



*Mr Ingham : I'm not sure  
the PM need be troubled with  
this. Do you have any  
Comments?*

**CABINET OFFICE**

*From the Minister of State*

**Lord Gowrie**

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*Ends 25/7*

*A. Barclay*

David Barclay Esq  
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*OK, but can we  
leave out "transfer" P2.  
It means nothing to the  
ordinary reader.  
I think we can live with  
the passage marked X,  
PS*

20 July 1984

*JW 20/7*

*Dear David,*

Lord Gowrie has been invited by the Editor of "The Times" to write a short article about his experiences as a Minister with responsibility for management and efficiency in the Civil Service. Our Press Office have been in touch with Bernard Ingham on this, and I now enclose a draft of the article Lord Gowrie would like to submit.

The article takes as its topical starting point the publication on 25 July of the White Paper on the Financial Management Initiative. It relates the work in financial management to the broader changes in the Civil Service over the last five years. Its main theme is that all these reforms promote not only a better service to taxpayers but also better motivation for civil servants themselves. The article is being cleared with Treasury Ministers.

"The Times" hope to publish the article next Thursday, 26 July and require it the previous morning. I should be grateful for your confirmation, if possible by Tuesday morning, 24 July, that Lord Gowrie may submit it.

*Yours sincerely,*

*Mary.*

MRS M E BROWN  
Private Secretary

When did you last read a Government White Paper? Last year? Never? If you have a keen interest in these things, you may have seen yesterday's report on a drive for better management in the Civil Service known as the Financial Management Initiative. Peter Hennessey has berated the Government, on these pages, for not finding a snappier title. I want to look behind the title and ask "is this yet another fashionable management exercise? Or does it herald real changes in the Civil Service?"

For a start look at today's Civil Service. It has shrunk by 108,000 jobs since 1979, and the sharpest reduction is at the top. This has certainly saved money: £750 million a year from the pay bill. The reduction is also a major step towards greater efficiency. It's meant harder work for many civil servants, and fewer promotion opportunities. But it's also provided the opportunity to make the actual jobs civil servants do more interesting and bring more talent into the open. To a successful manager, efficiency and personal motivation mean the same thing.

The second step was to make this improvement in efficiency permanent. What we have done may not sound revolutionary to many of today's industrial managers, but it has meant a big change in the culture of the Civil Service. Ministers and civil servants will now, each year, have to plan the

objectives, targets and resources for each management unit for the year ahead. They will have to analyse last year's work; was it well done? what was actually achieved? Once the plans are agreed all managers - from Under Secretaries advising on policy to those who run local benefit offices - will have the flexibility to manage their own show within their budgets. But as executives they will be answerable for their performance.

The Civil Service Minister has to set a sensible framework within which departments and their staff strive to achieve value for money for the public, the customer. Wearing my other hat, as Arts Minister, I have the same preoccupation with making precious - and limited - money go further. I and my civil servants have a duty to deliver any item of public expenditure, be it a grant to a theatre company or a [transfer] payment in cash to some needy individual, with as little money as possible being lost in administration costs along the way.

Fine words. But I have been knocking on doors to see that the words become reality. I have visited the Customs and Excise "Collection" in Manchester to see the actual results of giving local managers greater responsibility. In that office control of virtually all running costs, including

staff numbers, has been delegated to managers. All the managers I talked to welcomed the challenge of additional responsibility and their new freedom to operate within an overall budget. I have been to social security offices in London and met conscientious staff who were the living proof that a smaller service does not mean a worse one, rather the reverse. DHSS is 7,000 smaller, but its unit costs for delivering benefits are 20 per cent lower than in 1979.

The efficiency scrutinies and reviews, which Sir Robin Ibbs and I direct, contribute to this improvement by rationalising the working procedures we need and discarding those we don't. So far, £240 million a year has been trimmed from the cost of the Service. We are now bringing civil servants more directly into contact with the customer. The DHSS has set up freephone information services in Berkshire and Hampshire. Callers can ring in and get confidential information and advice on everyday social security questions. And we've introduced a new, more helpful, procedure for applying for civil legal aid; you don't have to queue up for an interview at a local office but can now provide the necessary information by completing a form at home. These are sensible reforms which epitomise what the Civil Service is trying to do. And they are achieved by civil servants themselves.

One traditionally bureaucratic task is form-filling. Too many forms are difficult to understand, redundant, or chillingly impersonal - sometimes all three. One department needed 2 ten-ton trucks to carry away surplus forms from just one store. Sir Ernest Gowers (whose 'Plain Words' is as pertinent as ever) would have applauded our abolition in the last two years of over 9,000 Government forms and the re-designing of more than 12,000. All credit to the Home Office, Inland Revenue and DHSS, who have won awards from the Plain English Campaign for some of their forms. Better information and forms we can all make sense of are essential if the Civil Service is to communicate more rapidly and more helpfully with its customers. Policy needs to be spelt out clearly too. The political debate becomes clearer, the choices more sharply defined, if the great departments of state know how to tell those who pay for them what they are about, what they are trying to achieve. This, rather than legislation, is the sensible way to get more open government.

Financial reforms are about people, not just systems. So to make all this more than a five-year wonder we must direct the careers of civil servants more skilfully, looking well ahead and being prepared for investment in training. I am introducing clearer staff appraisal; staff will now be

judged more in terms of meeting objectives, less on the personal qualities as laid down by Sir Humphrey. And we are concentrating on getting more of our potential top managers out of Whitehall, be it on secondment to a local office or business or industry. We are also introducing an intensive course for those entering the very top grades, where civil servants will be trained alongside businessmen.

Often the only attention civil servants get is ill-informed criticism. This is wrong. They should not be exempt from criticism. But neither should they be exempt from credit. I think Shirley Williams was harsh in comparing (in 1979) the effect of the Civil Service to that of an "excellent braking mechanism". In my experience, the vehicle has useful forward gears so long as Ministers, and the public who put them in office, know where they want to go.

X | Politicians of all complexions nowadays are coming up against a simple and rather uncomfortable truth. The public wants to retain the present mix of public services (as against public industries, which is another thing altogether) but at lower cost and what is nowadays called higher user friendliness. That means greater efficiency. Greater efficiency also means high morale and high motivation on the part of those who seek to deliver it. We have a long way to go but there is no need for anyone to be discouraged at the start that has been made.

hie ECL

23 July 1984

Thank you for your letter of 20 July, with which you enclose a draft of the article which Lord Gowrie will be submitting to the Editor of The Times.

As I told you on the telephone, we have only one comment on the text. This is that it might be better to omit the word transfer from towards the end of the middle paragraph on page 2.

David Barclay

Mrs Mary Brown,  
Lord Gowrie's Office.