



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

13 July 1983

The Earl of Gowrie  
Minister of State  
Privy Council Office  
Management and Personnel Office  
Old Admiralty Building  
SW1

*JD*  
*13/7*

*Dear Minister of State*

**PERSONNEL WORK - MPO's PRIORITIES**

You sent me a copy of your minute of 7 July to the Prime Minister.

I should like to make two small suggestions on the proposed Written Answer and one more general point.

Point 3 in the second paragraph of your proposed Answer refers to performance related pay and goes, I think, a little beyond our present position in signing up on the concept of performance related pay. I also think that the reference to the Financial Management Initiative is slightly ambiguous; I am not sure that we should tie the FMI too closely to performance pay although there is clearly a relationship. I should therefore like to suggest that this section of sub-paragraph 3 simply reads "We shall be considering ways of introducing performance related pay into the Civil Service in the light of the report of the enquiry into Civil Service pay".

Point 5 in the second paragraph discusses unified grading and again is a little too firm, in my view, in stating "We will implement and operate a scheme .....". Discussions with the unions on alignment at Assistant Secretary and Senior Principal levels are progressing slowly, and it looks likely that they will reject our present proposals and look for something more expensive. I do not think we want to give the impression that we would implement unified grading regardless of cost. I therefore suggest that this point starts "We are considering the implementation and operation of a scheme .....".

My more general point concerns cost. In your proposed Answer you refer to the need to use "available resources" to best effect. I think in the total context this is a sufficient reference to cost constraints, and I do not press for more in the Answer itself. But you will not be surprised if I record now that we shall all need to keep a close eye on the costs of these various developments as they come forward, to ensure that they can be afforded.

I am copying this letter to those who received your minute.

*Yours sincerely,*

*Margaret O'Mara*

for NIGEL LAWSON (approved by the Chancellor and signed in his absence)

Gov. MACH: Rayner Prog. : 1944



13 JUL 1983



CABINET OFFICE

From the Minister of State

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Old Admiralty Building

Whitehall

London SW1A 2AZ

Telephone 01-273 4400

13 July 1983

Miss Margaret O'Mara  
Private Secretary to the  
Chancellor of the Exchequer  
Parliament Street  
LONDON SW1P 3AG

DF  
14/7

Dear Margaret,

PERSONNEL WORK: MPO'S PRIORITIES

The Minister of State was grateful to the Chancellor of the Exchequer for his letter of today's date commenting on the statement which he proposes to make on 14 July.

The first revision to the draft Answer suggested by Mr Lawson is entirely acceptable. The second revision has been the subject of further discussion between Treasury and MPO officials, who are now agreed that point 5 of the statement should begin "We are pressing ahead with a scheme.....". Lord Gowrie is content with this formulation which he hopes and believes will also meet the Chancellor's preoccupation.

... I attach a copy of the full revised statement. In the light of the Prime Minister's approval, recorded in Tim Flesher's letter of 11 July, and in the absence of comment from any other recipients of Lord Gowrie's minute of 7 July to the Prime Minister, we are going ahead with publications on Thursday 14 July.

I am sending copies of this letter to the Private Secretaries to Members of the Cabinet.

Yours sincerely,

Paul C

P L CANN  
Assistant Private Secretary

## PQ ANNOUNCING MPO PERSONNEL PRIORITIES FOR 1983-84 AND THE PUBLICATION OF THE RPW AND FRASER REPORTS

Q. To ask HMG/the Minister for the Civil Service, what progress has been made with the multi-departmental Review of Personnel Work in the Civil Service referred to in the White Paper, "Efficiency and Effectiveness in the Civil Service", Cmnd 8616, and whether they/he will make a statement.

## Proposed answer:

The review has been completed and is being published today. Copies are being placed in the libraries of both Houses as are the reports of the departmental teams who took part in the review. The Government welcomes the report which points the way towards better and more cost-effective personnel work in government departments particularly by clarifying responsibilities for the management of staff and increasing delegation to line managers.

We are also placing in the Libraries of both Houses a summary of the conclusions of a separate internal review of Civil Service Management Development in the 1980s. These reports, as well as other related work in the personnel field, raise a number of important issues for follow-up action. In order to use available resources to the best effect, the Government have decided to concentrate on the following personnel priorities in the coming year:

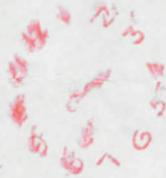
1. Career Management. We will examine ways to extend existing succession planning arrangements for senior posts, and to improve career management for those likely to get to the top. This will involve more positive career planning, with less frequent job changes/postings and better integrated training policies. We will introduce a new course for those promoted to the Open Structure, to equip them for their role as top managers. Our more general training effort, especially for those concerned with financial management, will be reinforced.

2. Staff Appraisal and Reporting. We will tighten up reporting standards and make the basis of staff assessment more performance orientated through changes both in procedures and the forms used for reporting and appraisal.
3. Performance Related Pay. We shall be considering ways of introducing performance related pay into the Civil Service in the light of the report of the Inquiry into Civil Service Pay.
4. Inefficiency and Poor Performance. We intend to improve the effectiveness of procedures to deal with inefficiency and poor performance, including a review of our early retirement procedures.
5. Unified Grading. We are pressing ahead with a scheme for unified grading for Civil Service grades down to Assistant Secretary and Senior Principal levels.

The Civil Service Trades Unions will be consulted on the implementation of these proposals.

Gout Mach : Lager Pong : A 14

4 JUL 1988



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MPO HEAD OF DIVISION NOTICE (83)15  
14 July 1983

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MPO PERSONNEL MANAGEMENT ACTION PROGRAMME 1983-84: PUBLICATION  
OF THE REVIEW OF PERSONNEL WORK AND FRASER REPORTS

*in folder  
attached  
to file*

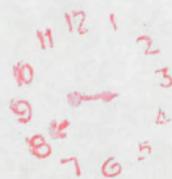
1. I attach the terms of the Parliamentary Answer in which Lord Gowrie today announced the Government's priorities for work on personnel management in the Civil Service in 1983-84. I also attach a copy of the Report of the Review of Personnel Work and of a summary version of the Fraser review of management development which were also released today. A number of you are already closely involved in aspects of the priorities and the associated Action Programme, but the announcement is of general interest to all of us in MPO and you may wish to draw it to the attention of your staff.

2. Within MPO responsibility for handling work arising under the Action Programme will remain with the Divisions responsible for the subject concerned. General co-ordination of the different parts of the programme, including in particular preparation of regular EOM progress reports, will be carried out by the EOM secretariat.

P Le Cheminant

CRO 2/1983/HDN

JUL 1983





LORD CULLEN OF ASHBOURNE to ask Her Majesty's Government:

What progress has been made with the multi-departmental Review of Personnel Work in the Civil Service referred to in the White Paper, "Efficiency and Effectiveness in the Civil Service", Cmnd 8616, and whether they will make a statement.

LORD GOWRIE:

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posts, and to improve career management for those likely to get to the top. This will involve more positive career planning, with less frequent job changes/postings and better integrated training policies. We will introduce a new course for those promoted to the Open Structure, to equip them for their role as top managers. Our more general training effort, especially for those concerned with financial management, will be reinforced.

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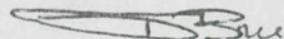
Our ref: ADS 1307/13

Mr P. Le Cheminant  
Management and Personnel Office  
Whitehall

"RAYNER" SCRUTINIES IN DHSS (1983) - MINISTERIAL RESPONSIBILITY

You will wish to note that MS(SS) (Dr Rhodes Boyson MA) is to be responsible for supervision of the scrutiny into the Occupational Pensions Board and Superannuation Funds Office. He will also retain responsibility for the scrutiny into civil legal aid.

PS(SS) (Anthony Newton OBE) will continue to supervise the scrutiny on the recovery of social security overpayments.



D T ATKINSON  
MSC1(CMS)  
Room 303  
Ray House  
Ext 232

12 July 1983

cc ✓ Mr T Flesher - PM's office  
Mr N E Clarke  
Mr M Fogden  
Mr C Evans  
Mr G Brown  
Miss M Grainger OBE  
Mr T Crawley  
Mr O Thorpe  
Mrs M Kirk