



10 DOWNING STREET

PRIME MINISTER

Mr. Heseltine has now written to Cabinet colleagues spelling out his internal management system.

(I think it is singularly unfortunate, in view of the background, that this should be one of those letters signed by a Private Secretary on behalf of a Minister.)

MAD

Nevertheless - as

in the paper

2 May 1980

SWH
bv. *CAF* to see

MAD
6/v.



2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

1 May 1980

Demerit

Following this morning's discussion in Cabinet I thought it might be helpful if I wrote to point up the key features of the management system I am operating in my Department and our arrangements for making it work.

The enclosed paper (which I prepared for a slightly different purpose) provides a straightforward description of my approach to the use and control of manpower and of the system of information and review (MINIS) I have embarked upon. As the paper says, the information is now coming forward to me (I will soon have complete coverage for DOE (Central); PSA will follow in a month or two). My Ministers and I have started a series of meetings over the next ten weeks to discuss these returns with the senior officials concerned. At these meetings, we will be deciding what functions we can phase out or slim down, what organisational changes we can make to help save staff, what manpower savings each directorate should aim for by April 1981, and so on. Some questions will of course call for further examination or reports back to Ministers. In all cases, an Action Statement will be drawn up for my approval after consultation with the Staff Side so that a clear course is set for each part of the organisation. No additional tasks may then be taken on without Ministerial approval. (I handed you, of course, a copy of the MINIS statement on the first 4 Directorates I have looked at).

I believe, as I know you and Sir Derek Rayner do also, that in order to manage their Departments successfully, Ministers need the right kind of support from within. They cannot do it all themselves. The full support and enthusiasm of the Permanent Secretary is vital. In addition we have set up the small central unit mentioned in paragraph 7 of the note which falls under the control of an Under Secretary whose other responsibilities include financial oversight of DOE's administrative expenditure and of all DOE's public expenditure programmes. He provides me with an independent brief for each of the MINIS meetings and takes the lead in drawing up the Action Statements afterwards. In this way we are building into the system the necessary degree of creative tension and radical questioning.

You will see that what I am doing essentially is to subject the whole of my Department to a detailed analysis. Needless to say, this is time-consuming. But I believe it to be essential to reach into the detail of my Department's functions (which are many and various) and the resources they consume if early results are to be achieved and staff numbers reduced in a rational way. And I am insisting upon the measurement of performance wherever this is possible and sensible so that output can be monitored

CONFIDENTIAL

as we move from one period to the next.

Finally, I am most anxious to achieve the maximum possible interest of the staff themselves. The Staff Side see the information coming to me and are free to comment on it and they will of course be consulted before changes are implemented.

I am copying to the Prime Minister and to Sir Derek Rayner.

*Yours sincerely
David (David)*

for MICHAEL HESELTINE

*(letter approved by the Secy
of State and signed in his
absence)*

PAPER BY THE SECRETARY OF STATE FOR THE ENVIRONMENT

THE USE AND CONTROL OF DEPARTMENTAL MANPOWER

1. The success of any steps to contain and reduce the size of Departments depends on the personal involvement of the Minister and on a firm approach to recruitment. These need not impose intolerable burdens upon Ministers.

2. Last May the staff-in-post of the Department (including those who provide a common service for my Department and the Department of Transport) totalled 52,122. By 1 April, through natural wastage and selective recruitment, numbers had fallen to 48,280 (ie by 7.4%) - details are at Annex A. I am satisfied the reduction has not harmed the essential work of my Department.

3. I exercise control on the basis of monthly reports of staff-in-post - on the lines of Annex A - and by vetting personally all proposals for recruitment outside certain limited delegations for identified essential needs and which are restricted to 2 senior officers. I have operated this arrangement since last May.

4. Following our decisions on the 1980 Civil Service pay settlement I intend to achieve during this year, a further cut of 3% (over and above the 1980/81 tranche of the option cuts announced on 6 December 1979) and to achieve

this as far as possible through wastage and without resort to redundancy. But the incidence of wastage can be capricious with a risk of serious mismatch between staff and functions, particularly in a Department like mine with such a wide range of activities and of classes of staff carrying them out. So while control of recruitment can bring overall numbers under control, it needs to be supplemented by an analysis of Departmental activity that provides a basis for securing an effective deployment of manpower.

5. For this purpose Ministers need management information of a kind and in a detail not traditionally available to them. The annual scrutiny arrangements proposed by Sir Derek Rayner will enable them to take a critical view of overheads, but Ministers also need information to enable them to -

- set aims and objectives
- establish priorities
- examine whether tasks should be done at all and, if so, whether they need to be done in the Department
- examine in respect of tasks that need to be done, the manpower (and associated costs) involved in order to achieve the most effective and economical arrangements.

All this across the whole of the Department's work, not only the areas which come naturally to their attention.

C O N F I D E N T I A L

6. Last summer I put in hand (as a Rayner exercise) a pilot study into the management information system I would need to enable me to reach considered judgement across-the-board about the issues mentioned above. That study has been completed and the resulting information system has just been run for the first time. Each of the Department's directorates (under-secretary commands) is asked to provide information, in respect of the half-year just ended about:

- its functions and tasks, grouped by principal aims and subject areas
- the priority attached to them
- whether they are statutory or discretionary
- Vote or public expenditure involved
- the manpower and associated costs (Basic Staff Costs) involved
- the objectives of the work in the period under review
- an assessment of performance

and information, in respect of the half-year just beginning and (in less detail) the next succeeding half-year, about

- objectives to be achieved
- foreseen changes in tasks and workload

and consequently

- foreseen changes in manpower and associated costs.

7. A small central unit has been established to co-ordinate the system, provide advice, help with costing, etc and to present the information to Ministers, grouping together so far as possible directorates dealing with related work.

C O N F I D E N T I A L

8. The information is presented in a standard format. The first returns have just come to me - they are for some of the Planning Directorates (sample sheets from one of them are at Annex B). I have already examined these particular returns and held a meeting with the senior officials concerned, as I propose to do in each case.

9. The point of the system is to enable me and my Ministers to reach down into the work of the DOE and take decisions on the activities consuming staff time. The information will not, of course, enable final decisions to be reached immediately on all matters but it will provide a basis for the systematic and comprehensive scrutiny which I think is essential if we are to take a permanent grip on the size of the Civil Service.

10. I expect to have completed my initial review of the Department's work (including PSA) by the summer. I shall then be considering whether modifications are needed in the system I have described.

STAFF IN POST

	DOE(C)			PSA			TOTAL	% Monthly Rate of Reduction
	Non- Industrials	Industrials	Sub Total	Non- Industrials	Industrials	Sub Total		
1 May	10334	1918	12252	19339	20531	39870	52122	
1 June	10328	1886	12214	19357	20381	39738	51952	0.3
1 July	10240	1892	12132	19284	20082	39366	51498	0.9
1 August	10226	1840	12066	19256	19757	39013	51073	0.8
1 Sept	10160	1834	11994	19166	19489	38655	50649	0.8
1 Oct	10081	1810	11891	19080	19313	38393	50284	0.8
1 Nov	10051	1808	11859	18967	19004	37971	49830	0.9
1 Dec	9989	1796.5	11785.5	18829	18854	37683	49468.5	0.7
1 Jan	9969.5	1786.5	11756	18690	18754	37444	49200	0.5
1 Feb	9928.5	1774	11702.5	18584	18576	37160	48862.5	0.7
1 Mar	9927	1764.5	11691.5	18447	18479	36926	48617.5	0.5
1 April 80	9893	1761.5	11654.5	18284	18342	36626	48280.5	0.7
TOTAL	No: 441	156.5	597.5	1055	2189	3244	3841.5	
REDUCTIONS	% : 4.3	8.2	4.9	5.5	10.7	8.1	7.4	

SUMMARY OF CENTRAL DOE RECRUITMENT AND WASTAGE 1.6.79-1.3.80 (NON-INDUSTRIAL STAFF)

	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
Wastage	140	108.5	138.5	140	115	110.5	73.5	100	87.5	86.5	1100
Recruitment	55	93.5	71.5	63	84	46.5	54.5	59.5	83.5	52.5	663.5
Net Loss	85	15	67	77	31	64	19	40.5	4	34	436.5
(Variations in SIP figures) ¹	(+3)	(-1)	(-1)	(+2)	(-1)	(-2)	(+0.5)	(+0.5)	(-2.5)	(-)	(-1.5)

Staff in Post
1.6.79
10328

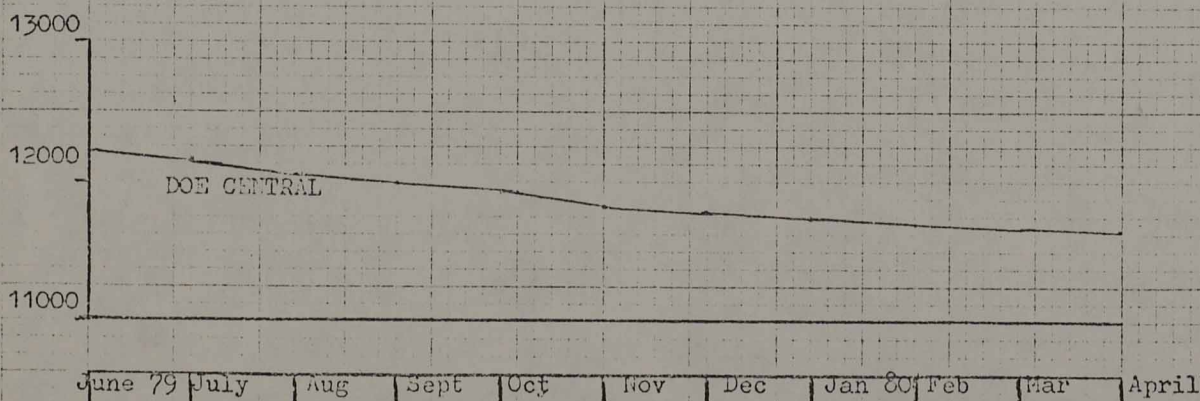
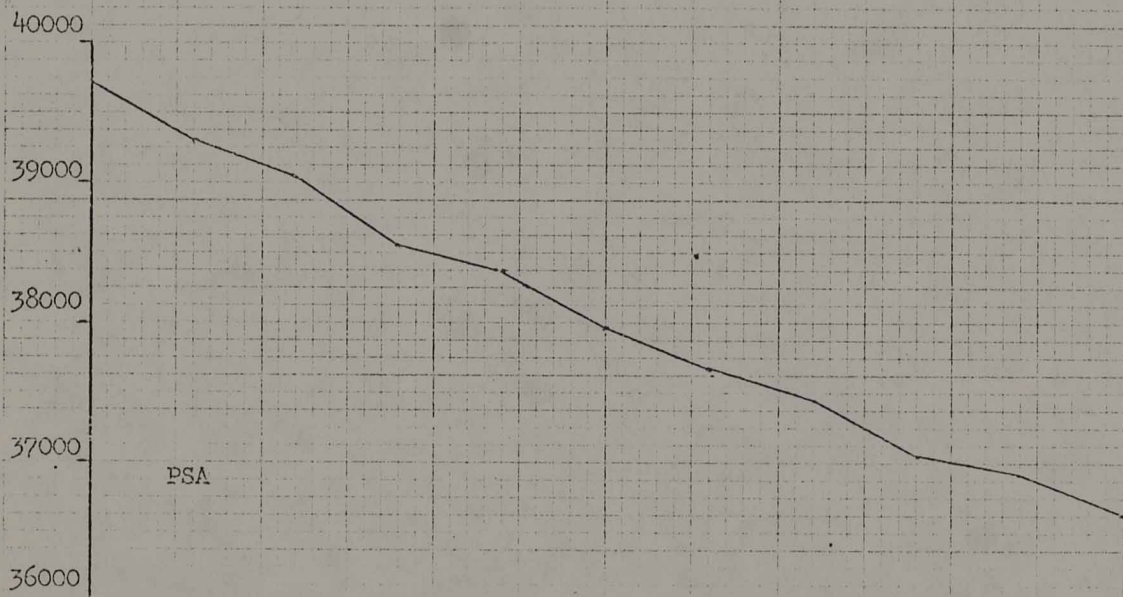
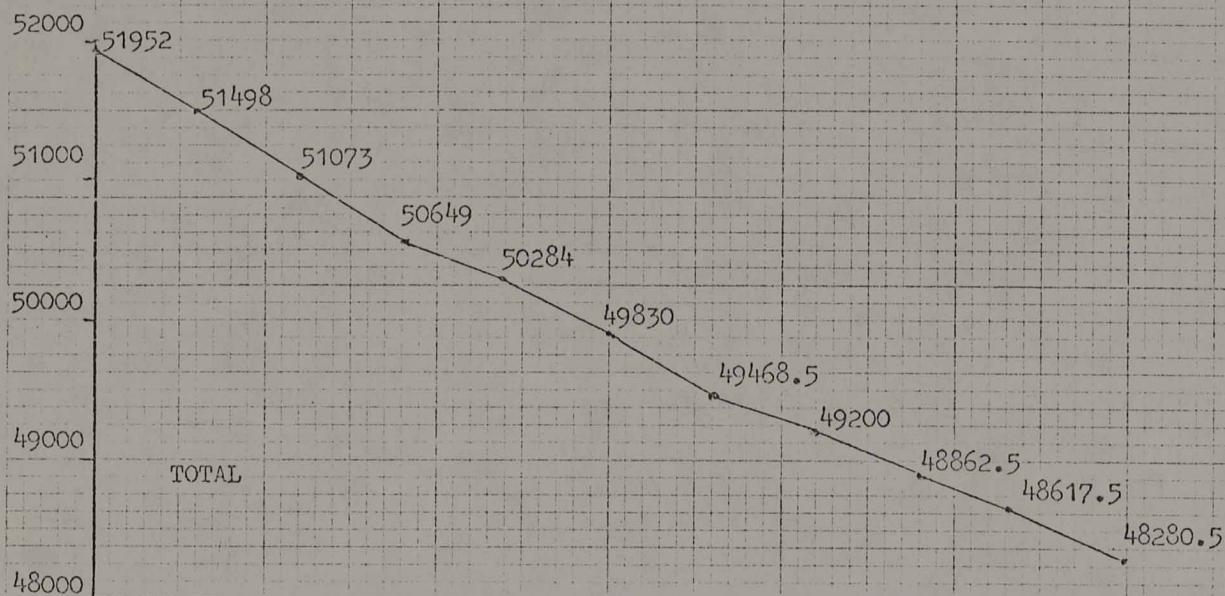
Staff in Post
1.4.80
9893

Net Loss¹
435

NOTE 1: The slight variations between the net loss figures derived from the wastage and recruitment records and those derived from the SIP figures are accounted for by the fact that, while the latter record any changes in the full or part-time status of individual employees during any one month, the former do not.

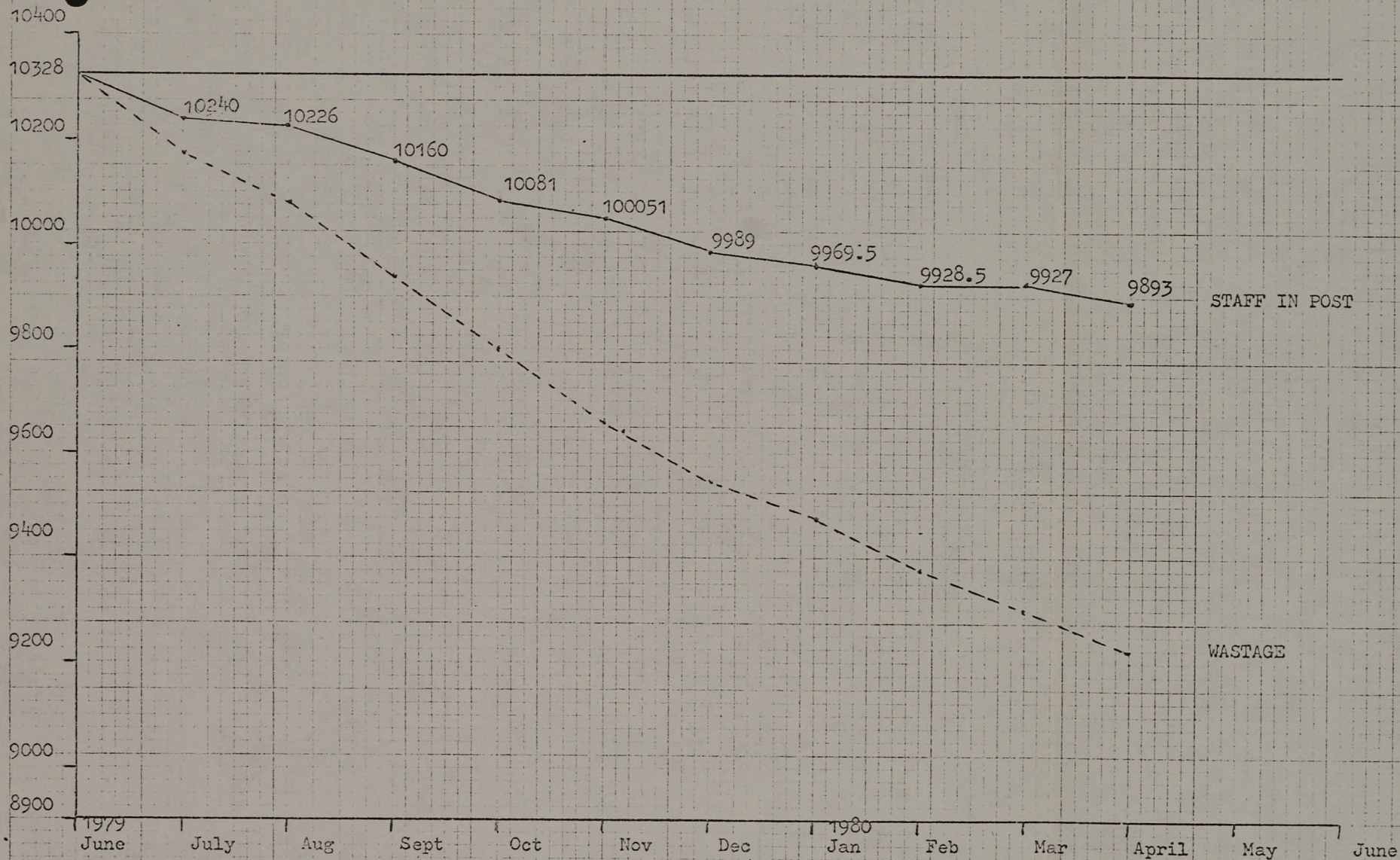
DEPARTMENT OF THE ENVIRONMENT

STAFF IN POST



CENTRAL DOE (NON-INDUSTRIAL STAFF)

STAFF IN POST



MANAGEMENT INFORMATION SYSTEM FOR MINISTERS (MINIS)

The attached sheets represent part of the MINIS submission for the Planning Intelligence directorate.

Sheet 1 is the summary for the unit.

Sheets 2(1) show functions, costs, etc in the period October 1979-April 1980, for two of the directorates main subject areas - international planning and (part only) cartographic services.

Sheets 2(2) show related performance assessments for this period and planned performance for the next 6 months.

Sheets 5(1) and 5(2) show future objectives and manpower requirements for the directorate up to March 1981

SENIOR OFFICIAL MR. D.E. JOHNSONLOCATION(S) BECKET HOUSE: PRINCE CONSORT HOUSE

MANAGEMENT - IN CONFIDENCE

UNIT'S PRINCIPAL AIMS AND SUBJECT AREAS	COSTS: THIS PERIOD	£000s	STAFF IN POST: THIS PERIOD	
A Professional planning and planning research staff management.	Senior official + immediate support	14.9	Unified Structure	1
B International planning	<u>AIMS/SUBJECT AREAS</u>		Administration Group	58 ¹¹ / ₂₂
C Cartographic Services	A	12.8	Scientific Group	8
D Minerals planning	B	38.9	Planning and Research Officers	19
E Policy planning and analysis	C	377.1	Cartographers	76
F Voluntary bodies	D	145.8	Ironstone Adviser	⁹ / ₂₂
G School for Advanced Urban Studies	E	47.3		
H Support for other Directorates	F	9.2		
	G	2.0		
	H	9.0		
	<u>OTHER ACTIVITIES</u>			
	a. within unit - unspecified	26.9		
	b. administrative support in unit	35.5		
	c. in support of other units	-		
	BASIC STAFF COSTS	719.4	Secretarial Category	5 ¹⁵ / ₂₂
	PLUS ACCOMMODATION		Supernumerary	
	Support from other units		TOTAL	108 ¹³ / ₂₂

REF- SERIAL	2 SUBSIDIARY SUBJECT AREAS THIS PERIOD: FUNCTIONS/TASKS (GEOGRAPHICAL COVERAGE)	3 THIS PERIOD: OBJECTIVES AND SUPPLY/EXPENDITURE RESPONSIBILITIES	4 CODE	5 RAT- -ING	6 CO	7 REF- AS 1
B1	Co-ordination of UK contribution to EEC on urban and regional planning (in particular on project assessment)	To ensure an adequate UK representation and that UK interests are promoted and protected.	P(E)	7	2.7	B1
B2	Participation in OECD Programme on Urban Problems, in particular the formulation of projects on urban decline, guidance on urban growth, fiscal management and the role of central government.	" " "	P(O)	6	7.3	B2
B3	Participation in ECE Working Party on Urban and Regional Planning and associated Committees, contributing to projects on integrated planning and citizen participation. Preparation of UK contribution to Research Conference on changes in the nature of the urban structure (Paris, June 1980)	" " "	P(O)	4	5.7	B3
B4	Support for FCO representation on UK Commission on Human Settlements.	" " "	P(O)	3	-	B4
B5	Participation in Council of Europe activities in urban and regional planning, in particular on urban renewal.	" " "	P(O)	10	12.9	B5
B6	Organisation of the 5th European Conference of Regional Planning Ministers (COE) in London, October 1980	" " "	P(O)	10	5.8	B6
B7	Participation in bilateral agreements with France (alternatives to high-rise development) Mexico (planning policies) and the USSR (urban transport, housing rehabilitation)	To ensure adequate UK participation	P(O)	3	4.5	B7
TOTAL					33.9	

REF	2 THIS PERIOD: PERFORMANCE ASSESSMENT	3 NEXT PERIOD: PLANNED PERFORMANCE
B1	Co-ordination achieved to a limited degree.	Continuation of co-ordinating role.
B2	Establishment of a 3 year work programme of interest to the UK.	Participation in three projects of interest to the UK.
B3	Major role in initiating further work on integrated planning. UK interests safeguarded at meeting of Group of Experts and in preparation for Research Conference.	Preparation for and attendance at Working Party and Committee sessions.
B4	No work this period.	Attendance at third session of UN Commission.
B5	(a) Successful first meeting of National Committee for European Renaissance Campaign. (b) Selection of demonstration projects and formulation of a UK programme of events which appear promising. (c) Preparation of draft national report slightly behind schedule.	(a) Second and third meetings of the Committee (b) Preparation of technical documentation projects. (c) Preparation of final version of national report.
B6	Initial preparations successfully made for the Conference	Final preparations for the Conference.
B7	Technical Aspects of visits to the UK organised for delegations from France, Mexico and USSR who expressed their appreciation.	No work foreseen.

REF- NO	SUBSIDIARY	SUBJECT AREAS	THIS PERIOD: OBJECTIVES AND SUPPLY/EXPENDITURE RESPONSIBILITIES	L CODE	5 RAT -ING	6 CO	7 REF- AS 1
		2 THIS PERIOD: FUNCTIONS/TASKS (GEOGRAPHICAL COVERAGE)					
C1		Operating the existing computer statistical analysis and mapping service (E & W)	To maintain a rapid and efficient analysis and mapping service for DOE users.	M	7	11.7	C1
C2		Development of an improved system of computer statistical analysis & mapping facilities (E & W)	Design and implement the system in time to handle 1981 Census data	RD	8	3.9	C2
C3		Research on automated digitising, computer mapping & remote sensing for measuring land use change.	Developing automated computer techniques and software. RRC1 Triad D £7.8k RRC1 Triad B £19.1k	RD	7	16.4	C3
C4		Maintaining map records and records of departmental decisions on land use.	Preparation and maintenance of a new map record as recommended by a Working Party on Land Use Records in 1971, and maintenance of a card index record of planned decisions.	M	10	28.8	C4
C5		Briefing Planning Inspectors from the records.	To ensure that Inspectors are made aware of other planning decisions (upto six years previously) that have been made in the vicinity of the new case, and whether the site is affected by any planning restriction factors, e.g. conservation area.	M	10	66.9	C5
C6		Statutory work.	Maintain an effective mapping service for the DOE	M	10	25.3	C6
C7		Cartographic support for Inner City and allied Directorates	Maintain an effective mapping service for the DOE	M	7	15.6	C7
C8		Illustrate River Pollution Survey	Maintain an effective mapping service for the DOE	M	7	9.2	C8
						TOTAL C/F	177.9

REF	2 THIS PERIOD: PERFORMANCE ASSESSMENT	3 NEXT PERIOD: PLANNED PERFORMANCE
C1	166 tables/maps produced on weekly turnover service.	Continuation of service at about same level. New contract to digitise 1981 awards for Census mapping.
C2	Awaiting decision on financial approval, no work on system specification and development started. Liaison with OPCS and others active in computer mapping started to co-ordinate handling of Census data. Working group set up to co-ordinate remote sensing system and mapping system.	Subject to DMMS approval, new system will be developed. Work load will be heavy. Existing PRO post vacant. Additional PRO support needed for this work.
C3	Stage 1 Contract on automated digitising completed satisfactorily. Computer plotting service to analyse results of land use survey (Developed Areas) inaugurated. Delay in agreement on commercial contract has restricted service on area measurement. Backlog of customer requests. Stage 2 Contract on remote sensing completed satisfactorily. Stage 3 started.	Three research contracts will reach a critical stage. Quality control at risk because of staff shortage at appropriate grade and experience.
C4	Very little work undertaken on preparation of new map records due to shortage of basic grade cartographic staff. This task was started in 1973 and is about $\frac{2}{3}$ complete. Maintenance of that part of the new map record in use for briefing has not been kept fully updated due to shortage of basic grade cartographic staff. Staff resources have had to be concentrated on function 5, below.	Virtually no work is expected on preparation of new record map Only partial maintenance of the map record can be planned for, and in consequence the card index record also will not be fully maintained.
C5	This function has been satisfactorily achieved, but at the expense of function 4 above. A small backlog of cases awaiting briefing has developed within the past two months but has not reached serious proportions. An average of 510 briefings per week are being undertaken.	The principal customer unit (PIA) for this service has estimated a 7-10% increase over 1979 intake in the number of cases for briefing. The members of cartographic staff in post will not be able to keep abreast of workloads of this higher order.
C6	Priority work all targets met	Continuous programme of work.
C7	103 maps produced for 10 topics. Barely coping.	Increased production subject to availability of an additional basic cartographer.
C8	Partially dependent on WDU and Ordnance Survey. Satisfactory performance overall.	Completion within 6 months 1980 water quality survey to follow.

NO.	OCTOBER 1980 - MARCH 1981: PRINCIPAL OBJECTIVES	ESTIMATED ADDITIONAL MANPOWER REQUIREMENTS/SAVINGS	CO ² (EST)
A	Continue head of profession service	Reduction of staff in post by one CO	- 3.0
B	Service COE Ministerial Conference & subsequent Campaign for Urban Renaissance. Continue links with other inter-governmental organisations.	Reduction of staff by one EO after Conference (and by further two posts at the end of the Campaign - Autumn 81)	- 3.9
C	Continue cartographic services	*Further reduction of complement by 3 posts by running down services. But recruitment of 6 basic grade cartographers	+18.1
D	Continue legislation, guidance and processing of cases.	(Reduction of complement by 4 posts when legislation and guidance completed - Autumn 81)	
E	Continue policy analysis services		
F	Continue administration of grants		
G	Review of relations with School following transfer of responsibility to University.		
H	Continue input to housing directorates & D/Up		
		* Wastage is now outstripping planned reductions and a case may need to be made for recruiting some junior staff for training.	
		TOTAL	+11.2

NO.	APRIL-SEPTEMBER 1980: PRINCIPAL OBJECTIVES	ESTIMATED ADDITIONAL MANPOWER REQUIREMENTS/SAVINGS	COSTS (EST)
A	Continue head of profession service for professional planning and research staff.		
B	Continue preparations for COE Conference of Ministers and Campaign; maintain limited but effective links with activities of inter-governmental organisations.		
C	Continue cartographic services for the Department	Reduction of complement by 3 posts by running down services.	
D	Preparation of legislation and policy guidance relating to control of mineral working. Continue processing cases before Department.		
E	Continue policy analysis service for planning directorates.		
F	Continue administration of programme of grants to voluntary bodies and review of policy towards voluntary sector with other Departments.		
	Transfer responsibility for funding of School wholly to Bristol University - July/August		
	Continue planning input to housing directorates and D/Ip		
		TOTAL	

11 12 1
2 3 4
5 6 7 8 9

- 1 MAY 1980