



PRIME MINISTER

FORWARD LOOK: MANAGEMENT AND PERSONNEL OFFICE

In your letter of 16 September to Willie Whitelaw you asked Ministers in charge of Departments to send you a 'Forward Look' at our programmes for the next five years. The MPO's contribution is as follows:

1979 MANIFESTO

2. We have already done a great deal to fulfil our undertaking to cut the cost of central government. By April 1984 efficiency studies will have identified annual savings of £400m and made a significant contribution to manpower reductions.

THE POLICY FOR GOOD MANAGEMENT

3. The aim is a smaller and more cost-effective Civil Service which implements Government policies more economically and gives the public a better service. The policy is concerned with people and with management systems.

PERSONNEL POLICIES

4. The aim is to improve standards of competence and performance. We want to retain a career Civil Service but to allow for greater use of outside experience and expertise.

5. A new system is already operating to ensure sensible long term succession planning for key policy and management posts.

6. To improve levels of performance, there will be:

- a better system of staff reporting and appraisal.

The emphasis will be on achievement of results.

Action from mid-1983;

- merit pay: to be introduced as soon as possible. Progress linked with post-Megaw negotiations;
- schemes for early retirement to help ease out the less efficient. A first move will be made early in 1983.

7. To ensure that civil servants have the right skills for the job and are used effectively there will be:

- simplification of grading to secure more flexible use of staff recruited as specialists, eg scientists, engineers, etc.
- employment of more people with special skills and experience, on both short and long-term arrangements. Notably, the number of qualified accountants will double by 1992, with 50 a year coming in from outside and 100 acquiring professional qualifications through in-service training;
- special emphasis on training, particularly in financial and personnel management, computer and information technology skills. Training will be obligatory for some senior posts (eg all newly appointed Principal Finance Officers after next April must have special training in financial management).

BETTER MANAGEMENT SYSTEMS

8. Major reforms are in prospect from the Financial Management Initiative. The MPO/Treasury Financial Management Unit will be maintained until at least 1984 to help keep up the momentum and ensure full implementation.

9. We shall maintain the drive to improve Government forms and so reduce the frustration and costs which bad forms impose on the public.

10. The MPO will follow through with departments all efficiency work to ensure that the benefits are secured in practice. This will apply in particular to work done or to be done on:

- Research and Development support services

- departmental running costs
- personnel work procedures
- consultancy, inspection and review machinery
- support services for administrative work
- contract and procurement procedures

11. There will be a continuing need for centrally planned efficiency scrutinies and reviews running in parallel with the continuing pressure to reduce Civil Service numbers. The emphasis will shift towards "audit" of value for money and departmental machinery for maintaining high standards of efficiency.

GOOD MANAGEMENT THROUGHOUT THE PUBLIC SERVICES

12. The potential for wider gains is clear. Our achievements since 1979 in the Civil Service leave little doubt that a determined drive in other areas of the public services would produce a major pay-off. The NHS, the education service and the rest of local government are obvious candidates. A policy for better management throughout the public services could form an important part of Government strategy for the next five years. The major role is for colleagues in departments with direct responsibility, but MPO experience and expertise can be used in support.

Baroness Young

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