



PRIME MINISTER

PERSONNEL WORK IN THE CIVIL SERVICE

Before the Election I was following, and participating in, the correspondence with Janet Young in her then capacity as Lord Privy Seal about her proposals for the MPO's immediate priorities on personnel work.

The main point which I was seeking to make to her was that some preliminary inquiries which we had carried out in the Department of Industry had suggested that there is a gross disparity in the number of people employed in personnel work in the Civil Service compared with similar private sector organisations. There can be room for argument about the size of the disparity, but I believe there can be none about the principle. The Civil Service commits more resources to its personnel management than private sector organisations of a comparable size. John McGregor made some inquiries of major industrial companies, banks and one or two other organisations.

The figures were striking and I sent the results of these to Janet Young.

I am sorry to say that it proved quite impossible to persuade the MPO to treat this as a matter requiring serious investigation. As a result, because there was a limit to the extent to which any one single department could move independently of Whitehall as a whole, although we made some significant staff reductions in the DOI/DOT common services, we found ourselves continually forced to cut back on front line troops in order to meet our staff targets.

I have not of course had time to investigate the position in detail in this Department; but I have no doubt I shall find the same picture.

MANAGEMENT IN CONFIDENCE

The problem seems to me that over the years staff management policies in the civil service have become ever more elaborate, the regulations grind ever smaller and smaller, and the number of staff required to administer the system becomes wholly disproportionate to the size of the civil service as a whole.

Grey Gowrie has now announced plans to develop personnel policies still further - no doubt in itself a desirable and worthwhile objective. It must however add to personnel management work when any evidence suggests that the Civil Service already has more people engaged in this than outside organisations have.

I recognise that superficial comparisons can be misleading. But if I am right in my view that there is a significant disparity between the scale of personnel management resources used in the Service and those in the private sector I think we should at least establish the reasons, and then decide whether the disparity is justified.

I would like to suggest that we should consider inviting two or three senior managers from the private sector, with the direct experience of the management of a number of major organisations, to have a look at the broad shape of the civil service personnel management effort and to advise us on how it compares with their experience. Depending on their conclusions we might then feel the need to set up a major interdepartmental Rayner Study to establish what changes in the scale of effort can be made.

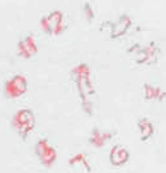
Might I suggest that you ask, in the first instance, to see the correspondence which I was having with Janet Young before the Election (it stretches back over some months) and then perhaps I could have a word with you.

P J

(approved by the Secretary of State
and signed in his absence)

Govt Mach.
Payne, P. 14

4 JUL 1983



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PRIME MINISTER

Attached is a minute by the Secretary of State for the Environment about Personnel Work in the Civil Service. He argues that his experience in the Department of Industry suggests that the Civil Service devotes more resources to personnel management than private sector organisations of comparable size. He proposes that we should invite two or three senior managers from the private sector to look at Civil Service personnel management to compare it with their own experience.

You will recall, of course, that there has recently been a major review of personnel work in the Civil Service conducted with the help of the Rayner Unit and Lord Gowrie is now publishing that review. To undertake a further review might be over-doing matters. On the other hand, Mr. Jenkin could well have a point. Do you agree that we should invite Lord Gowrie and Sir Robert Armstrong to comment on Mr. Jenkin's minute with a view perhaps to a discussion some time in the Recess.

✓

Yes - we will
get Patricia
Jenkins in to
talk about it
ms

15 July, 1983



10 DOWNING STREET

From the Private Secretary

18 July 1983

BF || This is to confirm that the Prime Minister has now seen your Secretary of State's minute of 15 July about personnel work in the Civil Service. She would be pleased to discuss the questions raised by Mr. Jenkin, but before she does so she has asked for comments from Lord Gowrie and Sir Robert Armstrong. I shall be in touch to arrange a time for discussion on Monday 1 August.

Timothy Flesher

John Ballard, Esq.,
Department of the Environment.



10 DOWNING STREET

From the Private Secretary

18 July 1983

As I mentioned, the Prime Minister has received the attached minute from the Secretary of State for the Environment about the scale of effort put into personnel work in the Civil Service as compared with organisations in the private sector of comparable size. Mr. Jenkin proposes that two or three senior managers from the private sector should be asked to look at the scale of Civil Service personnel management. The Prime Minister would like to discuss Mr. Jenkin's minute with him and with Lord Gowrie but before she does so she would be grateful for Lord Gowrie's comments on Mr. Jenkin's minute together with those of Sir Robert Armstrong. She would also be grateful to see the correspondence between Mr. Jenkin and Lady Young to which Mr. Jenkin refers in his minute.

bf② Could I ask for comments by Friday 29 July please with a view to a meeting sometime on 1 August. I shall be in touch to arrange a time shortly.

I am sending a copy of this letter together with Mr. Jenkin's minute to Richard Hatfield (Cabinet Office).

Timothy Flesher

Mrs. Mary Brown,
Office of the Minister for the Arts.