



PRIME MINISTER

SUCCESSION PLANNING IN THE CIVIL SERVICE

There remains room for improvement in the forward planning for filling senior posts in the Civil Service. Derek Rayner in his "Lasting Reforms" proposals which he circulated to Cabinet last year made a number of recommendations designed to ensure that there was a clear plan of succession for the key management posts in each Department.

We now have a plan. It lays emphasis on developing management skills in those who will occupy the key posts in finance and personnel work; it proposes that Departments would produce each year a succession plan for posts at Under Secretary and above; that individual career plans will be developed for the staff involved in those succession plans; and that the Civil Service Department would take an active role in ensuring that these arrangements worked.

... I attach a note by officials setting out in some detail the proposed new arrangements. I commend them to you. I would like Departments to implement them and, subject to your comments and those of Derek Rayner to whom I am copying this minute, I would propose to send the note to Cabinet colleagues, asking them to act upon it.

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SUCCESSION PLANNING IN THE CIVIL SERVICE

Despite the reforms in the wake of the Fulton Report, there remains room for improvement in the forward planning for the filling of senior posts in the Civil Service. Sir Derek Rayner circulated to Cabinet recommendations (paragraph 23-25 of the appendix to C(80)25) - the "Lasting Reforms. He proposed that "CSD should prepare a model succession policy for the Service as a whole, which can then be applied to themselves by Departments with such central co-ordination as may be needed." Sir Derek envisaged that this would be a clear plan of succession to each Department's key management posts, and that "such a plan would affect both individual and specific management practices, eg length of time to be spent in posts acquiring experience and the training to be undertaken."

Departments already put a lot of effort into succession planning, but there is no formal machinery to remind senior officers of every post for which forward planning is necessary. Action may sometimes begin too late; and the scope for preparing for the succession is too limited. This note outlines proposals for building on and adapting present procedures and generalising the best practice.

In the past, management skills have not always been properly valued or sufficiently developed. Progress has been made - for example, work in the establishments field is now looked upon as an important area of experience for the rising officer; Principal Establishment Officer posts in major Departments are now more often held by younger officers likely to rise to the top of the Service; and a number of Permanent Secretaries have been Principal Establishment Officers. Such policies need to be more effectively applied. In particular, we must ensure that, when vacancies in key posts occur, it will not simply be a happy chance if qualified officers are discovered. The potential successors to such posts must be identified early enough to allow them to be given an appropriate blend of training and experience, eg to equip potential Principal Finance Officers either with direct training in eg management accountancy or with knowledge of the contribution which can be made to their work by people qualified in financial management or management accountancy. We must reduce the frequency of moves of administrative staff; and increasingly get "generalists" to specialise in particular areas of work; and CSD must arrange for those likely to occupy the highest ranks in the Service to have direct experience of the management both of people and money.

Under present arrangements Departments make annual "promotion potential" returns to the CSD, and the CSD makes annual visits to discuss these. Top appointments are considered by the Head of the Home Civil Service, with the benefit of the advice of senior colleagues. All Deputy and Permanent Secretary appointments require the approval of the Prime Minister (after due consideration with Departmental Ministers); and the Head of the Home Civil Service has to approve all Principal Establishment Officer and (with the Treasury) Principal Finance Officer appointments.

MANAGEMENT IN CONFIDENCE

The new system would not disturb the arrangements for making senior appointments but would require Departments to produce each year a succession plan (with job profile) for every post in the Open Structure (Under Secretary and above) and for all posts at Assistant Secretary level for which careful succession planning was required. Each succession plan would indicate officers who could succeed if the post were unexpectedly vacated; who would be suitable to succeed in the normal course of events; and who should be in the field for the next but one succession.

These succession plans would of course be subject to change. Flexibility would be essential. But they would identify possible shortages and highlight the need to develop the individuals' careers in particular ways so as to fit them for senior posts. Departments would therefore also prepare individual career plans for all officers named in succession plans. This should ensure a supply within the Service of people with suitable backgrounds for most, if not all, senior posts.

The CSD would need to scrutinise each year the succession plans, and related individual career plans, for key posts. These would be: all Deputy Secretary posts (some 160); all Under Secretary Principal Establishment Officer and Principal Finance Officer posts (about 30); other Under Secretary posts carrying major responsibilities for man-management or the disbursement of money; and any other key Under Secretary posts which might be difficult to fill from within the Department (eg posts in the Cabinet Office and some in smaller Departments). Departments would also send to the CSD each year the names of those more junior officers likely to reach the rank of Under Secretary early.

The role of the CSD would be to ensure reasonable consistency of approach throughout the Service; to satisfy itself that suitable preparations were being made for the filling of key or difficult posts and that the Service as a whole had an adequate pool from which the top managers of the future could be drawn; and to arrange secondments for officers needing experience outside their Department. Not least, the CSD would have to look out for new needs for training or specialised experience. Sometimes this would lead to a policy for an individual or a particular Department, sometimes for the Service as a whole. The need for developing skills in financial management or management accountancy is an obvious example. The CSD would therefore take such initiatives as were necessary on individual, departmental and Service-wide matters. The Head of the Home Civil Service already arranges for similar forward planning in regard to the Permanent Secretary level.

No doubt events would frustrate a certain amount of the detailed succession and career planning. But shortages and problems would be identified sooner and there would be more time to sort them out.

Permanent Secretaries who have been consulted recognise that these proposals will add somewhat to the work load of themselves and their immediate advisers, but they nonetheless consider them helpful and likely to be valuable in the long run. The new arrangements can be introduced over a period.