

PRIME MINISTER

Helpful comments from Mr Ibbs for May 1 Cabinet - Point C, on reduction of functions, will be crucial if colleagues are to accept + meet the targets. We will include this in Cabinet folder.

MAD 28/4

CONFIDENTIAL

Qa 05006

To: MR PATTISON  
From: J R IBBS

Efficiency of Central Government and Civil Service Manpower

1. I have seen papers on the issues to be discussed at the Cabinet meeting on 1 May (including the Prime Minister's minute of 3 April, and minutes of 18 April to the Prime Minister, with draft papers by the Minister of State, the Civil Service Department, and Sir Derek Rayner respectively). The CPRS's involvement, and expertise, in this area is limited, but there are a few points which I think may be worth making.

(a) Definition of management responsibilities. I believe that greater Ministerial interest and involvement in the management of their Departments is highly desirable. It is right that Ministers should have a clear view of the capabilities of their Departments and should ensure that performance is regularly monitored against objectives. But responsibility for actively directing and monitoring is distinctly different from responsibility for actual management of a Department. There are bound to be differences in the skill, experience and amount of time that individual Ministers could bring to the task of departmental management. It seems to me important that increased Ministerial concern about management should in no way reduce the clear responsibility laid on Permanent Secretaries for the efficient management of resources and staff, and the effective implementation of agreed policies. My experience of the private sector has led me to believe that any uncertainty or ambiguity about where management responsibility lies (and I would distinguish this from policy responsibility) is a recipe for bad management. It is important that the build up of Ministers' role should not weaken the accountability of officials.

(b) Closer integration of expenditure and establishment functions. This is to be examined both departmentally and as it affects central machinery of government. I have two points:

(i) Manpower/organisation aspects of establishment functions are closely related to expenditure. And centrally, both expenditure

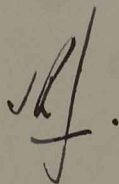
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and manpower are closely related to Treasury macro-economic policy. Bringing together these aspects of Government, and of management within a Department, has obvious merit. But the personnel facet of the establishment function is more separate and the argument for including this within a new regrouping is not as strong - indeed its inclusion might be a distraction.

(ii) I believe the calibre of those selected for critical finance or establishment posts should be regarded as more important (as it is generally in private industry) than specific professional qualifications. But access to well qualified professional staff is important.

(c) Civil service manpower reductions. The Minister of State, CSD, puts the main emphasis of his paper on simplification and greater efficiency, rather than on major changes of functions, as a means of meeting the target reductions. Clearly, it is right that one should look for the maximum contribution possible in this way. But the manpower cuts so far agreed have not been achieved without major policy decisions being required in some areas (e.g. the decision to shift payment of sick pay to employers). It would be surprising if further cuts on the scale required could in practice be achieved without a need for some other major policy decisions (both within Departments and collectively). Ministers should expect this.

2. I am sending a copy of this minute to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'S.R.', is written below the text.

24 April 1980

25 APR 1980

