CONFIDENTIAL

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FILE TITLE: POLICY

SERIES: CIVIL SERVICE

Annex I - ~~Public Service Reform: Central~~ GOVERNMENT
- The Civil Service Reform Programme: Annual Report 2000
- Modernising Government: How the NAO are responding, A Progress Report

ANNEX II - CIVIL SERVICE REFORM: ANNUAL REPORT

PART: 35

PART BEGINS: Civil Service Reform Programme 9 November 2000

PART ENDS: 18 DECEMBER 2000

CAB ONE:

Annex III - Cabinet Office Management Board Meeting
long hour working.
People Strategy

PART CLOSED

LABOUR ADMINISTRATION

PREM49/1188

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T.S.O. Order No. N0064510 3/98 C5 59064

PART

35

CLOSED

DATE CLOSED	18 DECEMBER 2000

Series : **CIVIL SERVICE**

File Title : **Policy**

Part : **35**

Date	From	To	Subject	Class	Secret
15/12/2000	MS/MAFF	CDL	Modernising Government	U	0
15/12/2000	Cab Off	DTI	Appointment to E-Envoy	C	0
18/12/2000	LC	DPM	Further Announcement on Ongoing Reform of the Public Trust Office	U	0
18/12/2000	PPS	SOC	Permanent Secretary DTI	C	0
18/12/2000	PPS	SOC	Retirement in the Senior Civil Service	U	0

Series : **CIVIL SERVICE**

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Date	From	To	Subject	Class	Secret
			Annex 1 - Public Service Review - Central Government	U	
			Annex 1 - Modernising Government - How the NAO are responding.	U	
			Annex 2 - Civil Service Reform Programme - Annual Report 2000	U	
			Annex 3 - Civil Service Reform Programme	U	
			Annex 3 - Cabinet Office Management Board Meeting	U	
			Annex 3 - Long Hours Working	U	
			Annex 3 - People Strategy	U	
09/11/2000	LP	CDL	Code of Practice on Written Consultation	U	0
09/11/2000	HA/PS	PM	Inquiries	U	0
09/11/2000	SOC	PM	Lord Chancellors department: director general judicial group	C	0
10/11/2000	MOD	FA/APS	Commonwealth War Graves Commission-Independent Review of Ov	U	0
10/11/2000	CST	CDL	Code of Practice on Written Consultation	U	0
13/11/2000	HMT	PMG	Customs and Excise (CE): Structure and Management	C	0
14/11/2000	FCS	CDL	Code of Practice on Written Consultation	U	0
15/11/2000	CDL	FCS	Ministerial correspondence	C	0
16/11/2000	SS/DfEE	PM	Working age agency	C	0
20/11/2000	CDL	SOC	Points raised at the IPMS national executive committee meting - 19	C	0
20/11/2000	HO	PPS	Performance and Innovation unit: third Phase of projects	C	0
20/11/2000	SOC	CST	New senior Civil service pay system	C	0
21/11/2000	SS/DTI	PM	Chair of the National Consumer Council (NCC)	C	0
21/11/2000	SO	PPS	Investment	C	0
21/11/2000	Cab Off	PM	Code of practice on written consultation	C	0
22/11/2000	CDL	DPM	Modernising Government	U	0
22/11/2000	CDLO		Future Support Management Arrangements	U	0
22/11/2000	ms/cabinet office	SS/DSS	Better Government for older people programme recommendations -	U	0
22/11/2000	PU	PPS	Central Government Shake-up	C	0
23/11/2000	M/MAFF	ms/cabinet office	Code of practice on written consultation	U	0
23/11/2000	PS/SOC	PPS	John Hedger	R	0
27/11/2000	HS	CDL	Code of practice on written consultation	U	0
27/11/2000	PM		(PM) Code of Practice on Written Consultation and Guidance on Imp	C	0
28/11/2000	SOC	PM	Brief - Lunch with Senior Civil Servants	C	0
28/11/2000	PM	CWO	To Murdo MacLean - good luck	C	0
30/11/2000	SOC	PPS	Civil Service Reform	U	0
30/11/2000	MS/CMS	ms/cabinet office	Better Government for Older People Porgramme Recommendations	U	0
30/11/2000		PM	From John Bourn, NAO: Modernising Government	U	0
01/12/2000	SOC	PM	Civil Service Reform: Annual Report (Report at Annex II)	U	0
01/12/2000		PM	From Mark Addison; CPS Chief Executive-Civil Service Reform	U	0
05/12/2000	FST	CDL	Correspondence Performance	U	0
05/12/2000	CDL	DPM	CMPS joint policy seminar	C	0
05/12/2000	Cab Off	Cab Off	Cabinet Office & Treasury Ministers Meeting on Closer Working	U	0
05/12/2000	MAFF	HA/PS	Policy and Corporate Strategy Unit	U	0
05/12/2000	PUS/DETR	ms/cabinet office	Better Government for Older People Programme Recommendations	U	0
06/12/2000	MOD	PPS	Alasdair McGowan moved to No.10 and Geoff Hoon has appointed	R	0
07/12/2000	EA/PS	DTI	Chair of the National Consumer Council	R	0
07/12/2000	HO	ms/cabinet office	Better Government For Older People Programme Recommendations	U	0
07/12/2000	HMT	HO	Letter from Terry Byrne (HMC&E): NCS Service Authority	U	0
08/12/2000	SOC	PM	Permanent Secretary, DTI	R	0
08/12/2000	SS/DSS	ms/cabinet office	Better Government for Older People (BGOP) Programme Recomme	U	0
11/12/2000	SOC	PM	Retirement in the Senior Civil Service	U	0
14/12/2000	SOC	PPS	SCS pay and performance management: meeting with the chancello	C	0
14/12/2000	HA/PS	MAFF	Policy and Corporate Strategy Unit	R	0

Published Papers

The following documents, which were enclosed on this file, have been removed and destroyed, and can be found elsewhere in The National Archives.

Modernising the Cabinet Office
Excellence at the heart of Government
Cabinet Office, March 2000

Modernising the Cabinet Office
A Personnel Guide
Cabinet Office, June 2000

Public Service Review: Central Government
Public Service Communication Agency, Autumn 2000

Modernising Government: How the NAO are responding
National Audit Office, November 2000

The Civil Service Reform Programme: Annual Report 2000
Cabinet Office, December 2000

Signed D Wayland Date 13/6/23

PREM Records Team
Cabinet Office

FROM THE RIGHT HONOURABLE THE LORD IRVINE OF LAIRG

HOUSE OF LORDS,
LONDON SW1A 0PW

F Top - CS
cc DN
PJ

The Right Honourable John Prescott MP
Deputy Prime Minister and
Secretary of State for the Environment,
Transport and the Regions
Eland House
Bressenden Place
London SW1E 5DU

18 December 2000

Dear John.

FURTHER ANNOUNCEMENT ON ONGOING REFORM OF THE PUBLIC TRUST OFFICE

I am writing to bring you up to date on progress on the reform of the Public Trust Office, an Executive Agency of my Department, and to inform you that I intend to make an announcement in respect of the Office in the week commencing 18 December. It will be further to my April announcement of fundamental reform of the Public Trust Office and will:

- **allow me to report on progress on the reforms announced in April and provide an analysis of the views received from those who wrote in response to the statement '*Making Changes: The Future of the Public Trust Office*' which I published at the time; and**
- **confirm that, as announced in April, a new body is being set up to carry out the Office's current 'Mental Health Sector' functions. It will be called the Public Guardianship Office and I intend to announce, subject to Treasury and Cabinet Office approval, my intention to explore it as a candidate for executive agency status.**

In response to my letter of 24 March, colleagues approved a range of key reforms which I wished to make to the Public Trust Office following past criticisms of its performance. These I published on 11 April in my policy statement '*Making Changes' the Future of the Public Trust Office*', which built on the solid foundations for reform that the 1999 Quinquennial Review of the Office's agency status had laid.

I am writing now to inform you that I intend to make an announcement on progress in taking forward reform. My announcement will be by way of a Parliamentary Question and Answer, accompanied by the placing in the House Libraries of a Report. The Report details how the reforms I announced in the Spring are being taken

forward: both to effect the April 2001 transfer of functions from the Public Trust Office to the Court Service and the office of the Official Solicitor (at which point the current Public Trust Office agency will cease to exist) and for the on-going reform and improvement of services to mentally incapacitated patients of the Court of Protection up to April 2001 and beyond. The Report also includes an analysis of the over 250 views received in response to '*Making Changes*' and indicates how they have influenced the reform process.

I should point out that there is no aspect of the current announcement which departs significantly from the reforms announced back in April, although certain of the reforms are being realised in slightly different ways to those that I foresaw in the Spring. The enclosed annex A summarises how the key reforms approved in April are being taken forward.

The Parliamentary Question text will also confirm that the new body to take on the Public Trust Office's current Mental Health services is being set up and will announce that it is to be called the Public Guardianship Office. I also intend to announce, subject to Andrew Smith and Ian McCartney's approval (which I have already sought by separate letter to them of 5 December), my intention to explore the new body as a candidate for agency status. This will be taken forward with Treasury and Cabinet Office colleagues' assistance and will allow the setting of published targets and plans to challenge the new body continuously to improve its performance for its clients. As I announced in April, I will retain ultimate responsibility for the Office's vulnerable clients.

I plan to table the Parliamentary Question and Answer in the week commencing 18 December. The Report will be made publicly available on request from the PTO from the date of the announcement and will be available on the Office's website. The on-going reform of the Public Trust Office has not attracted significant media attention and I anticipate that coverage of my announcement will be low key.

I am copying this letter to the Prime Minister, members of HS Committee and Sir Richard Wilson.

Yours ever,

Derry

ANNEX A–REFORM OF THE PUBLIC TRUST OFFICE

As announced in April, the following key changes are being taken forward:

- the disparate functions of the existing Public Trust Office will be separated out, and the Trust and Court Funds functions transferred to the Official Solicitor and the Court Service respectively;
- a new body to carry out the Office's current 'Mental Health Sector' functions is being set up. It will be called the Public Guardianship Office and it is planned to announce, with Treasury and Cabinet Office approval, the intention to explore the Office as a candidate for executive agency status; and
- the current functions which will transfer to the Public Guardianship Office are already the subject of reform, which will continue after April 2001. The Office will also continue to explore partnership opportunities within the public, private and not-for profit sectors. Initiatives will be planned and monitored by the new Public Guardianship Office, overseen by Ministers and the Lord Chancellor's Department.

Some partnership candidates announced as candidates for further exploration in April have not fulfilled their initial promise. For example it had been hoped that the Office would be able to use the Inland Revenue's IT systems to collect receivers' accounts, where the business case has demonstrated that the new Office will not in fact be able to use the Revenue's existing data base or collection systems, but where an in-house system is being worked up using Inland Revenue expertise.

Others are being taken forward, such as the new Receivership Panel to take on cases where currently the Public Trustee is appointed as the receiver of last resort for mentally incapacitated patients. Consultation on the necessary skills for panel members has indicated that there is unlikely to be sufficient interest in taking on this work were we to conduct a competitive tender for panellists to provide Receivership Panel coverage across the jurisdiction. Nevertheless, suitably skilled private and voluntary sector bodies who might be approved for appointment are to be identified to take on this work in appropriate cases.

In conjunction with the exploration of partnerships, a major internal programme is on-going to take forward the service improvements announced last Spring:

- work is being taken forward to introduce new pre-appointment procedures to assist the Court in appointing the right private receiver to look after a patient's financial affairs from the outset. This will be backed by greater advice and assistance to receivers, patients and carers through better literature, the internet and partnership with local organisations. In addition, there will be a new dedicated Customer Services Unit and, from April 2001, an Independent Complaints Reviewer to review the Office's internal complaint handling will be in place.
- as mentioned above, work is ongoing, assisted by HM Customs and Excise to deliver a comprehensive system of 'needs assessment' (previously referred to as 'risk' assessment) of receivers to target resources more effectively: allowing greater authority to low-risk receivers and focusing on higher risk cases to

safeguard against fraud. This will be backed by improvements already been made to the current system for chasing and scrutinising receivers' accounts;

- taking forward discussions with the Inland Revenue on the collection of annual accounts produced by receivers of their expenditure on behalf of patients, following past criticism by the Committee of Public Accounts;
- additional visitors have been appointed to increase visit numbers to patients and the concept of contact (rather than the domiciliary visits I proposed in April), ranging from information provision to meetings with caseworkers, to ensure receivers are fully discharging their duties is being developed. This work includes the re-defining of the purpose of visits to focus on safeguarding the patient's financial affairs and referring particular welfare concerns that arise to the appropriate social services department or other appropriate body;
- working in partnership with the Local Government Association and voluntary organisations to deliver a new Visits Panel with appropriate links to other agencies.

As promised, a new flat-fee structure for the Protection and Receivership functions was introduced in September. It eliminated cross-subsidy between the two functions and allowed fee remissions for those meeting hardship criteria.

Although it remains the intention not to legislate to reform the registration system prior to the introduction of Continuing Powers of Attorney (CPAs), as proposed in the policy statement 'Making Decisions', a discrete unit for the registration of Enduring Powers of Attorney (EPAs) will be sited in the new Public Guardianship Office.

Further private expertise is being injected into investment of patients' funds as announced. Fundamental reform of the current Investment function has been informed by a specialist review of systems and management information. Outsourcing of the investment and fund management previously undertaken in house is being taken forward; as is increasing private sector brokers' discretionary investment powers when legislation permits. Finally the Lord Chancellor's Honorary Investment Advisory Committee has been replaced by a Strategic Investment Board to supervise the appointment and performance of fund managers with the Public Trust Office having a more informed oversight role in respect of financial performance for its clients.

Last Spring's announcement stated that the location of the Public Guardianship Office had yet to be decided and welcomed views on three options:

- the Official Solicitor's Office;
- the Court Service; or
- a body which could be run as an integrated part of the Court of Protection; as a Division or Office of the LCD; or as a dedicated body.

In the light of consultation, it has been decided that the Public Guardianship Office will be a dedicated body, run as an integrated part of the Court of Protection, which it is planned to explore as a candidate for executive agency status.

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file (in Matrix)

From: Jeremy Heywood
Date: 18 December 2000

SIR RICHARD WILSON FAXED

RETIREMENT IN THE SENIOR CIVIL SERVICE

The Prime Minister was grateful for your minute of 11 December. He agrees with your proposed approach.

JEREMY HEYWOOD

JC

From: Jeremy Heywood
Date: 18 December 2000

SIR RICHARD WILSON

PERMANENT SECRETARY, DTI

The Prime Minister was grateful for your minute of 8 December. He is content.

JEREMY HEYWOOD

SU
CO OSM

MATRIX

Ministry of Agriculture, Fisheries and Food,
Nobel House, 17 Smith Square, London SW1P 3JR

From the Minister

The Rt Hon Dr Marjorie Mowlam MP
Minister for the Cabinet Office
70 Whitehall
London
SW1A 2AS

15 December 2000

Dear Mo,

MODERNISING GOVERNMENT

Thank you for copying to me your letter of 22 November to John Prescott.

At MAFF we are very committed to the Modernising Government agenda and are driving it forward in many different ways, incorporating the civil service reform agenda:

- joined-up policy making across Government, as for example with the Agriculture Strategy, the English Rural Development Plan, the Rural White Paper and the work on floods; this could be further enhanced by the development of a template for joint announcements by press releases under a heading such as "Government working together";

- groundbreaking work on an e-business strategy which will transform the way we work and do business with our customers. Key issues to single out include our participation in the Gateway project; our commitment to make 95% of payments to farmers electronically by 2004; and the development of the Rural Portal;

- launching a new set of CORE values: Continuous improvement, Openness and integrity, Respect for others and Effective partnership.;

- a more open and visible management style; the Management Board sets an example here, with all minutes and papers now placed on-line, staff observers at every meeting and non-executive directors added to the membership. Management Board members hold open sessions with staff across the Department's (dispersed) estate;

Recycled Paper

- creation of a Policy and Corporate Strategy Unit, reporting to the Permanent Secretary, Brian Bender. This Unit, as well as taking forward the change agenda, co-ordinates forward planning and strategic thinking in the Department;

- setting in train a complete relaunch of our personnel and training strategy "Putting People First", with a substantial emphasis on improving our collective leadership skills;

- issuing a Departmental Diversity Action Plan and accompanying targets. The Permanent Secretary has published his diversity objectives for all staff to see and a departmental Ethnic Minority Network has been established;

- improving our business planning (with a clear line of sight to our new PSA). Like other Departments, we will be subjecting our processes to independent review by next April;

- setting up a Modernising Government Sub-Committee, consisting of 20 staff of all grades from across the Department, to help drive forward the modernising agenda and challenge current thinking. Ideas for change are fed in directly to the Management Board;

- planning our own Modernisation Conference for 300+ staff in March 2001, building on the successful "Make it Different" events organised by your Department.

There are many more examples. A clear sign that we are on the right track is the recent successful Investors in People re-assessment (subject to confirmation by the IiP Panel), following last year's unsuccessful attempt. We are currently running our first staff survey to find out what staff think about the changes so far. But we know there is a long way to go.

My officials are in regular contact with your officials on modernisation issues and would be happy to have a further structured discussion with them.

I am copying this letter to the Prime Minister, Ministers in charge of Departments and Sir Richard Wilson.

Yours sincerely

Nick

NICK BROWN

(F)

CONFIDENTIAL: SENIOR STAFF APPOINTMENTS

FROM: MAVIS MCDONALD
DATE: 15 DECEMBER 2000

PATRICIA HEWITT [1]
IAN MCCARTNEY [2]

COPY 7 OF 10.
cc: MCO [3]
Lord Falconer [4]
Graham Stringer [5]
Sir Richard Wilson [6]
Jeremy Heywood, No10 [7]
Tony Batchelor [8]
File [9]
Float [10]

APPOINTMENT TO E-ENVOY

1. This minute seeks confirmation that you are content for the Panel, chaired by the First Civil Service Commissioner, to interview the following candidates for the post of E-Envoy.

Andrew Pinder Interim E-Envoy

CLOSED UNDER THE FREEDOM OF INFORMATION ACT 2000

Reserve

2. I attach a note giving more detail on each of the candidates.

3. Timing. It would be helpful to have your agreement as soon as possible next week so that we can set up the interviews for 10 and if necessary 15 January.

4. Consideration. In my minute of 10 November I explained that the Panel had asked the search consultants GKR to bring back to us a long list of candidates providing a wider range of experience across both the public and private sectors; we are now satisfied that the proposed shortlist includes candidates of weight with a sufficient range of experience, able to meet the criteria specified for the post. At interviews we would aim to probe relative areas of weakness in terms of experience or personal skills.

5. Salary levels. The Panel had also warned that there was a possibility that at the salary levels on offer we could not attract sufficiently strong candidates with private sector experience. In the event this has proved not to be the case. With the flexibility available to us, ie up to 20-25% above the advertised salary level plus a non-consolidated bonus of up to 15% for performance against targets, together with the non-contributory pension we believe we have the ability to satisfy the personal

requirements of the candidates.

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

6. I should be happy to discuss this minute with you or any points you would like tested out at interview next week if that would be helpful.

Mavis McDonald.

MAVIS MCDONALD

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

Name: Andrew Pinder
Age: 53

Andrew Pinder is currently the Acting e-Envoy in the Cabinet Office. He worked for the Inland Revenue for 18 years, moving in 1990 to the Prudential where he was successively Head of Group Management Services, Director of Systems and finally Director of Systems and Business Processes. In 1995 he moved to Citibank as Head of European Operations and undertook a number of roles culminating in the position of Head of Operations and Technology, Western European Branches. He successfully introduced the Euro within the bank in 11 countries, developed Internet based banking, created and built multilingual regional operations and call centres. Since leaving Citibank, Pinder has worked on a wide range of consultancy assignments. Recent Governmental projects included audit for Peter Gershon, Office of Government Commerce; a review of the Gateway project and an assignment for Andrew Smith, Chief Secretary.

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

10 DOWNING STREET

PM

GB is objecting to PW's Senior Civil Service pay reform proposals [i.e. large consolidated bonuses for top performers]. He wants to delay until at least after the election.

This would be a real disappointment. We are now openly advertising 50% of the top jobs; yet pay systems remain completely uncompetitive & do not distinguish enough between poor & excellent performers. PW is prepared to place in his proposals more

10 DOWNING STREET

gradually but is very brave
to scrap them until 2003
as GB wants.

I think you should defend
the principle very hard. They are
a central part of the Civil Service
reform strategy - and we are only
talking about £3m. No one
will actually receive their services
until mid-2002. Is this
really going to be an election
issue!? Surely not.

I agree strongly & must do
push ahead.

SV.

Modernising the Cabinet Office

Heads of Management Units cc: Members of Change Management Group

CIVIL SERVICE REFORM ANNUAL REPORT

I enclose a copy of the first annual report to the Prime Minister on the Civil Service Reform agenda, published today. The report gives an overview of progress across Whitehall in the year since the report was launched[1]. A link to the electronic version will be posted on CabWeb later this week.

Domestically, here in the Cabinet Office we have adopted almost all of the actions proposed in the Civil Service Reform report in our own "Modernising the Cabinet Office" action plan. For reference, you can find the plan on CabWeb at http://intranet/modern/modernisation/cmp/default.htm

An updated version of the plan matrix should be posted on CabWeb early next week. In the meantime, a chronological list of changes that have actually happened is also on CabWeb:
http://intranet/modern/modernisation/cmp/progress.htm

The most tangible changes within the Cabinet Office probably relate to diversity, where the People Survey showed that around 70% of people now believe the Department is committed to equal opportunities in terms of gender and ethnic background, as opposed to around 40% 18 months ago (Mavis McDonald will be publishing the full results of the People Survey, *and* the Peer Review report, before Christmas). Hopefully, the roll-out of Unit-based diversity awareness training and the launch of the revised Job Advertising Scheme and new Performance Management Scheme in the early months of 2001 will help improve our real performance (not just perceptions around commitment) in the year(s) ahead.

On the other key themes of Civil Service Reform, a lot more action is in hand / underway, as the action plan shows. Not least among these is our improved approach to business planning, from which a number of other changes should flow, not least a greater emphasis on management skills. I look forward to working with you to take this agenda forward in the Cabinet Office in 2001.

Andrew Limb
14th December 2000

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[1] . The report has been produced by the Change Management Division in Corporate Management Command, and is being distributed through me as your "change agent".

Secretary of the Cabinet and Head of the Home Civil Service

From the Private Secretary

JEREMY HEYWOOD

SCS PAY AND PERFORMANCE MANAGEMENT: MEETING WITH THE CHANCELLOR ON 17 DECEMBER

I attach as promised by Sir Richard a speaking note and short background brief on Senior Civil Service pay for the Prime Minister's meeting with the Chancellor on Monday.

2. The line to take reflects recent discussions between Sir Richard Wilson and Sir Andrew Turnbull. Timing is becoming very tight. If we are to go ahead with the new pay system in 2001, we need to get the consultation material out to departments in the first week of January, which means printing next week.

RICHARD ABEL
14 December 2000

CROXLEY heritage

SPEAKING NOTE

1. Don't think the presentation of the new pay proposals will be a problem. But if it is we can make it clear that:

i. no new money will be paid out until 2002;

ii. that we need a new and modern pay system for senior civil servants to reward delivery and to attract new talent;

iii. the extra costs are minor and easily absorbed within existing public expenditure.

2. We need to sharpen Senior Civil Service pay systems to focus Whitehall and the frontline more closely on delivery. The proposals will:

i. make pay dependent on in-year delivery, not time served, by shifting money into non-consolidated annual bonuses;

ii. make the Civil Service more competitive in attracting outside talent and keeping it, by adopting a market-facing approach;

iii. make people compete explicitly for the pay pot – a powerful incentive for improvement;

iv. encourage movement within the wider public sector for top people.

3. The pay levels proposed are modest compared with movements in management pay in the UK market as a whole. They will require no more public expenditure, and they cap consolidated earnings growth at a lower level than now, other than for sustained high delivery. Bonuses are integral to the new system, but if you remain concerned we could, as Andrew Smith has suggested, phase the bonuses in, which would put an additional 3% on the paybill in the first two years and about 1% in year 3.

4. If we duck this now, we would have to delay by at least a year. This would mean no payments under the new system until April 2003. On that timetable we would run the risk that the Civil Service would think we were simply not serious about the need for change and sharper delivery. If we consult now, the new system will begin to bite on performance in Summer 2001 with first payments in April 2002.

BACKGROUND

Key Elements of the proposals

i. **A better focus on delivery**. Pay awards will be directly based upon an individual's contribution to their department's success relative to that of their peers. Success will be judged each year against Public Service Agreements and Business Plans.

ii. **Greater incentives for the best performers and being tougher on those who deliver the least**. The best 25% of performers will move quickly to a market-based target rate with bonuses on top of 5%-20% linked to delivery of key targets. The bottom 5% to 10% who deliver least will stand still, or take a real terms pay cut. This group will be targeted for change to develop them or move them out.

iii. **Market-facing pay rates to help bring in and reward talent**. SCS median pay rates have fallen significantly behind both the private and public sector market. Civil Service Commissioners' evidence shows this is having an impact on the quality of people we can attract into key roles. The introduction of a target rate, which all effective performers can reach, related to 80-90% of the market median will mean that we will be able to compete more successfully for talent and will support increased interchange with the wider public sector;

iv. **Targeting resources.** Salaries for all but the best will be capped below the pay band maximum. The 15% of SCS staff likely to be above the target rates will, unlike now, see no real terms pay progression unless they are among the top 25% of performers.

Options for implementation

i. **Proceed with full implementation**, but emphasise the need for bonuses to be affordable and linked to delivery of results. Departments would be expected to make prudent use of their discretion and would not make full use of the bonuses available until the performance management arrangements have bedded in. **This is the best option.**

ii. **Phase bonuses in**, as Andrew Smith has suggested, to provide additional control over headline costs. This is an approach which departments and the SCS will understand. Stepped improvements in performance management will be matched by increasing differentiation in rewards and reflect managers' improved ability to make tough decisions. **This option is acceptable.**

iii. **Defer until after the election**, as the Chancellor has suggested. This would mean delaying implementation for at least one more year. This is undesirable as the opportunity to re-focus SCS performance on the government's new programme will not begin to bite until well into the next term. **This option is highly undesirable.**

Costs

If implemented in full, the new system would add £12m to the net SCS paybill (£187m) in year one, plus £4m in each of the following four years. Phasing the introduction of bonuses in line with option 2 would bring costs down to £6m in year one, £6m in year two and £2-3m in year three. Assuming 1% recyclable savings, this would equate to additional percentage increases of 3% in the first two years and something over 1% in year three. This would be in addition to any annual revalorisation of pay ranges and target rates recommended by the Senior Salaries Review Body (SSRB), which appears likely to recommend 2.9% this year.

File (in Matrix)

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

14 December 2000

Dear Brian

POLICY AND CORPORATE STRATEGY UNIT

Thank you for your letter of 5 December about MAFF's new Policy and Corporate Strategy Unit.

I should be delighted to take up your invitation to be a member of the steering Board.

Yours ever

DAVID NORTH

Brian Bender Esq,
MAFF.

Secretary of the Cabinet and Head of the Home Civil Service

PM

PRIME MINISTER

This seems extremely sensible. GS ✓

RETIREMENT IN THE SENIOR CIVIL SERVICE

We have discussed once or twice recently the retirement of senior civil servants. Following the PIU report *Winning the Generation Game*, you have asked departments to review the case for allowing civil servants below the Senior Civil Service to retire at 65.

2. In the case of more senior civil servants I think you may well not want to adopt a blanket increase in the retirement age to 65, in view of other objectives on bringing on younger talented people and bringing in new blood from outside the Service. If you agree therefore I think that in parallel with the work which departments are doing we need to work up a scheme for the flexible deployment of staff over 50 which offers a wider range of options than simply continued employment or complete retirement. Content, please?

3. What follows is concerned primarily with senior civil servants although it might lead to a model which can be developed for other staff.

4. At present departments see staff mainly in terms of two options: either continued working until compulsory retirement at 60 or early retirement. The rules in fact allow for greater flexibility but this is not often used.

5. *Winning the Generation Game*, the PIU report, recommended that by 30 September 2001 departments should consider the scope for extending the normal retirement age for all civil servants to 65, with implementation by 2005. You have asked for this work to be done with a view to taking decisions next autumn.

6. I do not know what the outcome of the work by departments will be but so far as the Senior Civil Service is concerned, particularly the top levels, I think we may need to be more innovative than this recommendation. We are, as you know, making considerable efforts to open up the senior levels of the Service by bringing in and bringing on talent including such measures as:

i. making it clear to permanent secretaries that the length of service in one post at the head of a department should be normally no more than 5 to 7 years;

ii. increasing the number of open competitions at senior levels by 50 per cent in the last year;

iii. encouraging early retirement in suitable cases.

7. It is clearly important to avoid discrimination against individuals on grounds of age. Equally we need to be prepared for a conclusion next autumn that giving every senior civil servant the option to stay on until 65, at their own choice, would be neither sensible nor desirable.

8. In some ways the focus on 60 is unreal. More senior civil servants take early retirement now than leave at age 60: so the trend is already towards a more flexible employment pattern. A linear career for life with one employer with staged promotions before reaching a plateau and retirement at a fixed age is already becoming less common.

9. What we need now is more flexibility in the way in which we approach the management of people between 50 and 65. Different people age at different speeds, and different people make different kinds of contribution, and are suited to different kinds of work, at different ages. The public interest lies in being able to offer them employment patterns which match their ability and their wish to contribute, rather than applying a blanket approach to everyone.

10. What I propose therefore is that we should work up a flexible approach which would allow senior civil servants between 50 and 65, by agreement with their departments, to adopt any one of a number of options including:

straightforward retirement;

continuing to work until 65, <u>if</u> their department is content;

part-time employment at the same level combined with other part-time paid employment, self employment or voluntary work (a portfolio approach);

part-time employment at a lower level with a portfolio approach;

taking all or part of their pension while continuing to undertake some work, perhaps on short fixed-term contracts.

The key point in all these options is that management would still retain the right to manage so that the filling of posts at the top of the Service still continued to meet the needs of government and the public of the day.

11. If you are content we will work up a scheme on these lines which you can consider next autumn when the work from departments is ready.

12. I am copying this minute to Mo Mowlam, Alastair Darling, Ian McCartney, Charlie Falconer, Margaret Hodge and Graham Stringer.

RICHARD WILSON
11 December 2000

CROYLEY heritage

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PLEASE FIND ENCLOSED ANNEX'S FOR COMB PAPERS 57 OF CABINET OFFICE MANAGEMENT BOARD MTG FOR TUESDAY 12TH DECEMBER

With compliments

Emman Chowdhury

INVESTOR IN PEOPLE

(F)

CABINET OFFICE MANAGEMENT BOARD

LONG HOURS WORKING

A Paper by Tom McKane
Better Deal for Staff Champion

Issue:

1. Response to the report of the Change Managemement Sub-Group on Long Hours Working.

Background:

2. In its report dated 4 May the Change Management Sub-Group on Long Hours Working invited the Cabinet Office Management Board to ask me "to enlist support from the Change Management Group, Personnel Division and others as necessary to monitor implementation of the recommendations in their paper and to report back to the Board on progress across the Department before the end of the year." The key recommendations in the Long Hours Working Report are set out at **Annex A**.

An Action Plan

3. One of the difficulties identified early on in discussions with the authors of the Long Hours Working report is that the Department has no action plan. The Management Board welcomed the Report but it did not endorse its recommendations in their entirety. (For example the recommendation that the overtime qualifying period for Band As should be abolished was not accepted.) In practice, as I indicate below, progress has been made in implementing some of the report's recommendations but not in a transparently systematic way. For the sake of clarity there should be an action plan endorsed by the Board.

Cabinet Office Policy

4. In the summer the Cabinet Office published a new Personnel Guide – "Building a Better Deal for Staff" – which included a section on Life/Work Balance. It says that the Department aims to ensure that staff time is used fairly, consistently, and in full accordance with our Life/Work Balance policies and our desire to reduce any "long working hours culture". It is, however, short on specifics and does not constitute an Action Plan.

5. In November, following the earlier appointment of Richard Jarvis to take charge of the Personnel policy portfolio, Personnel Division published a notice on Cabweb entitled "Achieving Work/Life Balance through Flexible Working in the Cabinet Office". This addressed a concern expressed by staff that they were not well enough informed about existing arrangements for flexible working. It also launched the Cabinet Office's involvement in independent research to be carried out by the Institute of Employment Studies (IES), which will help provide a benchmark against which to measure ourselves. Volunteers have been sought to take part in focus groups and all staff have been asked to complete the Institute's questionnaire. In light

of the IES findings due early in the New Year, Personnel Division plans to review contractual hours and working patterns (including homeworking).

6. The Department has also announced arrangements to trial homeworking, using portable computers to access Cabweb. If successful this should help more flexible working practices to take root but it will not have a substantial effect on long hours working.

7. There is also the potential to launch a Department-wide flexi-time recording system following the completion of the evaluation of a pilot project in Personnel Division. This could offer the additional benefit of more robust statistical information on hours worked.

The Level of Commitment from Heads of Management Units

8. I wrote to the Heads of Management Units on 21 June to enlist their help in implementing the spirit if not the letter of the report's recommendations. I received six replies. These indicated that, in the management units concerned, the thrust of the recommendations was supported and being acted upon. But the relatively small number of replies was disappointing and it was clear that the commitment to flexible working practices and a better work/life balance would have to be balanced against 'business' requirements. There is at the very least a question mark about how serious Heads of Management Units believe the Long Hours issue to be.

Feedback from Meetings with Staff

9. In my capacity as "Better Deal" champion I have held two open meetings with staff, one devoted solely to the issue of Long Working Hours. Many different views were expressed but there was consensus on the need for clearer information on the Department's rules on flexible working arrangements. There was also a strong sense that the treatment of staff for purposes of overtime payments/time off in lieu was not consistent across the Department. Some staff questioned the need to retain "core hours" as part of the terms of service.

10. At least one colleague has suggested that the most effective remedy for the long hours culture would be for senior management to introduce a marked change in the number of hours they themselves work. It is senior management who set the standards which others follow. Another suggestion which has been made to me is that a formal flexi-time system should be introduced for all staff, thereby encouraging those who routinely work long hours to take time off in lieu (see paragraph 6 above). There is, at the very least a continuing need to make sure that all staff are aware of the available flexible working arrangements and have the opportunity to discuss them with line management.

The Evidence of the People Survey

11. The results of the Cabinet Office's People Survey 2000 show that 55% of those who responded cannot meet the requirements of their job without working beyond conditioned hours. The number of respondents reporting that they worked more than their conditioned hours was unchanged from 1999. There are clear variations between management units and between grades. And over the last 12 months 69% of staff have consistently worked over and above their conditioned

hours. Of these, 60% said this was due to work pressure and 27% because of shortage of staff. At one extreme only 7% of the Parliamentary Business Support Team could meet the requirements of the job without working additional hours, while the equivalent figure for Communications and Corporate Resources was 43%. Less than 10% of the SCS respondents answered positively to the same question. The equivalent figure for C1s was 73%.

12. On the other hand only 20% of those who responded said that they were not allowed to adopt working patterns that supported Work/Life Balance. 42% of staff feel able to balance home and work life without hindering their careers.

13. These findings are disappointing but perhaps not surprising. A Department of Education survey of attitudes to balancing work and home commitments published in November found that half of Britain's workforce put in more than 48 hours a week. 71% of managers said that the number of hours that they worked had an adverse impact on their health and 86% reported it damaged their relationships with their children.

The Views of the Change Management Group

14. I presented my paper in draft to the Change Management Group on 5 December. The Group as a whole were critical of the Department's record. However, I was struck not only by the strength of feeling about the subject but also by the range of opinion: from those who felt that the main issue was one of work life balance and flexibility, to those who believed it was about giving staff greater control over their own lives to those who felt it was a business planning issue – ie the Department should take account of the totality of resources required to meet its plans. It was also suggested that the Department had a duty of care to track the correlation between sickness and hours worked.

Conclusions

15. There is a dearth of good statistical information to inform policy in this field. However, on the basis of the available evidence, the long hours culture appears to be spread widely across the Cabinet Office, with particular black spots in the areas that one would expect, for example, Private Offices and the Secretariats. And the situation does not appear to be improving, though the Department has made some progress in implementing the recommendations of the Long Hours Working sub-group.

16. It is difficult to tell how much resentment there is to the hours being worked, though dissatisfaction with current overtime payment arrangements may be an indicator. On the one hand, many people would, I think, accept that the situation in the Cabinet Office is probably no worse and may in some respects be better than other comparable organisations. Indeed, some staff positively welcome the opportunity to earn overtime and regard some extra hours as acceptable. On the other hand, I have heard it said that the only reason why staff welcome overtime is because they are so poorly paid. And a third of those who responded to the People Survey 2000 say that they sometimes feel under uncomfortable pressure because of their workload.

17. It may be that the discontent is greatest among those who believe that they have received less favourable treatment in terms of promotion because of unwillingness to work excess hours. 45% of those who responded to the Cabinet

Office People Survey believed that they fell into this category. This indicates that the long hours working culture is as much a Diversity issue as a "better deal" issue.

18. The Department is making real efforts on Diversity and is actively trying to make it easier for staff to work flexibly in order to improve work / life balance. It is too soon to say how successful these efforts will be but, welcome as they are, they will not be sufficient to change the numbers of hours currently being worked. The evidence of the People Survey is that in this respect things are not improving.

Recommendations:

19. I recommend that:

a. If the Board believes the Long Working Hours issue to be sufficiently important, it should reaffirm its commitment to tackling the problem and consider ways in which it might lead by example.

b. The Department should draw up an action plan based on the recommendations in the Long Hours Working report and a timescale for implementation.

c. Depending on the results of the IES study, the Department should undertake a more detailed study of hours worked. A more detailed record of time spent on individual tasks throughout the working day would help guide decisions on cutting out lower priority tasks.

d. Depending on the outcome of the trial being conducted into homeworking, a major push should be made in this direction, since, whether or not it will help reduce long hours working, it appears that greater flexibility and the opportunity to work from home would be welcomed by staff.

TOM McKANE
December 2000

Annex A – Key Recommendations of the Long Hours Working Sub-Group

KEY RECOMMENDATIONS OF THE CHANGE MANAGEMENT SUB GROUP REPORT ON LONG HOURS WORKING

The Key Recommendations are:

A. A management statement in favour of work-life balance in the Department.

B. A stated presumption in all units in favour of flexible working arrangements, so that all staff are empowered to manage their own time in the most productive and efficient way, and so that there is consistency across the Department.

C. Awareness of and tackling long hours to be built into competencies and appraisal process.

D. Business planning to include assessment of long hours impact.

E. Ongoing monitoring of working practice in the Cabinet Office (currently no statistics are routinely collected).

F. All jobs to be open to staff wanting to work alternative patterns, as well as registers of part-time and job share posts.

G. Overtime qualifying period for Band As to be abolished.

H. Improved facilities for distance working.

I. Communications programme and training on work-life balance.

J. Use of a smart working checklist to encourage better effectiveness.

F

CABINET OFFICE MANAGEMENT BOARD

PEOPLE STRATEGY

A paper by Liz Chennells,
Head of Personnel Division

Issue

1. Personnel strategy for the Cabinet Office

2. At its September meeting the Board brought forward its discussion of personnel strategy. This change to the timetable has also helpfully positioned the issue alongside a report of the findings of the People Survey.

3. The information, analysis and proposals that form the basis of discussion today suggest personnel strategy that will take the department through delivery of the Action Plan for Modernisation of the Cabinet Office, and the next round of IiP re-assessment towards the implementation of e-Strategy for the department.

Recommendation:

4. The Board is invited to discuss the strategy (pp. 3-12, below); and to endorse it for consultation with key opinion formers in the department.

Background:

5. We suggest the following programme of consultation:

Heads of Management Units

Departmental Champions

Cross Departmental Networks, including the Change Management Group

Departmental Trade Union Side

a number of presentations, both within specific Units and at open events in London, Basingstoke, Sunningdale and Norwich.

6. Work has been going on during the year to align personnel systems and procedures between the department as a whole and the Civil Service College, which has its own personnel strategy. We propose that this strategy should not be imposed on top of that careful process but that it should inform and strengthen it in two-way discussion.

7. If the Board agrees, the issue will be brought back for review at its March meeting.

8. Key features of the People Strategy on which the Board may wish to focus are:

- The statement of overall intent at 5.1
- the aim to place the Cabinet Office in the top quartile of Civil Service organisations for pay purposes
- the statement on work-life balance at 5.6
- a target, by 2010, of no more than 50% of people in any Unit or at any level, taken across the Department, being drawn from outside the organisation
- a commitment to every individual having a Performance Agreement in place by 31 March each year, a completed appraisal by 30 April each year, and a mid-year review
- mandatory training for the new performance management arrangements
- the intention that all personnel business should be conducted electronically wherever possible; this may be the key to significant reductions in the Departmental overhead in the medium term
- tailored references to be provided by managers to accompany job applications instead of copies of the last two annual performance reviews
- encouragement to use flexitime and/or flexible working wherever possible
- a commitment to a reduction of 10% in the average number of declared extra hours worked by staff by December 2002.

LIZ CHENNELLS
Personnel Division
December 2000

Annex A	Cabinet Office Values
Annex B	Civil Service Values
Annex C	Statistics (will be distributed in separate pack)
Annex D	Personnel Guide (separate pack)
Annex E	Modernising the Cabinet Office Action Plan (separate pack)
Annex F	E-Cabinet Office 2004

CABINET OFFICE: PEOPLE STRATEGY

Introduction

1.1 The Cabinet Office People Strategy must:

- support and be consistent with the department's business strategy
- support and be consistent with Cabinet Office values (**Annex A**)
- recognise and build on the best aspects of the Cabinet Office now and historically
- recognise and be consistent with the Civil Service Code and Civil Service values (**Annex B**)
- support the development of Cabinet Office competencies in all the people who work in the Cabinet Office

1.2 Research and management theory, born out of practice suggests strongly that organisations succeed in their objectives, and provide a happy and positive environment for their people, when strategy, structure and culture (the values they subscribe to and the way these values are embodied in systems, processes and behaviour - everyday and crises) are aligned.

1.3 The Cabinet Office is currently a turbulent and changing organisation. Staff turnover is around 25-30% pa and the organisation has grown rapidly over the past three years. Some of the turbulence is as a result of machinery of government changes (the arrival and departure of Competitiveness Division; the loss of OST; the re-integration of the Civil Service College; the creation of the Centre for Management & Policy Studies; the sale of SAFE; the loss of TBA and PACE; the sale of most of HMSO); other turbulence comes from the creation and growth of new Units (the Constitution Secretariat; the Social Exclusion Unit; the Performance and Innovation Unit; the UK Anti-Drugs Co-ordination Unit; the Women's Unit; the Office of the e-Envoy).

1.4 Staff composition is as follows

1.5

C1	10%
C2	22%
B1	20%
B2 & Fast Stream	19%
A	19%
SCS & Special Advisers	10%

Staff are split, more or less, 50:50 male:female. 9% are from ethnic minority background and 1.2% consider themselves to be disabled.

The male : female divide is most marked at C2 level where 250 staff are female and 125 male and in the SCS where 30 are female and 110 are male. 10% of staff work limited hours. Overall 31% of staff who work in the Cabinet Office are employees of other organisations, 66% are permanent Cabinet Office staff and 3% of Cabinet Office staff are working in other organisations. Staff on loan are the majority in the cross cutting units, the Office of the e-Envoy and the Secretariats. By grade, the majority of SCS staff are employees of other organisations, as are Band A staff. More than a third of staff at B2 and fast stream grades are on loan to the Cabinet Office.

1.6 The average time in post of SCS staff is less than 3 years; of Band A, B2 and fast stream staff it is less than 2 years. This pattern is reasonably consistent across all pay bands. By contrast the average time in the department is less than 5 years for Band A and SCS staff, whereas for staff at lower levels the average time in the department varies between 4 and 7 years. (Detailed figures in **Annex C**)

What is currently in place

2.1 Earlier this year the Personnel Guide was published and distributed to all staff. It describes the three-fold partnership between the individual, the manager and personnel under a range of topic headings. Each area contains a statement of Cabinet Office commitment to its people (**Annex D**). These statements comprise a *de facto* statement of the current Cabinet Office People Strategy.

2.2 The Cabinet Office Management Code is available on CabWeb. It is founded on the Civil Service Management Code and provides up to date guidance on our management policies and processes. The Personnel Guide is consistent with the Code.

2.3 Two major policies have informed our People Strategy for the past four years; Investors in People and Diversity. The Cabinet Office is 98% IiP accredited, with the exception of the Lords' Chief Whip's Office. However, the significant volume of work that was done to achieve IiP has not been maintained and more focus needs to be placed on the systematic handling of management, communication, training and development in support of business objectives if standards are to be maintained.

2.4 Diversity has grown in significance and impact. A major programme of action is due to begin at the end of the year, and the agenda has moved significantly from a statistically based equal opportunity strategy to a genuine search for a culture that encourages and endorses diversity of background and approaches to business.

2.5 The year 2000 has been dominated by the Civil Service Reform Programme, for which the department has corporate responsibility. In Spring a free-standing Action Plan was published – *Excellence at the Heart of Government* – and regular reporting has taken place against the substantial number of commitments in the Action Plan (**Annex E**). Pages 7 & 8 of the Plan set a

direction for the department against which our People Strategy must be measured. The Civil Service Reform programme is built around six key themes and, for consistency and continuity, these themes provide the headings for this new statement of our People Strategy.

Our people –customer feedback

3.1 The major, systematic source of feedback from staff is the People Survey. In 1999 the People Survey set an agenda for action which was largely overtaken by, and incorporated into, the Action Plan.

3.2 The People Survey has just been re-run. Although the questionnaire is not the same, and the method of administration has this year been largely electronic, there is the potential for useful comparative analysis. We must not overlook that the population base has both grown and changed. In the 18 months since the last Survey, almost a third of the staff will have left the department.

3.3 Some of the positive comments are consistent. Most people like their work, like their colleagues and get a sense of achievement from what they do. But around half our staff say they cannot meet the requirements of their job without working extra hours, say the department neither values management skills nor its people, and say that morale in the department is not good. The majority of staff do not believe that the leaders of the department are visible. And there are recurring complaints about pay, accommodation and communication. (Detail in draft report from ORC – **paper COMB(00)55**).

3.4 This is profoundly disappointing. The pay settlement this year was at a very encouraging level (though it was not publicly announced until after the People Survey was underway). A major accommodation programme is halfway to completion and now no staff work in GOGGS. Significant effort and money have been invested in the Weekly, in Scoops and in CabWeb, our formal channels of communication.

3.5 Not all the issues identified in the People Survey are 'owned' by Personnel Division. They are however issues which staff feel are the outward manifestations of the relationship between them and their organisation. As Corporate Services Group becomes more integrated, a process which has already started during this year's planning round, it will be critical to recognise this popular perception.

What is just round the corner

4.1 The new Pay and Performance Management Project can bring some radical changes to our People Strategy. The Project is developing, at its heart, a new competence Framework for the Cabinet Office. This will provide an integrating framework for most of the key decisions that the department takes about its people, and people take for themselves, in terms of recruitment, selection, placement, promotion, training and development.

4.2 The E-CO 2004 project will drive the department towards the development of new faster ways of working (detail at **Annex F – part of COMB(00)51**). Our personnel processes will be run and delivered largely electronically. Information will be available more quickly and more accurately, and response and transaction times will be reduced. This will be good for staff and even better for managers, who need resources available in increasingly short timescales.

4.3 The overall budget for the Cabinet Office is set to decrease over the next three years, though history suggests that the demands placed upon the department will not diminish. If the Cabinet Office is to work within its budgets, staff numbers may have to reduce. Handling this with sensitivity will present a major challenge to the leadership and management of the department.

Five Proposed Strategic Statements

5.1 We propose that the People Strategy should be built around five strategic statements (**aims**) that are consistent with VOICES and that set a clear direction. These statements must build on what is already in place; each one should then be more fully explored (**policies**). There must be reasons for each strategic statement and more detailed information about the actions, timescales and responsibilities. However, this is intended to be a higher-level document than the Personnel Guide and will not replace it.

5.2 The **overall aim** of the People Strategy for the Cabinet Office is to ensure that the Management Board can be confident that the department has able people in all its posts, working within a management framework that encourages them to give of their best in pursuit of the departmental objectives, who are keen to gain in skills, knowledge and competence, and who work in an environment that values diversity.

5.2 Statement One: Values, Rules and Systems

The Cabinet Office aims to live its values – VOICES – in practice; we believe they support the behaviours that will be most effective in securing the strategy's overall aim. The rules and systems that we adopt should exemplify those values and should be transparent and fairly applied. Personnel will work in partnership with managers, staff and with our Trade Unions in the development, interpretation and application of rules and systems. The BQS review of Personnel next year will enable us to review thoroughly the thrust of all our systems in this light. Wherever possible business will be able to be conducted electronically.

5.3 Statement Two: Balance and Diversity

The Cabinet Office welcomes people from a wide range of organisations and backgrounds to work within it. The Department wishes also to retain a high quality core staff, drawn from diverse backgrounds and respected for their

individual contribution, spread throughout the organisation and at all levels within it. Our permanent staff hold our corporate memory, particularly in its informal aspects. They add valuable continuity to our ways of managing and behaving. And a commitment to a strong permanent cadre at all levels gives our people role models for high achievement and a clear message that their development is valued and rewarded. All members of the department can expect to gain in competence, skills and experience and to achieve their job potential. They are encouraged and supported, [by their managers and by Personnel, to take responsibility for their careers.

5.4 Statement Three: Performance Management and Reward

The Cabinet Office will ensure that all its people have a clear set of personal objectives, which relate to the aims of the Department. Everyone will receive: regular feedback on their performance; training and development to build their competences, and; a fair reward for their achievements. The Cabinet Office intends, for pay purposes, to be in the top quartile of Civil Service organisations. We need the best people we can recruit and retain within our organisation and they must be suitably rewarded. The Department's competence framework will form a basis for recruitment, selection, appraisal and promotion in the Department, and be used to clarify and focus training and development activities.

5.5 Statement Four: Training and Development

The Cabinet Office will ensure that everyone has the training and development they need to do their job effectively. We will support the development and enhancement of their competences and prepare them for other roles within the organisation, where appropriate. The Department is committed to using a range of development tools to help achieve this aim, and we intend to maintain IiP standards.

5.6 Statement Five: Work Life Balance

The Cabinet Office recognises that all its people must be able to have a full and rewarding life outside work. It will ensure that the requirements of the Department do not prevent individuals from spending time with their friends and families, from participating in a full social life, or from being committed to voluntary activities. The Department will support staff who have responsibility for dependants.

5.7 These statements are developed below, in turn:

Values, Rules and Systems

6.1 All the rules and processes by which people in the Cabinet Office are managed are published on CabWeb. Each year, systems are reviewed, on a rolling programme, against changing business requirements; updated in the light of legal changes; and adapted to take account of new central priorities. During the next year, Personnel Division will be running a BQS review of its services.

Amongst the systems to be reviewed are the Cabinet Office's Efficiency and Disciplinary procedures. The personnel database, MIRANDA, will be extended to provide a self service facility on every PC, so that staff can update some parts of their personnel records, and see its entirety. Preparations are under way for opening up personal files to all staff under Data Protection legislation.

6.2 VOICES, the Cabinet Office values statement, was developed out of a process of consultation with all staff in the department. We will seek, during the next three years, to embed the values into all our systems and processes. The values will be used as a template against which management and individuals are measured and where they are found to fall short of the standards exemplified in the statement, appropriate action will be This may include training, coaching, mentoring, or, in the final resort, disciplining members of staff whose action falls short of the standards; it will include challenging and changing existing processes and systems when they do so.

6.3 In line with the Cabinet Office's e-business strategy, all regular personnel transactions will be able to be carried out electronically by 2004. The Job Advertising Scheme will be improved with the introduction of web-based interactions in 2001. All Personnel websites will be accessed through a common Corporate Service Group portal from 2001. There will be an interactive, induction programme for all those joining the Cabinet Office, which will ensure that every new entrant is exposed to the organisation's values, rules and systems on joining the department and will know what they can expect from the department and what the department expects from them.

Balance and Diversity

7.1 The Cabinet Office welcomes, values and builds on diversity by harnessing all differences, whether visible or not. We are committed to maintaining a productive working environment free from discrimination, harassment and bullying. Any complaints that anyone in the Cabinet Office does not exemplify these standards will be taken seriously and investigated thoroughly.

7.2 The Cabinet Office has set demanding targets for improving the numbers of members of ethnic minorities, of women and of people with disabilities, at all levels. We will regularly report on our overall performance in making progress towards these targets. From April 2001 we will monitor all our recruitment and selection and our internal training provision against diversity profiles and report to the Department.

7.3 From February 2001 diversity awareness training will be available to all Management Units, each of which will be able to develop a training event that meets its particular needs. In April 2001, each individual's Performance Agreement will be expected to contain a diversity objective. Personnel will ensure that the new performance management arrangements are properly equality proofed.

7.4 Personnel will provide active support to all the Department's diversity networks. These are currently: COBAN (the Cabinet Office Black and Asian Network); DISCO (the Cabinet Office Disabled People's Network); the Cabinet Office Women's Network; the Cabinet Office Part-Timers' Network; LGB Network (the Cabinet Office Lesbian, Gay and Bisexual Network). In this Personnel will be led by the needs of the networks themselves.

7.5 The Cabinet Office recruits high calibre, adaptable individuals from a wide range of backgrounds and organisations. The Department will continue to recruit people as permanent members of the organisation, both from outside the Civil Service and from amongst people from other departments who have demonstrated their commitment and value to the Cabinet Office. Each part of the Department will contain an even spread of people from the permanent staff and from outside the Department, at all levels. We will work towards a target, by 2010, of no more than 50% of people in any Unit, or at any broad level, being drawn from outside.

7.6 The principal means of people moving between jobs is the Job Advertising Scheme. From April 2001, all posts will be described using the Cabinet Office competence framework to define the knowledge and skills sought and to assist managers in making the best choice of candidate. By the end of 2001, job advertisements will be accessible electronically through the CSG portal, and the whole process will be able to run electronically. Some posts will continue to be handled through a process of managed moves, either for reasons related to the post or for reasons related to the candidate. With the exception of the limited arrangements for the Cabinet Office fast stream no substantive promotion for permanent Cabinet Office staff, or for loanees who are promoted during the period of their loan, will be available outside a competitive assessment process, normally an interview. Selection for posts will be on the basis of the Cabinet Office competence framework.

7.7 Cabinet Office permanent staff will be supported to develop their competence through regular changes of job, both within and beyond the Department. Advice and support for moves is available from managers, from Personnel Managers and from Development Advisors. The Cabinet Office Interchange Manager provides specific advice on interchange opportunities to other sectors, which are encouraged as part of planned development.

7.8 It is expected that all jobs will be open to staff who are seeking promotion to a higher level and to staff looking for an opportunity to work shorter hours or to job share. Personnel Managers will support managers in reshaping jobs to support flexible working.

Performance Management and Reward

8.1 The Cabinet Office is committed to the development of an evidence based performance management system, with clear compliance mechanisms, that motivates our people; that encourages high performance by linking individual performance agreements with overall departmental aims and objectives; that is based on the Cabinet Office competence framework; and that significantly

reduces the possibility of negative attitudes and beliefs being applied to performance review.

8.2 Every individual must have an agreed performance framework, for the coming year, in place by March 31 each year, and a completed appraisal assessment, for the preceding year, by 30 April. Every individual must have a mid-year review of his or her performance. The appraisal process, running through the year, will provide a source of honest and open feedback on performance, a basis for pay decisions, an opportunity for the identification of training and developmental needs, and a means of identifying ineffective performance. The Cabinet Office will introduce a new performance management system, based upon a new competence framework, in April 2001.

8.2 Financial rewards may consist of both consolidated and non-consolidated payments, and will relate to performance and to the development of competence. Pay systems will link reward to the achievement of Departmental objectives, and will be non-discriminatory. The Cabinet Office will introduce a new payment system, with the first payments made with effect from August 2002.

8.3 All salary payments will be made in an accurate and timely manner; any salary changes will be fully explained to individuals.

8.4 All guidance and materials for the performance management system will be available electronically. Introductory training to enable the new system to be used skilfully and effectively will be available through the CSG portal and in face to face settings. All staff will be required to participate in the training.

8.5 Managers will be asked to prepare suitability references for staff applying for jobs. Individuals will be able to maintain their own CVs on the personnel database.

8.6 Ineffective performance will be handled with honesty and rigour, ensuring that the individual who is under performing is given the information and training necessary to achieve acceptable performance standards within a specific period. If unsuccessful, he or she will be dealt with through the Cabinet Office Efficiency or Disciplinary procedure, as appropriate which will be revised in 2001 to ensure they fully comply with statutory requirements and best practice guidance.

Training and Development

9.1 The Cabinet Office is accredited as an Investor in People and is determined to remain so. It will seek continuous assessment against the IiP standards.

9.2 The Cabinet Office is committed to the learning and development of all its people to gain relevant skills and knowledge for effective performance in the current post and for future career development. Individuals will have a personal development plan, as part of the performance management system, related to the Cabinet Office competence framework. Every individual is

encouraged to discuss their personal development plan with their manager or Personnel Manager.

9.3 All senior staff are encouraged to participate regularly in a 360° feedback exercise for development. Mentoring or external coaching is available for any individual who wishes and training is available for all staff who wish to become mentors.

9.4 Induction, appraisal, interviewing and initial management training is provided through the Cabinet Office Development Advisor team. By 2002, a broadly based, management training programme will be available, largely electronically, covering all aspects of management within the Department. This will include financial management, risk awareness, health and safety issues, appraisal, interviewing, etc. This will be supported by face to face skills development activities. Seminars on topics of interest and relevance will be available for any staff who wish to attend.

9.5 Training and development costs are broadly borne locally, with exceptions as described in 9.4. Some assistance is available centrally for course of further education that permanent members of the department wish to undertake. Where appropriate, and subject to limited resources centrally, permanent members of the Cabinet Office will be sponsored to undertake professional management, and other, qualifications. The personnel database will hold an up to date record of qualifications held by Cabinet Office members by March 2001.

9.6 Individuals, with their managers, are responsible for preparing for training, setting objectives and evaluating the learning against the objectives. This is appropriate for any development activity, not simply for training courses. Supporting material will be available electronically through the CSG portal and a central record will be kept of best development practice.

9.7 Each Management Unit is responsible for the preparation of an annual development plan. These plans will form the basis of the Cabinet Office development plan, which will be reviewed and evaluated annually.

Work-Life Balance

10.1 The Cabinet Office respects the general right of all people in the Department, outside the Senior Civil Service, to work no longer than 41 hours each week, unless there are temporary requirements for additional efforts to be made. Wherever possible the department encourages the use of flexitime, or other flexible working arrangements to ensure that individuals can be compensated for extra time worked by additional leave.

10.2 The Cabinet Office will ensure that all staff have the opportunity to take their full entitlement to annual leave and will use the arrangements for special leave flexibly wherever appropriate. Personnel provides support to managers and to staff who are using flexible working patterns to meet both changing work demands and variations in personal commitments outside the workplace.

10.3 Guidance on special leave, maternity leave, and part time working is available on Cabweb and by December 2001 will be available in a more user friendly format through the CSG portal.

10.4 Health screening will be available for all staff in the department in 2002, with a particular focus on life style issues (diet, smoking and exercise).

10.5 The Cabinet Office will continue to provide a high quality, responsive occupational counselling service, on demand, for all its people, according to the terms of an agreed Service Level Agreement.

10.6 The Cabinet Office will achieve, by December 2002, a 10% reduction in the average number of declared extra hours worked by its staff.

ANNEX A

CABINET OFFICE VALUES

Cabinet Office Values

The values statement, VOICES, describes the way we should treat each other. These values will be built into a new competence framework, and will feed into the appraisal system. So everyone will be judged on whether we live the values in our annual appraisal round. And we should all be working towards creating a climate where we can challenge each other on a day-to-day basis if we don't measure up to the values.

The Cabinet Office's greatest asset is its people. To achieve our vision, we must work together *and* take individual responsibility for living these values:	
Valuing diversity	We will listen to, value and respect each other as individuals with a contribution to make
Openness	We will be open, honest and realistic about our goals – celebrating our successes; admitting our mistakes; and learning from both
Innovation & creativity	We will be innovative and creative, recognising that this means trusting rather than blaming each other and managing risks
Collaboration	We will work closely together to achieve our goals
Encouragement & development	We will encourage and support each other so that everyone has the opportunity to develop, progress and reach their full potential
Service to customers	We will take pride in our work, striving for excellence and continuously improving the service we deliver to all our customers, internal and external

ANNEX B

CIVIL SERVICE VALUES

The Civil Service Making a Difference

Our aim is to make the UK a better place for everyone to live in, and support its successes in the world. We want to be the best at everything we do.

In support of successive administrations, we will:

- act with integrity, propriety, and political impartiality, and select on merit
- put the public's interests first
- achieve results of high quality and good value
- show leadership and take personal responsibility
- value the people we work with and their diversity
- innovate and learn
- work in partnership
- be professional in all we do
- be open and communicate well.

STATISTICAL ANNEX

ANNEX WILL BE DISTRIBUTED SEPARATELY

PERSONNEL GUIDE

ANNEX WILL BE DISTRIBUTED SEPARATELY

MODERNISING THE CABINET OFFICE:

ACTION PLAN

ANNEX WILL BE DISTRIBUTED SEPARATELY

Cabinet Office E-Business Strategy
'Leading the Change

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1. SUMMARY

Cabinet Office Transformation

Information and communication technologies are transforming economies and societies around the world. Cabinet Office needs to build on its use of e-mail etc - which has already had a major effect on the way we work - and transform itself into an e-business through a 'Build and Learn' approach.

To address this an e-business strategy has been developed from the ideas of Cabinet Office staff to align our work and effort over the next few years. An e-vision is supported by a target and drivers, which add focus and direction

E-Vision

The achievement of an electronic Cabinet Office by 2004 which acts as an exemplar to Government through client-focused e-services that ensure the Government delivers its priorities.

Target

To deliver Cabinet Office business electronically by April 2004.

Drivers – The 4 Cs

- Client focused *through*
  - Coherence
  - Clarity
  - Cost Reduction

These drivers should be applied to existing work, new ideas and requirements on us.

Challenges to transformation to e-business

- Enthused and Equipped staff
- Common Business Framework in the four business areas
- Business Led Information Communication Technology (ICT) strategy

These 3 challenges are central to the achievement of the vision and it is critical that they are tackled as part of the strategy.

Programme Plan

Currently we have identified 'build and learn' projects which are the first steps towards our 2004 vision. As the programme develops more 'build and learn' projects will be identified to drive it forward during 2002-2004. A one page visual summary of the steps to 2004 is at Annex A.

Projects for 2001/2 (or earlier) to get us started include

- e-process for Cabinet Committees and correspondence
- Fast Track to the future in discrete areas to highlight what is possible
- e-process for public correspondence
- Interactive services available to staff on the Internet and Intranet

Key Risks

- Dependency on IT systems
- Availability of resources to meet 2004 target
- Poor communication/handling of strategy

2. CABINET OFFICE TRANSFORMATION

Information and communication technologies are transforming economies and societies around the world. Government Departments have been asked by the e-envoy for an e-business strategy to set out how they will react.

The Cabinet Office Strategy is led by the needs of our business rather than the latest IT fad. Therefore, it is populated by the ideas of the people I have met and built upon our collective mission to ensure the Government delivers its priorities.

2.1 'Build and Learn'

The transformation of businesses and Government is happening very fast. No one has successfully come up with a detailed "grand plan" to become an e-business that will stand the test of time. As with many private sector firms we could coherently move the strategy forward through the 'Build and Learn' approach. This would harness the enthusiasm I found in the Department to improve our service to our clients by transforming the way we do business.

'Build and Learn' means we develop projects and new ways of working in bite size pieces. It tests the potential for change in a real-life environment. We can test business processes and understand the implications of rolling out the project more widely. However, we need to recognise that the most successful examples of 'Build and Learn', as practised in the private sector, move at a fast pace and are tolerant of failure. To succeed we need to coherently implement ideas quickly and learn from our mistakes

2.2 First Step to Transformation

One of the most important steps to transformation to an e-business has already been achieved. E-mail is the preferred form of exchange for Cabinet Office staff and most of our clients and IT is integral to working life. There are also a number of innovative e-business projects in the Department highlighted by the widespread use of the Web by Management Units to communicate with clients.

2.3 Second Step to Transformation

We can plan and prioritise what we will do in the next year and a half on a 'Build and Learn' approach and agree an e-vision and drivers for taking us forward. We can use these drivers to judge existing work, new ideas and implementation of requirements placed upon us like the Knowledge Network and Electronic Records Management.

2.4 Future Steps to Transformation

The e-business strategy provides the framework to help us continually capture and implement ideas to take the business forward coherently. We also need enthused and effective staff to deliver an e-business. A one page visual summary of the steps to 2004 is at Annex A.

2.5 Process

Since July 10 I have been working closely with NOVUS to build the right e-business strategy for Cabinet Office. I have discussed our business with colleagues from Cabinet Office, the private sector and other Government Departments. This approach was developed with Arthur Anderson (e-envoy's support to our e-business strategy). A one page visual summary of the process is at Annex B.

3. E-VISION

The achievement of an electronic Cabinet Office by 2004 which acts as an exemplar to Government through client-focused e-services that ensure the Government delivers its priorities

3.1 Target

To deliver Cabinet Office business electronically by April 2004.

By April 2004 Cabinet Office will be capable of delivering its business electronically. This will include 2-way communication with Government Departments as well as services to the public and other Government Bodies.

3.2 Drivers – The 4 Cs

Client focused – we need to act as an exemplar to Government and in line with the Government's e-government strategy we need to be client focused. We can deliver an exceptional service to our clients through

Coherence

The most common comment about Cabinet Office from clients in other Government Departments, reflected in our recent peer review, is that we are not joined up in our various interactions with them. They want a seamless approach from Cabinet Office but are not getting it. A recurring theme from the meetings and workshops was that Units tackling similar tasks were not sharing best practice and were not clear on what other Units did.

We could tackle this through better information/knowledge sharing between Management Units and Departments and adopting best practice across Cabinet Office on ways of working

Clarity

To promote CO image professionally we need to make best use of communication tools like the web when dealing with clients. There is a lot happening in this area already and we need to adopt best practice across Cabinet Office.

Cost Reduction

Like any other business Cabinet Office needs to work efficiently and effectively to minimise the Department's overheads so we can concentrate on ensuring the Government delivers its priorities.

In line with the aims of Modernising Government, Cabinet Office should focus on reducing the costs of its clients rather than its own costs.

We need to use these drivers to evaluate existing work and judge new ideas and ensure business led implementation of requirements like the Knowledge Network, 100% electronic service delivery by 2005, links to ukonline, 2002 e-procurement target, 2004 electronic records management target, Data Protection, Freedom of Information and Interoperability.

4. CHALLENGES AND RESPONSE

4.1 Enthused and Equipped staff

To achieve the transformation of the Cabinet Office we need a client focused, joined up, innovative, responsive culture with staff equipped to flourish in the new working environment.

Response
We need to move forward coherently through the Modernising CO/Change Programme with senior managers showing a commitment to joining up and preparing their staff for the e-business working environment. The ideas on 'confident people' outlined below in Challenge iii 'Business led ICT strategy' will help to equip staff for the change.

4.2 Common Business Framework

To help us be client focused and coherent we need to tackle similar tasks in a consistent way. This is particularly important in Cabinet Office because of the high turnover of staff.

We found that there was no common framework for working on similar tasks in Cabinet Office. Management Units are left to work out the best approach to ways of working and communicating which means they sometimes reinvent the wheel on organisation, programme management, project management, ways of working, communication etc. This all contributes to the lack of coherence identified by the Peer Review.

Response
We found a commonality in tasks for 4 broad areas of the Department (Government Policy, Modernising Government Agenda, Services for Other Government Departments and Corporate Services for CO). This approach was supported in our 4 workshops with CO staff. It does not mean that all the groups do identical or unique tasks but it does mean each could usefully work together to share ideas, client understanding and ways of working to improve coherency.

We could support those working on the Cabinet Office's 4 areas of business by developing a common business framework which allows them to concentrate on providing best service to their clients rather than reinventing the wheel. This would include a common approach in each area to programmes, projects and communication with Government Departments.

We brought representatives from each of the 4 areas together in our workshops and began an interesting debate on how to take forward similar tasks. We could continue to share ideas, client understanding and ways of working to find the right solutions to achieve the e-vision for the following areas :-

- **Government Policy** by driving a successful electronic process for policy by working effectively with stakeholders (Secs, Cross Cutting Teams, No10)

- **Modernising Government Agenda** through fast, accurate communications and by working effectively with stakeholders (CS Reform and standards for service delivery & policy)

- **Services for Other Government Departments** by providing customer focused, efficient e-services. (Various. Including FS Recruit, CS Pensions, HR for top SCS, Crown Copyright, Civil Service College, CMPS Policy Resources, Govt Car and Despatch Service, Nominations for honours, Parl Counsel, E-Govt Group projects, Knowledge Network, Quango Appts, Security Facilities Division)

- **Services for Cabinet Office** by providing customer focused, efficient e-services which enable an E-CO by 2004 (CRSG, Finance & Planning, Comms Group, Ministerial Group)

4.3 Business Led ICT strategy

(a) Our Information and Communications Technology (ICT) requirements will be led by business need and my meetings and workshops identified the high level ICT requirements to allow us to achieve the e-vision.

(b) We also need to ensure that ICT projects are prioritised and taken forward coherently. At the moment there is a lot of duplication of effort on things like website and database development and there is little support to Management Units on how they should approach ICT projects.

Response

a) 'Confident People' – the strategy to ensure 'confident people' presented by e-envoy for public in http://www.ukonline.gov.uk launch on 11 September could be applied to CO :-

- skills - IT skilling programme to utilise what we have got. We have identified low current usage (7%) of the potential power of our current IT kit and could help staff to utilise the tools they have at their disposal further.

- motivation – stimulating interest through full interactive access to Internet and high quality services on Cabweb

- trust - Delivery of a robust, reliable ICT Infrastructure with planning for contingency situations. Virtually everyone we met in CO identified this as a business need. Peter Wardle emphasised the importance of this at the first meeting of the NOVUS Partnership Steering Group on 29 September.

- access – Remote working for staff, which we were also told repeatably by Management Units, was a business need. It could be developed with more hotdesking by staff. A project has already been set up to look at this issue. Access to one IT system across CO would also help to concentrate efforts on coherently improving services and reliability. We could start by bringing e-Government Group and the Civil Service College within Cabweb.

  The ICT strategy will need to consider whether Cabnet should become a restricted (gsi) network to assist the development of Interactive access to the Internet, interactive services on Cabweb, remote working.

b) ICT strategy group to ensure CO ICT projects align to business direction.

   A standard approach to ICT projects with central expertise to help and test Management Units. Control of new projects also supported by Data Management and Interoperability Standards and clear guidance on business cases for e-business projects

5. IMPACT ON WORKING LIFE

Wednesday 5 May 2004

Carol Offiah works 28 hours a week. She usually hotdesks in Admiralty Arch for 2 days a week and works at home 2 days a week. All aspects of her work can be performed remotely.

Carol logs in at Admiralty Arch and is shown the latest news, submissions, press releases etc relevant to her role, competencies and interests. Developments during the day are also flagged up.

Carol is drafting a submission and displays several pieces of information on her screen. She has bookmarked the most relevant areas so she does not need to page through documents all the time.

After considering all the available information Carol 'publishes' a draft copy of her submission for the Minister of the Cabinet Office and permits certain interested people to view the submission and suggest changes. It is published alongside the related material Carol has viewed and used in building up the submission.

The submission is a short interactive electronic document written for screen with hyperlinks to the detailed points and information that lie behind its recommendations. These links allow the Minister to view related video (News at Ten), listen to radio reports and read press reports and press releases as well as Carol's more detailed points.

Carol organises an E-meeting via the Web on points of contention because time is very short. The recording of the meeting acts as a minute and actions are posted out to those participating. One point is particularly contentious and 7 officials log on to an anonymous discussion area after the meeting to resolve the issue frankly by responding instantly to each other's written points.

The e-library informs Carol that some changes have been made to the draft submission. She works through the changes and informs the Minister's private office that her submission is ready for the Minister to view. She is available to answer any points in person or electronically.

Carol had attended a seminar in Amsterdam the previous week. While on the train home she inputs the receipts and travel expenses, cross checks the costs, electronically signs the expense claim which is paid within two days directly into her bank account.

6. PROGRAMME PLAN

A one page visual summary of the steps to 2004 is at Annex 1. Currently we have identified projects to get us going on a 'Build and Learn' approach which are the first steps towards our 2004 vision. As the programme develops more projects will be identified to drive it forward during 2002-2004.

6.1 Projects to get us going from workshops (* for top 6 ideas).

Cost estimates are subject to detailed review as projects are worked up. The projects will lead to better client service and some will produce cost savings once they are introduced. We will plan to ensure related projects are rolled out in the correct order and Management Units are fully prepared for the changes involved.

i. ***Establish e-process for all Cabinet Committees. (£300k)**
Transform this paper based process into a completely electronic process with papers ultimately published centrally for authorised officials and Ministers to view. We are currently developing an outline bid to the Treasury's Capital and Modernisation Fund bid by November. A change would involve costs upfront but would lead to substantial year on year savings.

ii. ***Fast Track To the Future (£550k)**
Take a couple of sub-units to 'e' with a 'Build and Learn' approach e.g. a sub-unit involved in Govt policy or an aspect of the Modernising Govt agenda. Use all elements of e-change:- process modelling, communication and sharing of information. Include interactions with Mavis' Office.

iii. ***E-process for dealing with Public Correspondence. (£150k)**
Transform this paper based process. All public correspondence could be held electronically. The correspondence is published centrally for the lead official and line manager to view and track rather than sent to them on paper in a pink or grey folder. The official will post the reply for Minister to review. Ministerial and official replies held electronically for future reference.

iv. ***Interactive self-service on the Internet and Intranet with Intranet as Desktop. (£100k)**

- Start with interactive Internet services for staff
  - linked to the central services encouraging interactive use of the Intranet eg:-
    - business planning (MARS)
    - finance forms
    - dealing with life events like arrival and departure from CO through central portal
    - sandwich ordering (like No10)
    - redesigned annual review form and forward job plan for April 2001

All projects are rolled out quickly on 'build and learn' approach

v. ***knowledge shared on Intranet (£150k)**
Focus on what is happening in CO and what CO is here to achieve. Could create data with browser for Users (linked to any plans to update Intranet and develop induction training).

vi. ***Information sharing across CO Units and Government to collectively take issues forward (£250k)**
Sharing of information by units and Departments on individual issues. For example, two Departments are currently developing a White Paper on a shared area on the gsi. For CO it could mean a virtual PIU project or the formulation of a Government policy or an aspect of the Modernising Government agenda. This would help coherency. The PIU would require few steps to take it to a virtual operation.

We need to consider these information requirements as we develop: -

- **Electronic Document Management (EDM) – which is currently designed to meet our Electronic Records Management requirement**
- **Cabinet Office Briefing System (COBS) / Knowledge Network**

vii. **E-process for distribution and use of Ministerial correspondence (£250k)**
To ensure all Ministerial correspondence is held electronically. The correspondence is then published centrally for a copylist to view rather than sent to officials.

viii. **Electronic Billing (to and from 3rd Parties) starting with NOVUS. (£100k)**
To identify and work with all external (third Party) contractors to electronically lodge invoices and bills. There would be a need for security, tracking and audit trails.

ix. **Create a CO Extranet with secure access for Stakeholders/Customers to view and interchange. (£100k)**
Investigation and management of the need for a shared net between OGD/Clients and CO. This should be a two way interface. The security of information and the definition of the advantages would need to be worked through each case which identified the requirement. GICS are already considering developing an Extranet

x. **Data Management, rationalisation of various databases that could be linked. (£500k)**
The establishment of normalised data and the management of databases could be an ongoing task within each project undertaken. However it should be noted that this task would add an overhead onto the first few projects in which it was undertaken. The overall effect would be to deliver the basics of clarity of information required to move to a Knowledge based environment. Another starting point would be to rationalise the 4 databases on SCS membership that are currently held and updated by CO.

xi. **Permit lodging of papers electronically with Parliament. (£80k)**
The delivery of electronic papers, tracked and audited, to an electronic library (DRM) created and owned by Parliament.

xii. **Electronic Ministerial Diary system across Govt, CO as Co-leader. (£120k)**
The implementation of the use of the Microsoft Diary function of outlook by all parties that interface with Ministers and Ministers themselves. The intention should be to provide (hand held) electronic interfaces to ministers so that diary commitments can be tracked and changed. We could eventually build on this and deliver more information to Ministers in this way.

6.2 Projects that are already getting us going

i. **Nominations Unit e- process (£340,000 to £440,000 May 2001)**
Full paperless case tracking, archive and retrieval system including scanning for the processing of nominations for Honours from the public.

ii. **E-qualifying test for Fast Stream Recruitment (£701,000 - development project May 2001. Installation and operation under discussion)**
The development is intended as a means of improving the flow of candidates through the recruitment process, leading to reduced attrition rates and shorter timescales for candidates passing through the process.

iii. **Penserver (£2 million November 2000)**
Pensions Administration Software to raise service standards for scheme members and better value for employing departments. Annual benefit statements will raise scheme members' awareness & appreciation of pensions element of their remuneration package.

iv. **Websites**
Numerous Management Units have developed websites to improve communication and services to their clients. We need to ensure Management Units are supported in website development, share best practice and communicate corporately via the web to ensure coherence and efficiency.

New ideas include

- CO website restoration (£30,000, October 2000)
- CO website re-design and re-launch (£250,000, April 2001)
- MPS Website re-vamp (£80,000, January 2001)
- CSCM Civil Service Vacancy Site (£15,000, October 2000)
- CSCM Recruitment Gateway
- CSCM EU awareness network (£32,490, October 2000)
- CSCM Civil Service Reform website (£10,000, November 2000)
- PIU Website re-vamp (December 2000)
- CMPS e-learning (2001)
- CMPS e-business (2001)
- CMPS Knowledge Pools (£300,000, 2001)
- GICS Online Extranet for existing GICS members (December 2000)
- GICS Website revamp (December 2000)
- Public Appointments Unit Database over gsi for OGD (£35,000, December 2000)

7. KEY RISKS AND RESPONSE

1. Dependency on IT systems

IT strategy to ensure that risk is effectively minimised

2. Cannot meet increased demand to skill up and move forward in line with vision

Need to ensure sufficient funding and skills in place by accurately projecting take up and securing funding through business planning process.

3. Availability of resources to meet 2004 target

Align e-business strategy with business planning process

4. Poor communication/handling of strategy

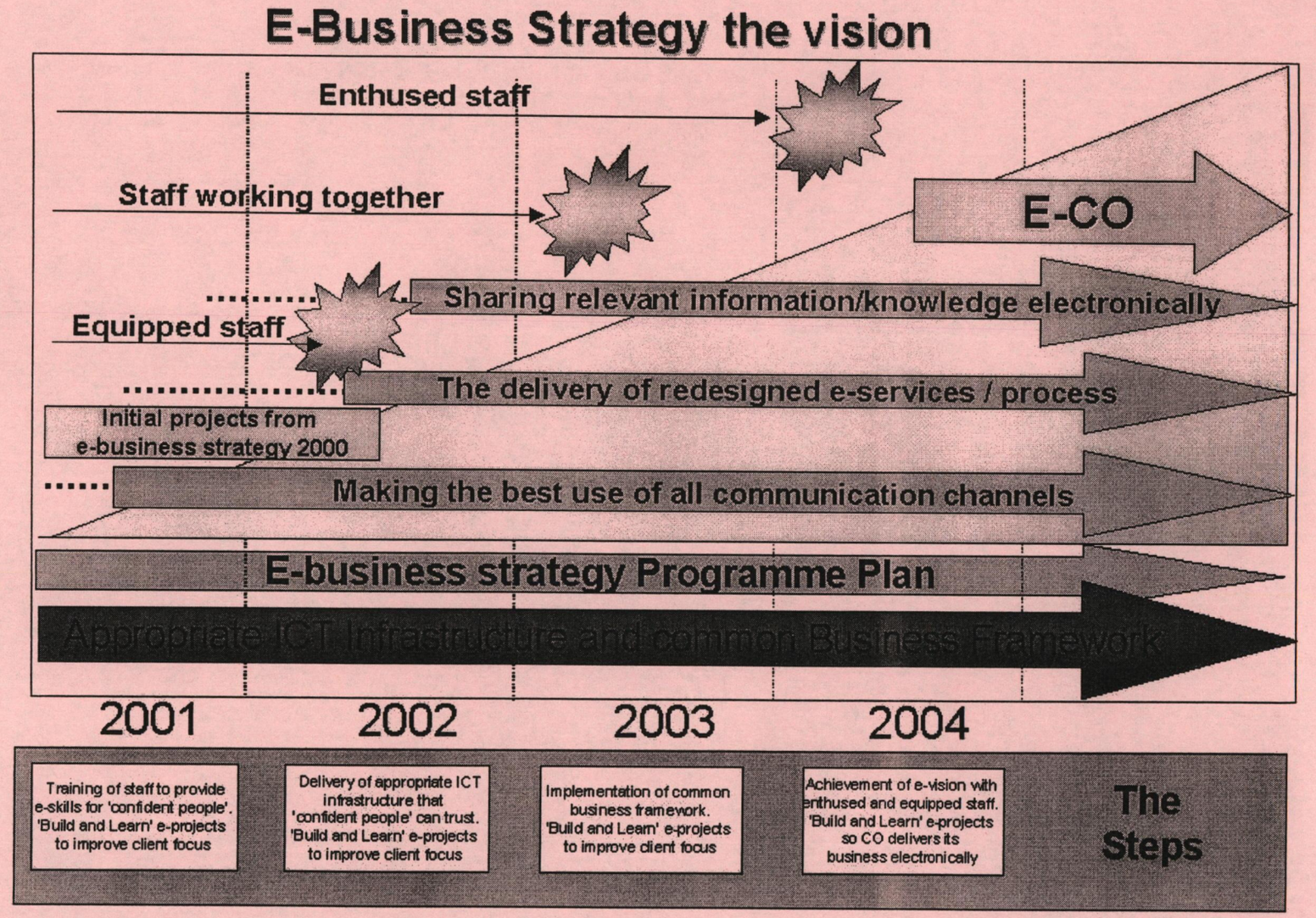
- Need senior backing – half day conference early 2001?
- Need to harness enthusiasm through informal champions in Units
- Need to highlight early wins
- Need to manage expectations
- Intranet site to share ideas

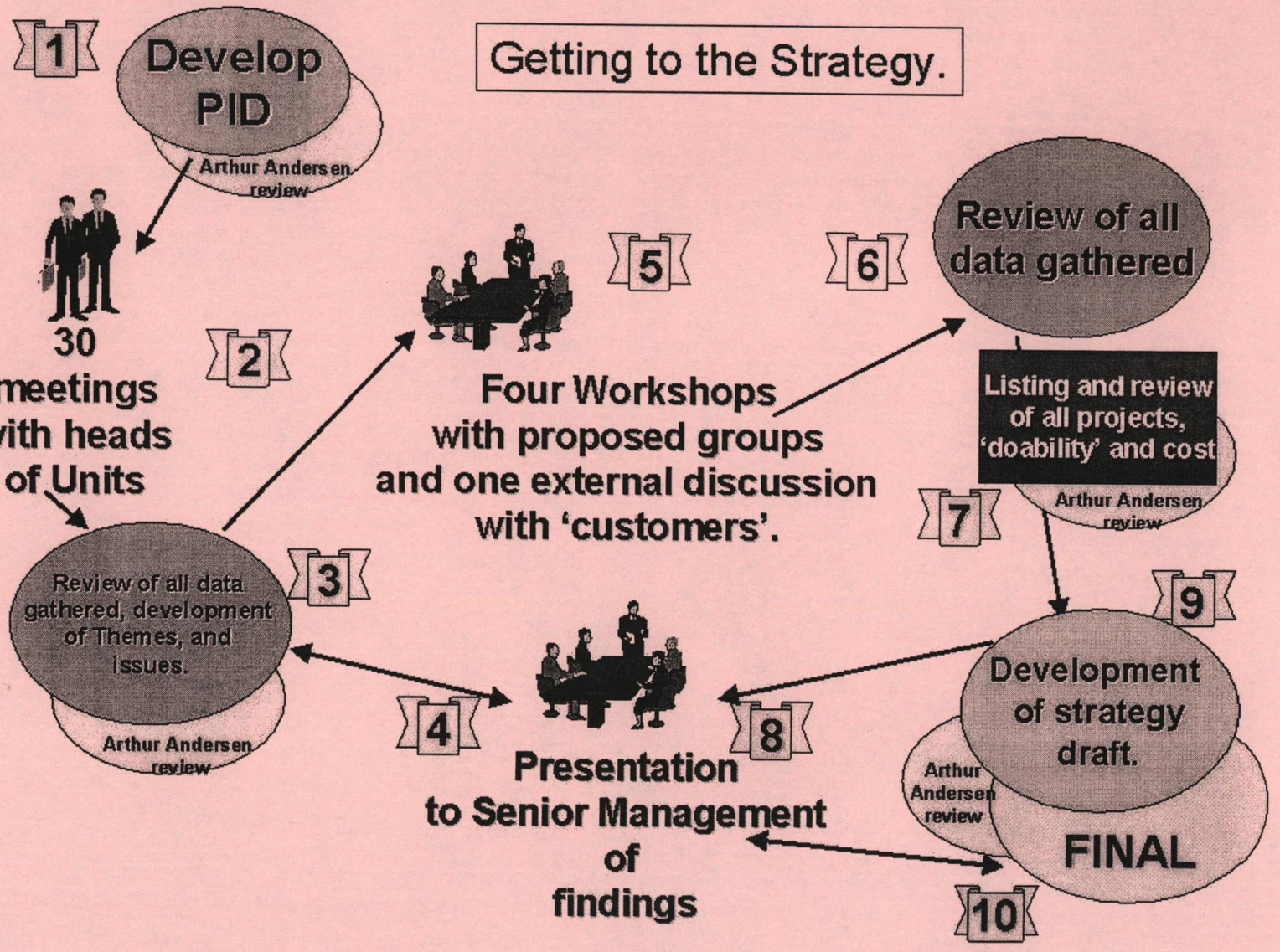
5. Change of role for CO caused by new Minister, change of Govt, crisis

Standard business framework applied to new work and Interoperability with other departments to minimise disruption

6. Do not fully scope out programme and what it will achieve.

Clearly outline role in Business Planning process


E-Business Strategy the vision
Enthused staff
Staff working together
E-CO
Sharing relevant information/knowledge electronically
Equipped staff
The delivery of redesigned e-services / process
Initial projects from e-business strategy 2000
Making the best use of all communication channels
E-business strategy Programme Plan
Appropriate ICT Infrastructure and common Business Framework
2001
2002
2003
2004
Training of staff to provide e-skills for 'confident people'. 'Build and Learn' e-projects to improve client focus
Delivery of appropriate ICT infrastructure that 'confident people' can trust. 'Build and Learn' e-projects to improve client focus
Implementation of common business framework. 'Build and Learn' e-projects to improve client focus
Achievement of e-vision with enthused and equipped staff. 'Build and Learn' e-projects so CO delivers its business electronically
The Steps


Getting to the Strategy.
1
Develop PID
Arthur Andersen review
30 meetings with heads of Units
2
5
Four Workshops with proposed groups and one external discussion with 'customers'.
6
Review of all data gathered
Listing and review of all projects, 'doability' and cost
Arthur Andersen review
7
9
Development of strategy draft.
Arthur Andersen review
FINAL
10
8
Presentation to Senior Management of findings
4
3
Review of all data gathered, development of Themes, and issues.
Arthur Andersen review

HR STATS
INDEX OF TABLES AND GRAPHS

Enclosed is a series of tables and graphs containing data extracted from the HR computer systems of Cabinet Office and Civil Service College. Accordingly the data includes the newly formed CMPS but not SAFE or Cabinet Office agencies such as GCDA.

Table 1 **Grade (or Pay-Band) by Management Unit**
Some grades have been combined into CO equivalents and SCS has been amalgamated. The consolidation of the Units is shown in the first table.
Chart 1A Total staff by grade
Chart 1B Nos. in Grade by Management Units

Table 2 **Age profile for Cabinet Office**
Chart 2A Age profile for Cabinet Office
Chart 2B Age profile by Management Units

Table 3 **Employee profiles by gender, origin and disability**
Non respondents or undeclared have been placed with the majority (e.g. "white" and "non-disabled")
Chart 3A Gender mix for Cabinet Office (including diversity)
Chart 3B Gender by Management Unit (including diversity)
Chart 3C Gender by Grade

Table 4 **Basic Employment Profiles, irrespective of loans etc**
In this table "Perm" relates to the employee's status as a civil servant not an employee of the Cabinet Office.
Chart 4A Full/Part time employment in Cabinet Office
Chart 4B Full/Part time employment by Management Unit
Chart 4C Full/Part time employment by Grade

Table 5 **Mobility showing the "Perm/Loan" split and length of time in post.**
Chart 5A Percentage of inward and outward staff loans
Chart 5B Loan/Permanent staff by Management Unit
Chart 5C Average yrs in dept/post by Management Unit
Chart 5D Average yrs in dept/post by Grade
Chart 5E Loan/Permanent staff by Grade

Table 6 **Turnover by Grade (one calendar year to July 2000)**

CONSOLIDATION

Division Name	CO Organisation Name	C1 (AA)	C2 (AO)	B1 (EO)	B2(HEO /SEO/ FAST)	A	SCS	P SEC	SP ADV	Total
Prime Minister's Office	No 10	17	35	44	24	8	12		26	**166**
Govt & Opposition Whip(Lords)	Whips		2	3	1	1	0		3	**10**
Govt & Opposition Whip (Comms)	Whips		12	4	1	1	1		2	**21**
Parliamentary Counsel Office	Paliamentary Counsel		5	8	2	14	24			**53**
Ceremonial Branch	Ceremonial/Neil	3	7	2	2	1	1			**16**
Cabinet Secretary's Office	Sec&Ministerial		2	3	1	1	1	1		**9**
Defence and Overseas Sec	Secretariats	2	7	5	2	4	3			**23**
Economic and Domestic Sec	Secretariats	6	9	6	20	31	17			**89**
Social Exclusion Unit	Cross Cutting Units	2	8	5	6	10	4			**35**
European Secretariat	Secretariats	3	4	4	2	5	3			**21**
Joint Intelligence Organisation	Secretariats	3	14	7	12	18	8			**62**
Constitution Secretariat	Secretariats	1	7	7	5	7	7			**34**
E-envoy Team	E-Covernment Group	1	2	2	1	5	2			**13**
UKADCU	Cross Cutting Units		3	4	3	4	1		2	**17**
Corporate Resource & Strategy Group - Ia	CRSG/PPD			1	4	1	0			**6**
Corporate Resource & Strategy Group -ifd	CRSG/PPD	29	34	49	28	9	1			**150**
Corporate Resource & Strategy Group -pfo	CRSG/PPD		2	1	1		1			**5**
Corporate Resource & Strategy Group -pmd	CRSG/PPD	7	17	9	21	3	1			**58**
Corporate Resource & Strategy Grp - Hmso	CRSG/PPD	1	8	6	6	2	1			**24**
Finance And Planning Division	CRSG/PPD	6	20	14	15	6	1			**62**
Accomm and Telecomms	CRSG/PPD	43	12	5	0		0			**60**
Departmental Overheads (CAB)	Absent Staff		10	8	6	11	2			**37**
Communications Group	Communications		5	3	15	7	1			**31**
Central Secretariat	Secretariats	4	6	7	5	7	3			**32**
Lord Privy Seal's Office	Sec&Ministerial	1	1	2	1	1	0			**6**
Ministerial Group	Sec&Ministerial	1	10	9	6	3	2		2	**33**
Neill Committee	Ceremonial/Neil	1	2		1	1	2			**7**
Women's Unit & WNC	Cross Cutting Units	1	5	7	14	8	3			**38**
Central It Unit	E-Covernment Group	1	2	9	8	19	7			**46**
Modernising Public Services	Cross Cutting Units	7	13	13	17	17	4			**71**
Regulatory Impact Unit	Cross Cutting Units	5	4	8	20	13	4			**54**
Civil Service Corporate Management	CSCM				1		0			**1**
Cs Corporate Management - Central	CSCM	2	5	10	12	4	1			**34**
Government Information & Comms Service	GICS		4	4	10	3	2			**23**
Performance Management Group	CSCM	6	10	17	20	9	4			**66**
Recruitment & Development Group	CSCM	5	13	23	17	15	6			**79**
Permanent Secretary	Sec&Ministerial		1		1		0	1		**3**
Centre For Management & Policy Studies	CMPS	26	87	59	25	102	10	1		**310**
Civil Service College	CMPS				0		3			**3**
Government Car Despatch Agency	Agencies				0		1			**1**
Security Facilites Division	Agencies				0		1			**1**
CCTA	Agencies				0		1			**1**
Absent Staff	Absent Staff	2	2	8	11	9	11			**43**

Table 1 [redacted]de/Pay Band by Management Unit

CO Organisation Name	C1 (AA)	C2 (AO)	B1 (EO)	B2(HEO /SEO/ FAST)	A (G7/6)	SCS	P SEC	SP ADV	Total
No 10	17	35	44	24	8	12	0	26	166
Sec&Ministerial	2	14	14	9	5	3	2	2	51
Whips	0	14	7	2	2	1	0	5	31
Paliamentary Counsel	0	5	8	2	14	24	0	0	53
Secretariats	19	47	36	46	72	41	0	0	261
Cross Cutting Units	15	33	37	60	52	16	0	2	215
E-Covernment Group	2	4	11	9	24	9	0	0	59
Communications	0	5	3	15	7	1	0	0	31
CSCM	13	28	50	50	28	11	0	0	180
CMPS	26	87	59	25	102	13	1	0	313
CRSG/FPG	86	93	85	75	21	5	0	0	365
GICS	0	4	4	10	3	2	0	0	23
Ceremonial/Neil	4	9	2	3	2	3	0	0	23
Absent Staff	2	12	16	17	20	13	0	0	80
Agencies	0	0	0	0	0	3	0	0	3
Grand Total	186	390	376	347	360	157	3	35	1854

Chart 1A - Cabinet Office - By Grade

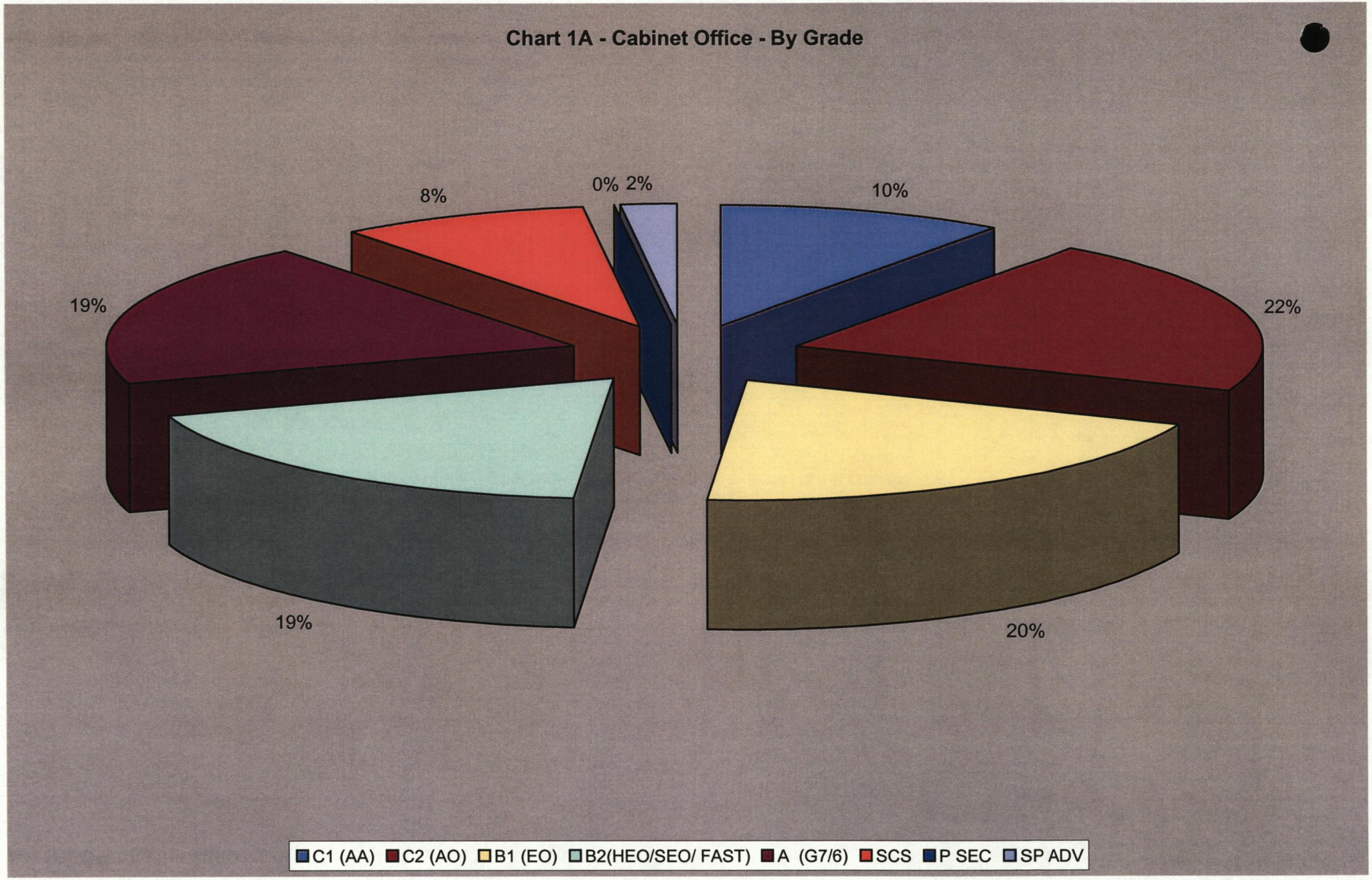


Chart 1B - Grades by Management Unit

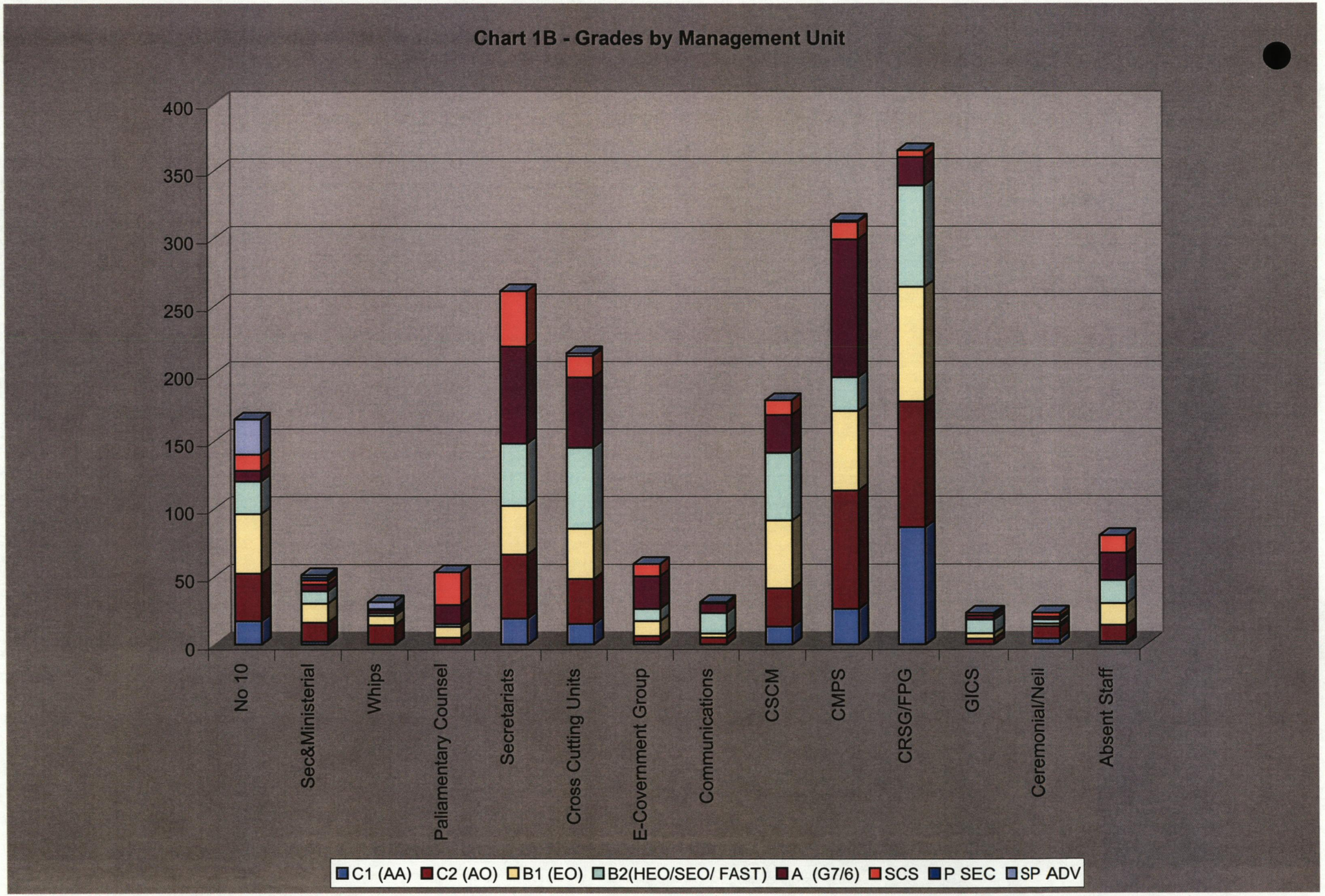


Table 2 - Age Profile by Management Unit

CO Organisation Name	<20	20-29	30-39	40-49	50-59	60+	Total
No 10	1	34	73	38	18	2	**166**
Sec&Ministerial	0	23	21	4	3	0	**51**
Whips	0	8	10	4	8	1	**31**
Paliamentary Counsel	0	5	24	10	11	3	**53**
Secretariats	3	60	99	60	36	3	**261**
Cross Cutting Units	1	53	86	53	21	1	**215**
E-Government Group	0	12	20	17	10	0	**59**
Communications	0	14	11	4	2	0	**31**
CSCM	2	33	65	42	37	1	**180**
CMPS	5	46	59	111	85	7	**313**
CRSG/PPD	5	38	96	98	108	20	**365**
GICS	0	10	6	3	4	0	**23**
Ceremonial/Neil	1	3	6	11	2	0	**23**
Absent Staff	0	12	35	16	16	1	**80**
Agencies	0	0	0	1	2	0	**3**

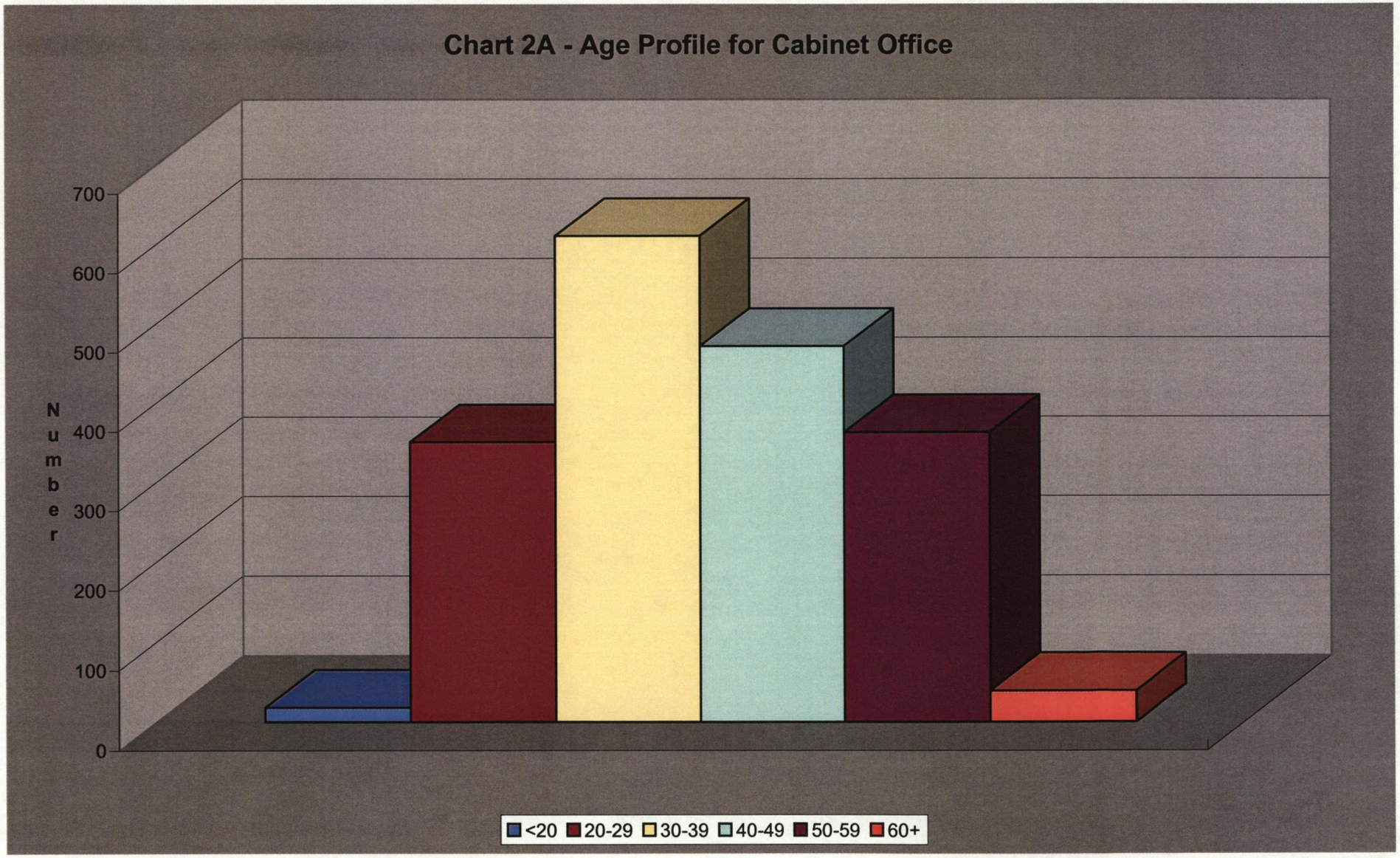


Chart 2A - Age Profile for Cabinet Office
Number
700
600
500
400
300
200
100
0
<20
20-29
30-39
40-49
50-59
60+

Chart 2B - Age Profile By Management Units

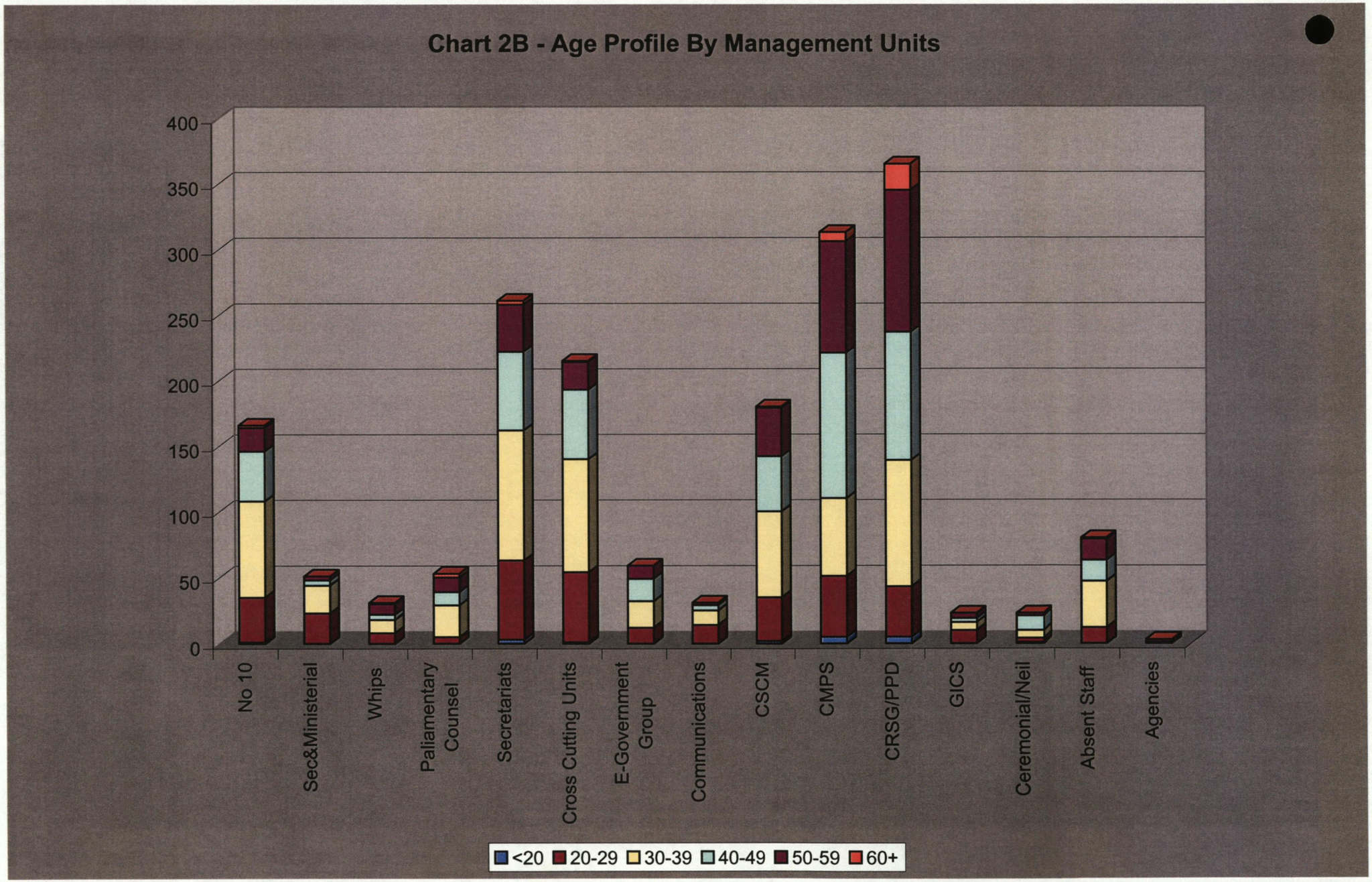


Table 2C - Age Profile by Grade

Grade Code	<20	20-29	30-39	40-49	50-59	60+	Grand Total
C1(AA)	11	41	40	27	51	16	**186**
C2(AO)	7	113	117	73	70	10	**390**
B1(EO)		91	146	80	57	2	**376**
(HEO/FAST/SEO)		70	142	80	49	6	**312**
A(G6&7)		30	117	126	85	2	**360**
SCS			39	72	43	3	**156**
PERM SEC					3		**3**
SP ADV		5	12	12	6		**35**
Grand Total	**18**	**350**	**611**	**470**	**364**	**39**	**1854**

Chart 2C- Age Profile by Grade

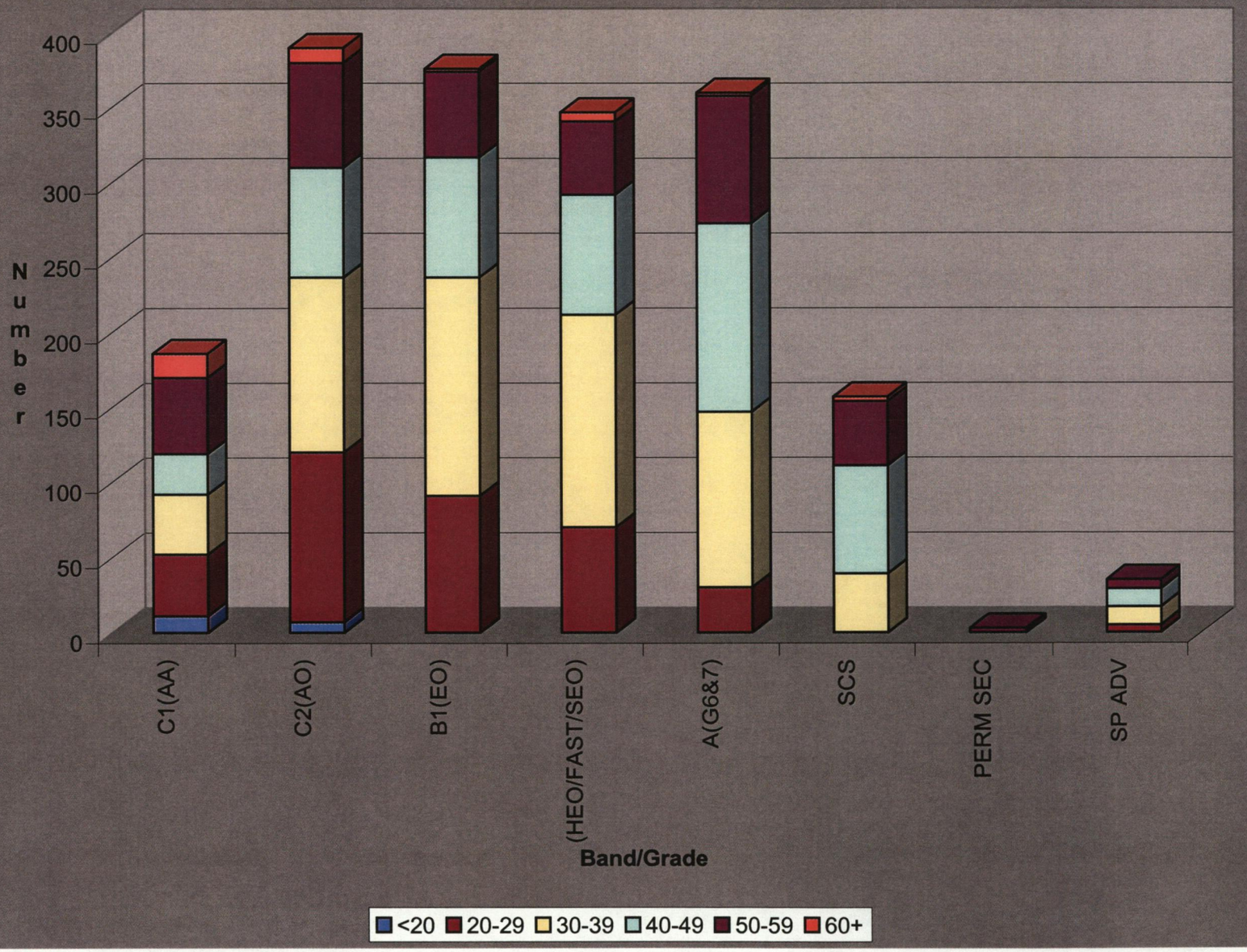


Table 3 - Employee Profile

CO Organisation Name	Gender Female	Male	Ethnicity Non-White	Disabled	Total Staff	% Non White	% Disabled
No 10	99	67	14	2	166	8%	1%
Sec&Ministerial	24	27	8	0	51	16%	0%
Whips	16	15	1	0	31	3%	0%
Paliamentary Counsel	21	32	4	0	53	8%	0%
Secretariats	117	144	22	4	261	8%	2%
Cross Cutting Units	116	99	23	1	215	11%	0%
E-Government Group	21	38	6	0	59	10%	0%
Communications	18	13	1	0	31	3%	0%
CSCM	101	79	24	8	180	13%	4%
CMPS	191	122	20	0	313	6%	0%
CRSG/PPD	138	227	33	6	365	9%	2%
GICS	14	9	0	0	23	0%	0%
Ceremonial/Neil	16	7	3	1	23	13%	4%
Absent Staff	42	38	7	1	80	9%	1%
Agencies	0	3	0	0	3	0%	0%
Total	**934**	**920**	**166**	**23**	**1854**	**9%**	**1%**

Table 3 Gender by Grade

Gender (M/F)	C1(AA)	C2(AO)	B1(EO)	B2(HEO& SEO/FAST)	A(6&7)	SCS	PERM SEC	SP ADV	Grand Total
Female	95	269	220	158	134	48		11	934
Male	91	121	156	189	226	109	3	24	920
Grand Total	186	390	376	312	360	156	3	35	1854

Chart 3C - Gender by Grade

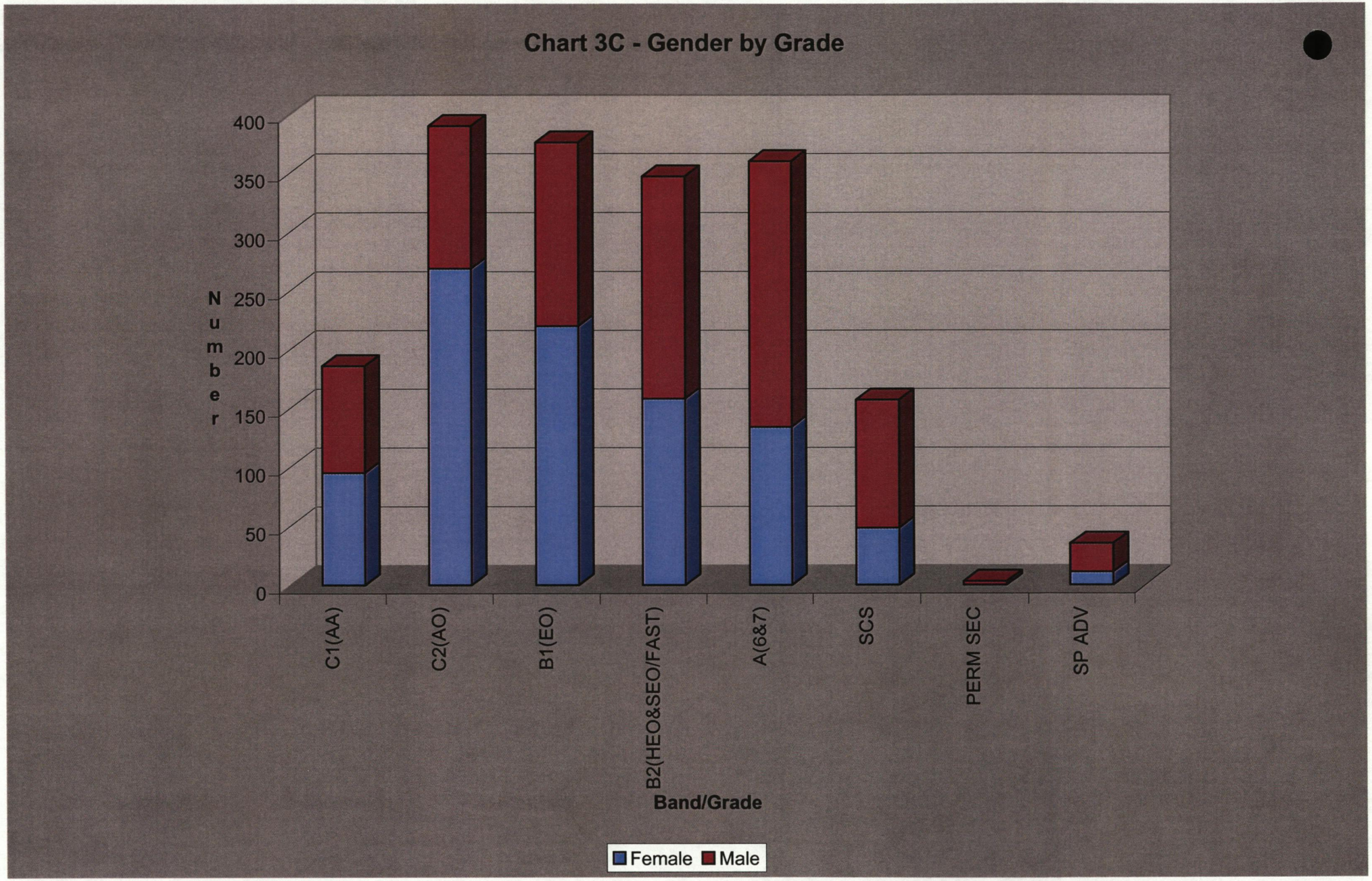


Table 4 - Employment Profile by Management Unit

CO Organisation Name	Full Time	Part Time	Substantive	Temporary	Perm	Casual
No 10	149	17	142	24	163	3
Sec&Ministerial	50	1	45	6	50	1
Whips	31	0	28	3	31	0
Paliamentary Counsel	49	4	47	6	52	1
Secretariats	244	17	236	25	248	13
Cross Cutting Units	204	11	176	39	206	9
E-Government Group	58	1	51	8	57	2
Communications	30	1	25	6	30	1
CSCM	164	16	162	18	176	4
CMPS	269	44	290	23	301	12
CRSG/PPD	352	13	312	52	358	6
GICS	22	1	21	2	22	1
Ceremonial/Neil	22	1	21	2	22	1
Absent Staff	77	3	74	6	79	1
Agencies	3	0	3	0	3	0
Grand Total	**1724**	**130**	**1633**	**220**	**1798**	**55**

Chart 4A - Cabinet Office Full/Part Time Employment

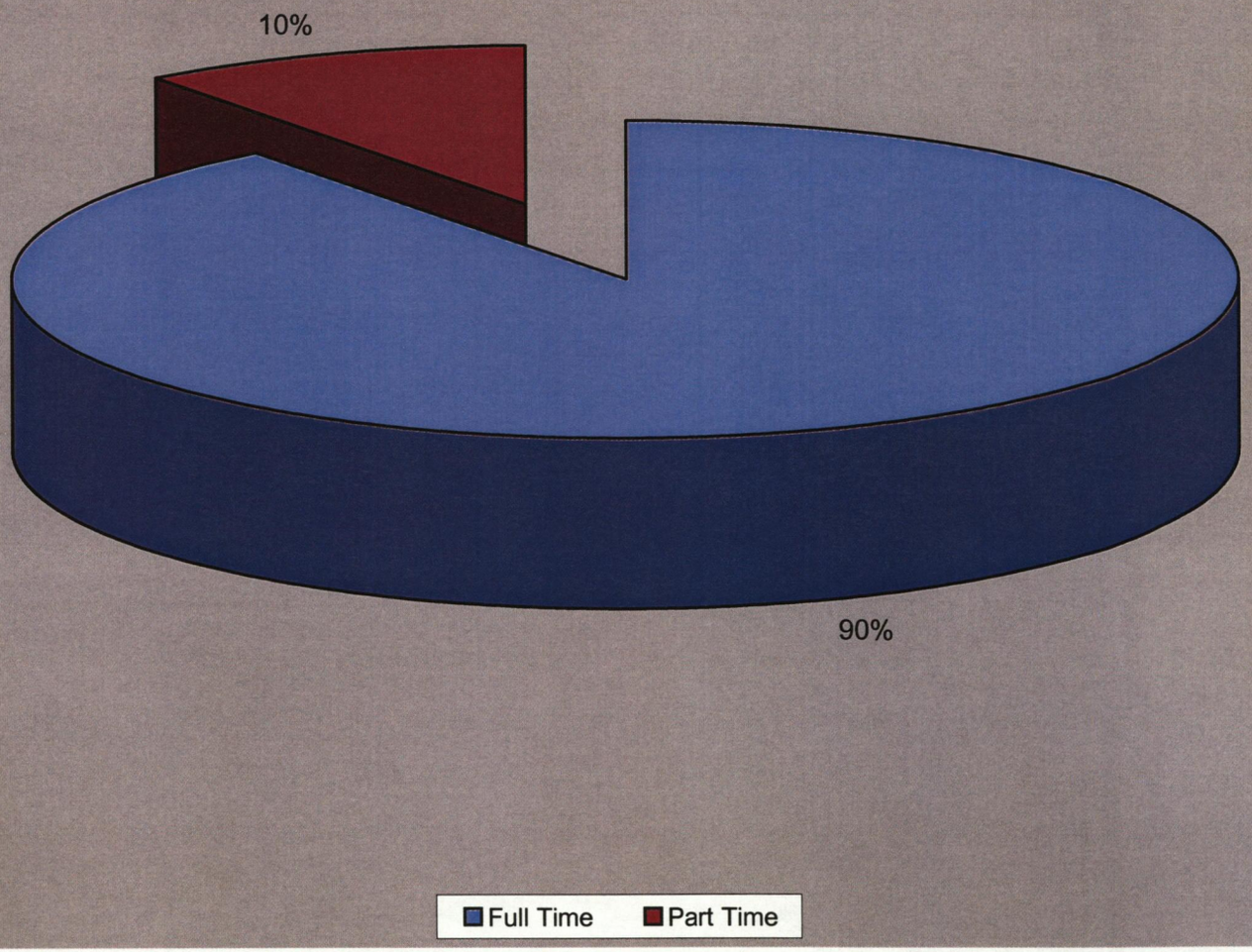


Chart 4B - Full/Part Time Employment By Management Unit

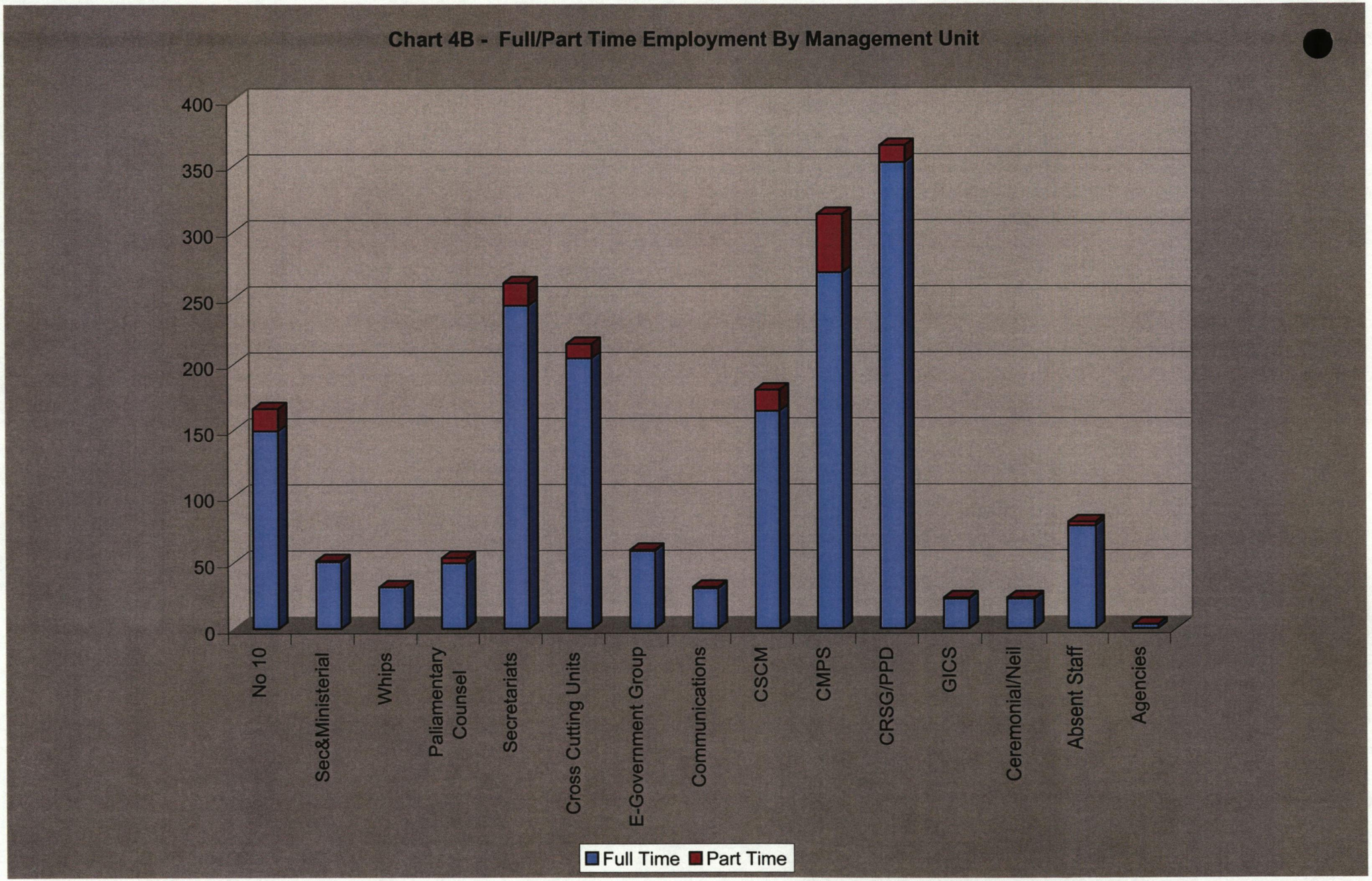


Table 4C Full/Part-time by Grade

Band/Grade	Full-Time	Part-Time	Total
C1(AA)	163	23	186
C2(AO)	349	41	390
B1(EO)	356	20	376
B2(HEO/FAST/SEO)	332	15	347
A(G7/6)	342	17	360
SCS	143	14	157
PERM SEC	3		3
SP ADV	35		35
Grand Total	1724	130	1854

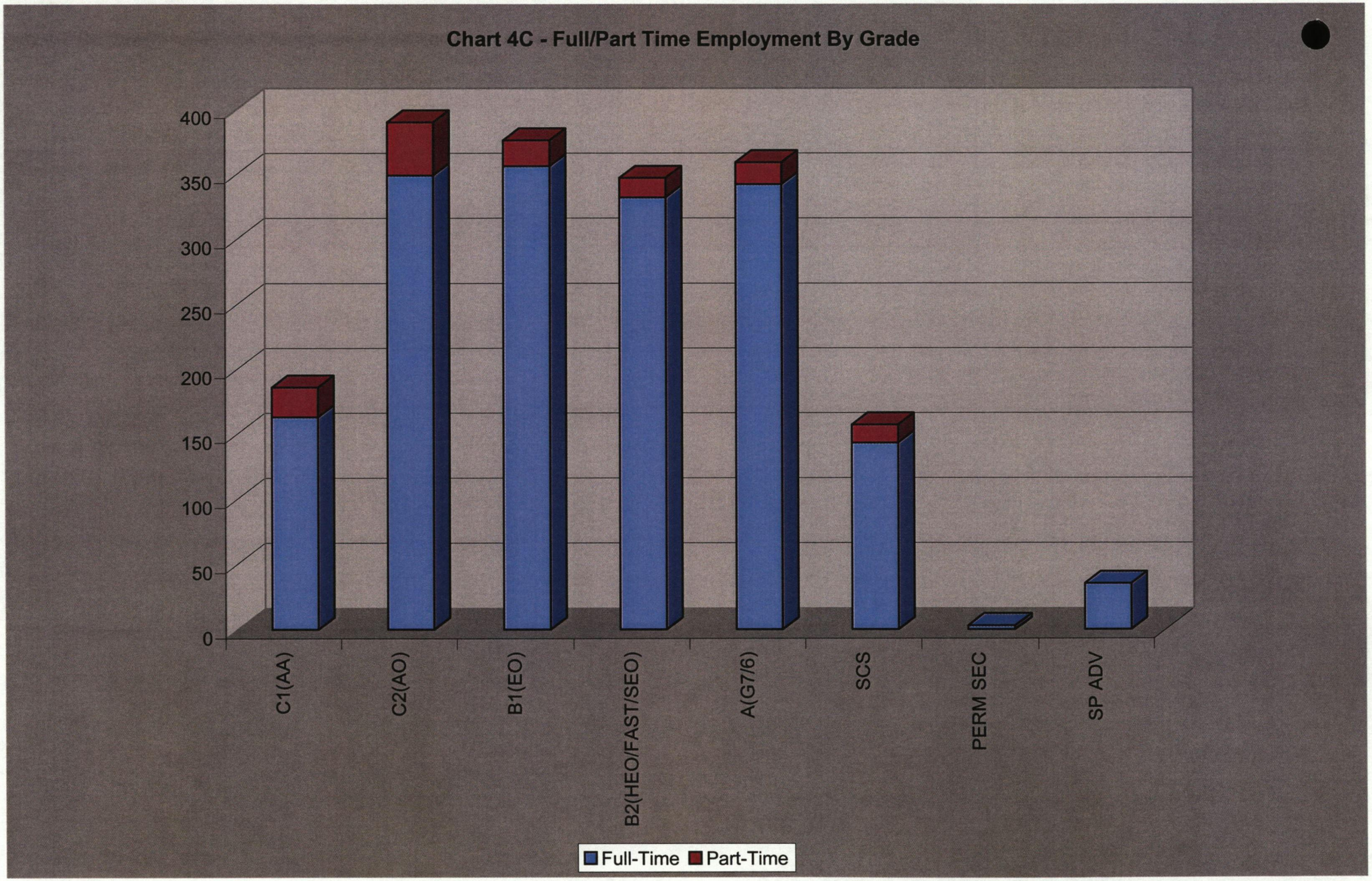


Chart 4C - Full/Part Time Employment By Grade
400
350
300
250
200
150
100
50
0
C1(AA)
C2(AO)
B1(EO)
B2(HEO/FAST/SEO)
A(G7/6)
SCS
PERM SEC
SP ADV
Full-Time
Part-Time

TABLE 5 - MOBILITY BY MANAGEMENT UNIT

CO Organisation Name	Permanent	Loan In	Loan Out	Ave Yrs in Dept	Ave Yrs in Post
No 10	98	65	0	4.82	2.15
Sec&Ministerial	33	17	1	18.85	4.09
Whips	24	7	0	17.17	6.69
Paliamentary Counsel	40	12	1	7.58	4.34
Secretariats	128	120	1	39.69	12.78
Cross Cutting Units	81	125	0	14.56	4.64
E-Government Group	25	32	0	6.24	1.97
Communications	29	1	0	2.50	4.19
CSCM	127	49	0	15.21	8.30
CMPS	232	69	3	7.63	4.21
CRSG/PPD	298	60	0	52.13	20.15
GICS	19	3	0	2.41	1.59
Ceremonial/Neil	12	10	0	8.76	2.49
Absent Staff	75	4	48	18.72	3.09
Agencies	2	1	0	9.41	8.08
Grand Total	**1223**	**575**	**54**	**225.68**	**88.76**

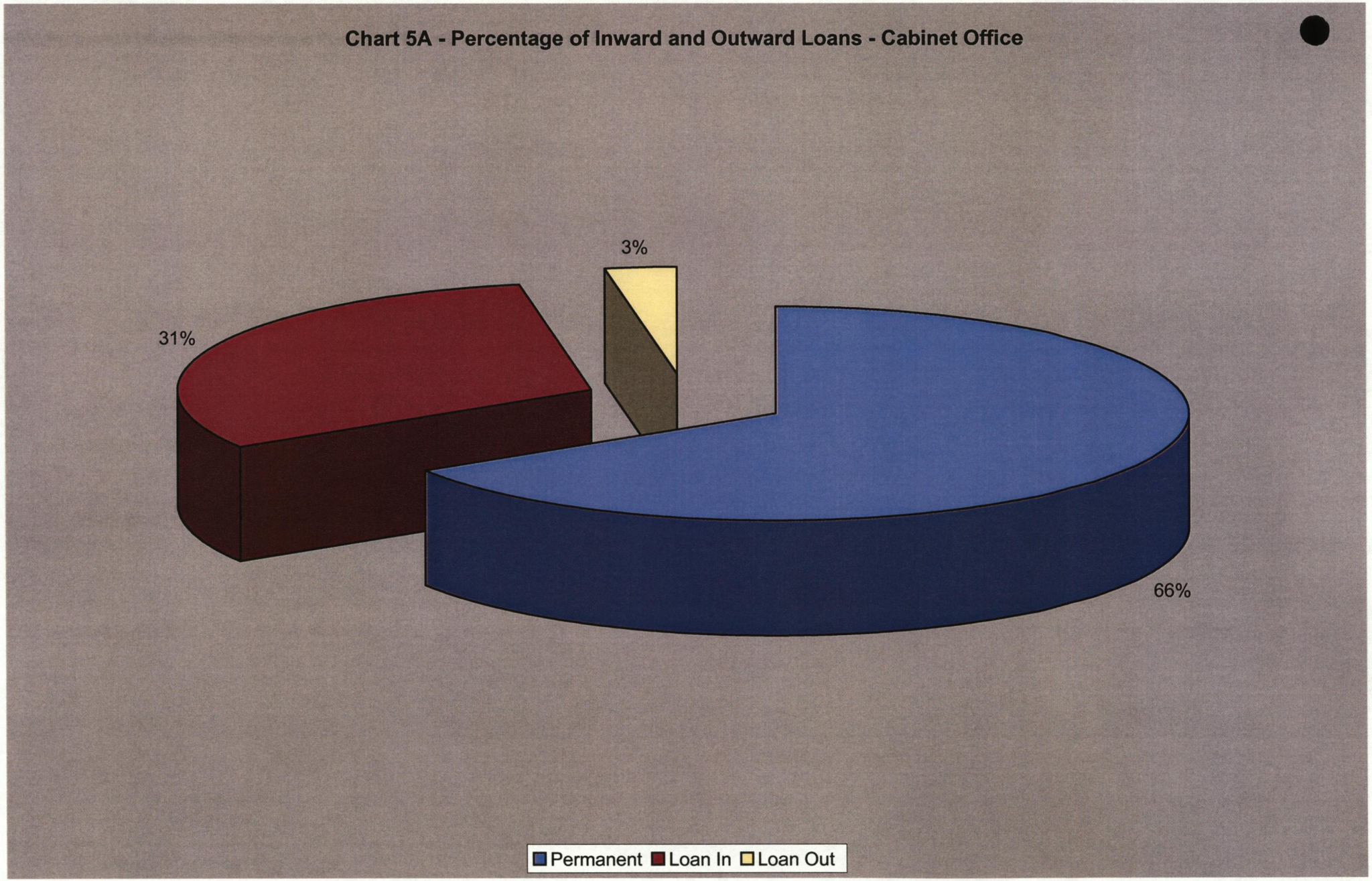
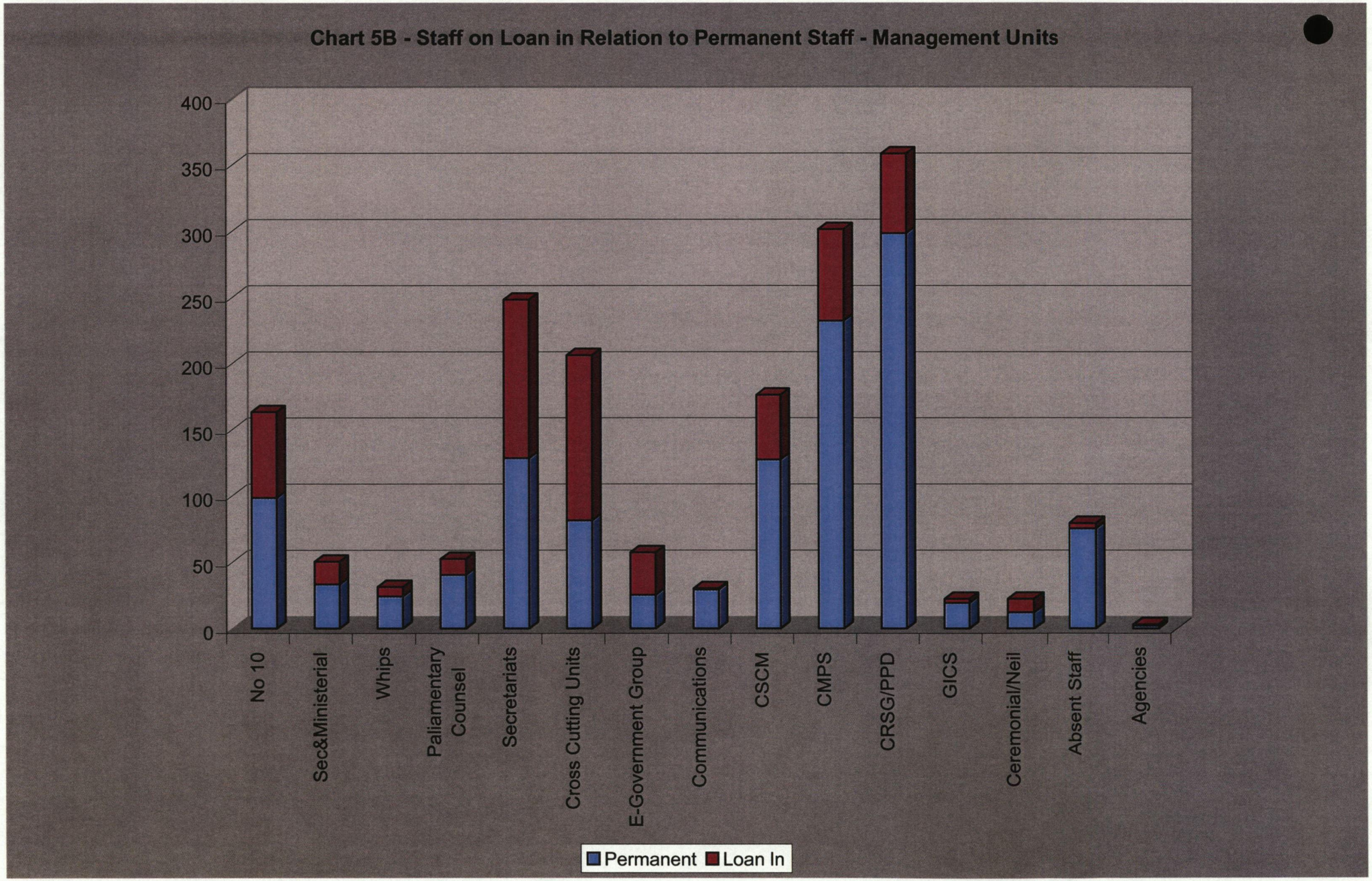


Chart 5A - Percentage of Inward and Outward Loans - Cabinet Office
3%
31%
66%
Permanent
Loan In
Loan Out

Chart 5B - Staff on Loan in Relation to Permanent Staff - Management Units



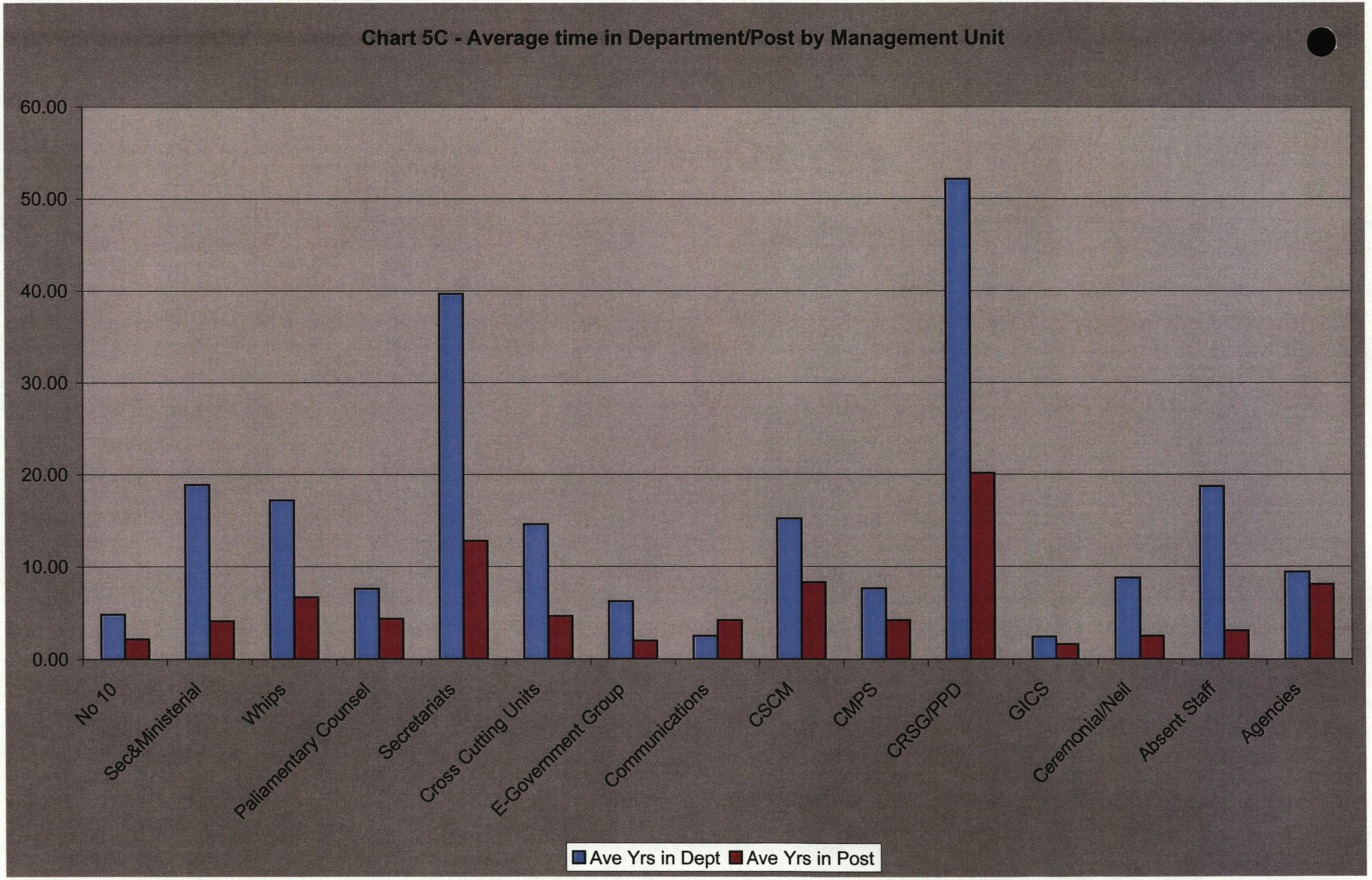


Chart 5C - Average time in Department/Post by Management Unit
60.00
50.00
40.00
30.00
20.00
10.00
0.00
No 10
Sec&Ministerial
Whips
Paliamentary Counsel
Secretariats
Cross Cutting Units
E-Government Group
Communications
CSCM
CMPS
CRSG/PPD
GICS
Ceremonial/Neil
Absent Staff
Agencies
Ave Yrs in Dept
Ave Yrs in Post

Table 5D Ave Years in post by Grade

Category	C1(AA)	C2(AO)	B1(EO)	B2(HEO /FAST/SEO)	A(G7/6)	PERM SEC	SCS	SP ADV	Grand Total
Ave in Dept	4.18	6.12	7.27	5.95	4.84	3.39	4.90	2.16	5.70
Ave in Post	2.29	2.29	2.22	1.89	2.14	1.31	2.81	2.09	2.21

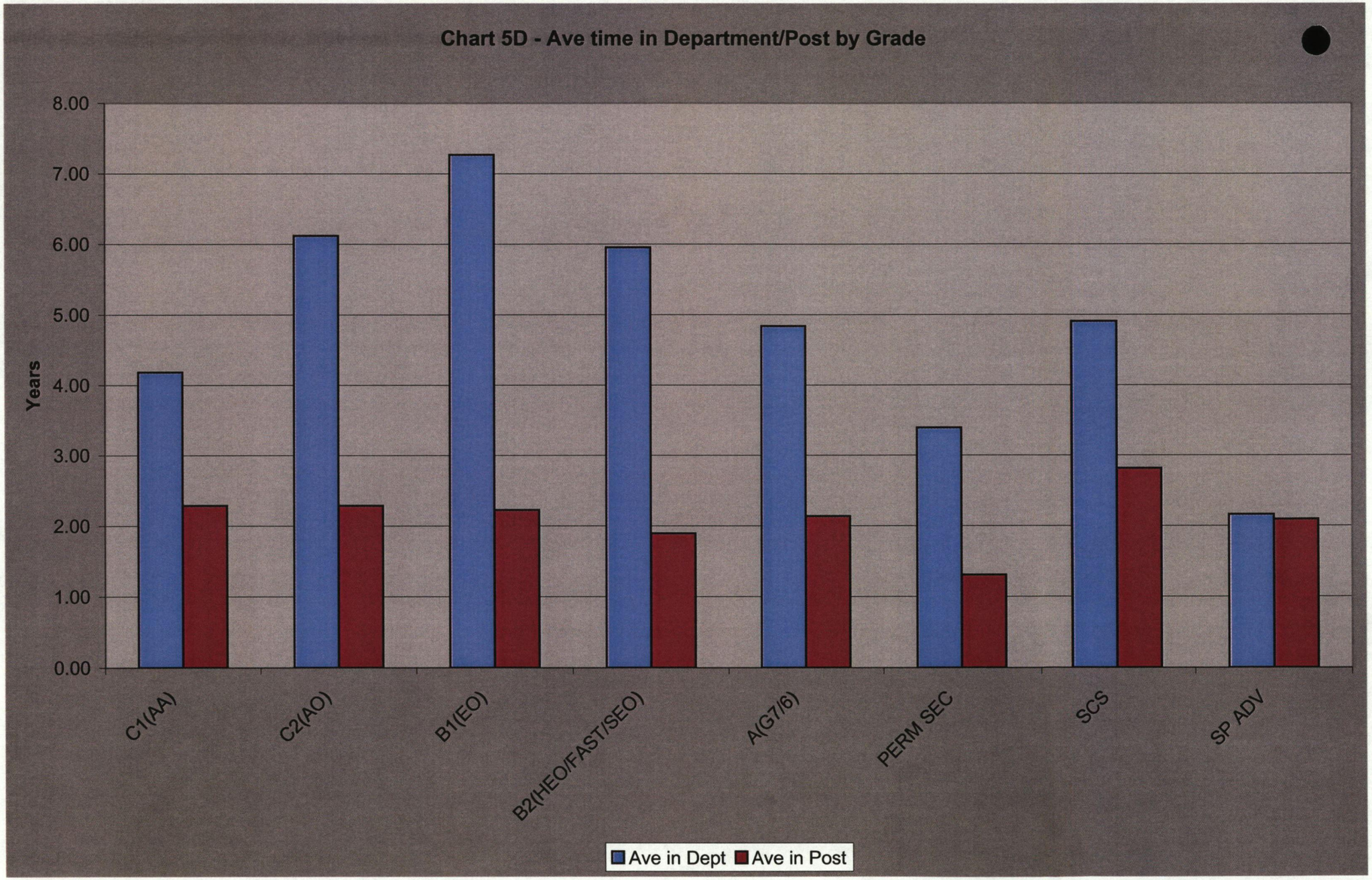


Chart 5D - Ave time in Department/Post by Grade
Years
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
C1(AA)
C2(AO)
B1(EO)
B2(HEO/FAST/SEO)
A(G7/6)
PERM SEC
SCS
SP ADV
Ave in Dept
Ave in Post

Table 5E Loan/Perm by Grade

Perm/Loaned	C1(AA)	C2(AO)	B1(EO)	B2(HEO /FAST/SEO)	A(G7/6)	SCS	PERM SEC	SP ADV	Grand Total
Permanent	161	297	266	220	175	66	3	35	1223
Loaned In	11	76	100	119	182	87			575
Loaned Out	1	5	7	15	14	12			54

Chart 5E - Permanent and Loaned Staff by Grade

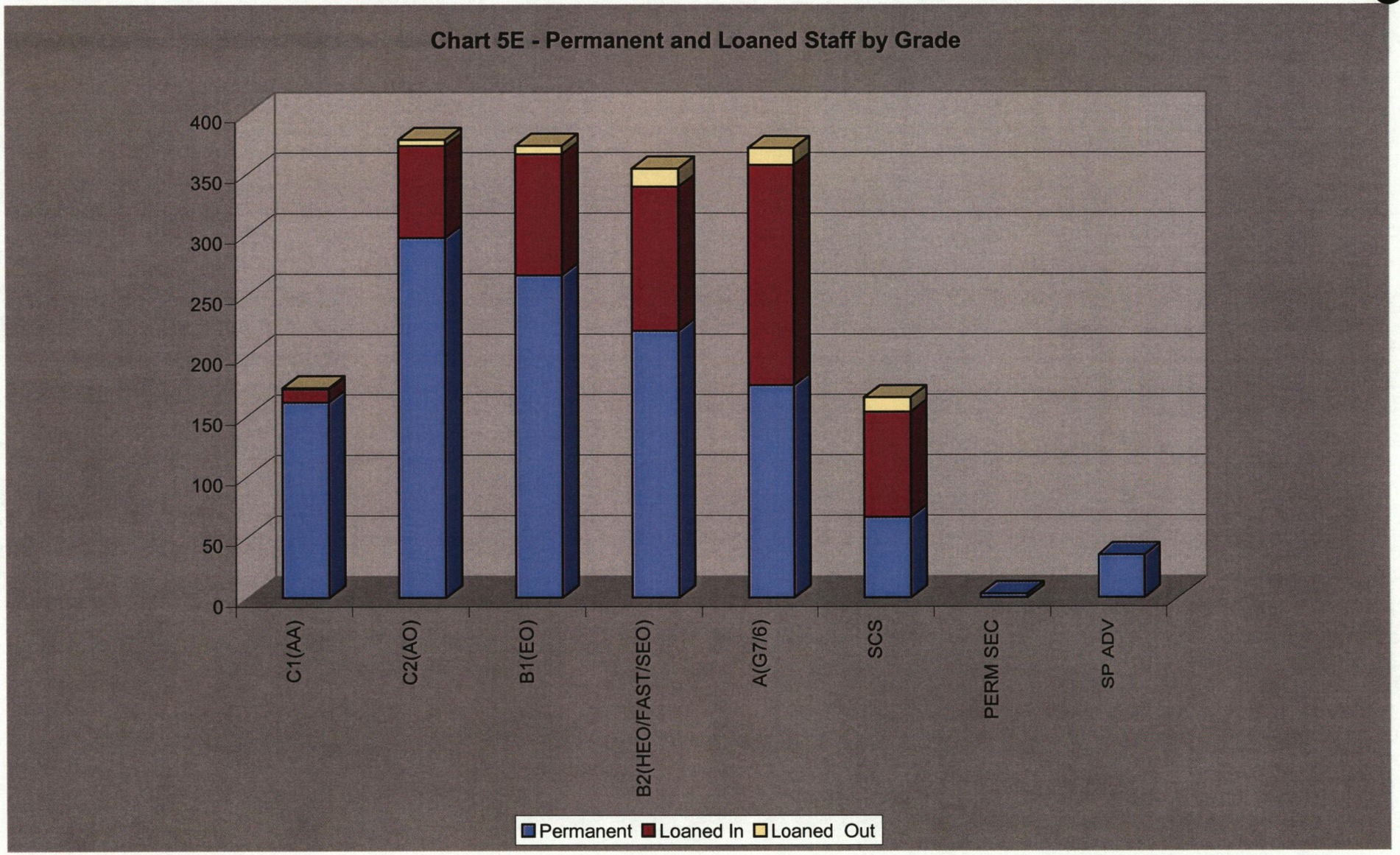


Table 6 -Turnover by Grade During July 1999 - July 2000

Band	Total Staff	Joiners	% of Joiners	Leavers	% of Leavers
C1	186	68	37%	44	24%
C2	390	112	29%	61	16%
B1	376	81	22%	59	16%
B2	312	100	32%	50	16%
B- Faststream	35	21	60%	9	26%
A	360	121	34%	60	17%
SCS	159	45	28%	38	24%
Special Advisor	35	9	26%	4	11%
Total	**1853**	**557**		**325**	

Secretary of the Cabinet and Head of the Home Civil Service

IM

In the ideal world we would simply put John Grieve into this slot now. But I guess 6 months further delay is just about worthwhile to test the market. GS

PRIME MINISTER

PERMANENT SECRETARY, DTI

I would be grateful for your agreement that we should launch an open competition, using advertisements and head-hunters, to find the successor to Michael Scholar at DTI.

2. As you know, I have agreed with Michael Scholar that he should retire from the Civil Service at the end of May next year, 2001.

3. I would like to start the process of finding a successor early in the new year. Although there are a number of staff ready now to step up to Permanent Secretary level, DTI is an obvious candidate for open competition. I know that Stephen Byers would like to test the market and my SASC colleagues have agreed that that would be sensible. We will leave open the question of salary until we have selected the successor.

4. If you are content, I will put preparations in hand now to advertise the vacancy early in January.

RW.

RICHARD WILSON

08 December 2000

Ref.A02000/3096

cc JJH OM
ON thu

(1)

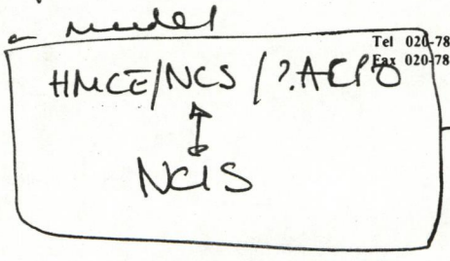
① This is part of Customs/HMCT plan to set up new structure for Customs/NCS + get grip of NCS

Regime - needed

Terry Byrne
Director Enforcement

Board of Customs & Excise
5th Floor West
New King's Beam House
22 Upper Ground
LONDON SE1 9PJ

Tel 020-7865 5017
Fax 020-7865 5354



to make plan with joint agreement. If OM then NCS set funding. If not they raise it.

Peter Storr Esq
Policing Organised Crime Unit
Organised & International Crime Directorate
Home Office
Room 402, 50 Queen Anne's Gate
London SW1H 9AT

7 December 2000

② OM to look at for HO letter re
- Spedding
- NCS/NCIS funding post LP before Jan.

LJ

NCS SERVICE AUTHORITY

Thank you for your letter of 4 December. It is an encouraging sign of the times that Customs is being pushed to sit on the NCS Authority. Your letter does, however, spring something of a surprise in revealing the intention to legislate on NCIS funding in the imminent Criminal Justice and Police Bill. In replying it would, therefore, be sensible to address this further related aspect which has been triggered by the Spedding report as well as by your proposed arrangements for future funding of NCIS and NCS.

I accept that it does make sense, as you indicate, for Customs to be a member of the NCS Authority. NCS and Customs continue to forge a closer relationship - I believe we will go further - and there is a real strength in the evidently complementary relationship. Without in any way undervaluing the role of police forces in combating the broad spread of all crime, these two organisations share the lead, perhaps from slightly different perspectives but no less complementary for that, in tackling serious and organised crime.

From that, we are, together, the major user of NCIS products and, I suggest, in practice the major driver of NCIS activities. Several recent discussions and, indeed, the findings of the Spedding review have recognised the imperative of a more strategic, coherent, approach to tackling serious and organised crime and the need for NCIS to be better focused in that way. As NCIS funding moves away from the police authorities' levy to central funding we should take advantage of the opportunity to tie in NCIS to the strategic and operational serious and organised crime priorities of the NCS and Customs.

At present, Customs funding of NCIS is on the basis of past 'voluntary' contributions (mainly in the form of bodies rather than money) built up almost accidentally over the years and with little direct relationship to the service sought from or given by NCIS. We are now in the process of trying to pin down the right service and, then, the right funding. At the same time, the NCS does not, I understand, make any direct contribution to NCIS funding but is a substantial user of NCIS services.

Few would, I think, doubt the benefits of linking funding directly to decisions about activities (services) and outputs. If NCIS is to be funded more directly, we will need to ensure that its outputs do directly match the needs and outcome obligations of its main operational partners. That should not, in any way, damage the intelligence service it can offer to other agencies.

I would suggest, therefore, that in future NCIS is funded jointly by the NCS and Customs. Apart from, crucially, enforcing the necessary discipline in relating outputs and outcomes to inputs, I believe that would potentially have some other important benefits.

It would encourage a concerted strategic approach between the NCS and Customs. They would share a responsibility for guiding criminal intelligence effort so that it matched agreed top level operational outcomes on serious and organised crime. It would pave the way for harmonised intelligence activities between NCIS and the intelligence resources in both the NCS and Customs to avoid the potential gaps which concerned the Spedding review. And without the serious disruption of some big bang structural changes, it should help to blend the different operational approaches of Customs and the NCS.

Without this proposed NCS/Customs oversight, there is a real risk of an independently funded NCIS, as an intelligence service, developing its own role and agenda diverging from the commitments and needs of the main serious and organised crime operational agencies.

Nothing in what I have said detracts, of course, from the aims of the Criminal Justice and Police Bill in diverging NCIS funding from a levy on police authorities and providing it more directly.

We are ready to expand on this proposal with some urgency if that is needed.

I am copying this to John Abbott NCIS, Roy Penrose and Bill Hughes NCS and to John Gieve Treasury.

TERRY BYRNE

CONFIDENTIAL

from: **TERRY BYRNE**
Director Enforcement

5th Floor West, NKBH
0171-865 5017
Fax: 020-7865 5354
GTN 3913

7 December 2000

PS/PAYMASTER GENERAL

NCIS FUNDING

Issue

The Paymaster may wish to be aware of a proposal we are making that the future funding of NCIS should be through Customs and the National Crime Squad jointly. Home Office Ministers, as well as NCIS top management, ACPO and Home Office officials may well find it provocative, and Charles Clarke may raise the matter with the Paymaster.

A copy of my letter to the Home Office setting out the proposal is enclosed.

Timing

Home Office has revealed to us at the last minute that the imminent Criminal Justice and Police Bill is to be used to legislate a change in the way NCIS is funded from the existing levy on police authorities to a direct grant from the Home Office.

Any debate provoked by our proposal will take place over the next week or so.

Background

We have accepted the arguments that the current funding of NCIS through a levy on police authorities is cumbersome. The Spedding review supported a change to more direct funding.

Customs contribution to NCIS funds is outwith the Home Office proposal but we shall, no doubt, be pressed to change the way in which we contribute if and when the police authority levy is replaced by direct funding. We contribute around a not unsubstantial 9% of NCIS total budget.

While tactfully put, the Spedding review pretty much says that NCIS isn't working. Changes are needed. The predictable NCIS (and Home Office supported) response is to ask for more money to bolster inadequate performance while ignoring the clear messages on internal reform and focusing existing resources on the right priorities.

Much of the current troubles stem from the NCIS focus on quasi-operational activities. Spedding urges NCIS towards strategic analysis. Operational and tactical intelligence activities are best left to the operational and intelligence agencies with all criminal intelligence being passed to NCIS. There is a real risk that an NCIS that is directly funded by the Home Office will not be able to resist the temptation of developing activities and agenda not wanted by the operational agencies who have to deliver government outcomes.

Informally, we understand that National Crime Squad senior managers share some of our concern about this risk. They already privately express discontent. I believe they would privately welcome our proposal for joint funding through NCS and Customs rather than through the Home Office but they are very unlikely to declare that openly until they saw the way the wind was blowing.

ACPO is likely to see a Customs/NCS oversight of NCIS funding as a threat to the service that police forces get from NCIS. But the key there is to determine the future role of NCIS (as identified by Spedding) and, from that, the proposed Customs/NCS funding arrangement should pose no greater threat to police forces than funding through the Home Office.

Conclusion

The debate is likely to be short and sharp.

We can expand on the arguments in my letter if required.

TERRY BYRNE

---

cc: John Gieve

Richard Broadbent
Andrew Parker
Paul Evans
Donald Toon

RESTRICTED - STAFF

Reid by Fax.

MINISTRY OF DEFENCE
WHITEHALL LONDON SW1A 2HB

Telephone 020 721 82111/2/3

SECRETARY OF STATE

MO 1/19K

6 December 2000

Dear Jeremy,

You may recall that Alasdair McGowan has moved on from the MOD to No 10. The Defence Secretary has interviewed three candidates and wishes to appoint Richard Taylor in his place. Richard is currently a policy officer with the Labour Party (a copy of his CV is enclosed). Subject to the necessary administrative arrangements, Mr Hoon would hope that Richard could start here before Christmas.

Could you please let me know whether the Prime Minister is content with this appointment.

Copies of this letter go to John Fuller and Richard Abel (Cabinet Office).

Yours ever,
Julian.

(J A MILLER)
Private Secretary

RESTRICTED - STAFF

Recycled Paper

Richard Taylor

CLOSED UNDER THE FREEDOM OF INFORMATION ACT 2000

PROFILE

A political and business adviser specialising in industrial policy. Experienced in public policy development at UK and EU levels working with Cabinet Ministers and Board Directors. Responsible for campaigns for the Labour Party and the Confederation of British Industry. Experienced in the design and implementation of information systems to strengthen campaigning capacity.

EMPLOYMENT

The Labour Party

Policy Officer, Trade and Industry, Culture & Agriculture (Feb '98 – present)

Analysing and researching policy issues across industry, culture and agriculture. Preparing policy initiatives for the manifesto and next general election.

Developing campaign themes and policy ideas with Cabinet Ministers, the Prime Minister's Policy Unit and Special Advisers: on, for example, competitiveness and the knowledge economy, effective introduction of the national minimum wage, the future status of the Post Office, and the targeting of National Lottery funds.

Secretary to the Party's Industry, Culture and Agriculture Commission, chaired by Rt Hon Stephen Byers MP. Drafting policy statements based on two years' consultation with the Party and external experts for approval as Party policy for the general election. Negotiating amendments to policy statements with the General Secretaries of Trade Unions and other senior Party members.

Briefing and advising Cabinet Ministers on policy and presentation for programmes such as *Question Time* and *Any Questions*.

Designed and introduced new Lotus Notes databases, in consultation with different business units, for effective information sharing on Government and Party policies, and profiling the policies of political opponents.

Confederation of British Industry

Executive Adviser (Feb '97 – Jan '98)

Managed the private office of the President and the Director-General of the CBI and co-ordinated briefing for a busy programme of meetings with Government Ministers, civil servants and business people.

Drafted speeches, including Adair Turner's first speech to TUC Congress, to communicate business policies to a wide range of stakeholders.

Co-ordinated the restructuring of the CBI's information systems, and communicated the benefits of new management tools to staff.

Co-ordinator, Business in Europe Campaign (Dec '95 - June '96)

Managed CBI campaign to promote the business priorities for Europe, reporting to Niall FitzGerald, Chairman of Unilever. Controlled £250,000 budget.

Organised five conferences across the UK featuring Gordon Brown, Sir Leon Brittan and the Chairmen of BT, BP and Hewlett-Packard. Designed and edited a multi-media information pack.

Senior Environmental Policy Adviser (July '96 – Jan '97; Nov '93 - Nov '95)	Analysed policy and best practice developments on all environmental issues affecting business including new UK and EU legislation and international agreements. Briefed senior CBI staff and company directors on pertinent environmental issues and their application to other business functions. Lobbied politicians in Westminster and Brussels, particularly on models for environmental liability, and through all stages of the Environment Bill 1995. Drafted business statements on the effects of the Bill and briefed MPs individually. Published CBI policy statements on transport plans and contaminated land.

EDUCATION

Cambridge University Wolfson College (1992-1993)	Master of Philosophy Degree in Environment and Development. Thesis assessed water resource strategies for Eastern England, investigating the scope for demand management. Fieldwork with Cambridge Water Company.
Birmingham University (1989-1992)	Upper Second B.A. (Honours) in Geography and African Studies. Dissertation examined the role of potable water provision to rural development strategy in Africa. Field research in Uganda with Non Governmental Organisation.
Prizes and Scholarships	Institute of British Geographers Prize for research in Developing Areas. Harry Thorpe Prize for research in Human Geography. Professor Kinvig Travel Scholarship.
School and College (1980-1989)	Kingston Grammar School and Guildford College of Technology 4 A' Levels: Law (A) Geography (B) English (B) Mathematics (D)

PERSONAL DETAILS

Date of Birth	12 January 1970
Marital Status	Married, with one son

INTERESTS

Foreign Travel	Extensive travel in Africa, United States and across Europe. Organised a student expedition to Burkina Faso, Mali and Niger.
Societies	Fellow of the Royal Geographical Society and the Royal African Society. Treasurer to a new Anglican Church in Westminster.
Sports	I enjoy paragliding, ski-ing and cricket. Member of Chelsea Football Club.

0171 238 0665

DEPARTMENT OF SOCIAL SECURITY

from the Secretary of State

Richmond House • 79 Whitehall • London SW1A 2NS
Telephone: 020 7238 0800 • email: Ministers@ms42.dss.gsi.gov.uk • www.dss.gov.uk

Rt Hon Ian McCartney MP
Cabinet Office
70 Whitehall
London SW1A 2AS

3 December 2000

BETTER GOVERNMENT FOR OLDER PEOPLE (BGOP)
PROGRAMME RECOMMENDATIONS - GOVERNMENT RESPONSE

Thank you for your letter of 22 November seeking views and agreement to the response to the BGOP recommendations in "All our Futures".

Thank you for the work you and your officials have put into co-ordinating and preparing this draft response. I am pleased that we have a positive story to tell in reporting progress against recommendations.

It would be helpful if the publication could be used to promote the Government's overall programme of action for older people, under the "Life begins at 50" - A Better Society for Older People" brand. Perhaps you could confirm your agreement. That would allow the response to be published on the same day as the final BGOP conference on 30 January. I am anxious that we should use the conference to highlight our agenda for the over 50s.

We also need to agree the publicity arrangements and what our message is. It is an important announcement and we must both agree its terms.

I am meeting Richard Worsley and other members of the BGOP Steering Committee on 16 January and I expect that they would like to take the opportunity to influence the response in some areas. I would be pleased if you could come to the meeting.

Recycled Paper

0171 238 0665

E.R.

I know the strength of feeling in respect of the recommendations in "All our Futures" to set up a National Partnership Body and that we need to respond appropriately. However, I would not want to go beyond an acceptance in principle and we should not put a date on making further more detailed announcements.

I have asked my officials to provide comments to yours on the detail of the draft response. I would welcome the opportunity to consider a further draft before recess.

I am copying this letter to the Prime Minister, Chancellor, IMG members, Sir Richard Wilson and Carey Oppenheim.

ALISTAIR DARLING

PAUL BOATENG MP

MINISTER OF STATE

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT
Tel: 0171 273 4597
Fax: 0171 273 4090

F

DJ

DEC 2000

The Rt Hon Ian McCartney MP
Cabinet Office
70 Whitehall
LONDON
SW1A 2AS

Dear Ian,

BETTER GOVERNMENT FOR OLDER PEOPLE PROGRAMME RECOMMENDATIONS – GOVERNMENT RESPONSE

Thank you for your letter of 22 November with which you enclosed a copy of the Government's response to the recommendations in the BGOP report "All Our Futures". I agree that the response offers us the chance to make a positive statement on the programme and the value we attach to older people.

I am in general content with the responses to the recommendation. However, I would be grateful if one minor alteration could be made to the wording of the response to recommendation 3:

> "..... and helping older people to make use of their skills and experience for the benefit of the wider community by promoting volunteering and recognising the contribution that volunteers make....."

I am copying this response to the Prime Minister, Chancellor, IMG members, Sir Richard Wilson and Carey Oppenheim.

Yours

PAUL BOATENG

5872pb

 File

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 December 2000

Faxed DS 7/12

Dear Rebecca

CHAIR OF NATIONAL CONSUMER COUNCIL

The Prime Minister was grateful for your Secretary of State's letter of 21 November.

The Prime Minister is content with Deirdre Hutton being appointed as the new chair of the National Consumer Council from 1 January 2001.

I am copying this letter to Ashley Ibbett (Cabinet Office).

Yours ever

SIMON VIRLEY

Rebecca Merritt
DTI

mcu.rs\ja.28.11

FINANCIAL SECRETARY TO THE TREASURY

(F) JSH

Treasury Chambers, Parliament Street, London, SW1P 3AG

The Rt Hon Dr Marjorie Mowlam MP
Minister for the Cabinet Office
70 Whitehall
London
SW1A 2AS

5 DEC 2000

Dear Mo,

I have seen a copy of your letter of 14 September to John Prescott and Sir Richard Wilson's letter of 20 November to Sir Hayden Phillips. Sir Richard asks those Departments where correspondence performance improved during the first six months of 2000, compared to 1999, to reply also to your letter with confirmation that those improvements are being sustained.

There were considerable improvements made at H M Treasury, H M Customs and Excise and Inland Revenue Departments during the first half of this year. Although there has been a slight decrease in overall performance during the latter few months, performance is still well above the 1999 levels. H M Customs and Excise are also currently dealing with a large volume of fuel duty related correspondence. This is putting additional pressure on resources, with an effect on performance which we expect to be temporary.

The steps outlined below have recently been made, or are being taken forward, throughout our Departments to ensure further progress is made:

- Central correspondence units have been strengthened to ensure cases are dealt with more quickly and allow more scope for monitoring and chasing cases.

- Improvements have been made to the availability and extent of performance data to ensure Ministers, senior managers and team leaders can take early remedial action where necessary.

- Computer support systems have been upgraded to improve the handling process, time and the monitoring of cases.

- Correspondence handling guidance for officials is currently being updated and reissued.

- A joint departmental Correspondence Handling User Group is being set up between our three Departments to identify where further improvements can be made, identify and generate best practice and initiatives and help plan longer term aims and objectives to meet higher expectations and targets.

mcu.rs\ja.28.11

FINANCIAL SECRETARY TO THE TREASURY

- There are now regular correspondence related information items included in Departmental magazines issued to all staff to help generate a greater awareness of the importance placed on correspondence handling.

There was a fall in performance during the first six months of this year in respect of cases delegated down to local Income Tax Offices, from 60% to 52%. However, performance has improved to a level of 64% between July and September, following a number of changes made to the handling process.

Our Departments are also currently looking into the procedures for dealing with the growing use being made of Email correspondence and how to ensure performance meets expectations.

Although improvements continue to be made I recognise the need to do more and there is a commitment throughout our departments to improve further.

I am copying this letter to the Prime Minister, Cabinet colleagues and Sir Richard Wilson.

With all best wishes,

Stephen

STEPHEN TIMMS

(4)

MAFF

Ministry of Agriculture, Fisheries and Food,
Nobel House, 17 Smith Square, London SW1P 3JR
Tel: 020 7238 5446 Fax: 020 7238 6118
e-mail: b.bender@sec.maff.gsi.gov.uk

Brian Bender CB,
Permanent Secretary

cc PV

David North
No 10 Downing Street
London
SW1

5 December, 2000

Dear David

POLICY AND CORPORATE STRATEGY UNIT

As you know, Brian Harding has just taken over as Head of the Policy and Corporate Strategy Unit we are establishing in MAFF. He is currently thinking about the skills mix he needs within it, and will be recruiting staff for it from across Whitehall and outside.

The Unit will drive MAFF's internal change programme and will look at cross-cutting policy issues affecting the Department's customers/stakeholders over, say, the coming 3-5 years. It is on the latter aspect that I write to you.

I envisage setting up a small steering Board to help guide this work. It would meet every couple of months or so, to reach a view on proposed areas of work and have presentations on (some) ongoing projects. I would find it valuable if you felt able to be a member.

I have written in similar terms to Richard Brown.

Yours sincerely

Brian

BRIAN BENDER

dl659

Recycled Paper

C. Jeremy Heywood. You may be interested to see this
outbreak of goodwill in working relations with the Treasury.
Ag.
GN

To: Christian Turner

cc. JoP
DM

From: John Sweetman MPS
Date: 5 December 2000

Copy: Mark Langdale
Patrick White
Lucy Stephenson
Jonathan Stephens
Ann Steward
Phil Wynn Owen

CABINET OFFICE AND TREASURY MINISTERS MEETING ON CLOSER WORKING

Issue:

1. I understand that, leading on from Peer Review recommendations and correspondence exchanged after the recent Chief Executives conference, Mr McCartney and Lord Falconer are meeting Andrew Smith on Thursday to discuss closer working arrangements between the two departments. This note sets out the current position.

Recommendation

2. There is a productive and increasing spirit of closer working with the Treasury and there are no major areas of dispute to bring to Ministers' attention. We have talked to Treasury officials who have briefed in positive terms about closer working.

Background

3. Presenting and operating a more joined up Centre of Government is necessary to help deliver the Modernising agenda and has been raised in significant reports and studies (eg: Cabinet Office Peer Review and PIU's Wiring It Up). Departments and agencies see coherence of Central functions and responsibilities as crucial. We understand Mr McCartney is keen to further engage Mr Smith.

Current position

4. There are several significant areas of common interest. Whilst it's right to say that Treasury's control of funding means they hold a more powerful hand, we are finding Treasury officials at working level increasingly open to Cabinet Office input and involvement across a range of issues. Most significant is that PSAs and SDAs heavily reflect the modernising agenda (SDAs in particular) and we are moving into a new phase of joint monitoring arrangements to ensure departments deliver their public commitments. Further information on this and other areas of joint interest are in the attached annex.

5. Across the board, at working level, relations are constructive and open. We deal across a range of issues and hold regular Roundup meetings to ensure continuity and a common approach. We find HMT responsive to our point of view and keen for us to play more of a role. A significant constraint to our contribution is not HMT unwillingness to engage: it is our capacity to do so.

6. HMT is resourced and structured with dedicated spending teams whose specific responsibilities cover individual departments. We are not structured in this way and cannot match this resource, or the depth of knowledge this enables Treasury to build up.

Conclusion

7. Should Ministers require officials at the meeting, we will be pleased to attend.

John Sweetman

MPS

020 7276 1708

Annex

Monitoring arrangements for PSAs/SDAs

- Autumn round of PSX meetings for key departments, and Chief Secretary/Lord Falconer meetings for others. Joint preparatory meetings of CO/HMT officials to ensure common agenda.
- New PSAs/SDAs take effect April 2001; first serious monitoring round, October 2001. (recent submission from William Bradshaw).
- Database tracking PSA/SDA targets, maintained by Treasury and shared with Cabinet Office/No 10.
- Quarterly monitoring & meetings with depts, involving CO/Treasury officials.

Performance Information Strategy

- Recommendation from "Wiring It Up"
- Coherent (Central) performance information strategy required for public sector managers.
- Joint project (HMT/CO/NAO/Audit Comm).
- Public consultation in February 2001.

Central pots of money

- Invest to Save Budget (challenge fund for innovative joint working) – now assessing round three bids. Extended into SR2000 period
- CO/HMT share bid assessment load.
- CO represented on ISB committee.
- MCO and CSec approve final list (Jan 2001).
- Capital Modernisation Fund: E-Envoy advise on IT bids.
- SR2000 specific funding for electronic service delivery (knowledge economy) worth £1 billion. Duel key authorisation by E-Envoy Office and CSec.

Public Sector Productivity Panel

- Newly constituted panel (via Nolan procedures).
- Mavis MacDonald and John Gieve (HMT) are principle advisors to the panel.
- CO works closely with HMT (officials) Panel Unit to ensure focus of studies and avoid duplication elsewhere.
- Work over next 12 months will cover theme of "Accountability & Incentives".
- May include limited study of Executive Agency performance and structures.

Risk

- CO represented on new group chaired by Treasury Officer of Accounts. Set up to ensure coherence of approach to risk from the Centre.
- CO (working with HMT) led preparation of draft Government Declaration on Risk.

Quinquennial Reviews and Better Quality Services

- CO/HMT joint responsibility for executive agency policy.
- Co-operate/share representation on QQR committees.
- Work closely with HMT on BQS policy and joint representation on committees.

Office of the E – Envoy

- Established "Departmental Relations" function aimed at closer working.
- Works closely with Office of Government Commerce / HMT to take forward recommendations of the "Successful IT Report".

Minister for the Cabinet Office
Chancellor of the Duchy of Lancaster

CABINET OFFICE
70 Whitehall, London SW1A 2AS
Telephone: **020 7270 0400**
Email: **mmowlam@cabinet-office.x.gsi.gov.uk**

The Rt Hon John Prescott MP
Deputy Prime Minister &
Secretary of State for the
Environment, Transport and the Regions
6th floor, Eland House
Bressenden Place
London
SW1E 5DU

5 December 2000

Dear Deputy Prime Minister,

CMPS JOINT POLICY SEMINAR – 06 FEBRUARY 2001
Citizen-focused Government: Making it a Reality

As you will know, the Centre for Management and Policy Studies (CMPS) runs a series of Joint Policy Seminars which bring together Ministers, senior officials and others to discuss and learn about central themes in the development of policy, focusing on practical solutions rather than on theory.

Following on from the success of the highly informative and challenging Communicating Policy Seminar held today, CMPS are launching their third series of seminars on Citizen-focused Government: Making it a Reality. The series will be launched on 6 February 2001 with a Joint Policy Seminar looking at how Government and the citizen interact with one another and how citizen-focused delivery can be made a reality. In particular, it will look at:

- the importance of consultation in responding to the diverse needs of a diverse society;
- delivering services that meet the needs of the citizen;
- the channels through which we deliver those services; and
- the importance of assessing policy delivery after implementation.

I am very grateful to Alan Milburn and Gisela Stuart for agreeing to the National Health Action Plan, and NHS Direct in particular, being used as case study.

The seminar will take place from 11 – 2pm on 6 February 2001 in a Whitehall venue.

As with other seminars of this type, in order to get the most out of the event we need to limit the numbers to one Minister and one official from each Department. We will also be inviting participation from the Scottish Executive, the National Assembly for Wales and the Northern Ireland Executive. CMPS is required to cover its costs, as far as possible, and will therefore make a charge of £300 per person for each of these seminars. Sir Richard Wilson wrote to Permanent Secretaries on 22 March asking them to ring fence a budget from which Ministers' attendance at events such as this could be funded.

I would be grateful if you would arrange for your office to pass to CMPS the names of those who will attend from your Department, by Friday 19 January 2001. Responses should be by telephone - 020 7276 1349 or e-mail - ministers.scs@cabinet-office.x.gsi.gov.uk.

I am copying this letter to the Prime Minister, Cabinet colleagues, Lord Carter, Sir Richard Wilson and all Permanent Secretaries.

Yours sincerely,

pp **MARJORIE MOWLAM**

(approved by the Minister and signed in her absence).

Top: EAPS
PU

FROM KEITH HILL MP
PARLIAMENTARY UNDER SECRETARY OF STATE

DETR
ENVIRONMENT
TRANSPORT
REGIONS

DEPARTMENT OF THE ENVIRONMENT
TRANSPORT AND THE REGIONS

ELAND HOUSE
BRESSENDEN PLACE
LONDON SW1E 5DU

TEL: 020 7944 3000
FAX: 020 7944 4521
E-Mail: keith_hill@detr.gsi.gov.uk

The Rt Hon Ian McCartney MP
Minister of State
Cabinet Office
70 Whitehall
LONDON
SW1A 2AS

OUR REF: KH/031431/00

YOUR REF.: IM/00/XXXX

- 5 DEC 2000

Dear Ian,

BETTER GOVERNMENT FOR OLDER PEOPLE PROGRAMME RECOMMENDATIONS – GOVERNMENT RESPONSE

Thank you for copying me your letter of 22 November to Alistair Darling on the Government's response to the BGOP Programme's recommendations in *'All Our Futures'*.

I agree with the proposed response, subject to some minor amendments to a couple of the recommendations' responses, which officials have sent to Cabinet Office colleagues.

I am copying this to the Prime Minister, Chancellor of the Exchequer, and Members of the IMG on Older People, Sir Richard Wilson and Carey Oppenheim.

Yours ever,
Keith.

KEITH HILL

INVESTOR IN PEOPLE

SKP 6/12/00

1) Note on d/b PM reading box

2) ~~Letter~~ DAT to see

JJH / PM to see

Mark Addison
Chief Executive

PRIME MINISTER'S CORRESPONDENCE SECTION RECEIVED
05 DEC 2000

F

CPS

Headquarters
50 Ludgate Hill
London EC4M 7EX

Direct Line: 0207 796 8114
Switchboard: 0207 796 8000
Facsimile: 0207 796 8681
DX No: 300850 Ludgate EC4

The Rt. Hon. Tony Blair MP

1 December

Dear Prime Minister

Many thanks for lunch earlier this week. It was good of you to find time to hear direct about progress with civil service reform.

I think David Calvert-Smith and I can promise you that the CPS will perform better, and look & feel different, over the next couple of years. We will be more outward looking, and engaged with the communities we serve. Comprehensive

culture change itself will take a little longer....

Thank you again for the lunch

Yours sincerely

Mark Addison

Secretary of the Cabinet and Head of the Home Civil Service

SV
sc: SSH of
DU
PRem
SCU

PRIME MINISTER

cc. Minister for the Cabinet Office
Mavis McDonald
Brian Fox

CIVIL SERVICE REFORM: ANNUAL REPORT

cat Annex II

You will recall that a year ago, with your approval, we published a reform programme for the Civil Service. I promised at the time to let you have a report on progress after a year.

2. This I now attach. It is self explanatory and includes a covering note from me which makes all the points which I would want to make. If you are content, we would like to send the report to the printers next week, for publication before Christmas, to mark the first anniversary of the launch of the programme.

√. Good.

RTW

RICHARD WILSON
01 December 2000

Ref: A02000/3022

Secretary of the Cabinet and Head of the Home Civil Service

JEREMY HEYWOOD

CIVIL SERVICE REFORM

I sometimes worry that No 10 are a bit out of the loop on the huge programme of reform which we have in hand in the Civil Service, for all sorts of reasons (not least pressure of work!).

2 I wonder whether you would be interested in attending one of the Make it Different events which we have been holding across the country and which have been attended now by many hundreds of civil servants. Each event involves civil servants from all levels and departments discussing the future of the Service and how to make it different. The format is interactive, and designed to foster creative thinking. I think it might give you a quick insight into what is going on.

3. The next such events are on 9 January at the Sheraton Grand Hotel in Edinburgh and 16 February at the Cardiff City Hall, Cardiff. I will be attending both.

4. Is there any chance that you could come to one of them?

RICHARD WILSON
30 November 2000

Ref: A02000/3009

Top: EAPS

Department for Culture, Media and Sport
The Rt Hon Alan Howarth CBE MP
Minister for the Arts

2-4 Cockspur Street
London SW1Y 5DH
www.culture.gov.uk

Tel 020-7211 6421
Fax 020-7211 6309 - PU
alan.howarth
@culture.gsi.gov.uk

DCMS

C00/0730/08907/pa

The Rt Hon Ian McCartney MP
Minister of State
Cabinet Office
70 Whitehall
London
SW1A 2AS

PRIME MINISTERS
CORRESPONDENCE SECTION
RECEIVED
06 DEC 2000

30 November 2000

Dear Ian

BETTER GOVERNMENT FOR OLDER PEOPLE PROGRAMME RECOMMENDATIONS - GOVERNMENT RESPONSE

Thank you for copying to me your letter of 22 November to Alistair Darling, which seeks views and agreement to the response to the Better Government for Older People (BGOP) Programme's recommendations in "*All Our Futures*". I am happy to agree your draft wording about the establishment of the National Partnership Body to facilitate continuing dialogue with older people, and I note your comment that the devolved administrations will be preparing their own responses, as will the Local Government Association.

My Department will strive to maintain its good record on initiatives to improve quality of life for older people. There are numerous examples of DCMS's good practice - many libraries already provide services specifically for older users and for those who are housebound; this includes services to meet the needs of ethnic minority communities, sessions for older people providing free Internet Training and highlighting information of importance and relevance to older people. In the Arts, DCMS can offer many good examples of projects benefiting older people, by providing funding indirectly to many arts projects for the benefit of older people through the bodies it supports e.g., the Arts Council of England (ACE), which itself funds the Regional Arts Boards. The current good news remains the announcement of free TV licences as from this month to those over 75, and free entry to national museums.

INVESTOR IN PEOPLE

SKP 6/12/00

I look forward to the publication of the Government response.

All best wishes

Alan

ALAN HOWARTH

Copy to:

Prime Minister
Chancellor of the Exchequer
IMG Members
Sir Richard Wilson

Comptroller and Auditor General

Sir John Bourn KCB

National Audit Office
Buckingham Palace Road
Victoria
London SW1W 9SP

Telephone 020-7798 7777
Facsimile 020-7233 6163
E-mail John.BOURN@nao.gsi.gov.uk

The Rt Hon Tony Blair MP
Prime Minister
10 Downing Street
LONDON
SW1A 2AA

Our Reference JBB/2343/00

Date 30 November 2000

SU (F)
Wow
SC: PU
pmm
SCU

Dear Prime Minister,

MODERNISING GOVERNMENT

I wrote to you on 5 July 1999 enclosing a copy of a booklet summarising the National Audit Office strategy in response to the Modernising Government agenda. The booklet set out the examinations which, as the external auditors of government departments, we had completed or were carrying out, and which were aimed at supporting and encouraging worthwhile change and spreading good practice, including those areas where departments and other key players are seeking to work together in serving the citizen.

In your letter of 2 August 1999 you noted that this underlining of our positive approach to new ways of working would help to avoid situations where the fear of change stifles worthwhile innovation designed to lead to improvements in public services.

We have now prepared a progress report on what has been achieved over the past twelve months. I enclose a copy.

The progress report takes as its theme that independent and objective external audit and reporting is also constructive. With the co-operation of the departments, agencies and the other bodies we audit, we have produced a series of value for money reports which examine what has been achieved and what remains to be done, setting out the lessons learned so as to help these bodies as they seek to improve and modernise the delivery of public services. The progress report sets out the subjects we have covered and also our current and planned studies. In particular, it summarises progress with joined up audit (for example our work with the Audit Commission on consumer protection and local trading standards services) and future plans, as well as our continuing contribution to the work of the Public Audit Forum, which gives the strategic focus for issues cutting across the work of the national audit agencies.

I am copying this letter to the Chairman of the Committee of Public Accounts, Chairman of the Public Accounts Commission, Sir Richard Wilson and members of the Public Audit Forum. I should, of course, be happy to respond to any views you may have on our work concerning the Modernising Government agenda.

Yours sincerely,

John Bourn

JOHN BOURN

INVESTOR IN PEOPLE

10 DOWNING STREET
LONDON SW1A 2AA

28 November 2000

THE PRIME MINISTER

Dear Murdo,

You have served this Government extremely well, and I would like to take this opportunity to thank you for all your hard work.

Few men can be described as the "usual channels", but you are one of them. You have carried out your duties with great skill, diplomacy and tact under no less than nine Chief Whips.

I know that you first worked with Ann when she was a junior Government Whip during the Callaghan administration, and that she has greatly valued your advice and assistance.

You will be sorely missed and I wish you every success in the future.

Very best of luck — you really were a legend! (and still are!)

yours ever

Tony

Sir Murdo Maclean

Secretary of the Cabinet and Head of the Home Civil Service

PRIME MINISTER

LUNCH TODAY

At lunch today you will be meeting Juliet Wheldon who has just become Treasury Solicitor (permanent secretary rank) and six people aged 47-50 who are all in the running to become permanent secretary:

Sue Street (Home Office, doing well as a new broom at the head of the Criminal Policy Group)

Anna Walker (DTI head of energy issues whom you have met before)

Mark Addison CPS (brought in to sort them out after Glidewell)

John Gieve HM Treasury (in charge of public expenditure)

Richard Hatfield (MoD, needs experience of another department)

Leigh Lewis (Employment Service, implemented New Deal, chief executive designate of the Working Age Agency)

2. You can let them do most of the talking but may need to start them off with such questions as:

what are the main challenges which they face in their jobs?

is the Civil Service well placed to deliver the government's agenda?

how does the Civil Service need to change?

what is morale like?

what are the most frustrating things about their work?

RJW.

RICHARD WILSON
28 November 2000

Ref: A02000/2983

RESTRICTED - SENIOR STAFF

No 10 have a copy of this

CURRICULUM VITAE

NAME: Mr Mark Addison

AGE: 48

Department: CPS
Post: Chief Executive (since 1998)
Route: Limited Trawl / Nomination
JESP Score: 19+
SASC Group: ✓
Salary: Salary £.? (as at) - Payband ?

CAREER OUTLINE:

1997	Cabinet Office	Director of the Better Regulation Unit - JESP 15
1994	HSE	Director of Safety Policy Division - JESP 17
1991	Employment Dept Group	Director, Finance and Resource Management - Grade 3
1988	The Training Agency	Regional Director, London - Grade 5
1986	Prime Minister's Office	Promoted to Grade 5 in post - Grade 5
1978	Dept of Employment	Entered as a Fast Streamer

EDUCATION AND QUALIFICATIONS:

Marlborough College -
Engineering - St John's College, Cambridge - 1972
MSc Administrative Sciences - City (London) University - 1973
PhD Industrial Sociology - Imperial College, London University - 1979

TRAINING / SKILLS:

Rusty French

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JOHN GIEVE

Address

Telephone Work 0171-270-5939 (FAX 4980)

email john.gieve@hm-treasury.gov.uk

Experience and employment record

1998 -2000 Director, Public Services , Treasury (JESP 22)

This is a new directorate with a staff of about 200 and a budget of £9m. Its main objectives are to improve the quality and cost effectiveness of public services and to keep spending within the Government's fiscal plans. In the last 15 months this has involved:

- establishing a system to monitor progress against the Public Service Agreements which set out the objectives and targets for all departments and some cross departmental programmes ;
- setting up the Public Service Productivity Panel to bring outside management expertise to bear on improving efficiency in the public sector;
- managing the current spending review which will roll forward the government's spending plans and the Public Service Agreements to 2004 and introduce resource accounting and budgeting;
- organising 15 reviews of issues that cut across departmental boundaries (eg crime reduction, helping deprived areas, conflict prevention abroad); and
- achieving Investors in People status for the directorate and department; a review of my directorate against the EFQM Excellence Model.

As a member of the Civil Service Management Board, the Modernising Government Project Board, and the Steering Board for the Performance and Innovation Unit, I have helped develop the Government's programme of public service reform.

As a member of the Treasury Management Board I have helped deliver a

programme of change which has included setting up a scheme to recruit new graduates, changing pay scales and the grade structure, and much earlier promotion of the best staff into the Senior Civil Service.

1998 **Director, Budget and Public Finances, Treasury** (JESP 20)

Responsible for tax policy , including EU tax policy, within the Treasury and for public spending planning and control (see below). The main achievements in the six months I was in the post were:

- completion of the Comprehensive Spending Review and publication of the Government's spending plans and Public Service Agreements for 1999-2001;
- reform of the planning and control system to set firm 3 year plans for discretionary spending and a clearer distinction between capital and current;
- preparation of the Pre Budget Report to explain the Government's economic strategy and consult on possible Budget measures;
- under Lord Marshall leading the public consultation and interdepartmental work on the use of economic instruments to reduce carbon emissions and preparation of his report on tax and tradeable permits.

I was a member of the Treasury Management Board and responsible directly for the directorate's staff of 130 and budget of £6m.

1994-1998 **Deputy Director, Budget and Public Finances, Treasury and Head of the General Expenditure Policy team** (JESP score 17½)

Responsible for the design and operation of the systems for planning and control of public spending and for managing the teams responsible for expenditure statistics and forecasting public finances.

I managed the Public Expenditure Surveys in 1994-95 and 96 which involved developing the process and timetable for decisions, setting objectives for total spending and its allocation; advising Treasury Ministers and to the Ministerial Committee on Public Spending on what could be afforded and how the resources should be allocated; and the presentation of the spending measures in the Budget.

In 1997 my main task was to set up and manage the Comprehensive Spending Review and to coordinate the spending decisions in the July Budget and November Pre-Budget Report.

I also oversaw the simplification of Estimates (the Government's requests for

Parliamentary authority for spending) and the introduction of a new system for monitoring spending across Whitehall. .

1991-1994 Head of Banking Group in the Treasury (Grade 3)

Responsible for policy on banking supervision, on Building and Friendly Societies and on wider financial services issues. This involved:

- setting up the Bingham Inquiry into the collapse of BCCI, preparing the Treasury's evidence and the Government's response;
- preparation of the UK legislation to implement the EU single market in banking;
- member of EU Banking Advisory Committee and negotiation of banking directives including proposing new measures following Bingham ;
- President of the international Task Force to combat money laundering;
- advising the Chancellor on appointments to and budgets of the Bank of England and Royal Mint.

1989-91 Principal Private Secretary to the Chancellor (Grade 5)

Appointed by Nigel Lawson in summer 1989, my main task was to help the Treasury and Ministers through the transition first to John Major and then Norman Lamont.

Responsible for running the Private Office (and overseeing other Ministerial Private Offices) and dealing within it with the issues of most concern to the Chancellor including Budgets, entry to the ERM, interest rate decisions, and international meetings (EU, IMF and G7).

1988-89 Press Secretary to the Chancellor and Head of Information Division

Responsible for advice to Ministers and officials on publicity, for managing the press office and speaking for the department to the press including on the public spending announcements in 1988, the Budget in 1989, successive interest rate rises, and the response to the Delors report on EMU.

1986-88 Head of the Public Expenditure Survey team (Grade 5)

One of three divisions in General Expenditure Policy Group. With Grade 3, managed the Survey in 1987 and designed a changed planning total and regime (which was introduced in 1989).

1984-86 Investment controller in Investors in Industry, 3i (on secondment)

As a member of their London team, I was responsible for managing a small venture and development capital portfolio and identifying and negotiating new investments.

1982-84 **Private Secretary to the Chief Secretary, Treasury (Grade 7)**

Ran the offices for Leon Brittan and then Peter Rees dealing mainly with public spending and the Surveys in 1982, 83 and 84 but also with wider Treasury business including , for example, the creation of the National Audit Office .

1979-82 **Grade 7 in Treasury**

Head of the branches advising on employment and training and on the coal and electricity industries.

1974-1979 **Administration trainee and then HEO(D) in Department of Employment**

Worked in turn on: earnings and price statistics, the Royal Commission on the Distribution of Income and Wealth, industrial relations and worker participation, and employment and training measures. Spent the last year as Assistant Private Secretary to the Secretary of State (Albert Booth) dealing with public sector pay and employment and training measures.

Education **1968-74** **New College**
Oxford University

BA Hons Philosophy, Politics and Economics (1st)
B Phil in Philosophy

Other appointment **Governor at Robert Blair Primary School (Kings Cross)**

Married since 1972; two sons now 17 and 19.

Date of birth: 20 February 1950

RESTRICTED - STAFF

Print Date 31/05/00

CAREER HISTORY - MR R P HATFIELD

Staff Number:	224555D	Grade:	SCS DS DAG
Post Title:	POLICY DIRECTOR	Surname:	HATFIELD
JESP Score:	21	Forenames:	RICHARD PAUL
Seniority Date:	17/06/96	Date of Birth:	08/02/53

Honours and Awards: CBE
Marital Status: M
Family:

Home Address:

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Post Code: SW11 6AJ

Home Tel:

Work Address:
POLICY DIRECTOR
ROOM 6323
MAIN BUILDING

Work Tel:

Languages:
French Poor

Outside Career:
DEC 1970 - SEPT 1971 - SALESMAN INDEPARTMENT STORE

Internal Career:

17/06/96	MOD	SCS	Policy Director (former title DUS(P)). (JESP 21)
06/09/93	MOD	G3/AUS	DGMA: Control of Internal & Manpower audit (MOD-Wide) Central Management studies departmental efficiency and organisational issues.
08/10/91	MOD	G5/ASST SE	Hd RP(Prog);Defence programme & Budget Joint minuting secretary of the Defence Council & FPMG.
13/06/88	MOD	G5/ASST SE	Hd Of Sec(O)(C);Political/Parliamentary aspects of defence policy (exc. Europe & N America; inc. Cyprus & Malta)advise on NMS for DCDS(C)'s HLB.
20/10/86	MOD	G5/ASST SE	PL(Lands);Policy & Management of the Defence Estate in the UK & Overseas.
14/04/86	MOD	G7/PRIN	Temporary appointment as Acting APS to the

RESTRICTED - STAFF

Print Date 31/05/00

CAREER HISTORY - MR R P HATFIELD

			Secretary of State.
14/10/85	MOD	G7/PRIN	GS Sec.2: Army & UDR operations in N Ireland; SAS liaison & training; counter-terrorism; MACP.
19/07/82	MOD	G7/PRIN	On loan to Cabinet Office: PS to Sir R Armstrong.
08/04/82	MOD	G7/PRIN	On loan to Cabinet Office: Falkland crisis.
07/12/81	MOD	G7/PRIN	Review Team: RAF Support Economy.
03/09/79	MOD	G7/PRIN	P/SCP/ES: advice on political financial & admin aspects of Army surveillance and command projects.
14/05/79	MOD	G7/PRIN	As below.
02/05/78	MOD	HEO(A)	PS/US of S(Army).
11/10/76	MOD	HEO(A)	PS/AMP.
16/09/76	MOD	HEO(A)	Promotion.
15/03/76	MOD	AT	DOF Plans & Secretariat.
05/01/76	MOD	AT	See 'Courses Attended'.
17/07/75	MOD	AT	ES(MGWL): secretariat/financial advice & assistance to DCGWL(A).
16/09/74	MOD	AT	DS8.

Training Courses:

1976 AT COURSE AT CSC

RESTRICTED - STAFF

Curriculum Vitae

MR LEIGH WARREN LEWIS; CB, BA (Hons), MIPD

Chief Executive of the Employment Service

DoB: 17th March 1951
Married; 2 sons, 22 and 20

Education

1961 - 1969 Harrow County Grammar School for Boys
1969 - 1973 Liverpool University, School of Hispanic Studies

Qualifications

BA(Hons) - (upper second) Hispanic Studies
Member, Institute of Personnel and Development (MIPD)

Languages

Spanish (good); French (rusty); German (basic)

Recent experience

January 1997 - to date (reappointed from January 2000) ; Chief Executive, The Employment Service. Leadership and direction of the second largest Next Steps Agency with responsibility for 36,000 staff, 1,000 offices and £2.2bn budget. Personally accountable to Ministers for the delivery of the Government's New Deal programmes for young and long term unemployed people; for delivery of Jobseeker's Allowance (jointly with the Benefits Agency) and for the 'ONE' pilots of integrated welfare to work delivery. Responsible for representing the Agency to Ministers, MPs, Education and Employment Select Committee, PAC outside stakeholders and the media. Member of the main Board of DfEE. JESP 22.

Achievements

- Transformation of the Employment Service's culture, external reputation and self-confidence as evidenced by external commentators and partners, the Employment Select Committee, Ministers and the Agency's own staff in successive attitude surveys
- Successful introduction and delivery of the New Deals to widespread public satisfaction within highly demanding timescales. Securely on track to deliver the Government's manifesto commitment to move 250,000 young people from welfare to work

- Reversal of the Agency's poor and declining performance in placing unemployed people into work. Over-achieved in 99-00 against all of the Agency's job placing targets
- Radical transformation of the Agency's service delivery including the introduction of telephone jobfinding ('Employment Service Direct'), callcentres and Internet jobsearch facilities
- Introduction of major customer service programmes for jobseekers and employers. Customer satisfaction on a rising trend for seven successive quarters. 51 Chartermarks gained covering over 40% of the ES's field network
- Implementation of the ES 'Values' as the core underpinning of cultural and leadership change. Investors in People re-accreditation secured
- Establishment of first ever private/public limited company ('Working Links') with Manpower and Ernst and Young to bid to run 'Employment Zones'. Successful in gaining 9 of the first 15 contracts awarded by Government.

July 1995 - December 1996;

Director of Finance and Principal Finance Officer, Department for Education and Employment. Board member with responsibility for DfEE's total budget (96-97) of £14.6bn. Responsible to the Secretary of State and the Board for bringing together the previously separate Finance Directorates of the Education and Employment Departments. Accountable for all aspects of financial management, propriety and control including Public Expenditure negotiations, in year financial control, PFI, audit and performance review. Responsible for presenting DfEE expenditure plans to the Education and Employment Select Committee. Direct responsibility for 425 staff and administrative budget of £14m. JESP score 18.

Achievements

- Leadership of the successful integration of the previously separate Employment Department and Department for Education finance functions involving staffing reductions of over 33%
- Successful conclusion of 1995 and 1996 Public expenditure Rounds
- Production of first DfEE Departmental Report, and first integrated Business and Efficiency Plans
- Design and implementation of new Departmental performance review system
- Negotiation of resource for, and financial oversight of, Jobseeker's Allowance implementation
- Establishment of Departmental Efficiency Division and Business Consultancy teams.

January 1994 - July 1995; Director of Finance and Resource Management Division, Employment Department. Responsibility for Public Expenditure Survey; budgets; Vote management; Estimates; planning and performance review; financial systems; resource accounting and budgeting; audit.

Achievements

- Successful conclusion of PES 94
- Unqualified 1993-94 Appropriation Accounts
- Employment Department Finance Guide introduced
- Successful management of South Thames TEC receivership
- Employment Department Group Efficiency Plan delivered; radical programme of non-pay cost reviews successfully introduced
- Quality Standards Charter introduced

1991-1993; Director of International Division, Employment Department.
Responsible to successive Secretaries of State for EU, ILO, OECD and Council of Europe issues affecting Employment Department, including lead UK responsibility on Social Chapter and Maastricht opt-out.

Achievements

- Negotiated successful outcome as lead UK negotiator on EU Working Time, Young Workers and Pregnant Workers Directives
- Successful handling of 1992 UK Presidency of the EU
- Leadership of ILO/German Government mission to Chile, 1993
- Leadership of ED/FCO Know How Fund mission to former Soviet Union, 1992
- Introduction of 'Quality First' (TQM) programme into Employment Department's European Social Fund Unit.

1988 - 1991; Group Director of Personnel, Cable& Wireless PLC.
Directly responsible to the Main Board and Chief Executive for c.40,000 employees in 40 countries. Member of the Chairman's Executive Committee. Directly responsible for C&W Telecommunications College. Advisory member of Central London TEC (CENTEC) Board.

Achievements

- Introduced fundamental change in the role of the personnel function as part of a major reorganisation of the corporate centre
- Implemented senior executive performance bonus scheme
- Established international employee exchange programme
- Introduced Group-wide management development programme
- Re-launched C&W worldwide employee newspaper
- Secured Board approval for new £20m Telecommunications College in Coventry.

Earlier Experience

1987 - 1988 **Director of Operations, Unemployment Benefit Service/Head of Claimant Services Branch, Employment Service**; managed the regional operations of Employment Department's 1000+ Unemployment Benefit Offices. Established the ES networks of Claimants Advisers, fraud investigators and adjudication specialists.

1986 - 1987	**Assistant Secretary, Head of European Community Branch, Employment Department (ED)**
1984 - 1986	**Principal Private Secretary to the Rt Hon Lord Young of Graffham;** Minister without Portfolio (1984-85); Secretary of State for Employment (1985 - 87)
1981 - 1984	**Head of Section - Industrial Relations Division, ED;** member of legislation team, Employment Act 1982 and Trade Union Act 1984.
1979 - 1981	**Team Manager, Departmental (Rayner) Efficiency Unit, ED**
1978 - 1979	**Head of Section, Incomes Division, ED**
1976 - 1978	**Manager, Departmental Personnel Unit, ED**
1975 - 1976	**Private Secretary to Parliamentary Under Secretary of State for Employment**
1973 - 1975	**Administration Trainee posts in Occupational Health, Industrial Relations and Training Divisions, ED.**

Outside Interests

Tennis; walking; reading; theatre; collecting phone cards; Watford Football Club.

RESTRICTED - SENIOR STAFF

CURRICULUM VITAE

NAME: Ms Susan Street

AGE: 51

Department: HO
Post: Director, Criminal Justice & Correctional Services Group
Route:
JESP Score: 18
SASC Group: ✓

CAREER OUTLINE:

1999	HO	Director, Sentencing & Correctional Policy - 18
1996	HO	Director, Fire & Emergency Planning Directorate - Grade 3
1996	HO	Director, Fire & Emergency Planning Directorate - Grade 3
1994	PCO	Director, Central Drugs Co-ordination Unit - Grade 5
1991	Secondment	Price Waterhouse Consultant - Grade 5
1989	Cabinet Office	Course Director, Top Management Programme - Grade 5
1984	HO	Promoted to Grade 7
1974	HO	Entered as a Fast Streamer

EDUCATION AND QUALIFICATIONS:

Camden School for Girls -
St Andrews University -
MA Philosophy - St Andrews University -

TRAINING / SKILLS:

Designed and Delivered Top Management Programme August 1989

RESTRICTED - SENIOR STAFF

CURRICULUM VITAE

NAME: Anna Walker

AGE: 48

Department: DTI
Post: Director General, Energy (since 1998)
Route: Service Wide Trawl
JESP Score: 20
SASC Group: ✓
Salary: Salary £ ? (as at) - Payband ?

CAREER OUTLINE:

1998	DTI	Deputy Director General, Energy - JESP 15
1994	OFTEL	Deputy Director General, Office of Telecommunications - JESP 16
1991	OFTEL	Director, Network Competition - Grade 5
1988	DTI	Assistant Secretary, Competition Policy Division - Grade 5
1978		Various jobs at Grade 7 level and maternity leave.
1975		Entered as a Fast Streamer

EDUCATION AND QUALIFICATIONS:

Beneden School, Cranbrook, Kent - 1968
Bryn Mawr College - 1969
Modern History - Lady Margaret Hall, Oxford - 1977

TRAINING / SKILLS:

Top Managemment Programme, 1997
French (Rusty)

CURRICULUM VITAE

NAME: Miss Juliet Wheldon CB QC

AGE: 50

Department: TSOL
Post: Treasury Solicitor (since 2000)
Route: Open Competition
JESP Score: 23
SASC Group: ✓
Salary: Salary £ ? (as at ?) - Payband ?

CAREER OUTLINE:

1997	HO	Legal Adviser - JESP 20
1992	LS	Legal Secretary to the Law Office - Grade 2
1989	LS	Legal Secretary to the Law Office - Grade 3
1987	TSol	Head of Central Advisory Division - Grade 3
1986	LS	Assistant Legal Secretary to the Law Officers - Grade 5
1976	TSol	Joined as Legal Assistant - Grade 7

EDUCATION AND QUALIFICATIONS:

Sherborne School for Girls - 1968
Modern History - Lady Margaret Hall, Oxford University - 1971
Bar Finals - Inns of Court School of Law - 1975

TRAINING / SKILLS:

Summer Node 1989

01712733965

f SV
cc: DN
PU

HOME SECRETARY

QUEEN ANNE'S GATE LONDON SW1H 9AT

27 NOV 2000

The Rt Hon Dr Mo Mowlam MP
Minister for the Cabinet Office
Cabinet Office
70 Whitehall
LONDON
SW1A 2AS

Dear Mo,

CODE OF PRACTICE ON WRITTEN CONSULTATION

Thank you for copying to me your letter of 23 October to the Prime Minister. I am sorry not to have replied earlier but the original never reached us.

The draft Code of Practice was the subject of correspondence between our respective officials. I am content with the substance of it and welcome your plans to publish it shortly. I am also pleased to confirm that Lynda Lockyer, our Consumer Champion, has taken on the role of consultation co-ordinator for the Home Office and details of all our current consultations have been passed to the Central Register of Government Consultations.

I am copying this letter to the Prime Minister, Cabinet colleagues, the Attorney General and to Sir Richard Wilson.

Yours ever,

Jack.

JACK STRAW

5045js

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER
Personal Minute

MEMBERS OF THE CABINET

CODE OF PRACTICE ON WRITTEN CONSULTATION AND GUIDANCE ON IMPLEMENTATION PERIODS

On Monday I am announcing a Code of Practice on Written Consultation, and Guidance on implementation periods for legislation impacting on business. They set out, among other things, standard minimum periods for public written consultations - on any issue and implementation periods for legislation impacting on business.

Colleagues have commented on drafts. Mo Mowlam and Stephen Byers have tried to accommodate departments' views as far as possible. But in some cases, following the Code and Guidance will mean doing things differently, and perhaps taking longer to reach our goals. I can understand this will sometimes create difficulties.

Nevertheless, I hope we can all make every effort to work within the spirit and letter of the Code and Guidance. We shall be watched closely, especially by the small business organisations. There is a good deal of scepticism that the Government is really committed to improvement in this field.

So I ask, first, that colleagues only take advantage of the flexibility the code and guidance give to depart from their provisions in genuinely exceptional circumstances. And, second, that we all ensure our departments are properly geared up to ensure effective policing of the new arrangements. We deliberately placed the enforcement responsibility with departments rather than the centre, but we must show that the system works. Departments' consultation and implementation coordinators must have real authority.

We have to work seriously on this. The credibility of what we say about business-friendliness, and about openness and responsiveness, is on the line, as is our commitment to the work of the Neill Committee, which recommended the Code.

Tony

24 November 2000

Top: HA/PS
cPUS

(4)

Ministry of Agriculture, Fisheries and Food,
Nobel House, 17 Smith Square, London SW1P 3JR

From the Minister

The Rt Hon Mo Mowlam MP
Minister for the Cabinet Office
70 Whitehall
London
SW1A 2AS

23 November 2000

Dear Dr. Mowlam,

CODE OF PRACTICE ON WRITTEN CONSULTATION

I am writing in response to your letter to the Prime Minister dated 23 October.

I was very reassured to note that departmental concerns over the standard consultation period have been recognised and reflected in the amended Criterion 5 of the Code. I have no objection to the publication of the Code.

I am copying this letter to the Prime Minister, Cabinet Colleagues, the Attorney General and Sir Richard Wilson.

Yours sincerely

N.B.L. Brown

p.p. **NICK BROWN**

[Approved by the Minister and signed in his absence].

Recycled Paper

SCP 24/11/00

Secretary of the Cabinet and Head of the Home Civil Service

From the Private Secretary

JEREMY HEYWOOD

JOHN HEDGER

Your minute of 3 October to Richard Abel asked why John Hedger should have been given early retirement from DfEE only to be recommended as the most suitable candidate for appointment in support of the City Academies Initiative.

2. As Sir Richard Wilson explained to the Prime Minister, there is no inconsistency here. An individual can be judged not to have the full range of skills and effectiveness required for a post at a particular level in the Senior Civil Service and yet be very effective in a particular role which plays solely to the skills and experience which he or she does possess. John Hedger is a case in point.

3. The problem here is not that DfEE are pursuing the course that they are, but that the Service generally is not as flexible as it might be in using the skills and experience of senior people when their overall performance reaches a plateau or even declines. This is one of the reasons why Sir Richard Wilson is pursuing the "Winning the Generation Game" recommendations about a flexible decade of retirement.

4. Sir Richard would be grateful if you could seek the Prime Minister's approval for Mr Hedger's Business Appointments.

ASHLEY IBBETT

23 November 2000

heritage
CHOXLEY

10 DOWNING STREET

12.1

Jeremy

Central Govt

I attach copies of the last few notes on this, as requested. I think you said you would produce a note of the 21 Dec meeting at which the proposed dept restructuring ('maximalist Position') was discussed. [Ed R wasn't at that meeting].

? might be worth circulating a short 'where we've got to' note!

Keith

From: Ruth Kennedy
Date: 22 November 2000

DAVID MILIBAND

CC: Jeremy Heywood
Jonathan Powell
Peter Hyman
Ed Richards
James Purnell

CENTRAL GOVERNMENT SHAKE-UP

We met yesterday and talked through the note of the previous meeting, plus JJH's more detailed proposals on delivery. **It was agreed that blueprints on departmental change, civil service management and central delivery were needed, for presentation of options to TB.**

1. **Departmental Restructuring**

   JoP and JJH to see RW on 23 Nov to discuss.

   JJH to get a paper from RW on New Zealand model.

   JPu to do note on DTI/DCMS options.

   It was noted that one advantage of having smaller departments would be that they would take cross-cutting issues more seriously. A two-tier system, though problematic, would provide an excellent training ground for ministers and permanent secretaries. Representation for smaller departments might even improve with a two-tier system, although their relationship to/with the larger departments would need to be worked out carefully.

   ER to do note on two-tier system.

2. **Civil Service Management**

   Discussion of issues, such as what future there was for civil service generalists, and whether RW's role (advising PM and running civil service) ought to be broken into two. It was agreed that the most pressing need was for proper human resource management for the civil service as a whole.

3. **Delivery**

   The aim was to ensure effective delivery of policy through better information systems, and to improve accountability against targets. It was agreed that there was much sense in JJH's proposals, although greater clarity might be found if plan was described from top down: for example, starting with the

role of the Chief Secs – who would bring together budgetary and management function, provide a delivery mechanism and report to the PM; supported by delivery unit (DU) - which would work with existing structure of No10 PU/PO, using/providing a better flow of information etc.

Further discussion raised a number of questions about the proposals:

i. There was a need to explain the key objectives of players more clearly – PO/PU, EDS, DU etc.
   - Was the DU's role also to provide information systematically which policy advisers could use in advising PM? Would DU work to the PU?
   - Would advisers no longer ring departments direct for information?
   - Would advisers report to the CSC and then CSC to the PM? (There was concern that PM would continue to seek information from advisers, rather than CSC.)
   - What would happen to EDS? Would there be confusion if DU had the role of taking notes at PM meetings etc? Was EDS just left with its roles of serving committees and brokering inter-departmental agreements?

ii. Whilst giving additional armoury to delivery, would the CSC and CST's meetings with SoSs merely create extra bureaucracy and confusion? (It was agreed, however, that each SoS would only attend such a meeting quarterly rather than monthly, leading to a set-piece annual review and report.)

iii. When put to TB, the plan would need to make clear that this was all about delivery – policy would be done elsewhere. PU/PO reorganisation etc would be a by-product of, rather than the basis for the plan.

iv. The information flows needed to be fleshed out. What information would be required, who would administer it, and how would DU mesh into existing structures? How big would DU need to be?

v. No 10 involvement in delivery would need to be legitimised. No10 requests were currently presumed to be interference. Could we make delivery an official part of what No10 did as the PM's Dept?

vi. Could we be sure that TB would engage effectively in the process of quizzing colleagues about their delivery performance?

Discussion then focused on whether there was really a need for the CSC. It was suggested that if the stocktake process were tightened up, delivery might be improved, and the case for a CSC would be weaker still. A new 2 model

idea was proposed: either merge CO and PMO into a PMD run by a Minister, or split the CO and PMO's functions, leaving delivery responsibility (and the DU) within No10.

The big question of PSAs remained – was the DU to be responsible for them? It was noted that the original idea of co-opting the CST to work with CSC was to get control of the PSAs; to date PU advisers had never tapped into the PSA database. It was suggested that TB could give SoSs 10 targets at start of year – to be reviewed/updated as necessary quarterly. However, this might lead to two sets of targets – since these PM-set targets might not be the same as PSAs, which would obfuscate matters.

4. Performance Management

It was agreed that this dovetailed closely with delivery. Current arrangements lacked incentives for ministers to work hard at delivery. The knowledge of forthcoming meetings with the CSC ought to encourage better performance. But system would rely on the ruthlessness of CSC/TB to bring about change in behaviours.

5. Departmental performance

It was noted that this could be subsumed under civil service management. No10/TB did not currently comment significantly on departmental performance assessment.

Jonathan Tross to be asked (through RW) to work on civil service management issues (permanent secretary/CEO role etc.)

ER to ask an external person to work up similar ideas.

6. Rewarding successful units/departments

Richard Broadbent to be asked to work up ideas on allowing successful managers to take over other parts of the business.

It was agreed to hold a further meeting in a fortnight's time.

RUTH KENNEDY

From: Ruth Kennedy
Date: 21 November 2000

JEREMY HEYWOOD (personal)

CENTRAL GOVERNMENT SHAKE-UP: DELIVERY

A quick run-down of the counter-arguments so that you can get ahead on preparation of blistering defence.

1. You should note that meeting first agreed on the good sense of your plan!

Main suggestions/objections then expressed were:

2. You might want to describe plan from other way up – ie work downwards, starting with role of the Chief Secs - bringing together budgetary and management function, providing delivery mechanism and reporting to the PM; supported by delivery unit (DU) - which works with existing structure of No10 PU/PO, using/providing a better flow of information etc.
3. What happens to EDS? Will there be confusion if DU have role in taking notes at PM meetings etc? *(Sense that this wouldn't be seen as a popular move...)*
4. Plan needs to make clear that this is all about <u>delivery</u> – policy will be done elsewhere. PU/PO reorganisation etc is a by-product, rather than the basis of the plan, contrary to what your current explanation seems to suggest.
5. Need to flesh out the information flow part. What info do we want, who will administer it, and how will DU mesh into existing structures?
6. The whole thing will swing on TB's commitment to having a discussion on performance, based on proper delivery data *(but if there is an effective CSC surely the idea is that CSC/CST manage delivery performance and TB will only be involved on an annual basis, or if there is delivery failure?)*
7. No 10 involvement needs to be legitimised. At the moment No10 requests are presumed to be interference. Can we make delivery an official part of what No10 does as the PM's Dept? *(Again, I thought that making delivery a joint CSC and CST responsibility would clarify a <u>central govt role</u> in delivery, without seeming to increase interference from No10 – even if DU works closely with PU.)*
8. Need to explain the key objectives of the players more clearly– PO/PU, EDS, DU etc. Is DU's role to provide info systematically which, say, AA can use in advising PM? Is the plan therefore to enforce a relationship between AA

and DU, so that AA no longer rings DfEE direct for information? This raises question of whether the advisers report to the CSC (they don't want to – particularly if that merely introduces an unnecessary layer of hierarchy, when they currently enjoy a flat structure) and then CSC to the PM? Much concern about relationship between CSC and PU; why should TB ask CSC about health when RH will always know more *(although I would have thought that if DU is briefing CSC well, leaving RH to focus on strategy, RH* won't *know more about bed numbers etc etc)*

9. Whilst there was some acknowledgement of additional armoury provided by CSC and CST meeting with SoSs, there was concern that extra bureaucracy would create confusion. Discussion then lurched into suggestion that maybe we should just carry on with stocktake process and just tighten it up a bit, using information from the DU to help TB use system properly - making case for CSC much weaker. *(I think by this point we'd lost sight of the current problems, from which we were trying to escape)*
10. We then reached a new 2 model idea – what about either merging CO and PMO into a PMD run by a Minister, or split Co and PMO's functions, leaving delivery responsibility with No10.
11. Having rejected the need for a CSC, the big question was on PSAs – is DU responsible for them? (noted that the point of co-opting the CST was to get hands on the PSAs). Suggestion that PM could give SoSs 10 targets at start of year – to be reviewed/updated as necessary quarterly. Though this might lead to two sets of targets – since these PM-set targets might not be the same as PSAs. *(Here we seemed to have lost sight of difficulty of getting TB to manage departmental scrutiny of his colleagues effectively enough to make a difference – which was one of the reasons for a CSC in the first place.)*

I think that was the gist of it; you might want to flesh out the problems that we are trying to solve again, since there wasn't much clarity on that by end of meeting. The only other thing you missed were multiple BBC anecdotes. Will send proper meeting note round too.

Ruth

RUTH KENNEDY

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Rt Hon Ian McCartney MP
Minister of State

Our Ref: IM/00/XXXXX
Your Ref:

Rt Hon Alistair Darling
Secretary of State for Social Security
Department of Social Security
Richmond House
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London SW1A 2NS

22 November 2000

Dear Alistair,

BETTER GOVERNMENT FOR OLDER PEOPLE PROGRAMME RECOMMENDATIONS – GOVERNMENT RESPONSE

I am writing to seek the views and agreement of the Inter-Ministerial Group (IMG) on Older People to the response to the Better Government For Older People (BGOP) Programme's recommendations in '*All Our Futures*'. At the launch of the BGOP report and recommendations in June you committed us to responding by the end of the year.

The BGOP programme is organising a conference, originally planned for 18 December but now postponed until 30 January so that you can attend, at which it hopes the Government will announce its intentions for taking forward the response. You have been invited to speak.

The response offers us the chance to make a positive statement of our view of the Programme and, more generally, of the value we attach to older people. Many of the recommendations focus on areas which we are already addressing, but in my view the response should do more than set out a list of initiatives already under way. It should be a forward-looking statement of intent for continuing action to transform older people's lives.

SKP 29/11/00

I wanted to highlight two aspects of the draft response. The first is that it is written from the perspective of the UK government. The devolved administrations, along with others at whom the recommendations are addressed, are responsible for preparing their own responses. Because many if not most of the recommendations concern devolved matters, it would be confusing if our response sought to address issues that are outside our responsibilities. The response will make clear, however, that we are willing to work with others who can help deliver better outcomes for older people. The Scottish Executive has indicated that it will be responding in early January and the Welsh Assembly by Easter. The Northern Ireland Executive has yet to make a final decision on whether or how it is to respond. I understand that there are concerns that Northern Irish equality legislation constrains their ability to announce new measures benefiting older people exclusively. The Local Government Association, on behalf of English local authorities, will be providing a response in December.

The second aspect I wanted to highlight is the recommendation concerning the establishment of a new National Partnership Body to facilitate continuing dialogue with older people. This is seen by all those involved in the Programme as the single most important element of the Government's response. Explicitly accepting the recommendation and announcing the intention to work with older people's groups over the details would be a very welcome sign of the Government's intention to build not only on the BGOP Programme but also to our listening to older people events. On the other hand, a rejection of the recommendation or even a lukewarm or cautious response to it will be received in a very negative light. My suggestion for how we might react to the recommendation is:

> The Government strongly welcomes the proposal to establish a National Partnership Body for older people. The new body will be a voice for older people at the centre of government. It will build on the Programme and the Government's listening to older people initiative. In order to make the new body a reality the Government will work with older people, representatives of the Programme and voluntary organisations to discuss its role, structure and funding.

Please advise me of your views and any comments you may have by 1 December. I am copying this to the Prime Minister, Chancellor, IMG members, Sir Richard Wilson and Carey Oppenheim.

pp. **IAN McCARTNEY**
(Approved by the Minister and signed in his absence).

Introduction

The Better Government for Older People Programme has been an excellent example of *Modernising government* in action. Its findings reinforce the Government's belief in action to promote social inclusion, opportunity and choice for all. It also provides convincing proof of the practical benefits of working in partnership. It has brought together older people and their organisations, national and local government, service providers and academics and, as a result, has produced recommendations that are wide ranging and high quality. The Government pays tribute to those involved in the Better Government for Older People Programme and strongly welcomes its recommendations, which will help inform future developments in policy development and service delivery across government.

The whole focus of government is shifting away from rigid demarcations between departments and service providers and towards a focus on users and joined up working. More and more of its priorities and spending (which currently totals over £350 billion annually) is being allocated on this basis. It has accelerated that change in emphasis and is contributing to the biggest ever change in public services. Much has already been achieved. Some of the most important initiatives under way are:

- ***Legislation to outlaw age discrimination*** in employment, vocational training and guidance. The Government will consult widely and make full use of the evaluation of the Code of Practice on Age Diversity in Employment to inform implementation of legislation, which must be in place by 2006.

- ***Best Value***, which focuses on service users and requires local authorities to make arrangements aimed at securing continuous improvement in the way that services are delivered. Engagement – not just consulting but listening and responding to local residents - is the cornerstone of the new approach.

- The ***NHS Plan*** and the ***National Service Framework for Older People,*** which will deliver better quality health and social care for older people. Service users will be involved directly in decisions affecting them.

- The new ***Integrated Long Term Transport Strategy***, which will transform the transport system by delivering more accessible, affordable, reliable and safer services.

But the Government recognises that process of *Modernising government* is far from complete. The Inter-Ministerial Group on Older People, the Government's mechanism for co-ordinating policy towards older people, is continually developing new policies that put older people at the centre of government activity and help them to overcome the barriers that prevent them playing a full and active role in society.

The Programme is already beginning to have an influence on the formulation and implementation of new policies and initiatives. Its impact will grow as, in time, its lessons become fully embedded across the full range of government activity. The Government will monitor policies and rigorously measure performance to ensure the momentum in improving older people's services is maintained.

This is the Government's response to the recommendations. The Government looks forward to the responses of the devolved adminstrations, local government and others and will work with them to tackle ageism, deliver more responsive, integrated and high quality public services and create a better society for older people.

Combating Age Discrimination

1. *We believe there is a strong case for legislation against all forms of unfair age discrimination and call on the Government to bring forward proposals to that end. We believe that legislation should address not just employment but also access to goods and services, including health, education and transport services. We urge the Government to bring forward such proposals in the next Parliament.*

The Government is determined to tackle discrimination against older people and will continue to act to combat it wherever it is found.

Employment
The Government will legislate to outlaw unfair age discrimination in employment. The European Directive agreed on 17 October 2000, covers discrimination in employment, vocational training and guidance, provides a sound foundation on which to build UK legislation. The Directive sets a framework that will ensure that there are minimum standards for combating age discrimination throughout the European Union. It will be fully implemented by 2006. In preparing domestic legislation the Government will make full use of the work that is well under way in the context of the Code of Practice on Age Diversity in Employment. The Code, which was launched last year, sets the standard for non-ageist approaches to recruitment, training and development, promotion, redundancy and retirement. The full findings of the evaluation of the impact of the Code, together with related research, which will be published by the summer 2001, and widespread consultation will inform our implementation of age legislation.

Health
The Government is committed to person centred care and will not tolerate ageism in the health services. The NHS Plan, which was announced in July 2000, continues the drive to improve national standards for caring for older people and ensuring that ageism is not tolerated in health services. The NHS National Service Framework for Older People builds on the Plan to establish a comprehensive and non-discriminatory framework for the treatment of older people in all aspects of health and social care. All health bodies will be required to audit their services and share the information with local patient groups, and any seeming age discrimination will be fully investigated. The Human Rights Act provides a means for patients who feel they have been discriminated against on the basis of their age to take legal action.

Education
Older people who continue to be active learners enjoy healthier lifestyles and maintain their independence longer than those who stop learning. The Government has made clear that locally based adult and community learning is a vital part of its plans to drive up achievement, widen participation in learning, and strengthen community confidence and capacity. The new Learning and Skills Council (LSC), which will come into operation in April 2001, will take responsibility for around £5 billion of central government funding for adult and community learning. It will be responsible for breaking down the barriers that prevent people participating in learning. Local LSCs will consult with Local Education Authorities, local authorities and local people, including older people, to ensure that needs are met and monitor the

quality of provision in their area. They will use their funds to drive the improvements that are necessary to remedy weaknesses, tackle social exclusion and promote equal opportunity.

Transport
Many older people depend for mobility on public transport. The Government's new long-term integrated transport strategy will help older people by delivering more accessible buses, trains and taxis, half price fares for pensioners and providing support for a wide range of flexible, community transport projects, such as minibus and taxi-based schemes. The Government has recently carried out an audit of older people's transport needs and, through the Inter-Ministerial Group on Older People, will use its findings to ensure transport provision for older people is improved.

2. *We call upon all those involved in journalism, broadcasting and publishing, to examine the way that older people are portrayed with a view to removing stereotypes of older people and, wherever possible, to acknowledge instead their diversity, abilities, skills and experience.*

Stereotypes about age and how people behave when they are older can serve as real barriers to people playing their full part in society. Broadcasters, journalists and advertisers have a responsibility to portray all sections of people in society in a fair, balanced and objective way. The Government has already started to work with older people's organisations, including Age Concern and Help the Aged, and the BBC to consider how best to improve the way in which older people are portrayed in the media and how their contribution and potential can be better reflected. The Government will work towards producing a good practice guide on the representation of older people in the media.

3. *We recommend that all employers and service providers examine their employment practices, methods of service delivery, publicity materials and all other aspects of their business to detect and remove discrimination against older people and help unlock their full potential.*

The Government is tackling age discrimination in employment through the active promotion of the Code of Practice on Age Diversity in Employment. The Government is also implementing the conclusions of the Performance and Innovation Unit's *Winning the Generation Game* report. Key recommendations include encouraging judgements on the basis of ability, not age, encouraging and enabling the over 50s to stay in or re-enter work; and helping older people to make use of their skills and experience for the benefit of the wider community by promoting and rewarding volunteers. A progress report and implementation plan will be published early next year. The Government is also reviewing its own employment practices in order to remove discrimination based on age.

The Government will continue – as part of the *Modernising government* initiative - to drive improvements in public service quality and responsiveness. Extended opening hours and a new consumer focus are key elements of the reforms that will deliver a marked improvement in users' experience of public services. Accountability for service improvements will be improved as a result of the new Public Service and Service Delivery Agreements that resulted from the 2000 Spending Review. The

Government will continue to promote a range of other measures, such as Charter Mark, the new Beacons Scheme for Central Government and access to high quality advice on best practice, to ensure that public services are accessible and responsive to their users. It will also continue to direct those seeking best practice on service provision to older people to the Better Government For Older People Network, where examples of best practice from the Programme are available.

Engaging with Older People

4. *We call on central and local government to work with older people and their organisations to set up a new national partnership body to advise on policy issues affecting older people, facilitate a continuing dialogue and lead and support local strategic development. The Government should resource the new body, consult it regularly and meet its representatives at least twice a year. The devolved administrations of Scotland, Wales and Northern Ireland should consider setting up and supporting similar bodies to advise on the issues for which they are responsible.*

5. *We call on older people and their organisations to play a key role in designing the new body. We recommend, however, that at least half its members should be over 50 to ensure an adequate representation of older people. Membership could draw on the Better Government for Older People Programme's Advisory Group and other key older people's networks but should also include representatives of local government, key voluntary organisations and public and private sector service providers.*

The Government strongly welcomes the proposal to establish a National Partnership Body for older people. The new body will be a voice for older people at the centre of government. It will build on the Programme and the Government's *Listening to Older People* initiative. In order to make the new body a reality the Government will work with older people, representatives of the Programme and voluntary organisations to discuss its role, structure and funding. The Government hopes to make announcements by April 2001.

6. *We recommend that local government should support older people to play a fuller role in policy-making and that local authorities should use their new responsibilities for community strategies to ensure that older people's concerns are heard and acted upon. Local authorities should ensure that the arrangements they set up to meet their duty under the Best Value regime to consult with local people take full account of the needs and views of older people, and should take full account of the BGOP pilot findings about how to actively engage older people in the process.*

7. *We recommend that each local authority should appoint an older people's champion, to match the Prime Minister's appointment of a Government Champion for Older People. Local authorities should make local strategies and cross-cutting services for older people one of their corporate priorities. One way of doing this would be to make this a portfolio responsibility within cabinet structures and a priority within scrutiny processes.*

The Government wants older people to be consulted and involved in the development of the local services they use. Statutory guidance governing the preparation of community strategies means that local authorities will involve local people, including older people, in drawing up and implementing their community strategies, thereby ensuing better local ownership of them. Community strategies will also include systems for monitoring and review and for reporting progress to local communities.

The Government believes the use of champions is an effective way of driving improvements. Many central departments have already appointed consumer champions at a senior level who have the authority to ensure consumers' views are translated into practical and long lasting improvements to public services. Older people will be key beneficiaries of the initiative. In local government too, clear and strong corporate leadership in policy development and review is crucial in integrating the diverse range of service provision to older people. Recent reforms to the legislative framework for local government are designed to make this much easier. The Government will monitor progress and make further changes as necessary.

8. *We recommend that voluntary organisations should use a range of methods to support and build capacity among older people in order to ensure that older people's views, including those of older people from ethnic minority communities, are heard. The Government should support such representation through its grant-giving powers. Voluntary organisations should build links with local authorities as well as other voluntary and community organisations to help provide a more effective voice for older people locally.*

The Government is supporting older people to play a more active role. It provides funding for a number of national umbrella organisations promoting voluntary and community action in partnership with statutory bodies such as local authorities. The Active Community grants programme currently provides £17 million annually to strengthen voluntary and community work in varied and diverse communities across the country. The success of the Older Volunteers Initiative has led the Government to increase its support for such work. This initiative provided £1.5 million over three years to 26 projects across England. Projects have included linking communities together through establishing contact with hard to reach and vulnerable older people. An additional £15 million is being made available for improvements in the voluntary sector over the next three years.

Better Decision Making

9. *We recommend that the Government's social exclusion agenda should be widened so that it explicitly covers issues of poverty and other forms of exclusion and disadvantage experienced by older people. The local strategic partnerships to be set up under the Social Exclusion Unit's National Strategy for Neighbourhood Renewal, need to take account of the needs of older people in deprived communities. The Government should report, on a regular basis, progress against this agenda.*

The Government is committed to ending social exclusion and is pursuing a wide range of initiatives to combat it. In September 2000, the Government published its second poverty and social exclusion report – *Opportunity for All – One year on; making a difference*. This highlights progress in tackling poverty and social exclusion in key client groups including older people. The Government is committed to tackling pensioner poverty and helping today's workforce plan for their future. The Government also wants to reward those pensioners on low and moderate incomes who have worked hard to provide for their own retirement. New measures recently announced include:

- tackling pensioner poverty by aligning all the rates of the Minimum Income Guarantee at the highest rate

- proposals for a Pension Credit to be introduced from 2003, which will give extra help to pensioners who, have savings or small occupational pensions – for the first time saving will be rewarded by the welfare state

- interim measures to provide two years' extra help for all pensioners by giving above inflation rises in basic state pension.

The Government is in the final stages of developing an action plan for Neighbourhood Renewal. This will contain new measures designed to narrow the gap between the most deprived neighbourhoods and the rest of England, and include details of how a variety of communities of interest, including older people, will be engaged and involved in the work of local strategic partnerships.

10. *We call on the Government, devolved administrations, local government associations and local authorities to promote the spread of learning from the Better Government for Older People Programme and integrate it into mainstream programmes and policies, for example, through the duties on local authorities under the Best Value regime. The Local Government Association and the Convention of Scottish Local Authorities will have a key role to play in this process.*

The Government values the learning from the Better Government for Older People Programme and recognises the importance of sharing and mainstreaming best practice within central and local government. The Government promotes the incorporation of best practice through the whole *Modernising government* initiative. Key new developments include departments' and agencies' new consumer focus and a revised policy on consultation, including a code of practice which sets out the key principles behind effective consultation and lays the foundation for a more meaningful relationship between Government, individuals, businesses and the voluntary sector.

The recently introduced Central Government Beacons Scheme identifies the best performing parts of central government and enables others to learn from their experiences. The Government is keen to ensure that best practice derived from the Programme is incorporated within its best practice database (available at www.bestpractices.org.uk/) and will ensure that the learning from BGOP is included. The database already holds information from a wide range of service providers on ideas they have introduced to improve the service they provide.

In local government, local authorities' duty to secure Best Value requires them to take account of best practice when deciding their approach to service delivery. New Best Value Performance Indicators have been drawn up in the light of the Programme and accompanying guidance draws attention to its findings. Inspectors from a number of departments such as Audit Commission, OFSTED and the Social Services Inspectorate will be looking for examples of this best practice when they inspect an authority following a Best Value review. Best Value also imposes on local authorities a duty to consult. This will give a real voice to older people, and to the organisations that represent them, to challenge councils to take best practice into mainstream programmes and policies. The Improvement and Development Agency (IDeA) showcases best practice developed in Beacon Councils through national events and co-ordinates and supports the programme of events and activities offered by Beacon Councils across the country. In the year ahead, the IDeA will have a key role in ensuring that excellence identified under the independent living for older people Beacon theme is effectively disseminated to local authorities.

11. *We recommend that local authorities should use the new power contained in the Local Government Act, to promote the well-being of their area or its inhabitants, to initiate a strategic approach to the challenges of an ageing population. In particular local authorities and regional development agencies should address the role of older people in the wider regeneration agenda. They should look not only at key individual services, such as housing and social services, but also how they can work together strategically and more effectively. Other services, including for example, leisure, education, transport, health and policing, should be included in an integrated strategy.*

The Government is implementing new legislation to bring about change in local government to improve local communities and local people's quality of life by putting community leadership at the heart of modern local government. The new framework greatly strengthens the scope for authorities to work in partnership with other bodies to respond to the changing needs and circumstances of their local communities, including the challenges of an ageing population, and deliver real improvements in local conditions.

12. *We call on Health Authorities, Primary Care Groups/Trusts, the Health Development Agency and other NHS bodies to develop strategies to promote the health and well being of older people and to work with local authorities and older people themselves to that end. Health Improvement Plans and Health Action Zones should explicitly include strategies to improve the health of older people.*

The Governments wants to improve the health and well being of older people. The new NHS Plan means that older people can have greater confidence in the ability of health and social care services to meet their needs more effectively. The Plan's focus is on maintaining health and independence, preventing unnecessary ill health and ensuring that the care system will be there to support them properly when help is needed. The National Service Framework for Older People will set national standards from April 2001 to deliver improvements in health and social care services for older people. These standards will be delivered locally by clinical governance underpinned by professional self-regulation and monitored by the Commission for Health

Improvement, the NHS Performance Assessment Frameworks and the NHS Patient Survey. Linking the Better Government for Older People Programme pilots and Health Action Zones (HAZs) has encouraged joined up working in those areas. As part of their overall development process all HAZs will be encouraged to integrate and mainstream the services and approaches developing out of the Programme.

New partnership arrangements implemented since 1999 enable all health-related local authority functions to be carried out jointly between health and local authorities. As a result, pooled funding and joint commissioning of services are being used to promote the well being of people in circumstances that are broader than the established areas of service provision. Partnership arrangements have already brought about better integration of services for older people, including schemes for intermediate care, rehabilitation and equipment services. The Government intends to increase the use of the partnership arrangements throughout the country and proposes to establish new Care Trusts to help develop better-integrated provision for older people.

13. *We call on the Government and local government associations to produce joint advice on the best way of preparing an integrated strategy for an ageing population and ensuring that it links with overarching community strategies. They should also create and support opportunities for dialogue between central and local government, such as the Central Local Partnership, that can help promote an integrated approach to older people.*

The Government is determined to ensure that the new community strategies get off to a good start and is producing guidance to assist in that process. It will monitor and review the progress of community strategies before considering where further advice or guidance might add value in the future.

The Central Local Partnership (CLP) provides a high level forum for discussing issues affecting central and local government. The Government will continue to work to improve its effectiveness. The Performance and Innovations Unit's *Wiring it Up* report concluded that the Government should work with others to develop joint mechanisms, especially at regional and local levels, to improve consultation and feedback on cross-cutting issues, including different ways to reach and involve stakeholders in the development of policies and the delivery of services; better ways of communicating decisions; and using such feedback to create virtuous circles of continuous improvement. The Government will continue to explore how best to assist Government Offices for the Regions and local authorities with the co-ordination of partnerships and promotion of dialogue at the regional and local levels.

Better Meeting Older People's Needs

14. *We call on the Government to give priority to improving older people's experience of care services. Older people need higher quality and more responsive care services, as well as better information about the care system and access to better co-ordinated services. We welcome the Care Direct review which aims to improve both information and access for service users. The Government's decisions on the funding of long-term care provide the*

opportunity to make a real difference to older people's health and wider quality of life.

The Government is working to ensure that older people can enjoy access to better quality care services and will do everything it can do deliver them. Key improvements are set out in the *NHS Plan. Care Direct*, which will begin to be piloted from 2001, will:

- provide co-ordinated information about, and access to, health, social care and housing services and social security benefits in a number of new ways;
- provide a telephone helpline, a local helpdesk that people can visit, and outreach services, including home visits for people who cannot phone or visit their local helpdesk;
- build on other recent initiatives such as *Better Care, Higher Standards*, a charter for users of long-term care services, and local charters explaining what people can expect from their local housing, health and social services and what to do if things go wrong;
- establish a web site that will provide a wide range of national information and links to local authority and others' web sites for more local and detailed information.

Over the next three years, the Government will be making available £900 million annually across health and social care for new investment in intermediate care and related services to help older people live more independently. By 2003/04, the Government will be making available a further £360 million annually to fund the improvements to long term care, including the extension of free nursing care to nursing homes, that were announced in response to the report of the Royal Commission on Long Term Care. The Government has broadly accepted many of the recommendations of the Royal Commission. The key developments include: disregarding for up to three months the value of someone's home from the means test for residential accommodation (from April 2001); free NHS nursing care (from October 2001); a special grant to encourage local authorities to become more active in covering the costs of care for those people who would otherwise have to sell their homes (also from October 2001) and the transfer of resources which underpin the Residential Allowance in Income Support to local authorities (from April 2002).

15. *We call on the Department of Social Security, which has played a significant role in relation to a number of the pilot projects, to build on that experience to develop and implement new and improved services for pensioners. These services should be developed closely in partnership with older people and their organisations and should be accessible and responsive. They should be available in a number of different locations. Other organisations should follow the Department's lead.*

New arrangements to modernise the DSS are shifting the focus of its work away from particular benefits and onto wider groups of people. The DSS is setting up a new pensioner organisation which will promote financial security in retirement, encourage provision of funded pensions and personal savings. It will seek to secure a more efficient and equitable distribution of public support for pensions, taking into account that pensioners should have an adequate income in retirement, that they should share

fairly in the increasing prosperity of the nation, and that public finances should be both sustainable and affordable. It will also develop more responsive means of delivering services to older people in settings more suitable than DSS offices. The DSS will draw upon the BGOP Programme in developing new local services that suit local conditions.

The Government - as part of the *Modernising government* initiative - is committed to bringing about a stronger consumer focus for all its services. The appointment of consumer champions within key departments was a key early step. All departments and agencies will have consumer-focused strategies in place by April 2001 and the Government will publish annual reports of progress showing how public services are meeting consumer targets and improving the quality of the service they provide.

16. *We call on the Government and devolved administrations to develop integrated transport strategies that recognise access to affordable and accessible public transport as vital to encourage older people's participation. This will help to prevent social exclusion of older people and other less mobile groups.*

17. *We call on local authorities to provide consistent and reciprocal concessionary fare schemes and ensure that older people are actively involved in developing local integrated transport plans. We welcome the Government's decision to implement arrangements for statutory minimum concessionary fares schemes. We urge local authorities to use their discretion to develop schemes that are more advantageous to older people, and to involve them in their development.*

The Government's long-term integrated transport strategy will bring about more affordable, accessible, safe and available transport services. It is making public transport easier to use through new accessibility requirements and by introducing a national minimum standard for concessionary fares for pensioners entitling pass holders to at least half price travel on local buses. It is also enhancing bus services in urban and rural areas. It is working with the transport industry to improve personal security for passengers and is helping older drivers to continue to drive safely. It has also undertaken research into older people's transport needs and will be disseminating the results to interested parties early next year.

Guidance to local authorities on local transport plans is clear that effective consultation and participation is essential in developing local transport strategies. The Government will ensure that local authorities actively involve local people, transport operators and users. New legislation [NB check for Royal Assent of current Transport Bill] requires local authorities to have particular regard to the transport needs of persons who are elderly or have mobility problems when developing their local transport policies

18. *We call on the Government and the devolved administrations to do more to recognise the significant contribution that older volunteers make and to develop older people's volunteering, including inter-generational initiatives, to encourage a wider range of older people to take part. Financial and attitudinal barriers can sometimes prevent older people from making their full*

contribution to voluntary activity. We urge those involved to find ways of avoiding wasting valuable skills and energy in this way.

Older volunteers are a vital national resource and the Government is determined to remove the barriers that prevent their full involvement. The Older Volunteers Initiative was launched in January 1999 with funding of £1.5 million over three years. The Government also provides significant financial support to a number of key voluntary sector organisations aimed at involving older people, including for example, the Retired and Senior Volunteers Programme, which arranges placements for people seeking volunteering opportunities. On 2 March 2000 the Prime Minister announced the establishment of an *Experience Corps* in communities across the country that will support and mobilise opportunities for people over 50 to get involved. More details on the proposals for the scheme will be announced shortly.

19. *We call on the Government to find new ways of promoting and supporting older people's use of information and communication technologies as part of its lifelong learning strategy. This will enable older people to participate more fully in society and in new electronic-based services in both the public and private sectors.*

The Government is committed to lifelong learning and is promoting and supporting Information and Communication Technology (ICT) learning in later life through a variety of means. *Learndirect*, the Government sponsored *Adult Learners Week* and the *BBC Webwise* campaign are all raising awareness of the value of ICT for learning later in life.

The *UK online* initiative is the drive to ensure that everyone in the UK who wants it will have access to the Internet, and to make the UK one of the world's leading knowledge economies. Older people have been identified as one of *UK online's* six target groups. £245 million is being invested to set up 700 *UK online* centres in disadvantaged communities. The first centres are already bringing local opportunities to access ICT equipment and learning to communities not yet part of the Internet revolution. By the end of 2002 there will be around 6,000 *UK online* centres across England.

Computers within Reach offers support to ICT access for older people. It will give some 100,000 families and low-income learners (including older learners) access to reconditioned computers at low cost. In addition, *UK online* computer training offers ICT learning opportunities for 50,000 people in receipt of benefits with no recent ICT experience. The Government is also offering financial support for ICT learning. Individual Learning Account holders can get up to an 80% discount off the cost of learning towards certain introductory level ICT courses.

Promoting A Strategic and Joined Up Approach

20. *We recommend that the devolved administrations of Scotland, Wales and Northern Ireland, local authorities and regional bodies (including government offices for the regions, regional development agencies and any future elected bodies) should develop integrated strategies for the ageing population within*

their remit, and should also appoint their own champions for older people and ensure that their role and identity are widely publicised. They should be supported with sufficient staff and financial resources to ensure they can perform these roles effectively.

21. *We call on the Government to review national targets and performance indicators to encourage more joined-up working across government through greater use of cross-cutting targets and performance indicators, joint accountability and pooled budgets.*

The Government recognises that the issues that the public sector needs to tackle are not always the responsibility of a single government department. It will continue to work towards breaking down artificial barriers in policy making and delivery - encouraging departments to think together about their joint priorities and work together to deliver change. The Government is committed to integrated and partnership working and will continue to work closely with the devolved administrations and others in developing ways of improving older people's quality of life.

The Government will use national targets and performance indicators as a means to deliver service improvements, key reforms and modernisation strategies. Targets drive good performance by clarifying the final outcomes on which services need to focus. Joint targets encourage real improvements in co-operative working and help produce better outcomes. The Government will continue to promote the use of better targets and more joined-up working. Examples include:

- *Public Service Agreements* for each of the main Government departments, which were published in the summer following the Spending Review. Five new cross-cutting Public Service Agreements are the result of cross-departmental reviews.

- The *Measurement and Performance Project,* which looks at how performance measures help or hinder local partnerships such as Health Action Zones. This project finishes shortly and conclusions will be published by early 2001. The findings will help determine how future performance measures will be designed.

- Developing a *Government-Wide Performance Information Strategy,* which is the subject of joint work between the Government, the National Audit Office, the Audit Commission and the Local Government Association. This will bring together all existing and future work on the design, usability and accessibility of performance measures and targets, and ensure that performance measures and targets are effective and consistent.

At the regional level, the Government has given the Regional Development Agencies (RDAs) an important range of strategic, executive and advisory functions. They have a key role to play in identifying, addressing and tackling the barriers preventing some sections of society, including older people, from benefiting from the country's increasing prosperity. The RDAs will ensure a comprehensive approach to regional development with their regional strategies covering age-related issues, including the contribution older people can make to the economy. The Government will monitor

implementation of RDA Strategies and Action Plans and influence them through RDA Directors' meetings.

A pilot initiative is being undertaken in 2001 with 20 local authorities to allow greater freedom and flexibility - and financial reward for good performance - for local authorities that can deliver service improvements in key areas such as education, social services and social inclusion. The targets set out in these Local Public Service Agreements will be integrated into the local authority's Best Value performance plan. The Government will evaluate the initiative to see what value it would add if implemented more widely.

22. *We call upon the Audit Commission, non-governmental organisations and the Commission for Health Improvement to advise the Government on how the rules governing funding, statutory requirements and accountability can be improved to support better joint working.*

The Government will continue to work with other organisations to identify barriers to joint working. In addition, the Audit Commission will be taking on a new and developmental role in shaping the *Best Value* performance framework. It will not set new statutory performance indicators for 2001/02. Instead, it will focus its expertise on the challenging task of developing indicators that address cross-cutting issues and the quality of life for local people. This will bring greater clarity to the framework and ensure that it can evolve to take account of policy developments.

Under the NHS Plan new models of accountability and governance are being developed to ensure that the delegation of functions and the use of pooled funds can be monitored effectively by the organisations involved and users of services. Examples such as Somerset Joint-Commissioning Board, arrangements in Barnet and Barnsley reflect this. The Government will continue to work with others to evaluate and promote models that generate more effective working practices.

23. *We recommend that the Government introduce a theme into the Beacon Scheme featuring integrated, inter-agency, corporate strategies for ageing and older people. Further exploration of a user focus to local authority services should feature in subsequent years of the Beacon scheme and in Best Value reviews of services.*

The Beacon Councils Scheme is designed to help local authorities achieve excellent standards across their full range of services. Each year the scheme focuses on services and cross-cutting service areas that local people consider important and which deliver tangible benefits for local communities. The second year of the scheme includes a theme focusing on improving older people's quality of life through support for independent living. Integrated approaches that go beyond health and social care services are an important aspect of this theme. New themes will continue to focus on key aspects of service delivery and cross-cutting services.

24. *We recommend that the Government, following the model of the Invest to Save Budget and Social Services prevention grants, should introduce further opportunities for funding other cross-cutting, preventative work that would*

promote older people's independence and engagement and encourage agencies to work more closely in partnership.

A cross-cutting, preventative approach is the best way to develop better quality, more responsive, citizen focused services. The Programme's key lesson on partnership working reinforces the Government's belief in the need to work more collaboratively to produce better outcomes for the users of public services. As a result of the 2000 Spending Review, the Government has increased funding for cross-cutting work.

- The Invest to Save Budget has been extended to run for a further three years with funding of £155m to put towards innovative and joined-up projects. Projects have included integrated approaches to community care services and services for pensioners.

- The £2.5 billion Capital Modernisation Fund has also been enlarged and supports high quality, innovative capital projects. Projects include £430 million for the modernisation of Accident & Emergency departments and better access to primary care, £470 million for IT Learning Centres, £20 million for action on cataracts and £8 million for developing electronic claims forms for the Minimum Income Guarantee.

Both offer excellent opportunities to take forward new initiatives to promote older people's independence and deliver enhanced public services. Additionally, the Government is setting up a new Policy Innovation Fund, to be worth £150 million over the next three years, allowing major new policy innovations to be piloted and implemented during this period.

25. *We call on the Improvement and Development Agency (the IDeA), with the support of the Local Government Association, to work in partnership with older people's organisations to take responsibility for the running and further development of the BGOP Network to ensure that it continues to play an active role once the Better Government for Older People Programme comes to an end in December 2000.*

The Government welcomes the decision that the BGOP Network will continue to operate as a broadly-based forum for older people, local authorities and other service providers to discuss matters of mutual concern. Even if the IDeA and LGA do not become its eventual hosts the Government hopes that they and other key organisations will play an active role in the Network's promotion and development.

26. *We call on the Inter-Ministerial Group on Older People to ensure that the Government provides a considered, co-ordinated and positive response to these recommendations by December 2000.*

27. *We recommend that the Government's Champion for Older People prepares and publishes an annual report of progress on these and other issues affecting older people.*

The Government is committed to a continuing programme of initiatives that will make life better for all older people. It recognises that it is important to build on the lessons

from previous successful consultation exercises - including the Inter-Ministerial Group's programme of *Listening to Older People* events - to keep older people informed about new developments. The Government is committed to reporting regularly on the progress being made and plans to publish a comprehensive report in the spring.

28. *We call on the local government organisations and professional associations to prepare a joint strategy on how they can support joined up government for older people in the light of the BGOP programme and these recommendations. Key organisations include the Local Government Association, the Convention of Scottish Local Authorities, the Society of Local Authority Chief Executives, the Chartered Institute of Public Finance and Accountancy, the Society of Chief Personnel Officers, the Association of Directors of Social Services and their counterparts.*

The Government looks forward to these organisations' response to this recommendation.

Conclusion

Partnership and innovation are at the heart of Government's approach to meet the challenges of and maximise opportunities for an ageing society. BGOP has proved to be an excellent example of what can be achieved through both. The Government congratulates all those who have been involved in BGOP, particularly those older people who have made such an immense contribution to the Programme, and the 28 local authorities that have led the pilot projects. The Government is also grateful for the very important role played by its partners in the Programme - Age Concern, Anchor Trust, Carnegie Third Age Programme, Help The Aged and Warwick University as well as the Local Government Association, which has also helped steer it. They have all helped contribute to a better understanding of older people's needs – locally and nationally. This knowledge is invaluable if we are to develop measures that will make a real difference to older people in the UK.

The Government's response to the BGOP recommendations is part of a continuing process of improving policies and public services for older people. The Government looks forward to implementing the lessons and best practice emerging from the Programme in conjunction with the new National Partnership Body, to build a better society for older people.

The Inter-Ministerial Group on Older People, will continue to develop new policies that put older people at the centre of government activity and help them to overcome the barriers that prevent them playing a full and active role in society. It plans to publish a comprehensive report on issues affecting older people, in the spring.

Published on behalf of the Inter-Ministerial Group on Older People
December 2000

60804

Minister for the Cabinet Office
Chancellor of the Duchy of Lancaster

From: J G FULLER
Principal Private Secretary to the Minister for the Cabinet Office
Room: 305, 70 Whitehall
Tel: 270 0330
Fax: 270 0196
Date: 22 November 2000

STEPHEN CLARK
NICK MATHESON

cc PS/Baroness Jay
PS/Ian McCartney
PS/Lord Falconer
PS/Graham Stringer
PS/Sir Richard Wilson
PS/Mavis McDonald
HMUs in 70W
Jeremy Heywood cc
Peter Wardle
Peter Browne
John Bolster

FUTURE SUPPORT MANAGEMENT ARRANGEMENTS

Thank you for your minute of 20 November. I am replying on behalf of the four offices (Mo Mowlam's, Ian McCartney's, Lord Falconer's and Graham Stringer's) and their support services in Ministerial Group.

2. The key phrase in your minute is 'the present level of service to Private Offices will remain unaffected by the change in management arrangements'. We are content with what you propose subject to there being no diminution in the level of service, but we hope you will also consider whether the present level of service could be cost-effectively improved. We have in mind the fact that we should all be constantly looking for ways to reduce the time it takes paper to move between buildings – or even on occasion between the front door and the private offices, given the tight deadlines and targets to which we are all working and the extent to which correspondence received in the Ministerial Group is the engine for much of the Department's work. For our part we are looking in the medium term at whether more could be sent electronically, but what we must avoid is a situation where important paper sits around for any length of time because messengers are too few or too readily diverted onto other duties without reckoning the true cost to the Department's work.

3. We would be happy to assist in any way with the GCDA study and we look forward to being consulted on its outcome.

J G FULLER

Top: EA/PS
APU
File

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Minister for the Cabinet Office
Chancellor of the Duchy of Lancaster

The Rt Hon John Prescott MP
Deputy Prime Minister &
Secretary of State
Department of the Environment, Transport and the Regions
6th Floor, Eland House
Bressenden Place
London
SW1E 5DU

22 November 2000

Dear John,

MODERNISING GOVERNMENT

I am writing to you about how we plan to take forward Modernising Government in collaboration with Ministerial colleagues and departments. A peer review over the summer, including consultation with a number of departments, has given us some important messages:

- the agenda in the "Modernising Government" White Paper is well understood in departments and change is under way: we must now stay the course
- in the Cabinet Office we need to be better in touch with what is going on in departments
- at the centre, we should provide leadership and support to departments' efforts, but concentrating on areas where we add value: in particular, thinning down rather than adding to, the number of central initiatives
- we should be more joined-up across the centre of government, operating as a single team from departments' points of view.

As Ministers, we are focussing our efforts on:

- celebrating success: the 2000 annual report, Citizens First, focussed on many real-life stories of often small, local changes with a real benefit to people. We want to join with departmental Ministers in using such examples to spur on further changes

SKP 23/11/00

- contributing to the delivery of Public Service Agreements and Service Delivery Agreements. These are strong on modernisation and we want to work with departments to ensure we support their delivery.

We want to work with you and your department to keep up the momentum of modernisation. So we would like suggestions about success stories and how to make more use of them more widely; to do the same with lessons learned so that we don't all have to learn the hard way and can adapt more quickly; and to hear about the obstacles people are finding in their way and lend a hand in shifting them, or put people in touch with someone who can.

Ian and I would be very happy to come and talk to you or your Ministerial team, or arrange for officials to meet your departmental board. Or you may prefer simply to write to us with some success stories or challenges you want to share, and issues you think we should work on together as partners in taking forward modernisation and improvements in services.

I am copying this letter to Ministers in charge of Departments, the Prime Minister and Sir Richard Wilson.

MARJORIE MOWLAM

CABINET OFFICE
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Parliamentary Secretary
Cabinet Office

The Rt Hon Tony Blair MP
Prime Minister
10 Downing Street
London
SW1A 2AA

Faxed 22.
21 November 2000

Dear Prime Minister,

We were grateful to colleagues for their responses to the letter of 23 October from Mo Mowlam (who is abroad at present) about the Code of Practice on Written Consultation. They generally supported the Code.

I now attach what we hope is the final draft. We will be in touch with you separately about the introduction, which we hope you will sign. It has been separately agreed that you should announce the Code, along with a number of other measures relevant to better regulation, on 27 November.

Several colleagues raised particular points on the Code. Derry Irvine was concerned that the publication on the website of a consultation, even if it was not directed at the general public but only, for example, a limited range of professional bodies, would nevertheless attract all the provisions of the Code. That was not what we intended (although generally we believe open consultations are preferable), and we have made some changes to paragraph 9 of the General Principles section to meet his points.

Andrew Smith asked if there could be some let-out for consultation on secondary legislation that simply maintained existing policy. It would be difficult to allow a general exception here: maintaining existing policy may often be controversial; and all the reasons that led trade and voluntary sector bodies to say they needed three months in order to consult members still applies. But in the cases he envisages, the organisations that would be able to help on the technical points he mentions would be few; and we suggest that these are regarded as limited consultations, not public ones, even though they are released in to the public domain. In that case the provisions of the Code would not apply. We have also included in the draft several other clarifications sought by Andrew's officials.

David Blunkett raised a number of questions, particularly concerning the timetable for consultations. He wondered whether the twelve week period should not be regarded as a 'guideline', rather than a standard minimum; and also questioned the need to explain departures from the Code on the face of a document. We are very happy with the suggestion that we should make clear that in some cases, acting quickly, and therefore consulting in less than twelve weeks, is the right thing for a government to do: we will include a passage to that effect in the draft introduction.

But it would be hard simply to approach the Code as a matter of 'guidelines'. There is best practice guidance on consultation already in existence: but as an evaluation we conducted earlier this year showed, it had been widely ignored – a point the Neill Committee drew attention to in recommending a code. If we were to step back now from the principle of a binding code, with departures explained, we would be seen to be backtracking seriously from the consultation draft. That would be very badly received by business and voluntary groups, and would cast a pall over the Prime Minister's announcement. It would also be hard to argue we were fully meeting the recommendations either of the Neill Committee, or of the Better Regulation Task Force.

We have made several other drafting changes too, in response to points from colleagues, and for greater consistency with the Guidance on Implementation Periods for legislation, promoted by Stephen Byers, which you are also announcing on 27 November. They include a statement that Departments should, in the EU and other international contexts, seek to ensure that timetables permit compliance with the code.

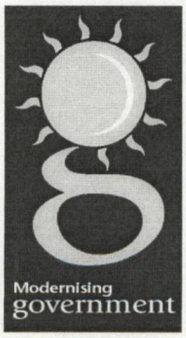
It will be very important that we are seen to stick rigorously to the Code wherever we can, particularly in the few months following the announcement. Our own credibility will be on the line if we do not. We now propose that the Code will bite only on consultation documents issued after 1 January 2001. It is important that departments should have in place arrangements for policing the Code thoroughly by that time. A few departments have notified us of the names and contact details of consultation coordinators, but most have not: I should be very grateful if they would arrange for these details to be passed to Mo Mowlam's office as soon as possible.

I am copying this to members of the Cabinet, and to Sir Richard Wilson.

pp.

GRAHAM STRINGER

Approved by the Minister
and signed in his absence.



Code of practice on written consultation

Applies to consultation documents issued after 1 January 2001

DRAFT FINAL VERSION

Cabinet Office

20 November 2000

Introduction by the Prime Minister

(to follow)

General principles

The criteria in this code apply to all UK national public consultations on the basis of a document in electronic or printed form. They will often be relevant to other sorts of consultation

Though they have no legal force, and cannot prevail over statutory or other mandatory external requirements (eg under European Community law), they should otherwise generally be regarded as binding on UK departments and their agencies, unless Ministers conclude that exceptional circumstances require a departure

The criteria should be reproduced in consultation documents, with an explanation of any departure, and confirmation that they have otherwise been followed

1. This code is intended to **make written consultations more effective**, **opening up decision-making** to as wide a range of people and organisations as possible.

2. All **UK government departments and agencies** who conduct any public consultation should ensure they have the **arrangements in place** to operate it in respect of **all consultation documents issued from 1 January 2001**. This will include designating a consultation coordinator to oversee the organisation's consultation activities, as outlined under criterion 7, and ensuring the department's own consultation web page, and the central register of consultations, are absolutely up to date.

3. **UK non-departmental public bodies** should be encouraged to follow the code, and contribute to the register. References to 'departments' in this document should generally be read to include agencies and complying NDPBs (and appropriate adaptations should be made where a Minister does not head the body concerned).

4. **Devolved administrations** are free to adopt this code, but it does not apply to consultation documents issued by them unless they do.

5. The code is not about consultation within government, on which other advice is available [link]. Consultation documents will often require collective consideration within government before issue.

Effective consultation

6. The emphasis here on written consultation is not to suggest that this is the only or best method of consultation. It is the classic method and has many virtues, but also limitations. **Additional forms of consultation** should

always be considered from an early stage. Some possibilities are set out under criteria 1 and 4 below.

7. The **purposes of consultation** need to be borne in mind throughout the development of a policy (including legislation) or service.

   a) The main purpose is to **improve decision-making**, by ensuring that decisions are soundly based on evidence, that they take account of the views and experience of those affected by them, that innovative and creative options are considered and that new arrangements are workable.

   b) Effective consultation ought also to ensure that so far as possible **everyone concerned feels they have had their say** or at least that their interests have been taken into account.

   c) The Committee on Standards in Public Life has drawn attention to the importance of consultation with a wide cross-section of the public, without which the **openness and accountability of Government could be impaired**, and the dangers of privileged access magnified (Sixth Report, Chapter 7 [link]). The House of Lords Select Committee on Science and Technology [link] has emphasised the need for **open dialogue on science** (Third Report, February 2000 [link]). Consultation should always be as wide as the circumstances permit. Other things being equal, public consultations are preferable to closed ones.

8. Really effective consultation will not be achieved solely by following this code, however.

   a) **Departments need to develop expertise** in the best methods, and learn from each other. To help this process, an **Internet-based best practice forum** will be set up by the Cabinet Office (and the Centre for Management and Policy Studies will pursue further work in this field as part of its responsibility for Modernising Policy Making).

   b) A **web-based central register of current public written consultations** is being introduced in parallel with this code [link], to ensure widest possible awareness of what is being consulted on, with links to comprehensive consultation pages on each department's website. Detailed guidance on this is being issued. Later on the site will offer users the option of being **notified by e-mail of consultations** in particular areas.

   c) There will also, later, be a **register of forthcoming consultations**, helping organisations to prepare to respond. It will also encourage '**joining up' of consultation documents** between different parts of government: the Performance and Innovation Unit report *Wiring It Up* [link to recommendation 8] has emphasised the importance of better consultation, especially on cross-cutting themes.

Wider application and evaluation of the code

9. The code is directed at national consultations – that is, over the whole area of a department's responsibility, which may be England, or may include other parts of the UK – where views are sought from the public. But parts of it may **be relevant to more limited consultations** – which in any event are often put in the public domain – such as those seeking views from professional bodies or departmental trade unions, regional or local consultations, or consultation with local government (which is covered by the Framework for Partnership between central and local government). Departments should consider applying the code to regular consultations of this kind, so far as circumstances allow.

10. Where there are inconsistent statutory or other requirements, departments should, as legislation comes to be reviewed, assess whether those requirements can be brought into line with it. In the EU and international context, departments should seek to ensure that so far as possible the timetable permits compliance with the code.

11. The code replaces the guide *How to conduct a written consultation exercise.* It may be supplemented by more specific guidance, for example the Code produced under the Compact on Relations between Government and the Voluntary and Community Sector. Any such guidance must be consistent with it.

12. The effectiveness of the code will be evaluated starting two years after it is launched, and the results published.

13. Feedback and complaints on individual consultation documents should be sent to the person nominated in them, in accordance with criterion 3. Comments on this guide are welcome to MPS-ConsultationPolicyTeam@cabinet-office.x.gsi.gov.uk; tel 020 7276 1730; fax 020 7276 1704; or by post to Consultation Team, Modernising Public Services Group, Cabinet Office, Admiralty Arch, London SW1A 2WH.

We gratefully acknowledge the work in this field of the National Consumer Council, whose paper Government Consultations: not just a paper exercise *was heavily drawn on in preparing* How to conduct a written consultation exercise. *The code is, however, the responsibility of the Government alone.*

The consultation criteria

To be reproduced in consultation documents

The criteria in this code apply to all UK national public consultations on the basis of a document in electronic or printed form. They will often be relevant to other sorts of consultation

Though they have no legal force, and cannot prevail over statutory or other mandatory external requirements (eg under European Community law), they should otherwise generally be regarded as binding on UK departments and their agencies, unless Ministers conclude that exceptional circumstances require a departure

The criteria should be reproduced in consultation documents, with an explanation of any departure, and confirmation that they have otherwise been followed

1. Timing of consultation should be built into the planning process for a policy (including legislation) or service from the start, so that it has the best prospect of improving the proposals concerned, and so that sufficient time is left for it at each stage

2. It should be clear who is being consulted, about what questions, in what timescale and for what purpose

3. A consultation document should be as simple and concise as possible. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for readers to respond, make contact or complain

4. Documents should be made widely available, with the fullest use of electronic means (though not to the exclusion of others), and effectively drawn to the attention of all interested groups and individuals

5. Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the standard minimum period for a consultation

6. Responses should be carefully and open-mindedly analysed, and the results made widely available, with an account of the views expressed, and reasons for decisions finally taken

7. Departments should monitor and evaluate consultations, designating a consultation coordinator who will ensure the lessons are disseminated

Criterion 1

Timing of consultation should be built into the planning process for a policy (including legislation) or service from the start, so that it has the best prospect of improving the proposals concerned, and so that sufficient time is left for it at each stage

1. **Time must be set aside** so that a written consultation can be properly designed, and **reasonable intervals allowed** for responses and their analysis. The timetable for implementation should be such that people affected have a reasonable opportunity to prepare: in the context of legislation impacting on business, see Guidance on the timing of the issue of Guidance to Business on compliance with new legislation [link].

2. But it will often not be adequate to rely on a single written consultation alone. **Early consultation is often the key to the success of an initiative**, and to securing cooperation in it: omitting it may cause delay and expense later. It is important that the agenda for early consultation is not too circumscribed, so that others can have a part in developing it. A range of options should be canvassed where possible.

3. It is **helpful to let others interested know the likely timing of different forms of consultation** as early as possible (and any later changes to it). Consultation documents should describe any earlier, parallel and planned later consultation.

4. The House of Lords Select Committee has commented on some **other forms of consultation that may be helpful** [link to Third Report, chapter 5]. They include:

   a) Listening events

   b) Meetings or seminars with, and visits to, representative groups and other interested parties

   c) Internet discussions. (The 10 Downing Street website [link] offers a forum for these; Departments may want to equip their websites).

   d) Research, including surveys of consumers and the general public (which may involve the People's Panel [link]), and qualitative research (including depth interviews and focus groups)[link to advice on surveys])

5. The key is to get the **best spread of views,** including the views of those most likely to be affected, and with most to contribute.

6. **Resources** need to be set aside. Effective consultation may involve significant expenditure of time and money, including outside expertise, and planning in the light of earlier evaluations to ensure value for money (see criterion 7) is important.

Criterion 2

It should be clear who is being consulted, about what questions, in what timescale and for what purpose

1. A document should explain **which people and groups the consultation is particularly directed at** (and in what capacity, if there is any room for ambiguity). It should generally invite suggestions about others to whose attention the document should be drawn. It may be useful to include a list of those it is being sent to, to help avoid duplication of effort by respondents.

2. A document should so far as possible include an assessment of the **impact of the proposals on groups likely to be particularly affected**, and every effort should be made to ensure that views are received from all such groups. Departments should always consider whether there is a **particular impact by gender, age, ethnicity or disability; in particular regions, or types of area; or on the socially excluded**. The *Policy Appraisal for Equal Treatment guidelines* are relevant here [link], as is the *Cabinet Office Departmental Policy Maker's Rapid Checklist* [link].

3. Regulatory proposals (including EU legislation) that may create **burdens for business, charities or voluntary organisations** should include a **draft Regulatory Assessment**: see *the Good Policy-Making: a Guide to Regulatory Impact Assessment* [link]. Where a policy may have **significant environmental impacts**, proposals should include a draft Environmental Appraisal: see *Policy Appraisal and the Environment* [link].

4. A document should make clear **which parts of the United Kingdom** it relates to, and whether it contains proposals which are the responsibility of more than one administration.

5. The document should also be clear about any **aspects of an issue on which decisions have been taken, or are inevitable,** so as to avoid wasting the time of respondents. It may also be useful to indicate where the department provisionally favours a particular course. But the agenda should not be so rigidly defined as to deter respondents from offering views on related questions of interest to them.

6. The **deadline for responses**, and so far as practicable the **timetable envisaged after that**, including any further opportunity for consultation, should be clearly set out.

7. **Representative groups** should be asked in responding to give a summary of the people and organisations they represent.

8. It should be made clear that **responses may be made public unless confidentiality is specifically asked for**. With some subjects – such as where the responses may concern individuals' private lives, or matters of commercial confidentiality, this may need to be flagged up especially prominently, so that no-one inadvertently fails to register a wish for confidentiality. In some cases, confidentiality cannot be guaranteed, eg

where a response includes evidence of serious crime: this may also need to be brought out.

Criterion 3

A consultation document should be as simple and concise as possible. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for readers to respond, make contact or complain

1. Respondents may have a great many documents to deal with, and lack time from their everyday work to study a comprehensive paper. But their views may be of great value, and **everyone should be helped to identify quickly if they are affected, and if so to contribute productively**. That is why clarity, and a summary, are important.

2. A summary need not encapsulate every point in a document. Its purpose is to help potential respondents focus, highlighting difficult and contentious issues. It will rarely be necessary for Ministers to conclude that the two-page limit needs to be exceeded.

3. Documents should be clearly focused. They should be set out in **plain language, as free as possible of jargon** [link to plain language guidance; also to Cymraeg Clir initiative]. Technical detail may be unavoidable, indeed central to the issues; but documents should be as widely understandable as possible. Worked examples may help in explaining technical concepts to lay people. A guinea pig audience may be useful in developing or testing a draft document.

4. **Glossy and elaborate documents are rarely justified**. Time spent preparing them would be better spent on a longer consultation period, or on devising supplementary means of consultation.

5. Documents should however set out **the main information and competing arguments relevant to a decision,** or say where they can be found. Significant sources of information and opinion outside government should be quoted if relevant, whether they support the Government's views or not. Accounts of EU and overseas law and practice, and other background materials such as legal texts proposed for amendment, might be included or put on an associated website, if they help illuminate the questions.

6. It will often be helpful to **set out key questions in a questionnaire** – though questionnaires need careful design, in which expert help may be useful, so as not to encourage a biased response. Responses in other forms, and on different but relevant questions, should always be accepted.

7. Any questionnaire should feature on a website, as an electronic form if possible. In any event an **e-mail, as well as a postal, address should be given for responses**, and preferably a fax number.

8. Paragraphs in a consultation document should be identified by numbers or letters (in preference to bullets, which are less easy to refer to in responses). Pages should be numbered.

9. Details (address, phone, e-mail and preferably fax) should be given of a **contact who can respond to consultees' questions**.

10. Similar details should be given of **someone who will pursue complaints or comments about the consultation process.** This should be a person outside the team responsible for the document: it might be the department's consultation coordinator.

11. **Consultations should be joined up within or across departments** wherever reasonably possible: some respondents, especially small businesses, may not have time to deal with multiple requests for comment. Consultation coordinators should encourage such mergers within departments. Departments should contribute as early as possible to the register of forthcoming consultations when established, and examine it regularly for possible partners.

12. To avoid imposing extra burdens on people, and organisations with very limited resources for replying, like smaller firms and some voluntary and community organisations, it **may be better to target consultation through umbrella bodies,** including **trade associations and business organisations**. But it is important to speak to those bodies at an early stage, to establish that they can conduct properly representative consultations, and work out timing; for example they may be able to make use of routine consultation processes among their members.

Criterion 4

Documents should be made widely available, with the fullest use of electronic means (though not to the exclusion of others), and effectively drawn to the attention of all interested groups and individuals

1. Every effort should be made to ensure **effective communication with all those who are, or potentially are, interested**. This may involve contact with representatives of broad consumer, business, voluntary or other interests; as well as more narrowly defined groups. There may be separate organisations in devolved regions of the UK.

2. The **rest of public sector**, where it is likely to be affected, including local government and front-line staff, should be included too.

3. Generally consultation should be publicised by a **press release or similar announcement**.

4. **Documents should always be available free of charge on a website from the moment of publication**, ideally in a range of formats. Internet versions should be quickly downloadable – that is, for example, with the option of avoiding large graphics. It may not be practical to include complex attachments (such as large charts), though early planning will often permit the information in them to be presented satisfactorily on the web.

5. But though effective use of the Internet is increasingly important, people should not be excluded from consultation because they are not Internet users. **Paper copies of documents should always be available**, and paper responses accepted.

6. **Costs to users** should never be such that they are an obstacle to effective consultation. Every effort should be made to avoid charging for paper copies.

7. But the methods above will often not **effectively reach all interested groups**. **Other methods** to be considered include:

    a) Targeting relevant newspapers and magazines (eg trade and other specialist journals);

    b) Targeted mailings and e-mail notifications;

    c) Reproducing the document in **different languages and formats**: consultation coordinators may want to identify providers of translation and other services:

        i) If a consultation applies to Wales, it may need to be published in **Welsh**. Departments with a Welsh Language scheme should follow it; others should consider any guidance published by the Welsh Language Board [link] or

contact Head of Public and Voluntary Sectors, Welsh Language Board, Market Chambers, 5-7 St Mary Street, Cardiff CF10 1AT; Tel No: 029 2087 8000; Fax No: 029 2087 8001; E-mail: rhys.dafis@bwrdd-yr-iaith.org.uk.

ii) Where there is a special impact on **other linguistic groups**, or particular **ethnic minority groups**, translation into relevant languages may be necessary or desirable;

iii) Requests for documents in a **format suitable for people with visual disabilities** (large print, Braille, tape etc) will need to be responded to quickly, so that the people concerned are not disadvantaged. Where a consultation concerns questions with a particular impact on these groups, other formats should be available from the start, and details should be included in copies of the document. Guidance is available from the Royal National Institute for the Blind [link]. Further guidance on formats will be published by the Central Office of Information later in 2000 [link].

d) **Face-to-face visits**, presentation and discussion of the proposals with interested organisations, stakeholder groups, user panels etc. Such measures may especially need to be considered where there is known to be a low level of literacy in a group especially affected.

e) Funding **outreach activity** by umbrella groups or independent facilitators. This may be particularly appropriate when hard-to-reach groups, with little central organisation, are especially targeted.

Criterion 5

Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the standard minimum period for a consultation

1. **Inadequate time for responses is the single greatest cause of complaint over consultation by government**. Proper planning in accordance with this code should avoid consultation periods being limited in order to meet later deadlines. Consultation should never have to be shortened below an acceptable minimum for reasons of departmental convenience, for example because a department has fallen behind its own implementation schedule.

2. There will sometimes be **circumstances which unavoidably require a consultation period less than twelve weeks**. Among these may be timetables set out in statute; those unavoidably dictated by EU or other international processes; and those tied to the Budget or other annual financial cycles. Where reconsultation takes place on the basis of amendments made in the light of earlier consultation, a shorter period may also be necessary.

3. The nature of the problem dealt with may also occasionally mean that urgency is in the public interest, though real urgency of this sort is rare. Except where the circumstances listed in paragraph 2 make shorter consultation unavoidable, if the period is less than twelve weeks, the document should **state Ministers' reasons for departing from the code**, and what **special measures** – for example advance notice of at least the broad issues covered – have been taken to ensure that consultation is nevertheless as effective as possible.

4. **Consultees' circumstances should always be taken into account in fixing a period.** Issues consulted on may themselves be complex, requiring a period of weeks to draft responses. Organisations may have many staff or members that need to be consulted, sometimes through a structure of committees with members from all over the country, which will rarely be able to meet simply to fall in with a consultation timetable. An otherwise adequate period may be less so if a **substantial holiday period** falls within it.

5. In order to ensure consistency between respondents, a provisional view should be taken before the consultation about dealing with **requests for deadlines to be extended**.

Criterion 6

Responses should be carefully and open-mindedly analysed, and the results made widely available, with an account of the views expressed, and reasons for decisions finally taken

1. Responses should be **acknowledged** where possible.

2. They should be carefully **analysed**, in particular for:

   a) Possible **new approaches** to the question consulted on;

   b) Further **evidence of the impact** of the proposals;

   c) **Levels of support** among particular groups.

3. **Analysing responses** is never simply a matter of counting votes. The House of Lords Science and Technology Select Committee has drawn attention to the risks of single-issue groups monopolising debate [link]. Particular attention may however need to be given to the views of representative bodies, such as business associations, trade unions, voluntary and consumer groups, and other organisations representing groups especially affected. Eventually it is for ministers to assess the argument and evidence and reach decisions in the public interest.

4. It is desirable to **keep as full an account as possible of both formal and informal responses** to consultations; both to ensure that everyone's view is fairly considered, but also, in line with the reasoning of the Neill Committee [link], to help address any allegation of privileged access.

5. **Decisions in the light of consultation should be made public promptly** with a summary of **views expressed** (subject to respondents' requests for confidentiality), and clear **reasons for rejecting options that were not adopted**. As far as reasonably practicable, this material should be accessible to all who responded, including on a departmental website (individual notification may be practicable in the case of those who have replied by e-mail). Respondents who ask why **individual proposals** have been rejected should receive an explanation.

6. If significant **new options** emerge from consultation, it may be right to consult again on them (though a shorter consultation period may be justified: see criterion 5 above).

7. **Individual responses should also generally be made available** to anyone else who asks for them. Failure to make material available may be incompatible with Open Government or Freedom of Information provisions [link]. It is legitimate, in accordance with those provisions, to make a reasonable charge for copying and postage. But where respondents have sought confidentiality, it should generally be respected. It may also be necessary to keep confidential responses that may affect third parties' interests or privacy unfairly.

Criterion 7

Departments should monitor and evaluate consultations, designating a consultation coordinator who will ensure the lessons are disseminated

1. A single official for each department and agency should be designated as **consultation coordinator** – perhaps the department's consumer champion [link] – and contact details should be published.

2. He or she should ensure that the **code is complied with**, that **consultations are joined up** where possible, and that the department contributes to and learns from the central **register of consultations** and the **good practice website** (see General Principles, paragraph 8).

3. Departments should **monitor consultations regularly** as they proceed, to ensure that the code, and good practice generally, are being followed. They should analyse complaints carefully. They should seek to develop internal expertise in effective consultation, and awareness of where support can be found outside.

4. Departments should **evaluate consultations** once complete – perhaps with independent involvement. Questions to be addressed include:

   a) Whether they fully complied with the code;

   b) Which techniques were particularly effective in securing a wide range of useful responses, and which not;

   c) Which represented value for money (taking into account staff time, as well as direct expenditure);

   d) How far policy and service provision changed as a result. If it did not, the reasons should be explored with Ministers.

   e) Respondents' feedback. This might emerge from response rates; an analysis of complaints and other comments, or other dealings with regular departmental contacts. It may also be worth surveying users after major consultations.

5. In the light of this, Departments should **make available annual statistical and qualitative assessments, including information on departures from the code and on cost.** The Cabinet Office will produce guidance on this, and collate the information.

0207 270 6815

SECRETARY OF STATE FOR SCOTLAND

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DOVER HOUSE
WHITEHALL
LONDON SW1A 2AU

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Top - ~~JJH~~
cc SV
PJ
F

Jeremy Heywood Esq
Principal Private Secretary
10 Downing Street
LONDON
SW1

t. p.a
cc. BB
AR

21 November 2000

Dear Jeremy,

Co- pen pt in working
like X 9

INVESTMENT

I refer to your letter of 21 November to Tom Scholar about the Prime Minister's speaking note for the press conference on 22 November.

As I mentioned by telephone, we think the draft speech and the supporting information from Whitehall Departments are vulnerable to questions about the Prime Minister's continuing interest in the delivery of public services in Scotland, Wales and Northern Ireland. Ideally, such a report on public services would make clear which expenditures related to the UK/GB and which to England. The blurring of the distinction between England and the UK provoked widespread criticism of the Government's Annual Report.

It is, of course, reasonable for the Prime Minister to refer questions about devolved public services to the relevant devolved administrations. Given the time available in this case, that is the only practical option. I suggest that the Prime Minister should pre-empt such questions by introducing the following remarks to his speaking notes. On page 6, after the one line paragraph "Departments will be called to account for every pound and penny spent." you might insert:

X1

> "Under devolution, of course, it will be for each of those 3 administrations to decide how best to improve the devolved public services in Scotland, Wales and Northern Ireland. They will have for that task a fair share of the extra resources which are now available from our prudent management of the UK economy. And they will be accountable for the way they spend that money to their respective Parliament or Assemblies."

We have considered, but discounted the possibility of quantifying the extra resources made available under SR2000 – because it would be too difficult to set out briefly the figures for each of Scotland, Wales and Northern Ireland.

Recycled

0207 270 6815

A copy of this letter goes to Private Secretaries of Cabinet Ministers, Richard Abel (Cabinet Office), Bill Bush (No 10) and Jonathan Price (First Minister's Office).

Yours

Jayne.

JAYNE COLQUHOUN
Private Secretary

APPOINTMENTS: IN CONFIDENCE

SX Top: PBS
for COS
EA/PS
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AC/Press
Appts

→ GW - OK? SR.

PRIME MINISTER

CHAIR OF THE NATIONAL CONSUMER COUNCIL (NCC)

David Hatch, the current Chairman of the National Consumer Council (NCC), ends his term of office on 31 December 2000.

I now wish to appoint Deirdre Hutton as the new Chair of the Council for a period of three years from 1 January 2001. This follows an intensive open competition carried out under the rules of the Office of the Commissioner for Public Appointments. The Cabinet Secretary and the Public Appointments Unit have been consulted and have no objections, and the necessary clearance checks have been completed with satisfactory results.

Kim Howells interviewed the final candidates from a very strong field. Ms Hutton was the outstanding candidate and has all the necessary attributes required for this position. She has extensive experience of key consumer issues, and a track record managing programmes of change in public bodies. She also showed at interview that she has a clear understanding of the processes required to move the NCC forward to meet its new think-tank role, to focus on disadvantaged consumers, and to develop better links with other consumer organisations and the grass-roots. I believe her appointment will help ensure that, in line with the commitments we made in "Modern Markets: Confident Consumers", that the NCC can play a key role in bringing consumer concerns into the heart of Government policy-making.

I would be grateful if you could give your approval in order that we can issue an offer of appointment to Deirdre Hutton.

Stephen

S B

21 November 2000

DEPARTMENT OF TRADE AND INDUSTRY

JW11123

APPOINTMENTS: IN CONFIDENCE

dti

Department of Trade and Industry

SKP 23/11/00

CABINET OFFICE
70 Whitehall, London SW1A 2AS
Telephone 020 7270 0101 *Facsimile* 020 7270 0208

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Richard Wilson KCB

20 November 2000

Dear Andrew,

NEW SENIOR CIVIL SERVICE PAY SYSTEM

A new performance pay system for the Senior Civil Service (SCS, the top 3,000 civil servants, excluding Permanent Secretaries) is a key part of our programme to reform the Civil Service. I would be grateful for your agreement to begin consultation with senior civil servants, employing departments and the trade unions on the basis of the proposals in the attached paper. The final decision will be for Ministers to make in February 2001.

The new system is designed to offer incentives for delivery of key results and rewards for sustained high performance, to confront poor performance and to attract new talent into the Service. The additional costs of these changes would be met from within existing departmental expenditure limits. Our time-scale, in accordance with my report to the Prime Minister on Civil Service reform, is to introduce a new performance management system in April 2001 with first payments being made in April 2002. This is tight but achievable as long as we start consultation in early December.

This is a key part of the Civil Service reform programme. The report on performance management by Michael Bichard's group concluded that the present

/SCS pay system ... ...

The Rt Hon Andrew Smith MP
HM Treasury

SCS pay system suffered from a lack of differentiation for performance, limited use of bonuses and poor progression for able younger staff and that it did not provide incentives for individuals to take on challenging roles or adopt new behaviours. The system is increasingly falling into disrepute. Widening pay differentials are occurring which cannot easily be justified, and which have potential equal pay implications; and it is not tied sufficiently to the delivery of departmental priorities.

The Proposals

--- The attached paper sets out radical proposals to reform the SCS pay system. The key elements are:

i. **a better focus on delivery**. Pay awards will be directly based upon an individual's contribution to their department's success relative to that of their peers. Success will be judged against Public Service Agreements and Business Plans;

ii. **greater incentives for the best performers and being tougher on those who deliver the least**. The best 25% of performers will move quickly to a market based target rate (but set below the market median) and with bonuses on top of 5%-20% linked to delivery of key targets. Those who deliver least will stand still, or take a real terms pay cut. This group will be targeted for change to develop them or move them out. The size of this group will be a matter for judgement by each department but will be at least 5 per cent of performers in each year;

iii. **market-facing pay rates to help bring in and reward talent**. The SCS median pay rates have fallen significantly behind the private sector and even behind the wider public sector market at higher levels. This is having an impact on the quality of people we can attract. Evidence from the Civil Service Commissioners in 1999/2000 showed that the quality of people for externally advertised SCS posts is generally disappointing. On base pay, we do not propose to match the private sector (especially for the more senior posts). The introduction of a target rate, which all effective performers can reach, related to 80-90% of the market median (excluding bonuses and benefits) will mean that we will be able to compete more successfully in the private sector market and will support increased interchange with the wider public sector;

iv. **targeting resources.** The 15% of SCS staff likely to be above the target rates will, unlike now, see no pay progression unless they are among the top 25% of performers.

v. **continued use of the Senior Salaries Review Body (SSRB).** Under this system, the SSRB will continue to provide independent advice to the Government on annual pay increases, pay ranges and target rates.

General Issues

Pay comparability studies undertaken by Towers Perrin for the Cabinet Office and the findings of Hay Management Consultants for the Senior Salaries Review Body last year confirm that senior pay in the Service is running behind the market. According to SSRB at the highest levels salaries are running at over 40% behind private sector base salaries. Although we cannot expect to match the private sector, we do expect to be able to match the wider public sector.

In the war for talent we are not competing as effectively as we should, even in the wider public sector. A few examples are:-

i. the local authority post of Chief Executive of Southampton City Council is broadly equivalent, in job weight terms, to a Director post in a main Whitehall department (old Grade 3) or Chief Executive of a medium to large agency. The Chief Executive of Southampton will manage a budget of £350m and a workforce of 9,500 and the job has recently been advertised at **£114,000**. This is well above the salary of the Chief Executive of the Benefits Agency who manages running costs of £1.5 billion, annual benefit payments of over £50 billion and 75,000 staff across the country and who earns around **£85,000**;

ii. the post of Chief Executive in the Greater London Magistrates Courts' Authority (not a civil servant) was recently advertised at c£120,000 (budget £70m, 1800 staff). In job size terms this is undoubtedly not in the same league as that of Chief Executive of the Court Service or similar whose pay is currently about £95,000 (budget £630m and 9,800 staff geographically dispersed);

iii. the former London Regional Director of the NHS earned a salary of about £117,000. This compares to the Chief Executives of a number of individual NHS trusts who earn more than £120,000 in much less weighty posts.

Pay for MPs and Ministers is subject to a separate triennial comparability exercise undertaken by SSRB (now under way) and is therefore unaffected by these proposals. However, annual Parliamentary pay increases, and those for devolved bodies, are linked to movement in the SCS pay bands. We have taken legal advice and we are satisfied that the arrangements for uprating can continue under the proposed new system, without producing any accidental windfall pay rise for MPs or Ministers. We would simply use the special 2001 assimilation exercise by SSRB and their normal 2002 exercise as the two bases for establishing the movement in

pay bands under the new system. Additionally, the new emphasis on closer tracking of market pay should then reduce the element of catch-up inherent in the current triennial review mechanism for MPs and Ministers.

The Costs

The additional costs of the new system are not great. They fall into two categories. First, the cost of establishing and maintaining a link with senior pay in the wider employment market (which tends to increase at a faster rate); and second, system innovations which means mainly the use of bonuses, which are in any case lower than those typically found in the private sector. The cost of the proposals over five years is equivalent to an average of about 2 per cent per annum paybill growth, in addition to the existing average annual paybill growth of 4.6% excluding recyclables. This would be met entirely from within Departmental Expenditure Limits. Much of the cost, which is front-loaded, arises from the creation of a bonus pot. Departments will have flexibility over the level of bonuses they award within a range recommended by the SSRB. The rates of progression within the system should result in a relatively stable paybill (where underlying growth is limited to the movement in the pay ranges recommended by the SSRB) by around years 6 or 7.

As you know departments are working on new pay and performance management systems for **levels below the SCS**, reviewing their systems against the principles in the Bichard and Makinson reports. I do not believe that there is a case for similar extra investment below the SCS, where the picture is different. In most cases pay is generally at or above local market rates and, where problems exist, these are often because of a failure to tackle the legacy of pay based on length of service. Pay system modernisation is addressing this. Otherwise, the main pay gaps are linked to geographical or specialist skills factors for which departments will adopt a range of strategies to address local problems. The costs of the team bonus arrangements which are being proposed are likely to be met largely from productivity improvements. There is a risk that the new SCS system will be used as a bargaining chip in negotiations on delegated systems. But the analysis of the pay market for lower grades will provide robust counter arguments and heads of departments, supported by the Treasury, will take a tough line in their pay remits to prevent 'pull-up' occurring.

I wrote to the Prime Minister on 9 October outlining these proposals. The Prime Minister has confirmed that he is content with the proposals and particularly welcomes the focus on providing significantly larger rewards for the best performers. I believe that these proposals are radical enough to make a difference, but are not generous even compared with the wider public sector, let alone with the private sector on base pay and still more when bonuses and share options are taken into account.

These proposals are important if we are to develop a Civil Service for the 21st Century and I commend them to you. The benefits of a more talented and motivated Senior Civil Service are clear. People are the key to better delivery and better thinking. We want to attract and motivate more of the people who will make a difference to the delivery of the Government's programme.

If you would like a presentation, officials in the Cabinet Office stand ready.

I am copying this letter to the Prime Minister.

Yours ever,

Richard

Ref: A02000/2904

SENIOR CIVIL SERVICE PAY AND PERFORMANCE MANAGEMENT

PAY SYSTEM PROPOSALS

NOVEMBER 2000

Background

1. The Modernising Government White Paper of March 1999 said that the Civil Service, at all levels, needed to change its performance management and reward and recognition systems.

2. Sir Richard Wilson's report to the Prime Minister on Civil Service Reform and Sir Michael Bichard's report on Performance Management set out the basis for reform for the Senior Civil Service pay and performance management system. It set a timetable for implementation of 1 April 2001. The principles outlined in the Performance Management report included the need to:

i. link individuals' objectives to business objectives;
ii. give people an incentive to seek more challenging responsibilities, develop their competencies and demonstrate leadership;
iii. encourage continuous improvement;
iv. offer significant rewards for excellence;
v. help to confront poor performance; and
vi. support the development of a diverse workforce and be non-discriminatory

Aims of the reform proposals

3. This paper sets out the proposals to reform the Senior Civil Service pay and performance management system. The proposals take as a starting point the principles in the Performance Management report, and reflect research we have undertaken into trends and lessons from the wider public and private sectors.

4. Our research has pointed to four key aims of the new system:

i. greater reward differentiation based on relative performance and to reward high performers well;
ii. a clear development focus to the performance management system;
iii. timely pay progression to a target rate, linked to the market, which rewards sustained high performance; and
iv. better transparency and perceived fairness in pay decisions.

5. In addition it is clear that the new system needs to cure a number of ailments in the current system which have been developing and which, if left uncorrected, will undermine broader reform objectives. In particular:

i. A dual market between external and internal SCS appointments is emerging with the increase in open competition and is set to continue;
ii. Almost exclusive use of consolidated pay awards are an inefficient way of targeting resources;
iii. Flexibilities in the current system mean people find it complicated and difficult to understand, whilst the flexibilities themselves are not widely nor uniformly used.
iv. The current pay arrangements are one, though not necessarily the most significant, disincentive to movement to a different job or take on more responsibility;
v. The pay decision is driving the performance management process;

6. To address the problems something rather more than an upgrade of the current arrangements is required. These proposals represent a radical but affordable change which will support our efforts to modernise the Civil Service.

The Current SCS Pay and Performance Management System

7. The Senior Civil Service (SCS) was formed on 1 April 1996, and covers the 3,000 most senior managers and policy advisers in the Civil Service. A new pay system was introduced at the same time to replace the old grade-related annual incremental pay scales. Unlike pay for the rest of the Civil Service, the SCS pay arrangements were not delegated to departments and agencies. Instead, departments and agencies had to operate within a central framework but with discretion to tailor the arrangements to suit their operational and business requirements.

8. Grade-related salary scales were replaced by a single pay band for Permanent Secretaries and by nine overlapping pay bands for the rest of the SCS. The proposals in this paper focus on the grades below Permanent Secretary although, if agreed, the design principles here will be carried forward into new arrangements for Permanent Secretaries as a next step.

9. Salary levels within these pay bands were based primarily on job weight as measured by a system of Job Evaluation for Senior Posts (JESP) developed specifically for the Senior Civil Service.

10. The pay bands were deliberately set wide in order to encompass the then existing distribution of salaries, to allow for the salaries that were likely to be demanded where open external competition was desirable for posts, and to allow for increased differentials to develop over time. At present, in the higher pay bands staff are still largely clustered at the bottom end.

11. There is no separate pay bill control of the costs of SCS staff. Any increases in their pay have to be funded within departmental spending limits. The full year pay bill for the SCS for

1998/99 (latest figures available) across all departments was £187m (around £240m including ERNIC and Superannuation).

12. Most members of the SCS have their annual performance increases determined by their own departments, in line with the Government's decisions in response to the annual report of the Senior Salaries Review Body (SSRB).

The Elements of the New System

13. The proposals involve changes to elements of the SCS pay and performance management system. The elements and the changes to them are inter-dependent and the package needs to be viewed as a whole. The key changes to the pay system are:

i. Performance related awards will be combined with bonuses focused on delivery of key results for the best performers;
ii. There will be a simpler pay band structure linked to job evaluation; and
iii. There will be a market facing target rate of pay below the range maximum in each pay band, to which all effective staff can realistically aspire.

Pay Bands

14. A simpler pay band structure will offer a clearer link between job weight and pay and which will reflect real differences in levels of responsibility. We propose reducing the current 9 overlapping pay bands to three broad bands below Permanent Secretary as follows:

- Band 1: JESP 7 – 12;
- Band 2: JESP 13 – 18;
- Band 3: JESP 19 – 22 (the SASC group).

15. This structure better reflects organisational hierarchies. It is more analogous with responsibility levels in the wider public and private sectors and will help assist with assessments of comparative pay levels.

Pay Band and Target Rates

16. We are proposing new salary ranges more closely aligned to the market because: -

i. Pay in the Senior Civil Service is currently uncompetitive with the private sector at nearly all levels and with the wider public sector at the higher levels. This year's SSRB report commented that, from JESP 9 onwards, SCS median base pay falls from 96 per cent of the private sector median to 53 per cent at JESP 22. On average, bonuses account for up to a further 18 per cent in the private sector thus further widening the gap. The report noted that the gap between SCS and private sector pay had widened between 1995 and 1999.

ii. The SCS and external markets are becoming increasingly interlinked due to increased interchange and open competition. There is a need to ensure we can recruit good quality people and we need actively to manage SCS pay in future in relation to the external market. However, in doing so we must also recognise that there are factors other than pay affecting recruitment, retention and motivation in the SCS.

iii. The analysis of open competition to the SCS in 1999-2000 illustrated at **Annex A** highlights the need to improve the quality of our recruits. The assessment, by the Civil Service Commission, judged the field of applicants for SCS open competitions generally to be below average.

17. Each pay band will be established on the basis of market comparability and a **'target rate' will be set below the maximum, linked to the median market rate** and to which all effective staff can realistically aspire. The precise level of the target rate and its relation to the median will be governed by affordability and recruitment and retention factors.

18. We have produced a set of indicative pay bands and target rates for 1999/2000 based upon comparability studies by Towers Perrin consultants into both the private and public sectors and taking into account current SCS pay levels and affordability. **Annex B** sets out the market comparability methodology and the results of the analysis. **Annexes C1 and C2** illustrate the indicative target rates and pay bands and provide a comparison with existing pay bands respectively. These figures are not finalised, but they represent our first approximation which will form the basis of discussions with SSRB and consultation with trade unions and SCS members. **Annex D** shows the distribution of SCS staff salaries within the new pay bands.

19. The target rates in each band are pitched as a percentage of the private sector median: Pay Band 1, 90% of the median; Pay Band 2, 85%; and Pay Band 3, 80%. We have not attempted to link the pay band minima and maxima directly to the wider public sector. Our research indicates the public sector has an even wider range of pay as a result of the large number of trusts and agencies set up in recent years. Broad brush analysis by Hay Management Consultants for the SSRB and in the forthcoming PIU report on leadership suggests that at Band 3 and to some extent Band 2, SCS salaries are also behind the wider public sector.

20. There is head-room between the target rate and maximum in each band to allow departments the flexibility to appoint people with particular scarce skills at a **higher 'shadow' rate** and also to allow our very best performers to progress beyond the target rate. The shadow rates will suit occasions when we need to bring people into the SCS with particular hard-to-get skills which command a premium in the market. The Cabinet Office will provide departments with advice on the 'shadow' target rates. Individuals appointed after open competition with a shadow rate would progress to that rate, and beyond it (to the pay band maxima) if they are among the best performers. Both external and internal appointees successful in such open

competitions will be treated the same, therefore the system will encourage more open competition.

Base Pay and Bonuses

21. A pay matrix will relate pay to the individual's contribution to their department or agency and their position in the pay range. Individual contribution will be assessed on a relative basis and individuals allocated to a performance tranche. We have developed both three and four tranche options. On the basis of extensive consultation we have determined that the top tranche should be for the top 25% of performers. There are a number of ways of handling the middle group – either a single tranche of 70% or splitting into two tranches of, we anticipate, 30% and 40%. We shall consult on the distribution, particularly handling of the middle group, and present in our paper to CSMB and Ministers in February the distribution that we consider best addresses concerns on motivation, addressing poor performance and affordability..

22. We propose that the bottom tranche should be at least 5%. We expect departments to address the performance of those who contribute least to their organisations. They will aim to develop this group so that they contribute to their potential, but if remedial action is not successful we expect them to manage them quickly out of the organisation. In the early years we expect the proportion in the bottom tranche to be greater than 5%. As action is taken to drive up performance, we would expect the proportion to drop towards the 5% mark.

23. Individuals' pay awards will be a mix of consolidated base pay and non-consolidated bonuses. The balance between base pay and bonus will vary depending on their position in the pay range and performance. For all effective performers the base pay percentage awards will be made up of a percentage increase which ensures that they do not fall behind public sector earnings growth and achieves pay progression. **Annex E** illustrates examples of the pay matrix. **Annex F** illustrates the average level of base and bonus awards.

24. The awards in the matrix are designed to move those at the bottom of the pay ranges up more quickly, but to slow their progression as they reach the target rate. Only the top 25% of performers will progress beyond the target rate, in order to reward sustained high performance. Our best performers will be able to progress from the pay band **median entry point** to the **target rate** in **3 to 4 years** and effective performers in **9 to 10 years.** The least effective 5% will at best stay static in relative terms and at worst receive no pay award at all. This represents a significant improvement to current rates of progression for most staff. For all but a small minority (2.5% of pay band 1) the new pay band maximum will be above their current pay band maximum. However the new maximum will only be accessible to the best performers. Examples of pay progression are illustrated at **Annex G**.

25. Movement to a job in a higher pay band i.e. from Pay Band 1 to Pay Band 2, will be accompanied by a move to at least the minimum of the higher band or a set percentage rise not exceeding the target rate of the higher band.

26. The matrix also determines the range of bonus which the top performers (50% to 55% depending on tranche option) can expect to receive. The average award will be up to 10% of salary, around £5,500 in cash terms. This is modest compared to the private sector, where bonuses at similar seniority levels are typically 10 – 25%. In addition, to give departments scope to offer high rewards for delivery of truly exceptional results (for example succeeding in turning around a struggling organisation or solving a particularly intractable problem), we propose that **special incentive bonuses** should be available to exceptional performers in addition to the matrix awards. Departments will have to seek authority from the Cabinet Office to pay such awards in order to maintain consistency. Special incentive bonuses would be in a range up to **30%** on top of annual performance bonuses. No more than a handful of such bonuses would be awarded in any one year.

27. Bonuses will be a new element in pay for the majority of eligible Senior Civil Servants. Departments will have flexibility over the level of bonuses they award within the published range. In the initial stages of transition to the new performance management arrangements we expect departments to exercise this flexibility to deliver modest awards overall. This recognises that the new performance management arrangements will need to bed in before we see significant improvements in the delivery of results.

The Annual Pay Round

28. The SSRB will continue to recommend to the Government each year the level of revalorisation of target rates and pay bands. The SSRB might also continue to offer advice on progression rates and advice on overall bonus levels. The Government will decide on the eventual figures to be implemented.

29. The Cabinet Office will then set for departments the base pay percentage increases and bonus ranges. Departments will be able to fine-tune decisions on how to reward the delivery of results with individual bonus awards, but, in order to improve corporate management of the SCS, will have no discretion on base pay progression.

Winners and Losers

30. The **winners** under the new system will be:

a. Sustained high performers, who will earn increases of up to double present levels in the form of base pay and bonus;
b. New promotees and those lower in their bands, who will progress faster to the target rate;
c. Those who move to a new higher minimum on their pay band;

31. The **losers** will be:

a. The weaker performers, who face standstill or a real terms decrease in pay ;

b. A small number of people who are earning above the new band maximum, who will stand still in pay terms;
c. People above the target rate who are not in the top 25% of performers.

Funding

32. It is proposed that the additional cost of the new system should be met from within existing **departmental expenditure limits**. The actual costs vary depending on the components of the system, including which tranche option is adopted. The additional costs for the new system, both net i.e. excluding employers' pension and National Insurance contributions and gross, are in the range shown in figure 1. below:

	Year 1	Year 2	Year 3	Year 4	Year 5
Net Additional Costs (£)	11-12m	3.6-4.1m	3.5-4m	3.5-4m	3.5-4m
Gross Additional Costs including Employer Costs (£)	12.8-13.8m	4.6-5.3m	4.5-5.2m	4.5-5.1m	4.5-5.1m
Total Annual Paybill Growth	9.9-10.3%	5.8-6.2%	5.7-5.9%	5.4-5.6%	5.3-5.4%

Figure 1

33. The money in 2002/03 (Year 1) is largely to establish the pot for the new bonus scheme (£8m net) and to improve progression through pay bands (£3-3.5m). The funding is consolidated into the pay bill each year therefore the additional costs represent 'extra' money required each year on top of that already committed to SCS pay. However, funding for bonuses is recycled year on year so there are smaller increases after year one linked to increases in the base paybill. These figures exclude the impact of overall recyclables on costs (i.e. broadly savings generated by leavers being replaced by joiners who cost less). We estimate recyclables at 1.6% for the SCS based on 1999/2000 data. Overall costs gradually decline as people migrate towards the target rate due to improved progression. A crude analysis suggests that the paybill will stabilise around Year 7 to the extent that progression and the marginal annual increase in bonuses should be funded by recyclables and costs are limited to the percentage movement in pay ranges and target rates.

Annex H provides further details of the cost of the proposals.

34. Over 5 years this represents an average additional 2.2% per annum on the 1999 SCS paybill of £187million (net of employers contributions) based on the three tranche option. This would have no significant impact on the total Civil Service pay bill and the additional costs will be met from within planned departmental expenditure limits. The justification for them is that investment in a higher performing SCS will improve the delivery of modern public services.

Implications for the rest of the Civil Service

35. The Civil Service Reform report not only committed the Cabinet Office to reform pay and performance management in the Senior Civil Service, but also committed departments to work on new systems for levels below the SCS.

36. Under delegation, departments decide their own pay and grading systems and negotiate pay settlements with their unions. Their systems are already very different from that for the SCS. Departments are reviewing their pay systems, against the same principles as underpin the new SCS system. The market comparisons at junior levels vary and are more dependent on geographical location. In a few areas pay is not competitive but in many it is comparable at these lower levels. We would not expect the same need for extra investment below the SCS, although departments do have real pay pressures in some areas. The Treasury have recognised this with more flexibility in this pay round. This approach will need to continue, as delegated pay below the SCS continues to be handled on a departmental basis.

Performance Management

37. The new performance management system, which underpins pay decisions, is being developed in parallel. It:

i. provides a clearer link between individual and business objectives;
ii. encourages continuous improvement through personal development;
iii. builds in a clear and understandable link between performance and pay;
iv. differentiates rewards based upon relative contribution to organisational success.

It will use the new competency framework for the SCS which has been under development since the beginning of the year and is now being finalised. The framework promotes leadership, creativity, managed risk-taking and diversity along with a strong focus on delivery of results.

38. The new systems will help ensure equality and support diversity objectives, because:

i. line managers will have to test their judgements with a wider audience;
ii. an appeals process will provide safeguards;
iii. departmental Management Boards and Personnel Directors will be responsible for ensuring that their systems for decision making have been equality proofed.

Trade Unions and SCS members

39. The Cabinet Office pay team have kept the Council of Civil Service Unions (CCSU) fully up to speed with the proposals, and all SCS members know that this work is underway. Overall, the balance is favourable for a reasonable reception. There will be some concern about relative

assessment and about shifting the weight from consolidated base pay increases towards annual re-earnable bonuses, but, as long as we have a properly funded scheme, it should be possible to handle these concerns.

Timetable

40. The timetable is a challenging one but one we believe is achievable. Subject to Ministerial agreement we will formally consult the SSRB, the trade unions and staff from December onwards. The pay proposals will then be refined and the performance management training begin in the run up to implementation in April 2001. The key events are:

December – February 2001	Formal consultation programme
February 2001	CSMB/Ministers agree final proposed system
March – June 2001	Training
1 April 2001	New SCS performance management cycle begins
June 2001	SSRB recommendations on indicative 2001/02 pay ranges
Jan 2002	SSRB recommendations on 2002 pay awards under the new pay system
1 April 2002	First payments under the new system

Performance and Reward Division
Cabinet Office
November 2000

ANNEX A

QUALITY ANALYSIS OF SCS RECRUITMENT BY OPEN COMPETITION

(April 1999 – March 2000)

Number of Posts	Average Number of Applicants per post	Quality Assessment of Field	Source %		
			Civil Service	Public Sector	Private Sector
145	42	**Average Score 2.6**	36	37	27

Source: Civil Service Commissioners

Note 1. Quality Assessment Rating

5	=	Excellent
4	=	Very Good
3	=	Good/Average
2	=	Disappointing
1	=	Poor

ANNEX B

Summary of Market Comparability Studies Undertaken

Towers Perrin consultants have carried out studies on pay comparability between the Senior Civil Service and private sector and also, as far as possible, with the wider public sector.

Towers Perrin reviewed job descriptions of 100 benchmark SCS roles in the range JESP 7 – 22. These were matched to private sector roles on the consultant's extensive remuneration databases.

SCS roles were allocated to job families to provide a basis under which Towers Perrin could undertake a comparison with private sector general industry, assuming equal job size and the same organisational level. The job families used for this exercise were:

- Policy development
- Technical specialists
- General Management
- Finance
- H.R.
- Project Management
- I.T.
- Research and Statistics

The weighted average of current SCS gross salaries at each JESP score was compared to Towers Perrin's analysis of private sector base pay levels.

The analysis indicated that senior roles in Finance and General Management typically receive salaries that range between 7 – 17% higher than roles at the same organisational level in the other job families. Based upon the analysis, market reference points for each JESP score representing indicative market mid-points were identified.

The key observations of the exercise were:

- There was a gap at all levels between SCS salaries and the market;
- However the greatest shortfall between the current SCS salaries and the market occurs at the higher JESP levels;
- It is important to remember that the market reference points reflect private sector base salary levels and no account has been taken of annual bonuses or any of the other elements of remuneration which typically comprise market-competitive packages for senior roles in the private sector.

<u>The Results</u>

The median market rates identified for each JESP group that will make up the new pay bands was identified as:

Pay band 1 (JESP 7 – 12) £72,000
Pay band 2 (JESP 13 – 18) £102,000
Pay band 3 (JESP 19 – 22) £142,000

Towers also identified range minima and maximum in line with private sector as:

Pay band 1 (JESP 7 – 12) Min £47,000
Max £84,000

Pay band 2 (JESP 13 – 18) Min £58,000
Max £124,000

Pay band 3 (JESP 19 – 22) Min £73,000
Max £176,000

The breakdown by JESP score is as follows (based upon 1999/2000 data):

JESP Score	Weighted Average of Current SCS Salary	Draft Market Salary Reference Points	Number of Incumbents at Each JESP Score
22	£107,000	£160,000	3
21	£98,000	£138,000	19
20	£94,000	£115,000	47
19	£88,000	£90,000	22
18	£85,000	£115,000	15
17	£76,000	£105,000	43
16	£77,000	£95,000	109
15	£74,000	£86,000	102
14	£73,000	£77,000	87
13	£69,000	£68,000	63
12	£67,000	£75,000	125
11	£62,000	£72,000	301
10	£59,000	£69,000	584
9	£58,000	£66,000	526
8	£57,000	£63,000	308
7	£55,000	£60,000	152

In the private sector base salaries rose by an average 5.3% for senior managers and 7% for directors in the year to July 1999. Average earnings growth for the whole economy ranged between 4.4 – 4.9%.

The Wider Public Sector

Comparisons with the wider public sector was somewhat more difficult. The advent of Trusts and Agencies has brought far wider differentials in pay levels. The small number of comparable jobs at the higher JESP levels also make comparisons unreliable.

The Hay study commissioned this year by the SSRB reviewed posts up to JESP 18 only on the basis that there were very few jobs beyond this level in Local Authorities or the NHS with which to make sound comparisons. The main findings are below:

JESP level	SCS median salary as a percentage of Hay Public sector median
7	129
8	127
9	107
10	105
11	102
12	103
13	93
14	97
15	87
16	82
17	78
18	82

Additional research by Towers Perrin supports the findings that there is a steady decline in the competitiveness of base salary levels the higher the level.

Hay commented in its report to the SSRB that cars appear to be the most common benefit in the public sector (these are not generally available to the SCS). Where offered, the value of this benefit equated to around £4000 per year before tax for public sector posts equivalent to JESP 17 and 18.

Earnings growth in the public sector stood at 3.8% in 1999.

ANNEX B2

Salary range for similar-weight jobs across the public sector and in the private sector

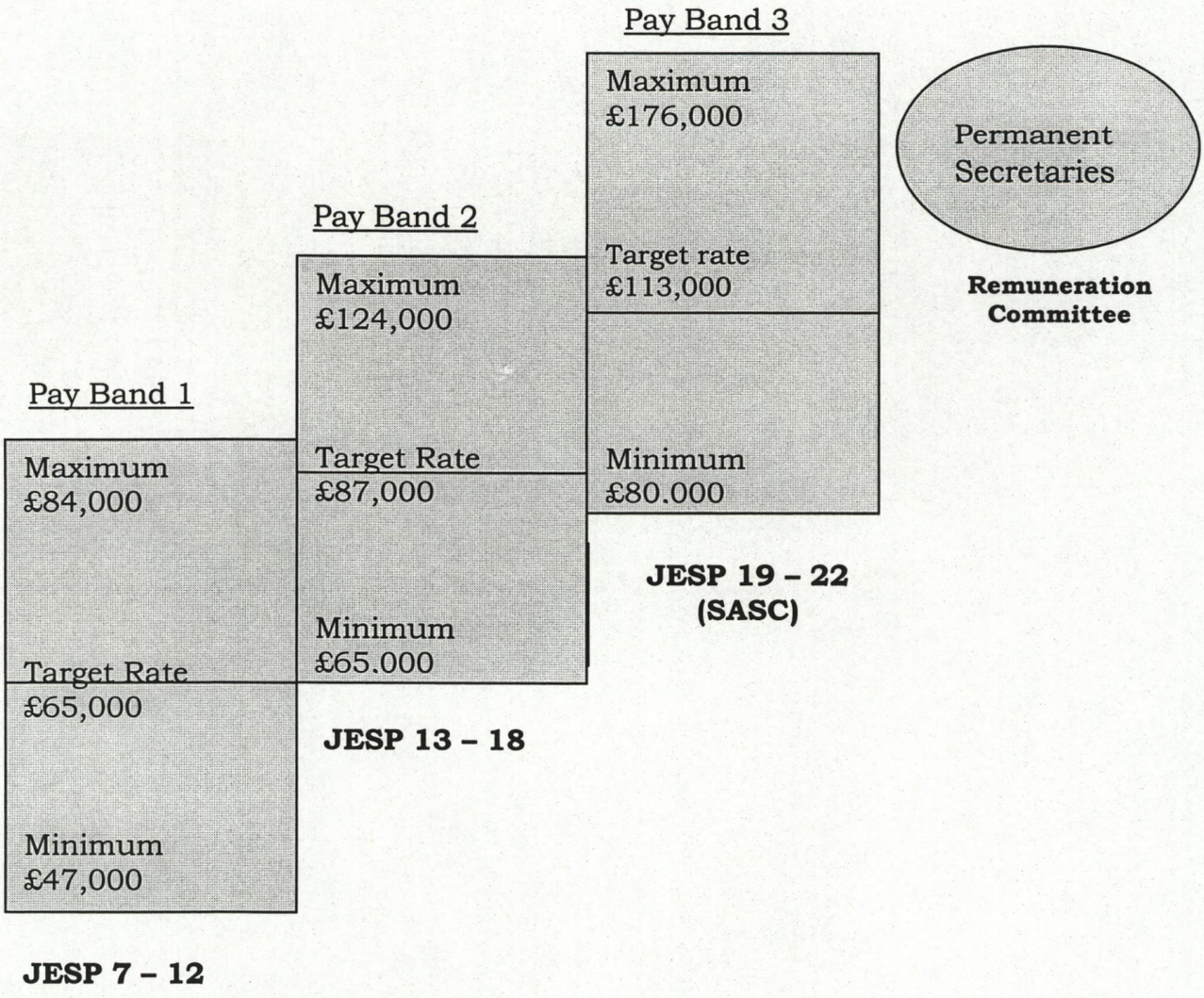
Local Government	Healthcare (Acute)	Education	Police	Government Agencies	Private sector Role Description	Typical Base Salary
Chief Executive, Major city Unitary **£120-140,000**	Chief Executive, major & complex merged Trust **£120-140,000**	Vice Chancellor, major university **£100-140,000**	Chief Constable, Largest forces **up to £114,405**	Chief Executive, major nation-wide Services Agency **£90-100000**	MD of subsidiary of major international company, or international regional head; turnover £500 million to £1 billion. Or Chief Executive of smaller but more international parent company	**£150-200,000**
Chief Executive, Small/medium city Unitary **£90-120,000**	Chief Executive, major regional/teaching hospital Trust **£100-120,000**	Vice Chancellor, Medium university **£90-130,000**	Chief Constable, Major force **up to £110,406**	Chief Executive, Large services Agency or medium knowledge-based Agency **£80-90000**	GM/ Country Manager of c. £200m subsidiary. Key Director of major (£1 billion) business.	**£120-160,000**
Larger Directors in large counties/cities **£80-100,000**	Chief Executive, large (£100 million) Trust with regional services **£80-100,000**	Vice Chancellor, Small university **£80-120,000**	Chief Constables of Smaller forces **up to £102,699**	Chief Executive, Up to £100 million research Agency **£75-85000**	Key Director of company at level j above.	**£90-130,000**
Director of Social Services in many counties; Director of Education in medium city/County **£65-80,000**	Chief Executive, District General Hospital **£65-80,000**	Director/ProVice Chancellor in major university **£65-80,000**	Deputy Chief, Major force **around £75-88,000**	Chief Executive, Up to £100 million services Agency **£70-80000**	GM/Country Manager of c. £50 million subsidiary; key Board director of company at level h above; some directors of companies at level j.	**£85-110,000**
Chief Executive,	Major Director,	Head of large	Assistant Chief	Key regional/line	GM/Country Manager of	

many Shire Districts **£60-70,000**	large hospital Trust; some Health Authority Directors **£55-70,000**	FE College **£55-75,000**	Constable **up to £74,040**	director, major service; major research director **£65-75000**	small subsidiary operation; some directors of companies at h; some third tier roles in companies at j.	**£70-90,000**
Resources/Corporate Services Director, District Council; Assistant Director, large unitary or County **£50-60,000**	Major Director, District General Hospital **£50-60,000**	Head of large Secondary School **Up to around £63000**	Chief Superintendent **£52137 - £55485**	Some Directors/heads Of function **£55-65000**	Key line role reporting to Board director in major company with direct impact on £100-200 million resource. Board role in substantial UK enterprise.	**£55-70,000**
Assistant Director, small unitary; some Directors, Shire Districts **£40-50,000**	Some Trust Directors; Head of major Care Group/area; Head of large GP practice **£40-50,000**	Head of small/medium Secondary School **Up to around £52000**	Area Commander, Many areas **£44697 - £55485**	Some Directors/heads Of function **£50-60000**	Either line role responsible for major resources in sales or production; or category/account/brand manager in marketing;	**£45-60,000**
Head of major Service, District Council **£35-45,000**	Service Manager, Area or Care Group Manager **£35-45,000**	Head of large Primary School **Up to around £44000**	Smaller Superintendent roles **£44697 - £52137**	Major Policy/Research / Service group leader **£40-50000**	or key professional or functional expert in charge of corporate & business services teams.	**£40-50,000**
Head of Service in small local authority **£30-40,000**	Major business/nurse manager role **£30-40,000**	Head of small Primary School **Up to around £38000**	Chief Inspector **£35760 to £38247**	Policy/Research /Service group leader **£35-45000**	Job size depends on role, complexity & scale of impact on the business.	**£35-45,000**

Source: Hay Management Consultants (unpublished)

ANNEX C1

ILLUSTRATIVE PAY BANDS AND TARGET RATES



ANNEX C2

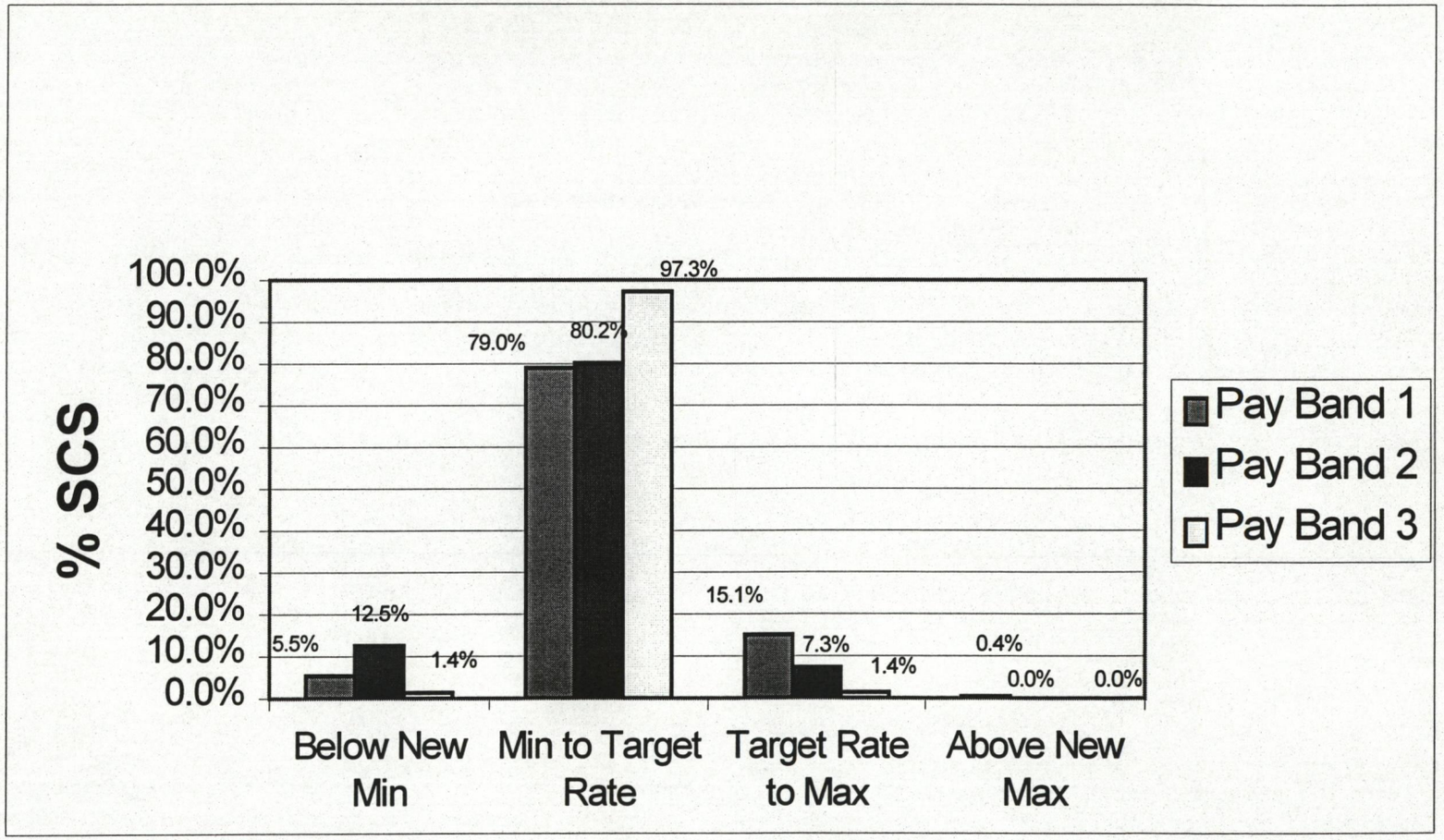
COMPARISON OF CURRENT AND PROPOSED PAY RANGES (1999/2000 FIGURES)

Table 1

	Current			*Proposed*				
Pay Band	**Minimum**	**Maximum**	**Actual Median**	**Minimum**	**Target Rate**	**Maximum**	**Market Median**	**TR as % of Market Median**
1: Jesp 7-12	41550	98400	58894	47000	65000	84000	72000	90%
2: Jesp 13-18	50510	116860	74284	65000	87000	124000	102000	85%
3: Jesp 19-22	66900	123860	93588	80000	113000	176000	142000	80%

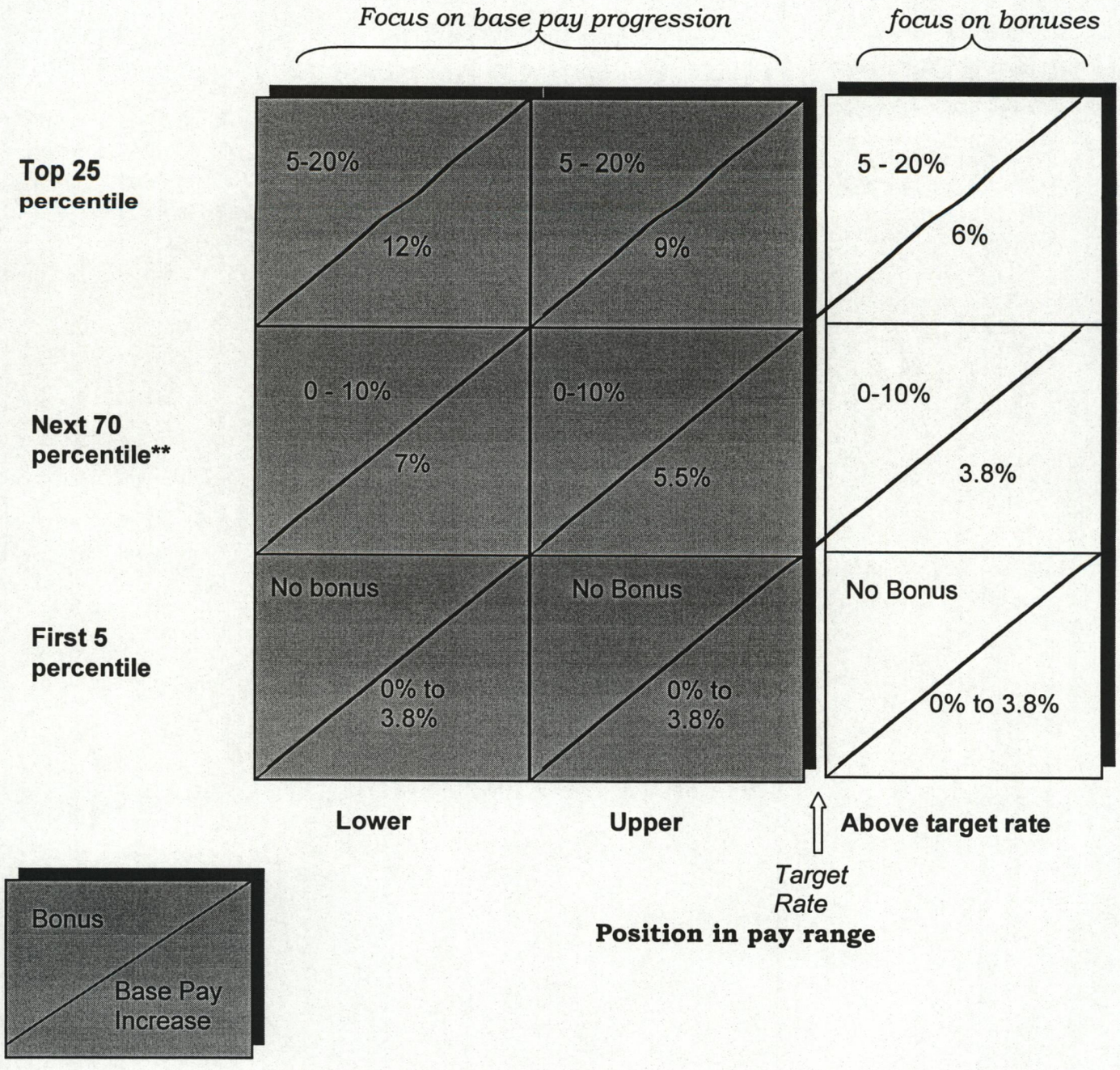
ANNEX D

DISTRIBUTION OF SCS ACROSS NEW PAY BANDS



ANNEX E1

'AY AND BONUS INCREASES: ILLUSTRATIVE EXAMPLES

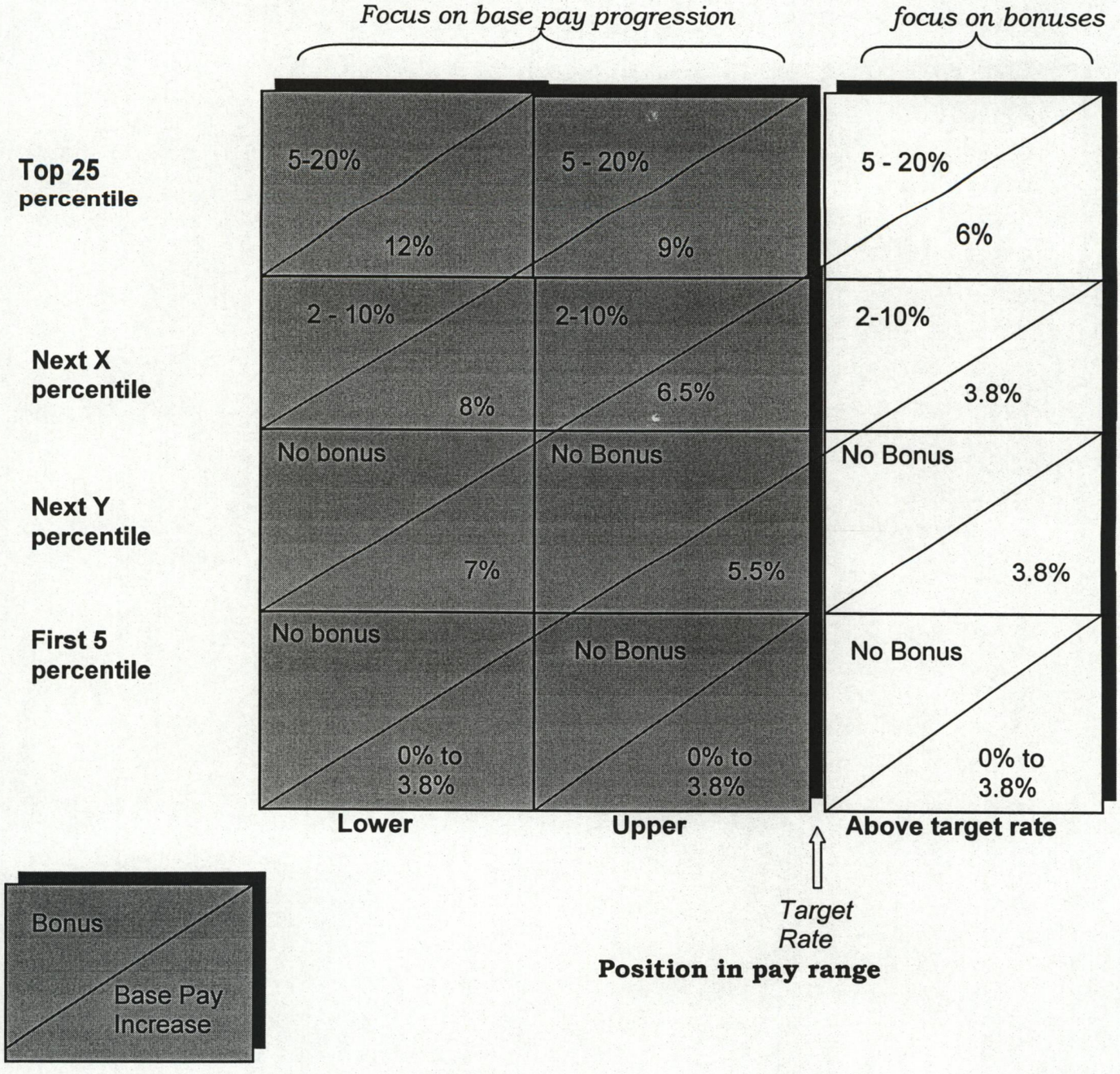


Note: the matrix assumes 3.8% movement in target rates

**** Bonuses only available to about a third of this group**

ANNEX E2

'AY AND BONUS INCREASES: ILLUSTRATIVE EXAMPLES



Note: the matrix assumes 3.8% movement in target rates

ANNEX F1

AVERAGE BASE AND BONUS AWARDS PER ANNUM (THREE TRANCHE SYSTEM)

Band 1

		Yr1 (£)	Yr1 %	Yr2 (£)	Yr3 (£)
Performance Tranche 1	Base	5388	9.21%	5289	5197
	Bonus	7193	12.30%	7809	8403
Performance Tranche 2	Base	3315	5.67%	3376	3435
	Bonus*	2909	4.98%	3061	3221
Performance Tranche 3	Base	1133	1.94%	1154	1176
	Bonus	0	0.00%	0	0

Band 2

		Yr1 (£)	Yr1 %	Yr2 (£)	Yr3 (£)
Performance Tranche 1	Base	7869	10.59%	7790	7591
	Bonus	8933	12.02%	9857	10765
Performance Tranche 2	Base	4603	6.19%	4740	4874
	Bonus*	3719	5.01%	3943	4175
Performance Tranche 3	Base	1494	2.01%	1521	1549
	Bonus	0	0.00%	0	0

Band 3

		Yr1 (£)	Yr1 %	Yr2 (£)	Yr3 (£)
Performance Tranche 1	Base	10136	10.98%	9901	9629
	Bonus	11463	12.42%	12641	13762
Performance Tranche 2	Base	6099	6.61%	6212	6316
	Bonus*	4566	4.95%	4873	5186
Performance Tranche 3	Base	1929	2.09%	1968	2007
	Bonus	0	0.00%	0	0

* Tranche 2 bonus only accessible to the top 25% of SCS within that group. Average bonus shown is award to those who actually receive a bonus

ANNEX F2

AVERAGE BASE AND BONUS AWARDS PER ANNUM (FOUR TRANCHE SYSTEM)

Band 1

		Yr1	Yr1 %	Yr2	Yr3
Performance Tranche 1	Base	5388	9.21%	5289	5197
	Bonus	7193	12.30%	7809	8403
Performance Tranche 2	Base	3921	6.71%	3991	4066
	Bonus	2779	4.75%	2971	3167
Performance Tranche 3	Base	3259	5.57%	3307	3348
	Bonus	0	0.00%	0	0
Performance Tranche 4	Base	1133	1.94%	1154	1176
	Bonus	0	0.00%	0	0

Band 2

		Yr1	Yr1 %	Yr2	Yr3
Performance Tranche 1	Base	7869	10.59%	7790	7591
	Bonus	8933	12.02%	9857	10765
Performance Tranche 2	Base	5243	7.06%	5422	5580
	Bonus	3644	4.90%	3904	4173
Performance Tranche 3	Base	4637	6.24%	4765	4870
	Bonus	0	0.00%	0	0
Performance Tranche 4	Base	1494	2.01%	1521	1549
	Bonus	0	0.00%	0	0

Band 3

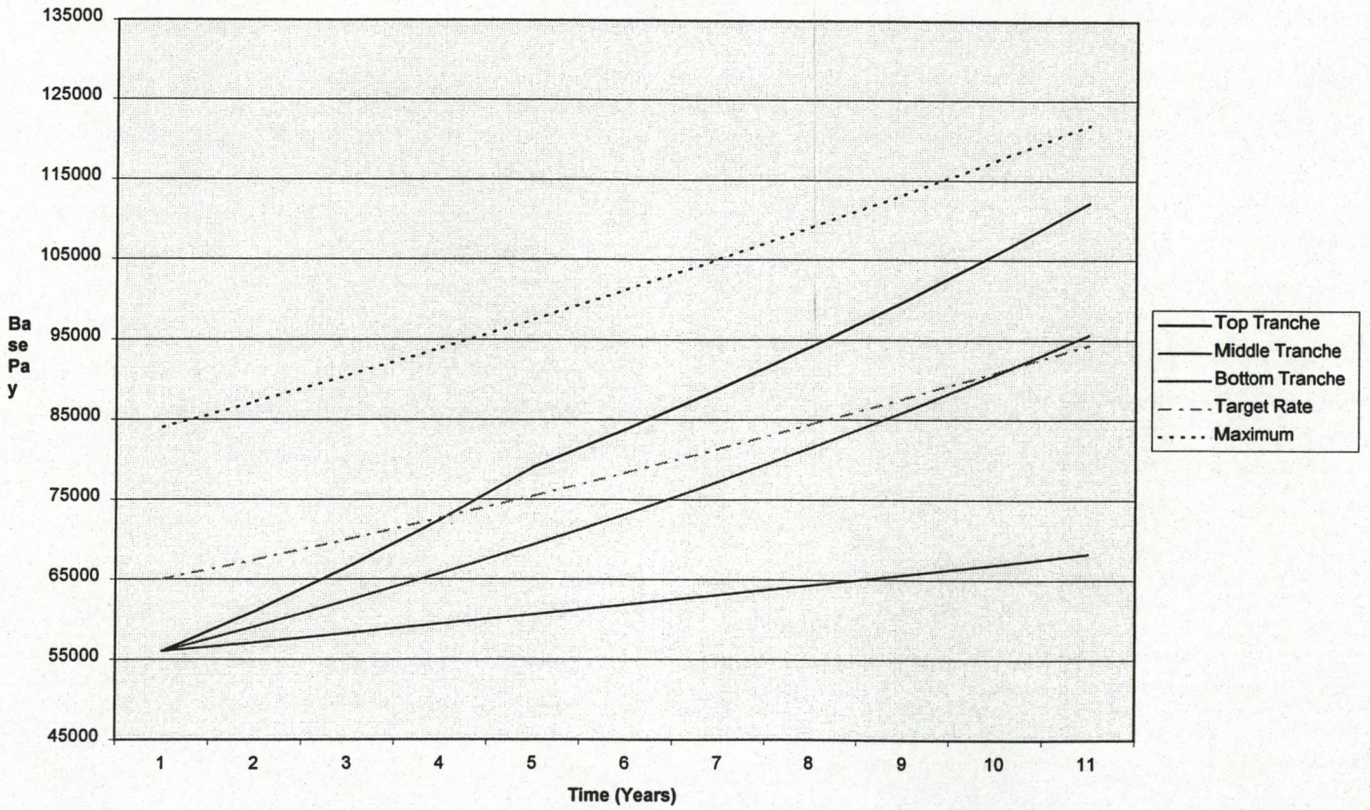
		Yr1	Yr1 %	Yr2	Yr3
Performance Tranche 1	Base	10136	10.98%	9901	9629
	Bonus	11463	12.42%	12641	13762
Performance Tranche 2	Base	6912	7.49%	7220	7522
	Bonus	4555	4.93%	4906	5272
Performance Tranche 3	Base	6172	6.68%	6178	6285
	Bonus	0	0.00%	0	0
Performance Tranche 4	Base	1929	2.09%	1968	2007
	Bonus	0	0.00%	0	0

ANNEX G1

ILLUSTRATION OF PROGRESSION UNDER THE NEW ARRANGEMENTS

New Pay Band 1

THREE TRANCHE OPTION – PROGRESSION FROM MEDIAN ENTRY POINT

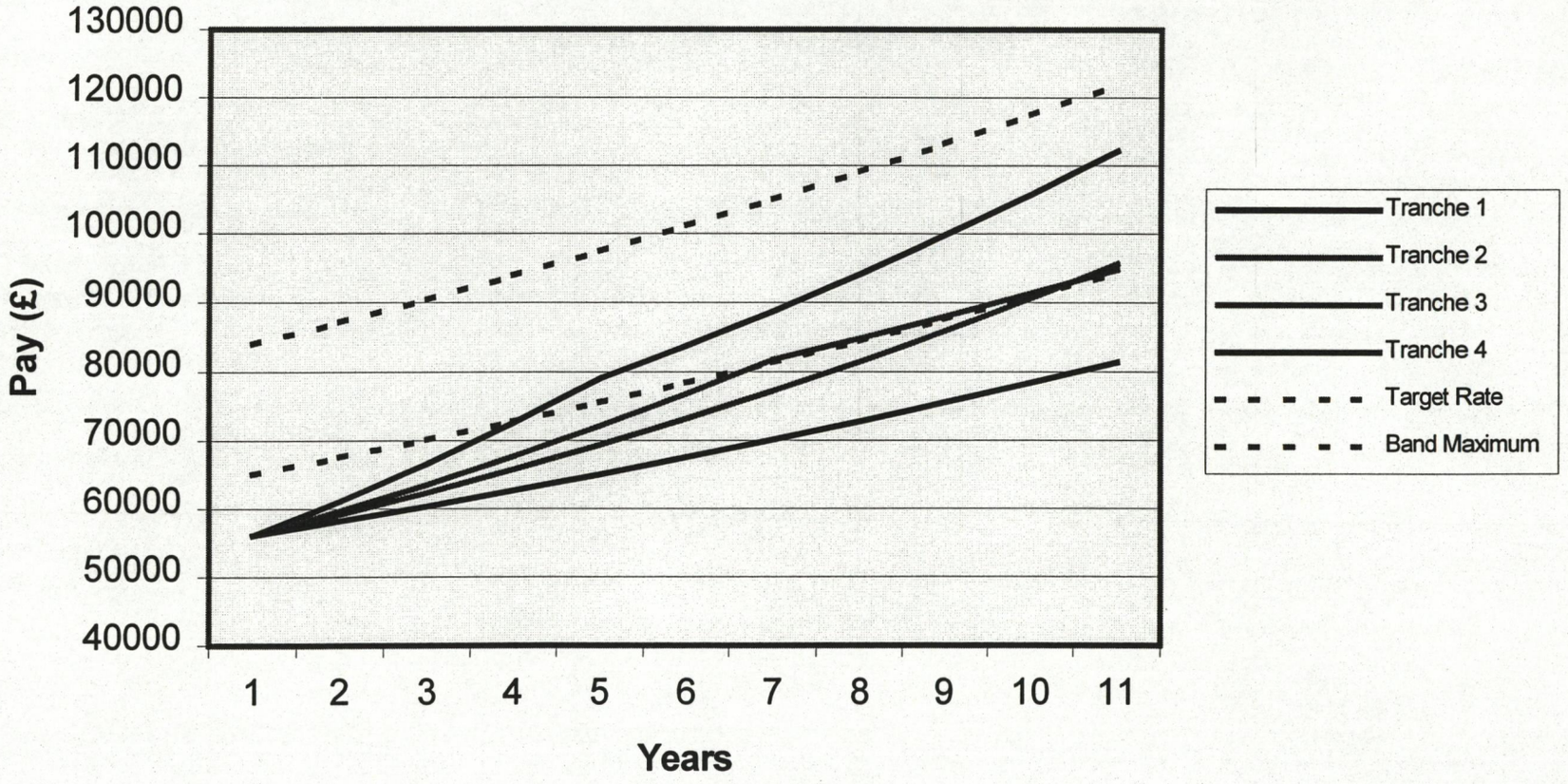


ANNEX G2

ILLUSTRATION OF PROGRESSION UNDER THE NEW ARRANGEMENTS

New Pay Band 1

FOUR TRANCHE OPTION – PROGRESSION FROM MEDIAN ENTRY POINT



ANNEX H

ADDITIONAL COSTS – Tranche distribution 25:70:5

Additional Costs (£)	Year 1	Year 2	Year 3	Year 4	Year 5
Base	3,033,000	2,979,000	2,954,000	2,954,000	3,056,000
Transitional	35,000	36,000	0	0	0
Bonus	8,024,000	620,000	612,000	603,000	594,000
Employer Costs	1,787,000	957,000	938,000	937,000	966,000
TOTAL	12,879,000	4,592,000	4,504,000	4,494,000	4,616,000

ADDITIONAL COSTS – Tranche distribution 25:30:40:5

Additional Costs (£)	Year 1	Year 2	Year 3	Year 4	Year 5
Base	3,518,000	3,461,000	3,412,000	3,331,000	3,348,000
Transitional	32,000	21,000	0	0	0
Bonus	8,290,000	693,000	680,000	670,000	656,000
Employer Costs	1,959,000	1,103,000	1,081,000	1,056,000	1,059,000
TOTAL	13,799,000	5,278,000	5,173,000	5,057,000	5,063,000

Minister for the Cabinet Office
Chancellor of the Duchy of Lancaster

CABINET OFFICE
70 Whitehall, London SW1A 2AS
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Sir Richard Wilson
Secretary of the Cabinet
Cabinet Office
70 Whitehall
London
SW1A 2AS

20 November 2000

Dear Sir Richard,

POINTS RAISED AT THE IPMS NATIONAL EXECUTIVE COMMITTEE MEETING - 19 OCTOBER 2000

On the 19th of October I gave a presentation on the progress of Modernising Government to the IPMS National Executive Committee. At the end of the presentation we had a positive discussion with members raising some points that I promised to discuss with you.

The points raised mainly focussed around the issue of public private partnerships, particularly within DETR (air traffic control) and the MOD (DERA and naval bases). Their concerns centre on a perception that Ministers and Senior Civil Servants have fixed views and are not prepared to listen to alternative views and models, such as those being put forward by the unions. I attach a note of the meeting for your information and hope we can discuss this at our next Bilateral.

I am copying this to Mavis McDonald and Simon Virley (No 10).

MARJORIE MOWLAM

ANNEX

MCO: QUESTION & ANSWER SESSION:
IPMS NATIONAL EXECUTIVE COMMITTEE: 19 OCTOBER 2000

POINTS RAISED:

- **Alec Gilchrist (Ministry of Defence):** Why does the dogma, "public bad, private good" still perpetuate post-1997. Example of DERA cited - why call it PPP when it is privatisation?

ACTION: MCO disputed that this was the case but suggested IPMS write to DERA for a more detailed response.

- **Laurence King (CAA Air Traffic Control):**

  Highlighted the stresses and strains felt by Air Traffic Controllers around the country. NATS is a fine public service which works extremely well. The Government's proposed PPP is privatisation by any other name, they have not won any arguments in favour of their proposals, and the ATCO's despair that they are pressing ahead with this.

ACTION: MCO acknowledged complaints and promised to pass these onto Prime Minister.

- **Graeme Henderson (Health & Safety Executive):** Modern business practices in the Civil Service require much greater fluidity and mix of skills. Specialists are often constrained to an advisory role to administrators who still fill up the senior positions in Government. Career paths and opportunities for specialists are very limited. Only by breaking down the artificial barriers based upon the traditional recruitment and development systems will the Civil Service have the right mix of personnel to meet its future needs. Some Government Departments (Treasury and FCO in particular) adopt an elitist approach which needs to be broken down by the recruitment of staff from a much wider background (as Robin Cook has suggested).

- **Jenny Thurston (Deputy General Secretary):** There need to be more bridges to enable specialists to move between different specialist and administration functions. Many IPMS members come late into their civil service careers and they need to be able to join a fast stream.

ACTION: MCO stated that if bridges need building then IPMS need to give her a list of what bridges are required.

- **Tony Bell (Full-time official in Bristol Office):** Identified a specific problem with NDPBs, giving the example of DCMS/galleries etc. in Scotland & Wales who are having major problems recruiting and retaining staff. Therefore he suggested that:

  1. There is a need for direct Modernising Government funding for NDPBs.

  2. Departments need to be answerable not only for themselves but also for NDPBs, Quangos & their Agencies.

ACTION: MCO thought these points were good and promised to pass them on.

- **Alan Grey (Deputy Vice-President):** In the MOD trust and partnership is breaking down due to a "public bad, private good" perception. Mentioned DERA as an example and the naval bases where 6000 are "facing privatisation". There is a perception that Ministers and the SCS are not really listening and, consequently, people feel let down. MCO was asked to make representations to MoD colleagues that they consider a model that unions will outline shortly.*

- **David Pelly (Director of Research):** Regarding the naval base problem, referred to a forthcoming meeting between unions (IPMS/TGWU) and Defence Ministers at which the union would attempt to put forward an alternative to privatisation. Suggested MCO urge Defence Ministers not to have a fixed view about what works, but rather to listen to alternative views and models, such as those being put forward by the unions.*

ACTION: MCO committed to setting up a meeting to discuss with Sir Richard Wilson 'listening' and perceptions of SCS.

- **Magnus Paterson [from Particle Physics Research Astronomy Council]**: Believes it takes 1 and a half years to catch up from 10 years experience of a culture – hence circa 3 years to recover from last government. So urged the government not to dismiss the unions for being unresponsive - they are still acclimatising. *

  In light of Dr Mowlam's commitment to fighting drugs, had she considered issues of Third World debt? Poverty due to debt repayment has led to 45% of the population in some South American countries working in the illegal drugs trade. Jubilee 2000 has highlighted this.

ACTION: * MCO agreed to make representations to the Prime Minister and to Sir Richard Wilson on these points.

- **Mike Williams (British Nuclear Fuels Ltd)** Proud of the fact that IPMS has renewed its commitment to Jubilee 2000 and note the government's action, it's not enough but what has been done is appreciated. Also note we are one of the few governments in the World to actually do anything. Question is in the spirit of partnership – what can we IPMS, and the government, do together to further the case of Jubilee 2000?

ACTION: MCO suggested IPMS write to Claire Short about this and invite her to attend a meeting. Also suggested IPMS write to Gordon Brown asking him to provide more information on what the government is doing and to request that he consider more financial support to Jubilee 2000.

SECRETARY OF STATE FOR EDUCATION AND EMPLOYMENT

(F)

Private and Confidential

PRIME MINISTER

FAXED

cc Sir R. Wilson
CO

Dear Tony,

WORKING AGE AGENCY

I mentioned when we had supper recently my concern over the project taking forward the new Working Age Agency. I am deeply worried that things are now at risk of falling apart and have got worse rather than better since we last spoke.

Things have come to a head with the request for a migration plan from put the Department of Social Security showing how they intend to implement their various reforms including moving pensions away from the existing Benefits Agency and into a new organisation. I have to say that the plan is totally inadequate. It has no deadlines and no formula or mechanism by which we could actually achieve the change which is required.

The situation is not completely lost. If we can set very clear deadlines for the production of a credible migration plan and provide help – perhaps from an outside organisation – to enable the achievement of the step change which is required, we may still be able to deliver what we all want.

I made all this clear at the meeting yesterday, but I thought it was important that as well as Richard reporting back you had an unequivocal picture.

I would be happy to have a word in the margins of the awayday.

Best wishes

David

DAVID BLUNKETT
16 November 2000

Minister for the Cabinet Office
Chancellor of the Duchy of Lancaster

CABINET OFFICE
70 Whitehall, London SW1A 2AS
Telephone: **020 7270 0400**
Email: **mmowlam@cabinet-office.x.gsi.gov.uk**

f

SV

The Rt Hon Robin Cook MP
Secretary of State for Foreign and Commonwealth Affairs
Foreign and Commonwealth Office
Whitehall
LONDON
SW1A 2AH

15 November 2000

Dear Robin,

MINISTERIAL CORRESPONDENCE

I wrote to colleagues on 14 September asking for reports on the action that Departments and Agencies are taking to improve their handling of Members' correspondence. You have not yet replied.

My letter of 14 September (copy attached) sets out the latest position on our handling of Members' correspondence; and draws attention to those Departments and Agencies which have recorded a deterioration in performance during the period 1 January to 30 June. This includes the Foreign and Commonwealth Office (which reported a 55% fall in performance in the first six months of 2000).

This Government has been taken to task too many times over our handling of correspondence; and I have lost count of the number of complaints the Cabinet Office has received about late replies to correspondence from MPs to Ministers. I would, therefore, welcome immediate confirmation that action is being taken to improve your Department's handling of Members' correspondence. I would also ask for your assurance that the year end figures for your Department (i.e. for the 2000 calendar year) will show an improvement in performance over 1999 (when 74% of Members' letters were replied to within 5 working days).

I am copying this letter to the Prime Minister and Sir Richard Wilson.

Sorry about this —

Mo

MARJORIE MOWLAM

Minister for the Cabinet Office
Chancellor of the Duchy of Lancaster

CABINET OFFICE
70 Whitehall, London SW1A 2AS
***Telephone:* 020 7270 0400**
***Email:* mmowlam@cabinet-office.x.gsi.gov.uk**

The Rt Hon Paul Murphy MP
Secretary of State for Wales
The Wales Office
Gwydyr House
LONDON
SW1A 2ER

15 November 2000

Dear Paul,

MINISTERIAL CORRESPONDENCE

I wrote to colleagues on 14 September asking for reports on the action that Departments and Agencies are taking to improve their handling of Members' correspondence. You have not yet replied.

My letter of 14 September (copy attached) sets out the latest position on our handling of Members' correspondence; and draws attention to those Departments and Agencies which have recorded a deterioration in performance during the period 1 January to 30 June. This includes the Wales Office (which reported a 14% fall in performance in the first six months of 2000).

This Government has been taken to task too many times over our handling of correspondence; and I have lost count of the number of complaints the Cabinet Office has received about late replies to correspondence from MPs to Ministers. I would, therefore, welcome immediate confirmation that action is being taken to improve your Department's handling of Members' correspondence. I would also ask for your assurance that the year end figures for your Department (i.e. for the 2000 calendar year) will show an improvement in performance over 1999 (when 64% of Members' letters were replied to within 15 working days).

I am copying this letter to the Prime Minister and Sir Richard Wilson.

Mo

MARJORIE MOWLAM

CABINET OFFICE
70 Whitehall, London SW1A 2AS
***Telephone:* 020 7270 0400**
***Email:* mmowlam@cabinet-office.x.gsi.gov.uk**

Minister for the Cabinet Office
Chancellor of the Duchy of Lancaster

The Rt Hon Nick Brown MP
Minister of Agriculture, Fisheries and Food
Nobel House
17 Smith Square
LONDON
SW1P 3JR

15 November 2000

Dear Nick,

MINISTERIAL CORRESPONDENCE

I wrote to colleagues on 14 September asking for reports on the action that Departments and Agencies are taking to improve their handling of Members' correspondence. You have not yet replied.

My letter of 14 September (copy attached) sets out the latest position on our handling of Members' correspondence; and draws attention to those Departments and Agencies which have recorded a deterioration in performance during the period 1 January to 30 June. This includes the Ministry of Agriculture, Fisheries and Food (which has reported a 43% fall in performance in the first six months of 2000).

This Government has been taken to task too many times over our handling of correspondence; and I have lost count of the number of complaints the Cabinet Office has received about late replies to correspondence from MPs to Ministers. I would, therefore, welcome immediate confirmation that action is being taken to improve your Department's handling of Members' correspondence. I would also ask for your assurance that the year end figures for your Department (i.e. for the 2000 calendar year) will show an improvement in performance over 1999 (when 60% of Members' letters were replied to within 15 working days).

I am copying this letter to the Prime Minister and Sir Richard Wilson.

Mo

MARJORIE MOWLAM

MATRIX

FCS/00/174

MINISTER FOR THE CABINET OFFICE

SV
PV

Code of Practice on Written Consultation

1. Thank you for copying to me your minute of 23 October to the Prime Minister seeking agreement to the Code of Practice on Written Consultation. I am content with the substance of the Code and welcome your plans to publish it.

2. I am also pleased to confirm that we have appointed a Consultation Coordinator (email address: crgc@lrdln.mail.fco.gov.uk) and made arrangements for a consultation register to be maintained on the FCO web site. Details of consultations will be kept up to date by the coordinator, and passed to the Central Register of Government Consultations set up by the Code.

3. I am copying this minute to Cabinet colleagues, the Attorney General and to Sir Richard Wilson.

Robin Cook

ROBIN COOK

Foreign and Commonwealth Office
14 November 2000

PERSONAL

TO: **Paymaster General**

FROM: **Richard Broadbent**

cc HoP/DM/ER/GM/LL

[illegible]

cc: Chancellor
CST
FST
Sir Andrew Turnbull
Ed Balls
Ed Milliband

13th November 2000

CUSTOMS AND EXCISE (CE): STRUCTURE AND MANAGEMENT

This note describes changes to the structure and management of CE. The intention is to introduce the changes at the end of the year in the context of the forthcoming Roques' Report.

Summary

- The current structure of CE inhibits its performance and does not provide an effective base for enabling e-capability.

- The proposed changes will constitute an organisational response to the forthcoming report by John Roques into excise diversion fraud.

- Groundwork for the changes has been initiated over the last six months in terms of management and business processes.

- The main changes comprise:

    - the creation of two core executive units - Business Services and Law Enforcement – into which all front line activities will be organised;
    - a re-organisation of the relationship between these executive units and support functions;
    - the creation of top-to-bottom functional commands within which regional management will report;
    - a reduction in the number of regions or management purposes (but retaining the existing DETR regions as the basic accounting units).

- A number of associated management changes will be made.

Background

There are two drivers for change.

(i) Impact of Current Organisation on Effectiveness

The current performance of the organisation is inhibited by structural and related management problems. We need to tackle these issues to give us a prospect of meeting the targets incorporated in our PSA which in some cases requires improvements in performance by factors of 4-6 times.

The basic structural problem is the lack of empowered, coherent functional commands. This has resulted in blurred responsibilities and difficulty in defining and driving strategic goals. This in turn has led to less effective management and poor resource allocation. Hence relative underperformance (although from what I have seen I do not think CE is any worse than other government departments in this respect).

These issues are likely to feature in John Roques' report into Excise Diversion fraud, due on 30 November. Although Roques will be critical of some individuals, his main conclusion regarding the causes of diversion is likely to be systemic failure – ie that the organisation and governance of CE were contributory factors in allowing excise diversion to continue so long. In this respect, his conclusions will be similar to those of the Phillips report on BSE which pointed to systemic administrative failures in gripping issues, taking decisions and implementing them. We need to have an organisational response to Roques.

(ii) Implications of e-business for organisation

Second, if we are serious about e-commerce and creating an electronically enabled organisation, internal changes need to be made to underpin it. CE prospectively can provide e-services, but only in the narrow sense of creating an on-line interface with existing systems. To create a commercially recognisable e-interface requires first creating an internally enabled knowledge based organisation. This has implications for organisation.

The timing for tackling these issues has been dependent on preparing the management team for the job and beginning the process of rebuilding the

basic business systems (resource allocation, management information, human resource systems) to support them. Although a little earlier than I would have liked, I am satisfied enough of this groundwork has been completed to allow the next phase to proceed.

The Issues in More Detail

CE has a valuable skill set. The organisation has particularly relevant skills in risk analysis, data profiling, physical controls, intelligence analysis and international co-operation. I start with this judgement because unless one could make it, we would need to re-skill the organisation. In practice, I believe CE has the potential to build performance improvement based on its core skills notwithstanding skill shortages in some areas.

Although it does some things well, it is possible to identify failings in the way CE operates (this is also Roques view and, more generally, Phillips in relation to public administration). The symptoms of these failings are:

- difficulty in developing strategic thinking and driving it into focussed action;
- difficulty in reacting quickly to new circumstances, learning from the past, continually improving;
- difficulty in creating effective business solutions. Projects take too long, are less effective. Systems are weak;
- difficulty in communicating effectively, internally and with the outside world.

Problems with the Current Structure

Within CE, the structure of the organisation contributes to these shortcomings. The management changes last April created a single focus at the top of the organisation but at working level it remains a mix of functional and regional commands. This makes it difficult to get things done. Internal communication is poor, because it is often unclear who is in charge. The functions themselves also overlap. Neither functions nor regions communicate effectively with support functions, leading to poor project management and to waste.

This structural pattern affects management and resource allocation. In particular:

- it discourages active management – the building of teams and their motivation and leadership by example. Too much attention is paid to "tactical" management initiatives (often linked to "modernisation") and not enough to strategic leadership. There is a lack of management values driven through the organisation;

- it results in an over-reliance on process (the only way to get something done in such a structure) which in turn has resulted in weaknesses in the systems needed to allow management to happen. Management information systems are weak. Resource allocation systems are weak. Human resource systems are bureaucratic and disempower managers;

- it leads to resources being allocated in an incremental fashion with a tendency to allocate a little bit to everyone, meaning some areas (eg IT) which need rapid investment for strategic reasons are under invested;

- it means that projects, HQ functions generally and support functions have tended to consume disproportionate resources. Our support staff ratio (excluding IT) is too high, partly because they are not properly empowered.

Dealing with the underlying structural issues will not in itself resolve these issues. We face skill shortages in some areas (notably management, operations, project management and IT). There are aspects of the public sector environment which are outside our control but influence what can be achieved (notably risk aversion and the difficulty in the public sector, as currently constituted, of recognising success institutionally). And many people within the organisation lack relevant experience or role models. However, while not a complete solution, organisational change will create the potential to make an impact on problems.

Implications of e-business

We need also to create a genuinely e-enabled organisation. This is specifically required by some of our PSA targets. It is also essential if we are to achieve the performance improvements in our work which is implied generally by all our targets. The groundwork for this requires changes to be made now.

The basic change required is to move from an organisation based on data storage and handling to one based on knowledge management. At present, the department collects data which is stored in many separate and largely closed systems. The design of the systems is heavily influenced by their users and generally relates to one or a small number of specific tasks. Most of the systems cannot talk to each other, nor can they be accessed or interrogated by outside businesses. The systems draw solely on internal data.

The current organisation would allow us to do relatively simple things such as put VAT returns on-line or set up contact centres with e-mail facilities. However, this is not e-commerce. And there are some even relatively simple things, such as sophisticated interrogation of data bases to support analysis or intelligence, which we cannot do.

We need to move to an organisation where this multiplicity of closed, single purpose systems is replaced by an open, web-enabled interface where all data (public as well as own) is accessed by tools provided to front end users. Data storage will take place in a variety of ways but will not be relevant to the user who will simply be provided with the tools to access and manipulate it. It is this which creates the huge variety of options typical of e-enabled businesses – in our case, for example, single trader accounts accessible by the trader, on-line VAT returns which automatically incorporate payment, enabled contact centres that can fix problems not just pass them on, policy analysis that draws on all globally-available data as we as internal data, intelligence sifting of a power multiples above what we can presently achieve and reductions in many basic processing functions.

To begin this process, we need to create a different relationship within CE between the "front" end and "support". This means taking most of the support work done at the operating level, together with project management, data related systems and IT training and focussing it at the

centre. The centre will need to change its role and become more prescriptive in providing business solutions in individual cases that make strategic sense corporately.

Preparations for Change

Various initiatives of recent months have laid some of the groundwork for tackling these issues. The most important are:

- ***Management.*** The smaller (and largely new) management team put in place between April and July has had a chance to begin to bed down and, as a team, develop the next steps. Regional Managers have progressively been brought into the management process and are also now ready to support change, notwithstanding its likely impact on the current regional organisation.

- ***Process.*** We have or are in the course of bringing the basic business processes into a state of minimum effectiveness to enable the organisation to be managed. In particular:

    - Management Information System – requirements have been developed for new systems
    - HR systems - union currently balloting on comprehensive reform. Results due mid-November
    - Resource planning – revised processes in place.

- ***IT.*** We have identified our preferred IT strategy (summarised above) . The major constraint for the immediate future is managing the ICL contract which is underway but running late.

Proposed Changes

The key is to create a framework within which management can function and our IT strategy can be implemented.

The first steps are:

- to identify the core activities of the department (there can only be a very few) and to organise around them, creating unambiguous management commands through which strategies can be created and driven;

- to separate and professionalise the relationship between these units and support activities so that both concentrate on their own roles.

The two core activities of CE are Business Services and Law Enforcement.

Business Services comprises the administration, collection and policy relating to all taxes and the facilitation and information services of Customs, international movements and trade services.

Law Enforcement comprises all the activities of the department directed at tackling fraud and enforcing law.

The distinguishing feature of the two activities is that Business Services has as its focus legitimate businesses. Most are compliant. Some need encouragement through audit, compliance measures and anti-avoidance work. But the "customers" are all businesses whose primary goal is legitimate.

Law Enforcement has as its focus fraud or other regulatory breaches where business activity, if it exists, is incidental to the main purpose of the activity.

Approximately 14,000 staff will be in Business Services, 7,000 in Law Enforcement and the balance 3,000 in support functions.

The two executive units will be managed functionally – ie they will comprise unambiguous functional commands within which the necessary regional management framework will report. The current regional management structure will be simplified, with fewer, larger, regions (although retaining the current DETR boundaries as basic accounting units). This will allow stronger strategic management, greater accountability, more consistent standards and significantly greater operational flexibility.

Within Business Services, functions will be divided between those which need to be managed regionally (Regional Services), those which lend themselves to central management (Central Services) and basic processing operations (Central Operations).

Within Law Enforcement, all resources will be concentrated into three functional activities – intelligence, investigation and detection (anti-smuggling).

All support functions will be stripped out of the functions and centrally managed from professional support units – Logistics Finance, HR and Legal. The relationship between the two executive units and the support functions will become one of definition of business need on the other hand and provision of solutions in the form of appropriate tools on the other. This will transform project management which will now be run centrally.

Within support, Logistics will be responsible for implementing our knowledge strategy and will be responsible for projects, IT training and data management. Finance will take responsibility for revenue as well as expenditure and will include central corporate functions such as strategy and briefing. Much of HR will be delegated back to line management where it belongs leaving a smaller, more professional support function dealing with employment law, tribunals and corporate targets such as diversity.

The regional building blocks of Business Services and Law Enforcement will be identical to ensure sensible regional co-ordination continues. Scotland, Wales and Northern Ireland will each have a local Chairman, not in the line management, to ensure an appropriate interface with the devolved authorities in those areas.

The organisation will continue to operate out of four centres (London, Liverpool, Manchester and Southend). We will however move gradually to focussing different skill sets in each centre and away from the current inefficient arrangement whereby every function is represented by a slice of activity in every region. Over time, his will enhance individual career opportunities for the majority. At present, careers are often blighted by the fragmented nature of our regional operations in these centres.

The changes themselves imply no redundancies and no short term shift in geographical resource. In more than the short term, one of the purposes of the changes is to create a more flexible organisation which is focussed more powerfully on its unique skills.

These changes imply consequential changes to the current position whereby each of the department's geographical units is run as a separate "Next Steps" agency. We will be discussing the implications with Cabinet Office.

I will be discussing the changes in advance with the unions.

Annex A sets out these changes in diagrammatic form.

My Own Role and Other Management Issues

Following the re-organisation, I envisage driving the organisation with only fine tuning of management or structure as necessary.

In terms of where I can add most value, I envisage devoting 75% of my time to welding together and driving the new Law Enforcement function where I will take direct control of the activity. 25% of my time will be spent on Business Services, especially regional management where I will assist in bedding down the new structure within its new functional framework. These are the two largest management challenges facing the organisation which is where my own skills lie.

Terry Byrne, reporting directly to me, will be responsible for Law Enforcement.

Mike Eland will devote 100% of his time to Business Services within which Mike Norgrove will be responsible for Central Business Services. Ray McAfee will be responsible (to me) for Regional Business Services.

Alex Fraser will be responsible for Support implementing its new central role. Mike Hanson will remain in charge of Finance.

There are numerous management moves implied immediately below this level. I envisage recruiting a small number of people to strengthen particularly the finance, project management and operations parts of the organisation.

Risks and Rewards

There are risks associated with any re-organisation, including disruption to on-going work and/or management or staff disaffection. I am satisfied these risks are well underpinned after the work of recent months.

There is one specific risk to draw attention to. The creation of a single Law Enforcement function will create a powerful entity. This is the key to the performance enhancement it should enable. Such organisations need close and rigorous management, particularly this one which has not been closely managed in the past. That is largely why I intend to devote the majority of my own time to this area.

The rewards – allowing us to improve strategic drive and effective management, and to support a coherent e-strategy – are potentially large. Given the step change in performance required by our PSA, they need to be.

Management and Resources

These structural changes will enable – and need to be reinforced by – a new approach to management and resources. I will not set these out in detail. The key points can be summarised as follows:

- a focus on the role of management and the building and motivating of teams (building on the reforms made to HR systems and pay)
- creation and, above all, use of comprehensive management information systems and processes
- identification and rapid development of our best people supplemented by some external recruiting
- professionalisation of our support functions (and a fall in our support staff ratios)
- giving investment in IT and IT training overriding priority
- a programme to focus our skills into areas where we have a unique advantage, where we should invest to upskill. We should be

prepared to disinvest where we are simply doing what someone else can do better (even if it's not cheaper)

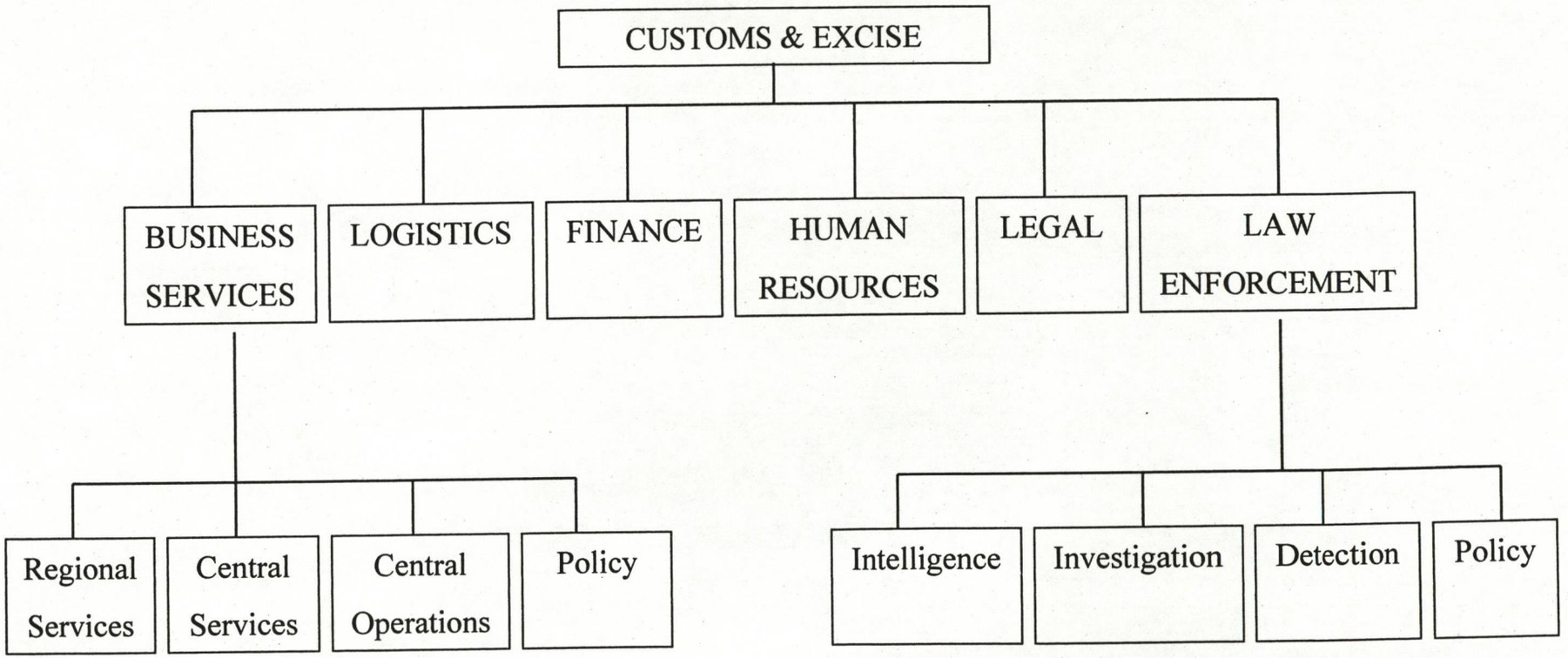
- the creation of centrally controlled marginal resource to increase response times in novel situations

- clarify about direction and values which senior management incorporate by their actions not just their words.

Next Steps

Subject to comments, I will need to begin briefing selected senior and middle management over the next two weeks. The changes should be announced to coincide with and be part of the response to Roques.

Overview


CUSTOMS & EXCISE
BUSINESS SERVICES
LOGISTICS
FINANCE
HUMAN RESOURCES
LEGAL
LAW ENFORCEMENT
Regional Services
Central Services
Central Operations
Policy
Intelligence
Investigation
Detection
Policy

87140

1. cc Hilary Coffman
2 - file.

10/11

Rt Hon Geoffrey Hoon MP
Secretary of State for Defence
Main Building
Whitehall
London
SW1A 2HB
Tel no: 020 7218 6432
Fax no: 020 7218 7140

TO: Anna Wechsberg - NO.10

From: Nicky Moffat

No. of pages (incl header). 1 + 1

Remarks

Thought you might like to see the ToRs for Baroness Dean's Review of CWGC ~~Salaries~~ Staff Allowances.

These have been agreed by both the Commission and the Unions.

Nicky

87140

COMMONWEALTH WAR GRAVES COMMISSION – INDEPENDENT REVIEW OF OVERSEAS REMUNERATION PACKAGE

TERMS OF REFERENCE

This review is to provide independent advice to the Commonwealth War Graves Commission on the remuneration package payable to their staff employed overseas on UK based contracts of service. In reaching recommendations the review should have regard to:

- the need to recruit, retain and motivate suitably qualified people;
- the fairness and reasonableness of the overall remuneration package;

The review should advise on the method of implementing any changes to the existing system that might be recommended, including transitional arrangements for staff already overseas and mechanisms for reviewing and adjusting the package in the future.

The review should take evidence from the Commonwealth War Graves Commission, the relevant Trades Unions, the Ministry of Defence, the Foreign & Commonwealth Office and such other bodies or individuals that the review considers appropriate.

Recommendations are to be presented to the Commonwealth War Graves Commission by end February 2001.

Top – SU
cc JJN
PJ

Treasury Chambers, Parliament Street, London, SW1P 3AG

The Rt Hon Mo Mowlam MP
Minister for the Cabinet Office
Cabinet Office
70 Whitehall
LONDON SW1A 2AS

10 November 2000

Dear Minister

CODE OF PRACTICE ON WRITTEN CONSULTATION

This letter follows up my letter of 6 November.

2. I understand that it is likely that the code of practice is likely to take effect from 1 January, the same date planned for the new guidance on implementing regulations. I strongly support this suggestion. An immediate introduction on 27 November would cause us particular problems with a set of consultations on implementation of the Financial Services & Markets Act (FSMA), which are currently planned to begin in early December, with probably a nine week consultation period. The timetable for FSMA implementation is very tight and even a three week delay could put back the start of the new FSMA regime by several months, due to knock-on effects on the rest of the work programme.

3. A 1 January start date for the new code would certainly help us, but I would still also like the code to include the sort of wider reference I mentioned in my previous letter. The aim would be to cover cases where policy has not changed, where there is therefore no formal need to consult, but where - rather than avoiding any consultation - there may be a short window of opportunity to display draft technical SIs on a website mainly to inform industry about their content, but incidentally also to be open to possible representations if the drafting is alleged to be technically deficient in particular circumstances.

4. Finally, I should add that the FSMA implementation exercise is probably unique in its scale and complexity and that the points I am making in this and my previous letter do not mean that we are not supportive of the broad thrust of the new code.

5. I am copying this letter to the Prime Minister, Cabinet colleagues and to the Attorney General and Sir Richard Wilson.

Best wishes,

pp **ANDREW SMITH**
(approved by the Chief Secretary and signed in his absence)

F SC

The Rt Hon Margaret Beckett MP

PRIVY COUNCIL OFFICE
2 CARLTON GARDENS LONDON SW1Y 5AA

9 November 2000

Dear Mo,

CODE OF PRACTICE ON WRITTEN CONSULTATION

Thank you for copying to me your minute to the Prime Minister of 23rd October.

The draft Code of Practice was the subject of correspondence between our respective officials. I am happy to agree to the substance of it.

I am copying this letter to the Prime Minister, to Cabinet colleagues and the Attorney General, and to Sir Richard Wilson.

Regards

Margaret

MARGARET BECKETT

Rt Hon Mo Mowlam MP,
Minister for the Cabinet Office

File - in matrix

(re-mailed to copy recipients)

From: David North
Date: 9 November 2000

PRIME MINISTER

cc: Jonathan Powell
Jeremy Heywood
David Miliband
Simon Virley
Robert Hill

INQUIRIES

1. Sir Richard Wilson has minuted you on the question of inquiries, in the light of the recent judicial review which forced us to turn our private inquiry into Shipman into a public inquiry.

2. The question we asked him to advise on was what steps were needed to give us more flexibility in setting up inquiries. His advice, though understandable, is arguably a bit short-sighted and defensive. He says that we should avoid inquiries whenever we can; and where we cannot avoid setting one up, we need to think carefully about who should chair it. He adds that, despite the judicial review outcome on Shipman, we still have considerable flexibility in setting up inquiries (the judge was careful to emphasise that he found against our decision to set up a private inquiry because of the particular circumstances and magnitude of Shipman's crimes). But Richard rightly warns that it is one thing to specify clearly the terms and timetable of an inquiry in advance, quite another to expect the Inquiry chairman to follow them. The BSE Inquiry – costing £30m and delivered two years late – is the best recent example of how, after setting up an inquiry, we cannot control subsequent events. Richard also points out that we need to look more carefully at the potential impact of the HRA in this area. He is equivocal on whether we should examine the underlying legislative framework governing inquiries, with a view to making them more flexible and informal. He concludes that the gains are not certain, that any legislation might prove controversial and that we do not anyway have the legislative time.

3. Set against this, however, it seems to me that:

(a) the handling difficulties that we can all relate should not obscure the fact that there is an important role for inquiries. There <u>are</u> cases where conduct in public administration needs to be examined, and lessons need to be learned. And we sometimes need to respond to a strong public expectation that specific problems will be looked into systematically;

(b) the current system lacks control and the options available to Ministers are insufficiently calibrated to allow us consistently to choose an option that is not just appropriate to the circumstances but also commands public confidence. Inquiries are almost always cumbersome, slow and take insufficient account of what may have changed since the incident that triggered the inquiry in the first place. There is a strong public feeling that some circumstances – e.g. Shipman or BSE – are of such magnitude that they require a public inquiry. Yet that inevitably means adopting an essentially judicial approach, with a judicial chair. And it means all the difficulties associated with this approach, including loss of control over the timetable. There is little doubt that our initial decision to hold a private inquiry on Shipman was based not on a difficulty with airing the issue in public, but on trying to avoid the other downsides arising from a public inquiry;

(c) as the Cabinet Office paper shows, many recent inquiries (including BSE and Scott) were set up on a non-statutory basis. Yet they suffer from the same lack of control in terms of time, remit and expense as the statutory inquiries. Given that they are non-statutory, there is, by definition, no legislative obstacle to reform in this area. (It might, however, be difficult in public handling terms to reform non-statutory inquiry procedures without offering some guarantees about their independence, perhaps on a statutory footing.)

4. **I would therefore suggest that we ask RW to set in hand a proper exercise to see how the inquiry procedures as a whole might best be modernised to give government more flexibility on the nature and conduct of inquiries, and more control over their duration, while also improving public confidence**. Contrary to Richard's minute, I think the gains could be quite large. It would probably require primary legislation at some point, which would not be a first priority. But at least we would be ready to move when an opportunity did arise.

5. **Do you agree with this, or would you prefer RW's more limited exercise?**

DAVID NORTH

JH
c: JB
Ann

Secretary of the Cabinet and Head of the Home Civil Service

PRIME MINISTER

LORD CHANCELLOR'S DEPARTMENT: DIRECTOR GENERAL JUDICIAL GROUP

I would be grateful for your approval of the appointment of Jenny Williams as Director General Judicial Group in LCD.

2. This is a senior post, which has been advertised throughout the Civil Service.

3. Candidates were interviewed by a Panel chaired by Usha Prashar (First Civil Service Commissioner). She was joined by Hayden Phillips (Permanent Secretary, LCD), Rachel Lomax (Permanent Secretary, DSS) and Jeremy Carver (Senior International Partner at Clifford Chance).

4. The Panel's unanimous view was that Jenny Williams was the strongest contender for the post. She has just finished a tour with the Inland Revenue as Director of Business Tax. At interview she was realistic and thoughtful in her approach, she was strongly principled and impressed the Panel with the depth of her interest and motivation, particularly in relation to issues of social deprivation and of individual rights. Overall the Panel felt that her considerable experience of and aptitude for working with other sectors and interest groups – gained through her key role in two very difficult and sensitive privatisations – would stand her in very good stead for dealing with the difficulties which would face the appointee to this post. She would bring strong motivation and keen analytical skills, but would not impose her own agenda.

5. I know her and endorse the Panel's conclusion as do my Senior Appointments Sub-Committee. Brief details of the job and person specification are at Annex A; and Jenny Williams' detailed CV is at Annex B.

Ref: A02000/2850

6. Derry Irvine is content. If you are, the announcement will be made by the Lord Chancellor's Department.

RJW.

RICHARD WILSON

09 November 2000

ANNEX A

LORD CHANCELLOR'S DEPARTMENT

COMPETITION NOTICE

Title: Director General, Judicial Group

JESP score: 18

Location: Selborne House, 54-60 Victoria Street, London SW1

Eligibility: Existing members of the Senior Civil Service

The context

The Director General, Judicial Group occupies a key position in the Lord Chancellor's Department. The postholder works for the most part directly to the Lord Chancellor in advising on the policy towards, appointments to, and relationships with, the Judiciary at all levels, both professional and lay. It is a responsibility to which the Lord Chancellor attaches the greatest importance. The policy towards and the actual selection of judges has immense significance for the administration of justice and for the credibility and reputation of the law, particularly in the context of issues flowing from implementation of the Human Rights Act.

The job

The postholder reports to the Permanent Secretary, and works under his general supervision. The purpose of the post however is that advice would go directly from the postholder to the Lord Chancellor.

As head of the Judicial Group, the postholder is a member of the Corporate Board of the Department, and Chair of the Headquarters Management Committee, and is expected to contribute fully to the strategic direction, policy formulation and management of the Department as a whole.

The postholder, with the assistance of his or her Group, must offer advice on the policies for and on all appointments to the judiciary: those selected must have the ability to command the confidence of both the public and the legal professions. The work therefore involves learning about the world of the professional and lay judiciary, and knowledge of and input into the development of Court Service and LCDHQ policies, as well as those of other departments whose policies impact on the work of the courts, or which have responsibility for administering certain courts and tribunals.

The postholder is responsible for developing and carrying forward policies on the appointment procedures for judicial officers, and for their terms and conditions of service, all within a framework which upholds judicial independence. The judiciary is constitutionally independent of the executive but, at the same time, they must work together. In operating at and maintaining this boundary, (which sometimes comes under threat from a variety of sources), the postholder will be required to exercise fine judgement in a central constitutional role.

Major initiatives

The Group faces a very significant programme of change flowing from a recent independent scrutiny of judicial appointments processes (by Sir Leonard Peach) and, potentially, from

two current major reviews: of the criminal courts (by Lord Justice Auld) and of administrative justice (by Sir Andrew Leggatt). This includes:

- Establishing a Commissioner for Judicial Appointments
- Reviewing appointments processes in the light of the Modernising Government recommendations and ensuring the incorporation into these processes of best practice flowing from the Nolan recommendations
- Taking forward increasingly open appointment processes, including the possible establishment of Assessment Centres for prospective appointees
- Tackling diversity issues with a view to increasing the number of judicial appointees from minority groups, while not departing from the merit principle
- Handling of complaints about judicial misconduct
- Establishing of a Code of Conduct
- Judicial appraisals
- Improving support mechanisms in the light of data protection and Freedom of Information requirements

In these areas, the postholder will be responsible for identifying effective courses of action which will inspire public confidence but will, at the same time, be acceptable to a fiercely independent judiciary. He or she will consistently be called upon to find this balance in a context in which decisions can take on considerable political significance. An essential part of this change process will be to continue to improve the service provided by the Group as a whole in both innovating organisational change, introducing a range of new staff and moulding old and new together to bring about improved performance under significant and increasing pressure.

In order to achieve the objectives of the Group, the postholder needs to maintain a strong network of contacts with the judiciary. He or she needs to gather their views and gain their confidence, and also to influence their thinking and attitudes. A formal relationship with the legal profession is also important to the judicial appointments function.

Resources

The Judicial Group comprises 122 staff and has a budget of approximately £6.51million. The importance of the postholder's personal involvement in ongoing consultation and networking means that some travelling is necessary.

Qualities

All aspects of the SCS core criteria are relevant in this key senior appointment. Above all, the appointee will need to demonstrate:

- Excellent leadership skills in building and supporting a high performing team
- The ability to create and secure commitment, from stakeholders as well as staff, in innovating to produce a clear vision for the judicial appointments process
- The ability to think strategically and creatively, and to anticipate future demands, opportunities and constraints, whilst responding to wider political and service-wide issues
- A track record in the delivery of results at a senior level, and in change and resource management and in the management of people
- The highest degree of sensitivity and judgement in operating at and maintaining difficult boundaries, and in identifying and holding the balance in a sensitive political arena

- Excellent interpersonal, communication, networking and influencing skills
- The ability quickly to develop familiarity with the judiciary and the legal professions in order to establish and maintain credibility and command confidence
- High quality analytical ability in supervising complex cases, especially of complaints, on the Lord Chancellor's behalf.

Terms of appointment

Salary will normally be contained within SCS pay bands 7 and 8, depending on individual circumstances. A successful candidate from another department would be appointed on the basis of an initial [three-year] loan with the possibility of extension, and would be subject to the terms and conditions of the Lord Chancellor's Department for the duration of the appointment.

Applications

Under the SCS advertising protocol, applications should take the form of a CV which should clearly demonstrate how the candidate matches the qualities required for the job. Applications should be accompanied by a line manager's reference (pro forma attached); and copies of the candidate's two most recent appraisal reports. Personnel sections should also provide breakdowns of appraisal markings in the parent department in each of the relevant periods. Completed applications should be sent to:

Heather Atkinson, Lord Chancellor's Department, Senior Staff Personnel
Room 931, Selborne House, 54-60 Victoria Street, London SW1E 6QW

Tel: 020 7210 8667 Fax: 020 7210 8752

The selection process

All applications will be acknowledged. Sifting is likely to take place in the week commencing [10 July], with interviews in the week commencing [24 July]. You will be notified of the Selection Panel members if you are invited to attend for interview. Feedback for unsuccessful candidates will be available on request.

The successful candidate will be expected to be available by [the end of August 2000.]

THE CLOSING DATE FOR APPLICATIONS IS: [7 July 2000]

Date of issue: [26 June 2000]

ANNEX B

CLOSED UNDER THE FREEDOM OF INFORMATION ACT 2000

Phone: 020 7438 7739 (work)

Fax: 020 7438 7170 (work)

E-mail: Jenny.Williams@ir.gsi.gov.uk (work)

Jenny Williams

Summary of skills and experience

- **Wide Whitehall experience, working in five departments with a number of cross cutting achievements working with No 10 policy unit and OGDs (eg local govt. CSR and finance review, on Revenue input to budget, on privatisation)**
- **Strategic policy analysis and review expertise in social and financial/economic fields (bringing together a wide range of interests eg when tackling public sector housing management; or balancing passenger and Exchequer interests in the privatised railway; or trading off international competitiveness, risk of tax avoidance and economic externalities in the development of shipping taxation)**
- **Successful development and implementation of organisational and policy change with direct Board level managerial experience eg restructuring the PSA; wide ranging contribution to modernising Inland Revenue Head Office functions.**
- **Proven leadership skills in directing and managing complex projects using multi-disciplinary teams of staff and consultants/advisers drawn from public and private sector (eg 3 major privatisation programmes; directing local authority finance review and CSR)**
- **Extensive experience of commercial and public sector negotiations, problem solving and deal making eg in financing local authority activities; privatisation programme**
- **Experienced in identifying and presenting key issues from complex/technical material to Ministers and other key individuals.**

Employment and achievements

1998 to date: Director, Business Tax Division & (from '99) Head, Finance Bill 2000 Team & Policy Support Unit, Inland Revenue

Responsible for the provision of advice to Ministers, operational staff, taxpayers and their representatives on business tax policy issues.
Working with Treasury and other Government Departments co-ordinating the Revenue's input to the Budget and Finance Bill; part of Inland Revenue senior management team (incl. member of Board Human Resources, Senior Appointments and Information Age Committees) . Results secured included:

- Successful development of new (tonnage) tax for shipping
- Established effective new mechanism for identifying emerging policy issues and securing 'joined-up' responses which greatly improved relations with HMT and others and improved policy advice quality
- Developed and drove through proposals for modernizing the policy divisions and improving policymaking capability

1996-98: Director, Local Government Finance Policy Directorate, Department of the Environment, Transport and the Regions

Responsible for approximately 100 staff and programme expenditure of about £40 billion including distribution of approximately £30 billion in rate support grant and collection of £11 billion in business rates. Results achieved included:

- Ran review of local government finance system leading to July '98 white paper proposals for reforms to capping and grant distribution arrangements and a supplementary business rate;
- Developed and secured legislation providing a safe harbour for local authority PFI contracts;
- Oversaw annual £40 billion local government finance settlement and ran 1998 interdepartmental local government comprehensive spending review.

1995-96: Philip Lawrence Award Office, Home Office (part-time)

Developed the Home Secretary's 'back of envelope' idea in collaboration with voluntary sector into viable, cross party and widely welcomed young people's award scheme which continues to develop successfully along the lines set.

1993-96: Director (Jesp 17), Railways Privatisation and Regulation, Department of Transport

Seconded to implement railways privatisation. Management of approximately 100 permanent staff and equivalent number of City advisers/consultants and technical specialists with a budget of £30m.pa. Results achieved included:

- Introduction of project/programme management arrangements which secured the restructuring of British Railways into over 80 businesses (with associated contractual matrix to build in performance incentives) and their subsequent privatisation. Reconciled conflicting objectives of the Department and four external bodies (Railtrack, BR, OPRAF and the ORR) each headed by strong personalities and established/maintained morale and momentum despite widespread opposition and scepticism, achieving the privatisation to a very demanding timetable in just over 2 years.
- Directed the successful, timely sales of the Rolling Stock Companies and the flotation of Railtrack raising a total of £6.6 billion.
- Supervised the sales of BR Telecoms business, BR's 13 infrastructure companies and 35 other businesses within an 18 month period
- Developed a presentational strategy which converted initial disbelief about rail privatisation's feasibility into strong 'buy' recommendations.

PROPERTY SERVICES AGENCY (PSA)
1991-93: Director (Grade 3) Privatisation and Strategy

PSA Board member: Director responsible for privatising PSA, the Government's design and building maintenance organisation employing 22,000 staff with a fee income of nearly £500 million. Managed a small in-house privatisation team together with a large number of external legal, accounting and commercial advisers. Developed and implemented break-up into separate businesses with appropriate structure and management. Involved in extensive commercial negotiations on workload and sale and purchase contracts, and dealing with the unions on the scale of redundancy required and appropriate protection for staff. Achieved

- The successful establishment and sale of the viable elements (6 businesses) and the smooth closure and outsourcing of the remainder
- Innovatory provisions safeguarding employees' redundancy entitlements

1973-90: Various posts in Departments of the Environment, Transport and the Home Office

Including those responsible for the simultaneous flotations of the 10 water authorities, setting up the Estate Action programme for run-down public sector estates, sponsorship of the construction industry, setting up the London Dockland Development Corporation, reviewing the Ordnance Survey, acting as private secretary to junior minister.

Other Appointments

1993-to date: Non-Executive Director, Morley College

Education & Training

1971-73: D.Phil. Research student, Nuffield College, Oxford

1970-71: Economics Consultant, Maxwell Stamp Associates working for the President's Office, Lusaka, Zambia

1993: 6 week Top Management Programme (Cabinet Office joint public and private sector senior executive development course)

1990: 3 week London Business School - Public Sector Management Course

1967-70: Cambridge University: First Class Honours Parts 1 & II Economics Tripos

Plus a number of seminars and short courses eg on diversity, management issues, wider government developments etc.

Personal

Date of Birth: 26 September 1948 Married, with three sons

24/8/2000