Prime Minister
Agree that Robin Ibbs should proceed as at X?
(See RTA's minute attached.)
N.L.W. 21.10.

Yes - should be very pleased if he would do so

SR14:PM13/10

PERSONAL

PRIME MINISTER

**IMPROVING MANAGEMENT IN THE CIVIL SERVICE**

In 1983 you asked me to advise on the general strategy for improving the efficiency and effectiveness of Government services, to run the scrutiny programme and to contribute to the series of lasting reforms launched in 1979. In the next two weeks I shall be sending you reports on the current scrutiny programme and my 1986 targets round.

There have been substantial achievements since 1979. The size of the service has been cut by 19%. Efficiency scrutinies have produced savings of about £1 billion and 22,000 posts. Top management teams in Departments have set up management and information systems; they are beginning to see that setting stretching targets can help them and their staff improve their performance. People working in the Civil Service now have a better idea of what they have to do and how much it costs.

This is a good record but there is still a long way to go. I do not believe that every civil servant yet has the necessary personal commitment to improving efficiency and management. They do not always have the right leadership from senior staff within their departments and from the centre. While there are notable instances of senior civil servants including many Permanent Secretaries using the new systems to drive through better management, there are still too many who do not. The inadequate commitment to performance related pay is an obvious example. You may recall my having told you before of one very senior civil servant who wrote to me "I am somewhat isolated, amidst an unholy alliance of Ministers and practitioners who find it much more comfortable to do without targets."

I think it is time to find out what more we can do to accelerate the change in management style throughout the Service. If you agree, the Efficiency Unit will talk to a number of Ministers and Permanent Secretaries on the "Next Major Step" - not systems but more action. They will concentrate on:

X

- the progress achieved in improving management in the Civil Service
- what measures have been successful in changing attitudes and practices
- the real nature of the major obstacles to better management and efficiency that still remain
- what the next step should be.

I would then come back to you early next year with my views.

I am copying this note to Robert Armstrong.

ROBIN IBBS

16 October 1986

GÖTTMACH
RAYNER

CCB/VP

Ref. A086/2970

MR WICKS

Improving Management in the Civil Service

ATTACHED

Sir Robin Ibbs has sent me a copy of his note of 16 October.

2. I agree with the assessment in the third paragraph of Sir Robin Ibbs's note; and I agree with him that we have to keep up the pressure for change in management style. So I welcome Sir Robin's proposal that the Efficiency Unit should talk to a number of Ministers and Permanent Secretaries on the next major step, on the lines that he suggests.

3. I think that it is not so much a matter of a major new initiative as of making sure that the profound changes that are under way stick and are extended round and down the Service. I doubt whether we need new procedures and practices; it is more a question of changing attitudes and making sure that changes in practices that have already been agreed are really carried through. But the Efficiency Unit's inquiry should help to see whether this is indeed a correct assessment.

4. I am sending a copy of this minute to Sir Robin Ibbs.

RTA

ROBERT ARMSTRONG

21 October 1986