be included in the transfer.

7. Subject to the exceptions listed below, the computer will never print out the ethnic origin of an individual set alongside his or her name, pay reference number, National Insurance number or any other unique identifier. This will be achieved through the controls referred to in paragraphs 9, 10 and 12 below.

Exceptions: (a) to inform individuals of the record of their ethnic origin;

- (b) to inform another department of the ethnic origin of a member of staff who has transferred to that department, in which case the document conveying the information will be destroyed once the ethnic origin is recorded on the computer system of the receiving department;

- (c) all computer programs have to be tested and maintained in order to safeguard their integrity. From time to time it will be necessary for programmers to produce lists containing personal identification and ethnic origin as part of the processes of development, testing and maintenance. Access to such lists will be restricted to the programming posts named in the Appendix to this Code of Practice [to be supplied by departments] and they will be destroyed within one month. The Departmental Trade Union Side will be informed of their production by means of the log described at paragraph 12 below and of their destruction. The confidentiality of all such lists will be the absolute responsibility of the Principal Establishment Officer.

8. Subject to the exceptions listed above, any output from departmental staff records which includes information on ethnic origins will always be in the form of counts, tabulations or other statistical summaries. No such data will be available through on-line terminals.
9. Access to statistical ethnic information held on the computer and to any listing noted in the exceptions at paragraph 7 will be restricted to holders of posts named in an Appendix to this Code of Practice, which should be agreed with the Departmental Trade Union Side.
10. [Departmental Official and Trade Union Sides will need to determine the ways in which access to the ethnic data will be secure and restricted to authorised uses].
11. The data will be used solely for the purpose of furthering the Civil Service's policy of equal opportunities, and the Departmental Whitley Council (DWC) will agree on the categories of statistical summaries which can be produced in pursuit of this policy. Authorised users, and Departmental Trade Union Sides through the Equal Opportunity Officer, may only request summaries in the categories agreed beforehand by the DWC and will be accountable to the DWC for their use and publication. Requests for any data falling outside the agreed categories will be referred to the DWC for its approval.
12. A log of all requests for data will be maintained, showing the originator of each request. This will be available to the Departmental Trade Union Side for inspection.
13. If numbers in statistical summaries are so small that it would be easy to identify the ethnic origin of individuals, the tabular output will be restricted to the occupants of those posts named in the Appendix.
14. Amendments to the Code of Practice to meet departmental circumstances shall be made by agreement with the Departmental Trade Union Side.
15. Copies of this Code of Practice will be made available to any member of staff on request.

Dear Colleague

ETHNIC SURVEYS IN NORTH WEST AND AVON

Early in November we sent all non-industrial staff working in the North West Economic Planning Region (Lancashire, Cheshire, Greater Manchester and Merseyside) and the County of Avon a personally addressed questionnaire together with an explanatory letter inviting them to participate in a voluntary survey being undertaken of the ethnic origins of civil servants in both these regions. According to our records you have not yet returned the completed questionnaire and the purpose of this letter is to give you a second opportunity to participate in these surveys. I am sorry if, by any chance, you did not receive the original letter. However, if you have recently returned a completed questionnaire please ignore this reminder.

Another copy of your questionnaire is enclosed. These surveys are voluntary but we nevertheless hope that you will decide to take part because their success depends entirely on the co-operation of staff.

The Civil Service has a policy of equal opportunity. This says that all people, no matter what their sex or marital status, race, colour, nationality or ethnic or national origins, will receive the same treatment when working and pursuing their career in the Civil Service.

The Government wants to find out whether this policy is working and is committed to taking steps to ensure further progress is made to achieving equal opportunity. To do so we need to know about the ethnic origins of people working in the Civil Service.

This survey is concerned only with the ethnic origins of staff, not their nationality or citizenship (for the most part civil servants are British citizens). We are asking you to tick one box in the attached questionnaire to show your ethnic origin. The answer you give will be retained on your department's computer record system. It will be treated in strict confidence and will be protected by effective safeguards which have been agreed with the Council of Civil Service Unions. You should return the completed questionnaire in the envelope provided **as soon as possible**.

The information will be used only to further the Civil Service's policy of equal opportunity by staff involved in this work. **It will not be made available for any other use.**

A computer print-out will be issued to you some [.... weeks] hence to show the ethnic origin recorded on your PRISM record.*

The Council of Civil Service Unions are co-operating fully with the surveys, and they also have the support of the local Community Relations Councils and the Commission for Racial Equality.

If you have any difficulty with the questionnaire please consult your line manager or your Trade Union representative.

Thank you for your help.

Yours sincerely

*Where the brackets are shown, departments should specify a period in which they can undertake to issue the print-out.

TABLE 1
Results of surveys of ethnic origins of in-service civil servants conducted in the North West and the County of Avon which began in the period 7-21 November 1983

Department	Staff in post	Total valid response	AREA NORTH WEST				Ethnic Minorities	%	
			%	Non-response	%	White			
Agriculture, Fisheries and Food	394	330	83.8	64	16.2	328	99.4	2	0.6
Cabinet Office (MPO)	10	10	100.0	-	-	10	100.0	-	-
Charity Commission	111	61	55.0	50	45.0	61	100.0	-	-
HM Customs and Excise	2,409	1,728	71.7	681	28.3	1,709	98.9	19	1.1
Defence	4,423	3,687	83.4	736	16.6	3,670	99.5	17	0.5
Education and Science	67	64	95.5	3	4.5	63	98.4	1	1.6
Employment	8,694	7,416	85.3	1,278	14.7	7,349	99.1	67	0.9
Energy	22	18	81.8	4	18.2	18	100.0	-	-
Environment*	1,716	1,439	83.9	277	16.1	1,425	99.0	14	1.0
Export Credits Guarantee Department	45	35	77.8	10	22.2	33	94.3	2	5.7
Health and Social Security	14,147	9,704	68.6	4,443	31.4	9,623	99.2	81	0.8
HM Stationery Office	208	177	85.1	31	14.9	175	98.9	2	1.1
Home Office	3,306	1,602	48.5	1,704	51.5	1,590	99.3	12	0.7
Industry and Trade	361	295	81.7	66	18.3	291	98.6	4	1.4
Information, Central Office of	13	11	84.6	2	15.4	11	100.0	-	-
Inland Revenue	10,594	8,643	81.6	1,951	18.4	8,535	98.8	108	1.2
Land Registry	881	699	79.3	182	20.7	696	99.6	3	0.4
Lord Chancellor's Dept	1,247	952	76.3	295	23.7	949	99.7	3	0.3
National Savings	2,575	2,201	85.5	374	14.5	2,200	99.9	1	0.1
Ordnance Survey	87	65	74.7	22	25.3	65	100.0	-	-
Passport Office	203	183	90.1	20	9.9	181	98.9	2	1.1
Population Censuses and Surveys, Office of	631	565	89.5	66	10.5	560	99.1	5	0.9
Treasury	22	22	100.0	-	-	22	100.0	-	-
TOTALS	52,166	39,907	76.5	12,259	23.5	39,564	99.1	343	0.9

* Includes Property Services Agency and Department of Transport

TABLE 2

Results of surveys of ethnic origins of in-service civil servants
conducted in the North West and the County of Avon which began in the
period 7-21 November 1983

AREA AVON

Department	Staff in post	Total valid response	%	Non-response	%	White	%	Ethnic Minorities	%
Agriculture, Fisheries and Food	267	242	90.6	25	9.4	240	99.2	2	0.8
Cabinet Office (MPO)	-	-	-	-	-	-	-	-	-
Charity Commission	-	-	-	-	-	-	-	-	-
Customs and Excise	383	252	65.8	131	34.2	249	98.8	3	1.2
Defence	5,096	4,294	84.3	802	15.7	4,268	99.4	26	0.6
Education and Science	25	21	84.0	4	16.0	21	100.0	-	-
Employment	1,162	999	86.0	163	14.0	991	99.2	8	0.8
Energy	3	3	100.0	-	-	3	100.0	-	-
Environment*	1,398	1,115	79.8	283	20.2	11,02	98.8	13	1.2
Export Credits Guarantee Department	30	26	86.7	4	13.3	26	100.0	-	-
Health and Social Security	1,241	860	69.3	381	30.7	852	99.1	8	0.9
HM Stationery Office	83	64	77.1	19	22.9	63	98.4	1	1.6
Home Office	694	317	45.7	377	54.3	317	100.0	-	-
Industry and Trade	81	71	87.7	10	12.3	68	95.8	3	4.2
Information, Central Office of	13	13	100.0	-	-	13	100.0	-	-
Inland Revenue	1,139	968	85.0	171	15.0	955	98.7	13	1.3
Land Registry	-	-	-	-	-	-	-	-	-
Lord Chancellor's Dept	222	182	82.0	40	18.0	177	97.3	5	2.7
National Savings	-	-	-	-	-	-	-	-	-
Ordnance Survey	39	21	53.8	18	46.2	20	95.2	1	4.8
Passport Office	-	-	-	-	-	-	-	-	-
Population Censuses and Surveys, Office of	-	-	-	-	-	-	-	-	-
Treasury	5	5	100.0	-	-	5	100.0	-	-
TOTALS	11,881	9,453	79.6	2,428	20.4	9,370	99.1	83	0.9

* Includes Property Services Agency and Department of Transport

TABLE 3

Results of surveys of ethnic origins of in-service civil servants
conducted in the North West and the County of Avon which began in the
period 7-21 November 1983

AREA TOTAL (NORTH WEST & AVON)

Department	Staff in post	Total valid response	%	Non-response	%	White	%	Ethnic Minorities	%
Agriculture, Fisheries and Food	661	572	86.5	89	13.5	568	99.3	4	0.7
Cabinet Office (MPO)	10	10	100.0	-	-	10	100.0	-	-
Charity Commission	111	61	55.0	50	45.0	61	100.0	-	-
Customs and Excise	2,792	1,980	70.9	812	29.1	1,958	98.9	22	1.1
Defence	9,519	7,981	83.8	1,538	16.2	7,938	99.5	43	0.5
Education and Science	92	85	92.4	7	7.6	84	98.8	1	1.2
Employment	9,856	8,415	85.4	1,441	14.6	8,340	99.1	75	0.9
Energy	25	21	84.0	4	16.0	21	100.0	-	-
Environment	3,114	2,554	82.0	560	18.0	2,527	98.9	27	1.1
Export Credits Guarantee Department	75	61	81.3	14	18.7	59	96.7	2	3.3
Health and Social Security	15,388	10,564	68.7	4,824	31.3	10,475	99.2	89	0.8
HM Stationery Office	291	241	82.8	50	17.2	238	98.8	3	1.2
Home Office	4,000	1,919	48.0	2,081	52.0	1,907	99.4	12	0.6
Industry and Trade	442	366	82.8	76	17.2	359	98.1	7	1.9
Information, Central Office of	26	24	92.3	2	7.7	24	100.0	-	-
Inland Revenue	11,733	9,611	81.9	2,122	18.1	9,490	98.7	121	1.3
Land Registry	881	699	79.3	182	20.7	696	99.6	3	0.4
Lord Chancellor's Dept	1,469	1,134	77.2	335	22.8	1,126	99.3	8	0.7
Dept of National Savings	2,575	2,201	85.5	374	14.5	2,200	99.9	1	0.1
Ordnance Survey	126	86	68.3	40	31.7	85	98.8	1	1.2
Passport Office	203	183	90.1	20	9.9	181	98.9	2	1.1
Population Censuses and Surveys, Office of	631	565	89.5	66	10.5	560	99.1	5	0.9
Treasury	27	27	100.0	-	-	27	100.0	-	-
TOTALS	64,047	49,360	77.1	14,687	22.9	48,934	99.1	426	0.9

TABLE 4

ANNEX E

Results of survey conducted in the North West and the County of Avon
Sex by ethnic origin*

(Numbers and percentages)

	White	Carib- bean	African	Other Black	Indian	Paki- stani	Bangla- deshi	East African	Chinese	Other Asian	Other Groups	Not Stated	Total
Male	21,549 45.0	33 35.9	17 73.9	4 25.0	45 42.5	15 62.5	4 80.0	21 48.8	8 28.6	12 46.2	34 65.4	8,329 50.8	30,071 46.5
Female	26,385 55.0	59 64.1	6 26.1	12 75.0	61 57.5	9 37.5	1 20.0	22 51.2	20 71.4	14 53.8	18 34.6	8,053 49.2	34,660 53.5
TOTAL	47,934 74.1	92 .1	23 .0	16 .0	106 .2	24 .0	5 .0	43 .1	28 .0	26 .0	52 .1	16,382 25.3	64,731 100.0

* Tables 1-3 are based on manual returns as at 23 May 1984, whereas Tables 4-6 are based on computerised records as at 31 March 1984.

In 5 cases sex was not recorded.

TABLE 5

ANNEX F

Results of survey conducted in the North West and the County of Avon
Ethnic origin by age*

(Numbers and percentages)

	Under 20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60 and over	Total
White	2,370 4.9 76.9	8,771 18.3 74.7	6,688 14.0 71.5	5,164 10.8 70.6	5,126 10.7 72.2	4,159 8.7 72.0	3,834 8.0 73.7	4,686 9.8 76.2	4,990 10.4 79.0	2,147 4.5 79.8	47,935 74.1
Black	7 5.3 .2	45 34.4 .4	22 16.8 .2	13 9.9 .2	11 8.4 .2	12 9.2 .2	9 6.9 .2	4 3.1 .1	4 3.1 .1	4 3.1 .1	131 .2
Asian	3 1.3 .1	49 21.1 .4	39 16.8 .4	26 11.2 .4	31 13.4 .4	26 11.2 .5	33 14.2 .6	15 6.5 .2	6 2.6 .1	4 1.7 .1	232 .4
Other	1 1.9 .0	10 19.2 .1	8 15.4 .1	8 15.4 .1	3 5.8 .0	6 11.5 .1	8 15.4 .2	1 1.9 .0	3 5.8 .0	4 7.7 .1	52 .1
Not Stated	701 4.3 22.7	2,873 17.5 24.5	2,600 15.9 27.8	2,102 12.8 28.7	1,932 11.8 27.2	1,571 9.6 27.2	1,319 8.1 25.4	1,443 8.8 23.5	1,310 8.0 20.8	531 3.2 19.7	16,382 25.3
TOTAL	3,082 4.8	11,748 18.1	9,357 14.5	7,313 11.3	7,103 11.0	5,774 8.9	5,203 8.0	6,149 9.5	6,313 9.8	2,690 4.2	64,732 100.0

* Tables 1-3 are based on manual returns as at 23 May 1984, whereas Tables 4-6 are based on computerised records as at 31 March 1984.

In 4 cases age was not recorded.

TABLE 6

ANNEX G

Results of survey conducted in the North West and the County of Avon
Grade level by ethnic origin*

(Numbers and percentages)

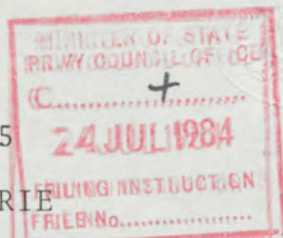
	White	Carib- bean	African	Other Black	Indian	Paki- stani	Bangla- deshi	East African	Chinese	Other Asian	Other Groups	Not Stated	Total
Above	7,358	4	0	0	11	4	1	4	0	4	11	1,680	9,077
EO Level	81.1	.0	.0	.0	.1	.0	.0	.0	.0	.0	.1	18.5	14.0
	15.4	4.3	.0	.0	10.4	16.7	20.0	9.3	.0	15.4	21.2	10.3	
EO Level	11,290	8	3	1	18	5	1	7	3	6	11	4,043	15,396
	73.3	.1	.0	.0	.1	.0	.0	.0	.0	.0	.1	26.3	23.8
	23.6	8.7	13.0	6.3	17.0	20.8	20.0	16.3	10.7	23.1	21.2	24.7	
CO Level	17,459	28	12	8	44	10	3	26	6	12	23	7,293	24,924
	70.0	.1	.0	.0	.2	.0	.0	.1	.0	.0	.1	29.3	38.5
	36.4	30.4	52.2	50.0	41.5	41.7	60.0	60.5	21.4	46.2	44.2	44.5	
CA Level	11,825	52	8	7	33	5	0	6	19	4	7	3,366	15,332
	77.1	.3	.1	.0	.2	.0	.0	.0	.1	.0	.0	22.0	23.7
	24.7	56.5	34.8	43.8	31.1	20.8	.0	14.0	67.9	15.4	13.5	20.5	
TOTAL	47,932	92	23	16	106	24	5	43	28	26	52	16,382	64,729
	74.1	.1	.0	.0	.2	.0	.0	.1	.0	.0	.1	25.3	100.0

* Tables 1-3 are based on manual returns as at 23 May 1984, whereas Tables 4-6 are based on computerised records as at 31 March 1984.

Seven staff have been excluded from the above table, because of difficulties in allocating the correct grade level.

Ref. A084/2105

1. LORD GOWRIE
2. PRIME MINISTER




Training for Senior Management

In my minute of 30 March I undertook to report back to the Prime Minister with outline proposals to provide better management training for able people in their 30s. This remit arose from the Prime Minister's concern "... that the new Open Structure Course is unlikely to succeed unless something can also be done to provide training for a few able people earlier in their careers".

--- 2. I now attach a report containing outline proposals for a Senior Management Development Programme aimed at younger staff at Principal to Grade 5 (Assistant Secretary) levels. Further work will be needed both in Departments and by the Cabinet Office (MPO) to bring the proposals to fruition. I have consulted fellow Permanent Secretaries, who have given general endorsement to the report and see its broad approach as a practicable way of improving, by job experience and training, the management development both *who are destined for posts at Grade 3 (Under Secretary) and above and of those of those* who will occupy posts immediately below those levels. Their main concern relates to the resources implications: it is hard to spare good people at these grades for training or career postings.

3. The main features of the programme are:

- i. it would provide an integrated and progressive management development programme running through the years at Principal to Grade 5;
- ii. strong emphasis would be placed upon individual initiative and self-development, with eligible staff having to take the positive step of opting themselves into the programme although Departments would at the end of the day have to decide on priorities and career postings as part of their management responsibilities;



iii. there would be a target of five days management and developmental training per year for participants, to ensure that necessary training took place and was not overtaken by urgent pressures;

iv. the content of the training would be determined by identifying the desirable "competences" required for people to do effective jobs now and to develop them for the future, ie starting from the real needs. Departments would help us to identify the desirable experience of people in their grades and would then ensure that they gained this experience by career postings or training;

v. an important element would be training and development logs (held both by the individual and the Department) which would provide guidance and a mechanism for regular stocktaking of progress;

vi. it would cover from its beginning virtually all those likely to get to Grade 3 (Under Secretary) early, and during the first five years there would be a gradual extension bringing in other able staff. This is because we want in due course to train all staff in their grades to carry out the responsibilities of a manager.

4. The strength of these proposals lies in the fact that they build on, and expand in a structured way, the existing arrangements for training and development. They would bring Civil Service training for middle managers closer into line with the best practices of those parts of industry and commerce where systematic arrangements already exist. They would concentrate not on training as an end in itself, but on career development by job experience and training. The training elements would make use of the facilities both of the Civil Service College and the best of the business schools and other external provision. Many suitable courses are already available at the Civil Service College and elsewhere - what is needed immediately is not so much new courses but more effective take-up by staff in these key grades of what already exists.

5. If we are to go ahead on these lines there is a great deal of further work to be done on the competences, on the identification of suitable courses, and in consultation with interested parties (in particular we need to fit the proposals more closely to the needs of specialists, some of whose career patterns differ from those of administrators). The potential benefits of this programme for the effectiveness of the Service are considerable, and I hope you will give your support to these programmes, and authorise us to go ahead with the further work that will be needed. These proposals are an integral part of our plans for preparing staff for the Open Structure, and for succession and career planning which depends upon early identification of flyers who would then be given suitable career experience and training.

BA

ROBERT ARMSTRONG

23 July 1984

TRAINING FOR SENIOR MANAGEMENT STUDY

OUTLINE PROPOSALS

FOR A

SENIOR MANAGEMENT DEVELOPMENT PROGRAMME

P. R. COSTER
Cabinet Office
(Management and Personnel Office)

May 1984

TRAINING FOR SENIOR MANAGEMENT STUDY

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OUTLINE PROPOSALS

FOR A

SENIOR MANAGEMENT DEVELOPMENT PROGRAMME

I SUMMARY

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- Annex B - Training Courses Attended by Staff who are "Promotable Now" to Grade 3
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TRAINING FOR SENIOR MANAGEMENT STUDY

SUMMARY OF CONCLUSIONS AND OUTLINE PROPOSALS

- 1 An integrated and progressive management development programme for staff at Principal level-Grade 5* is needed. The first priority should be those likely to reach Grade 3; the second those at or likely to reach Grade 5 (Conc. 1).
- 2 Management development takes place by job experience and training. The two must be planned as a whole (Conc. 2).
- 3 Much relevant training for a Senior Management Development Programme (SMDP) is already available - but it is not adequately taken up. Staff at these levels get very little management training - less than a day a year (Conc. 3-5):
- 4 SMDP should start small but have a timetable for expansion (Conc. 6).
- 5 SMDP would not simply be a specific training course but an integrated and continuing process covering the years between Principal and Grade 3 (Conc. 7).
- 6 SMDP should cover 'required or desired competences' for senior managers. Service-wide elements should be defined by the Cabinet Office (MPO) and the balance by Departments (Conc. 8-12).
- 7 The programme should not be classroom or course bound but make effective use of modern developments in training and education, including open learning and self-development (Conc. 13).
- 8 In the medium term a short, special SMDP course may be needed. The short-term priority is to make effective use of the training which is already there but not taken up (Conc. 14).
- 9 Management must provide an effective framework for training, ensure that it is available and that it is actually taken up (Conc. 15 & 16).
- 10 The IBM requirement for managers of an average minimum of 5 days developmental training annually should apply to SMDP participants (Conc. 17).
- 11 Top management commitment is of overwhelming importance; without it we should not even try to start (Conc. 18).
- 12 There should be regular stocktaking by Departments of individual progress on SMDP. At intervals the Cabinet Office (MPO) should participate in the stocktaking of fliers (Conc. 19-20).
- 13 Individuals should be held responsible for their own development. Guidance should be available to them. Personal training and development logs should be introduced (Conc. 21-23).
- 14 A central unit should be set up within the Cabinet Office (MPO) to give effect to the SMDP, monitor and review it (Conc. 24).

* Grade 5 = Assistant Secretary

15 Initially staff at Principal level aged 35 and below and at Grades 5 and 6 aged 42 and below should be eligible for SMDP. Over 5 years the upper age limits should be raised a further 5 years (Conc. 25ii-v).

16 Staff in the age bands would not automatically participate but they would be required to make a positive election to do so (Conc. 25i).

17 Departments would be free to invite individuals above the maximum ages to participate in SMDP (Conc. 25vi).

18 This would give 3,700 eligibles in year 1 and 7,500 eligibles 5 years later. 2 out of 3 eligibles might participate (Conc. 26).

19 The key resource cost will be the lost time of high quality participants. But their effective development is also a key priority (Conc. 27).

20 The cost in man-years is relatively small but adjustments to Departmental and Civil Service College staff ceilings should be considered (Conc. 28-29).

21 Financial costs are likely to be about £3.2m. in year 1 and £6m. after 5 years (Conc. 30).

22 The SMDP should be launched early in 1985 to coincide with the start of the Top Management Programme (Conc. 31).

TRAINING FOR SENIOR MANAGEMENT STUDY

CONCLUSIONS AND OUTLINE PROPOSALS

GENERAL

- 1 There is need for an integrated and progressive development programme aimed at the management development of staff at Principal level - Grade 5*. It must as a first priority ensure that by development through job experience and training those who are likely to reach Grade 3 or above are adequately prepared. Its second priority should be more effective development of staff at or likely to get to Grade 5.
- 2 This Study concentrates on training and development in ways other than job experience gained by Departmental postings, interdepartmental postings, secondment, etc. But it cannot be stressed too strongly that job experience and training must be planned as a whole and harmonised so as to develop and enhance the full potential of staff and thereby benefit the Service.
- 3 It could be argued that we do not need a management development programme as such and should concentrate on doing better with our present, largely ad hoc, development arrangements. There is a considerable amount of relevant training already available for this group of staff at the Civil Service College, Business Schools, etc., jointly with other organizations (both in the private and public sector) and, increasingly, through open learning programmes. What is already available can provide a sound foundation for off-the-job development, even though gaps and areas for improvement will be found. The Civil Service College is already enhancing its provision.
- 4 But the critical fact is that the existing relevant training is not adequately taken up. Staff at these levels receive on average under one day a year (0.5-0.7 days) on management training. The problem is at least as much about how to programme training and development to ensure effective take up of existing provision as about the design of new training.
- 5 If there were to be a significant take-up of the existing provision, there would be a resource cost. Quite apart from the major cost of releasing the participants existing programmes would need to be run more frequently to meet demands. The Civil Service College would need to expand; or to drop some of its existing training.
- 6 There are approximately 22,000 staff at Principal level - Grade 5, of whom about 6,000 are in or from the Administration Group. It would be impracticable, and court failure, to attempt to introduce a Senior Management Development Programme (SMDP) which covered all 22,000 staff. Any programme will need to be highly selective at first and ensure that "high fliers" are catered for. But from the start clear plans should be made and a timetable set for the expansion of SMDP step by step until it has a wide coverage of staff at Principal - Grade 5. At that stage it should be concentrating on "high achievers", e.g. all those at or likely to get to Grade 5 and to need a broader experience/understanding than that of their specific work area or specialism.

* All references to Grade 5 include the small number of posts at Grade 4.

Grade 5 = Assistant Secretary

Grade 4 = posts between Assistant and Under Secretary.

7 The aim for participation in year 1 of SMDP might be about 10% of staff at Principal level - Grade 5, rising by year 6 to about 25% at any one time. (Details at para. 25 below.)

THE PROGRAMME

8 What is needed is not so much a specific training course at a pre-determined career point (as is the new Top Management Programme to be taken on appointment to Grade 3), but an integrated and continuing process of management development covering the years from promotion to Principal level to entry to Grade 3.

9 The contents of any SMDP must reflect a combination of Service-wide and Departmental needs. For "fliers" the Service-wide element will be stronger than for other staff whose needs are likely to be more Departmentally or function based.

10 The common elements applicable across the Service which should form part of the Programme should be defined by the Cabinet Office (MPO) with the help of Departments. Some of these elements would in effect be mandatory, whilst others would be a menu from which an appropriate selection would be made by the individual and the Department in the light of potential, likely career direction and other relevant factors. The list, which would reflect the division into strategic, managerial and specialised areas of skill and knowledge recognized by the Fraser Report, would be completed by the addition of elements determined by individual Departments which would mainly, but not exclusively, be towards the more specialised end of the spectrum.

11 The completed list(s) would provide a "checklist of required or desirable competencies" (c/f Fraser Report para 6.5) some of which could be met by job experience, others by training, and others by a combination of both. It would be important for both the centrally and the Departmentally defined elements of the checklists of competence to be kept regularly under review; and for a flexible approach to be taken to meeting individual needs.

12 The centrally defined element in the checklist can in the first instance be derived from the analysis of training needs being undertaken for the Top Management Programme. This will not necessarily provide a perfect fit for SMDP but it will be of relevance to "fliers"; it will be a base which can be suitably amended; and use of it will enable an early start to be made.

13 The Programme would be a series of separate activities selected by Departments and individuals in the light of developmental needs and taking into full account the development gained by job experience. But it would not simply be a series of courses or classroom taught modules; it will need to make use of other effective ways of development such as individual study; joint problem solving (e.g. action centred learning); Open Learning programmes (such as the Henley and Open University management packages); and make provision for self-development activities. Flexibility about the methods of learning should give benefits in motivation; develop an attitude of learning and enquiry; allow for the fact that different people learn more effectively by different learning methods; mean that some of the learning will take place in people's own time; minimise the loss of desk time.

14 The question whether a new Senior Management Development Course should be established as part of the Programme is not a short-term priority question. Such a course has attractions but initially resources should be directed to making more effective use of what is now available and to making additional provision for specific topics. In the medium term there would be value in a short Course for some at least of the participants in the programme. Its purpose would be to

consolidate and draw together what has been learnt and place it in a wider framework for further development.

MANAGEMENT'S RESPONSIBILITY

15 Management's responsibility in relation to the SMDP is to provide a structured framework to enable and encourage adequate and relevant training to take place when it is needed. It must ensure that appropriate training is available within the Service and externally. And it must ensure that information about such training opportunities is readily available.

16 Management must also create a climate in which line managers see it as part of their duty to ensure that SMDP training takes place. The planned introduction of prospective job descriptions which set out targets for achievement provides a new opportunity for managers to be judged on the extent to which they meet this responsibility.

17 But all these steps would by themselves lead only to very gradual advances. What is needed is a significant step forward quickly which shows that we mean business. This calls, firstly, for a requirement on the amount of training each participant should receive. This would be of no value in itself; its purpose would be to break the log jam and provide a target for managers and participants to aim for. The IBM requirement for managers of an average minimum of 5 days management/developmental training annually is sufficiently realistic to be an attainable target for us also.

18 Such a target and the benefits which the Service should gain from SMDP itself will be achieved only if SMDP is believed to be of value in the advancement of individual careers. It will be of overwhelming importance for top and senior management both to give and to be seen to give continuing support and commitment; without such support and commitment we ought not to try to develop SMDP but should save the cost.

19 Effective "marketing" will also be needed. As well as the more directly positive aspects of this, the selection criteria for promotion to Grade 5 (Grade 6?) and above should specifically require appropriate job experience/training as set out in the "checklist(s) of competence". If this is seen to be a reality, individuals will press their Departments for suitable job experience and training.

20 There will be a need for regular stocktaking of individual progress on the SMDP. The mechanics of this for the generality of participants will be for Departments to determine as part of their own management and career planning arrangements. In the case of fliers on the lists held centrally by the Cabinet Office (MPO) there should be an occasional management development review of individuals as part of the follow-up discussions with Departments after the Succession and Career Planning returns have been submitted. Suitable points might be on first appearance on a Plan; on promotion to a higher grade; otherwise at 4 yearly intervals.

INDIVIDUAL RESPONSIBILITY

21 Within this framework considerable responsibility must then be placed upon the individual to ensure that his own development through the SMDP actually takes place. If we are dealing with staff of high quality and potential, they should be sufficiently well motivated not to require a nanny.

22 But it will be necessary to provide guidance to enable individuals to understand and assess their opportunities and to help them 'negotiate' what their most important needs are and how these might best be met. Self-directed development may well be more valuable than an imposed pattern.

23 Personal training and development logs with copies held by the individual as well as by the Department should be introduced. They would provide guidance through the maze and be a valuable tool for making things happen and for ensuring that the individual took personal responsibility.

CENTRAL RESPONSIBILITY

24 A central unit will be needed within the Cabinet Office (MPO):

- a. to develop the central element of the programme specification and liaise with the Civil Service College and external providers about provision of training to meet the specification;
- b. to give advice on where and how specific training needs can be met;
- c. to coordinate and develop the Service's use of specific, valuable external training opportunities e.g. Joint Development Seminars and companies' own management courses;
- d. to provide advice, encouragement and guidance to Departments to enable them to complete their part of the checklist and to develop their part of the training and development log;
- e. to aid the step by step expansion of SMDP to additional groups of staff;
- f. to monitor and evaluate the effectiveness and the expansion of SMDP; keep the centrally defined element of the checklist under review; and introduce necessary improvements to SMDP.

THE PARTICIPANTS

25 The following criteria for individual participation in the SMDP would give the best chance of enabling the programme (i) in the first instance to be small enough to manage; (ii) to cater for 'fliers'; and (iii) be open to a wider group with high potential than 'fliers' only.

- i. Staff at specified grade levels and age bands would be eligible for SMDP but they would not automatically participate. Individuals would be required to make a positive election for participation.
- ii. At the Principal level, SMDP should be open initially to staff aged 35 and below. This would cover about 750 administrators and about 1100 specialists. It would include 114 of the 128 administrators identified as fliers and 36 of the 75 specialists so identified.
- iii. At Grades 5 and 6 staff aged 42 and below should be eligible initially. This would cover about 400 administrators and 1,450 specialists. This would include 92 of the 109 administrators at Grades 5-6 identified as fliers and 74 of the 118 specialists so identified.

- iv. The target for expansion of SMDP might be each year for the next 5 years to advance the upper age limit for eligibility by one year, giving ceilings at Principal level of 40 and below (this would include all the administrator 'fliers' and 68 of the 75 specialist 'fliers'), and at Grades 5 and 6 of 47 and below (this would include 107 of the 110 administrator 'fliers' and 110 of the 125 specialist 'fliers'). At Principal level this would add 500 extra eligibles each year (150 administrators; 350 specialists) and at Grades 5-6 it would add 250 each year (50 administrators; 200 specialists).
- v. If the initial age limits of 35 and 42 present serious problems in relation to the career patterns of specific specialist grades, then the case for some adjustment should, exceptionally, be considered.
- vi. Departments should in any case be able to invite individuals who are above the current standard ages to participate in SMDP. This would enable Departments to develop their own cadres according to their assessment of need and, in particular, would ensure that older staff identified as fliers and appropriate other List A and B staff were not excluded.

26 Adoption of these criteria would mean that initially about 3,700 staff would be eligible for SMDP and that over 5 years the number would rise by 750 annually until 7,500 staff were eligible. There would, in addition, be some staff whom management invited to participate under (vi) above. If 2 out of 3 eligible staff participated, there would be 2,500 participants in the first year and 5,000 participants 5 years later.

RESOURCE COSTS

27 The most important and critical resource cost of SMDP will be the lost time of the participants from their jobs (an average minimum of one week each year for each participant). They will often be fliers or other staff of high quality and potential serving in key posts. But the more effective development of these staff is also a key priority which should lead to benefits in the job. This will be very difficult for Departments, but the resource cost of the students' time must be faced up to as part of the essential commitment of top management needed if SMDP is to succeed.

28 In man years the cost is relatively small; 60 man years if 2 out of 3 eligible staff participate in year 1; 120 man years if the same proportion participate in year 6 when the upper age limits of 40 and 47 are reached. Although the man years involved are small in global terms, Departments are stretched at these levels to the extent that adjustment to staff ceilings (in effect a training margin) should be considered seriously. This would demonstrate that the central Departments meant business.

29 There will be an important resource cost also in the provision of training; some of this will be a financial cost in payments to outside bodies. The most important internal effect will be at the Civil Service College where a redirection of its efforts and/or additional staff resources (and possibly

accommodation) will be needed to cope - probably a mixture of both. The College's needs should also be considered seriously for an adjustment of staff ceilings.

30 In money terms at 1983 prices and assuming 4.5 extra days training per participant (making a total of 5 with the average 0.5 days now received) the staff cost for the participants would be £1.4m. When the cost of providing the training is added, this is doubled to £2.8m. Additional administrative costs in Cabinet Office (MPO) and in Departments to maintain and improve the programme and the systems probably brings the annual cost in year 1 to about £3.2m. By year 6, on the same assumptions, the cost will have risen to £6m. (1983 prices).

TIMING

31 The SMDP should be launched early in 1985 to coincide with the start of the Top Management Programme. At the Civil Service College many of the courses that already exist or are being designed will meet SMDP needs - although they will need to be run more frequently. This will call for some in-year adjustment to the College Programme for the academic year 1984-85. The longer term effects on the College will be wider than this. The central unit in the Cabinet Office (MPO) will need to be set up quickly, produce its part of the checklist of competences and the first draft of the training and development log by late 1984; and to give shape to the Programme. Early work will also be needed by Departments.

TRAINING FOR SENIOR MANAGEMENT STUDY

ANNEXES TO CONCLUSIONS AND OUTLINE PROPOSALS

- Annex A - Background and Discussion Paper
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- Annex C - Civil Service College Courses for those of High Promise in the Assistant Secretary, Principal and Equivalent Grades
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TRAINING FOR SENIOR MANAGEMENT STUDY

BACKGROUND AND DISCUSSION PAPER

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INTRODUCTION

The Terms of Reference for this Study are:

"To draw up outline plans for the systematic improvement of the arrangements of the training and development of staff (and particularly younger staff) at Principal level and above with potential for further promotion; such plans must, inter alia, cater effectively for those likely to get to Grade 3 or above."

2 The immediate cause for the Study lies in the Prime Minister's view (minute of 26 March 1984 to Sir Robert Armstrong), "that the new Open Structure Course is unlikely to succeed unless something can also be done to provide training for a few able people earlier in their careers. She considers that the age of 40 is too late to start senior management training and that there is a need also for, say, a three week course for people in their 30s. This would provide a foundation on which the later Open Structure Course could build".

3 Sir Robert Armstrong's response of 30 March in recording agreement with the Prime Minister's view said "that we need to provide better management training for able people in their 30s as a foundation for the Open Structure Course at a later stage training and career development have to be seen as a

continuous process, and our planning has been based on the need for action both at the point of entry to Grade 3 (Under Secretary) and earlier the new Open Structure Course can be fully effective only if full recognition is given to training and development needs at any earlier stage there are already a wide variety of courses in the Civil Service College suitable for mid-career training for those officers who may reach the Open Structure the Cabinet Office have already begun work on drawing up a programme of courses which, in the absence of on the job experience, will help to prepare people who may eventually go on to the Open Structure Course what we now need to do is to give this work high priority to produce by the end of June outline proposals for tackling this problem in a practical way, at least for those who are likely to reach Grade 3 and above The aim should be to put these proposals positively into action early in 1985, broadly in parallel with the Open Structure Course".

DEVELOPMENT AS A CONTINUOUS PROCESS

4 These exchanges highlight the need for a structured and integrated approach to development by job experience and training as a continuous process throughout the career. This Study which concentrates on staff between Principal level and Grade 5* therefore takes its place in a wider series of developments which include:

- i. for ATs and HEO(D)s, experience postings together with a modular training programme lasting at least 16 weeks at the Civil Service College;
- ii. more generally for staff below Principal level, the Review of the Means of Identifying and Developing Internal Talent (part of the Efficiency Scrutiny Programme 1984) is attempting to improve and systemise identification of talent and its development by job experience and training; and the 'Qualifications' Report has proposed a new framework for the training of young executives;
- iii. at Principal level - Grade 5, the present Study;
- iv. the Open Structure Course (now renamed the Top Management Programme), a development programme aimed both at preparation for top management duties and to make up for the general lack of development by training in the years before promotion to Grade 3.

5 Development takes place by a combination of factors. The most formative and important of these is job experience, whether it be in the Department, on loan to another Department (including the central Departments) or on secondment outside the Service. Training, other than that gained by job experience, can fill in the gaps between the experience; provide background to put specific experience into context; deal with areas which cannot or have not been dealt with by job experience; and stimulate a continuing and constructive attitude towards learning. While this paper and this Study concentrate on development through regular training as part of the process of fitting people to do their current and future jobs more effectively, it cannot be stressed too strongly that training is just one element in a wider process which includes planned job moves and experience, secondments, special projects. etc. as a means of developing individuals. All these measures must be planned as a whole and harmonised to gain full benefit for the Service and individuals.

* All references to Grade 5 include the small number of posts at Grade 4.

6 What therefore is needed now at Principal level - Grade 5 is a more structured approach to development which provides a framework (or frameworks) for an appropriate combination of on the job experience (including where appropriate secondment to other Departments or organizations) and more formally recognized training so as to improve the general standards of effectiveness and performance at these levels. For those likely to rise to Grade 3, the training element must provide a foundation for work in the senior Open Structure. This will enable the Top Management Programme taken on promotion to Grade 3 to concentrate on the elements that are most important at that level and to drop the "remedial" element which will inevitably have to be present at the beginning in order to compensate for the unmet earlier training needs of the present generation of promotees.

7 Much of the need at Principal level - Grade 5 arises from the fact that the training opportunities already available are not being taken up adequately; for all staff at Principal level the take up of management training is 0.7 days annually per person, and at Grades 1-6 it is 0.5 days. Annex B illustrates well the unmet need. It shows the training undertaken since reaching Principal level by 93 Grade 5 staff most of whom have been identified by their Departments as "promotable now" to Grade 3. Leaving aside training related to functional specialism or specialist topics, they have attended a total of 258 (i.e. an average of 2.8) Departmental or Civil Service College courses since reaching Principal level, of which over a third were taken more than 5 years ago. 43 of them could not recall having attended any external training course since entering the Service, whilst the remainder had attended a total of 107 external courses (an average of 1.5). But more important than the total are the low numbers recorded as having received training within the Civil Service on specific topics, e.g. only 2 on "administrative law"; only 7 on "dealing with the media"; only 6 on "negotiating skills"; 16 on "leadership/motivation of staff".

8 There is a wide variety of relevant training available for staff at Principal level - Grade 5. Annex C contains a selected list of courses at the Civil Service College suitable for those of high promise at Principal level - Grade 5. Annex D contains a list of relevant business school courses (originally prepared by the Department of Employment for its staff). Annex E gives details of other management development opportunities available for this group of civil servants most, but not all, of which are coordinated by Training Division of Cabinet Office (MPO).

A SENIOR MANAGEMENT DEVELOPMENT PROGRAMME

9 In an ideal world we would have a big heave and back up more effective use of job experience to develop people with a wide ranging Senior Management Development Programme (SMDP) to ensure that all or most staff at these levels receive regular and appropriate training and development during their whole time in these grades. This would enable them to do jobs at their current levels more effectively and, where appropriate, prepare them for more senior posts. In practice, given the size of the problem and the need to use finite resources more effectively we have both to identify the most effective training and development programme(s) and to concentrate, at least initially, on the group(s) of staff from whom we will get the best "value added" from our input of resource effort.

10 There are 22,000 staff at Principal level - Grade 5. It is clear that if a SMDP is to come into operation at all, and particularly within a short timescale, then there will need to be a concentrated effort upon a relatively small number of

people initially. It will however be important to plan from the beginning for a stage by stage progression and expansion with the aim of eventually covering (say) most staff at or likely to get to Grade 5.

11 Important for the success of any SMDP will be:

- i. ongoing commitment of top management;
- ii. the relevance of its content;
- iii. the quality of its content and presentation;
- iv. delivery of formal training at a time when the participant needs it;
- v. modular approach;
- vi. a greater knowledge by individuals and managers of what is available in the training world (both internal and external) and of the contribution it can make to job and career needs of different types and contexts;
- vii. reliance on individual motivation and self-development;
- viii. recognition of the special needs of specialists;
- ix. recognition that formal training is only one element in the developmental process; that while in many cases it can give skills, knowledge, background and contrasting experience which cannot be acquired on the job, in many other instances it provides a substitute for on the job experience which cannot be acquired because of lack of time or other opportunity.

DELIVERING THE SMDP

12 The Top Management Programme will be run as a straight through 6 week sequence. In this it will be similar to the most senior of the management programmes provided by the business schools. The logic for adopting this approach for the Top Management Programme is clear; the aim is for it to be given to participants at pivotal points in their careers, for it to take place between jobs (and preferably immediately before the first job at Grade 3, and for there to be a broadening, deepening and changing of attitude and of knowledge which can take place in the refreshment of a reasonably long break from the daily workload and with the stimulus of new challenge.

13 With the SMDP the objective is the longer term one of providing a continuing and relevant training input as part of a developmental pattern which either supplements experience gained on the job or puts it in a broader contextual background, or acts as a direct substitute for relevant job experience. Increasingly, effective organizations which see formal training and off the job management development as important to their success are moving away at levels comparable to Principal - Grade 5 from long common courses to short intensive modules of training with specific objectives, be they immediately job relevant or broadly developmental in content. Some major and successful companies are engaging the business schools and consultants to design and deliver programmes set in module form. (Annex F gives some details of this development.)

14 The views of Principal Establishment Officers, in so far as they are known, are in favour of the modular approach for this group of staff. The approach to the SMDP needs therefore to be a structured one which enables staff to participate regularly in modules of training, some of which will be related to policy, others to the context in which the work is done, others to better management (of staff, finance and other resources), and yet others to specific subject or functional areas. A structure will enable individuals, their managers and Departments to navigate their way in an orderly fashion which consolidates and increases the benefits obtained from formal training as opposed to the present rather ad hoc approach.

THE CONTENT OF THE SMDP

15 SMDP should be seen as a programme in which we envisage a stage by stage progression and expansion of the groups of staff who are covered by it (in effect a series of concentric circles). The content should in the first instance be designed primarily to meet the requirements of those forming the inner circles. The primary group for attention must be those expected to reach Grade 3 or above. And the aim must be to equip them with the knowledge, skills and experience which will in the longer term be expected of them before they attend the Top Management Programme. I have not in the time available attempted a specific survey to define these since to a large part such a survey would parallel the work now being done to build up the Top Management Programme. Although there will need to be a continual process of definition and re-definition we can, for working purposes at this stage, assume that the specification being drawn for the Top Management Programme will give a clear guide to the common elements of the SMDP. (Annex F is a first draft of a list of Civil Service College courses already available or in preparation which meet this specification.) Information from the analysis of training needs being undertaken for the Top Management Programme will be available shortly and from that we should be able to define the core element for the SMDP which would consist (a) of some elements which should be undertaken by all participants, and (b) of a menu from which selections would be made based upon the likely work areas and the likely attention of individual participants.

16 It is most likely that these common core elements will bear resemblance to the subject areas covered by the fast stream and other developmental training given at the Civil Service College as well as, by their pedigree, duplicating many of the subject areas for the Top Management Programme. It is quite reasonable to expect this to be the case because one of our major objectives is the consolidation, deepening and broadening of knowledge, skills and understanding; to achieve this there is a need to return from time to time to the same apparent subject matter but to consider it from the differing perspectives of a junior, middle or senior manager. As we expand the circles and more groups of staff become covered by the SMDP, it may well be that the common core will be reduced and the Departmentally based elements (see below) increased.

17 The aim should be for the specification for this element of the SMDP to be drawn up centrally and for guidance to be provided on the varying ways by which the core can be covered effectively. These will include formal training, experience on the job, experience gained by secondment, the use of distance and open learning, informal exchanges and contacts and the regular and continuing practice of using basic reference tools so as to acquire and develop the habit of acquiring relevant information informally and to cope with the handling and disposal of information. (This is in itself an important theme which can be distinguished from the equally important information technology theme.)

18 "Civil Service Management Development in the 1980s" (the Fraser Report) usefully categorised (para. 3.8) the areas of skills and knowledge required in work at middle and senior levels in the civil Service as strategic, managerial and specialised. The common elements in SMDP described above will inevitably concentrate on the strategic and managerial areas, although it will also need to enter into some specialized areas, e.g. administrative law, but the focus there will not be so much deep specialized knowledge in its own right (as would be the case with personnel management training of personnel managers) but as an aid to effective accomplishment of the strategic and managerial aspects of the work.

19 One group of specialized areas in which the centre can both provide help and draw up a specification are those related to Service-wide functions or subjects where there is some central or common interest. In the case of the centrally managed groups or specialisms, e.g. economists, statisticians, accountants, the management groups and the management units should be able to identify that element of the training programme which should fall within the SDMP rather than within the strictly vocational areas. In the case of Service-wide topics such as personnel management and finance, the appropriate parts of the Cabinet Office (MPO) and the Treasury respectively should similarly be able to state what is needed.

20 What needs to be stressed is that the specification, once it has been drawn up, cannot be left to rest. Firstly, we will not have got it right first go. Secondly, as with the Top Management Programme, we will need continually to examine it and upgrade the specifications, the methods and our recommendations about how the training and experience can most effectively be achieved.

21 Beyond this level of definition it is not practicable or desirable for the centre to go. The balance of the SMDP must be made up by Departmental specifications related to their own selection of areas of competence. These will largely relate to specialized areas, including both administrative subject areas and what are more usually recognized as specialist areas. It will therefore be for Departments to build up the SMDP into a comprehensive whole.

MANAGEMENT AND INDIVIDUAL RESPONSIBILITIES

22 Any programme of this kind must place appropriate responsibility upon line managers, Departments and the Cabinet Office (MPO) for seeing that it is brought into being and taken up adequately and effectively. It must also place clear responsibility upon the individuals within its scope for their own participation and self development. Some individuals already accept that responsibility but the traditional climate and culture still retains considerable scepticism about the career value of anything other than on the job experience for middle and senior management levels. The current pressure on staff resources and the consequent heavy job pressures mean that many do not clearly see their own training and development as a personal responsibility or, if they do, place it high in their list of priorities. So, if we move to a situation where individuals are both encouraged to look to their own training and development and held responsible for seeing that it takes place, we need to build features into the system which help and reinforce the pressures for individuals to take personal responsibility rather than militate against that.

23 An important practical device for carrying forward both individual and Departmental responsibility would be the introduction of a training and development log which, for the individual, would be a self development tool. Training log books already exist in some areas of the Service. Customs & Excise have at VAT training log book and the MSC has recently introduced a log book for its "Staff training and development programme" which applies to staff at EO level and above (extracts of this are at Annex H). Although the MSC log book is aimed at a more closely related set of subject areas than the SMDP would be, it demonstrates how this approach can be used in an imaginative way which both gives clear guidance and places an appropriate level of responsibility upon the participant. The Government Economic Service have also recently introduced a simple training log (a copy is at Annex J together with a GES note explaining it). This is a much simpler approach containing an annual record of training received and a training plan for the next 12 months. The GES log can be seen as a mechanism for ensuring that the individual staff member and his line manager regularly consider training needs and that an accurate record of training received is available. As such, it represents a very useful first step which has obvious relevance to getting the SMDP going.

24 A particular benefit of a training and development log is that it provides a procedure for requiring the participant and his manager or Department to think systematically about his developmental needs by both job experience and training. It also provides a mechanism for all concerned to "negotiate a contract" on the opportunities to be taken up and the developmental objectives desired. This should enable a study plan to be drawn up by the participant. (Experience shows that study plans are a valuable aid to keeping up momentum in a long term training programme.)

25 An early start should be made upon the training log approach even if in its early editions it covers only the central aspect of the programme which is seen as specific preparation for the Top Management Programme.

26 But we need more than this if we are to obtain anything better than very gradual incremental advance. One way of ensuring that progress was made would be the introduction of a target for formal training for those participating in the SMDP. Such a criterion was recommended in the Fraser Report (para. 6.6). It is highly relevant that successful and dynamic companies such as IBM still see the need to have a target and to place a clear responsibility upon the individuals concerned and upon their managers for seeing that it is met. A requirement taking one year with another for a minimum of 5 days SMDP training a year provides a standard which is sufficiently realistic to be met, but which would over a number of years provide considerable grounding, e.g. a flier spending perhaps 15 years at Principal level and Grade 5 would have had nearly 4 months formal training in that period. But a target by itself achieves nothing. It could be fulfilled but spent on poor quality training of little relevance. However, provided that a structure of relevant and high quality training is available, it can provide the spur and standard to make a breakthrough and to bring about a change in climate which ensures that such training is received and that individuals, their line managers (and where those on the Succession Planning returns are concerned their Departments) are held responsible and accountable for ensuring that the training takes place. Endorsement of a target would be a demonstration of the essential top management commitment needed if SMDP is to bring results.

27 An important element in the SMDP should be a stocktaking or review by Departments of the position of individuals at clearly defined career points. Such stocktaking would look at what had been achieved, at what was most likely to be valuable in the light of likely career directions and progress and aim in conjunction with the individual to make an agreed development for the next period. In the case of those who appear on the centrally held Succession Planning returns, the Cabinet Office (MPO) might be involved with the Department in a special stocktaking on first appearance in a plan, on promotion to a higher grade and otherwise at 4 yearly intervals.

28 Stocktakings would be essentially management reviews of individual progress. To get the best out of a SMDP we need also arrangements to ensure that individuals can be helped to find the means of development that are most valuable for them. The culture of the Civil Service - and of many other organizations - has traditionally not been very good at this. There are obvious and shining exceptions but generally line managers feel ill equipped to provide such help, and Personnel Divisions have not been structured to provide such advice. The introduction of Career Development Interviews in some Departments will have been of some help, but these are likely to focus more on general career direction than on specific help to development which can be acquired other than by job experience.

29 Increasingly, we are finding that companies which we respect and have a commitment to development are recognizing this need. For example, British American Tobacco, British Petroleum, ICI, Marks & Spencer, Price Waterhouse, Sun Alliance and others use well respected consultants (CEPEC - the Centre for Professional Employment Counselling at Sunridge Park Management Centre) to provide individual guidance and counselling as a contribution to planning the development plans of senior members of their staff. Similarly, the Senior Executive Management Programme introduced in January 1984 by the Australian Public Service Board (see Annex K) for all staff newly promoted or appointed to the Second Division (Grades 2-6 in U.K. terms) requires completion by the participant of a development needs profile. It also requires the "joint preparation between the participant, the parent department and the directing staff of a Development Plan" to cover "a period of some 3-5 years after participation in SEMP. The Plan will be based, in part, on the development needs profile".

30 These models may not be transferable directly to our SMDP, largely because of the comparative scale of the programmes. Individual companies using CEPEC and similar bodies are by comparison with us involving very much smaller numbers, and the Australian SEMP is designed to cater for 120-150 participants annually. Nonetheless, the principle of advice and help to individuals to plan their development, and particularly their self development, is a good one. If SMDP is set up, part of the role of the Cabinet Office (MPO) should be to investigate practicable ways of enabling guidance and counselling help to be available to some or all SMDP participants with a view to ensuring that they get as much as possible out of SMDP and that thereby the Service benefits.

CENTRAL AND DEPARTMENTAL ROLES

31 There is a major role for the centre in establishing the SMDP both by undertaking effectively those parts of the work which it can do best and by encouraging and helping Departments to make their contributions.

32 It will be for the Cabinet Office (MPO) to work on the central element of the programme specification in the light of the information arising from the training needs analysis being undertaken for the Top Management Programme. This will involve breaking down the subject areas into manageable parts and giving advice on how training needs in these areas can be met, whether by College course, Departmental course, attendance at a business school, use of an open learning package or some other form of self study. But we should never fall into the trap of thinking we can set out all the ways of achieving the end. What we can do is give wide ranging and comprehensive examples, but we ought not to rule out other ways of meeting the need. Similarly, the Cabinet Office (MPO) should work up imaginatively the training log concept and produce examples and common core elements that can be inserted into training logs in Departments. The fact that Training Division is undertaking for the Cabinet Office (MPO) a pilot study of training needs in the Department means that a Cabinet Office (MPO) training log ought to be an early target which can both be used within the Department and stand as an example of how to do it.

33 The Cabinet Office (MPO) must be prepared to go out and give real practical help to Departments with their end of the work. Merely providing good examples on paper will not be enough; the style and mode of operation of the Training Liaison Officers indicates one way of going about this task.

34 The Cabinet Office (MPO) must also aid the step by step expansion of the SMDP and in doing so ensure that the needs of specialists (which may not always be identical with those of administrators) are adequately catered for. Finally, it must monitor and evaluate SMDP with a view to improvement.

35 The SMDP will work effectively only if the Cabinet Office (MPO) is organized to undertake this programme of work. A small unit will be needed dedicated wholly or mainly to this task.

THE PARTICIPANTS

36 Determining who should participate is difficult because of the need to hold in balance a number of potentially conflicting needs.

37 Firstly, SMDP must cover those who have a very high prospect of getting to Grade 3 or above. They are in effect the 44C people (240 administrators; 200 specialists) identified by Departments as "fliers" in the Succession and Career Planning returns submitted to the Cabinet Office (MPO). But fliers are defined as those "likely to get to Grade 3 early or to Grade 2 or above". Comprehensive returns of other staff who are "promotable now" to Grade 3 (List A) or likely to be promotable to Grade 3 (List B) are no longer made, but earlier experience suggests that addition of these would treble the flier list giving a total of about 1,300. Ages of List A and B staff who are not fliers are not held centrally but, by definition, the average age will be higher than that of the fliers.

38 One possibility would be to restrict entry to the SMDP to those who have been identified by their Department as fliers or on List A or B, say 1,300 staff. This would involve open identification of staff of very high potential, which is not done at present. It could be seen as a self-perpetuating process whereby identification of itself led to special development which played its part in fulfilling the judgement made earlier. Use of this criterion by itself would be inefficient in that it closed down our options too early, made provision too late for List A and B staff who are not identified as such in their early 30s, and

because of the demotivating effect it would have on those outside the chosen group. (This demotivating effect might well be less if identification as a "flier" or as List A or B material was based on a process that staff generally perceived as more objective, e.g. an Assessment Centre, rather than the present internal management processes).

39 The best way forward might be by use of defined age bands for eligibility for the SMDP. These age bands would be chosen so as to include initially the majority and eventually virtually all "fliers". But as the age bands would be at the younger end of the spectrum the non-fliers within them would be those who had gained promotion early and therefore those likely to have high potential.

40 Details of possible age bands and grade levels are given at para. 25 of the Outline Proposals. They would involve fairly large numbers of eligibles; 3,500 when the SMDP started and a total of 7,000 5 years later. But not everyone will want to participate. The principle of individual responsibility for developing one's own career suggests that individuals should have to make a positive election to be included in the SMDP. I have assumed that a maximum of 2 out of 3 eligibles will want to participate, but this is little more than a guess. The likelihood is that some administrators who see their careers being based within a specific function and some specialists who do not anticipate moving on to broader or managerial work, will not want to participate.

41 As a safety measure, management should have the right to invite anyone at the appropriate grade levels to participate in the SMDP. This would enable fliers and other high potential or high achieving staff above the age limits to be included.

42 There will need to be further work to ensure that specialists participate adequately. They tend in general to be promoted at ages later than administrators and a higher proportion of senior specialists will tend to remain in specialism based careers without necessarily the same requirement for broader management perspective (although others will need these broader perspectives to a marked degree. There will need to be a close link with the various existing procedures for identifying and developing specialist managerial talent including the Senior Professional Administrative Training Scheme (SPATS), the "technological generalist" arrangements and any possible future developments for this purpose (e.g. establishment of Assessment Centre).

RESOURCE COSTS

43 The wider aspects of the resource costs, namely that the lost time of "flier" and high potential participants will be the most important and critical cost, are discussed at paras. 27-30 of the Conclusions and Outline Proposals. There is a real opportunity cost here, but effective training and development should mean that the "value added" makes that cost worthwhile.

44 So far as the Civil Service College is concerned, the precise costs are very difficult to estimate. In the first instance, there is probably capacity to cope with higher numbers on some of the existing training courses that fit the SMDP specification. But if SMDP runs on the scale envisaged there will, even in its first year, be a need to run some existing programmes more frequently than at present. This could either mean a net addition to the College programme or the displacement of some elements in the programme which have lower priority or for which the training could be provided in Departments or externally. In the longer term

there is likely to be some net addition required to the College resources of staff, teaching accommodation and residential accommodation. On staff numbers this may well call for some adjustment of the Cabinet Office (MPO) staff ceiling in order to cope and the principle of this ought be accepted now, even though the provision itself would not follow until the need was clear. For teaching/residential accommodation it would seem prudent in the first instance to follow the College's existing practice when it reaches full capacity, namely out-house some courses either at other Civil Service residential training centres or make use of other public sector or private sector facilities.

45 In money terms the cost of SMDP is likely to work out as follows (1983 prices):

- i. In year 1, 1,250 staff at Principal level and 1,250 staff at Grades 5-6 are likely to participate in SMDP. Assume that each has $4\frac{1}{2}$ days extra management training, giving a total of 5 days.
- ii. The cost of student time on training is normally calculated by using the figures in Column (iv) of the Ready Reckoner of Staff and Other Costs. Participants will be from all over the U.K. and the Outer London cost has been used to give an average cost for all participants. At Grades 5-6 combined this is £145 per day (rounded to nearest £5) and at Principal level it is £110 per day.
- iii. At Principal level this gives -
 $\text{£110 per day} \times 4\frac{1}{2} \text{ days} \times 1,250 \text{ members} = \text{£815,000 approx.}$
- iv. At Grades 5-6 this gives -
 $\text{£145 per day} \times 4\frac{1}{2} \text{ days} \times 1,250 \text{ members} = \text{£620,000 approx.}$
- v. This gives a student cost in year 1 of £1.4m. approx.
- vi. Over the years the annual return of training costs has shown that the cost of providing the training (i.e. the cost of training accommodation, the time of tutors/lecturers and other training staff, fees for external and College training, the cost of the participants' travel and subsistence, etc.) are approximately the same as the cost of student time. There is no reason to believe that this will not also be the case with SMDP. This would give a cost in year 1 for student time and training provision of £2.8m.
- vii. With the SMDP there will also be additional administrative and managerial costs associated with its running and coordination in Departments and the cost of the central unit in the Cabinet Office (MPO). These might be in the order of £0.4m., giving a total cost in year 1 of £3.2m.
- viii. By year 6, student numbers should have doubled and the annual cost of student time and training provision will be £5.6m. With the addition of administrative and managerial costs in Departments and the Cabinet Office (MPO) this gives a total ongoing annual cost of £6m.

OBJECTIONS AND ALTERNATIVES TO THE PROPOSALS

46 It can be argued that an SMDP is not needed; that individual Departments should be left to make their own development arrangements for their staff at Principal level - Grade 5; and that the role of the centre should be confined to (a) encouraging them to do better, and (b) ad hoc follow-up in the case of some "fliers". But, it is our present lack of effectiveness (despite general goodwill towards management development) in providing systematic arrangements and in ensuring that training and development actually takes place in a planned way that has led to the present identification of need at these levels. "Civil Service Management Development in the 1980s" (the Fraser Report) clearly identifies the need for a structured approach and a framework for development; while there has been practical concern about how the needs might be met and the resource implications of doing so, there has been little if any dissent over the existence of the training and development need that our current arrangements cannot meet.

47 One possible alternative is that we should start on a very small scale with a framework for management development at these levels - much smaller than I propose. But the work which we have done over the past few years on management development has disclosed an area of need which is not met in a systematic way for a very large number of staff - it has been a little like turning over a stone and finding much more underneath than was anticipated! The proposals need to be ones which deal with the real need; to do this whilst still being small enough to be manageable, they need also to be sufficiently comprehensive to show from the beginning that they are aimed at tackling the needs of more than just a few selected staff, even if it will take some time for the ripple effect to spread.

48 Another alternative would be to attempt to set up a more closely defined SMDP. There is a reasonable ground of objection that the present proposals (which are long term and comprehensive and involve a 'prospectus' which can be met in a variety of different ways and be suited to individual needs) do not have a crispness and clarity of a more closely defined programme. For example, our new Top Management Programme and the proposals for the Australian Public Service's Senior Executive Management Programme (see Annex K) both have an attraction by their definite nature. But the objectives of the Top Management Programme and the Australian SEMP are rather different. They each aim (the first over a concentrated period and the second over a somewhat longer period) to provide a specific introduction to and preparation for management at a higher level.

49 By contrast, the SMDP is intended to develop a progressive and sustained approach to development through job experience and training over the whole time spent at Principal level - Grade 5 and to cope with a variety of needs. The first priority for SMDP in its method of working is to develop this integrated and progressive approach throughout the career, rather than provide a specific management course. Further work is almost certain to disclose a real need for a more sharply defined development activity at some point in this process and the type of activities encompassed within the Australian SEMP provide an attractive model for us to consider and develop. But as important as this is, it should be seen as a medium term priority to be followed up and developed once the SMDP is up and running.

TRAINING FOR SENIOR MANAGEMENT STUDY

TRAINING EXPERIENCE OF STAFF WHO ARE "PROMOTABLE NOW" TO GRADE 3

1 In March 1984 a representative sample of staff at Grades 4 and 5 who were considered 'ready now' for promotion to Grade 3 were asked to complete a questionnaire on their job and training experience. This note summarises the results of the sections on training from returns submitted so far.

Sample

2 93 questionnaires have been returned by staff at Grades 4 and 5 in 11 Departments. 58 were administrators and 35 were specialists. Their average length of service was 20 years for administrators and 19 years for specialists.

3 Three Departments (36% of sample) submitted returns for all Grades 4 and 5, whereas the other Departments included only those who were 'ready now' to progress to Grade 3. The former Departments' returns broadly improved the picture of the amount of training received, and they have been left in.

4 For a variety of reasons, notably lapses in memory of training undergone many years before, the returns probably underestimate training received.

5 Training undergone prior to entry to the Civil Service has been excluded - but only a handful referred to such training.

6 Lack of training in any of the areas does not necessarily imply lack of expertise. Some may have picked up expertise by on-the-job experience - but it should not be taken for granted that this is so.

Conclusion

7 If one excludes the 14 civil servants who had received courses of 3 months or over, the average administrator remembered taking only 4 formal internal or external courses since becoming a Principal. The typical specialist fared the same. Over a third of this training had been received over 5 years ago. Even allowing for underestimates, this falls well short of the best practice in the outside world.

8 The annex shows in what areas administrators and specialists had received internal training (by the Civil Service College or by Departments) at any stage in their career. In no case had over 50% of administrators received a particular form of training, even for 'popular' subjects such as policy process; analysis and resource management; management of staff; FMI; and IT seminars. Notably weak areas were administrative law (1 ex 58); dealing with the media (6), the public (3) and public meetings (3); local government (2); skills in negotiating (5), presentation (1) and chairmanship (3). Only 20 had undertaken a management course at Principal level.

9 Specialists revealed an even more sombre picture. Only in IT had over 50% received training - notably weak areas were all those mentioned above for administrators, with the addition of policy process; and analysis and resource allocation (6 ex 36); working with Ministers (1); Parliament (1); and legislation (1); and some aspects of financial and resource management. Only 11 had undertaken a management course at Principal level.

10 Nearly 40% of the sample had never received any externally-provided training. 20 out of 93 had made use of business school and management centre courses lasting from 5 to 90 days, although 17 of the 20 came from just 3 Departments. Specialists had received a larger proportion of external training, and 30% of specialists had taken a business school/management centre training course as opposed to 15% of administrators.

11 14 of the sample (10 administrators, 4 specialists) had taken courses of more than 3 months. Of these, 6 had studied for a year at the Royal College of Defence Studies; 2 had taken long management programmes (at Shell and at London Business School); 2 had received training as Tax Inspectors; 1 had taken a degree course and 2 had gained post-graduate courses.

NUMBER OF COURSES ATTENDED BY ADMINISTRATORS AND SPECIALISTS WHO ARE "PROMOTABLE NOW" TO GRADE

TRAINING QUESTIONNAIRE

Administrative 58
Specialist 35

TRAINING BEFORE PRINCIPAL LEVEL (+ SPATS):

	A	S
<u>AP/AT/HEO(A) TRAINING:</u> A course of 6 weeks or longer during the first 2 years of your career	22	1
<u>S.P.A.T.S.</u> (Civil Service College course)	1	3
EO-level management course	7	-
HEO-and/or SEO-level management course	10	2

TRAINING SINCE PRINCIPAL LEVEL

THE POLICY PROCESS AND ITS POLITICAL/CONSTITUTIONAL CONTEXT

The policy process/policy analysis/resource allocation

Working with Ministers/the Cabinet System

Parliament (incl. Parliamentary Questions)

Legislation/bill work

LAW

The legal system

Administrative Law

Employment law

RELATIONS WITH OTHER COUNTRIES

International relations (other than EEC)

EEC

International Institutions

PUBLIC RELATIONS

Dealing with the media

Direct contact with the public

Dealing with public meetings

Ex 58 Ex 35

A	S
21	6
7	1
7	1
6	1
1	1
1	1
2	-
4	1
12	7
3	1
6	1
3	1
3	1
Ex 58	Ex 35

TRAINING SINCE PRINCIPAL LEVEL (continued)

MANAGEMENT COURSES

Principal level management course

A	S
20	11

FINANCIAL AND RESOURCE MANAGEMENT

FMI (incl. awareness seminars)

20	11

Accountancy (at any level, incl. How to read a balance sheet)

12	6
----	---

Government accounting (incl. supply estimates, PESC etc.)

13	6
----	---

Investment appraisal

12	3
----	---

Large scale project management

5	4
---	---

Financial institutions

2	-
---	---

Audit

3	-
---	---

MANAGEMENT OF ORGANISATIONS AND SYSTEMS

Management Information Systems

3	6

Staff inspection

3	-
---	---

Management services (incl. assignment work, work study, organisation and methods)

5	5
---	---

Information technology (at any level, incl. appreciation)

16	17
----	----

MANAGEMENT OF STAFF

Leadership/motivation of staff

13	3

Line management of significant numbers of staff

10	7
----	---

Personnel management (a course intended for staff in Personnel or Establishment Divisions)

7	-
---	---

Industrial relations

11	4
----	---

LOCAL GOVERNMENT

2	-
---	---

ECONOMICS (at any level)

7	8
---	---

STATISTICS (at any level)

8	5
---	---

SKILLS

Negotiating skills

5	1

Presentational skills/public speaking/ appearing on TV

1	2
---	---

Chairmanship

3	-
---	---

Ex58 Ex35

- Notes: 1. The returns refer to training undertaken in Departments and at the Civil Service College. In fact, many returns included areas covered by external courses as well.
2. In the section dealing with Principal level and above, boxes were ticked if the description appeared to refer apply to a course, or substantial part of a course, which they had attended.

TRAINING FOR SENIOR MANAGEMENT STUDY

SELECTED COURSES FOR ASSISTANT SECRETARIES,
PRINCIPALS AND EQUIVALENT GRADES
MARCH 1984 TO JULY 1985

FINANCIAL MANAGEMENT, ACCOUNTANCY AND ECONOMICS

The Senior Finance Course

Assistant Secretary and
above and equivalents*

Sunningdale

To explain the appropriate elements of
financial management skills and their
relevance to work in government

The course consists of several modules
most of which last for 2½ days. These
are:

Developments in Financial
Management in Government

Government Finance and Accounts
(1 day)

Financial Accounting

Cost and Management Accounting

Resource Allocation/Investment
Appraisal

Computer Assisted Financial
Management (2 days)

Indirect Expenditure

Analysing Performance

* At present the normal requirement for those appointed to PFO posts is
to have taken any 5 of these modules.

Financial Planning and Control

(In the 1984/85 academic year this will be retitled "Management Accounting
for Managers/Administrators").

Principal and equivalents

5 days, Sunningdale

To provide an appreciation of the
techniques necessary in effective
financial planning and control



CABINET OFFICE
Management & Personnel Office

C I V I L
S E R V I C E
C O L L E G E

11 Belgrave Road
London SW1V 1RB

Telephone
01-834-6644 GTN 2803

Financial Management Techniques

Principal and equivalents

2½ days, Sunningdale

To provide an understanding of how to apply specific techniques

The Government Accounting Framework

Principal and equivalents

5 days, Sunningdale

To provide an understanding of the organisation of financial systems in government

Economic and Financial Appraisal of Investment Options

Principal and equivalents

3½ days, Sunningdale

To consider the basic techniques necessary to appraisal and monitoring of investment projects

The Principles of Commercial Accounts

(In the 1984/85 academic year this will be retitled "Financial Accounting for Managers/Administrators")

Principal and equivalents

5 days, Sunningdale

To help officials to interpret and analyse commercial accounts

Understanding the British Economy

Assistant Secretary and above and equivalents

2½ days, Sunningdale

To provide those with no formal training in economics with a non-technical discussion of the major factors influencing the British economy

Money and Economic Policy

Assistant Secretary and above and equivalents

2½ days, Sunningdale

To provide an understanding of the role of money in the economy; the operation of the money markets and monetary policy

Private and Public Allocation

Assistant Secretary and above and equivalents

2½ days, Sunningdale

To help officials understand the debate about the role of free markets in society

The Budget

Principal and above and equivalents

1 day, London

To review the economic prospects of the United Kingdom and the expected economic impact of the budget

The Public Expenditure White Paper

Principal and above and equivalents

1 day, London

To review the content of the White Paper, the Macro-Economic context, the impact of cash planning and emerging priorities

Government and Industry Study Group

Principal and above and equivalents

5 days, Sunningdale

To develop the knowledge of officials about the government/industry interface and the effects of policy on company performance

STATISTICS AND OPERATIONAL RESEARCH

Interpretation of Data

Principal and equivalents

2½ days, London or Sunningdale

To improve the ability of those interpreting data, particularly in identifying patterns and exceptions and in communicating findings

Statistical Methods for the Administrator

Principal and equivalents

2½ days, London or Sunningdale
(In the 1984/85 academic year this course will be divided into two parts, each of 2½ days)

To introduce basic statistical methods

Although this course is self-contained it is usefully complementary to the one above

Output Measures and Performance Indicators

Principal and equivalents

2½ days, London or Sunningdale

To help those who are developing or using management information systems to work with measures of output and performance

National Account Statistics

Principal and equivalents particularly Statisticians and Economists

2½ days, Sunningdale

To explain the basic concepts of the national accounts

An Introduction to Operational Research and Systems Analysis

Scientists, Statisticians,
Technologists, recent entrants
to the operational research
groups

To give an appreciation of the OR
approach and the use of systems
analysis

5 days, Sunningdale

INFORMATION TECHNOLOGY

Information Management in the Civil Service

Assistant and Under Secretary
and equivalents

To provide senior staff with an under-
standing of the issues associated with
the handling of information in the
Civil Service

3 days, London or Sunningdale

A number of more specialised courses are offered for those undertaking
specific work connected with information technology. Please ask the
College contact (see the end of this list) for details.

GENERAL MANAGEMENT

Introduction to Management for Senior Staff

Principal to Assistant
Secretary and equivalents

To introduce those with little or no
previous management training or
experience to knowledge and skills
relevant to the management task

5 days, Sunningdale

Staff Management and Organisation

Secretary and equivalents

Principal to Assistant To provide those
with some previous
management training or significant
management responsibilities with a
framework within which they can develop
their skills and knowledge

10 days, Sunningdale

Senior Management Course

Assistant Secretary and
equivalents

To provide experienced senior managers
with an opportunity to reappraise and
improve their performance

5 days, Sunningdale

MANAGING CHANGE

Organisational Change

Principal to Assistant
Secretary and equivalents

3 days, Sunningdale

To help those who have to initiate organisational change to do it effectively

Managing Technological Change

Principal to Assistant
Secretary and equivalents

5 days, Sunningdale

To help those involved in managing the introduction of information or production technology to implement the change effectively

INDUSTRIAL RELATIONS

Introduction to Industrial Relations for Senior Staff

Senior Principal to
Assistant Secretary and
equivalents

3 days, Sunningdale

To provide those with little previous experience of industrial relations with a broad introduction to the subject

Managing Industrial Relations

Principal to Assistant
Secretary and equivalents

5 days, Sunningdale

To help those with substantial staff management or industrial relations responsibilities to increase their effectiveness

PRESENTATIONAL SKILLS

Effective Presentations for Senior Staff

Principal to Assistant
Secretary and equivalents

3 days, London

To help those who make presentations to meetings, the public or the media to develop their skills

GENERAL ADMINISTRATION

Efficiency in Government

Principal and equivalents

5 days, Sunningdale

To provide managers with a better understanding of where responsibility lies for ensuring government is efficient and how these responsibilities should be exercised

Efficiency Briefings

Principal and equivalents

London

Several one day seminars will be held in the 1984/85 academic year to provide a forum for discussion of current developments in the efficiency strategy

Managing Cut Backs

Principal and equivalents

3 days, Sunningdale

To help staff manage cuts and contribute to the effective functioning of their departments in a period of reduced resources

The Policy Process in Central Government

Principal and equivalents

10 days, London or Sunningdale

To help staff who have recently moved to headquarters divisions to develop their understanding of the British system of government and to improve their effectiveness in dealing with policy making and implementation

Administrative Briefings

Principal and above and equivalents

London

Several one day seminars will be held in the 1984/85 academic year to help staff follow and appraise key developments in British administration

Law and the Administrator

Principal and equivalents

5 days, Sunningdale

To improve the knowledge of administrators in the nature and sources of law

Administrative Law Seminars

Principal and above and equivalents

London

These one-day seminars to be held in the 1984/85 academic year will be designed to examine the importance of administrative law

SOCIAL POLICY

Developments in British Society

Principal and above and equivalents

London

One day seminars are held about once a month dealing with topics within the framework of the title. They are designed for staff who would benefit from a greater appreciation of the social pressures on policy.

EUROPEAN AND INTERNATIONAL RELATIONS
(Language qualifications are required where indicated)

The European Community: Economic and Political Developments

Principal to Assistant
Secretary and equivalents

5 days, Sunningdale

To help those involved in work with the European Community to widen their understanding of its philosophy, operation and policies

European Briefings

Principal and above and
equivalents

These one day seminars to be held in the 1984/85 academic year will provide information on and an assessment of current developments in the European Community

The Law of the European Community

Principal to Assistant
Secretary and equivalents
particularly in the Legal Group

10 days, Sunningdale

To provide an understanding of the legal implications of membership of the European Community

Fonction Publique

Principal and above and
equivalents

17, 22 or 25 days, London
and Paris

A number of courses are arranged under this title. They all have the purpose of providing an insight into the machinery of government and methods of administration in France. The longer courses allow for an attachment to a French government department related to the background of the student. A working knowledge of French is required for all these courses

French Language Training: The Leeds Course

Principal and above and
equivalents

12 days, Leeds

To improve students' ability to negotiate in French and deal with specialised documents drafted in French. Current knowledge of French at 'A' level standard or above is required

The Bonn Course

Principals and above and
equivalents

10 days, London and Bonn

To enable students from a group of related departments or with comparable professional interests to learn how a chosen theme is dealt with in the Federal Republic of Germany

Germany: The Individual Course

Principals and above and
equivalents

5 days, Bonn

To enable students through their own
individual programme to see how their
counterparts in the Federal Republic
Government go about their job.

A working knowledge of German is
required

German Language Training: The UMIST Course

Principals and above and
equivalents

12 days, Manchester

To improve students' ability to
negotiate in German and deal with
specialised documents drafted in German

Current knowledge of German at 'O'
level standard or above is required

The Hague Course

Principal and above and
equivalents

10 days, London and the
Netherlands

To provide an insight into the
machinery of government and the methods
of administration in the Netherlands

International Relations: Theories and Practice

Principal and above and
equivalents

5 days, Sunningdale

To increase understanding of inter-
national relations

International Briefings

Principal and above and
equivalents

London

These one day seminars to be held in
the 1984/85 academic year will aim to
improve understanding of topical inter-
national issues relevant to the United
Kingdom

European Community Negotiating Techniques

Principal and equivalents

2 days, London

To help officials improve their
effectiveness in European Community
negotiations

Techniques for International Negotiation

Principal and equivalents

5 days, Sunningdale

To help officials improve their
effectiveness as negotiators in
international work

<u>COURSE TITLE</u>	<u>COURSE NUMBER</u>	<u>COURSE DATES</u>
The Senior Finance Course		
Modules -		
Developments in Financial Management in Government	A 935	26-28 March 1984
	A 100	26-28 September 1984
	A 101	20-22 February 1985
Government Finance and Accounts	A 900	9 April 1984
	A 102	8 October 1984
	A 103	4 March 1985
Financial Accounting	A 937	11-13 April 1984
	A 104	15-17 October 1984
	A 105	11-13 March 1985
Cost and Management Accounting	A 933	25-27 April 1984
	A 106	5-7 November 1984
	A 107	18-20 March 1985
Resource Allocation/ Investment Appraisal	A 914	30 May-1 June 1984
	A 108	14-16 January 1985
	A 109	20-22 May 1985
Computer Assisted Financial Management	A 966	4-6 June 1984
	A 110	28-30 January 1985
	A 111	29-31 May 1985
Indirect Expenditure	A 898	2-4 July 1984
	A 114	4-6 March 1985
	A 115	24-26 June 1985
Analysing Performance	A 896	23-25 July 1984
	A 112	4-6 February 1985
	A 113	17-19 June 1985
Financial Planning and Control	A 949	9-13 April 1984
	A 948	18-22 June 1984
Management Accounting for Managers/Administrators	A 116	22-26 October 1984
	A 117	3-7 December 1984
	A 118	11-15 February 1985
	A 119	29 April-3 May 1985
	A 120	8-12 July 1985
Financial Management Techniques	A 128	8-10 October 1984
	A 129	19-21 November 1984
	A 130	7-9 January 1985
	A 131	25-27 February 1985
	A 132	25-27 March 1985
	A 133	10-12 June 1985

The Government Accounting Framework	A 945	12-16 March 1984
	A 944	30 April-4 May 1984
	A 943	9-13 July 1984
	A 124	12-16 November 1984
	A 125	4-8 March 1985
	A 126	15-19 April 1985
	A 127	24-28 June 1985
Economic and Financial Appraisal of Investment Options	E 970	9-13 April 1984
	E 972	8-11 May 1984
	E 132	10-14 September 1984
	E 133	12-16 November 1984
	E 134	7-11 January 1985
	E 135	3-7 June 1985
Principles of Commercial Accounts	A 940	14-18 May 1984
Financial Accounting for Managers/Administrators	A 121	17-21 September 1984
	A 122	21-25 January 1985
	A 123	3-7 June 1985
Understanding the British Economy	E 976	Probably May 1984
	E 104	12-14 November 1984
Money and Economic Policy	E 105	11-13 February 1985
Private and Public Allocation	E 974	14-16 May 1984
	E 106	13-15 May 1985
The Budget	E 997	28 March 1984
	E 138	27 March 1985
The Public Expenditure White Paper	E 996	2 April 1984
	E 139	3 April 1985
Government and Industry Study Group	E 962	14-18 May 1984
	E 107	3-7 December 1984
	E 108	13-17 May 1985
Interpretation of Data	S 997	26-28 March 1984
	S 998	25-27 June 1984
	S 141	19-21 November 1984
	S 142	11-13 March 1985
Statistical Methods for the Administrator	S 978	28-30 March 1984 (complete course)
	S 977	27-29 June 1984 (complete course)
PART 1	S 143	12-14 December 1984
PART 2	S 145	27 February-1 March 1985
PART 1	S 144	22-24 April 1985
PART 2	S 146	1-3 May 1985
Output Measures and Performance Indicators	S 814	2-4 May 1984
	S 194	17-19 September 1984
	S 195	12-14 March 1985
National Account Statistics	S 876	9-11 May 1984
	S 270	25-27 March 1985

An Introduction to Operational Research and Systems Analysis	S 840	30 April-4 May 1984
	S 175	7-11 January 1985
	S 176	17-21 June 1985
Information Management in the Civil Service	C 891	27-29 March 1984
	C 890	9-11 May 1984
	C 619	3-5 July 1984
	C 123) 1984/85 COURSES, DATES TO
	C 124) BE ANNOUNCED, ASK FOR
	C 125) DETAILS
Introduction to Management for Senior Staff	M 992	12-16 March 1984
	M 904	18-22 June 1984
	M 103	29 October-2 November 1984
	M 104	4-8 February 1985
	M 105	13-17 May 1985
Staff Management and Organisation	M 986	4-15 June 1984
	M 899	9-20 July 1984
	M 106	8-19 October 1984
	M 107	26 November-7 December 1984
	M 108	21 January-1 February 1985
	M 109	18-30 March 1985
	M 110	3-14 June 1985
	M 111	8-19 July 1985
Senior Management Course	M 878	9-13 April 1984
	M 100	24-28 September 1984
	M 101	4-8 March 1985
	M 102	22-26 April 1985
Organisational Change	M 837	14-16 May 1984
	M 124	24-28 September 1984
	M 125	11-13 February 1985
	M 126	22-26 April 1985
Managing Technological Change	M 974	5-9 March 1984
	M 973	2-6 July 1984
	M 121	10-14 December 1984
	M 122	25-29 March 1985
	M 123	17-21 June 1985
Introduction to Industrial Relations for Senior Staff	M 926	21-23 May 1984
Managing Industrial Relations	M 924	16-20 July 1984
	M 161	29 April-3 May 1985
	M 187	TO BE ANNOUNCED, ASK FOR DETAILS
Effective Presentations for Senior Staff	M 934	4-6 June 1984
	M 179	12-14 November 1984
	M 180	25-27 February 1985
	M 181	1-3 July 1985
Efficiency in Government	PA 978	25-29 June 1984
	PA 172	15-19 October 1984
	PA 173	4-8 February 1985
	PA 174	10-14 June 1985

Efficiency Briefings	-	TO BE ANNOUNCED, ASK FOR DETAILS
Managing Cutbacks	PA 973	21-23 May 1984
The Policy Process in Central Government	PA 981 PA 151 PA 152 PA 153	4-15 June 1984 19-30 November 1984 18 February-1 March 1985 17-28 June 1985
Administrative Briefings	-	TO BE ANNOUNCED, ASK FOR DETAILS
Law and the Administrator	PA 967 PA 154 PA 155	30 April-4 May 1984 29 October-2 November 1984 25-29 March 1985
Administrative Law Seminars	-	TO BE ANNOUNCED, ASK FOR DETAILS
Developments in British Society	-	TO BE ANNOUNCED, ASK FOR DETAILS
The European Community: Economic and Political Developments	PA 946 PA 121 PA 122	18-22 June 1984 8-12 October 1984 11-15 February 1985
European Briefings	-	TO BE ANNOUNCED, ASK FOR DETAILS
The Law of the European Community	PA 999 PA 190	2-13 July 1984 1-12 July 1985
Fonction Publique 29	EU 994	4 June-6 July 1984
Fonction Publique 30	EU 100	17 September-12 October 1984
Fonction Publique 31	EU 101	5-23 November 1984
Fonction Publique 32	EU 102	May-June 1985
French Language Training - The Leeds Course		
Leeds 25	EU 998	2-13 April 1984
Leeds 26	EU 103	January 1985
Leeds 27	EU 104	April 1985
The Bonn Course		
Bonn 3	EU 111	October 1984
Germany: The Individual Course	EU 112	October 1984
German Language Training: The UMIST Course	EU 105	January 1985
The Hague Course		
	EU 997	May 1984
	EU 107	May 1985
International Relations: Theories and Practice	PA 948 PA 102	26-30 March 1984 25-29 March 1985

International Briefings

-

TO BE ANNOUNCED, ASK FOR
DETAILS

European Community Negotiating
Techniques

PA 986
PA 128
PA 129

11-12 June 1984
6-7 November 1984
9-10 May 1985

Techniques for International
Negotiation

PA 113

11-15 March 1985

General enquiries about courses on this list may be put to:

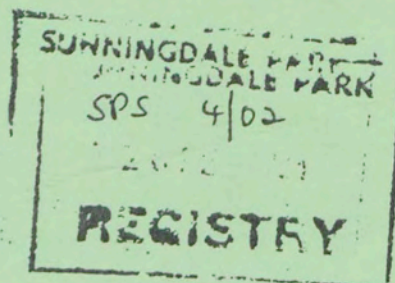
J W THOMPSON
Room 3/13
Civil Service College
Belgrave Road

01-834 6644 ext 544
GTN 2803 544

In his absence Dr G H Mungeam, Director of Policy and Administration Studies will be glad to help. His telephone number is 01-834 6644 ext 235 (GTN 2803 235).

Nominations for a particular course should be made on a College Form COL 25 and sent through Departmental Training Officers in the normal way.

February 1984



PART ONE

MANAGEMENT DEVELOPMENT PROGRAMMES

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	(7) OF INTEREST TO
1 MANCHESTER BUSINESS SCHOOL (i) Senior Executive Course 3 weeks	MANCHESTER Residential	£2,950 fully inclusive		Those in posts of responsibility at or near Board level	<ol style="list-style-type: none"> 1 To provide a general management overview of most critical present and future issues in strategic management. 2 To provide stimulus and opportunity, to broaden awareness of factors normally taken into account in their decision making. 3 To enable a mix of senior executives to learn systematically and intensively from the accumulated experiences of course members and faculty. 	Assist/Under Sec
(ii) Executive Development Programme 10 weeks	MANCHESTER Residential	£6,500 fully inclusive		Managers in mid career	To develop skills, attitudes and knowledge relevant to the practice of general management. The programme is individually tailored to the needs of the individual with a wide range of options and projects. The core programme includes:- accounting, using the computer, finance, organisation design, macro-economics, industrial relations, behavioural sciences, micro-economics, general management models etc.	Principals
2 OXFORD CENTRE OF MANAGEMENT STUDIES (i) Senior Managers Development Programme 9 weeks	OXFORD Residential	£5,500 inc		Experienced managers of high potential	Encourages managers to pursue their own professional goals and objectives within the context of a development programme which extends their general understanding of management.	Assist/Under Sec
(ii) The Advanced Management Programme 6 weeks	OXFORD Residential	£4,000 inc	33-50	Managers involved in the co-ordination and direction of the different functional parts of a business who need to know about the problems of managers in other functions	Participants will be immersed in the analysis of real business situations. Small group work including projects.	Principals

TRAINING FOR SENIOR MANAGEMENT STUDY
BUSINESS SCHOOL ETC. COURSES FOR SENIOR
MANAGEMENT

ANNEX D

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	(7) OF INTEREST TO
3 ASHRIDGE MANAGEMENT COLLEGE						
(i) The Management Development Programme	HERKHAMSTED Residential	£2,750 plus VAT	30's-40's	Managers with ten years experience five at managerial level	To develop a deeper understanding of the operational aspects of management and a broader view of the organisation as a whole. Includes Finance, Managing/Leading People & Relationship, Information Technology, Project work.	Principals
(ii) Senior Managers Programme 3 weeks	HERKHAMSTED Residential	£2,475 plus VAT	35-45	Managers with major organisational responsibility and who report at main board level ten years managerial experience	Broadening approach to strategic management. Assessing economic, technological, political & social trends. Equipping to relate to organisation structure to strategy for long run effectiveness. Providing with a basis for action and personal development after the programme.	Assist Sec/Senior Prin
4 *HENLEY THE MANAGEMENT COLLEGE						
(i) General Management Course 9 weeks	HENLEY Residential	£6,500 + VAT subject to increase in 84 prob 5%		Those with substantial management experience who need a broader and deeper understanding in more senior posts	To equip people for the demands of Senior Management. A wider understanding of the business environment; enhanced analytical and problem solving skills, a broad appreciation of modern techniques of personnel, financial, marketing and information management. An ability to see the enterprise as a whole as the cornerstone for developing successful plans, policies and strategies.	Principals upwards
(ii) The Senior Course (An appreciation of General Management) 4 weeks	HENLEY Residential	£3,750 + VAT (estimate only)	Prob 43 or over	Those in positions of senior responsibility	To inform senior managers of the latest developments in management thinking and techniques and improve awareness of political and social and economic environment; to develop or sharpen skills for which they feel a particular need, and to provide an opportunity to evaluate their own experiences and approaches against those of others in the group.	Assist/Under Secs

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	(7) OF INTEREST TO
*LONDON BUSINESS SCHOOL						
(i) Senior Executive Programme 6 weeks	LONDON Residential	£4,800	35-50	Experienced executives who will assume general managerial responsibility	<p>1 To increase capacity to analyse and resolve important policy questions (short and long term).</p> <p>2 To increase understanding of economic technical and social changes and their implications.</p> <p>3 Developments in general and functional management which provide a framework for managing in the face of change.</p> <p>4 To challenge re-inforce and modify the attitudes that influence the executive's behaviour.</p>	Principals upwards
(ii) London Executive Programme 10 weeks	LONDON Residential	£6,500- £6,750	mid to late 30's	Experienced managers moving from specialised function to general management	To increase understanding and develop analytic problem solving and decision making skills, improve effectiveness in working with other people. Includes topics of general interest to managers including visits to business schools, companies and continental Europe.	Principals
(iii) Continuing Executive Programme 6 weeks spread over 16 months	LONDON Residential	£5,000 (includes 2 projects)		Chief Executives, general managers. Senior functional managers small to medium sized units	<p>To provide a broad range of general managerial skills and insights, sufficient knowledge of the Key functional disciplines to enable them to make sound general managerial decisions.</p> <p>To explore personal aspirations talents and limitations within a peer group of senior managers.</p>	Principals/Assist Secs
6 CRANFIELD SCHOOL OF MANAGEMENT						
(i) Young Managers 3 weeks	CRANFIELD Residential	£2,045	20-30s	Managers in their first appointment or assistant managers	To provide young managers with a grounding in all aspects of management, an understanding of their own role and managerial strengths and weaknesses. Particular attention to management accounting and the management of people. Emphasis on practical work.	SEO/Principal
(ii) Management Development Programme 9 weeks	CRANFIELD Residential	£5,850	30's early 40's	For successful Executives	An opportunity to widen their business horizons challenge their value judgements and improve personal performance. The inter-relationship between different functional areas. Personal communications skills.	Principals

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	(7) OF INTEREST TO
(iii) General Management For Specialists 3 weeks	CRANFIELD Residential	£2,325		Specialists while not senior managers holding considerable responsibility eg in Finance, Personnel, Engineering, Computing	Broaden and improve the managerial skill and knowledge of the specialist manager.	Principals/ Specialists
(iv) Senior Managers Programme 5 weeks	CRANFIELD Residential	£3,900	40-50	Managerial and specialist posts at senior level	To develop and bring up to date their knowledge and practice of management. Become more effective members of the management team. Develop their potential for promotion.	Principals

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	OF INTEREST TO
<u>MANAGING FINANCE</u>						
CRANFIELD SCHOOL OF MANAGEMENT						
(i) Using Financial Figures in the Boardroom 1 week	CRANFIELD Residential	£835		Top managers	To help senior managers with no formal training in this area to understand basic accounting and financial data.	Principal upwards
(ii) Finance and Accounting for Managers 1 week	CRANFIELD Residential	£720		Those with managerial responsibilities but little or no financial training	For those who feel they need to improve their knowledge of finance and accounting.	"
(iii) Further Finance and Accounting 3 days	"	£495		"	Follow up to (ii) to re-inforce and update and extend their knowledge.	"
(iv) Managing Business Finance 1 week	"	£835		Financial Managers	An in depth review of the context within which financial policies are established and techniques available to help achieve financial objectives.	Principals Finance Division
2 ASHRIDGE MANAGEMENT COLLEGE						
(i) Financial Knowledge for Managers 1 week	BERKHAMSTED Residential	£645 + VAT		Managers with no specialised knowledge of finance and accounting	To develop techniques of financial measurement and analysis; to communicate with their accountant in a way which demonstrates an understanding of basic principles and terms; to interpret financial information.	Principal
(ii) Further Finance for Managers 1 week	BERKHAMSTED Residential	£645 + VAT		Managers familiar with basic financial processes which they wish to extend	To re-inforce existing knowledge; to further develop skills using financial techniques.	Principal
3 ROFFEY PARK MANAGEMENT COLLEGE						
(i) Basic Accounting for Managers 5 days	HORSHAM Residential	£695 + VAT		Those in general or functional management No prior knowledge is assumed	To understand financial management and how accounting techniques can be used in planning and control. Sample sessions. Basic accounting. Analysing financial statements. Budgetary control, Directors & Auditors reports, Cash management.	SEO/Prin

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	(7) OF INTEREST TO
BRITISH INSTITUTE OF MANAGEMENT FOUNDATION						
(i) Interpreting Accounts for the Non-Financial Manager 1 day	LONDON Non residential	£120.75 inc lunch		Non-financial managers	For those who wish to interpret information supplied by accountants	SEO/Prin
ii) Management Accounting for the Non-Financial Manager 2 days	"	£218.50 inc lunch		Non-financial managers and executives	For those who need to know how to use financial information in their decision making process (Common ground with (i) above)	SEO/Prin
LONDON BUSINESS SCHOOL						
(i) Financial Seminars for Senior Managers 1 week	LONDON Residential	£950		Managers without formal accounting qualifications	Covers - financial accounting analysis of financial statements, management accounting and financial control, investment appraisal etc. Preliminary work required before the seminar.	Assist Sec & Prin in Finance
<u>PERSONNEL MANAGEMENT</u>						
ASHRIDGE MANAGEMENT COLLEGE						
(i) Negotiating Skills (a) one week (b) three days	BERKHAMSTED Residential	(a) £760 + VAT (b) £460 + VAT		Employee and IR specialists Recently appointed	For those likely to be involved in negotiations with TU's or staff associations. To assist participants to increase their understanding of personnel management techniques and help them acquire or improve skills required to apply those techniques.	Prin
ii) Personnel Management	"	£1,290 + VAT		Personnel Specialists		HEO, SEO, Prin new to personnel
ROFFEY PARK MANAGEMENT COLLEGE						
(i) Selection and Assessment Skills 1 week	HORSHAM Residential	£725 + VAT		Managers and personnel staff who need a short course in selection and recruitment	Selecting staff. Assessing people to suit jobs and career paths.	HEO and above
ii) Practice of Negotiations 1 week	"	£695 + VAT		Broad cross section of line and personnel staff involved in IR	To develop skills of bargaining.	Prin

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	(7) OF IP TO
CRANFIELD SCHOOL OF MANAGEMENT						
(i) Managing Personnel and Employee Relations 3 weeks	CRANFIELD Residential	£2,285		Personnel managers	A thorough grounding in personnel/employee relations management	SEO/Prin
(ii) Consulting Skills for Development Advisers	"	£835		Managers personnel/training and management/organisation development units	Candidates are likely to work in an advisory capacity.	HEO, SEO, Prin
4 THE INSTITUTE OF PERSONNEL MANAGEMENT						
(i) Counselling Managers 4 days (pres jointly with Consultants)	BRISTOL Residential	£828 inc		Management development and personnel specialists	Counselling and problem solving skills applied to career development, work performance problems and redundancy situations.	Prin
(ii) The Computer in Personnel Work 3 days (pres jointly with Compower)	WOLVERHAMPTON Residential	£310		Personnel managers	To demonstrate options open towards the installation of computerised systems or extension of existing systems. Practical demonstrations and discussions.	Job related HEO and above
(iii) Selecting Managers (pres jointly with Consultants)	BRISTOL Residential	£998.20		Directors, personnel and line managers with responsibility for supervisory management recruitment, promotion and development	Work in small groups with a psychologist coaching in skills of interviewing, assessment and decision making.	"
(iv) The Work of the Personnel Department 5 days	LONDON Non-residential	c £520 + VAT		Newly appointed personnel staff	To give an appreciation and understanding of personnel work and to introduce some of the techniques employed. Stresses the personnel function integral part of management structure.	"
(v) Selecting the Right Candidate	LONDON Non-residential	c £680 + VAT		Personnel staff with no previous training in interviewing skills	Practice and training in interviewing skills, element of employment law as it applies to the selection process.	"
5 INSTITUTE OF MANPOWER STUDIES						
(i) Computerised Personnel Information Systems 3 days	SUSSEX HOTEL Residential	£400		Personnel managers who need to evaluate their CPIS requirements and personnel and computer specialists with	To share IMS experience, to give practical help in design, to identify available options, to overcome lack of computer experience.	"

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	OF INI. LIST T
(ii) Career Analysis Workshop 2 days	SUSSEX HOTEL Residential	£270		responsibility for CPIS design manpower planners, personnel specialists, line managers	Career planning prospects, age/grade structures, estimating future demand and wastage. Relationship between needs and career opportunities	Job related HEO and above
(iii) Career Management Systems 3 days	"	£440 (£220 for 2nd person from same organisation)		Most suitable for a pair of people encompassing management development and manpower planning	To introduce wide range of factors relating to careers issues and how to analyse them quantatively and qualitatively. To clarify for own organisation the nature of career issues of concern. To discuss possible future policies and strategies.	Prin
(iv) Manpower Planning Practitioners Course 10 days	"	£1,400		Personnel staff and line staff using manpower planning techniques	Analyse manpower data, calculate wastage and turnover rates, use of manpower models to estimate levels of recruitment etc, analyse manpower implications of organisational contraction or expansion.	SEO/Prin
(v) Practical Manpower Planning 4 days	"	£550		Line or personnel staff having to deal with manpower	Core techniques of manpower planning and appreciation of their use.	Job related SEO and above
(vi) Offers a further range of shorter courses in manpower planning						
C MANAGING PEOPLE						
1 CRANFIELD SCHOOL OF MANAGEMENT						
(i) Developing Effective Management Teams 1 week	BERKHAMSTED Residential	£835		Managers/Team Leaders	Provides those whose responsibilities involve them working with teams a deeper understanding of how teams function and how they can best be developed, eg moving from area to regional management and will experience substantial job change	SEO/Prin
(ii) Managing Transactions Successfully 1 week (2 days follow up)	"	£1,050		For managers "on the way up"		Prin
(iii) Organisational and Inter- personal Skills 1 week (2 days follow up)	"	£1,170		Age and seniority not important	To develop interpersonal skills to enable them to be more effective managers.	HEO up
(iv) Managing People Effectively 1 week	"	£855		"Technical" Managers	To supplement technical expertise with managerial expertise in order to carry out their roles effectively.	Specialist with staff, Computer Branch Economists

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	OF INTEREST TO
LONDON BUSINESS SCHOOL						
(i) Interpersonal Skills for General Managers 5 days	LONDON Residential	£900		Senior managers without formal training in these skills	Covers recruitment, motivating and rewarding staff. Setting goals appraising performance team building cohesion group effectiveness.	Prin
ASHRIDGE MANAGEMENT COLLEGE						
(i) Interpersonal Skills 1 week	BERKHAMSTED Residential	£825 + VAT		Managers and specialists at all levels	To increase awareness of own behaviour and style and effect on other people - to extend a practice skills of listening communication managing relationships joint problem solving.	Prin
(ii) Effective Team Working Skills 1 week	"	£825 + VAT		Managers and specialists at any level	For those who work on a joint task with other individuals.	Prin
ROFFEY PARK MANAGEMENT COLLEGE						
(i) Team Work for Team Leaders 5 days	HORSHAM Residential	£695 + VAT		Leaders of established professional teams, personnel finance line managers requiring good team work	To develop skills and awareness, to build and maintain teams, measure effectiveness, managing effective task performance.	SEO/Prin
BRITISH INSTITUTE OF MANAGEMENT FOUNDATION						
(i) Getting the best from your staff 2 days	LONDON/CORBY Non-residential	£218.50		Managers in all functions	To improve existing skills or for those who have had no formal training in this area.	HEO up
(ii) Improving Management Performance 2 days	"	£218.50		Managers in all functions	For those who wish to maximise the return on their limited resources.	"
(ii) The Influential Manager 2 days	"	£241.50		All managers	For those who need to persuade others, ensure their co-operation, initiate change and avoid undue hostility and friction.	SEO up
OXFORD CENTRE FOR MANAGEMENT STUDIES						
(i) Strategic Leadership 5 days	OXFORD Residential	£1,750		Managers	To enable participants to identify and develop their own leadership potential.	Prin

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	(7) OF INTEREST TO
D MANAGEMENT TECHNIQUES						
1 CRANFIELD SCHOOL OF MANAGEMENT						
(i) Professional Skills in Organisation and Methods 4 weeks	BERKHAMSTED Residential	£1,850		A variety of backgrounds eg O & M officers office managers	To teach the techniques of organisation and methods, and to teach the techniques to provide an interface between computer and manual systems.	Job related
(ii) Modern Management Techniques 1 week	"	£835		Experienced managers	Enables managers to look critically at new developments and techniques in management thinking and practice and to match them to the needs of a situation.	SEO/Prin
(iii) Network Analysis and Critical Path Planning 1 week	"	£625		Managers and specialists	To teach its practical application to projects of any size (mainly production).	Prin/Assist Sec
2 LONDON BUSINESS SCHOOL						
(i) Top Management and the Information Resource 3 days	LONDON Residential	£575		Senior managers private and public sector	To discuss eg implications of new information technologies. How can strategies for the management of information be formulated and likely consequences for the organisation.	Assist/Under Se
(ii) Information Technology for Managers 5 days	"	£700		Senior managers responsible for developing plans and strategies for Inf Tech and those embarking on office automation	To provide a wide ranging understanding of significant technological and economic characteristics of information technology.	Prin/Assist Se
3 ASHRIDGE MANAGEMENT COLLEGE						
(i) Using Micros in Decision Making 3 days	BERKHAMSTED Residential	£420 + VAT		Managers who need know of micros in financial decision making, know of basic <u>not</u> required	To understand how they work; assess suitable hard and software; apply micros to specific decision making processes.	Need related
4 BRITISH INSTITUTE OF MANAGEMENT FOUNDATION						
(i) Computer Choices 2 days	LONDON/CORBRY Non-residential	£241.50		General managers	Responsible for processing strategy and investment decisions. NOT FIRST TIME USERS, whose work would benefit from accurate quantitative forecasting.	Prin eg Finan
(ii) Forecasting for Managers 2 days	"			All managers	Suitable for those with limited mathematical knowledge.	
(iii) Also offer a 2 days workshop "Microcomputing for managers designed specifically for managers and offering "hands on" experience.						

(1) TITLE/RUN BY/DURATION	(2) LOCATION	(3) PRICE	(4) AGE	(5) DESIGNED FOR	(6) COURSE AIMS	OF INI ST TO
E <u>INDUSTRIAL RELATIONS</u>						
1 LONDON BUSINESS SCHOOL						
(i) Industrial Relations Negotiating 1 week	LONDON Residential	£850		Managers	To equip with capacity to analyse the changing nature of IR problems and to develop skills to handle them effectively.	IR & Personnel Specialists
2 ROFFEY PARK MANAGEMENT COLLEGE						
(i) Managing Industrial Relations 5 days	HORSHAM Residential	£695 + VAT		Managers in IR and newly appointed IR specialists	Practical IR skills for managers.	Prin

TRAINING FOR SENIOR MANAGEMENT STUDY

OTHER MANAGEMENT DEVELOPMENT OPPORTUNITIES FOR SENIOR MANAGEMENT

1 This Annex gives examples of mainly external management development opportunities available for senior managers which would have a useful part to play in the Senior Management development Programme. Civil servants already participate in most of these opportunities and in many cases the participation is coordinated by the Training Division of the Cabinet Office (MPO). With an SMDP the role of the MPO would be to search out further such opportunities and to ensure that there was a more considered approach throughout the Service so that those who took advantage of the opportunities were the staff who would bring the most benefit both to themselves and to the service.

Joint Development Seminars

2 These are sponsored by the civil Service and a number of major private companies for high quality staff in the broad age range 35-45. The aim is to enable the participants to broaden their perspective and reappraise their positions on topics of relevance and interest with people of similar calibre but from a different background. The Seminars were set up to provide something sharp and short and to fill a gap which the Business Schools were not meeting. Two 1 week seminars are held each year, and there are 3 Civil Service places on each Seminar. We have sent bright young Assistant Secretaries who have all reported favourably. The Seminars work largely on planned exchanges of views arising from presentation by distinguished discussion leaders.

Senior Managers Seminar

3 These are a spin-off of the JDS and are due to start Autumn 1984. They will last for 2 weeks, use much the same methods as the JDS but be geared around the theme of "Managing Change". These Seminars are planned to provide a stretching experience for managers aged 40-55 who are likely to receive at least one further promotion. (In our terms they are not aimed at "fliers", as are the JDS, but at the best of the mainstream at Principal level and Grade 6.)

IBM Experienced Manager Programme

4 A two week course for IBM managers held 3 times annually with 3 civil servants on each programme. Intended for staff at Principal level and aimed at providing managers with a broad business perspective including financial factors in decision making. This programme has been well supported by Departments for some years and IBM have been impressed by the quality of our participants.

5 Other companies have similar programmes and in some cases arrangements are made directly between them and Departments. There is room for greater Civil Service use of good management training provided by companies.

Institute of Management Studies

6 A well established American management development activity which has recently extended to the U.K. IMS provides a monthly one day seminar led by a speaker of distinction on management topics. The Civil Service is one of the 15 organizations which have set up the London branch. After a shaky start it is now going well and Departments nominate about 20 civil servants from Principal-Deputy Secretary level

to attend each month. These seminars provide useful one day opportunities to broaden perspective and knowledge.

Henley Open Management Education

7 A series of Open Learning packages using instruction books, audio, video and personal counselling for management development. Each package takes about 80-100 hours to complete by the student. Two packages, "The Effective Manager" and "Accounting for Managers", have already been published and are in use in a number of Departments.

8 Further packages are under preparation on Information Management; on the Economic Environment; on Managing Employee Relations; and on Investment Appraisal and Risks. At an earlier stage of preparation are programmes on Marketing; Production; Management; and Small Business Needs.

9 Programmes of this kind which can be worked through at the student's own pace and either individually or with a group are well suited to coping with the working pressures of staff likely to be on the SMDP.

10 It will soon be possible to take a Masters Degree at Brunel University, with which Henley is associated, by use of these packages.

Open University Management Education

11 As with Henley Open Management Education, OU offer a series of learning packages using instruction books, audio, video and tutorial counselling support for management development. Where Henley and the OU differ is that the OU offer summer school and residential weekend facilities for course participants to meet together and work through casework material. Packages on the "Effective Manager" and "Accounting for Managers" have been published so far.

12 In September 1984 a 50 hour package on "International Marketing" will be available and 1985 will bring "The Basics of Marketing" (100 hours) and "Improving Personnel Performance" (50 hours). This latter programme will focus on the skills needed for appraisal, objective setting, motivation of staff and counselling. Plans are in hand for further courses to be issued in 1986 covering "Managers and the Micro Computer" (a 50 hours programme to familiarise managers with micro computer capabilities); "Public Sector Finance"; "Design Analysis" and "Numeracy for Managers". The Open University is preparing a Diploma in Management programme that will require 840 hours of study. This will stand on its own as a management qualification and can later be built up to a Masters Degree by a further 440 hours of study.

Civil Service College Seminars and Briefings

13 The Civil Service College runs senior and Assistant Secretary seminars lasting on average 2½ days, together with shorter seminars and briefing sessions. These focus on major and topical issues and the arrangements for setting them up are flexible enough to respond quickly to needs. These seminars, etc. have an important part to play in SMDP, particularly when the seminars themselves contribute to the policy or implementation process.

Civil Service College - Practical Experience Courses

14 The Civil Service College is at present considering a number of possibilities for courses which are not College-based, but which provide the participants with an opportunity of practically experiencing the social and other environments on which government policies and programmes have their impact. Wider practical experience and understanding of this kind should be encouraged as part of the broadening process of the SMDP.

The DOE/DTP Management Development Programme

15 The DOE/DTP set up in 1983 with the assistance of the London Business School a management development programme involving a seminar at the DOE/DTP residential training centre at Cardigan followed by a series of five 2 day modules at the LBS. This programme was designed for good quality fast-stream Principals and has also involved participants from other Departments and from outside the Civil Service. Developments of this kind, where successful, should be encouraged as part of the SMDP whether they are organized centrally or Departmentally.

London Business School part-time Master's Programme

16 This programme involves at least as much work in the participants' own time as in official time. It involves substantial effort by high quality staff (the Civil Service has 9 participants in the first 1983 intake and 3 in the second 1984 intake). On average it calls for 14 single days, 20 half-days and 3 weeks attendance at the LBS each year.

TRAINING FOR SENIOR MANAGEMENT STUDY

Tailor-made programmes for Individual Companies
at Business Schools**British business schools****Packing them in**

British companies are sending their managers back to school in droves to get them mentally as lean and fit as (they hope) recession has made their businesses. Business schools throughout Britain can barely run enough short programmes tailor-made to a company's needs.

This booming specialised education now earns the British schools £5m a year and is growing at 20% a year, according to Mr Philip Sadler, the principal at Ashridge, which claims to have nearly half the market for tailor-made courses. Cranfield, its nearest rival, claims 20% of the market, which brings in about 40% of the school's total income. The Manchester, Sundridge, Bradford and London Business Schools and the Oxford Management Centre are muscling in, too.

Companies are paying as much as £500,000 for programmes of courses lasting four or five years; shorter one-shot

fortnightly courses cost as much as £24,000 all in. Among the British companies buying time at these schools are Jaguar, British Home Stores, Shell, British Aerospace, National Westminster Bank, Glaxo, Vickers and Whitbread.

In the past, most of the few British companies that thought of business schools at all thought of them only as a place to teach functional executives how to become general managers. In emerging from recession, companies have had to think again and ask for the help of business schools on, eg, how to cope with surplus capacity; which businesses to expand or contract; how to adjust to international competition; and, often the most important, how to do what the company has decided to do.

Finding the answers requires professors to act as much as consultants to the company as mentors to its executives. Hence tailor-made courses, with the schools sending their people to talk with bosses at the companies first.

Take Vickers, the British engineering

group which has been revamping itself since merging with the carmaker Rolls-Royce. It is sending to Ashridge a group of 15-20 middle managers who should, eventually, be running the company. The basic fortnightly courses will run up to four times a year and could go on for four or five years. More advanced seminars will take place on such issues as planning and business strategy, public relations and communications. Each manager will be brought up to scratch in finance, marketing, computer applications and personnel affairs. Ashridge's staff has already been teaching itself about Vickers.

The carmaker Jaguar, which is to be privatised soon, is having its managers briefed at Cranfield on marketing and European competition. Companies tell the schools that they want to develop a professional management culture for their high fliers. The danger they have to avoid is creating management clones who always reach for their company's received wisdom when tackling problems.

CIVIL SERVICE COLLEGE COURSES WHICH MEET THE LIKELY SMDP SUBJECT SPECIFICATION

ACTIVITIES	COLLEGE COURSES AVAILABLE
A. <u>POLICY</u>	
<ol style="list-style-type: none"> 1. Understanding policy issues well 2. Assessing policy options 3. Advising/deciding on content of major policy statements (e.g. White Papers) 4. Planning the implementation of policies 5. Assessing effectiveness of policies 6. Considering long-term policy issues 	<p>'Introduction to policy analysis' 'How policy is made in Britain' 'The policy process' 'Outline of central government'</p> <p>Frequent courses/seminars on ^{economic and social} policy issues of current concern</p> <p>Quantitative skills to support policy analysis and implementation</p>
B. <u>WORKING WITH MINISTERS</u>	
<ol style="list-style-type: none"> 7. Producing (or contributing to) <u>written</u> material for Ministers (e.g. submissions, minutes) 8. Oral presentations or briefings to Ministers. 9. Work on papers for Cabinet or Cabinet Committees 	<p>Parliamentary Questions The Cabinet System Ad hoc Committees</p> <p>Effective presentations for senior staff</p> <p>Written communication for specialists Oral communication for specialists</p>
C. <u>PARLIAMENT/LAW</u>	
<ol style="list-style-type: none"> 10. Involvement in legislation - e.g. heading a Bill team 11. Supporting Ministers or Head of Department, appearing before a Select Committee, PAC, or for other Parliamentary business 12. Appearing yourself (in a speaking role) before a Select Committee or the PAC 13. Considering a report by a Select Committee, PAC, or Parliamentary Commissioner for Administration (Ombudsman) 14. Appearing in court (including national and international courts), public enquiries or tribunals on behalf of department 15. Considering response to a judgement of a court or tribunal 	<p>Legislation Drafting Statutory Instruments Preparation of Parliamentary Bills Parliamentary Questions</p> <p>Administrative Law Introductory course for lawyers</p> <p>Effective presentations for senior staff</p> <p>Ad hoc 1 day courses on political/constitutional issues</p>

Activities (cont.)

College courses available

D. INTERNATIONAL RELATIONS

- 16. Attending international meetings (including conferences)
- 17. Dealing with foreign visitors
- 18. Supporting Ministers in international negotiations (including EEC)
- 19. Participating yourself (speaking role in international negotiations, including EEC)

International Relations and UK interests
 Theory and Practice of international negotiation
 Techniques for international negotiations
 East-West relations
 The Middle East

E. PUBLIC RELATIONS

- 20. Briefing the Press orally
- 21. Advising on Ministerial speeches or public appearances, press notices
- 22. Public speaking (e.g. addressing public meetings)
- 23. Direct contact with members of the public (including pressure groups)
- 24. Participating in a radio or TV programme

Relations with the public
 Government and the media
 Working with the voluntary sector
 Race relations

Effective presentations for senior staff
 (incl. media option)

F. RESOURCE/FINANCIAL MANAGEMENT

- 25. Evaluating the finances of companies (including nationalised industries), local authorities, health authorities, quangos or other organisations
- 26. Evaluating the prospects for another economy (trade promotion, risk assessment etc.)
- 27. Providing (or supervising the provision of) financial estimates and/or outturn figures for your area of responsibility
- 28. Setting objectives and control of budget (including manpower budgets) for your area of responsibility
- 29. Measuring performance in your area of responsibility
- 30. Making decisions on resource allocation (either within the department or affecting outside bodies)
- 31. Interpreting/using investment appraisals

Government and Industry study group
 Financial accounting
 Indirect expenditure
 Private and Public Allocation

Government accounting for accountants
 Government Finance and accounts
 Cost and management accounting
 Resource allocation/investment appraisal
 Analysing performance
 Developments in financial management
 Computer assisted financial management
 FMI - a review of Departmental progress
 FMI - use of numerical indicators

Introduction to management for senior staff
 Staff management and organisation
 Senior management course

Courses on techniques to support work in above areas

1. Activities (cont.)	College courses available
<p>G. <u>MANAGEMENT OF PROJECTS/SYSTEMS/ORGANISATIONS</u></p> <p>32. Managing large projects</p> <p>33. Making decisions about priorities in the work of the part of your department for which you are responsible</p> <p>34. Making decisions about computer systems</p> <p>35. Making personal use of computerised equipment (e.g. micro) (exclude use at home)</p>	<p>Managing project work</p> <p>Managing effective teams</p> <p>Strategic planning for information systems</p> <p>Information management in the Civil Service</p> <p>IT appreciation courses</p> <p>Wide range of courses</p> <p>Part of several courses</p>
<p>H. <u>CONTROL/INFLUENCE OF OTHER ORGANISATIONS (e.g. LOCAL AUTHORITIES, NHS, NATIONALISED INDUSTRIES, DEVELOPMENT CORPORATIONS)</u></p> <p>36. Advising Ministers on policy towards such bodies</p> <p>37. Controlling them with financial/statutory backing</p> <p>38. Negotiating with them</p>	<p>'Government and outside organisations'</p> <p>'Working with the voluntary sector'</p> <p>Government and industry study group</p> <p>Indirect expenditure</p> <p>Consultation and negotiation</p> <p>Courses on aspects of economic and social policy are also relevant</p>
<p>I. <u>MANAGEMENT OF STAFF/LINE MANAGEMENT</u></p> <p>39. Selecting staff</p> <p>40. Delegating tasks</p> <p>41. Communicating management decisions to your staff and listening to their views</p> <p>42. Motivating your staff</p> <p>43. Membership of promotion boards</p> <p>44. Participation in departmental management meetings</p> <p>45. Negotiation with Civil Service trade unions</p> <p>46. <u>Management</u> role in negotiations with other trade unions or professional bodies (e.g. over pay in areas influenced by Government)</p>	<p>Selection interviewing</p> <p>Introduction to management for senior staff</p> <p>Staff management and organisation</p> <p>Senior management course</p> <p>Promotion board interviewing</p> <p>Chairing meetings</p> <p>Consultation and negotiation</p> <p>Race relations</p> <p>Equal opportunity policy in the Civil Service</p>
<p>J. <u>GENERAL</u></p> <p>47. Keeping up to date with developments in your own area of responsibility (e.g. by reading journals, attending training courses or conferences)</p> <p>48. Allocating priorities to your own work/time management</p> <p>49. Lecturing or giving talks to training courses</p>	<p>Many courses on current topics of interest, eg:</p> <p>Developments in British Society</p> <p>Economic issues</p> <p>Developments in Information Technology</p> <p>Courses as at 40-42 above</p> <p>Effective presentations for senior staff</p> <p>TRG courses ?</p>

2. OUTSIDE BODIES

2. List of outside bodies	College courses available
1. Any organisations connected with the EEC (e.g. the Commission)	Courses include: The European Community: an introduction European Community and negotiating techniques European Community: economic and political developments Reciprocal training programme with France, West Germany and the Netherlands
2. Large private companies 3. Small private companies	} Government and industry study group
4. Quangos 5. Nationalised industries 6. Financial institutions 7. Local authorities/NHS/police	} Courses as at F25 and 26, notably: Indirect expenditure Private and public allocation
8. Pressure groups 9. Occupational lobbies (e.g. fishermen, farmers, transport)	} Working with the voluntary sector
10. Other countries.....	Courses at D16-19 above International Work of home Departments
	Courses are also offered on techniques used in contact with outside bodies, e.g. 'Consultation and Negotiation'.

3. SUBJECT EXPERTISE

3. Subject expertise	College courses available
1. The legal system	
2. Administrative law	'Administrative law' seminars
3. Economics	} Numerous courses on each subject
4. National accounts	
5. Statistics	
6. Operational research	
7. Science	
8. Engineering	
9. Accountancy/financial skills	Numerous courses
10. Computing/information technology	" "
11. Knowledge about society (e.g. social/demographic trends)	'Developments in British Society' con 'Monitoring the political environment'
12. Management sciences	Numerous courses
13. Languages.....	Numerous courses

of activities and expertise

Note : The above lists/are based on a questionnaire about the training needs of Grade 2 and Grade 3 staff issued in connection with the planned senior management programme for entrants to the Open Structure. They represent activities and expertise which may need to be gained by staff and Principal/ while in Grades 4-6/. All the Civil Service College courses are open to staff at Principal level and above

TRAINING FOR SENIOR MANAGEMENT STUDY

CIVIL SERVICE COLLEGE COURSES WHICH MEET THE LIKELY SMDP SUBJECT SPECIFICATION
New/additional Courses already under preparation at the Civil Service College

- 1 More training in quantitative methods and skills for senior administrators.
 - 1 A recent College survey has shown that over a third of Grade 5 administrators come into contact with a range of moderately sophisticated statistical techniques or concepts and that more statistical training than is at present provided is required to enable these grades to cope effectively with the data put before them.
 - 2 Further training for specialists to develop their knowledge of their own subjects (where these topics fall within the College's normal range of activities, e.g. statistics, operational research, economics, accountancy).
 - 3 Long term plans do more training on preparing and handling papers for Cabinet and Cabinet committees (Item B9); appearing before a Select Committee (Item C12); public speaking and speech writing (Item E22); direct contact with members of the public (Item E23); relations with local organizations and industry.
 - 4 Training on implementation (rather than formulation) of policy - being considered.
 - 5 Specialized knowledge of the politics, languages and institutions of particular countries (including negotiating and drafting in French) - being considered.
 - 6 A locally based course giving practical experience of the social and other environments on which government policies and programmes have their impact - being considered also mentioned at Annex E, para. 14.
- 7 The extensive range of training modules available for the fast stream training (i.e. for ATs and HEODs) ^{can} be adapted to meet needs at Principal level - Grade 5. (These modules are not included in the list of available courses given in Part 1 of this Annex.)

Training Division staff training and development programme logbook

Name _____

Grade _____

Official address _____

Tel no _____

Post _____

Date of entry to post _____

TRAINING FOR SENIOR MANAGEMENT STUDY
Extract from the Management Services Commission Training and
Development Logbook

ANNEX H



Manpower
Services Commission

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Part 1: Introduction

Confidence and credibility - training for TD staff

Your logbook

This logbook is for all EOs and above (and equivalent grades) in Training Division. It is your personal copy, for you to plan and record your own individual and comprehensive long-term training programme. You should also have received a four-hole ring binder containing a starter pack aimed at staff new to TD (although everybody should find it helpful); that is the place to keep the various handouts and memos you receive as time goes by. Do keep them.

The programme may seem complicated at first sight, but it has been carefully designed to help you chart your way through the training options available. The key is to consult your line manager at every stage to discuss what you need to do next to improve your professionalism.

The logbook has five parts:

- Part 1 explains what the development programme is, how it should work and the learning objectives.
- Part 2 explains the mandatory core of training that all staff new to TD must follow.
- Part 3 explains the consolidation training for staff in post more than six months.
- Part 4 explains the longer-term developmental training programme.
- Part 5 lists the current training options on offer and records your progress.

Your training and development programme

Training Division exists to promote and improve training in the United Kingdom. Some of our efforts, therefore, must be directed at giving high-quality training to our own staff. Your **individual training and development programme** to achieve the learning objectives is the result. It is new; at the moment TD is the only division which benefits. Eventually all MSC staff will be covered.

It was designed by a specially formed team of professionals including experienced TD field staff, regional and head office staff trainers and trade-union representatives.

The programme includes many of the features that TD is trying to encourage all employers to provide for their staff:

- It is **job-specific**, so it will give you the skills and knowledge you need for your particular post.
- It is **negotiated**; you discuss your needs and progress and plan the next step.
- You **review** both your performance and the quality of the programme at regular intervals with your line manager.
- There are **on-the-job** and **off-the-job** elements which are integrated through work-based projects.
- This logbook is a **record** which you own.
- There are **mandatory** and **optional** elements.
- It comes in **modules** which can be taken at different times depending on your needs.
- It is **personal**; there is a considerable choice and allowances are made for different learning styles and speeds.

There are three elements in the programme which will be explained more fully in Parts 2-5:

Mandatory	These provide the basic product knowledge and skills development needed to do your job in TD.
Job-specific	These cover more detailed training in specific aspects of TD work. They are designed to be picked up 'off the shelf' as you need them, eg, if you change your role within your office.
Personal development	These cater for general career needs and so are not necessarily job-specific. The available options change from time to time - keep up to date by looking at MSC's guide, <i>Staff training and development</i> . There should be a copy in your Area Office.

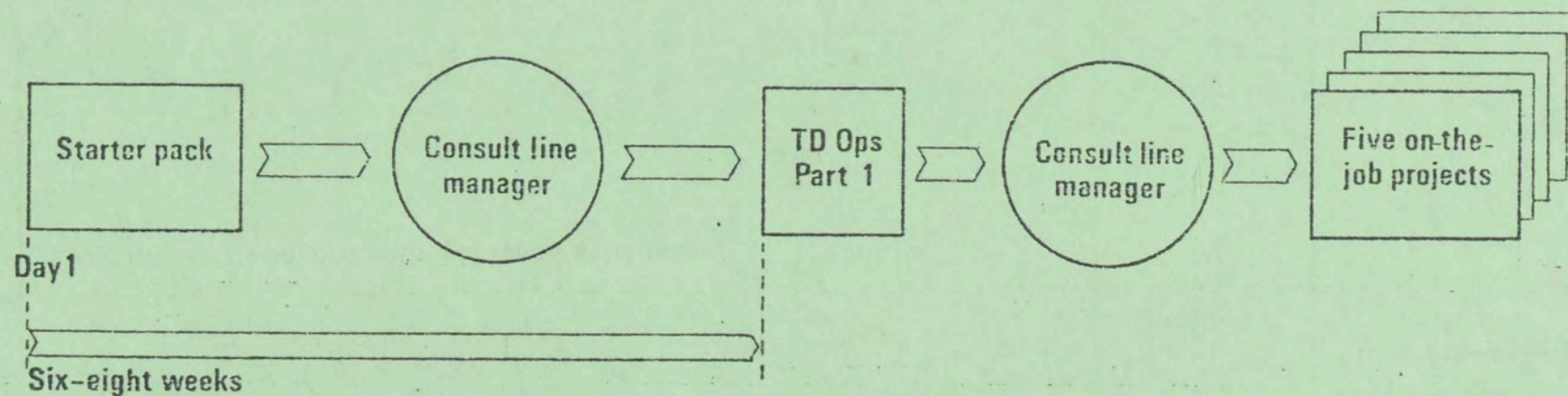
Your training will take place in the office, on-the-job, and, for certain modules or courses, off-the-job. All the time you are learning in the office you will be playing your part in the delivery of TD programmes. While most of the elements require research and preparation the examples studied are real and you will very quickly consolidate the training by applying it. In that way the learning is retained.

Part 2: Laying the professional foundations

This part of the logbook covers the mandatory training elements for staff new to TD:

- The starter pack, issued with your ring binder.*
- Regular reviews with your line manager.*
- A three-week course at Ranmoor Hall (TD Operations Part 1).*
- Five on-the-job projects.*
- Grade-related training where required (EO Foundation training, New Manager training in the MSC, Staff Reporting/JAR).

*This training should be covered during your first six months in post.



TD Ops Part 1 - Post-course action plan

Action	Date to be completed	Line manager's signature
<p>Training needs agreed with TD Ops Part 1 tutor</p>		
<p>Project work (to be completed on return to office) Project: Programme management (Youth Training) Project: Programme management (Adult Training) Project: Quality in training Project: Finance Project: Information technology</p>		
<p>Grade-related training (to be completed on return to office) EO Foundation training New Manager training in the MSC Staff Reporting/JAR</p>		

Preparing a personal training plan

Before starting this part of the development programme, you should have completed Part 3, and you will probably have been in post for more than a year.

This combination of your experience and training so far should make it easy for you and your line manager to assess your training needs. Again, the consultation should be structured to make sure that nothing is missed out.

ACTION! Here is what to do:

- Read the list of headings below, which are aspects of your job in TD.
- Read through the learning objectives for TD staff shown on pages 1.4 and 1.5. These may prompt you to add to the headings, and spaces have been left for you to do this.
- Mark your 'top ten' needs in order of priority with the most important as no. 1.

Setting up adult courses	<input type="checkbox"/>	Organisations associated with TD	<input type="checkbox"/>
Selecting course members for adult courses	<input type="checkbox"/>	Health and Safety in TD programmes	<input type="checkbox"/>
Monitoring adult courses	<input type="checkbox"/>	Planning TD programmes	<input type="checkbox"/>
Evaluating the effectiveness of adult training	<input type="checkbox"/>	Effective reading/writing	<input type="checkbox"/>
The criteria for the Youth Training Scheme	<input type="checkbox"/>	Coaching	<input type="checkbox"/>
Learning opportunities in YTS	<input type="checkbox"/>	Interpersonal skills	<input type="checkbox"/>
Appraisal and approval of YT Schemes	<input type="checkbox"/>	Staff relations	<input type="checkbox"/>
Monitoring and quality control of YT Schemes	<input type="checkbox"/>	O & M techniques	<input type="checkbox"/>
Finance systems and basic accounting principles	<input type="checkbox"/>	Managing meetings	<input type="checkbox"/>
The training system in the UK	<input type="checkbox"/>	Occasional speaking	<input type="checkbox"/>
Employment legislation	<input type="checkbox"/>	Senior management development	<input type="checkbox"/>
		TD selection interviewing	<input type="checkbox"/>
		_____	<input type="checkbox"/>
		_____	<input type="checkbox"/>
		_____	<input type="checkbox"/>

ACTION! Negotiate a personal training plan with your line manager. To do this:

- Turn to the list of training courses in Part 5.
- Using your 'top ten' as a guide, pick out those you will need to attend. (At this stage two or three are likely to be enough.)
- Agree dates. Write them on the plan on page 4.4.

Personal training plan

Training required	Date training required by	Line manager's signature
Date of next training and development review		

Part 5: Information and master log

This contains details of all training courses available to you. Some are job-specific for TD and others (marked *) are shared with other divisions.

Most take place off-the-job, usually at the MSC staff training centre at Ranmoor Hall. Some may be held locally. Your line manager will be able to find out when and where the appropriate training is available.

Remember, not everybody needs to attend everything! A six-month training plan is unlikely to include more than two or three courses at the most.

Don't forget to take your logbook and ring binder with you to any off-the-job training.

Master log

Mandatory elements (Parts 2 and 3 to be completed during your first 12 months in Area Office)

<u>Element</u>	<u>Date completed</u>	<u>Officer's signature</u>	<u>Line manager's signature</u>	
Introducing you to TD (starter pack)				Part 2
Pre-course questionnaire (TD Ops Part 1)				
TD Ops Part 1				
Post-course action plan				
Project: Programme management (Youth Training)				
Project: Programme management (Adult Training)				
Project: Quality in training				
Project: Finance				
Project: Information technology				
Personal training plan				
Pre-course questionnaire (TD Ops Part 2)				
TD OPs Part 2				
Post-course action plan				
Training and development review				Part 4
Personal training plan				
Training and development review				
Personal training plan				

Government Economic Service Training Log and Covering Note

1. This note explains the arrangements for training for the GES. The scheme has been agreed by the inter-departmental Committee on Economic Research and Training and by Heads of Economic Divisions. It establishes standard guidelines on training for every GES member, and proposals for managing and monitoring this training.

2. Principle Recommendations

- a) A distinction is drawn between training for entrants and training for post entrants. (An entrant is someone who has been in the Service up to four years, normally Economic Assistants and S.E. Assistants). Each will be expected to pursue training in economics, and training in non-economic skills; the importance of the latter is increased with the advent of Unified Grading.
- b) The management of the training of individual economists is made the responsibility of the SEA (or his equivalent) concerned. The Department's senior economist will have an overall responsibility for SEA training.
- c) Each individual economist will have a training log-book. Each year it records an agreed training programme outlined for him/her and details of the training he/she has undertaken. This training covers all departmental, Civil Service College and external training.

3. Recommended Training - Entrants

For entrants it is envisaged that training should occupy between 13 and 20 days a year, comprising:

'Essential' induction courses - around 5 days a year

Balance (for further induction or specialist courses etc)

- around 12 days a year.

A list of suitable courses provided by the Civil Service College is given in Table 1; the 'essential' induction courses are abstracted from this and are given in Table 11, in the Appendix attached.

4. The induction courses are specially chosen to cover material that the economist entrant will not have encountered in his university work; a substantial proportion is in the general 'Business Administration' field, on such subjects as financial management, personnel management and communication. It is desirable that, time permitting, economists' training should be on AT courses, whilst not neglecting economists' special requirements.

of course, should be chosen to reflect individual and departmental preferences.

Study leave and Masters degrees

Study leave, for instance for a Master's Degree, should meet many of individual's specialist training needs; and it should be taken into account assuming the amount of time an entrant or a post entrant spends on the training identified in this Guide.

Recommended Training - Post Entrants

For post-entrants, training should average around 13 days a year, comprising:

- economics specialist/refresher training - around 3 days a year
- job related training - around 5 days a year
- wider management and administrative skills - around 5 days a year.

A selection of suitable Civil Service College courses covering non-economics topics is given in Table 111; in addition, some of the specialist economist courses listed in Table 1 may be appropriate. For a comprehensive guide to economist courses at the Civil Service College, see the College's Green Booklet circulated in 1983, entitled "Courses for Economists in the Government Service". Departmental or external courses will also be relevant.

Training Alternatives

Some departments mount their own courses or have other arrangements which are suitable substitutes for Civil Service College courses. In these cases, clearly the recommendations set out above need adaptation. Similarly when a person goes on study leave many of his economics training needs will have been met very adequately; but study leave will not exempt someone from job related or wider management or administrative training.

The Role of the SEA and the Annual Log-Book

The management of the training of individual economists up to and including Economic Advisers is the responsibility of the SEA concerned. In a few cases, an Assistant Secretary or Chief Statistician may be the relevant line manager. Every member of the GES will be issued with a log book. Each individual will fill in his log book annually, usually at the annual report stage, in agreement with his SEA/line manager.

SEAs are responsible for the management of the training of their staff. This entails making sure they get the right amount and kind of training; being active in selecting courses; discussing training needs and so on. As line manager they will moreover be directly involved in monitoring the training of their staff, thus to a considerable extent management and monitoring will go hand in hand.

O. Training and Senior Economists

Under the scheme all economists will receive log books and monitoring will only be for everyone. However SEAs and upwards will of necessity

i. INDUCTION COURSES

- 1° The Government economist in Whitehall (2½ days)
- 2° Basic computing skills for economists (2½ days)
- 3° Written communication for statisticians, economists and scientists (3 days)
- 4° Oral communication for statisticians, economists and scientists (2½ days)

Introduction to Administration (AT)

- 5° Communication skills and the use of information (5 days)
- 6° Parliament, Government and the Civil Service (10 days)
- 7° Finance and control of public expenditure (5 days)

Foundation Modules (AT)

- 8 Principles of accounts (5 days)
- 9 The social role of Government (15 days)
- 10 Government and industry (15 days)

Resource Management Courses (AT)

- 11 Staff management (10 days)
- 12 Information as a resource (5 days)
- 13° Resource allocation and financial management (10 days)

ii. SPECIALIST ECONOMIST COURSES

- 1 Specialist computing for economists (2½ days)
- 2 Practical issues in economic modelling (2½ days)
- 3 Econometric model building: practical session (one day)
- 4 Introduction to econometrics (5 days)
- 5 Intermediate econometrics (5 days)
- 6 Mathematics for economists (4 days)
- 7 Basic quantitative methods for understanding economics (4 days)
- 8 Workshop on presenting numbers (one day)

For further details see (i) Civil Service College programme (red) 1983-84 p.7 et seq (ii) Courses for Economists in the Government Service, September 1983 - August 1984 p iii. et seq. (green booklet).

* = regarded as essential. Some are alternative choices - see Table II.
N.B. Some of these courses are also relevant for post-entrant economists

Economist Group Training Log-Book

Complete this log sheet at the same time as your Annual Staff Report, referring to the GES training guidelines (September 1983) as necessary

When this record has been completed and countersigned, please send it to:

EGMU
HM TREASURY
TREASURY CHAMBERS

Training Record - please complete in BLOCK LETTERS

Surname Title (Mr/Mrs/Miss)
Forename(s) Grade

Courses attended in past year (198 - 198)

Course Title	Dates	Place
.....
.....
.....
.....

Other training received (please enter details)

.....
.....
.....

Was your training plan for the past year fulfilled? *YES/NO * (delete as appropriate)

If not please give reasons:
.....
.....

Training Plan - as agreed with your line manager

Courses to be attended in the next year (198 - 198) Please give as much detail as possible

Course Title	Dates	Place
.....
.....
.....
.....

Other training measures (eg conferences study etc)

.....
.....
.....

Declaration - to be completed by the SEA/Line Manager

This training record and plan has been discussed and agreed with me, subject to the following comments:

.....
.....

Signed

The Australian Public Service's Senior Executive Management Programme

bulletin

SPECIAL
ISSUE

PUBLIC SERVICE BOARD (AMENDMENT) ACT 1980

SENIOR EXECUTIVE MANAGEMENT PROGRAM

The Senior Executive Management Program (SEMP) has been introduced as a development program for all officers newly promoted or appointed to the Second Division. The Program is designed to assist participants in the transition to senior level management, and to enhance their managerial effectiveness at that level. It is also intended to promote esprit de corps and knowledge and observance of required standards of Public Service ethics.

The program for SEMP has been prepared in the light of extensive consultations with Permanent Heads as to the developmental requirements of new entrants to the Second Division. Accordingly, SEMP has been designed around a combination of coursework, individual management projects and diagnostic studies, to be undertaken on a part-time basis over a period of some six to eight months. Specifically, the Program will comprise:

- an Introductory Workshop, held approximately one month before each residential course,
- a two-week residential course which will cover the role, work, administrative environment and health of the participant through a combination of lectures, visits, self-directed study, syndicate discussion and group projects. The residential component will be held in 1984 at the Australian Graduate School of Management (AGSM), University of NSW. Professor Di Yerbury, Professor of Management at the AGSM, is Director of Studies,
- completion, in consultation with other SEMP participants, of an individual management project of direct relevance to the participant and his or her department,
- joint preparation between the participant, the parent department and the directing staff of a Development Plan which each participant would pursue over a period of some three to five years after participation in SEMP. The Plan will be based, in part, on the Development Needs Profile prepared for each participant in the Program, and
- a number of additional seminars and workshops, to be arranged with individual participants as necessary.

The first intake of SEMP commenced in January 1984. There will be a further three intakes in 1984, commencing in April, June and August. In future, there will be up to six intakes for the 120-150 participants expected to be promoted or appointed each year to the Second Division.

pa
DMS



CABINET OFFICE

Prime Minister (2) U NO
The ethnic monitoring reports have
been published today: the proportion
from ethnic minorities is worryingly
low (less than 1%).

From the Minister of State

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Great George Street
London SW1P 3AL
Telephone 01-233 8610

DMS
25/7

The Rt Hon Leon Brittan QC MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
LONDON SW1H 9AT

23 July 1984

mt

Leon

ETHNIC MONITORING IN GOVERNMENT DEPARTMENTS

As you know, the Government is publishing today reports of two ethnic surveys in the Civil Service. For the benefit of colleagues, this letter sets out the background and the results of the survey.

Following last year's ethnic survey in Leeds of some serving civil servants and applicants for Civil Service jobs, H Committee decided on 14 February 1983 that, rather than undertake a Service-wide exercise, we should carry out further voluntary surveys of the ethnic origins of non-industrial civil servants and of applicants for jobs in the non-industrial Civil Service in two new areas. It was agreed with Willie Whitelaw, and with Norman Tebbit (then Secretary of State for Employment) that these surveys should be undertaken in the North West (Lancashire, Cheshire, Greater Manchester and Merseyside) and the County of Avon.

The surveys of staff in post were carried out in November, and the surveys of recruitment schemes started this spring and will continue up to August 1984 so that we can cover the main recruitment period including the bulk of school leaver recruitment.

... A factual report on the surveys of staff in post is being published today. I enclose a copy of the report, today's arranged PQ and the press release which announces publication.

The surveys achieved a response rate of 77%. The results are not completely adequate for statistical purposes but provided we obtain a high response rate from new entrants, coverage will improve over time. Although some large industrial employers and local authorities have the ethnic origins of their employees identified by managers, a move away from voluntary self-identification would be vehemently opposed by the Civil Service Unions.

The basic fact emerging from these surveys is that those identifying themselves as belonging to the ethnic minorities represent only 0.9% of the respondents. This should surely give cause for concern, if it is at all representative of the whole of the Civil Service. The Civil Service survey results must also be seen in the context of the Annual Report of the Commission for Racial Equality and the recently published Policy Studies Institute survey, both of which have given views of a worsening position of ethnic minority groups in the United Kingdom. And a recent Department of Employment survey showed that unemployment among people from the ethnic minorities was roughly double that for whites. I must, therefore, stress the need to increase the proportion of people in the Civil Service who come from the ethnic minorities.

There has, however, been a recent development on the Union Side which will need to be clarified before we can consider what, if any, other steps we should be taking. At their recent annual conference, the Civil and Public Services Association (CPSA) passed a resolution that the results of the Leeds survey were in themselves effective proof of the racial discrimination inherent in the Civil Service and instructed their Executive Committee to argue against the extension of ethnic monitoring through the Civil Service.

My officials have written to the Council of Civil Service Unions (CCSU) seeking a clarification of their position in the light of the CPSA resolution but it is evident that no decision on future surveys can be taken until after the summer. In the meantime I do not think that it would be helpful to make too much in public of the CPSA resolution.

I think it is of the greatest importance that every effort is made to encourage people from the ethnic minorities to apply to join the Civil Service and to assure them that they will be given full equality of opportunity both at the recruitment stage and in their subsequent careers. In particular, I would ask you to lend your weight to the work your officials are doing to follow up the recommendations of the report, published last December, on personnel policy and procedures as they affect race relations in the Civil Service.

I am copying this letter to the Prime Minister, Ministers in charge of departments, Barney Hayhoe and to Sir Robert Armstrong.

CIVIL SERVICES
L-T
A16

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25 JUL 1954



*Mr Ingham : I'm not sure
the PM need be troubled with
this. Do you have any
Comments?*

CABINET OFFICE

From the Minister of State

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Great George Street
London SW1P 3AL
Telephone 01-233 8610

Ends 25/7

A. Barclay

David Barclay Esq
Private Secretary
10 Downing Street

*OK, but can we
leave out "transfer" P2.
It means nothing to the
ordinary reader.
I think we can live with
the passage marked X,
PS*

20 July 1984

JW 20/7

Dear David,

Lord Gowrie has been invited by the Editor of "The Times" to write a short article about his experiences as a Minister with responsibility for management and efficiency in the Civil Service. Our Press Office have been in touch with Bernard Ingham on this, and I now enclose a draft of the article Lord Gowrie would like to submit.

The article takes as its topical starting point the publication on 25 July of the White Paper on the Financial Management Initiative. It relates the work in financial management to the broader changes in the Civil Service over the last five years. Its main theme is that all these reforms promote not only a better service to taxpayers but also better motivation for civil servants themselves. The article is being cleared with Treasury Ministers.

"The Times" hope to publish the article next Thursday, 26 July and require it the previous morning. I should be grateful for your confirmation, if possible by Tuesday morning, 24 July, that Lord Gowrie may submit it.

Yours sincerely,

Mary.

MRS M E BROWN
Private Secretary

When did you last read a Government White Paper? Last year? Never? If you have a keen interest in these things, you may have seen yesterday's report on a drive for better management in the Civil Service known as the Financial Management Initiative. Peter Hennessey has berated the Government, on these pages, for not finding a snappier title. I want to look behind the title and ask "is this yet another fashionable management exercise? Or does it herald real changes in the Civil Service?"

For a start look at today's Civil Service. It has shrunk by 108,000 jobs since 1979, and the sharpest reduction is at the top. This has certainly saved money: £750 million a year from the pay bill. The reduction is also a major step towards greater efficiency. It's meant harder work for many civil servants, and fewer promotion opportunities. But it's also provided the opportunity to make the actual jobs civil servants do more interesting and bring more talent into the open. To a successful manager, efficiency and personal motivation mean the same thing.

The second step was to make this improvement in efficiency permanent. What we have done may not sound revolutionary to many of today's industrial managers, but it has meant a big change in the culture of the Civil Service. Ministers and civil servants will now, each year, have to plan the

objectives, targets and resources for each management unit for the year ahead. They will have to analyse last year's work; was it well done? what was actually achieved? Once the plans are agreed all managers - from Under Secretaries advising on policy to those who run local benefit offices - will have the flexibility to manage their own show within their budgets. But as executives they will be answerable for their performance.

The Civil Service Minister has to set a sensible framework within which departments and their staff strive to achieve value for money for the public, the customer. Wearing my other hat, as Arts Minister, I have the same preoccupation with making precious - and limited - money go further. I and my civil servants have a duty to deliver any item of public expenditure, be it a grant to a theatre company or a [transfer] payment in cash to some needy individual, with as little money as possible being lost in administration costs along the way.

Fine words. But I have been knocking on doors to see that the words become reality. I have visited the Customs and Excise "Collection" in Manchester to see the actual results of giving local managers greater responsibility. In that office control of virtually all running costs, including

staff numbers, has been delegated to managers. All the managers I talked to welcomed the challenge of additional responsibility and their new freedom to operate within an overall budget. I have been to social security offices in London and met conscientious staff who were the living proof that a smaller service does not mean a worse one, rather the reverse. DHSS is 7,000 smaller, but its unit costs for delivering benefits are 20 per cent lower than in 1979.

The efficiency scrutinies and reviews, which Sir Robin Ibbs and I direct, contribute to this improvement by rationalising the working procedures we need and discarding those we don't. So far, £240 million a year has been trimmed from the cost of the Service. We are now bringing civil servants more directly into contact with the customer. The DHSS has set up freephone information services in Berkshire and Hampshire. Callers can ring in and get confidential information and advice on everyday social security questions. And we've introduced a new, more helpful, procedure for applying for civil legal aid; you don't have to queue up for an interview at a local office but can now provide the necessary information by completing a form at home. These are sensible reforms which epitomise what the Civil Service is trying to do. And they are achieved by civil servants themselves.

One traditionally bureaucratic task is form-filling. Too many forms are difficult to understand, redundant, or chillingly impersonal - sometimes all three. One department needed 2 ten-ton trucks to carry away surplus forms from just one store. Sir Ernest Gowers (whose 'Plain Words' is as pertinent as ever) would have applauded our abolition in the last two years of over 9,000 Government forms and the re-designing of more than 12,000. All credit to the Home Office, Inland Revenue and DHSS, who have won awards from the Plain English Campaign for some of their forms. Better information and forms we can all make sense of are essential if the Civil Service is to communicate more rapidly and more helpfully with its customers. Policy needs to be spelt out clearly too. The political debate becomes clearer, the choices more sharply defined, if the great departments of state know how to tell those who pay for them what they are about, what they are trying to achieve. This, rather than legislation, is the sensible way to get more open government.

Financial reforms are about people, not just systems. So to make all this more than a five-year wonder we must direct the careers of civil servants more skilfully, looking well ahead and being prepared for investment in training. I am introducing clearer staff appraisal; staff will now be

judged more in terms of meeting objectives, less on the personal qualities as laid down by Sir Humphrey. And we are concentrating on getting more of our potential top managers out of Whitehall, be it on secondment to a local office or business or industry. We are also introducing an intensive course for those entering the very top grades, where civil servants will be trained alongside businessmen.

Often the only attention civil servants get is ill-informed criticism. This is wrong. They should not be exempt from criticism. But neither should they be exempt from credit. I think Shirley Williams was harsh in comparing (in 1979) the effect of the Civil Service to that of an "excellent braking mechanism". In my experience, the vehicle has useful forward gears so long as Ministers, and the public who put them in office, know where they want to go.

X | Politicians of all complexions nowadays are coming up against a simple and rather uncomfortable truth. The public wants to retain the present mix of public services (as against public industries, which is another thing altogether) but at lower cost and what is nowadays called higher user friendliness. That means greater efficiency. Greater efficiency also means high morale and high motivation on the part of those who seek to deliver it. We have a long way to go but there is no need for anyone to be discouraged at the start that has been made.



CABINET OFFICE

From the Minister of State

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Great George Street
London SW1P 3AL
Telephone 01-233 8610

David Barclay Esq
Private Secretary
10 Downing Street
LONDON SW1

*nbpm
bus
207*

19 July 1984

Dear David,

ETHNIC MONITORING IN GOVERNMENT DEPARTMENTS

Following an exchange of correspondence with the Home Secretary and the Secretary of State for Employment, the Prime Minister may wish to know that Lord Gowrie proposes to publish the factual report of the ethnic surveys conducted in the North West and Avon. He will announce this by means of an arranged PQ in the House of Lords on 23 July. At the same time Mr Hayhoe will make a similar announcement in the Commons in response to an oral PQ which Mr Greville Janner has already put down for answer that day.

... A copy of the draft Answer is attached. Lord Gowrie will be writing to Ministers in charge of departments to emphasise the importance of following up the recommendations of last December's report on personnel policies and procedures as they affect race relations in the Civil Service.

I am copying this letter to the Private Secretaries to the Lord President, the Home Secretary, the Secretary of State for Employment, the Minister of State (Treasury) and Sir Robert Armstrong.

*Yours,
Sonia*

MISS S C PHIPPARD
Assistant Private Secretary

DRAFT

ORAL

MONDAY 23 JULY 1984

MANAGEMENT AND PERSONNEL OFFICE

La - Leicester West

No. Mr Greville Janner: To ask the Minister for the Civil Service, if he has completed the evaluation of the surveys of the ethnic origins of non-industrial civil servants in the North West and County of Avon; and if he will make a statement.

MR BARNEY HAYHOE

A report on the surveys is being published today. Of the 64,000 staff involved, 77% gave an indication of their ethnic origin. Of these 0.9% were members of an ethnic minority.

A decision on future surveys will be made as soon as possible.



BACKGROUND NOTE

1. Mr Janner is President of the Board of Deputies of British Jews. As a member of the Commons Select Committee on Employment he expressed some reservations about ethnic monitoring, but he now appears fully to endorse it. Since the pilot ethnic survey in Leeds was announced he has asked a large number of parliamentary questions (both written and oral) concerning the Government's intentions in this area. These have included a succession of 'round robin' PQs to departments (9-13 February, 26 April, 14 and 24 May) about the ethnic surveys and departments' responses to the Commission for Racial Equality's Code of Practice. He was told by the Prime Minister in a Written Answer on 14 May (copy attached) that the results of the surveys were being evaluated by officials, that a report was being prepared and that it was expected that the results would be available shortly. The answers to the 'round robin' questions relating to the surveys have been in line with this statement.

Ethnic Surveys in North West and Avon

2. The ethnic surveys of all non-industrial civil servants in the North West (Lancashire, Cheshire, Greater Manchester and Merseyside) and the County of Avon started in November last year. The intention to carry out these surveys (covering some 64,000 staff) was announced when Volume 2 of the report on the pilot ethnic survey in Leeds was published (24 March 1983).

3. The surveys have been carried out with the full co-operation of the Council of Civil Service Unions (CCSU). During the planning and preparation, consultations have taken place with the Commission for Racial Equality (CRE) and the Community Relations Councils in the two areas.

4. The significant differences between these surveys and the pilot one in Leeds are:

- i. All non-industrial civil servants (except casuals) were included;

ii. The ethnic origin information obtained has not been destroyed (as was the case in Leeds) but recorded on personal records (computerised departmental staff records) to be used for subsequent monitoring exercises;

iii. No attempt will be made to assess the ethnic origin of non-respondents using information on application forms;

iv. Staff are being sent a print-out of their own record, so that they can check that the correct entry has been made.

5. Ethnic monitoring of recruitment to the Civil Service in the two areas started in April of this year and will last until August.

6. A report on the survey has now been prepared and will be published on 23 July. The report is a purely factual account of the conduct and the basic results of the surveys and makes no recommendations about the future. It has been made clear in answers to previous PQs that the Government will decide how to proceed once the results of the surveys are known.

Action following the surveys

7. The Government is not at present in a position to take a decision on the steps to be taken following the North West and Avon surveys in view of the recent volte face performed by the CPSA at their recent Annual Conference when a resolution was passed that the results of the Leeds survey were in themselves effective proof of the racial discrimination inherent in the Civil Service and which instructed their Executive Committee to argue against the extension of monitoring through the Civil Service. Officials have written to the CCSU seeking clarification of their position in the light of the CPSA decision, pointing out that a decision on further steps following the surveys cannot be taken pending this. Officials have also had contact

with the CPSA, but it is difficult at this stage to say what the prospects are for reversing the decision.

Implications of results of surveys

8. The figure of 0.9% for respondents from the ethnic minorities compares with working population figures in the North West and Avon in the region of 2.5 to 2.6%. The survey results may therefore give rise to allegations of racial discrimination in the Civil Service. This cannot be substantiated:

(a) the level of applicants for Civil Service jobs is clearly relevant here and details of this are not yet known, although the current surveys of job applicants should provide some information;

(b) although the response of 77% was a considerable success for a voluntary survey, it is not possible to form an accurate view of the remaining 23% and consequently about the actual level of ethnic minority staff;

(c) conclusions about the rest of the Civil Service cannot be drawn from the results in the North West and Avon.

Other Background

9. The report will be published against the background of a recent report by the Policy Studies Institute which expressed the view that continuing racial discrimination was having a 'powerful impact' and a recent survey by the Department of Employment which showed that unemployment among people from the ethnic minorities was roughly double that for whites. The Commission for Racial Equality's Annual Report published recently has also given views on the worsening position of ethnic groups in the United Kingdom and quotes the Home Secretary's statement soon after taking office: 'The fact is that racial discrimination and racial disadvantage are a daily reality for too many black and brown people in this country. This is disgraceful, not least because it is by no means what is desired by the majority of the population of these islands. But the reality remains. It is a hard fact

that ethnic minorities suffer disproportionately from unemployment; there is incontrovertible research evidence to back up individual experience of discrimination in recruitment or selection.'

10. The report on the review of personnel policies and procedures as they affect race relations in the Civil Service, was published on 21 December 1983. The review stemmed from Mr Hayhoe's memorandum, when Minister of State CSD, to the House of Commons Race Relations and Immigration Sub-Committee in February 1981. The review was undertaken with the co-operation of the CCSU and made 30 recommendations. Personnel policies and procedures in departments were scrutinised in the key areas of recruitment, promotion, allocation to duties and selection for training.

11. It is possible that Mr Janner may relate a supplementary question to the CRE's Code of Practice. This has been approved by Parliament and came into effect from 1 April 1984. It recommends that employers should regularly monitor the effects of selection decisions and personnel practices in order to assess whether equal opportunity is being achieved. It also stresses (paragraph 1.44 and 1.45) the importance of taking advantage of the positive measures allowed by the law to encourage employers and potential employers to provide training for employees who are members of particular racial groups which have been under-represented in particular work. The Code recommends such action as job advertisements through the use of the minority press, and recruitment and training schemes for school leavers designed to reach members of ethnic minority groups. The Code's provisions are admissible in evidence in any proceeding under the Race Relations Act before an Industrial Tribunal.

12. The ethnic information stored on computers will be subject to stringent confidentiality safeguards. Access to the ethnic data will be restricted to a limited set of named posts in personnel management and computer divisions. A central agreement on confidentiality has been reached with the CCSU and a model code of practice was drawn up and circulated to departments. Because of the variance between computer systems, detailed departmental agreements on confidentiality have been agreed

at departmental level. . These agreements have been reached within the general context that all departments need to maintain a careful control of the flow of information both in and out of the system.

Cabinet Office
Management & Personnel Office



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Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

DHSS DISPUTE AT NEWCASTLE

I have seen a copy of Norman Fowler's minute to you of 13 July in which he proposes that ACAS should be allowed to become involved in the current dispute at Newcastle.

2. As you will know, we do not normally like ACAS involvement in Civil Service disputes. We already have a very elaborate set of procedures to regulate disputes of this kind and involvement of a third party ought not to be necessary. However, I accept that there are some very unusual factors in this dispute. In these circumstances, given the mounting financial costs, to say nothing of the political risks, I would not want to raise any objection to Norman's proposal. This is on the understanding, of course, that ACAS makes the first move and that its involvement is limited to conciliation and does not extend to mediation or arbitration.

3. I am copying this minute to Norman Fowler, Tom King and Sir Robert Armstrong.

M.

N.L.

17 July 1984

Civ Service: Long term P+16

UNITED STATES GOVERNMENT
OFFICE OF PERSONNEL MANAGEMENT

18 JUL 1964





CABINET OFFICE

From the Minister of State

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Great George Street

London SW1P 3AL

Telephone 01-233 8610

The Rt Hon Peter Walker MBE MP
Secretary of State for Energy
Thames House South
Millbank
LONDON SW1P 4QJ

16 July 1984

to the Secy

*no paper done
12/7*

MULTI-DEPARTMENT REVIEW OF ACCOMMODATION

Thank you for your letter of 5 July. I am very grateful for your support.

I have noted your points about charging departments actual rent and rates wherever possible. This is essentially a question of the development of the Property Repayment Services (PRS) system. We need to ensure that the multi-department review of accommodation does not cut across the work of the official level interdepartmental committee on PRS, but I am sure that evidence will come out of the review on the way the system is working at present. This evidence can then be used in consideration of future developments of PRS.

I fully accept your suggestion that the efficiency of energy use by departments should be included in the review. I have asked my officials to write this into the central study plan, upon which departmental examining officers will base their individual study plans for the review. This is clearly an important part of efficient accommodation management.

I am copying this letter to the Prime Minister, Tom King, Patrick Jenkin, Nicholas Ridley, Nigel Lawson, Norman Tebbit, Michael Heseltine, Michael Jopling, Peter Rees, Sir Robert Armstrong and Sir Robin Ibbs.

Yours,

7/10

LORD GOWRIE

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10 DOWNING STREET

From the Private Secretary

16 July 1984

Newcastle Computer Centre Strike

The Prime Minister has seen your Secretary of State's minute of 13 July and agrees that ACAS should be allowed to involve itself in the settlement of this dispute. She welcomes the way your Secretary of State proposes to present this.

I am copying this letter to David Peretz (HM Treasury), David Normington (Department of Employment) and Richard Hatfield (Cabinet Office).

Andrew Turnbull

Steve Godber, Esq.,
Department of Health and Social Security.

16 July 1984

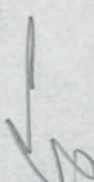
Direct Entry Principal
Competition

Thank you for your letter of 6 July, which the Prime Minister considered over the weekend.

The Prime Minister is content for Lord Gowrie to proceed as proposed.

I am sending a copy of this letter to Mike Corcoran (Mr. Hayhoe's office, HMT) and Richard Hatfield (Cabinet Office).

David Barclay



Mrs Mary Brown
Lord Gowrie's Office.



File

10 DOWNING STREET

Pune Minsteri (2)

Mr Heseltine has deferred discussion in E(A) of the Royal Dockyards until September.

This is not because he is having second thoughts about Peter Levene's concept, but is in order to avoid industrial disputes at the present time and to allow vetting of Resolution to be completed

AT

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MR TURNBULL

13 July 1984

ROYAL DOCKYARDS

Michael Heseltine is not having second thoughts about Peter Levene's concept for the Royal Dockyards. He wishes to defer collective discussion until the Autumn in order to avoid further industrial disputes at the present time and to allow the refitting of Resolution to be completed.

There would be some difficulties for the refit and maintenance cycle of ships and submarines through the dockyards in the event of industrial disruption. But this is a continuing problem in the dockyards and the main reason why the Levene scheme is needed. Possible difficulties in 1985 are not untypical.

On the important question of the availability of the fleet and particularly the deterrent, the risks of industrial disruption appear to be acceptable.

A reduction in the operational availability of SSNs and SSBNs as a result of industrial disruption would not affect the availability of boats on station for the key operational tasks of maintaining the deterrent and supporting the Falklands' garrison. Even in the case of maximum disruption over the 12 months required to implement the proposals, the non-availability of one SSBN for six months would merely mean that the other 3 boats would remain on the deployment cycle. The Navy do not consider that this would jeopardise our deterrent capability as one boat would always be on station.

Similarly, any sympathetic action at Coulport is unlikely. If it did occur and the preparation of the tactical outload of missiles for Resolution was delayed, this would again only result in operational boats staying on station longer.

We recommend that the Prime Minister should welcome an E(A) discussion of these proposals shortly after the recess.

DLP.

DAVID PASCALL

DAVAAZ

SECRET

1A



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~938 7000~~ 218 2111/3

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MO 10/2

Prime Minute

12th July 1984

1. DP
2. DS to return

13/7/84

ms

Dear Charles,

ROYAL DOCKYARDS

Further to my letter of today's date I should let you know that Mr Heseltine has now decided that it would be better for the E(A) discussion on this issue to take place after the Recess. Our memorandum will therefore be circulated in time for a meeting in the course of September.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office).

*Yours sincerely
Nick Evans*

(N H R EVANS)

Charles Powell Esq

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NBPM
AT 1317

2 PPS.
See P+15.



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~830 7822~~X 218 2111/3

MO 10/2

12th July 1984

Dear Charles,

ROYAL DOCKYARDS

The Cabinet Office will be circulating today copies of a paper by my Secretary of State on this subject. The Prime Minister will recall that she received a copy of Mr Heseltine's minute to the Chief Secretary dated 24th April. Andrew Turnbull's letter of 8th May indicated that Mrs Thatcher was content that these proposals should be taken forward.

7 Before the E(A) meeting on 18th July, at which this paper will be considered, Mr Heseltine felt that the Prime Minister would wish to see a copy of the attachment which gives more detail of our assessment of the implications for fleet availability of possible industrial disruption at the dockyards if the Levene proposals are implemented.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office).

Yours sincerely
Nick Evans

(N H R EVANS)

Charles Powell Esq

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ASSESSMENT OF INDUSTRIAL RELATIONS IMPLICATIONS

FOR FLEET AVAILABILITY

FACTORS AFFECTING TU AND WORKFORCE REACTION

1. The TU have already formed Action Committees dedicated to fighting commercialisation of the Dockyards; the Committee at Rosyth is cohesive, well organised and articulate, and has drawn in the 2 local Labour MPs. At both ports much effort has been devoted to trying to mobilise public opinion, and at Devonport there has been considerable media attention, in which Dr Owen has figured prominently.
2. It is likely that upon an announcement of commercialisation the TU would press for a commitment from both the Labour Party and the SDP/Liberal Alliance to oppose and reverse the scheme; success would strengthen TU and workforce resistance. Political and industrial resistance would probably feed off each other.
3. Factors affecting the likelihood, duration and intensity of TU and workforce reaction are:
 - a. At Rosyth, the situation on the miners' strike in the period following an announcement on the Dockyards: in this mining area there is considerable sympathy within the workforce for the miners. A general mood of combativeness would increase the risk and the severity of disruption in both Dockyards.
 - b. At both Rosyth and Devonport, the perceived extent of job losses. Confidence by the workforce that HMG and management would adopt a structured approach to reduction of the workforce, making best use of improved working practices with financial reward, natural wastage and voluntary redundancy would be important.
 - c. At both ports, confidence in management would depend upon management's ability to communicate the true facts to the workforce

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quickly and effectively, which would anticipate and help to nullify the making of political capital. This would demand major effort and investment in the skills required to do it professionally.

POSSIBLE TU ACTION

4. It is believed that the TU would seek to engender mass workforce action of high intensity, probably all-out strikes for short periods at times most likely to make a public impact - such as shortly after the announcement, when the first potential contractors had to be admitted to Bases to view the operation, and when tenders were issued and let. Such action would probably be infrequent, and the effects upon the Fleet not serious.

5. More importantly, however, the TU would seek to cause maximum disruption over an extended period with minimum loss of earnings. Experience in the 1978 Civil Service Industrial and 1979 and 1981 Non-Industrial disputes revealed that withdrawal of only a small number of the workforce in a few vital areas can effectively bring the productive work of the dockyard to a halt: Health Physics Monitors can for example stop nuclear work in submarines, and the absence of supervisors can prevent whole areas of work from being undertaken on Health and Safety at Work grounds. Although the Control Engineers have never gone on strike, if they were to do so, the whole Base would come to a halt in days rather than weeks for want of safe electrical supplies. Difficult decisions would arise over whether to send the workforce home without pay, following selective actions of this kind.

6. Moreover, widespread non-co-operation by working to rule, restricting overtime and shift working and invoking strict Health and Safety considerations and routines would very substantially affect the rate of work without putting anyone's basic pay packet at risk.

7. For example, several months industrial dispute in 1978, followed by a non-industrial dispute in 1979, resulted in the loss of the equivalent of some 1½

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times the annual output of Rosyth Dockyard. The effects on Fleet availability of action on such a scale would be quickly felt and serious.

8. In the period 1984/85 to 1987, between announcement and earliest vesting day, for each month's disruption in both Dockyards there could be a reduction in weeks of ship operational availability of between 15 and 35 for DD/FF, 3 and 8 for SSN and 1 and 4 for SSBN, depending upon the breadth of the disruption.

LIKELIHOOD OF INDUSTRIAL ACTION

9. Disruptive action of the non-co-operation kind would be almost certain for some periods; this could well be in terms of months rather than weeks, and could be repeated. It is difficult to assess the likely extent of such action, which would only be partially reduced by effective management: this will be hard enough to establish as the Non-Industrials might well believe they have more to lose from commercialisation than the Industrials.

10. The ability to achieve work elsewhere than the Dockyards would be severely limited, as it depends essentially upon specification work much of which can only be done by Dockyard personnel.

11. The incentive for TU and workforce to make their resistance known by industrial action which has a quick and marked effect upon the fighting effectiveness of the Fleet would be strong. Some action would be inevitable from the date of the announcement. As time goes on, however, it is probable that the incentive would diminish with growing resignation about the inevitability of commercialisation; with the innate loyalty of the workforce; with appreciation that the size of redundancy payments for those who would go depends on the level of earnings in the previous 18 months; and with perhaps a desire to maximise efficiency so that as many jobs as possible might be protected once the contractor had taken over.

12. The period most likely to be susceptible to disruptive action would be that between the announcement and autumn 1985, after which the above stabilising factors would begin to take effect. During this period there must be a risk

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of action for half of the time, although this could well be greater at Devonport, where the workforce reduction is likely to be proportionately larger. Acknowledging the subjectivity of this rationale, the assessment is that the likely maximum disruptive action could aggregate a maximum of 6 months, in addition to sporadic short periods of mass demonstration. During that period, a high mean of the effects in paragraph 8 would be likely to be experienced.

EFFECTS OF INDUSTRIAL ACTION ON FLEET AVAILABILITY

13. The loss of availability implied in paragraphs 8 and 12 amounts to 150-180 DD/FF weeks (ie up to one tenth of our operationally available ships), 18-48 SSN weeks (the availability of 1 SSN) and 6-24 SSBN weeks (1 SSBN for 6 months). A severe shortfall of some 200 DD/FF weeks is already anticipated in 1985 and in itself will mean for example a reduction in UK participation in major NATO exercises. An additional degradation in DD/FF and SSN availability would mean that support for NATO exercises would decline further and the possibility of reducing commitment to NATO force levels and declarations would have to be considered along with other important Royal Naval training and trial tasks.

14. Fleet effectiveness and flexibility would suffer because:

- a. The refit and maintenance cycle of ships and submarines through the dockyard would be disrupted, with penalties to both availability and capability. Recovery from this situation would take time and resources with downstream effects on availability.
- b. Breakdowns would increase in ships being run on without maintenance.
- c. It would be harder to find the right ships for the right tasks, eg Type 42s and 22s for ARMILLA, and to meet declared SSN force levels.
- d. Daily movements of ships and submarines in and out of dockyard ports and possibly the Clyde Submarine Base, if there were to be sympathetic action, could be substantially limited and alongside shore to ship services could be affected.

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e. The inevitable uncertainties over ships' programmes would mean that Ships' Companies' conditions of service could be affected significantly with implications for retention of trained men.

f. New weapons systems to meet the Threat would be delayed in the dockyard and thus in reaching the fleet at sea.

15. Provided the SSBN refit programme at Rosyth Dockyard keeps to schedule until October 1984 with RESOLUTION completing and REPULSE starting refit thereafter, an extension of REPULSE's currently planned 2 year refit should be containable. While not affecting the continuity of the deterrent the penalties will be an erosion of 3-SSBN operational availability and disruption to the plan for an SSN refitting stream at Rosyth starting in 1986.

16. Any sympathetic action at RNAD Coulport (of which the risk is assessed as low) leading to the withdrawal of labour could be contained for up to 6 months with minimal effect on the supply of missiles to the running SSBNs due to the policy of Assured Deterrent Time (ADT). However, any enduring action at Coulport, after October 1984, could have a significant impact on the preparation of the tactical outload of missiles for RESOLUTION due for deployment in August 1985, following her 10 month work up.

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Long Term Policy. Civil Service Pt 15.



DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

David Barclay Esq
Private Secretary
10 Downing Street

11 July 1984

nbpm
Treasury will summarise these responses.

Dear David

DNB
13/7

FINANCIAL MANAGEMENT IN GOVERNMENT DEPARTMENTS

We have seen the Prime Minister's comments on the costs and benefits of the RMI as contained in your letter to the Chief Secretary's office of 13 June and John Gieve's reply of 4 July. You might find it helpful to have a little more information about how we have sought to improve financial management and efficiency in a wider context than, though consistent with, the FMI.

The DHSS share of the £20 million estimate of the direct cost of the FMI is about £600,000 - quite small given the size of our businesses. We have taken the line that the FMI is the business of senior management at all levels in the Department and we have kept central overheads to the minimum. In practice it is difficult to distinguish the costs and benefits of, on the one hand, initiatives specifically arising from the FMI and, on the other, management action which is in the spirit of the FMI, but was taken in advance of it. The former reinforced the latter.

Major management change takes time to carry through, but our earlier initiatives have already yielded substantial savings - for example the saving of nearly a thousand posts following the implementation of a traffic study in our social security regional organisation, over 3,000 posts saved as a result of our programme of Rayner reviews, savings of about £8 million from the first phase of our new budgetary control system and nearly £5 million a year from the introduction of new forms of mail services between social security offices. In spite of increased demand for services and hence for staff, the running costs of the Department have decreased in real terms by £29 million since 1982/83 and administration costs as a percentage of benefit expenditure has fallen from 7.4 per cent in 1978/79 to 5.9 per cent in 1983/84. We are confident that more recent initiatives (including the major programme reviews) will bring further substantial efficiency gains.

Similarly, in the National Health Service, the measures that had already been taken before the Griffiths report have already delivered substantial efficiency gains and health authorities plan to save at

least £100,000,000 this year from cost improvement programmes over and above the substantial gains that were made last year. Some of these savings will be ploughed back into implementation of the measures recommended by Roy Griffiths and these, with measures such as competitive tendering and implementation of Rayner scrutinies, will produce larger efficiency gains in later years.

I am copying this letter to John Gieve (Chief Secretary's office) and Richard Hatfield (Sir Robert Armstrong's office).

*Yours
Sincerely*

S A Godber
Private Secretary

Civil Service : long term Khay A. 16

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4 JUL 1984

CORPORATION



10 DOWNING STREET

From the Private Secretary

9 July, 1984

Financial Management in Government Departments

Thank you for your letter of 4 July.

The Prime Minister was grateful for, and has noted the Chief Secretary's response to her comments on the progress of the financial management initiative, as set out in my letter to you of 13 June.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office) and to Sir Robin Ibbs, but not to the other recipients of your letter.

DAVID BARCLAY

John Gieve, Esq.,
Chief Secretary's Office

cc NO



CABINET OFFICE

From the Minister of State

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Great George Street
London SW1P 3AL
Telephone 01-233 8610

David Barclay Esq
Private Secretary
10 Downing Street
London SW1

Prime Minister (2)

This seems very satisfactory. 6 July 1984

Content?

Dear David,

Emb
9/7

Zus mb

DIRECT ENTRY PRINCIPAL COMPETITION

In your letter of 3 July you said that the Prime Minister was not persuaded of the case for holding a Direct Entry Principal Competition this year but would prefer a competition open only to internal candidates.

Lord Gowrie is content to proceed on this basis. He still has some reservations, as do one or two major departments, as to whether all vacancies can be filled in this way but accepts that there are no certainties in any of this.

The structure of such a competition will need some thought if it is not to lead to a wasteful overlap with other competitions. We have just re-modelled the AT/HEOD scheme to open it to a wider field of applicants. From this year the upper age limit for the competition will be raised to 32, and direct entry to HEOD level will be permitted. The competition will be open to all serving junior civil servants in this age band. Successful candidates are expected to reach Principal in 4-5 years if offered an AT post and 2-3 years if offered an HEOD post. Lord Gowrie considers that the best way to proceed will be to direct candidates under 32 into the AT/HEOD competition, and those 32 or over into the Principal competition. At the same time we will emphasise that if an outstanding candidate was identified in the AT/HEOD competition the selection board could recommend immediate promotion to Principal.

Lord Gowrie intends to mount a major publicity campaign within the Civil Service to advertise these opportunities. This is being launched immediately so that the competitions can be held in the autumn.

The Prime Minister also asked how we could deal more generally with the removal of internal barriers to the promotion of able civil servants. The scrutiny of internal talent has been looking at precisely this area and Lord Gowrie intends to let the Prime Minister have a report on its conclusions next month. Work has also been done on how to tackle promotion blockages and improve early retirement mechanisms. Lord Gowrie will be meeting the Minister of State (Treasury) shortly to consider these proposals with the aim of making a subsequent report to the Prime Minister.

Yours sincerely,

Mary

MRS M E BROWN
Private Secretary

Civil Service Long Term Post. Pt 16.



1881 JUL 1984

NBS 17

BT 117

01 211 6402

The Rt Hon Earl of Gowrie
Minister of State
Privy Council Office
Great George Street
LONDON
SW1

5 July 1984



MULTI-DEPARTMENT REVIEWS 1984-85

Thank you for copying to me your minute of 11 June to the Prime Minister proposing a review of the management of civil accommodation.

I fully support the proposed review and would be glad for my Department to take part in it. As you know, I believe we need to do a lot more to give Departments a proper say in their own affairs on accommodation and a greater sense of responsibility for it, including the payment of actual rents and rates when these are available. I agree very much with comments by Nicholas Ridley and Norman Tebbit on this score in recent correspondence.

I would like to suggest one amendment to the detailed specification for the review as set out in the note attached to your minute. Energy efficiency is an area of growing importance and Departments should be given every encouragement to cut their fuel bills and reduce costs. You are already suggesting that the review should focus on the allocation of responsibility for heating and lighting, as one of its themes. I would like to see this extended to include an investigation of the scope for improving the efficiency of energy use by departments.

I am copying this letter to the recipients of your minute and to Peter Rees.



PETER WALKER

- 6 JUL 1984



long term
with DB

file ECL



cc: S/Emp. S/Energy
S/Env S/Defence
S/Trans S/MAFF
Ch/Ex RTA
S/DTI Sir A. Ibbotson

10 DOWNING STREET

From the Private Secretary

5 July 1984

MULTI-DEPARTMENT REVIEWS 1984/85

The Prime Minister has now considered Lord Gowrie's minute of 11 June, in which he proposes a second review of the management of civil accommodation.

The Prime Minister is content for this review to proceed, subject to any further comments from colleagues.

I am sending copies of this letter to the Private Secretaries of the recipients of Lord Gowrie's minute.

David Barclay

Miss Sonia Phippard,
Lord Gowrie's Office.

4



Prime Minister⁽⁴⁾
To note the Chief Secretary's
response.

Dms
577

Treasury Chambers, Parliament Street, SW1P 3AG

D Barclay Esq
10 Downing Street
LONDON
SW1

4 July 1984

Dear David

MT

FINANCIAL MANAGEMENT IN GOVERNMENT DEPARTMENTS

see Pt 15

The Chief Secretary was grateful for your letter of 13 June and for the replies from Ministerial colleagues.

He shares the Prime Minister's desire to see real results. The White Paper focusses on ^{the} progress departments are making with setting up and learning to use the improved information and control systems that were described in last year's White Paper. But it does also illustrate the results of the drive for greater efficiency in the Civil Service since 1979. For example:

(a) you have seen the Secretary of State for Environment's assessment that his Department has saved a total of some £200 million since 1979 in terms of staff salaries alone;

(b) the Department of Health and Social Security have implemented the report on the flow of work between social security offices: this is devolving more decision-making to line managers and saving nearly 1,000 staff;

(c) departments have undertaken scrutinies with the Efficiency Unit - which have already yielded savings of £240 million a year.

These examples cannot themselves be attributed to the new systems established as a result of the FMI because the work was set in hand earlier or undertaken while new systems were being set up. But they are nonetheless examples of the approach that the initiative is intended to spread throughout the Government service. Some improvements will take time to come through. For example, professional consultants have often emphasised the investment and time needed to achieve lasting changes in attitudes and approach. Others are already being seen in, for instance, the way top management discussions

are being used to identify efficiency scrutinies. If the pressure is kept up, the new systems which departments are developing will deliver further real results. The Chief Secretary intends in his discussions with colleagues to stress the importance of their interest and leadership in developing the new approaches and using them to deliver the results all wish to see.

The Chief Secretary was also grateful to have the Prime Minister's agreement to the publication of the White Paper, and that of Ministerial colleagues. He is making arrangements for their helpful suggestions to be incorporated in the text and to fix the precise date for publication through the usual channels.

I am copying this letter to the Private Secretaries to Ministers in charge of departments, Richard Hatfield (Cabinet Office) and Sir Robin Ibbs.

Yours sincerely

J. Gieve

JOHN GIEVE
Private Secretary

CONFIDENTIAL

CIVIL SERVICE C-7 Pt 6



JUL 4 1984



10 DOWNING STREET

From the Private Secretary

3 July 1984

DIRECT ENTRY PRINCIPAL COMPETITION

The Prime Minister has considered Lord Gowrie's further minute of 28 June about his proposal to hold a direct entry Principal competition.

The Prime Minister is not persuaded of the case for holding such a competition this year, which she feels would not only be expensive but also unlikely to secure the number and in particular the quality of external recruits sought. Subject to any further comments your Minister may have, the Prime Minister would prefer the shortfall to be met from a competition open to internal candidates of any Department, age or grade, but not to external candidates.

SB
The Prime Minister agrees with Lord Gowrie that the removal of internal barriers to promotion is likely to have a beneficial effect on morale. She would be grateful for a report from him as soon as possible on how more general progress might be made in this area, so as to create better opportunities for the more able Civil Servants.

David Barclay

Mrs. Mary Brown,
Management and Personnel Office.



10 DOWNING STREET

CF
Pension pps
pte.

D
3/7

Prime Minister⁽¹⁾

I don't think you had
time to deal with this
over the weekend.

Agree policy unit
recommendations?

Yes no

Durb
2/7

PART 15 ends:-

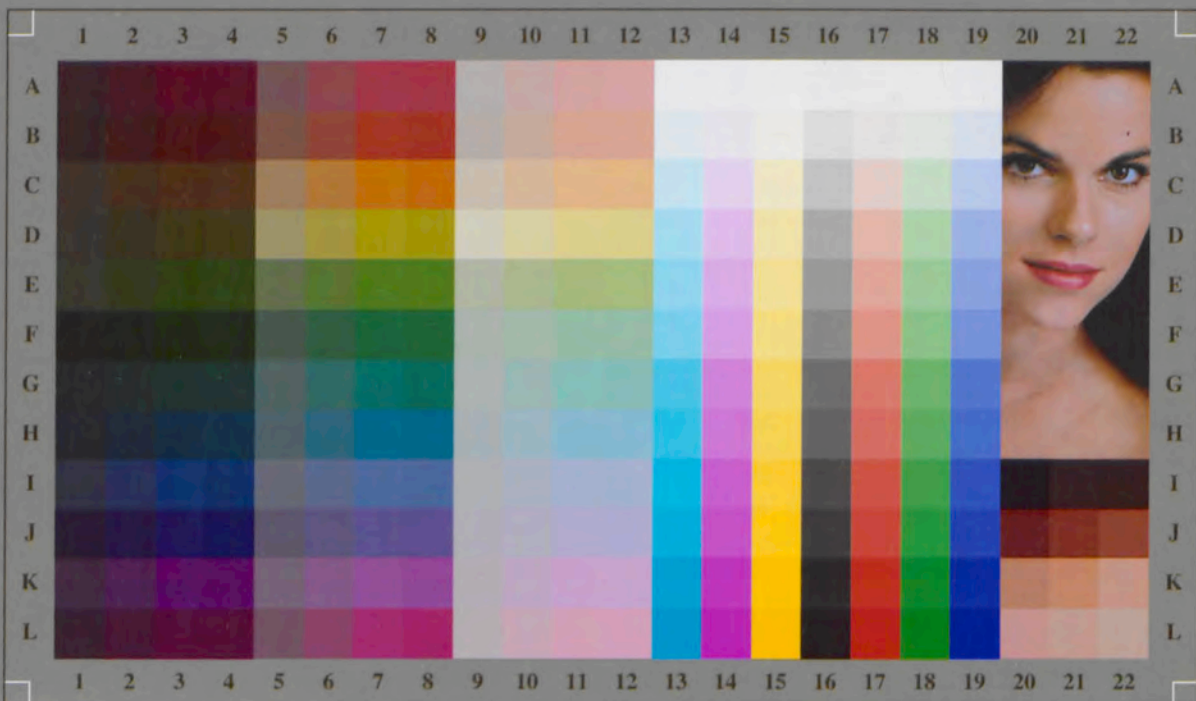
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PART 16 begins:-

BB to Am 2.7.84

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