



PRIME MINISTER

Note
The Chief Secretary's Office
tells me that he has agreed
with the Chancellor and the
Lord Privy Seal to withdraw
this minute. NFA

WA
19/4

MPO's EARLY TASKS

Janet Young sent me a copy of her minute to you of 15^{TPM} April
enclosing the draft of her proposed public statement.

2. Janet proposes publication as soon as possible. While I welcome the document, I suggest that we should consider the timing of its publication in relation to that of the forthcoming initiative on financial management and the Government's reply to the Treasury and Civil service Committee's report on efficiency and effectiveness.

3. You will recall that we discussed the possibility of using the Government's reply to the Committee as the occasion for a public statement about what we are doing to improve financial management. Paragraphs 7 and 8(2) of the MPO document give a short description of the forthcoming initiative, and there may perhaps be some risk of dissipating its impact if the MPO document is published first.

4. Perhaps we could have a word about the timing of publication when we meet to discuss these matters on 27 April.

5. I am sending copies of this minute to Janet Young and the other recipients of hers.

L. B.

LEON BRITTAN
19 April 1982

CONFIDENTIAL

19 APR 1982

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10 DOWNING STREET

From the Private Secretary

MR. BUCKLEY
LORD PRIVY SEAL'S OFFICE

MPO'S EARLY TASKS

The Prime Minister was grateful for the Lord Privy Seal's minute of 15 April, to which was attached a draft statement about the MPO's early tasks.

The Prime Minister is content for Lady Young to publish this statement as she proposes.

I am sending copies of this minute to John Kerr (HM Treasury), Terry Mathews (Chief Secretary's Office), Adrian Carter (Minister of State's Office, HM Treasury), Jeremy Colman (Permanent Secretary's Office, HM Treasury), Clive Priestley and David Wright (Cabinet Office).

M. C. SCHOLAR

16 April 1982



Prime Minister /
Content for Lady
Young to publish
the attached statement,
based on the MPO
Action Document?

PRIME MINISTER

Yes no

MPO'S EARLY TASKS

LM
15/4

On 5 February I sent you a draft of the MPO's Action Document. Since then there have been useful consultations with certain Permanent Secretaries, Sir Derek Rayner and a number of civil service trade union leaders as well as a good deal more work within MPO.

I now propose that instead of publishing the management plan itself, which is inevitably rather long and detailed, we should publish a statement about the MPO's early tasks setting out clearly and crisply what role the MPO is going to play and what major objectives it should pursue in 1982-83. The draft statement is attached. It is underpinned by management documents which I propose to make available to the Treasury and Civil Service Committee of the House of Commons and to others with an interest.

The document contains references in paragraphs 7 and 8(2) to a major joint MPO/Treasury initiative to improve financial management and develop managerial effectiveness and efficiency. This is a development of the Treasury initiative on financial management about which Leon Brittan minuted you on 5 March and promises, I believe, to be of fundamental importance in our efforts to improve efficiency in central Government. I hope we shall have an opportunity to discuss this with you at the meeting you are holding on 27 April on the subject of running costs and related matters.

I should be glad to know whether you are content with the "early tasks" document. If you are, I suggest that we aim to publish it as soon as possible.

I am sending copies of this minute to Geoffrey Howe, Leon Brittan, Barney Hayhoe, Douglass Wass, Derek Rayner and Robert Armstrong.

Baroness Young

BARONESS YOUNG

15 April 1982



THE MANAGEMENT AND PERSONNEL OFFICE: EARLY TASKS

INTRODUCTION

1. In the message which the Prime Minister sent to the staff of the Management and Personnel Office (MPO) when it was set up she said -

" . . 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".

2. This statement outlines how the MPO is setting about its tasks. It is being underpinned by management action within MPO to assign responsibility for carrying out tasks and meeting objectives on the basis of detailed planning documentation.

THE APPROACH

3. Government Departments, under the direction of Ministers, exist to provide the public with services which must be as good as they can make them within the constraints of the resources available. Each and every Department affects the lives of



individual citizens in diverse ways, some direct and immediate, some more indirect. Each faces its own special and constantly changing problems. Each Department carries the main responsibility for the quality and efficiency of the services it provides; it must therefore be responsible for organising itself, for deploying its resources to best effect and for developing the skills and potential of the civil servants it employs.

4. The public judge the effectiveness and efficiency of government mainly by their experience of doing business with the men and women in the front line of Government Departments all over the country. Their performance is to be reckoned not only in cost but also in the amount and quality of the services provided. It is primarily for Ministers and senior officials in charge of Departments to encourage and help their staff to serve the public well.

5. The MPO has two main functions. The first is to promote the efficiency and effectiveness of Government Departments, a task which involves identifying, supporting and spreading good management systems and practice in Departments and monitoring, questioning and auditing performance in securing them. The second is to maintain a Service-wide framework for the development of personnel policy and practice, and to provide central services to all Departments, notably through the Civil Service Commission (recruitment), the Civil Service College (training) and the Medical Advisory Service (occupational health).



6. The Treasury now has responsibility not only for the management and control of public expenditure in general but also for that of Civil Service pay and manpower in particular. The objective of reducing the size of the Civil Service to 630,000 by 1 April 1984 constitutes a constraint which bears upon the scale of the service to the public, and sets a premium on improving the quality and efficiency of that service.

7. Thus the Treasury and MPO share responsibilities at the centre of Government - over and above the responsibilities which each Department carries in its own sphere - for the framework within which Government Departments and civil servants work, for the efficiency with which Government business is done, for the competence, well-being and morale of the civil servants on whom that depends and for the conduct of relations centrally with the trade unions representing civil servants. It is this shared responsibility which has led the MPO and the Treasury to launch jointly a major initiative to improve financial management and so develop managerial effectiveness in Government Departments - see paragraph 8(2) below.

8. In order to use its resources effectively, the MPO has to be selective in identifying what objectives to pursue. The major objectives for the MPO in 1982-83 will be as follows:

- (1) To carry out its part in the programme of efficiency work in 1982 announced by the Chancellor of the Duchy of Lancaster on 9 December 1981. It will support Sir Derek Rayner with further Departmental scrutinies in the programme



for which he is responsible to the Prime Minister, and will co-ordinate reviews of the use and control of resources in various executive operations; of projects to help Departments improve their systems of estimating, monitoring and controlling their running costs; and of personnel work in nine Departments covering more than half the Civil Service.

(2) Jointly with the Treasury, and in consultation with other Departments, to launch a major initiative to improve financial management in Government Departments. Departments will be invited to work up practical plans for improving their financial management in the light of guidance issued by the Treasury and the MPO. The initiative will call for a major and systematic effort to clarify the objectives and responsibilities of managers and provide them with the information, training and expert advice that they need. As plans are put into effect there will be a general raising of standards of financial management in Government Departments. The initiative will also assist the MPO and the Treasury to examine any changes in the existing practices and rules of the central Departments which may be needed to promote managerial effectiveness and financial management in Departments; and will help the MPO to develop a longer-term strategy for promoting efficiency and to define a further practical programme of work for 1983.

(3) To review the central selection, training and career management of staff, in particular with a view to -



- (a) ensuring that skills in financial management are brought up fully to the standards necessary for good management;
- (b) encouraging more staff early in their careers to deepen their knowledge of relevant disciplines, such as accountancy, ADP, etc;
- (c) arranging for more of the younger staff likely in time to carry important management responsibilities to gain first-hand experience of how the work of Government impinges on the outside world, for instance by doing a spell in a local office;
- (d) managing the careers of potential senior managers in the first half of their service so as to enable them to gain greater depth of knowledge in particular aspects of departmental work;
- (e) as a corollary to (d), broadening in mid-career the skills and experience of staff expected to reach the highest levels of responsibility so as to give them wider insights on which to draw;
- (f) increasing the scope for recruiting staff at senior levels from outside in mid-career, either on short-term exchanges and secondments or on permanent transfer, and for enabling civil servants in mid-career to gain experience in other types of employment relevant to their future work, for example in industry; and

(g) facilitating early retirement for staff wishing to leave the Service voluntarily and for Departments wishing to retire the less efficient.

(4) To promote the motivation and performance of staff by improving the quality of personnel management and the training relevant to it, by conducting projects which involve staff in improving the output and organisation of their work, by promoting understanding of the implications for people of the introduction of new technology, both for the efficiency of their work and for their satisfaction in it, and by raising the effectiveness of occupational health advisory services.

(5) To promote the development of good employment practices throughout the Civil Service in line with Government policies applying to all employers, in particular in the field of training, and in the employment of women, of members of the ethnic minorities, and of disabled people.

CONCLUSION

9 In selecting major objectives for 1982-83, the intention has been to put together a practical programme with a good pay-off. Its success will lie in the extent to which it helps Government Departments and the men and women who work in them to serve the public well. Towards the end of the period the MPO will assess progress and consider what major objectives should be set for 1983-84.