



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

Prime Minister

To note. We have asked
Lord Gowrie for further
advice on the points raised
by Sir Robin Ibbotson and the
Policy Unit.

PROMOTION BLOCKAGES IN THE CIVIL SERVICE

Grey Gowrie sent me copies of his two minutes to you of 6 January about the problems of career and personnel management created by the reductions in the size of the Civil Service.

2. At this stage Grey is only seeking agreement to two specific ideas - special early retirement measures aimed at senior staff and an efficiency scrutiny of the means to identify and develop internal talent.
3. I have no objection to the efficiency scrutiny. So far as the special early retirement measures go, Grey and I have corresponded about these and I am content that they should proceed, up to an overall cost in 1984 of £6 million.
4. However, if we decide to introduce the special early retirement measures then we shall need to look very carefully at public presentation. When the sums of money which a senior official would receive in normal superannuation benefits are added to extra payments for early retirement, the totals involved can be very considerable and we could well find ourselves facing very embarrassing headlines. No doubt Grey will consult us over this. I also hope my officials can be associated with the arrangements to be made for control and monitoring of the expenditure as well as criteria for eligibility.
5. I agree that these measures are the only effective steps we can take in this area immediately. They will allow for a number of immediate additional promotions and the bringing forward of younger people. But I accept that if the question of promotion blockages is to be tackled, it must be done on a broad front and with an eye for the longer-term. Grey's second minute contains a number of ideas which I am asking my officials to examine with his and they will be putting forward recommendations. Many of these proposals, even if acceptable on other grounds, have costs attached and I note in particular there is

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to be an early report on Merit Pay, where quite considerable sums could be involved. It is too early to take a view on all this but we shall have to guard against the risk that we end up paying more money to get the same work done, without adequate compensating improvements in efficiency and effectiveness.

6. I am copying this minute to Grey Gowrie, Sir Robert Armstrong and Sir Robin Ibbs.

(N.L.)

13 January 1984

CONQUEROR

Civil Service:
Long term Pol.
P+14

16 JAN 1984





File No

10 DOWNING STREET

From the Private Secretary

17 January 1984

PROMOTION BLOCKAGES IN THE CIVIL SERVICE

The Prime Minister was grateful for, and has noted, the Chancellor's minute of 13 January, commenting on Lord Gowrie's two minutes of 6 January about promotion blockages in the Civil Service.

You will have seen from my letter of 16 January to Paul Cann that the Prime Minister has asked for further advice before deciding whether the proposed early retirement scheme for senior staff should go ahead. She has agreed to the efficiency scrutiny of the means used to identify and develop internal talent.

I am sending copies of this letter to Paul Cann (Lord Gowrie's Office), Richard Hatfield (Cabinet Office) and to Sir Robin Ibbs.

DAVID BARCLAY

Miss Margaret O'Mara,
HM Treasury.

RB