

Ref: A07655

with Sir D.R.

I have had a preliminary discussion with Sir D.R. and he knows my

Prime Minister.

Contact with the arrangements proposed in paragraph 4 below?

MANAGEMENT IN CONFIDENCE

grave doubts about this move /

PRIME MINISTER

do not believe the

Mr. Brinkley's position appears to be safeguarded.

efficiency or integrity of the unit will be

AKH 26/11/82

maintained if it moves into MPO. It will be absorbed and its cutting edge blurred not

When the Management and Personnel Office (MPO) was set up last November, it was agreed with all concerned that Sir Derek Rayner's Unit should stay as it was and where it was, separate from the MPO, for the time being, while its programme for 1981 was being carried through to completion, but that the aim should be in due course to bring it into the MPO and ensure that its work and that of the management and efficiency divisions of the MPO were fully co-ordinated. In the meantime Mr. Cassels, who had been appointed in October 1981 to be in charge of the Unit, under Sir Derek Rayner's general advice and supervision, would also be the Second Permanent Secretary of the MPO.

2. Sir Derek Rayner, Mr. Cassels and I have been discussing among ourselves, and with the Chancellor of the Duchy of Lancaster, whether the time has come to move to the next stage of this process, now that the 1981 programme is virtually complete.

3. To all of us it seems no less right or necessary today than it seemed last November that, while maintaining the integrity and cutting edge of Sir Derek Rayner's Unit, we should bring it into the MPO and alongside the complementary work done by the management and efficiency divisions already in the MPO. They already work together on particular projects; but we shall not achieve the best possible co-ordination and effectiveness of efficiency work at the centre until the Unit and those divisions in the MPO are brought into a closer working relationship under single management, and under one roof. The geographical separation has made it difficult for Mr. Cassels to involve himself in the Unit's work as much as both he and Sir Derek Rayner would like. It has also meant that it has not been possible to reduce the burden on Sir Derek Rayner in the way and to the extent that he wants and you have agreed that it should be reduced.

MANAGEMENT IN CONFIDENCE

4. We therefore propose that Sir Derek Rayner's Unit should move across to the MPO as soon as the practical arrangements for the move can be made. In the MPO the Unit will retain its identity. Mr. Priestley will move with the Unit, so as to ensure continuity and see the Unit through the move and through the process of integrating the Unit's work with that of the management and efficiency divisions of the MPO. He will report to Mr. Cassels, who will be in charge of the Unit on a day-to-day basis. Sir Derek Rayner will progressively reduce his commitment, in terms of time, to the general advisory and supervisory role envisaged; but he will, of course, remain as your adviser, he will be available to advise the Chancellor of the Duchy and (I hope) me, and he will maintain regular and continuing contact with Mr. Cassels and Mr. Priestley on the direction of the Unit's activities. He will continue to look to the Unit for necessary support.

5. It should be possible to save another post in the open structure as a result of this move. At present the Rayner Unit and the management and efficiency divisions of the MPO are each in day-to-day charge of an Under-Secretary (Mr. Priestley for the Rayner Unit, Mr. Russell for the divisions in the MPO). We aim to bring them under the unified command of one Under-Secretary (Mr. Priestley) almost immediately. We shall be considering urgently the staffing consequentials of this, but they can be the subject of a separate submission if need be.

6. I have discussed this submission with Sir Derek Rayner, who is in full agreement with it. Both he and I have discussed the proposals made in it with the Chancellor of the Duchy, who has authorised me to say that she very much agrees that the Rayner Unit should be brought into the MPO as intended, and accordingly agrees with what is proposed and recommends accordingly.

7. I am sending copies of this minute to the Chancellor of the Duchy, Sir Derek Rayner and Mr. Cassels.

RA

Robert Armstrong

26th February 1982

Promotion?



*15/2*  
*Mr Whitmore*  
*To be aware.*  
*Gov mach*  
*15/2*

CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01- 2338224

12 February 1982

J S Cassels Esq CB  
Management and Personnel Office

*J S Cassels*  
MPO's ACTION DOCUMENT

Thank you for your letter of <sup>below</sup> 9 February. I think that the new draft is better than the original one but I still think that the draft is not quite sharp enough.

2. I always find great difficulty with the customary civil service habit of commenting on drafts by means of a series of insertions, variations and other kinds of amendments. It is much easier for me to get over what I have in mind by working to a complete text. I have therefore asked Clive to try and produce a new draft which captures my thoughts. This is enclosed.

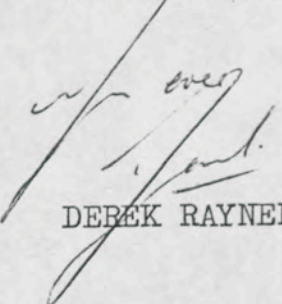
3. Perhaps I could just comment on a few points which you may find helpful.

(1) There is plainly a problem of multiple readerships. I myself don't like the "we" style as I don't think it rings quite true. I have therefore used the style, "The MPO will...". But I don't feel strongly about this.

(2) I still think that the document should concentrate on the action to be taken in support of the PM's broad aims as stated at the end of the quotation on page 1 and more generally in support of her overall concern noted in the first sentence of that quotation. So I am not very keen on the section headed "The Approach (paras. 2 - 8)". A lot of what is said is really axiomatic (paras. 2 - 5). There is a touch of the cliché (eg "respond constructively to the needs and wishes of staff themselves", para. 5). And the MPO's audit function is dealt with rather obliquely (para. 6). I would therefore much prefer the rather crisper approach I have gone for in paras. 2 - 4 of my text.

- (3) I think that at least some of the material in support of para. 9 (the MPO's resources) should be included in the document. The Organisational Chart on page 5 is useful. But I do think that the whole lot, apart from something like para. 9 itself, should be annexed rather than put in the main text where it breaks up the flow. (I should add, by the way, that it is right that my unit is not shown in the Organisational Chart but it should be included with "Other Operations" in figure F2).
- (4) I have somewhat clarified the references to me in the opening Objectives.
- (5) I think it helps for each objective to have its own title and you will see that I have suggested what they might be. I feel that there is a bit of an overlap between some of the objectives but I have not had time to go into this in any depth. I think, too, that the Objectives start tailing off a bit at 5 but by then you are getting out of my field and this must be a matter for your judgement.

4. The Chancellor of the Duchy, Robert Armstrong and you must now be hoping to bring this matter to a pretty early conclusion. I hope you will find my comments and the enclosed draft helpful. In order to advance the cause a bit I am copying this letter to the Chancellor, Clive Whitmore and Robert Armstrong.



DEREK RAYNER

ENC: Revised draft Action Document

REVISED DRAFT OF 12 February 1982

THE MANAGEMENT AND PERSONNEL OFFICE: ACTION DOCUMENT, 1982/83

In the message which the Prime Minister sent to the staff of the Management and Personnel Office (MPO) when it was established, she wrote:

"I have established a Management and Personnel Office reporting to me because, as head of the Government, the Prime Minister is directly concerned with the quality of Civil Service work and management, notably with organisation, efficiency, personnel management and senior appointments, and with the quality and well-being of civil servants.

Of course we need to have effective and sensible systems in Government. But in the end it is people who make the services provided to and by Government work well. I should like all our services to be excellently run and all civil servants to have the confidence that comes from a job worth doing and well done, and to be proud that they work for the public. I look to the new Office to have as its aims improving methods of work and efficiency in the Civil Service and encouraging and helping people to give of their best."

This document describes how MPO will set about the task of improving efficiency, promoting good personnel management and encouraging and helping civil servants to give of their best.

## THE APPROACH

2. The MPO has three functions. First, it will provide advice and services to the Prime Minister in support of her personal responsibilities, notably in respect of senior appointments, the machinery of government and its efficiency. Secondly, it will provide central services to other Ministers and their departments, especially through the Civil Service Commission (recruitment), the Civil Service College (training), the Medical Advisory Service and the development of personnel management policy and practice. Thirdly, it will promote the improvement of Civil Service efficiency and effectiveness, through exercises for which it will be directly responsible itself and through collaboration with the Treasury and other departments, whether on Service-wide or departmental exercises.

3. Although each of those functions is important, the last has a special significance. The prime responsibility for the efficiency of the government service lies with the Ministers and the senior officials who have charge of departments. The number of staff the MPO can put into the field is tiny compared with those to be found in departments. Its aim must therefore be selective action in support of the Government's policies for good management. The policy of the centre will be progressively to increase the responsibility of departments for good management under delegated authority and to establish that this is working well by means of the timely audit and appraisal of departmental arrangements. More generally, while keeping the independent view and responsibilities of a central department, the MPO will aim to assist and to learn from the efforts of departments to improve their management for themselves. For this and other reasons, the MPO will have to make a careful

choice of staff, notably from among men and women of the right quality and experience serving in other departments.

4. In all its fields of responsibility - including recruitment, training, personnel management, senior appointments and efficiency - the MPO will work on the principle that people are far and away the best resource available to the Government. It will aim progressively to improve the relevant expressions of Civil Service management, including the amount of responsibility placed on the individual and the conditions in which he or she works.

#### THE MPO'S RESOURCES

5. In setting objectives for 1982-83 we have considered our resources, bearing in mind that the Government's policy for civil service manpower will reduce our numbers to 1215 in April 1983 and to 1142 in April 1984. We must continue to carry out the Department's existing commitments, for example competitions which must be run from month to month.

6. The annexed figures 1-4 show how the functions and responsibilities of the MPO are organised; how its costs rise; where functions are located geographically and the space they occupy; and the broad composition of the MPO's staff: more detailed information about the MPO's work and about the staff allotted to it is given in Annexes.

#### THE OBJECTIVES

7. In setting objectives in the light of the policies and resources noted in paragraphs 2-5, the MPO needs to be selective and to concentrate on the things that most need attention. The objectives it has identified for 1982-83 are as follows.

Objective 1: The Efficiency strategy 1982

8. The Department will carry out its part in the practical programme of efficiency work announced by the Chancellor of the Duchy of Lancaster on 9 December 1981.

- (1) It will as necessary help Sir Derek Rayner with further departmental scrutinies in the programme for which he is responsible to the Prime Minister.\*
- (2) Mr J S Cassels will co-ordinate three Government-wide services:
  1. A co-ordinated programme of Resource Control reviews: there will be reviews of the use and control of resources in various executive operations, including some in the Ministry of Defence, the Property Services Agency and the Prison Service.
  2. A co-ordinated programme of projects to help departments improve their systems of estimating, monitoring and controlling their Running Costs.
  3. A review of Personnel Work in nine departments covering more than half the Civil Service, to see whether this work is being carried out cost-effectively and to the satisfaction of management and staff; in particular whether responsibilities are distributed in the best possible way between personnel divisions and line managements; whether systems adequately cater for the requirements of the work and for the needs and motivation of staff.

---

\* Sir Derek Rayner is also responsible to the Prime Minister for the follow-up to the programmes in 1979-81.



Objective 2: The "lasting reforms" programme

9. The Department will contribute to work by Sir Derek Rayner and the Treasury to complete his programme of lasting reforms in central Government. Among other things this means:

- (1) clarifying the managerial authority and responsibilities of Ministers and Permanent Secretaries;
- (2) clarifying the nature, purpose and objectives of financial management in Government;
- (3) issuing guidance on management accounting;
- (4) improving training in financial management both for finance officers and for line managers;
- (5) strengthening internal audit.

Objective 3: A programme for long-term development

9. The Department will, in consultation with the Treasury and with other departments, establish a long-term programme for securing the highest professional standards in the management of the work of central Government. The statement of principles of good management in Annex to this memorandum will be the basis of this work. Among the tasks to be undertaken are:

- (1) Deciding in which respects general action to improve management is most pressing and what the MPO should contribute to securing it.
- (2) Considering in the light of (1) what should be included in the efficiency strategy for 1983.
- (3) Strengthening the capacity of Departments for management audit, including the task of conventional techniques (eg staff inspection, management services) and new ones (eg scrutinies).
- (4) Giving departmental managers, especially in the line sufficient freedom and incentives to improve the efficiency and effectiveness of their operations.
- (5) Considering what practical arrangements can be made to enable some of the savings from improved efficiency to be used in improving the working environment.
- (6) Deciding what changes may also be desirable in the requirements laid down by the Treasury and MPO within which departments have to operate.

Objective 4: Management Training

10. MPO will review the selection, training and career management of managers in the Civil Service, with a view to raising standards of management and equipping civil servants with the experience and skills needed to manage to high standards.

The particular issues to be addressed here are:

- (1) To provide Administration Trainees and comparable staff with firsthand experience of how the work of Government bears on the lives of the public (for example across the counter in local offices or in similar work with local authorities, voluntary organisations or Trade Unions) and on the work of business and industry.
- (2) To provide more recruits early in their careers with professional skills relevant to management/study the relevance of the qualifications offered by the various institutions outside the Civil Service to the work of Civil Service managers and consider whether the pattern of training at the College should prepare staff for such recognised qualifications.  
The Civil Service College will
- (3) To develop career management so as to encourage a greater depth of knowledge in particular fields of departmental work, if necessary at the expense of breadth of experience.
- (4) As a corollary to (3), to broaden the skills and experience of those in mid-career who are expected to reach the highest levels of management.

- (5) To consider the recruitment of managers from outside in mid-career, at Assistant and Under Secretary level, either on short-term secondment or on permanent transfer.
- (6) To consider as a corollary to (5), how far we can and should go in making arrangements to enable civil servants in mid-career to take up posts in outside employment, either on short-term secondments or on permanent transfer.

Objective 5: Training of young entrants

11. The MPO will continue to develop the contribution that improved training can make to the efficiency of the Civil Service, but in particular it will make arrangements for the Civil Service to benefit from and contribute to the new training policies announced in "A New Training Initiative: A Programme for Action" (Cmd. 8455), especially by developing new forms of planned work experience, training and related further education for young entrants to the Civil Service.

Objective 6: Motivation and performance

12. The MPO wishes to help Departments to enhance the motivation and performance of civil servants. It will therefore promote improvements in the Civil Service's practice as an employer. In particular:

- (1) The review of personnel work (paragraph 8(2)(3) above) will contribute to this.

- (2) The MPO will work for greater delegation of responsibility, more participation in management, and initiatives for better and more productive ways of doing work.
- (3) The Civil Service Medical Advisory Service will increase the effectiveness of its occupational health advisory service.

Objective 7: Race relations and equal opportunities.

13. The MPO will seek to ensure that the Civil Service sets an example of non-discrimination in employment:

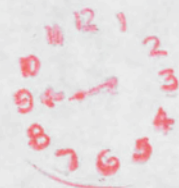
- (1) A review group set up jointly with the unions on employment opportunities for women in the Civil Service will report later this year.
- (2) An experimental census of the ethnic composition of some grades in a limited geographical area will be undertaken in the autumn, and reported in the spring of 1983, with a view to establishing a sound statistical method for racial monitoring in the Civil Service.
- (3) A Code of Practice advising departments how they should help both disabled entrants and newly disabled serving officers has recently been issued. During the coming year MPO will build on this base to develop the Service's policy on the employment of the disabled in accordance with the Government's decision on the recommendations in the Manpower Services Commission's report on the review of the quota system.

Objective 8: Good management in MPO

14. The MPO will improve its own management and cost-effectiveness.

It will be one of the departments in which the scrutiny of systems for estimating, monitoring and controlling running costs (referred to in paragraph 11 (2) b) above) will be carried out.

115 FEB 1982





Wm  
15/2

MANAGEMENT AND PERSONNEL OFFICE

WHITEHALL LONDON SW1A 2AZ

Telephone Direct line 01-273 5400

GTN 273 Switchboard 01-273 3000

J S Cassels CB

Second Permanent Secretary

9 February 1982

Sir Derek Rayner  
Joint Managing Director  
Marks and Spencers Ltd

Dear Derek

MPO'S ACTION DOCUMENT

I was most grateful to you for your very rapid response to the first draft version of the MPO's Action Document which I sent you just before you went to Canada. I must confess in retrospect that there was a lot of force in your strictures on that version: in particular I think I was too influenced by the model of an agency (the MSC) submitting its corporate plan to a Minister.

Sent to the  
Prime  
Minister  
by the  
Chancellor  
of the Duchy  
on 5 Feb.

At all events the draft has been very substantially re-cast and I enclose a copy of the latest version. This has got to the point where the Prime Minister has seen it but not had time to look at it in detail and has agreed that we can take consultation on it further. Robert Armstrong is sending it simultaneously to a number of Permanent Secretaries for their comments and we shall also be showing it, in strict confidence, to some union General Secretaries and to the MPO Trade Union Side.

I should be very glad to know what you think of this new version. I hope you will feel that we have been travelling in the right direction.

The main text is designed to be accompanied by detailed annexes which I am not troubling you with and which could be separated from the text and stand alone. I favour publishing them together with the main document, however, in order to give it more weight, and to show that we are planning in detail and not just in terms of broad objectives.

I am sending a copy of this letter to Clive, who already has a copy of the draft document.

Yours Wm

J S CASSELS



15 FEB 1982



Department of the Interior  
Bureau of Land Management