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Prime Minister

To Mr.

Hon. Lord Dubs Clerk 2074

Management and Personnel Office

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28 April 1982

The Rt Hon Sir Geoffrey Howe, QC, MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1P 3AG

Dear Geoffrey,

PROGRESS ON NATIONALISED INDUSTRIES: E(NI)(82)10

Because I am opening the Debate in the Lords on the Falklands tomorrow I shall not now be able to get to the meeting for this item. You might therefore like to have my comments in writing.

I welcome the comments by the CPRS on the staffing of nationalised industry sponsor divisions and support their view that a change of culture is needed.

The Management and Personnel Office has two contributions: first, organisation development work in departments and second, ensuring more specialisation, by way of postings and training, for staff in the sponsor departments dealing with nationalised industries.

Organisation Development studies

At the meeting of E(NI) on 3 December last I offered the help of our Organisation Development Specialists to Departments to bring about the kinds of changes in working practice and in culture which was felt necessary. Work has already begun in the Department of Trade where an MPO team is focusing, in the first instance, on relationships with the British Airports Authority. We are also hoping to do some work with the Department of Industry. We aim to work alongside the managers and staff in each sponsor division to help them bring about the necessary changes to improve effectiveness. The first stage in Trade should be finished early next month and we can then identify further work and look for results by November. Succession planning, training and the general expertise of staff is inevitably linked and will need to be tackled as part of the study.

Personnel Management approach

To bring about a shift in the Personnel Management regime in the Civil Service to ensure the right degree of professionalism in sponsoring divisions is no small task. Officials of the then Civil Service Department, in consultation with others, brought forward some proposals last year but after discussions with the CPRS these were thought not to go far enough. So, we need to be more radical and I want to ensure that we do this within the context of the

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recent Select Committee report on the efficiency of the Civil Service and MPO's own Early Tasks document. In the latter, we propose to look at ways of giving officials greater depth of experience in the first half of their careers, supplemented by broadening postings later on. I hope we can make considerable progress by November and establish the broad outlines of the approach and then go on to work up detailed proposals with other Departments. In the meantime, there is plenty that Departments themselves can do to increase the professionalism at their disposal and my officials are ready to help with advice on recruitment, exchange postings and training.

Copies of this go to the other members of E(NI) and to Sir Robert Armstrong.

Yours ever

Dave

BARONESS YOUNG

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