



Awaiting

PLU+

Beesley's

Comments

cc P. Wamy

cc I. Beesley

MINISTER OF STATE, PRIVY COUNCIL OFFICE

PRIME MINISTER

PERFORMANCE BONUS EXPERIMENT

Following the Seminar for Junior Ministers held on 7 November you asked for a progress report on this experiment and I also promised to let you have a note on the specific point about eligibility of Private Office staff which was raised at the Seminar.

Progress Report

... I attach a copy of a report by Sir Robert Armstrong on progress of the experiment. His report and the HAY/MSL report attached to it identify a number of areas where action is required and I shall be discussing these and other aspects of the report with Sir Robin Ibbs in the next few days. Though we stated clearly when we embarked on the experiment that we were doing so with an open mind, the experiment is a part of our wider programme of management reforms designed to improve efficiency and effectiveness in the Civil Service and I am anxious to do all I can to make it a success.

...
HAY MSL
with
Pwamy

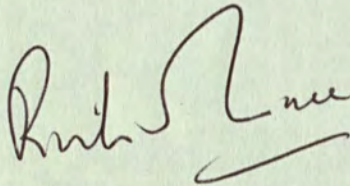
Eligibility of Private Office staff for bonuses

Colleagues at the Seminar were concerned that some staff in their Private Offices were not eligible for bonuses under the experimental arrangements.

The position is that the Cabinet decided that the initial experiment should be limited to staff in the grading levels Principal up to Grade 3. The intention was to keep the scope (and cost) of the experiment within manageable bounds. As a result staff in Private Offices below Principal level are not eligible for bonuses.

Departments were also given discretion to exclude other groups of staff in exceptional cases, where for example a management assessment of performance may be difficult to make. In some Departments this has led to Private Office staff in eligible grades being excluded from the experiments on the grounds that the person best placed to assess their performance is the Minister, who we agreed from the start should not be directly involved in individual bonus decisions so as to avoid any suggestions of politicisation. It is possible that these decisions may also have been influenced by the existence of the Private Secretary allowance which is paid to all these staff in recognition of the particular circumstances, including long hours, of their responsibilities.

I think it is too soon to move to any general extension of the scheme at this early stage to cover grades below Principal level and it would be difficult to make an exception purely for staff in these grades who are working in Private Offices. If the experiment is successful however I would hope we shall be able to extend this approach to other grades as soon as possible. Also, while I understand the reasons which led some departments to exclude from the experiment Private Office staff at Principal level and above, I shall want to review this at the end of the first year of the experiment. In any case we shall need to find a way of surmounting the obstacles and integrating all Private Office staff in more permanent performance pay arrangements.



RICHARD LUCE

29 November 1985

MINISTERS

PM'S MEETING'S
WITH JUNIOR MINISTERS
JUNE 79



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