CAB 164/2042/1
PART 1/2

CONFIDENTIAL

CABINET OFFICE

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CLOSED 1991

487/487+

FILE TITLE

MISCELLANEOUS EXECUTIVE AGENCIES.

PART NUMBER 2

FILE BEGINS 25.6.90 ENDS 10.4.91 | FILE No. 487/48 | PART NUMBER 2

INDEX HEADINGS

GOVERNMENT ECONOMY	MACHINERY OF GOVERNMENT		

REFERRED TO	DATE	REFERRED TO	DATE	REFERRED TO	DATE

CLOSED 1991

CAB164/2042/1 Pt 1/2

THERE IS AN ANNEX TO THIS FILE

FOLIO REGISTER-FILE No. ANNEX

FOLIO	DATE	CODE REF.	FOLIO	DATE	CODE REF.	FOLIO	DATE	CODE REF.
1	MAY/90	—						
2	DEC 90	—						
3	10/12/90	A13388						

OS90 (6/89)D

FOLIO REGISTER — FILE No. 1187/48 PT 2

FOLIO	DATE	CODE REF.	FOLIO	DATE	CODE REF.	FOLIO	DATE	CODE REF.
32	21.3.91	A3312	38	5.4.91	A3770			
32M	21.3.91	A3323	38M	5.4.91	A3728			
32MM	21/3/91	A3233						
32N	21/3/91	A3328						
33	22.3.91	A3324						
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37M	28.3.91	A3641						

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FOLIO	DATE	CODE REF.	FOLIO	DATE	CODE REF.	FOLIO	DATE	CODE REF.
						26	31/1/91	A1227
			20L	14/1/91	A393			
18	5/11/90	A12021	20	15.1.91	A495			
						27	4/2/91	A1339
			21	21.1.91	A769	28	4/2/91	A1399
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						29M	5/2/91	A1380
						29MM	6/2/91	A1564
			22	24/1/91	A934	29N	8/2/91	A091/311
						29NN	12.2.91	A091/334
			23	25/1/91	A091/209	30L	12.3.91	A2871
			23M	25/1/91	A091/210	30	15.3.91	A3093
						30m	15.3.91	A3029
			23mm	27.1.91	A2411			
			24L	28/1/91	A1067			
			24	29/1/91	A1093			
			24M	29/1/91	A1092			
						31	20.3.91	A3252
						31m	20.3.91	A3348
						31N	20.3.91	A3212
			25	30/1/91	A1133			

OS90 (6/89)D

FOLIO REGISTER-FILE No. 487/48 PT 2

FOLIO	DATE	CODE REF.	FOLIO	DATE	CODE REF.	FOLIO	DATE	CODE REF.
			5	2/7/90	A7718			
			5m	2/7/90	A7653			
			5N	2/7/90	A7841			
1.	25.6.90	A7431	5P	2/7/90	A7661	11.	10/10/90	A11016
			5Q	5/7/90	A7885			
			5R	9/7/90	A7996			
			5S	9/7/90	A7991	12	11/10/90	A11030
2.	26.6.90	A7455	5T	27/7/90	K0238			
			5W	27/7/90	K8067			
			5x	4.9.90	A9791			
			6	5.9.90	A9810			
			6M	7 9 90	A090/2081	13	19/10/90	A11399
3	27/6/90	A7487	7	11/9/90	A090/2088			
			7M	17/9/90	A10184			
			7N	26/9/90	A10492			
			7P	27/9/90	A10504			
			7Q	30/9/90	A10679	14	22/10/90	A11417
						15	23/10/90	A11455
4	29/6/90	A7539						
4m	29/6/90	A7700	8	2/10/90	A10711			
4N	29/6/90	A7668	8M	2/10/90	A10725	16	25/10/90	A11602
			9	3/10/90	A10747			
						17	31/10/90	A11806
			10	3/10/90	A10801			

OS90 (6/89)D

FOLIO 40

CABINET OFFICE
A 4635
26 APR 1991
FILING INSTRUCTIONS
FILE NO.

FROM: E P KEMP
DATE: 26 April 1991

MR WHEINALL

cc PS/Sir Robin Butler
Mr Gilmore
Dr Finer
Mr Gibson
Mr Martin

CRIMINAL JUSTICE CONFERENCE - JUNE 1991

Thank you for letting me see copies of the Home Office letter to you of 19 April and of your note to Miss Phippard of 23 April.

2. Certainly I have no objection to your attending this Conference. But it seems to me that from our point of view there is more to it than just machinery of government or indeed the question of quality of service. You will know that while the Home Office are now players in the Next Steps field with Passports and the FSS, we think they have a good distance to go. In particular the whole question of whether the Prisons should be set up as a Next Steps Agency is currently under consideration with the Home Secretary, and we recently got Mr Renton to write a letter supporting the argument in favour of the Agency approach. There are other possibilities also within the Home Office which are under consideration or which ought to be, and we need to push these forward; there is no doubt, in our mind, that the Next Steps approach would bring about improved management and better service to the public in many of these areas.

3. As it so happens I shall be having a meeting with Sir Clive Whitmore before the time of this Conference, as part of my upcoming round of meetings with Permanent Secretaries on Next Steps. I will certainly, I hope, be able to feed something into your briefing for the June occasion. On top of that Mr Martin will, I am sure, wish to let you have a detailed set of notes, updated, about the sorts of things that might well come up, as seen from our point of view.

E P KEMP

APPOINTMENTS IN CONFIDENCE

R

FOLIO 39

CABINET OFFICE
A 3898
10 APR 1991
FILING INSTRUCTIONS
FILE No. .....

10 DOWNING STREET
LONDON SW1A 2AA

From the Principal Private Secretary

MISS PHIPPARD

cc- Mr Kemp
Mr Merifield

CABINET OFFICE

PUBLIC RECORD OFFICE: CHIEF EXECUTIVE

The Prime Minister has seen your minute of 8 April. He was content for responsibility for making this appointment to rest with the Lord Chancellor without the need to seek his approval.

AT

ANDREW TURNBULL
10 April 1991

APPOINTMENTS IN CONFIDENCE

RAS

Recruitment & Assessment Services

CABINET OFFICE
A 3728
5 APR 1991
FILING INSTRUCTIONS
FILE No. .....

FOLIO 38M

487/48

TO: **MISS PHIPPARD** MSB

FROM: **BREDA HAMILTON**

DATE: **5 APRIL 1991**

RECRUITMENT AND ASSESSMENT SERVICES (RAS) AGENCY LAUNCH

Sir Robin Butler has agreed to speak at the public launch of RAS on the afternoon of Wednesday 10 April 1991.

I attach some points for his consideration for inclusion in his speech. Please let me know if you require anything further.

A full speaking note and brief is going forward to the Minister today and Sir Robin will receive a copy of this in due course.

BREDA HAMILTON

DRAFT SPEAKING POINTS FOR SIR ROBIN BUTLER RAS LAUNCH 10/4/91

* Efficiency and effectiveness of Civil Service depends on quality of its staff. Managers now have much more responsibility for recruiting their own staff and therefore for choosing the right people for the right job.

* All part of Next Steps, hailed by many as most significant reform of the Civil Service this century. Interesting to note that creation of Civil Service Commission was regarded as most significant reform of last century. Not our intention to lose traditional values, including political impartiality, integrity and efficiency. Principle of selection on merit by fair and open competition will remain.

* Recognise that change is necessary - importance of Next Steps philosophy of decentralising responsibility to managers - this transfer of recruitment responsibility particularly important. Hope that departments and Agencies will in turn continue process of delegation to the lowest practical management level.

* Delegation of responsibility does not mean that managers have to do everything themselves - should have access to specialist services and expertise. This is role of RAS.

* Michael Geddes will speak about RAS aims and services in more detail. His intention is to build on the strength of the Commission while developing new services to meet future needs.

* Know great deal of hard work done over last two years to implement changes, establish agency and at same time keep "business as usual" in recruitment. Congratulations and thanks to all concerned, perhaps just mention a few of those particularly involved

- John Holroyd who as First Commissioner has seen the changes through

- Brian Walmsley, who unfortunately cannot be here today, but as Head of Recruitment played a major role in the early stages of implementation.

- Clive Parry and his team (Breda Hamilton, Ray Chalk, Janet Woodage)

- And Michael Geddes who has been working towards this since arrival as Chief Executive-designate in November last year.

* Finally, wish RAS success for the future.

RAS

Recruitment & Assessment Services

To: 1. **MR KEMP - if you agree**

2. **MINISTER OF STATE**

c Sir Robin Butler
Mr Holroyd
Mr Parry
Mr Lawson
Miss Hamilton
Mr Kershaw
Mr Martin

From: **Michael Geddes**

Date: 4 April 1991

RECRUITMENT AND ASSESSMENT SERVICES (RAS)
AGENCY LAUNCH, 10 APRIL 1991

ISSUE

1. The "public" launch of the Recruitment and Assessment Services (RAS) Agency which is to take place at the Queen Elizabeth II Conference Centre on the afternoon of 10 April 1991.

RECOMMENDATION

2. That the Minister considers using the speaking notes attached at Annex A to launch RAS.

3. The Minister will be introduced by Mr John Holroyd, the First Civil Service Commissioner, and followed by Sir Robin Butler and myself. The main points suggested to Sir Robin for inclusion in his speech are at Annex B. An outline of my presentation is at Annex C.

BACKGROUND

4. The Minister has already received separate submissions on:

* the establishment of RAS, including its Framework Document and initial Business Plan (my minute of 22 March 1991 refers);

* the other changes in Civil Service recruitment that took place on 1 April 1991 (Mrs Woodage's minute of 11 March 1991 refers).

An additional briefing note along the lines of "What's New?" is attached at Annex D.

5. The Chief Secretary to the Treasury gave his formal agreement on 28 March 1991 to the launch of RAS as an Executive Agency.

MICHAEL D GEDDES

ANNEX A

RAS LAUNCH, 10 APRIL 1991: MINISTER OF STATE'S SPEAKING NOTES

I am delighted to be here this afternoon to launch the new Recruitment and Assessment Services Agency - R A S. It is the third - and largest - Executive Agency to be set up in my own department, joining the Civil Service College and the Occupational Health Service. I am particularly proud of the fact that over 50% of my staff are now working in Executive Agencies.

When the 'Next Steps' initiative was launched in 1988, it was greeted with a certain amount of scepticism both by commentators and within Whitehall itself. Yet, just three years later, there are nearly 50 Agencies established with many more in the pipeline. By the end of this year around 50% of the Civil Service will be operating on Next Steps lines. Even more important, those same commentators and the vast majority of civil servants now accept that the implementation of Next Steps is not a cosmetic exercise. It is visibly changing and improving the way in which the Civil Service carries out a multiplicity of tasks.

I use the word multiplicity very deliberately. The Civil Service has never been a homogeneous organisation. Indeed, this is why it makes such good sense to arrange for the vast majority of its executive functions to be carried out by Agencies. Those Agencies already in existence range in size from the new Social Security Benefits Agency - launched this morning with almost 70,000 staff - to the Queen Elizabeth II Conference Centre - employing just 50 staff.

Staff in the new Agencies have all sorts of skills - we have, for example, administrators, scientists, engineers, doctors, teachers, cartographers (even driving instructors) - and they work in all sorts of environments. Some Agencies, like the HMSO, are primarily commercial; others, like the Employment Service, are not. Some Agencies, such as Companies House, are regulators; others, such as the Meteorological Office, the Civil Service

llege, the Occupational Health Service (and now RAS), are service providers. The diversities are endless. And they demonstrate very clearly that it is a mistake to try to manage all these different activites on the basis of a common rule book. Next Steps allows Agencies to work within frameworks tailored much more sharply to their individual needs while remaining firmly within the Civil Service.

Setting up an Agency, of course, is not an end in itself. It is a means to an end. The important thing is to get improved performance for the benefit of the taxpayer, customers and staff. These benefits are beginning to come through. Some of you may have seen the White Paper published last October setting out progress on the first Agencies to be established. More specifically, the annual reports and accounts to be published by each Agency will show how well they have done against tough targets. It is important that we do not rest on our laurels and that we strive for continuous and progressive improvement. We all know that if you stop going forward there is a risk that you start going backwards.

Change in an organisation employing half a million people does not happen overnight - it would not be very convincing or lasting if it did - and it is much harder to change attitudes than organisational structures. But I remain optimistic. One of the keys to the success of Next Steps is that we are laying down as few rules as possible for managing these changes. Each Agency must decide its management priorities for itself within the targets set by its own Minister. Each Agency is different - and individual Agency managers best know their own business needs. Central systems must give way to local discretion within broad principles of propriety, fairness and accountability to Ministers. That is the right way to blend the best aspects of our Civil Service traditions with the fresh benefits promised by Next Steps.

In short, Next Steps is working. It is encouraging staff to give of their best; it is providing better value for money; and it is improving quality of service. The key point is that we are not

dealing with temporary options but enduring goals.

Those of you who have been involved in setting up executive agencies in your own departments will know that the process is by no means straightforward. In the case of RAS, it has been particularly challenging. Creating an Agency to carry out the executive recruitment functions of the former Civil Service Commission is just one of a number of radical changes that we have made to Civil Service recruitment. They are all part of our wider strategy of loosening up the Civil Service to give you, as managers, more power to make your own decisions. You must not forget, of course, that you are also responsible for living by the consequences of those decisions.

The task facing RAS is not an easy one. Unlike its predecessor, it has no guaranteed business and it charges for all its services. You - as existing or potential customers - will be free to recruit for yourselves or to go elsewhere if you believe that you can obtain better value for money.

I spoke a few moments ago about the importance of changing attitudes. I know that RAS staff are well seized of the importance of being as responsive as possible to customer needs and of providing high quality services. They also have to take care of the interests of individual candidates. With those points in mind, one of the Agency's main objectives is to treat all customers and individual candidates with respect, courtesy and efficiency.

RAS sees itself primarily as an enabling organisation. Michael Geddes, the Chief Executive, who was himself recruited through open competition at the end of last year, will explain in more detail exactly how he sees that role being performed and developed. I would simply make the point that, along with the College and the Occupational Health Service, RAS is there to help you with the business of human resource management. I would counsel you not to underestimate the importance of that aspect of your responsibilities.

have made it very clear to Michael Geddes that I expect RAS to demonstrate "best agency" practice. Accordingly, I have given him some very demanding performance targets. His main financial objective, of course, is to recover the full cost of all the services he provides. I have also set other targets for him covering operational efficiency and quality of service. The management freedoms and flexibilities that he has been given to help him meet those targets are set out in this Framework Document [HOLD UP THE DOCUMENT]. I wish him and his staff every success.

ANNEX B

DRAFT SPEAKING POINTS FOR SIR ROBIN BUTLER RAS LAUNCH 10/4/91

* Efficiency and effectiveness of Civil Service depends on quality of its staff. Managers now have much more responsibility for recruiting their own staff and therefore for choosing the right people for the right job.

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Know great deal of hard work done over last two years to implement changes, establish agency and at same time keep "business as usual" in recruitment. Congratulations and thanks to all concerned, perhaps just mention a few of those particularly involved:

- John Holroyd who as First Commissioner has seen the changes through

- Brian Walmsley, who unfortunately cannot be here today, but as Head of Recruitment played a major role in the early stages of implementation

- Clive Parry and his team (Breda Hamilton, Ray Chalk, Janet Woodage)

- And Michael Geddes who has been working toward this since arrival as Chief Executive-designate in November last year.

* Finally, wish RAS success for the future.

ANNEX C

RAS LAUNCH, 10 APRIL 1991: OUTLINE OF MR GEDDES' PRESENTATION

* Some comments on organisational characteristics of the future

* Comments on basic demographic trends

* Basic Civil Service statistics

* Hence importance of management and development of human resources

* Aims of RAS. Importance of demonstrating wide range of services and credibility in all markets

* Principal range of services

* Conclusion

ANNEX D

RECRUITMENT AND ASSESSMENT SERVICES AGENCY: "WHAT's NEW?"

CIVIL SERVICE RECRUITMENT RESPONSIBILITIES

From 1 April 1991, Civil Service managers are being given more control over the recruitment of their own staff. The area of recruitment for which departments and executive agencies are directly responsible is being extended to over 95%.

STRUCTURAL CHANGES

The Civil Service Commission is being replaced by two discrete organisations:

- a small Office assisting the Civil Service Commissioners with the discharge of their independent duties (1);

- the Recruitment and Assessment Services (RAS) Agency undertaking recruitment and related services on request.

REPAYMENT

RAS will charge customers for all its services. Its main financial objective is to recover its full costs.

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(1) The Civil Service Commissioners remain responsible for recruitment to the most senior grades and fast-stream entries, advising the Minister for the Civil Service on the rules governing selection on merit by fair and open competition, and monitoring the application of those rules.

'UNTIED' CUSTOMERS

Unlike the Commission, RAS will have no 'tied' business. Its customers - mainly departments, other Agencies and the Civil Service Commissioners - will be free to decide for themselves on the extent to which they use RAS. They can choose whether to do the recruitment themselves, use a private sector recruitment agency, or employ RAS to do the work for them.

A NEW APPROACH

RAS will concentrate on the provision of cost-effective, prompt and efficient services of high quality. It offers its services on a menu basis, where the customer can choose the degree of assistance required.

NEW LINES OF ACCOUNTABILITY

The RAS Chief Executive will be directly and personally accountable to the Minister for the Agency's effective and efficient management. He has been designated as Agency Accounting Officer and, as such, may be called upon to appear before the Public Accounts Committee and other Parliamentary Select Committees. Members of Parliament

will be encouraged to deal directly with the Chief Executive on matters concerning day-to-day RAS operations for which he is responsible.

CLEAR LINES OF ACCOUNTABILITY

The RAS Framework Document (which is published) clearly sets out the Chief Executive's relationship with the Minister and other parts of the Cabinet Office. It defines his responsibilities, including the extent of his new managerial freedoms and flexibilities.

BUSINESS PLAN: CLEAR TARGETS AND OBJECTIVES

An initial 1991-92 Business Plan has been produced. It incorporates a number of demanding targets for 1991-92, and lists the key performance measures that will be used to assess their achievement. A 5-year Strategic Plan will be developed over the next few months.

QUALITY OF SERVICE

RAS aims to be a centre of excellence in everything it does. It has a firm commitment to monitor and improve the quality of all its services. This objective is included in the Framework Document; the Business Plan contains related targets to ensure that customers' needs are being met.

TAILORING OF SYSTEMS AND PROCEDURES

Personnel and financial systems and procedures have been designed specifically to meet RAS business needs and to help the Chief Executive achieve his targets.

FINANCIAL FLEXIBILITY

As an Agency, RAS will be seeking the freedom to generate additional income by spending above planned levels. It will thus be able to respond more effectively to satisfy increased customer demand for any of its services.

STAFF MANAGEMENT

RAS will be fully responsible for the recruitment and career management of all its staff. At Grade 6 level and above, the Chief Executive and the Cabinet Office PEO will consult together over selection, career management and development matters.

A radical review of (i) the way in which RAS staff are managed, trained and developed; and (ii) the structure and grading of all RAS posts will be undertaken during 1991-92. Decisions will be taken by the end of the year.

PAY AND INCENTIVE PACKAGES

The Chief Executive may develop pay and incentive schemes where these will assist the achievement of strategic objectives.

5 April 1991

38

Thomas Legg, C.B., Q.C.
Permanent Secretary

HOUSE OF LORDS,
LONDON SW1A 0PW

Tel. 071 219 3246

CABINET OFFICE
3330
A
FILING INSTRUCTIONS
FILE No. .....

5 April 1991

c- Miss Andrews

487/48

Dear Peter.

CHIEF EXECUTIVE OF THE PUBLIC RECORD OFFICE AGENCY

Thank you for your letter of 28 March. I am grateful for your approval to the creation of the post along the lines I proposed in my letter of 15 March.

I have written to John Holroyd at the Commission to obtain approval to run the competition. Providing all goes well we aim to advertise the post towards the end of this month. We hope to hold the selection board sometime between mid-June and mid-July. We will obviously let Mike Whippman know the final details as soon as they become clear.

We shall incorporate the amendments you suggested to the job description. And it will certainly be helpful to make it clear in the advertisement that we may be able to offer more to an outstanding candidate.

I am copying this letter to Robin Butler and Peter Kemp.

Yours ever,
Tom

Sir Peter Middleton KCB
Permanent Secretary
HM Treasury

CABINET OFFICE
A 3641
3 APR 1991
FILING INSTRUCTIONS

CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

THE RT HON TIM RENTON MP
The Minister of State
Privy Council Office

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 5929

C91/1490

FOLIO 37M

487/48

Sir George Young MP
Minister for Housing and Planning
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

28 March 1991

Dear George.

NEXT STEPS AND THE BUYING AGENCY

Thank you for your letter dated 20 March about your plans for the launch of The Buying Agency (TBA).

The creation of a bespoke Trading Fund for the Buying Agency is very welcome indeed. I would congratulate you on the speed and smoothness with which this has been achieved. As with all other features of their arrangements, it is important that Agencies have financial regimes which fully support their business objectives.

I also very much welcome your decision, following the open competition held earlier this month, to offer the Chief Executive appointment to Major General Malcolm Hutchinson. He will join the growing number of individuals identified and recruited following open competitions.

As you say, there is work to do before the Agency can be launched. I share your view that it will be important to ensure that the Framework Document should contain appropriate arrangements for employee relations. In particular, it will be important that the arrangements give the Agency Chief Executive clear authority and responsibility for settling Agency matters locally within the Agency. And as well as the Framework Document it will be necessary to settle and agree the performance targets for the Agency. But subject to all this I agree to the 1 May launch date.

Copies of this letter go to David Mellor and to Sir Robin Butler.

Yours

TIM RENTON

pso.jt/Middleton/2.28.3.91

f

HM Treasury

Sir Peter Middleton GCB
Permanent Secretary

Parliament Street
London SW1P 3AG
Telephone 071-270 4360

FOLIO 37

CABINET OFFICE
A 3653
3 APR 1991
FILING INSTRUCTIONS
FILE No. .....

c- Miss Andrews

T Legg Esq CB QC
Lord Chancellor's Department
House of Lords
LONDON
SW1A OPW

28 March 1991

J87/48

Dear Tom,

CHIEF EXECUTIVE OF THE PUBLIC RECORD OFFICE AGENCY

Thank you for your letter of 15 March with which you enclosed a job description for the proposed Chief Executive post for the Public Record Office Agency.

I am sure that the report of the Efficiency Scrutiny has proved invaluable in pointing the way to a more management and business-oriented future for the Public Record Office. I share your view that management and leadership abilities will be the prime qualities that the selection board will need to look for. Your invitation for Treasury representation on the panel is most welcome and I would nominate Anthea Case's successor, **Mike Whippman.**

I have few comments on your draft job description. On pay, I am content for you to advertise the post at the minimum salary for a Grade 3 in London. That will actually be £51,300 on 1 December 1991, taking into account the £2000 London Allowance. However, you might also wish to include in the advertisement some reference to the fact that more might be available for an outstanding candidate. That would allow you flexibility to appoint a candidate within the Grade 3 salary range rather than at the bottom of it without having to readvertise. I assume the performance pay you envisage will take the form of annual, non-pensionable cash bonuses worth up to 10% of salary and that the Chief Executive will not be eligible for standard Grade 3 performance pay. On that basis, I am content with what you propose. You will need to make clear to candidates that the standard TSBR award is not automatic but is related to fully satisfactory performance.

My other drafting suggestions are minor:

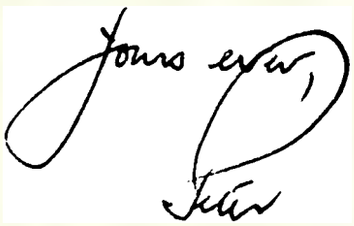
(a) In the third paragraph it would be better to refer to "the appropriate grading arrangements" than "a unified

grading system" since it has already been established that there may be no need for the latter.

(b) In the penultimate paragraph the last part of the first sentence might be better expressed - "to ensure that the Office's spending (within the framework of Parliamentary control) delivers best value for money".

(c) And at the end of that same paragraph the direct managerial responsibilities are too detailed and do not allow for the likelihood of a changed structure. I would suggest - "... direct line manager for up to three Grade 5 posts with corresponding countersigning officer responsibilities".

I am copying this letter to Robin Butler and Peter Kemp.

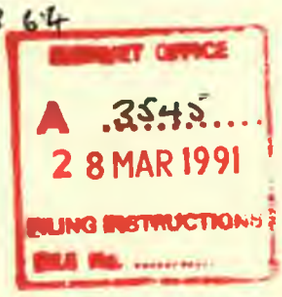


P E MIDDLETON

As amended RB 6.4

Sir Robin Butler

MISS PHIPPARD



From: A J MERIFIELD

Date: 27 March 1991

cc Mr Kemp
Mr Legg (LCD)
Mr Laughrin

CHIEF EXECUTIVE OF THE PUBLIC RECORD OFFICE AGENCY

In the final paragraph of a letter to Sir Peter Middleton seeking approval to the job description for the Chief Executive post, Mr Legg asked Sir Robin and Peter Kemp whether the Keeper of Public Records appointment, which will be twinned with that of the Chief Executive of the new Agency, should continue to require the approval of the Prime Minister.

2. Any appointment of the Chief Executive/Keeper will continue to be the responsibility of the Lord Chancellor. It seems to me that this would be a sufficient safeguard of the probity of the new Chief Executive and an assurance that the records of the Crown and Government would be properly preserved and not be tampered with.

3. I do not think it would be appropriate to continue to refer the appointment to the Prime Minister and Mr Kemp and, I understand, the Machinery of Government Division agree with this.

4. I therefore recommend that the Prime Minister's office be asked to agree to this. I attach a minute for this purpose.

A J MERIFIELD

CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

THE RT HON TIM RENTON MP
The Minister of State
Privy Council Office

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 5929

CABINET OFFICE
A 3442
26 MAR 1991
FILING INSTRUCTIONS
FILE NO. .....

C91/1423

The Rt Hon David Hunt MBE MP
Secretary of State for Wales
Gwydyr House
Whitehall
LONDON
SW1A 2ER

26 March 1991

Dear Secretary of State

CADW EXECUTIVE AGENCY

Thank you for your letter of 17 March in which you outline the detailed targets which you propose to set the Agency for its first year of operation.

There can be no doubt that the Agency performs an important and high profile function in relation to the built heritage of Wales. The arrangements described in the Framework Document and the efficiency and quality targets that you have set the Agency make it clear that you are giving the Chief Executive both the managerial scope and the direct responsibility to deliver a first class service. I am sure that you intend the flexibilities and powers delegated to the Chief Executive to go on developing in the light of the needs of the business.

I welcome the establishment of CADW as the first Next Steps Agency within the Welsh Office. I wish John Carr and all his staff every success in tackling the challenge that lie ahead.

I am sending a copy of this letter to David Mellor.

Yours sincerely

TIM RENTON

(Approved by the Minister and signed in his absence)

cc PS/Sir Robin Butler
Mr Kemp
Mr Gibson
Mr Watson tp/2a

THE DEPARTMENT OF TRANSPORT

PARLIAMENTARY UNDER SECRETARY OF STATE

2 MARSHAM STREET LONDON SW1P 3EB
TELEPHONE 071-276 3000

FOLIO 35

The Rt Hon Tim Renton MP
Minister of State
Privy Council Office
68 Whitehall
LONDON
SW1A 2AT

CABINET OFFICE
A 3417
26 MAR 1991
STERLING INSTRUCTIONS
FILE NO.

My Ref:

Your Ref:

Sir Robin Butler

26 MAR 1991

U87/48

Dear Tim,

EXECUTIVE AGENCY: TRANSPORT AND ROAD RESEARCH LABORATORY

I am writing to seek agreement to the announcement of our plans for the Transport and Road Research Laboratory (TRRL) to become an Executive Agency from 1 April 1992. (A short factual note on TRRL is attached.)

I am grateful for the help and advice that my officials have received from yours, the Treasury and the Cabinet Office in developing our plans. As a result of that work, it is now clear that the necessary arrangements can be put in place in time for the Laboratory to become an Agency in a year's time.

Naturally, I have considered the alternatives and, in particular, the case for privatisation. We shall certainly want to consider that very seriously when the Framework Document is due for review after TRRL has been an Agency for, say, three years. At this stage, however, TRRL does not have in place the financial, managerial and organisational arrangements necessary to make an immediate transfer to the private sector feasible. Moreover, early transfer would have an unacceptable impact on some of our key policy objectives (e.g. the reduction in road casualties), which are currently underpinned by the excellent R & D work being done at the Laboratory. So I suggest that we should see the establishment of TRRL as an Agency and the introduction of a rigorous system of customer-held R & D budgets as a necessary pre-condition for our subsequent review of TRRL as a candidate for privatisation.

I hope that you and David Mellor would be content, therefore, for me to announce the decision about Agency status before the Easter Recess. My officials will consult yours and the Treasury about the drafting.

I am sending a copy of this letter to the Chief Secretary and to Sir Robin Butler, Peter Kemp and Professor Bill Stewart.

Yours ever
Patrick

PATRICK McLOUGHLIN

ANNEX A

TRANSPORT AND ROAD RESEARCH LABORATORY : TRRL

1. The Transport and Road Research Laboratory at Crowthorne, Berkshire, is the Department of Transport's research establishment.

2. The Laboratory's main purpose is to conduct and manage the Department's surface transport research and provide advice on scientific, technical and other specialist matters in the road transport field.

3. The cost of research conducted or managed by TRRL on behalf of DTp customers is about £31m a year. Over 600 staff are employed, about 2/3 of whom are scientific or technical. In addition about £3m income is earned from other customers. About half is from OGDs, and work within the European Community R & D programme. The remainder comes from industry through the Technology Transfer Unit set up to market the skills and facilities of TRRL to the private sector.

4. Plans are well advanced for the transfer of surface transport R & D funds to research customers in the Department and an application for a net running cost regime for TRRL effective from 1 April 1992 is being prepared. A net running cost regime will enable the Laboratory to increase the work for non-departmental customers including OGDs as part of the Government's internal market for R & D. TRRL will be required to cover its costs through receipts from all its customers.

SRPP
March 1991

SCOTTISH OFFICE
WHITEHALL LONDON SW1A 2AU

FOLIO 34

CABINET OFFICE
A 3379.
25 MAR 1991
FILING INSTRUCTIONS
FILE NO. .....

The Rt Hon Tim Renton MP
Minister of State
Privy Council Office
Horse Guards Road
LONDON
SW1P 3AL

Mr Watkins asap

PS/ Perm Sec

Dr Rivers Mr Munro
Mr Gibson

25 March 1991

487/48

Dear Minister of State. 25/3

NEXT STEPS AGENCY: SCOTTISH FISHERIES PROTECTION AGENCY

You will recall that when I wrote on 4 February, further work by my officials was required about the arrangements to establish the Scottish Fisheries Protection Agency from 1 April.

That work is now complete and I attach copies of the Framework Document and of the PQ announcing the Agency's targets for its first year which have been agreed by officials. I would welcome your early agreement so that the arranged Written PQ and answer can be made before the Easter Recess.

I am copying this letter to David Mellor.

MINISTER OF STATE
PRIVY COUNCIL OFFICE
3026
25 MAR 1991
FILING INSTRUCTION

Yours sincerely.
Ian Wright

PP. IAN LANG
(Approved by the Secretary of State and signed in his absence)

AJG00721.031

1991 WRITTEN

HOUSE OF COMMONS

MR : To ask the Secretary of State for Scotland if he will make a statement about his plans to establish the Scottish Fisheries Enforcement Services as a Next Steps Agency.

MR IAN LANG:

I informed the House on 28 February of my intention to establish the Scottish Fisheries Protection Agency as an Executive Agency on 1 April 1991. My noble Friend will preside at a launch ceremony on 12 April.

For 1991-92 financial year I have set the Agency the following targets:

Air

Aerial surveillance - per cent of hours flown on task	78%
Cost per aircraft sighting	£137

Marine

Marine surveillance - number of boardings at sea	2,750
Marine surveillance - cost per boarding	£2,263

SFI

Sea Fisheries Inspectorate - cost per £1m of fish landed	£4,838

Enforcement Prosecutions

50% of cases for prosecution to be reported within 4 weeks of offence taking place and 90% within 6 weeks.

Number of cases where court proceedings are taken as percentage of offences reported for prosecution.	75%

In order to ensure that the Scottish Fisheries Protection Agency uses its resources efficiently, I have set it a target to achieve efficiency gains of at least 1.5% and its running cost limit for 1991-92 has been set on that basis.

The Agency Chief Executive will be directly accountable to me for the Agency's achievements of these targets, which will be reported in the Agency's published Annual Report.

I will place a copy of the Agency's Framework Document in the libraries of both Houses.

THE SCOTTISH OFFICE

FRAMEWORK DOCUMENT

APRIL 1991

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   - 1.2 Title
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   - 1.4 Policy and Resources Framework
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FOREWORD

By the Secretary of State for Scotland

I am pleased to establish the Scottish Fisheries Protection Agency and confident that this new status will lead to a significant and sustained improvement in the delivery of this service.

The task of the Agency is to enforce fisheries legislation and regulations in Scottish waters for the long term benefit of the fishing industry. The Agency will carry out marine and aerial surveillance; conduct monitoring and inspection duties on shore; and will have responsibilities for enforcement policy and fisheries prosecution cases. Effective enforcement is essential: each and every member of the Agency's staff should know how important his or her job is in safeguarding stocks and so ensuring a healthy future for the fishing industry and all who depend on it.

I remain accountable to Parliament for the activities of the Agency. In turn, the Chief Executive is answerable to me for the Agency's operation and performance. He will operate under this Framework Document and on the basis of a Corporate Plan approved by me and updated annually. Each year I will set challenging financial and performance targets for the Agency and I am delegating to the Chief Executive full managerial authority for the Agency and its day to day operations. I am ensuring that he has from the start the necessary financial and managerial freedoms. For the future I envisage growing flexibilities to help the Agency meet increasingly demanding targets and deliver a high standard of service.

I know that there is a high level of professional and technical skills and commitment among staff. This is a key asset for the Agency and its Chief Executive. I recognise that the staff of the Agency have a difficult and complex task to perform, often in adverse working conditions. I thank all of them for their efforts. And I wish the Chief Executive and his staff well in their new role as an Executive Agency.

IAN LANG

AJG00112.031

FROM SOAFD PENTLAND HOUSE FAX:28.02.91 13:17 / NO. 3080119362 P. 5

1. STATUS

EXECUTIVE AGENCY

1.1 From 1 April 1991, the Fisheries Protection and Sea Fisheries Inspectorate Services in Scotland are established as an Executive Agency.

TITLE

1.2 The Agency's full title is the Scottish Fisheries Protection Agency (SFPA).

MINISTERIAL RESPONSIBILITY

1.3 The Secretary of State for Scotland is the responsible Minister. Scottish Office Ministers will not normally become involved in the day-to-day management of the Agency.

POLICY AND RESOURCES FRAMEWORK

1.4 This Document sets out the strategic framework under which the Agency operates within the Scottish Office Agriculture and Fisheries Department (SOAFD).

X inter cap

FUNCTIONS

1.5 The Agency's functions are described in Annex A.

2. AIMS AND OBJECTIVES

2.1 AIM

The aim of the Agency is to secure the enforcement of UK, EC and international fisheries law and regulations in Scottish waters and ports. This assists in the conservation of fish stocks in the waters around Scotland and in creating the conditions necessary for the existence of a modern and viable sea fishing industry in Scotland.

2.2 OBJECTIVES

The primary objectives of the Agency are:

2.2.1 to pursue and implement an effective strategy for fisheries enforcement and meet the targets set for it;

2.2.2 to deter illegal fishing by UK and foreign vessels by air and sea surveillance;

2.2.3 to detect breaches of fisheries regulations by monitoring and inspection at sea and in ports and report as appropriate to the prosecuting authorities;

2.2.4 to provide intelligence on fishing activity in Scottish waters and information and advice in support of fisheries policy;

2.2.5 to deliver and manage its inspection and protection services economically, efficiently and effectively.

2.3 OPERATING PRINCIPLES

The Agency aims to meet these objectives:

2.3.1 by seeking to improve the standard of service delivered to Ministers and the fishing industry;

2.3.2 by providing fair and consistent administration of its duties in Scottish waters and ports;

2.3.3 by regular review of technical and operational standards and policies;

2.3.4 by developing effective co-ordination and integration of enforcement and protection services in the air, at sea, and in ports;

2.3.5 by responding flexibly to change in fisheries policy and opportunities in the fishing industry;

2.3.6 by maintaining standards in management and organisation in line with best public and private sector practice;

2.3.7 by encouraging staff development and training and promoting good employee relations and staff involvement.

3. ORGANISATION

3.1 CHIEF EXECUTIVE

The Agency is headed by a Chief Executive whose appointment will be approved by the Secretary of State, normally following open competition. The appointment will normally be for 5 years with arrangements for review and possible extension depending on performance. The Chief Executive is answerable to the Secretary of State for the operation of the Agency and for its performance in accordance with this document and the Corporate Plan. In exercising his role the Secretary of State will be advised by the Fisheries Secretary, SOAFD.

3.2 MANAGEMENT TEAM

The Chief Executive will determine the management structure of the Agency. At its inception there will be a Management Team comprising the Director of Policy and Resources, the Chief Inspector of Sea Fisheries and the Marine Superintendent. The Chief Executive will head the Management Team and its other members will be accountable to the Chief Executive for their own area of responsibility.

3.3 STAFFING AND ACCOMMODATION

On 1 April 1991, SFPA had about 250 staff. Most are in professional or marine grades deployed either in local fishery offices around the Scottish coast or at sea. There is a small headquarters staff at Pentland House, Edinburgh which consists of the Management Team and managerial and administrative support and the Operations Room. Annex A provides further details. The Chief Executive will review the location of the headquarters as part of the corporate planning process.

3.4 ASSETS

The Agency is responsible for the effective deployment, operation and maintenance of the fishery protection fleet and fishery surveillance aircraft in support of its enforcement strategy. These assets are owned by the Secretary of State. The Agency also operates and maintains fishery research vessels on behalf of the Marine Laboratory, Aberdeen in support of the fisheries research strategy of SOAFD.

3.5 The Chief Executive is accountable to the Secretary of State for making efficient use of the assets for which the Agency is responsible. He or she will propose any variations required as part of the corporate planning arrangements.

3. ORGANISATION

3.6 POLICY AND LIAISON ROLE

The Agency provides advice to Ministers on fisheries enforcement policy and technical fisheries matters. The Agency will continue to liaise with other fisheries enforcement services in the UK about developments in fisheries enforcement policy and legislation. It will maintain close operational links with the Ministry of Agriculture, Fisheries and Food and the Ministry of Defence (as provider of certain sea-going protection services). The Agency will take part in EC and international discussions on fisheries enforcement as appropriate.

4. PARLIAMENTARY ACCOUNTABILITY

4.1 SECRETARY OF STATE

The Secretary of State will continue to answer to Parliament for the functions of the SFPA and Ministerial accountability to Parliament will be undiminished.

4.2 Scottish Office Ministers will encourage Members of Parliament to communicate direct with the Chief Executive on any matter delegated to SFPA. MPs who are dissatisfied with a reply may raise the issue with Ministers. The Chief Executive will ensure that any matter on which it is proper for Ministers to reply in the first instance, is referred to them without delay.

4.3 The Chief Executive will provide Ministers with any information necessary to answer Parliamentary Questions or deal with any other Parliamentary business about matters delegated to the Agency. The Minister will decide the appropriate way to respond to Parliamentary Questions about the Agency and will normally ask the Chief Executive to write to an MP about matters delegated to the Agency in this Framework Document.

4.4 ACCOUNTING OFFICER ARRANGEMENTS

The Secretary of SOAFD is the Departmental Accounting Officer for the Vote from which SFPA is funded.

4.5 The Secretary of SOAFD designates the Chief Executive of SFPA as Agency Accounting Officer.

4.6 The Chief Executive, as Agency Accounting Officer, is accountable for the proper, efficient and effective use of resources provided to the Agency, in pursuit of the agreed Corporate Plan objectives and targets.

4.7 The Agency Accounting Officer and the Departmental Accounting Officer are both liable to be summoned to appear before the Public Accounts Committee. It will continue to be for Ministers to decide who should represent them at other Parliamentary Committee hearings. In practice where a Committee's interest is confined to the day-to-day operations of the Agency, Ministers will normally regard the Chief Executive as the person best placed to appear on their behalf.

4.8 PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION

The activities of the SFPA are subject to investigation by the Parliamentary Commissioner for Administration (the "Ombudsman").

AND
MANAGEMENT

5.1 CORPORATE PLAN

The Chief Executive will prepare each year and submit for approval to the Secretary of State a Corporate Plan covering the 3 forward years. The Corporate Plan will present the Agency's proposed strategy and identify projected resource requirements over the Public Expenditure (PES) planning period. The Plan will inform the Secretary of State's decisions about his Agriculture and Fisheries Programme. It will set out for the period under review:

5.1.1 main objectives and strategies and how these are to be pursued, including examination of alternative options;

5.1.2 external trends and factors which influence the Agency's work;

5.1.3 assessment of main tasks and priorities;

5.1.4 output and resource levels (both cash and manpower) for different options;

5.1.5 preferred strategy and resource requirement;

5.1.6 annual operational, efficiency and financial targets (based initially on the performance measures in Annex B); and

5.1.7 personnel and training strategy.

5.2 The Secretary of State may approve the Corporate Plan, with or without amendment. Approval of the Corporate Plan constitutes the authority for the Chief Executive to conduct the operations of the Agency and forms the main basis against which the Agency's performance will be judged. Exceptionally if policy or circumstances change significantly in the course of the year the Secretary of State or the Chief Executive may propose revisions to the Corporate Plan, including changes to targets and financial resources. Any revisions will be subject to approval by the Secretary of State after consultation with the Chief Executive.

5.3 ANNUAL PLAN

The Corporate Plan will provide the framework for a more detailed annual operating plan which will form the basis for day-to-day management of the Agency.

6. FINANCE

6.1 FINANCIAL PROVISION

The Agency is financed by resources provided by the Secretary of State through supply voted by Parliament.

6.2 The Secretary of State will determine the level of financial provision for the Agency as part of the annual public expenditure review. Voted provision for capital expenditure and running costs will be included in a SOAFD cash limited vote in each year's supply estimates and will form part of the agriculture, fisheries and food programme.

6.3 FINANCIAL DELEGATIONS

The Secretary of SOAFD will delegate specific financial authorities, designed to provide the Chief Executive with flexibility to make the most efficient use of resources. These authorities will be revised from time to time by the Secretary of SOAFD and the Chief Executive. The financial delegations to the Chief Executive are set out in Annex C. The Chief Executive will review these limits regularly and seek to amend them where this would assist him in achieving the Agency's agreed objectives.

6.4 The Chief Executive will be responsible for ensuring that the relevant Government procedures, set out in "Government Accounting" are followed. The Chief Executive may delegate financial authorities in writing within the Agency.

6.5 The Chief Executive will continue to pursue opportunities for market testing and, consistent with improving value for money, contracting out of Agency services.

6.6 INTERNAL AUDIT

The Chief Executive will ensure that a system of internal audit, in accordance with the standards and guidelines laid down in the Government Internal Audit manual, is provided. The Scottish Office Audit Unit will have the right of access to the Agency to give independent assurance to the Departmental Accounting Officer.

6.7 EXTERNAL AUDIT

The Agency will be subject to external audit by the Comptroller and Auditor General.

FROM SOAFD FAX 13/03/91 13:12 NO. 3080119862 P. 12

[redacted]

6. FINANCE

6.8 ANNUAL REPORT AND ACCOUNTS

The Chief Executive will sign and present annually to the Secretary of State for Scotland an Annual Report and Accounts. The Annual Report will review the Agency's performance over the previous year against the financial objectives and performance targets set in the Corporate Plan and how the Agency has responded to unforeseen circumstances. The Accounts will be prepared in accordance with Treasury guidance and on an accruals basis. The Annual Report and audited Accounts will be laid before Parliament and published as soon as possible after the end of the financial year.

6.9 The Agency will operate financial and management accounting systems which enable management to review performance against budgets and targets set.

[redacted]

7. PERSONNEL MANAGEMENT

7.1 STATUS OF STAFF AND CONDITIONS OF SERVICE

All SFPA staff will be Civil Servants within the Scottish Office and will continue to be employed on Civil Service terms and conditions. Staff will remain in, or can join, the Principal Civil Service Pension Scheme, unless they choose not to do so. Any subsequent proposals to vary these arrangements to reflect the particular needs of the Agency will be the subject of normal consultations, for instance under the arrangements described in paragraph 7.7 and (as regards changes in Service-wide conditions such as pay and grading standards) with Treasury.

7.2 PERSONNEL MANAGEMENT

The Agency aims to offer its staff good and satisfying career opportunities and is committed to fostering career development and equal opportunities. The Chief Executive is responsible for ensuring that the requisite level of personnel management expertise is available and maintained and that staff serving in the Agency can obtain advice on training and career opportunities within the Scottish Office and the wider Civil Service.

7.3 Since professional and industrial staff in SFPA are most likely to pursue their careers within the Agency rather than move between it and other parts of the Scottish Office, all aspects of their personnel management (other than pensions) will be the responsibility of the Chief Executive. A personnel unit will be established within the Agency to be responsible for the personnel management of these staff at all levels. Staff in these categories will be eligible for posts elsewhere in the Scottish Office (or the Civil Service at large), and their requests for a transfer will be considered sympathetically and positively wherever possible. Staff will have access to their head of profession if he or she is located elsewhere in the Scottish Office.

7.4 Administrative staff (including office support staff such as typists) within the Agency are normally expected to move between the Agency and other parts of the Scottish Office as a consequence of career planning and promotion. The Chief Executive will be responsible for all line management responsibilities and for job related training; recruitment, and career development outwith the Agency, will be the responsibility of the Principal Establishment Officer of the Scottish Office subject only to the following provisos:

7.4.1 the Chief Executive may recruit directly external candidates to fill selected posts on fixed term contracts;

7.4.2 the Chief Executive may recruit casual staff directly; and

7.4.3 the Chief Executive and the Principal Establishment Officer will consider sympathetically and positively wherever practicable, requests from administrative staff in SFPA who wish to pursue their careers wholly or partly in the Agency.

7.5 The Chief Executive, ~~SFPA~~, in consultation with the Principal Establishment Officer ~~of the Scottish Office~~, will keep under review the extent of ~~its~~ the Agency's personnel responsibilities with a view to maximising delegation while increasing the efficiency and effectiveness of the service to management and staff. Particular consideration will be given to taking on a wider range of personnel management functions for administrative staff, from 1 April 1992.

7.6 PERFORMANCE INCENTIVES

The Agency will consider introducing incentive schemes for all staff, or for groups of staff. A note to the Annual Report will record any payments and their relationship to the achievement of published objectives.

7.7 STAFF RELATIONS

The Chief Executive will determine, after consultation with staff and Trade Unions, arrangements to foster good staff relations.

7.8 TRAINING AND STAFF DEVELOPMENT

SFPA recognises the importance of training and development for all staff. It will draw up a training and staff development strategy for all staff. This strategy will pay particular attention to the Agency's own priorities as set out in the Corporate Plan and to the developmental needs of individual members of staff.

7.9 HEALTH AND SAFETY

SFPA will designate a Health and Safety Officer and aim to achieve the highest standards of health and safety for its employees and on board its vessels and aircraft.

8. SUPPORT SERVICES

8.1 FROM LAUNCH

From its inception the Agency will be responsible for support services for personnel management (as described in paragraph 7.3) and for Corporate Planning and those financial responsibilities delegated to it (as described in paragraphs 5.1 and 6.3). In addition, subject only to the requirement not to exceed the total budget, the Chief Executive may switch expenditure among a range of services and obtain these services from the source which offers best value for money.

8.2 FOR THE FUTURE

The Chief Executive will progressively review the provision of other support services with appropriate parts of the Scottish Office on the understanding that the number of support services for which the Chief Executive has delegated authority will increase over time. The criteria to be applied in this process will give proper consideration to the efficiency and effectiveness of the Agency and the Scottish Office as a whole.

9. REVIEW AND DEVELOPMENT

9.1 AMENDMENT AND REVIEW

This Framework Document will be reviewed jointly by the Secretary of State and the Chief Executive no later than 3 years after the establishment of the Agency. Changes may however be proposed to the Framework Document earlier in the light of experience or changed circumstances.

9.2 The Office of the Minister for the Civil Service and the Treasury will be consulted on any proposed changes prior to submission to the Secretary of State for approval. Where the proposed changes relate to staff terms and conditions of service they will also be the subject of consultations with staff representatives.

9.3 PUBLICATION

Copies of this Framework Document, and of any subsequent changes, will be placed in the libraries of the Houses of Parliament.

9.4 ENQUIRIES

All enquiries on this Framework Document should be addressed in the first instance to:-

Director Policy and Resources
Scottish Fisheries Protection Agency
Pentland House
47 Robb's Loan
EDINBURGH
EH4 1TW.

ANNEX A
SFPA FUNCTIONS AND RESOURCES

1. The exploitation of sea fisheries in the waters around the UK is regulated under the EC Common Fisheries Policy and also under other UK national measures. The enforcement of EC and national regulations is the responsibility of each Member State. In Scotland this role is undertaken by the Scottish Fisheries Protection Agency which is responsible for monitoring the implementation of EC and national regulations and detecting and taking appropriate action on any offences committed.

2. SFPA enforcement and inspection staff are designated as British Sea ~~Fisheries~~ Officers (BSFOs) who have statutory powers and duties relating to the enforcement of fisheries legislation. BSFO duties include the inspection and monitoring of fishing vessels, gear and equipment, records and catches. For the SFPA, Fishery Officers of the Sea Fisheries Inspectorate and officers of the Fishery Protection fleet are BSFOs with responsibilities within Scottish waters and ports.

AREA OF OPERATION

3. SFPA responsibilities cover Scottish waters of 185,000 sq miles within the British Fishery Limits. A map of the relevant area appears on the inside back cover.

RESOURCES

4. Over 87% of the staff have specialist skills, either Fishery Officers in the SFI or officers and ratings in the Marine Service. The staffing complement of the Agency at 1 April 1991 is:

4.1 Marine Service	139
4.2 Sea Fisheries Inspectorate	72
4.3 Administration Group	33.

5. The main assets employed by the Agency at 1 April 1991 are:

5.1 *Vessels:* ~~4~~ 4 large offshore patrol vessels: FPVs Sulisker, Vigilant, Norna and Westra;

5.2 ~~two~~ fast patrol vessels: Moidart and Morven.

5.3 *Aircraft:* 1 Fokker F27

5.4 ~~one~~ Cessna Caravan (on short term lease).

6. The current asset value of the protection vessels is £28m and of the aircraft £3.5m.

FUNCTIONS

7. The main functions of the Agency are land-based monitoring and inspection of fishing activity and landings; marine and aerial surveillance; and the provision of enforcement policy advice.

LAND-BASED INSPECTION

8. The tasks of the Sea Fisheries Inspectorate (SFI) involve land-based fisheries protection and enforcement duties around the Scottish coast and the provision of statistics and intelligence for the Agency and Department about the fishing industry in Scotland and technical fisheries matters.

9. The main functions of the SFI are:

9.1 Enforcement of fisheries legislation and licence conditions

This involves issuing licences and variations, monitoring of catches in port (species landed; size of fish landed; fish mesh sizes; fish grading requirements) and investigating suspected offences.

9.2 Provision of Technical Advice and Intelligence

This involves providing assessment and advice for the Agency and Department on a wide range of fishery issues (including conservation measures; enforcement policy; and fishing methods and gear).

9.3 Fishing Vessel Registration

Registration of Scottish based fishing vessels.

9.4 Food and Environment Protection Legislation

This involves advising the Department on Dumping at Sea licence applications in relation to fisheries interests, and enforcing the relevant legislation. Also advice in relation to oil industry developments and the effects of the oil industry on fisheries.

MARINE SURVEILLANCE

10. The function of the fishery protection fleet is to undertake protection and enforcement duties at sea. Its tasks are:

10.1 through regular patrols of waters around Scotland to deter unauthorised fishing activity;

10.2 to board and inspect fishing vessels where required to monitor fishing activity and to detect offences under EC and national fisheries regulations and initiate legal proceedings where necessary;

10.3 record sightings of fishing vessels at sea and report on fishing activity for the Agency and Department.

AERIAL SURVEILLANCE

11. The function of the aerial surveillance operation is to provide information on the location of fishing vessels and the pattern of fishing activity through regular aerial patrols over the waters around Scotland and information on sightings of vessels and type of fishing operation. The Agency aims also to deter illegal fishing activity and, where possible, detect offences through aerial surveillance. Surveillance aircraft work closely with fishery protection vessels.

[redacted]

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ANNEX B

MEASURES OF PERFORMANCE

The performance targets set for the Agency in the Corporate Plan will initially be based on the following measures:

Aerial surveillance - per cent of hours flown on task

Cost per aircraft sighting

Marine surveillance - number of boardings at sea

Marine surveillance - cost per boarding

Sea Fisheries Inspectorate - cost per £1m of fish landed

Prosecutions - proportion of cases reported for prosecution within required timescales

Number of cases where court proceedings are taken as percentage of offences reported for prosecution.

[redacted]

X Annex C

SCOTTISH FISHERIES PROTECTION AGENCY: DELEGATIONS AND FLEXIBILITIES

1. Capital Expenditure

Within the overall limit of its capital Estimates provision and subject to the appropriate investment appraisal the Chief Executive may approve expenditure on capital purchases or projects up to the following limits:

Capital Goods and Equipment	Up to £75,000
Capital Works	Up to £500,000

For purchases or projects approved under this authority the Agency may incur increased costs provided that the revised estimate is less than 10% above the relevant delegated authority limit.

2. Defined Losses and Special Payments

The Chief Executive has delegated authority to deal with, and write off where appropriate, such losses and to make such payments up to the following limits:

Cash Losses - Losses of Accountable Stores, Fruitless Payments and Constructive Losses	Unlimited
Claims Waived or Abandoned	Up to £4,000
Extra-Contractual and Ex-gratia Payments to Contractors	Up to £4,000
Other Ex-gratia Payments	Up to £4,000
Compensation Payments	Up to £4,000
Extra-statutory and Extra-regulatory Payments	Up to £4,000
Gifts of Stores and Property	Up to £1,000
Rewards for Return of Lost Public Property	Up to £1,000

3. End-Year Flexibility (EYF)

The Agency will have the normal access to EYF on any underspend on its running costs up to a value of 0.5% (or £50,000, whichever is the greater) of its direct running cost sub-head and up to 5% of its capital sub-head.

[redacted]

R A1 22/3

cadw23iw

NEXT STEPS PROJECT TEAM
DATE 22 MAR 1991
FOR ATTENTION OF
THIS IS NOT AN ORIGINAL RELEASE DESTROY

FOLIO 133

From: I Watson

Date: 22 March 1991

1 MR KEMP

2 MINISTER OF STATE

cc : ~~P/S~~ 818213 Sir Robin Butler
Mr Gibson
Team

A 3324
22 MAR 1991

487/48

CADW EXECUTIVE AGENCY

CADW (Welsh Historic Buildings and Monuments) is due to become an Executive Agency on 1 April 1991.

BACKGROUND

1. CADW has responsibility for all statutory protection measures, including advice to Ministers, relating to the conservation and preservation of significant historic buildings and monuments in Wales. It also awards grants to the owners of historic buildings and monuments; maintains and reviews the lists of statutorily protected buildings and monuments; manages the buildings in the Secretary of State's care; promotes public understanding and enjoyment of the estate and engages in commercial, educational and promotional activity in support of these responsibilities.

2. In 1990/91 CADW had 236 staff, running costs of approximately 3k; programme expenditure of around 7k and income of 2.5k.

3. This is due to be established as the first Executive Agency within the Welsh Office under the Government's Next Steps initiative on 1 April 1991 and thus has a particular significance both within the Welsh Office and, because of that and the nature of the business, in Wales itself.

4. Negotiations on the Framework Document have been protracted but the Minister was able to write to the Secretary of State for Wales on 14 March agreeing that the final document represented a satisfactory conclusion to those discussions.

5. In that letter the Minister asked the Secretary of State for Wales to consider revising the Ministerial Foreword to the Framework Document to emphasise the intention that further freedoms would follow as the Agency was set more demanding targets. I am advised that the Secretary of State for Wales has amended the Foreword to take this suggestion on board.

6. The Minister also requested that some thought be given to the launch arrangements and these are now in place.

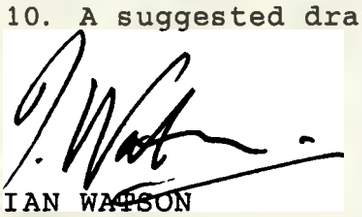
7. The Secretary of State for Wales has now written seeking approval of the targets which he proposes to set for the first year of the Agency's operation. These have been agreed by officials here and in Treasury. They include an overall efficiency gain of 1.5% backed up by a series of measures for improving the quality and delivery of the Agency's services.

8. Mr John Carr is to be the first Chief Executive of the Agency. He was recruited from Times newspapers in 1984 to take CADW forward to Agency status and to become its first Chief Executive. Thus the Government's preferred option of open competition for the post of Chief Executive has been followed in this case.

RECOMMENDATION

9. The Minister of State should reply to the Secretary of State for Wales welcoming the launch of this Agency.

10. A suggested draft is attached.



IAN WATSON
NEXT STEPS PROJECT TEAM
EXT 6440

The Rt Hon David Hunt MBE MP
Secretary of State for Wales
Gwydyr House
Whitehall
London SW1A 2ER

March 1991

CADW EXECUTIVE AGENCY

Thank you for your letter of 17 March in which you outline the detailed targets which you propose to set the Agency for its first year of operation.

There can be no doubt that the Agency performs an important and high profile function in relation to the built heritage of Wales. The arrangements described in the Framework Document and the efficiency and quality targets that you have set the Agency make it clear that you are giving the Chief Executive both the managerial scope and the direct responsibility to deliver a first class service. I am sure that you intend the flexibilities and powers delegated to the Chief Executive to go on developing in the light of the needs of the business.

I welcome the establishment of CADW as the first Next Steps Agency within the Welsh Office. I wish John Carr and all his staff every success in tackling the challenges that lie ahead.

I am sending a copy of this letter to David Mellor.

TIM RENTON

Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 071-270 3000 (Switsfwrdd)
071-270 0538 (Llinell Union)
Fax: 071-270 0561

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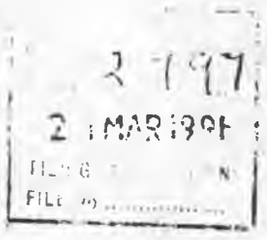
071-270 0538 (Direct Line)
Fax: 071-270 0561

The Rt Hon David Hunt MBE MP

From The Secretary of State for Wales

CT/9031/91



March 1991

Dear David,

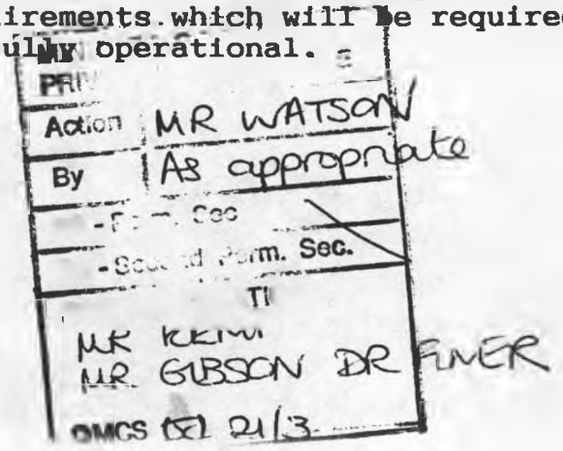
CADW: WELSH HISTORIC MONUMENTS EXECUTIVE AGENCY KEY ANNUAL TARGETS FOR PUBLICATION

Thank you for your letter of 14 March in which you indicate your agreement in principle to the terms of the Framework Document for Cadw.

... I attach details of the targets I propose setting for Cadw's first year of operation as an executive agency. It is my intention that, after receiving your agreement to these, I should publish them by means of an inspired Parliamentary Question. We hope to table the PQ for answer on Tuesday, 26 March, 1991.

The proposed targets address the four areas of performance identified in the Framework Document for the Agency and represent the key targets that I think should be published. They will be underpinned by a series of subsidiary targets in the Corporate Plan which will measure average costs of activities, activity levels and absolute performance in relation to specific parts and operations of the Agency. There are some areas, in particular value for money and quality, where it is going to take some time to develop robust measures. Work has been set in hand to establish suitable data bases.

The targets I propose to set seek either that current performance be maintained or a modest increase in performance. The Agency's first Annual Report will place these targets into the context of past performance and the tougher requirements which will be required of the Agency once it is fully operational.



/The report.....

The report in "The Government Expenditure Plans 1991-92 to 1993-94" (Cm 1516) already demonstrates significant achievements in some of Cadw's areas of activity. My expectation is that, endowed with the new management freedoms of an executive agency, Cadw will be able to improve further on this performance. My expectations for this first year of operations are tempered by the fact that the Agency will be undergoing a structural re-organisation as well as seeking to manage the changes executive agency status will bring.

These are robust and testing targets. I hope that you agree and you can now, therefore, agree to the establishment of Cadw: Welsh Historic Monuments as an executive agency on 1 April.

I am sending a copy of this letter to Tim Renton.

The Rt Hon David Mellor QC MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON SW1P 3AG

CADW : EXECUTIVE AGENCY

KEY PERFORMANCE MEASURES

A. Conservation/Preservation.

i. completion to time and within cost of 85% of priority conservation projects identified in the Quinquennial Review of Properties in Care.

NOTE : The current performance measure is 80% and is on target to be achieved.

ii. notification to applicants of decisions on Historic Buildings Council grant applications within 18 weeks of receipt in 85% of cases.

NOTE : This is a new target, Cadw received some 400 HBC grant applications in 1990/91. This target will measure the quality of service to the public.

iii. determination of 75% of Scheduled Monument Consent cases within 90 days.

NOTE : The current performance target is 70%. Some 95 cases have been received during 1990/91.

iv. determination of 75% of Listed Building Consent referrals in 28 days; 90% within 60 days.

NOTE : The current target is for 70% of cases within 28 days. Some 610 cases have been received during 1990/91. There is currently no second tier target.

v. complete 12 Historic Building Listing re-surveys in the year, where each re-survey covers one or more community districts.

NOTE : Target unchanged from current year.

vi. decide on 30 ancient monuments within the Scheduling Enhancement Programme in the year. This Programme is rationalising the existing Schedule of ancient monuments and identifying representative samples of different monument classes for scheduling.

NOTE : Target unchanged from current year.

B. Presentation

vii. generate increase in receipts to £2.76million from the 1990-91 forecast out-turn of £2.4million.

NOTE : Receipts will cover trading costs at the sites and make a contribution towards operating costs.

viii. maintain overall market share of the top 20 heritage sites in Wales at 66.6%, which represents c.1.4 million visitors to Cadw sites.

C. Administration.

ix. operate within allocated programme and running cost budgets.

x. generate a 1.5% efficiency improvement against gross running costs covering all of the Agency's operations.

15 March 1991

THE NATIONAL ARCHIVES

DEPARTMENT/SERIES CAB 164 PIECE/ITEM 2042/23 (one piece/item number)	Date and sign
Extract details: Letter from Baxter to Phippard dated 21 March 1991, with enclosure	
CLOSED UNDER FOI EXEMPTION 40(2)	16/8/22 Wayland
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
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Instructions for completion of Dummy Card

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.
This should be an indication of what the extract is,
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3 (4) of the Public Records Act 1958; Temporarily retained; Missing at transfer
or Number not used.

CABINET OFFICE
A 3233
2 1 MAR 1991
FILING INSTRUCTIONS
FILE No. .....

DATE 21 MAR 1991
FOR ACTION OF:
THIS IS NOT AN ORIGINAL PLEASE DESTROY

487148

From: Peter Martin
Date: 21 March 1991

1. MR KEMP
2. PS/MINISTER OF STATE

cc PS/Sir Robin Butler
Dr Finer
Mr Gibson

BB832 MM

Issue

The Parliamentary Under-Secretary of State for the Armed Forces' letter of 14 March seeking your agreement to the launch of the Military Survey Defence Support Agency on 1 April.

Recommendation

2. Agree to the launch. A draft letter to Lord Arran is attached.

Background

3. Military Survey was announced as one of the first tranche of DSA candidates in November 1989. The Agency has around 800 civilian and 500 military staff and an annual budget of some £50 million. It provides essential mapping services which are critical to the performance of the Armed Forces.

4. In accordance with the normal practice for Agencies, the options of privatisation and contractorisation were considered for Military Survey. It was concluded, however, that the service is essential for military operations and that it should remain within the MOD as a Defence Support Agency. The need for this specialist support service was graphically illustrated during the recent Gulf crisis.

Military Survey Service

5. The DSA is a part of a wider Military Survey Service (MSS) which comprises all the geographic specialist staff in MOD, whether serving within the DSA or attached to other units. Major General Roy Wood, who was appointed at the end of last year, is Chief Executive of the DSA and also professional head of the MSS.

Delegations

6. The delegations with which the DSA will launch are detailed in the Framework Document. These are designed to give the Chief Executive the right toolkit to manage the Agency as effectively as possible. The delegations on personnel and finance will be reviewed with a view to increasing them where this would enhance the Agency's performance. Specific delegations which will accrue to the Agency from April 1992 include the letting of contracts and overall management within MOD of the procurement of specialist geographic equipment within agreed limits. A review of the management structure of the Agency is due to be carried out in its first year of operation.

Customer Relationships

7. The Agency has introduced a more focused relationship with its MOD customers, aimed at better defining the tasks laid on the Agency and reporting progress. The customer/supplier relationship will be looked at further, with MOD and central departments as necessary, within two years of launch, including the possibility of bringing the costs of MOD services as a charge

against user budgets. The Agency is already looking at the possibility of charging MOD customers for additional work done on a bespoke basis, where this work has not been provided for in the Agency's plans, and is not required for military operations.

8. Under the terms of the Framework Document the DSA has the freedom to develop sales of its products and services to commercial users beyond the MOD. This will be undertaken on repayment terms, taking account of the Treasury Fees and Charges Guide, and provides an important freedom for the Chief Executive to utilise any spare capacity and spread overheads on equipment and other assets that he needs to retain to meet the Agency's core tasks.

Plans and Targets

9. The Agency has produced a ten year Corporate Plan and a more detailed Management Plan. These set out a coherent strategy for further developments in the DSA's management and other systems including performance measurement systems in keeping with the aim of continuous and progressive improvements in performance.

10. The DSA's targets reflect priorities set out in the Management Plan. They have been agreed with the Treasury and the OMCS. The targets cover three main areas; the delivery of the programme; the use of resources; and the development of further management systems. All these promise to be demanding. The targets are to be published by way of an arranged Parliamentary Question.

11. The impact of the Options for Change exercise on the Agency has been considered, in the context of its Corporate and Management Plans. The diminution in the size of the Armed Forces is not expected to lead to a consequential reduction in the size of the Agency - a mapping capability will continue to be required to support military operations, with the same global coverage as now.

Conclusion

12. The Military Survey is a good Next Steps operation. It is a discrete and highly specialised service operation within the MOD. The Corporate and Management Plans show a clear sense of how the Agency expects to develop, and it has been set demanding targets as milestones along that path. As with other Agencies the launch is only a first, important, step in this direction paving the way for a better service in future.

PETER MARTIN
Next Steps Project Team

Draft letter to:

Parliamentary Under-Secretary of State (Armed Forces)
Ministry of Defence
Whitehall
LONDON SW1A 2HB

MILITARY SURVEY DSA

Thank you for your letter of 14 March proposing the establishment of the Military Survey DSA on 1 April.

I am happy for the Agency to be launched. Considerable work has gone into setting up the Agency and negotiating a range of freedoms and flexibilities. The launch of the Agency is, however, only a start, and the performance of the DSA against its challenging targets will be the real test of the exercise. A demanding set of targets has been agreed. Targets are an important, and public, pointer to the success or otherwise of Agencies, and I am particularly glad to see a commitment for increasingly demanding targets year on year. As part of the efforts to deliver a progressive improvement in performance, it will be important to review the delegations and flexibilities available to the Agency, to ensure that it is fully equipped to deliver these improvements.

I understand that the Agency has set work in hand to strengthen its relationship with MOD customers. In common with other DSAs, we will be looking to see this relationship further strengthened, by bringing the costs of services as a charge on users' budgets. A review is planned within two years.

Major General Roy Wood, the first Chief Executive, will have a range of freedoms and flexibilities to help him achieve the targets being set for the DSA. He will be accountable to you and to the Departmental Accounting Officer, for the delivery of these targets and the effective management of the DSA. These are new responsibilities, which carry an additional burden in terms of delivery and accountability. I wish him well in this challenging task.

I am copying this letter to David Mellor.
TR

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 071-21.....(Direct Dialling)
071-21 89000 (Switchboard)

PARLIAMENTARY UNDER-SECRETARY OF STATE
FOR DEFENCE FOR THE ARMED FORCES

MINISTER OF STATE
PRIVY COUNCIL OFFICE
C.....2257.....
.....

The Rt Hon Tim Renton MP
Minister for the Arts and the
Civil Service
Horse Guards Road
London
SW1P 3AL

D/US of S(AF)ADG 20/5/0

14th March 1991

MINISTER OF STATE
PRIVY COUNCIL OFFICE
Action | Ms Martin
By | 22.3.91
PS - Perm. Sec
PS - Second Perm. Sec.
FOR INFORMATION.
Ms Gibson Dr Finer
OMCS 19/3

Dear Tim,

During the Defence Debate on 18 October 1989 Tom King advised the House that the Ministry of Defence would be playing its part in furthering the concept of the "Next Steps" initiative by creating Defence Support Agencies (DSAs) within the MOD. These Agencies would remain embedded in the structure of the Department because their activities must remain an integral part of the activities of the Ministry or of the Armed Forces. But they would be operated, as nearly as practical, on lines which match the spirit of the Next Steps concept.

The first DSA was created in April 1990 when the Hydrographic Office in Taunton assumed DSA status. I am writing to you now to obtain your formal endorsement of the proposal to create a Military Survey DSA on 1 April 1991. Military Survey is an Army organisation which forms an integral part of the MOD. It provides essential mapping services and digital data critical to the performance of the Armed Forces and their battle-winning equipments, and embodying classified information from sensitive sources which it would not be appropriate for any external agency to handle. The essential nature of this support for military operations has been demonstrated emphatically by the accuracy of the Coalition's attacks on Iraqi targets during the Gulf conflict. Military Survey is the British component of a NATO network of military organisations. It employs some 500 military personnel and 800 civilians (mainly cartographic specialists). Its annual full cost budget will be of the order of £50m and the DSA will operate as an integral part of the MOD's New Management Strategy budget system.

100% Recycled Paper

... I enclose a copy of the Framework Document and Key Objectives of the Military Survey DSA. These are the outcome of lengthy discussions between our officials and those of the Treasury. The Framework Document sets out the role and organisation of the DSA, and the accountability and delegated power of the Chief Executive as well as his responsibilities to achieve the declared objectives. The Key Objectives summarise the essential targets (including Efficiency objectives) to be met by the DSA in the first period of its existence. These are underpinned by a Corporate Plan and a very detailed Management Plan, both of which have been discussed fully with your officials and Treasury officials, which set demanding targets and milestones to be met progressively over the next 5-10 years. All these objectives, targets and milestones will be refined progressively over the early years of the DSA's existence. The overall aim is to secure the delivery of improved performance in terms of quality of service and resource management.

Parliament has been advised of the intention to create the Military Survey DSA in 1991 and it will be appropriate to inform it of the planned vesting day by way of an Answer to an arranged
... PQ. The attached draft Answer confirms that vesting day will be 1 April 1991, advises that a copy of the Framework Document is being placed in the Library of the House, and lists the Key Objectives.

The Unions have been kept informed at national level of the development of the concept of Framework Documents and DSAs generally. The Unions in Military Survey have been consulted from an early stage on the Framework Document itself.

I would be grateful for early confirmation that you and David Mellor (to whom I am copying this letter) are content with these arrangements.

The Earl of Arran

100% Recycled Paper

cst.ps/let/12dm20.3

UNCLASSIFIED

Treasury Chambers, Parliament Street SW1P 3AG
071-270 3000
Fax 071-270 3456

C - Mr Kemp

The Rt Hon Tony Newton MP
Secretary of State for Social Security
Department of Social Security
Richmond House
79 Whitehall
London
SW1A 2AH

CABINET OFFICE
A 3307
22 MAR 1991
FILING INSTRUCTIONS
FILE No. .....

21 March 1991

EXECUTIVE AGENCY STATUS: BENEFITS AND CONTRIBUTIONS AGENCIES

Thank you for sending to me a copy of your letter of 19 March to Tim Renton.

2. I am content with your proposals to establish the two Agencies on 2 April and with their framework documents. I have also seen the high level targets which you have set for the two agencies and which will be published with the business plans.

3. The Benefits Agency will be the largest Next Steps Agency yet created - indeed it will be the largest that we are ever likely to establish. I know that a great deal of work has been put into setting it up, in your department, in OMCS and in the Treasury. I wish it, its Chief Executive and its staff well for the future. I wish the Contributions Agency the same.

4. I am copying this letter to the Prime Minister, Tim Renton and Sir Robin Butler.

DAVID MELLOR

rca21iw

A 3323
22 MAR 1991
FILING INSTRUCTIONS
FILE No. .....

From: I Watson

1 MR KEMP

Date: 21 March 1991

2 MINISTER OF STATE

cc : P/S Sir Robin Butler
Mr Gibson <without F/D>
Team < " >
Mr Drane < " >

NORTHERN IRELAND RATE COLLECTION AGENCY

The Secretary of State for Northern Ireland has written to the Prime Minister seeking approval to the establishment of the Rate Collection Agency in Northern Ireland from 2 April. There will a formal ceremony to mark the occasion in Belfast on 27 March.

BACKGROUND

1 The Northern Ireland Civil Service is autonomous of the Home Civil Service. Nonetheless it has been closely following the Next Steps initiative and has its own Project Team in the Department of Finance and Personnel headed at Grade 3 level.

2 The Agency will be charged with the collection of Rates throughout Northern Ireland and with administering the Housing Benefit scheme for owner occupiers.

3 The Framework Document has been seen and approved by the (GB) Next Steps Team and the Treasury. This contains details of the performance measures that will be used to judge the Agency's performance.

4 The targets which the Agency will be expected to achieve in its first year of operation are comprehensive and challenging and as such are acceptable to the Department of Finance and Personnel; to us here and to the Treasury. They clearly demonstrate both the Agency's commitment to secure value for money and to providing a quality service to its customers. (I suspect that the figure of 440k for Rates collectable used in Mr Brooke's letter will need to be revised in the light of this weeks Budget.)

5 As Mr Brooke makes clear Mr David Gallagher has been appointed as the Agency's first Chief Executive, following open competition, and he has played a full part in taking the Agency through to launch.

RECOMMENDATION

6 The Minister should welcome the launch of this Agency.

7 A draft memo to send to the Prime Minister is attached.

IAN WATSON
PROJECT TEAM
EXT 6440

DRAFT MEMO TO SEND TO THE PRIME MINISTER

NEXT STEPS: NORTHERN IRELAND RATE COLLECTION AGENCY

Peter Brooke copied to me his memo of 21 March seeking agreement to the launch of this Agency on 27 March.

I welcome this extension of the Next Steps initiative in Northern Ireland. My officials have worked closely with colleagues in Northern Ireland in developing these proposals, including the Framework Document and the performance targets. It seems clear to me that the arrangements described in the Framework Document and the targets that Mr Brooke will be setting the Agency give the Chief Executive both the managerial scope and the direct responsibility to deliver a first class service.

I am very happy to endorse the launch of this Agency, and wish the Chief Executive and all his staff every success in the challenges that lie ahead.

I am copying this to Peter Brooke and David Mellor.

TIM RENTON

NORTHERN IRELAND OFFICE
WHITEHALL
LONDON SW1A 2AZ

SECRETARY OF STATE
FOR
NORTHERN IRELAND

The Rt Hon John Major MP
Prime Minister
First Lord of the Treasury and
Minister for the Civil Service
10 Downing Street
LONDON

21 March 1991

Prime Minister,

NEXT STEPS EXECUTIVE AGENCIES: RATE COLLECTION AGENCY

I am writing to advise you of the intention to launch the Rate Collection Agency (RCA) as a Next Steps Executive Agency on 27 March 1991. The Agency will become operative on 1 April 1991 and will have responsibility for collection of rates and the administration of the Housing Benefit Scheme for owner occupiers in Northern Ireland.

Rating Division of the Department of the Environment (NI) was identified as a suitable candidate for agency status in July 1989. The alternative options (contracting out and privatisation) were ruled out as inappropriate for a body collecting revenue which is a Crown debt. April 1 1991 was chosen as the most appropriate commencement date for the Agency taking into account the close relationship between Rates and the financial year.

The development of the Policy and Resources Framework Document has been completed and a copy is attached at Annex 1. It sets out the ground rules within which the RCA will operate and, in

particular, its accountability to Parliament and Ministers and its relationship with the Department of the Environment (NI). Officials in HMT and OMCS are content with the Document.

The Chief Executive of the Agency will have responsibility for its day-to-day operations and the Agency itself will have greater public accountability in terms of planning, performance targets and service to customers. The Agency will have improved financial and personnel flexibilities and during the first year of operation it will examine, in consultation with DOE (NI), what further freedoms may be appropriate to its needs.

The Agency will be headed by a Chief Executive at Grade 6 level. Mr D W Gallagher a Grade 7 in the Finance Division of DOE (NI) was appointed Chief Executive Designate in November 1990 following open competition and he has been involved in the preparatory work of establishing the Agency since that time.

The success of Next Steps Agencies will be judged primarily on improved performance through the delivery of challenging targets so it is gratifying that the main target for the RCA will be to reduce the level of rate arrears to below the 2% mark for the first time. This will require a high level of commitment from the Agency's staff who in 1991/92 will have responsibility for collecting rates totalling £440 m. Annex 2 contains details of the Performance Targets to be set. It is encouraging to note that the targets for Housing Benefit do not focus solely on the job to be done but also reflect the speed and accuracy qualities of carrying out of the task. HMT and OMCS, as well as Department of Finance and Personnel, are satisfied that the targets are comprehensive and challenging and include requirements for improved efficiency and quality of service, consistent with the objectives of the Next Steps Initiative.

The 'What's New' statement, to be issued by the Agency on the day of the launch, is attached at Annex 3. I would highlight the aim to conduct a customer attitude survey during 1991/92 with a view to determining how the Agency can better meet the needs of the ratepayers from whom it collects revenue. This is pertinent to the Next Steps ethos of improving the quality of service delivered to the public.

I propose to launch the Agency by way of an arranged PQ, the draft of which is at Annex 4. I hope you will be able to endorse the proposal to launch the Rate Collection Agency on 27 March 1991.

I am copying this minute to David Mellor and Tim Renton.

P.B.

PB

FOREWORD

The Rate Collection Agency which I am establishing on 1 April 1991 is the first Executive Agency to be set up within the Department of the Environment for Northern Ireland under the Next Steps initiative announced by the then Prime Minister in February 1988. The Agency will be responsible for the collection of rates and for administering the Housing Benefit Scheme for ratepayers who are owner-occupiers.

This document sets out the framework within which the Rate Collection Agency will operate and, in particular, its accountability to Ministers and Parliament and its relationship with the Department of the Environment. In addition to setting out the authority which is being given to the Chief Executive it includes provision for him to propose additional flexibilities where these will contribute to the better management and functioning of the Agency.

The establishment of the Rate Collection Agency provides both an opportunity and a challenge to its staff. Collection of rates is not an enviable task and making further reductions in the level of rates arrears which is one of the challenging targets I have set will not be easy. Nevertheless the advent of the Agency will provide fresh stimulus towards this objective while at the same time continuing to deal with ratepayers in a consistent and sensitive manner. A further aim of the Agency will be to improve the awareness of ratepayers in the owner-occupier sector of their entitlement to Housing Benefit.

I am confident that the staff of the Agency will rise to the challenge and will meet the demanding operational and efficiency targets that have been set.

RICHARD NEEDHAM MP

RATE COLLECTION AGENCY

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CHAPTER 2	AIMS AND OBJECTIVES
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CHAPTER 4	RELATIONSHIPS WITH DEPARTMENT OF THE ENVIRONMENT AND OTHER GOVERNMENT DEPARTMENTS
CHAPTER 5	PLANNING, REPORTING AND CONTROL
CHAPTER 6	FINANCE
CHAPTER 7	PERSONNEL
CHAPTER 8	REVIEW OF FRAMEWORK DOCUMENT
ANNEX A	PERFORMANCE MEASUREMENTS
ANNEX B	FINANCIAL FLEXIBILITIES
ANNEX C	PERSONNEL FLEXIBILITIES

CHAPTER 1: STATUS AND ORGANISATION

STATUS

1.1 With effect from 1 April 1991, Rating Division of the Department of the Environment for Northern Ireland (DOE) has been established as an Executive Agency within DOE, hereafter referred to as the Department.

TITLE

1.2 The Agency is called the RATE COLLECTION AGENCY and is referred to in this document as "the Agency".

RESPONSIBILITIES

1.3 The Agency is responsible for the collection of the rates and also the administration of the Housing Benefit Scheme for owner-occupiers.

THE CHIEF EXECUTIVE

1.4 The Agency is managed by a Chief Executive who was appointed following open competition. The appointment is for 3 years with arrangements for review, and possible extension, depending on performance.

1.5 The Chief Executive is accountable to Ministers for the efficient organisation and management of the Agency in

accordance with this document and the Corporate Plan, and for meeting its agreed targets and objectives within allocated resources.

1.6 The Chief Executive will arrange to have appropriate financial, statistical, economic and other services made available where these are not available within the Agency.

MANAGEMENT STRUCTURE

1.7 The Chief Executive is supported in the exercise of his duties by an appropriate management team. The organisation will be kept under review so as to ensure that it best meets the needs of the Agency.

LOCATION AND STAFFING

1.8 The Agency has approximately 275 staff located in a Belfast Head Office and 13 Regional Offices throughout Northern Ireland.

CHAPTER 2: AIMS AND OBJECTIVES

AIMS

2.1 The aims of the Agency are to collect the rates and to manage the Housing Benefit scheme for owner-occupiers efficiently, economically and effectively.

OBJECTIVES

2.2 In support of these aims the Agency's specific objectives are to:-

(a) ensure that ratepayers are treated on a consistent and sensitive basis;

(b) keep under review operational policies and procedures;

(c) achieve the performance targets set by Ministers;

(d) introduce new initiatives to enable it to meet the needs of ratepayers more closely;

(e) take prompt and consistent recovery action against those ratepayers who do not pay; and

(f) to accurately and speedily assess Housing Benefit applications.

ACTIVITIES

2.3 Consistent with these objectives, the main activities of the Agency are:-

(a) to collect rates due to District Councils in respect of the district rate and the Department of Finance and Personnel (DFP) in respect of the regional rate;

(b) to promote and develop a customer care ethos within the Agency;

(c) to keep under review the range of payment methods available;

(d) to improve the awareness of ratepayers in the owner-occupier sector of their entitlement to Housing Benefit.

CHAPTER 3: PARLIAMENTARY ACCOUNTABILITY

ACCOUNTABILITY TO PARLIAMENT

3.1 The Secretary of State for Northern Ireland and the Minister with responsibility for the Department answer to Parliament for the Agency. Ministers do not normally become involved in the day-to-day management of the Agency.

PARLIAMENTARY QUESTIONS AND MINISTERIAL RESPONSIBILITIES

3.2 Ministers encourage Members of Parliament to deal directly with the Chief Executive on matters which have been delegated to the Agency. MPs who are dissatisfied with a reply may raise this with the Minister. The Chief Executive will ensure that any matter on which it is proper for the Minister to reply in the first instance is referred to the Minister without delay.

ACCOUNTING OFFICER RESPONSIBILITIES

3.3 The Permanent Secretary, as Accounting Officer for the Department, will appoint the Chief Executive as Agency Accounting Officer. The Chief Executive's duties are defined in the light of this Framework Document and the Corporate Plan.

COMMITTEE OF PUBLIC ACCOUNTS AND OTHER PARLIAMENTARY SELECT COMMITTEES

3.4 The Accounting Officer and the Agency Accounting Officer are both liable to be summoned to appear before the Committee of Public Accounts. It is for Ministers to decide who should represent them at other Parliamentary Select Committees when the affairs of the Agency are being discussed. In practice the Minister will normally regard the Chief Executive as the person best able to answer on his behalf where the Committee's interest is in matters delegated to the Chief Executive.

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION

3.5 The activities of the Agency are subject to examination by the Parliamentary Commissioner for Administration for Northern Ireland.

CHAPTER 4: RELATIONSHIP WITH THE DEPARTMENT OF THE ENVIRONMENT AND OTHER GOVERNMENT DEPARTMENTS

DEPARTMENTAL POLICY

4.1 Department of Finance and Personnel is responsible for Rating Policy including the striking of the regional rate while the Department is responsible for rate collection policy.

STRATEGY

4.2 Ministers determine the policy and resources framework within which the Agency will operate. The Chief Executive will contribute to the formation of policy and the determining of the resources framework.

RESPONSIBILITIES OF THE DEPARTMENT

4.3 The Permanent Secretary of the Department is responsible for advising Ministers on:

- the Agency's Corporate Plan and Annual Business Plans;

- the Agency's bids for submission to DFP in relation to the Public Expenditure Survey in the context of advice on the competing bids across the Department; and

- the Agency's objectives and targets.

4.4 Ministers will set performance targets against which the Agency's effectiveness in achieving its aims and objectives will be assessed. Annex A contains the measures to be used for this purpose.

CHAPTER 5: PLANNING, REPORTING AND CONTROL

CORPORATE AND BUSINESS PLANS

5.1 Each March the Chief Executive submits a Corporate Plan covering a 4-year period to Ministers. The Corporate Plan helps inform the decision-making process about the distribution of the Northern Ireland Public Expenditure Block.

The Corporate Plan forms the basis for judging the performance of the Agency and is designed to enable the Agency to meet its aims. It sets out for the period concerned:-

(a) an analysis of the Agency's strengths and weaknesses, identifying the critical features of its operating environment, particularly those which influence rate collection;

(b) the strategies to be used to ensure its main aims are met;

(c) the priorities for rate collection and recovery;

(d) the planned improvement of facilities and information available to ratepayers;

(e) the training strategy for the Agency; and

(f) the development of Information Technology for the Agency.

The Corporate Plan provides the Framework for a more detailed annual Business Plan on which the Agency is managed. The Corporate Plan will be published. The annual Business Plan outlines the specific actions necessary to allow these aims to be met.

MONITORING AND REPORTING

5.2 The Chief Executive will prepare by 30 June each year an Annual Report for submission to Ministers which will incorporate a Statement of Accounts. The Report will cover actual performance against targets in the Business Plan and will detail targets for the Agency in the next year. The Accounts will be audited by the Comptroller and Auditor General (C & AG) for Northern Ireland, placed in the Libraries of both Houses of Parliament and

published with the Annual Report. Any report which the C & AG may make will be placed along with the Accounts.

APPROPRIATION ACCOUNT

5.3 The Chief Executive will provide any information necessary for the preparation of the Department's Appropriation Account. The Appropriation Account is signed by the Departmental Accounting Officer.

FINANCIAL DELEGATIONS

6.6 The Chief Executive has available to him, the financial delegations as set out in Annex B. The Agency, in consultation with DOE, will review the extent of financial delegations available to the Agency during its first year of operation.

INTERNAL AUDIT

6.7 The Chief Executive, as Agency Accounting Officer, will institute an appropriate audit programme. Initially this will be carried out by the Department without cost to the Agency, although the Chief Executive may seek alternative arrangements if he so wishes. Where appropriate, the Department has the right of access to the Agency to perform work necessary to give an independent assurance to the Departmental Accounting Officer.

EXTERNAL AUDIT

6.8 The Agency is also subject to external audit by the Northern Ireland Audit Office. The Comptroller and Auditor General will have right of access at all reasonable times to the books, accounts and records of the Agency and will be entitled to carry out value for money investigations into the Agency's activities.

CHAPTER 6: FINANCE

RESOURCE PROVISION

6.1 Provision for the Agency's resource requirements is made within the overall provision of the Department agreed by the Secretary of State in the Public Expenditure Survey.

ACCOUNTING FRAMEWORK

6.2 The Accounting Framework for the Agency is gross running costs control, with full flexibility within that budget.

FEES AND CHARGES

6.3 The Agency in accordance with Government policy is, where appropriate expected to apply fees and charges towards the costs of its services.

6.4 The Agency's Business Plan contains details of any fees and charges.

RESOURCE ADJUSTMENTS

6.5 The Agency's resource provisions are subject to variation in-year. After consultation with the Chief Executive, the Minister may from time to time adjust the resources allocations and/or amend the Agency's performance targets.

(b) nomination of staff to appear before promotion boards in other Government Departments;

(c) the career development of staff;

(d) secondment of staff to posts outside the NICS;

(e) the Permanent Secretary's role in disciplinary procedures;

(f) grievance procedures; and

(g) efficiency reviews.

WELFARE SERVICES

7.6 The Agency's staff will have access to the Department's Staff Welfare Service.

EMPLOYEE RELATIONS ARRANGEMENTS

7.7 The Chief Executive consults with staff, and their Trade Union representatives through an Agency Whitley Committee which is directly representative of the Agency's staff. The Chief Executive has full negotiating rights on all matters appropriate to the Agency.

CHAPTER 7: PERSONNEL

STATUS AND CONDITIONS OF SERVICE

7.1 The Agency's staff are Civil Servants subject to the Northern Ireland Civil Service (NICS) Pay and Conditions of Service.

PERSONNEL FLEXIBILITIES

7.2 The Chief Executive has the delegated personnel flexibilities set out in Annex C. The Agency, in consultation with the Department, will review the extent of personnel delegations available to the Agency during its first year of operation.

STAFFING

7.3 The Chief Executive will be consulted by the Department on all matters relating to the appointment or transfer of staff into or out of the Agency and on other aspects of personnel functions outlined below.

RECRUITMENT

7.4 The Agency will adhere to Northern Ireland Civil Service Commission recruitment procedures.

PERSONNEL MANAGEMENT

7.5 The Agency comes within the Department's arrangements with regard to:-

(a) internal promotion and trawl boards;

The Chief Executive may on his own initiative, or at the request of TUS, initiate a review of these arrangements for the better attainment of the Agency's objectives.

TRAINING AND DEVELOPMENT

7.8 The Chief Executive is responsible for identifying the training and development needs of the Agency's personnel and for ensuring that these needs are met in order to deliver the Agency's required level of service.

EQUALITY OF OPPORTUNITY

7.9 The Agency applies fully the equal opportunity policies of the NICS as set out in the Equal Opportunities Policy Statement.

CHAPTER 8: REVIEW OF FRAMEWORK DOCUMENT

REVIEW ARRANGEMENTS

8.1 This Framework Document will be jointly reviewed by the Department and the Agency in consultation with Department of Finance and Personnel not more than 3 years after the establishment of the Agency. Where the terms and conditions of staff are affected by proposed revisions, there will be consultation with staff and their representatives. All amendments will be subject to the approval of Ministers.

PUBLICATION

8.2 Copies of this Framework Document and any subsequent amendments will be published and placed in the Libraries of both Houses of Parliament.

ANNEX A
(Para 4.4)

PERFORMANCE MEASURES

1. Collection and Recovery of Rates

1.1 Operational Objective
Each year to reduce rating debt as a percentage of the Gross Collectable Rate (excluding late assessments).

1.2 Value for Money Objective
Each year to achieve a reduction in the real value of the unit costs of collecting rates per hereditament.

1.3 Quality of Service
To generate refunds to a percentage of ratepayers so entitled within 14 days of credits being identified.

2. Administration of the Housing Benefit Scheme for the Owner-Occupier Sector

2.1 Operational Objective
By 31 March each year to have processed a percentage of applications in respect of the incoming year received from existing Housing Benefit recipients by mid-March.

2.2 Value for Money Objective
Each year to achieve a reduction in the real value of the unit costs of processing Housing Benefit cases.

2.3 Quality of Service Objective
To achieve a progressive reduction in the error rate of Housing Benefit processing.

ANNEX B
(para 6.6)

FINANCIAL FLEXIBILITIES

RUNNING COSTS	To manage the running costs allocation as a single budget.
CAPITAL EXPENDITURE	To make use of end-year flexibility subject to Departmental approval.
RATING ACCOUNT	To submit the Rating Account direct to the Comptroller and Auditor General.
WRITE-OFFS	To authorise write-offs.

ANNEX C
(para 7.2)

PERSONNEL FLEXIBILITIES

ORGANISATION	To determine changes in organisation or staffing, including the number and grades of posts, up to and inclusive of Staff Officer.
LIMITED PERIOD APPOINTMENTS	To use Limited Period Appointments to fill posts where the requisite experience does not exist within either the Department or the Agency.
CASUAL APPOINTMENTS	To appoint casual staff.
INCENTIVES	To have the right to develop the Agency's own incentive bonus scheme.
WORKING HOURS	To have the right to introduce alternative working patterns to accommodate modified opening hours.

/SD-M

RATE COLLECTION AGENCY

PERFORMANCE TARGETS - 1991/92

1. COLLECTION AND RECOVERY OF RATES

1.1 Operational Objective

To reduce rating debt to below 2% of the Gross Collectable Rate (excluding late assessments) by 31 March 1992.

1.2 Value for Money Objective

To achieve a reduction of 1.6% in the real value of the unit costs of collecting rates per hereditament.

1.3 Quality of Service Objective

To generate refunds to 90% of ratepayers so entitled within 14 days of credits being identified.

2. HOUSING BENEFIT ADMINISTRATION

2.1 Operational Objective

To process by 31 March 1992 75% of applications in respect of the incoming year received from existing Housing Benefit recipients before 16 March 1992.

2.2 Value for Money Objective

To achieve a 1.5% reduction in the real value of the unit costs of processing Housing Benefit applications.

2.3 Quality of Service Objective

To achieve 96% of Housing Benefit assessments free of error.

3. CASH EFFICIENCY SAVINGS

To achieve actual Cash Efficiency savings of at least 1.5% in addition to projected non-cash efficiency savings.

[redacted] ANNEX 3

WHAT'S NEW FOR THE RATE COLLECTION AGENCY

Management

- The Chief Executive will have personal responsibility for the management of the Agency which will operate at arms length from the Department.

- The Agency is being set challenging targets for efficiency, effectiveness, (especially in collecting as large as possible proportion of the rates due) and quality of services, which will be published. The performance of the Agency will be judged against these targets.

- The Chief Executive will be asked by Ministers to deal direct with questions, for example, from MPs, on matters delegated to the Agency.

Finance

- The Chief Executive will have full delegation on the management of his running costs budget.

- The Agency will have a facility for end year carry forward for capital expenditure.

- The Chief Executive will have authority to authorise write-offs.

Personnel

- The Agency will be able to develop its own incentive bonus scheme.

- The Chief Executive will be able to determine organisation structure and staffing up to Staff Officer level, and to propose changes above that level.

- The Chief Executive will be able to make limited period appointments where appropriate and to appoint casual staff.

- The Agency will review its personnel arrangements during its first year of operation.

Service to Customers

- The Agency will be judged on its quality of service as well as on its financial performance.

- A Customer Service Attitude Survey will be conducted during 1991/92 with a view to producing a Customer Care Strategy during 1992/93. This Strategy will allow the Agency to judge the needs of the ratepayers more accurately.

- The Agency will be able to introduce alternative opening hours possibly including late night and Saturday morning opening at certain peak periods.

- An Ansa Phone facility will be introduced initially in Belfast as an experiment to relieve the difficulty of getting through to local offices by phone at peak periods. If this succeeds, it may be made permanent (or extended).

- The Public areas of many local offices have already been refurbished and new premises have been occupied in Downpatrick, Cookstown and Ballymena. An agreed programme of work has been devised to have refurbishments carried out at the remainder of the offices.

ANNEX 4

DRAFT PARLIAMENTARY QUESTION AND ANSWER

To ask the Secretary of State for Northern Ireland, what progress has been made in establishing the Rate Collection Agency.

DRAFT REPLY (MR NEEDHAM)

I am pleased to announce that the Rate Collection Agency will be established as an Executive Agency of the Department of the Environment for Northern Ireland with effect from 1 April 1991. It is responsible for the collection of rates and administration of the Housing Benefit Scheme for owner-occupiers. I am confident that the new status as a Next Steps Agency will lead to a significant and sustained improvement in the delivery of this important public service. I am delegating full managerial authority for the Agency's day-to-day operations to the Chief Executive. The policy and resources framework for the Agency is set out in the Framework Document, copies of which are being placed in the Library of the House. For 1991/92, the following targets have been set for the Agency:-

1. To reduce rating debt to below 2% of the Gross Collectable Rate (excluding Late Assessments) by 31 March 1992.

2. To achieve a reduction of 1.6% in the real value of the unit costs of collecting rates per hereditament.

3. To generate refunds to 90% of ratepayers so entitled within 14 days of credits being identified.

4. To process by 31 March 1992 75% of applications in respect of the incoming year received from existing Housing Benefit recipients before 16 March 1992.

5. To achieve a 1.5% reduction in the real value of the unit costs of processing Housing Benefit applications.

6. To achieve 96% of Housing Benefit assessments free of error.

The Rate Collection Agency has also to achieve running costs cash efficiency

CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

FOLIO 32

THE RT HON TIM RENTON MP
The Minister of State
Privy Council Office

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 5929

487 | 10

C91/1336

3 letters:
Mr Martin + pps
Mr Kemp
PS/Sir Robin Butler
Dr Finer
Mr Gibson
Mr Maman

Kenneth Carlisle Esq MP
Parliamentary Under Secretary of State
for Defence Procurement
Ministry of Defence
Main Building
Whitehall
LONDON
SW1A 2HB

CABINET OFFICE
A 3312
22 MAR 1991
FILING INSTRUCTIONS
FILE NO. .....

21 March 1991

Dear Parliamentary Under Secretary of State,

NEXT STEPS: DIRECTORATE GENERAL OF DEFENCE ACCOUNTS (DGDA)

Thank you for your letter of 12 March on the establishment of DGDA as a Defence Support Agency (DSA) from 1 April.

I am content to agree to the launch of the DSA on the basis agreed between our officials ie that after one full year of operation the status of DGDA will be reviewed to determine which arrangement - direct reporting from its Chief Executive to Ministers, or reporting through the chain of command - is best in terms of accountability and performance. My view, as officials have made clear, is that the normal Next Steps direct reporting line would be appropriate in these cases, but the review means that the merits of the respective cases can be considered in the light of DGDA's practical experience in the next year or so. That seems to me to be a sensible way to take this matter forward.

I am pleased to note that, despite the real challenges facing the Ministry of Defence, you have been able to set the DGDA a set of challenging but realistic targets, and that you plan to set equally tough targets in the years ahead. I am sure that this is right. Next Steps is all about improving performance, and published targets, together with the means of achieving them through greater delegation and freedom to manage, is the key to this. In particular I welcome the targets for service delivery, and the introduction of service level agreements for customers,

all this should help to sharpen the service offered by DGDA and make it more responsive to the needs of those who use it. Equally, it will allow DGDA to specify its requirements for information and support in order that it can deliver the level of service to which it is committed.

On untying, I very much agree that this should not be one-sided, and that if DGDA's customers are free to go elsewhere in the search for better value for money, the DSA should likewise be permitted to look for other business opportunities in order to spread overheads and make use of assets that it needs for its core activities. As you say, this has to operate on a "level playing field" basis, so that the market is not distorted. Equally, there must be considerable scope for DGDA to exploit its information base and expertise to provide "added-value" services to customers elsewhere in the MOD.

Becoming a DSA involves a greater degree of responsibility and visibility for the Chief Executive, who will be personally responsible for the delivery of the Agency's targets. To assist him, the Agency will have a new range of freedoms and flexibilities specifically designed for the job in hand. Mr Dymond and his staff deserve real credit for their efforts to date in getting the Agency up and running, but this is just the beginning with the real challenges still to come. I wish them every success.

I am copying this letter to David Mellor.

Yours sincerely

Jayne Colquhoun

TIM RENTON

(Approved by the Minister and signed in his absence)

MINISTER OF STATE
PRIVY COUNCIL OFFICE

CABINET OFFICE
A 3212
20 MAR 1991
FILING INSTRUCTIONS
FILE NO.

From: Peter Martin
Date: 20 March 1991

1. MR KEMP
2. PS/MINISTER OF STATE

cc PS/Sir Robin Butler
Dr Finer
Mr Gibson
Mr Moman

FORENSIC SCIENCE SERVICE AGENCY

FOLIO 3IN

Issue
The Home Secretary's letter of 13 March seeking agreement to the launch as an Agency of the Forensic Science Service (FSS).

Recommendation
2. Agree. A draft letter to Mr Baker is attached.

Timing
3. The Agency is due to be launched on 1 April, with a formal ceremony on 26 April. Mr Baker will announce the Agency's launch in a written Answer when the House returns after Easter.

Background
4. A report by the Home Affairs Committee in 1989 on the Forensic Science Service (HAC 1st Report, Session 1988-89) recommended the introduction of direct charging to customers for forensic services, to be followed by the establishment of the FSS as an Agency. The Government accepted these recommendations, targeting April 1991 for the introduction of direct charging and, following further study in the Home Office, the establishment of the Agency on the same date.

Changes
5. The move to direct charging, accompanied by untying, has meant a radical change in the FSS' relationship with its customers, in particular the police. The Agency has made great efforts to get the police to accept the principle and the practical consequences of direct charging, and to introduce the management information systems the FSS needs to support direct charging. It is a tribute to the Agency's efforts in this respect that it expects to maintain business levels next year, despite the fact that the police are no longer tied, and given that some forces will have to pay significantly more for their forensic support than in the past (see below).

6. Alongside these changes the FSS has undertaken a major reorganisation aimed at developing a more coherent and better focused structure. New multi-disciplinary teams have been set up which will take on a wider range of cases than before. The new organisation will also have a sharper customer focus, to ensure that the police, and other customers, are more aware of the services on offer and that the Agency is more aware of their needs. The Agency will be permitted to take on new work or explore new ventures to enable it to utilise spare capacity or otherwise enhance its ability to serve the needs of its public sector customers. This flexibility is vital in a demand-led organisation with considerable outlay on expensive technical equipment.

7. The reorganisation and the move to Agency status, with its greater emphasis on linking reward and performance, has prompted

the Agency to set in hand a review of its pay and grading system. The target date for introducing the new system is April 1992. The Agency plans to move to a net running costs regime, also by April 1992 if possible, and to become a trading fund thereafter.

8. On the personnel front, the Agency already exercises a range of delegated powers, and will gain even more at launch to equip it better for the future.

Chief Executive

9. Dr Janet Thompson, a Home Office official, was appointed Director General of the FSS in November 1988, following an open competition. Dr Thompson has been confirmed as the first Chief Executive of the FSS. Her personal contribution to the changes delivered to date has been considerable, and will continue to be vital to the delivery of the further changes envisaged and the achievement of the targets being set for the FSS. The Home Office are in the process of negotiating with the Treasury a new remuneration package for Dr Thompson incorporating a sizeable element of performance pay.

Targets

10. As Mr Baker has indicated, the FSS has been set some challenging targets. These include targets for unit costs which relect productivity improvements of 1.75%, 2.26% and 2.74% for the next three years. The Agency has also been set a series of targets for turnround of cases, and aims to develop, over the next year, an indicator for measuring the effectiveness of casework. Its overriding target in the first year of operation, however, will be recovery from customers of its full costs.

Framework Document

11. The framework document has been finalised in all but one respect. We cannot persuade the Home Office to remove a sentence that implies that the trade unions can veto changes. Home Office officials are not prepared to concede this point, which also arose in the context of the Passport Agency. You may wish to press Mr Baker on this; I have drafted accordingly.

Wider Interest

12. The Home Affairs Committee have just published a report on Next Steps Agencies in the Home Office. The report supports the establishment of Agencies, but is critical of the time taken to establish the FSS and Passport Agencies, and the consultation process. Press reports have also highlighted the concern of some police forces that repayment and local authority spending limits will penalise heavy users of the Forensic Science Service. Copies are attached.

13. There is no easy answer to the concerns of the police. It is arguable that police use of the forensic service has been subsidised in the past, but that is not the point. Exposing to the police the true cost of their demands, and charging them for their use of the service, is the best way of securing the optimum level of service. It will be up to the FSS to demonstrate that the service the Agency offers represents good value for money, in the face of competition from other laboratories that can already undertake some of the more routine forensic work. As for setting up Agencies too slowly, whilst we might agree with this view, the bull point is the importance of establishing Agencies on a sound

basis, even if that means a delay. Critics are always ready to suggest that Next Steps is about "rebadging" without securing real change.

14. Charges of insufficient consultation normally come from the unions. In these cases the unions were given ample time to comment on the framework documents. The Committee's comments, therefore, may be related to the fact that the Home Office refused to let them see the draft framework documents. This decision was taken, on the advice of Machinery of Goverment Division here, to protect the normal convention that advice to Ministers and internal working documents will not be made available to Select Committees.

Conclusion

15. The Forensic Science Service is a good Agency candidate. The change in status is only part of a major reorganisation of the FSS and the way it does business with a view to improving the service it offers to its customers. A key part of this task will be to manage the relationship with the police in such a way that their present, entirely understandable, anxieties prove to be unfounded. The performance of the Agency, and notably the Chief Executive, so far is very encouraging in this respect.

PETER MARTIN
Next Steps Project Team

DRAFT LETTER TO:

Rt Hon Kenneth Baker MP
Home Secretary
Home Office
Queen Anne's Gate
LONDON SW1H 9AT

FORENSIC SCIENCE SERVICE AGENCY

Thank you for your letter of 13 March about the lauch as an Agency of the Forensic Science Service.

I am very happy to agree to the launch of this Agency. I am very impressed with the many changes introduced in the FSS, by way of preparation for Agency status. Untying customers, the introduction of direct charging and an internal restructuring, undertaken so successfully and to a tight timetable, reflects very well on the Director General, Dr Thompson, and all the staff in the FSS. And I know there is more to come - a pay and grading review and developments in the Agency's financial regime, aimed at further equipping the Agency to respond to customer needs and deliver the improvements in quality of service that are at the heart of Next Steps.

I gather that the Agency's targets have now been agreed, and that you will be publishing these at the time of the Agency's launch. I believe, too, that outstanding points on the framework document are nearly all resolved. The only issue on which officials cannot agree is again this question of the trade unions' apparent ability to veto changes in industrial relations arrangements, about which I wrote in the context of the Passport Agency. I hope you can meet our concerns on this point.

I know that the Agency has already put a great deal of work into the relationship with the police to get them to accept these changes. This will obviously continue to be a key element in taking forward these changes. More than anything else, the Agency's performance will be judged on its ability to deliver a service that customers recognise as offering good value for money. I wish the FSS every success in tackling this challenge.

TR

THE TIMES

Secrecy in Home Office attacked

By RICHARD FORD, POLITICAL CORRESPOND

THE Home Office was criticised yesterday for being unnecessarily secretive about the terms under which the passport office and forensic science service will operate when they become semi-autonomous agencies.

MPs also questioned the relationship that will exist between ministers and the chief executives of the agencies, particularly whether the executives would have enough freedom to manage staff and levy charges for their services. That issue is of crucial importance for the success of the government's Next Steps programme. Some trade union officials believe that there will be inevitable conflict between ambitious chief executives and ministers.

A report on the progress of the passport department and forensic science service to agency status said that it was incredible that two months before their launch as agencies there had been no public indication of the terms under which they would operate. The report by the home affairs select committee said that the terms would indicate the way the agency and the minister would relate to Parliament and it criticised unnecessary secrecy in withholding the documents from MPs.

The report also criticised officials for not deciding how much work the forensic science service would be able to carry out for defence cases.

THE INDEPENDENT

Police fears of forensic charges

By Anthony Bevins, Political Editor

A SENIOR police officer has warned that increased charges planned by the Forensic Science Service will hamper crime detection.

The cash squeeze has also prompted a union to suggest that cost-cutting could lead to the decriminalisation of some drug offences – because of the expense of getting forensic evidence on drug identification.

The Forensic Science Service is to be given executive agency independence from Whitehall next month, when the new charging system takes effect.

But David Owen, Chief Constable of North Wales and president of the Association of Chief Police Officers, has told the Commons Select Committee on Home Affairs that the police service is concerned that heavy users of the FSS will be penalised.

Projected costs for his own force are due to rise from £224,000 in 1989-90, to £400,000 in the next financial year – an increase of 79 per cent. He said: "I am still in negotiation with my police authority as to whether that sum will be available or not."

One of the practices which could be threatened would be mass "genetic finger-printing"; undertaken in serious crime investigations. Mr Owen said forces would now be compelled to ask: "Can I afford this line of inquiry?"

The forensic science service has been financed from a common services fund, which allowed flexibility between forces. "Now each force will be in the business of making decisions which will be prioritised on a financial basis."

"To this end forces are now taking on extra staff to manage the financial budgets and seek to prevent overspending. We are clearly in the business of crime detection – if we can afford it."

A breakdown of new charges for 40 of the 41 provincial forces in England and Wales showed an overall increase of 30 per cent for 1991-92, compared with 1989-90.

But several forces face increases of more than 50 per cent – including Greater Manchester, Merseyside, South Wales, West Mercia and the West Midlands.

Mr Owen's warning was underlined by a memorandum submitted to the committee by the Institution of Professionals, Managers and Specialists, which said: "Police authorities are already saying that their requirement for forensic science may not be so great next year because of the pressure on their funds.

"It has even been suggested that many drug offences will only be prosecuted if the defendant pleads guilty because there will be insufficient funds for drug identification. This in effect invites the prospect of decriminalisation by the back door."

The select committee welcomed the move to executive agency status for the forensic science service, and the Passport Office, but called for the provision of adequate resources. "It would be unforgiveable to establish an agency which is hobbled from the beginning," it said.

■ *Next Steps Agencies.* Third Report, Home Affairs Committee, Session 1990-91. Commons paper 177. HMSO, £8.70.

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Sir Robin Butler

Minister for Housing
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CABINET OFFICE
A 3348
22 MAR 1991
FILING INSTRUCTIONS
FILE No.

20/3/91

487/48

Dear Tim

We have already announced our intention to confer Executive Agency status on The Buying Agency as soon as practicable after 1 April 1991. I am now writing to say that I propose to launch the new Agency on 1 May, to coincide with the appointment of a new Chief Executive in the Agency.

The Buying Agency is a public sector procurement agency. Its primary purpose is to enable Government departments, the NHS and other non-departmental public bodies to obtain a wide range of engineering, building, maintenance and domestic products and services, under arrangements that provide quality assurance and value for money, and which comply with public purchasing policy and regulations. In 1990, The Buying Agency became an independently accountable division of The Crown Suppliers, under whose wing it had operated for a number of years. When the Government announced the closure of the contract furnishing business of The Crown Suppliers, it made clear that the Agency would be kept open because of its potential to earn a reasonable rate of return, while providing cost and quality benefits to its customers. A business plan prepared with the assistance of Coopers and Lybrand Deloitte has confirmed that potential.

The Buying Agency has operated under the Property Services Agency Supplies Trading Fund since 1976. Under orders which will be debated in Standing Committee later this week, this fund is to be wound up at the end of March, and a new Trading Fund established for the Agency.

As well as a number of quality performance measures, the twin aims of The Buying Agency are to increase the volume of goods and services procured in real terms (a proxy for increased overall savings to Government through its services, since Departments should not use those services unless they represent best value)

recycled paper

and to cover the costs of providing a professional service and generate a 1.5% return on a turnover of about £100 million a year. In addition, we propose targets for improving the quality of service.

We are offering the appointment as the Agency's Chief Executive to Major General Malcolm Hutchinson, following an open competition. He is 55 and has a background in engineering and logistics. After a distinguished career in the Army, he joined the Ministry of Defence in 1982, where he was Vice Master General of the Ordnance, responsible for an £8 billion per annum programme. Since last year he has acted as a consultant to MOD on a defence support study team, responsible for reviewing MOD procurement and logistic support.

Our officials are still discussing the final terms of the Framework Document. Given the current position of other parts of The Crown Suppliers, I am anxious to allow the maximum time for consultation with the Trade Unions, but we should be able to settle the remaining issues by mid-April.

Parliament will be informed of The Buying Agency's launch as an Executive Agency by written Parliamentary Answer on 1 May.

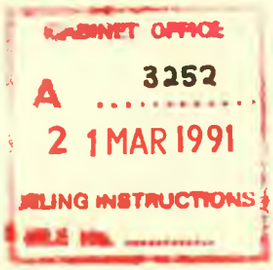
I am copying this letter to David Mellor, and to Sir Robin Butler.

SIR GEORGE YOUNG

The Rt Hon Timothy Renton

recycled paper

R



HO91/218

487+8

SIR ROBIN BUTLER

31

CHIEF EXECUTIVE OF THE PUBLIC RECORD OFFICE AGENCY

You invited me to express a view on whether the Prime Minister's approval should be sought in respect of the appointment of the Chief Executive of the Public Record Office Agency.

The Chief Executive will continue to carry out the statutory duties imposed upon the Keeper of Public Records by the Public Records Act 1958. These include, as is stated in the draft job description, "providing advice to the Lord Chancellor on..... the extended closure of sensitive documents,". Given the Prime Minister's role, and that of the Secretary of the Cabinet, in relation to such matters I would have thought it desirable that the Prime Minister should be consulted about the appointment of the Chief Executive.

We are not specifically asked to comment on the job description but the reference to the Public Record Office (PRO) existing to provide guidance to "other government departments" in (ii) on the first page is incomplete. It should I think be made clear that guidance will be provided also to Agencies whose records are also covered by the Public Record Acts. The PROs pre and post Agency status could both be reflected in thejob description if the reference was simply amended to read "to government departments and Agencies". A similar amendment should perhaps be made in the ante-penultimate line on the second page.

Pat Andrews

MISS P M ANDREWS

Historical Section
20 March 1991

FROM: E P KEMP
DATE: 15 March 1991

MINISTER OF STATE

CABINET OFFICE
A 3029
15 MAR 1991
FILING INSTRUCTIONS
FILE No.

cc PS/Sir Robin Butler
Mr Holroyd
Mr Gilmore
Mr Geddes
Miss Buchan
Miss Hamilton
Mr Gibson
Mr Martin

RECRUITMENT AND ASSESSMENT SERVICES (RAS) AGENCY

As you know, of course, among the many new Agency launches we expect between now and the end of April is that of the Recruitment and Assessment Services (RAS) Agency, which is the executive arm of the Civil Service Commission. The domestic launch is planned for 2 April at Basingstoke, with a wider follow-up on 10 April in London.

2. We shall be putting to you, as the responsible Minister, a final draft of the Framework Document and your Foreword to it, together with the Business Plan and the initial performance targets, for your approval, towards the end of next week. In accordance with the drill it is then necessary to obtain the Chief Secretary's agreement, and we are of course ensuring that Treasury officials advise him appropriately. You may wish, at the same time, to let the Prime Minister know about the creation of this Agency; the Prime Minister is not in fact interested in every single Agency that is launched, particularly the smaller ones, but this is one in his own Department, and as such I am sure he would like to know how you are proceeding.

3. By way of advance on the package we expect to send you towards the end of next week you may like to see the attached draft of the Framework Document and your Foreword as they stand at the moment. These are still subject to a degree of discussion with various people, but they are nearly in the final draft form in which we would put them forward to you. You may like to glance through them now in advance; any comments you have would be very welcome.

E P KEMP

Draft

RECRUITMENT AND ASSESSMENT SERVICES

Revised draft Ministerial Foreword

I am delighted to launch the Recruitment and Assessment Services as an Executive Agency of the Cabinet Office (OMCS).

2. Three years ago the Next Steps initiative was launched aimed at improving management in Government and delivering a better quality of service to the public. Recruitment and Advisory Services (RAS) is the third agency to be established in the Cabinet Office. It is launched to coincide with changes in Civil Service recruitment. Managers are now free to choose how to arrange the business of recruitment for nearly all their staff- all in fact except the more senior grades and fast stream entrants. RAS will be competing for business with other providers in the public and private sectors, and will have to offer a service that meets customer needs for quality, flexibility, responsiveness and cost. This Framework document sets out the managerial freedoms and flexibilities which will assist the Chief Executive and RAS staff achieve the demanding targets being set for them, and which will, I hope, prepare the way for progressive improvements in the quality of service they offer to their customers.

3. The new Recruitment and Assessment Services (RAS) will help managers select the right person for the right job - which is the successful foundation upon which any successful organisation must build - by offering a full range of recruitment and recruitment related services. It will recover its full costs from customer departments and Agencies, who are free to go elsewhere if that provides better value for money.

4. I wish the Chief Executive and the staff of RAS every success in the exciting and challenging times ahead.

RECRUITMENT AND ASSESSMENT SERVICES AGENCY

FRAMEWORK DOCUMENT

INTRODUCTION

On 13 April 1989 the then Minister of State, Privy Council Office, made an announcement to Parliament on the changing role of the Civil Service Commission in Civil Service recruitment (Hansard, 13 April 1989, col 624).

The key points of this statement were that:

- Departments and Agencies should have more responsibility for their staff recruitment, and would in future be free to carry out recruitment for all Civil Service grades below Grade 7 (with the exception of fast stream grades).

- Recruitment by Departments and Agencies would continue to be governed by rules laid down by the Minister for the Civil Service to ensure selection on merit and fair and open competition.

- The Civil Service Commissioners would advise the Minister on these rules and monitor their application.

- Recruitment to Grade 7 and above, and the fast stream would continue to be the responsibility of the Civil Service Commissioners.

- An Executive Agency would be created to undertake recruitment of other grades on behalf of Departments, Agencies and other bodies.

The Recruitment and Assessment Services Agency

These changes took effect from 1 April 1991. The Recruitment and Assessment Services Agency (RAS) offers a wide range of recruitment and related services on repayment to Government Departments and Agencies, and to other organisations in the public sector. These services include:

- recruitment

- recruitment related functions (eg consultancy and advisory services)

- training services

The role of the RAS and the policy and resources framework within which it operates are set out in more detail in this Framework Document.

The Office of the Civil Service Commissioners

The continuing role of the Civil Service Commissioners is governed by the Civil Service Order in Council 1991 which lays on them responsibility for:

- management of the recruitment of the grades for which the Commissioners will retain responsibility, although they may contract with the Agency to carry out the function

- advising the Minister for the Civil Service on the rules for departmental recruitment

- monitoring departmental and agency compliance with the Minister's rules on recruitment.

The CSC will also have a role promoting work in Government departments and agencies to schools, graduate and other educational institutions.

The Treasury

Under the Order in Council responsibility for formulating policy on recruitment rests with the Treasury.

THE RECRUITMENT AND ASSESSMENT SERVICES AGENCY

FRAMEWORK DOCUMENT

1. STATUS

The Recruitment and Assessment Services Agency is an executive agency of the Cabinet Office (OMCS) established with effect from 1 April 1991. The responsible Minister is the Minister of State (Privy Council Office).

2. AIMS AND OBJECTIVES

Aim

2.1 The Agency aims to provide cost-effective, prompt and efficient services to enable its customers to recruit, select and develop appropriately qualified individuals to meet their needs.

Objectives

2.2 The Agency plans to be a centre of excellence in everything it does. It will:

recover its full costs;

improve the quality, timeliness, efficiency and effectiveness of all its operations;

improve and extend the range of its services in accordance with customer requirements;

underpin all recruitment and assessment services with properly conducted research;

treat all customers and individual candidates with respect, courtesy and efficiency;

and, in doing so, achieve the performance targets set out in the Business Plan.

Services

2.3 The Agency offers a broad range of services in the following areas:

recruitment;

consultancy and advice;

training.

Examples of services currently available are at Annex A. Much of this work is clearly relevant in a wider human resource management context. In extending its range of services to meet customer requirements, the Agency will seek to assist with in-service assessment and development of staff and with strategic manpower planning, including the provision of relocation and outplacement services.

2.4 The Agency will be free to accept or decline requests for its services.

Customers

2.5 The Agency provides services primarily to government departments, executive agencies and the Civil Service Commissioners. It is able to offer services to other statutory and public bodies, provided this does not detract from the needs of primary customers. All services will be provided on a full cost recovery basis.

2.6 The Agency will seek opportunities to utilise any spare capacity by offering its services to other organisations in the private sector, thus enhancing its reputation amongst its primary customers. It may also make proposals for the development of new services which will be attractive to a wider market.

3. ORGANISATION

3.1 The Chief Executive is responsible and accountable to the Minister for achieving the aims, objectives and targets of the Agency through its efficient organisation, direction and management.

3.2 The Chief Executive is a Civil Service Commissioner.

3.3 The Agency Board of Directors, made up of senior staff of the Agency and others, meets under the Chief Executive's chairmanship, and advises him on planning, allocation of resources and other management issues. The Chief Executive determines the composition of the Board and the responsibilities of the Directors.

4. ACCOUNTABILITY

4.1 The Minister of State (Privy Council Office) answers to Parliament for the Agency. Members of Parliament will be encouraged to deal directly with the Chief Executive on matters which have been delegated to him. The Minister will not be involved in its day-to-day running. The Minister will normally ask the Chief Executive to write to PMs in response to Parliamentary Questions on the Agency's operation. The Minister will answer questions on policy issues and enquiries from Members of Parliament who specifically seek a ministerial response.

4.2 The Second Permanent Secretary OMCS is the Departmental Accounting Officer.

4.3 The Chief Executive is designated Agency Accounting Officer by the Departmental Accounting Officer. He is responsible for the Agency's accounts and financial procedures, and for the proper and efficient use of all of the Agency's resources within the terms of this Framework Document.

4.4 The Chief Executive as Agency Accounting Officer is liable to be summoned to appear before hearings of the Public Accounts Committee and is likely to represent the Minister before other parliamentary select committees when the affairs of the Agency are being discussed.

4.5 The Minister will look to the Second Permanent Secretary OMCS for advice on:

- policy issues affecting the Agency;

- the framework of responsibilities and resources set out in this document;

- the Agency's strategic and business plans, including the performance targets that are proposed in these;

- the arrangements for monitoring the Agency's performance;

- the appointment and terms and conditions of service of the Chief Executive.

The Second Permanent Secretary will consult the Deputy Secretary OMCS (First Civil Service Commissioner).

5. PLANNING AND CONTROL

5.1 The Agency's Strategic Plan and Annual Business Plan will be the chief instruments for planning its future priorities and objectives and setting annual targets for performance.

5.2 The Strategic Plan will cover a five year period. It will define the Agency's main objectives; set out forecast levels of demand for its services and resource needs (both financial and manpower); set targets for key indicators of performance (initially its ability to recover its full costs from income, other performance indicators are listed at Annex B), and outline the policies and strategies to be followed to secure them. It will be submitted by the Chief Executive to the Minister of State for approval. It will be rolled forward and updated each year.

5.3 The Annual Business Plan will set out in greater detail the Agency's objectives, targets and work plans, along with forecasts of demand, income and expenditure for the following year. It will be sub mitted by the Chief Executive to the Minister of State for approval.

5.4 The Agency operates well established financial control and management accounting systems that enable the Chief Executive to review performance, expenditure and income against targets and budgets. These systems will be further refined and developed during the 1991-92 financial year; one key consideration will be the need to support a full accruals accounting system.

5.5 The Chief Executive will present an Annual Report, including Summary Accounts, to the Minister of State. He will produce a first set of accruals based accounts, at the latest, for the 1992-93 financial year. He will also provide information for the Cabinet Office (OMCS) Appropriation Account, and, at the appropriate time, a reconciliation of the Appropriation Account and the accruals account. The Report and Accounts will be

5.6 The Chief Executive will agree a programme of internal audit work in the Agency with the Departmental Accounting Officer. The work will be conducted in accordance with the standards and guidelines set out in the Government Internal Audit Manual, with reports being issued to the Chief Executive. The Cabinet Office Internal Audit Unit will have full rights of access to the Agency to perform any work necessary to give an independent assurance to the Departmental Accounting Officer. External audit will be conducted by the Comptroller and Auditor General.

5.7 The Chief Executive will be responsible for agreeing arrangements with the Cabinet Office for consultancy, inspection and review services, including staff inspection.

5.8 All documents and accounts referred to above will be issued in accordance with Treasury timetables as appropriate.

6. FINANCE

6.1 The Agency's primary financial objective is to recover the full costs of its services.

6.2 Its gross expenditure each year will be voted by Parliament and shown in separate expenditure subheads within the cash limited OMCS Vote. The corresponding external receipts will be shown as appropriations in aid. It is intended that it should seek to operate under a net running costs control regime from 1 April 1992.

6.3 The Agency's fees and charges will be set in accordance with the Treasury guide.

6.4 Within this framework, subject to the further detailed points about the Agency's financial delegations and systems set out at Annex C, the Chief Executive will have authority delegated from the Departmental Accounting Officer to approve all current and capital expenditure.

6.5 The Chief Executive will exercise his delegated financial authority in accordance with the principles and specific guidance of government accounting. He will review and pursue options for contracting out services which the Agency requires where this would secure better value for money.

6.6 The Agency will be charged for the cost of services commissioned from OMCS and other departments and agencies as set out at Annex D;

services for which there is a charge may be subject to service agreements. The Agency will charge for services, eg personnel and accommodation, provided to departments and agencies.

7. PERSONNEL MANAGEMENT

7.1 The Chief Executive will be appointed by the Minister of State normally following recruitment through open competition. The appointment will be for a fixed term with the possibility of extension subject to review of performance.

7.2 The Agency's staff will be civil servants employed on Civil Service terms and conditions. Within present flexibilities, or following consultation as appropriate, the terms and conditions may be varied by the Chief Executive to meet the recruitment and retention needs of the Agency and to improve its managerial efficiency. Specifically, in consultation with the Cabinet Office and the Treasury, he may develop pay and other arrangements, including performance pay and bonuses, where these would assist the purposes of the Strategic Plan. Staff will remain in, or can join, the Principal Civil Service Pension Scheme, unless they opt not to do so.

7.3 The Chief Executive will determine the management and grading structure of the Agency, in accordance with Civil Service grading standards and subject to the normal consultation on posts of Grade 6 and above.

7.4 The Chief Executive will be responsible for the appointment, and development of all Agency staff. He will have responsibility for all operational aspects of personnel management for all staff, taking account of personnel practice existing in OMCS.

7.5 The Chief Executive and the Principal Establishment Officer of the Cabinet Office will consult together over the selection, career management and development of staff at Grade 6 level and above. Any difference of view would be referred to the Second Permanent Secretary, OMCS, for resolution.

7.6 Details of the personnel management authorities delegated to the Chief Executive are set out at Annex E.

7.7 The Chief Executive will devise a training and development strategy covering all staff which will provide for a continuing programme of formal and other appropriate training.

7.8 The Chief Executive will be responsible for employee relations within the Agency. The existing arrangements for consultation with staff will continue to apply initially, but will be subject to review and development over time.

8. REVIEW

8.1 This Framework Document will be reviewed by the Minister in consultation with the Chief Executive and the Treasury, by 1 April 1994.

8.2 In the meantime, either the Minister or the Chief Executive, in consultation with the Treasury, may propose changes which are suggested by experience of the Agency's operation or by changed circumstances.

8.3 Copies of any changes will be published and deposited in the Libraries of the Houses of Parliament.

ANNEX A

EXAMPLES OF AGENCY SERVICES CURRENTLY AVAILABLE

Recruitment of all grades

Variety of sifting procedures

Use of assessment procedures

Organisation of all or part of a recruitment scheme as required

Training of board Chairmen/members

Development/adaptation of recruitment and assessment tests

Consultancy advice on recruitment procedures and systems

Design and printing of recruitment material and advertising

Expert advice on the equivalence of educational qualifications

FINANCIAL DELEGATIONS

Authority is delegated to the Chief Executive for the following financial functions and responsibilities. The Chief Executive will exercise that authority

(i) within normal Civil Service rules and Government accounting procedures

(ii) in consultation with the PEFO where change would have a direct effect on other parts of the Department

---

1. Chief Executive to be designated Agency Accounting Officer

---

2. Authority to determine appropriate pricing structure, subject to annual review (mid-point of financial year) and Treasury Fees and Charges Guide

---

3. Full budgetary delegation including freedom to vire in accordance with Treasury rules

---

4. Authority to set up local bank account for restricted use. All monies going through the bank account must pass through the Vote in the relevant financial year

---

5. Separate VAT Registration

---

6. Authority to make contracts (with suppliers and customers)

---

7. Authority to make decisions on the need for market testing and conduct tendering exercises within Departmental limits (£100K for capital projects) (£10K for single tender action)

FINANCIAL DELEGATIONS

8. Authority to deal direct with central suppliers

9. Authority to make decisions on untying from central suppliers

10. Authority to make decisions on procurement and enhancement of IT and telecommunications systems

11. Subject to the overall accounting requirements of the Vote authority to make decisions on Agency use of departmental

    (i) Payroll System
    (ii) Management Accounting System
    (iii) Common Services

12. Authority to make ex-gratia payments within departmental limit

13. Authority to write-off debts within departmental limit

14. Authority to fix and pay appropriate fee levels to Board Chairmen etc subject to Treasury Fees and Charges Guide

15. Authority to determine policy on hospitality/entertainment budget within departmental limit

ANNEX D

SERVICES CURRENTLY PROVIDED TO THE AGENCY BY OTHER DEPARTMENTS

- Financial, including payment of bills and salaries and receipt and processing of inward payments
- Personnel management and services not specifically delegated
- Internal Audit
- Office Services
- Consultancy, Inspection and Review Services
- Legal Services
- Payroll
- Maintenance: accommodation and office equipment
- Cleaning
- Restaurant Services
- Pensions and Superannuation

PERSONNEL MANAGEMENT DELEGATIONS

Authority is delegated to the Chief Executive for the following personnel management functions and responsibilities for Agency staff. The Chief Executive will exercise that authority:

(i) within overall Civil Service policy on pay and personnel matters

(ii) in consultation with the PEFO for personnel management of staff at Grade 6 level and above.

---

1. Authority to determine overall complement of Agency within the total approved by the Minister of State in the Annual Business Plan including authority to determine numbers and grades of posts

---

2. Authority to recruit staff including reinstatement and re-employment, and decide on payment of relocation expenses

---

3. Authority to determine nationality requirements for Agency staff

---

4. Authority to determine probation policy; make decisions on probation, dismissal and disciplinary matters

---

5. Within present flexibilities, or following consultation as appropriate, authority to determine conditions of service provisions such as leave, mobility, hours, retirement age

---

6. Authority to determine working patterns such as part time, job share, home working, shift working

---

7. Authority to grant appropriate conditions of service such as detached duty, permanent transfer terms

---

PERSONNEL MANAGEMENT DELEGATIONS

8. Responsibility for career development of staff including postings within the Agency, succession planning, providing staff with opportunities for inter-change with Cabinet Office, other departments, and agencies, and outward secondments

9. Authority to promote staff

10. Authority to award substitution and temporary promotion

11. Authority to modify staff appraisal system to meet needs of Agency

12. Authority to develop Agency training strategy

13. Responsibility for initiating consideration of:

    i. new pay arrangements, eg to reflect any grade changes;
    ii. existing schemes such as LPAs, SPAs, Responsibility Allowances, Flexible Pay Agreements;
    iii. alternative or additional performance pay arrangements

14. Authority, in consultation with the Cabinet Office and the Treasury, to develop incentive packages including for example, special bonuses, car leasing, allowances for approved qualifications within the agreed Annual Business Plan

15. Authority to reduce pay for unsatisfactory performance

C - Mr Kemp
Mr Merifield
Miss Andrews
↓
I should be grateful for Mr. Kemp's and Mr. Merifield's views on x/. Does the PM need to approve this appointment as an important Chief Executive? Perhaps not. Miss Andrews may also like to express a view.

PERB
19.3.

Sir Robin Butler

LORD CHANCELLOR

Thomas Legg, C.B., Q.C.
Permanent Secretary

HOUSE OF LORDS,
LONDON SW1A 0PW

Tel. 071 219 3246

15 March 1991

CABINET OFFICE
A 3093
18 MAR 1991
FILING INSTRUCTIONS

cc - Mr Kemp
Mr Merifield

FOLIO 30

487/48

Dear Peter,

Chief Executive of the Public Record Office Agency

I am writing to you to seek Treasury approval to the attached job description for the proposed Chief Executive post for the Public Record Office Agency.

Background

It may be helpful if I start by setting out a little of the background. The Public Record Office was the subject of an Efficiency Scrutiny at the end of 1990. The report of the Scrutiny Team (which has been seen and generally welcomed by your people) made a large number of major and far reaching recommendations aimed at improving the management of the Public Record Office and establishing the Office as an Executive Agency. The Head of Department and Accounting Officer of the PRO (the Keeper of Public Records, a Grade 3 post currently held by Michael Roper), would become the Chief Executive of the Agency.

The Lord Chancellor has accepted that the PRO should become an agency and announced this to Parliament in a Written Answer on 23 January 1990. The target date is 1 April 1992. He has decided that the post of Chief Executive should be filled by open competition, and that the Chief Executive should be in post before the present Keeper retires, to help the transition to Agency status.

Timing

The Scrutiny report recommended that the Chief Executive should be appointed from 1 September 1991 and work in partnership with the present Keeper until the launch of the Agency. There are good reasons why the representative of a new management approach should be in place before the launch, but we have come to the conclusion that September this year is too early. Even though Michael Roper accepts that it will be sensible for him not to stay beyond April 1992, that would still mean two very senior managers working in

Sir Peter Middleton KCB
Permanent Secretary
HM Treasury

tandem for seven months. We have decided that such a long overlap would be difficult for both parties, from both personal and managerial points of view; and the objective behind the recommendation can be achieved if the Chief Executive-designate is in post from 2 January 1992, a shorter period of overlap which will nevertheless enable the new person to contribute to the creation an launch of the Agency.

We wish, therefore, to set the necessary arrangements in hand to enable a suitable candidate to be identified by September this year. Depending on the individual's circumstances, that would enable him or her to be involved in as many of the key decisions as possible before taking up appointment formally.

Criteria for appointment

The Scrutiny recommended that in the Chief Executive should be selected on the basis of the appropriate balance of management and leadership qualities; archival expertise and standing; and familiarity with the overall processes of government and the ways in which government records are created and used; with due emphasis being placed on the first. The wide ranging nature of the Scrutiny's other recommendations, and particularly the need for a more robust and proactive top management team, and the Accounting Officer requirements will mean that the Chief Executive must have well developed management skills. We intend to use the criteria that the report identifies as the basis for selecting a new Chief Executive, but to make it clear that - while the others are desirable - the management and leadership qualities are essential.

Level of Appointment

Our intention is to offer the post as a three year, fixed term (but renewable) appointment, at a salary of £49,000 - which will be equivalent to Grade 3 London as from 1 January 1992 - with an additional 10% performance related pay. The salary would be subject to uprating in line with TSRB awards.

Since we propose that the Chief Executive will be a full Accounting Officer, we shall of course need to obtain your approval of the successful candidate to act in that capacity. We found it extremely helpful to have the assistance of Anthea Case as a panel member when we were selecting the Chief Executive of the Land Registry Agency. I wonder whether you would be prepared to nominate a Treasury representative to sit on the selection panel on this occasion.

I would be grateful to have your approval to proceed on the basis of the arrangements for salary and job description set out above.

I am copying this letter to Robin Butler and Peter Kemp, and would welcome their comments. There is one point on which I would be particularly grateful for Robin's views. The Keeper of Public

Records is a statutory post and responsibility for making the appointment rests with the Lord Chancellor. Traditionally, the approval of the Prime Minister has also been sought. I would be grateful for Robin's advice on whether we shall need to continue to seek Prime Ministerial approval once the Keeper becomes the Chief Executive of the Agency.

Yours ever,
Tom

KEEPER OF PUBLIC RECORDS AND CHIEF EXECUTIVE OF THE PRO AGENCY

JOB DESCRIPTION

The Public Record Office exists to:-

(i) preserve public records of historical note;

(ii) provide guidance to other government departments on their responsibilities under the Public Records Acts for the selection and safekeeping of pertinent records; and

(iii) make available to the public reasonable facilities for the inspection and obtaining copies of public records in the Office.

The Chief Executive of the Public Record Agency is the Head of Department and Accounting Officer for the Public Record Office. In accordance with Next Steps principles he or she will be personally responsible, and directly accountable, to the Lord Chancellor for delivering the services of the Public Record Office to the standards and targets set and agreed in accordance with the requirements set out in the Framework Document. He or she will report to the Lord Chancellor who in exercising his role, will be advised by the Permanent Secretary of the Lord Chancellor's Department.

Additionally the postholder will be responsible for the implementation of the recommendations of the Efficiency Scrutiny conducted at the end of 1990, in particular the creation and development of a strategic planning system, the development and implementation of a unified grading system for curatorial and administrative staff engaged in the selection and preservation of records, the relocation of the Office to one site and the

development of out-reach activities. This will require an ability to manage fundamental structural change and ensure its implementation. The Chief Executive will be expected to introduce a management culture at all levels of the office and to concentrate on ensuring the delivery of high quality and efficient services.

The Chief Executive will be responsible for providing solutions to all operational problems including the assignment of resources between competing priorities, the maintenance of proper industrial relations within the Office, the application and promotion of a coherent personnel policy ensuring the development of all staff, and in furtherance of the Keeper of Public Records responsibilities under the Public Records Acts, for providing advice to the Lord Chancellor on the exercise of his statutory duties, for example the extended closure of sensitive documents, and related public records matters.

In resolving organisational and operational problems he or she will be expected to take all necessary decisions without reference to any other authority, and to commit the Office to expenditure (within the framework of Parliamentary control) so as to ensure the most effective means of delivering and maintaining services, whilst still meeting the targets set. As Head of Department and Accounting Officer he or she will undertake the normal duties associated with that role, and be responsible for a budget of some £22 million (inclusive of running costs and capital expenditure). He or she will also be responsible for the effective and efficient disposition of 443 staff and will be the direct line manager to three Grade 5 posts and the countersigning officer for 12 posts (5 Grade 6, 4 Grade 7 and 3 SEO).

As Keeper of the Public Records, he or she will undertake the statutory duties laid upon him or her for the preservation of records in the Office, advice to other government departments on the selection, preservation and transfer of records and the making available of documents to the public. He or she will be

expected to ensure that the Office is appropriately represented at appropriate levels within government, and with national and international institutions and organisations concerned with the preservation and use of documentary materials.

A1 12/3

FROM: E P KEMP
DATE: 12 March 1991

MS MUNDAY

CABINET OFFICE
A 2871
12 MAR 1991
FILING INSTRUCTIONS
FILE No .....

cc PS/Minister of State
PS/Sir Robin Butler
Next Steps Team

Mr H Phillips
Mr St Clair
Mr Rayner
Mr Andren

487/48

VEHICLE INSPECTORATE EXECUTIVE AGENCY - TRADING FUND

I was very glad to hear from you that the Vehicle Inspectorate Executive Agency trading fund debate went through satisfactorily today, and we now have a trading fund.

2. This is an important break through and very much something of a "first" for Next Steps; the first Next Steps Agency to be set up as a trading fund and the first trading fund to be set up under the new legislation. Very many congratulations to you and Ms Brant and others who worked on this, and of course particularly to our colleagues in the Treasury who not only worked with you on this particular trading fund but were also in the lead in promoting the legislation which made it all possible.

3. As I told you on the telephone, it seems to me that it would be a nice gesture if Mr Renton were to write to Mr Chope, copied to the Chief Secretary, congratulating him on this "first" (in fact DTps second "first" since VI was also the first Next Steps Agency to be established) and thanking him for what he did. You agreed that you would put together a draft.

4. Once again very many thanks. This is something useful and new to add to our April Next Steps package when hopefully as well as important changes like the recruitment changes we shall find ourselves with our half century of Agencies up and running!

E P KEMP

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref. A091/334

12 February 1991

487/48

Dear William,

Many thanks for your letter of 6 February. It was very useful to have you at the Permanent Secretaries meeting on Wednesday, and I enclose the relevant item of the minutes so that you can see what we think that we agreed.

You will be very welcome at Autumn Sunningdale and my office will ensure that you are invited.

Yours ever,

Robin

W K Reid Esq CB
Parliamentary Commissioner for
Administration
Church House
Great Smith Street
London
SW1P 3BW

1. PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION: RELATIONS WITH AGENCIES

Sir Robin Butler welcomed Mr William Reid, the Parliamentary Commissioner for Administration (PCA), and Mr Bayne, from the Foreign and Commonwealth Office. Mr Reid said that he was required by the PCA Act to correspond with Principal Officers, who were normally Permanent Secretaries, at the beginning and the end of each investigation. He would welcome the views of Principal Officers on the handling of cases of alleged maladministration in agencies.

Mr Kemp said that outside the legislative restrictions it would be helpful if the PCA was in direct contact with Chief Executives in appropriate cases as far as possible. Where compensation was recommended, the Departmental Accounting Officer ought to be consulted about novel, contentious or repercussive cases; in many such instances, he would need to consult Treasury. In other cases the Agency Accounting Officer might be authorised to take the decision. In the Department of Social Security, a formula for compensation had been agreed with Treasury and there would be no difficulty in handing over responsibility for compensation in cases covered by the formula to Agency Chief Executives, with the proviso that the PCA would have recourse to the Departmental Accounting Office if he so wished. If an apology was required it should, where appropriate, be the agency directly responsible for the fault who ought to apologise. Mr Reid said that he was happy for the bulk of the main reply to come from Chief Executives.

Sir Robin Butler, summing up a brief discussion, said that the principle was accepted that business should be transacted at the point where responsibility lay. Where a case involved policy issues or if the PCA so wished, it should always be open to him to approach the Principal Officer. Mr Reid said that he would inform his Select Committee of the discussion. He would continue to correspond with Principal Officers until there was individual agreement to approach agencies.

On three other points raised by Mr Reid, it was agreed that Departments did not need to know the number of complaints referred to the PCA which were not taken up. Mr Reid noted that there had been a significant improvement in the speed of initial responses to his inquiries; he remained concerned that a number of Stage 3 replies from Departments were taking longer than desirable. He asked for the cooperation of Permanent Secretaries and the Treasury in resolving this. A particular problem in responding quickly to stage 3 of a PCA inquiry could occur when the inquiry had taken some considerable time, and the staff in the Department contacts had moved in the interim to other posts. Mr Reid said that PCA reports were now noticeably shorter than previously and great efforts were being made to ensure a swift investigation. He also welcomed the steps taken by the Lord Chancellor's Department to clarify his jurisdiction over courts'

administration. It was agreed that Mr Reid would pursue the question of jurisdiction over tribunals other than those administered by the Lord Chancellor's Department with the Departments concerned.

Cabinet Office

7 February 1991

From the Commissioner
W K Reid CB

CABINET OFFICE
A 1567
11 FEB 1991
FILING INSTRUCTIONS

Parliamentary Commissioner
for Administration
Church House Great Smith Street
London SW1P 3BW

071-276 2010/2040

29 MAY

Your Ref: A090/2715

Sir Robin Butler KCB CVO
Secretary of the Cabinet and
Head of the Civil Service
Cabinet Office
70 Whitehall
London SW1A 2AS

6 February 1991

Dear Robin,

I was most grateful to you for the opportunity of taking the time of Permanent Secretaries at this morning's meeting. I shall deal with Peter Kemp about the report to the Select Committee on the Parliamentary Commissioner for Administration about practice in relation to Next Steps agencies. I also look forward to any further contacts from FCO and ODA on international Ombudsmannery.

It was possible for me to transact one or two small bits of business with individual Permanent Secretaries as we gathered for this morning's meeting; and I therefore respond now positively to your letter of 14 November 1990 about Autumn Sunningdale. If you are prepared to have me there, I should find it useful and see no inhibitions from my standpoint in that annual meeting. I would of course entirely understand if there were parts of the meeting which you felt it would be proper for me not to attend.

Yours ever,
William

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Pl. type reply

Many thanks for your letter of 6 February. It was very useful to have you at the Perm Secs meeting on Wednesday, and I enclose the relevant item of the minutes so that you can see what we think that was agreed.

You will be very welcome at autumn Sunningdale and my office will ensure that you are invited.

29N 487/48 PT 2 R F C1991
C. Mr Kemp
Mr Whetnall
Miss Andrews
Mr Cowper

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref.A091/311

8 February 1991

Dear Tom,

I am grateful to you for sending me a copy of the report of the Efficiency Scrutiny of the Public Record Office, under your letter of 22 January. You also sent me the text of the Parliamentary Reply by which the Lord Chancellor announced his acceptance of the recommendation that the PRO should become an Executive Agency.

I must say that I thought that the Scrutiny Team had done a first-class job in producing a report that is coherent and sensitive, to the point and based on constructive analysis. Above all, it seemed to me to offer a convincing picture of the way ahead and a firm basis for taking forward the work to establish the function as a Next Steps Agency.

I am sure that your people will be pressing ahead with the detailed action plan. It seems to me that the appointment of a suitably qualified Chief Executive designate well ahead of the launch will be a key part of this. I know that Peter Kemp's Project Team stand ready to provide whatever assistance may be most helpful in starting off and working through the Next Steps process.

Reading the report, I was struck not only by the significance and intrinsic historical interest of the work of the PRO but also by the acknowledgement of its customers of the improvements in service that staff have brought about in recent years. I should welcome the opportunity to visit the Office at a convenient time. If you think that this would be useful, I will ask my office to liaise with yours about the arrangements.

Yours ever,

Robin

T S Legg Esq CB QC
Lord Chancellor's Department

CABINET OFFICE
A 1380
5 FEB 1991
FILING INSTRUCTIONS
FILE No.

487/48 R.

From: A D Whetnall
Date: 5 February 1991

PS/Sir Robin Butler

cc Mr Kemp
Miss Mulligan/Mr Jones

WEDNESDAY 6 FEBRUARY: MEETING BETWEEN PERMANENT SECRETARIES AND THE PCA

The Parliamentary Commissioner for Administration (PCA), Mr William Reid, is to meet Permanent Secretaries at their Wednesday morning meeting on 6 February.

2. There are four matters which the PCA has said he wishes to raise:

1. His efforts to shorten and speed up reports.

2. Relations between the PCA and the Chief Executives of Next Steps Agencies, in particular, whether the pattern evolving in the Department of Social Security (DSS) for handling PCA investigations will be replicated in other departments;

3. The Government's view on the International Ombudsman industry and in particular the proposal for an EC Ombudsman;

4. Whether the law should be changed to require him to notify Government Departments when he decides <u>not</u> to investigate a complaint; and

3. Sir Robin wrote to Permanent Secretaries on 25 January to let them know about the subjects which Mr Reid wished to raise. He circulated along with that letter a copy of Mr Kemp's letter to Mr Reid of 24 January which set out the results of their discussion on the relationship between the PCA and the Chief Executive of Next Steps Agencies. (Copies of the correspondence are attached at B). Permanent Secretaries had a preliminary discussion of these topics at their meeting on 30 January. An extract from the minutes of their meeting is attached at A. You may wish to invite Mr Reid to speak first, and then invite comments on the four points as follows.

<u>Shortening Reports</u>

4. On taking up his appointment Mr Reid introduced a number of measures both to reduce the length of his reports and the time taken to produce them. His staff were instructed that reports should no longer include an exhaustive recital of every event investigated. The Select Committee's recent published report on the PCA's report for 1989 noted that the average throughput time for the investigation of cases had risen from 12 months in 1988 to 15 in 1989 (all well before the new PCA's policy, and reflecting to some extent the displacement of other work by Barlow Clowes. They went on to observe that the speed of an investigation depended partly on the Department's response time. All Departments are expected to reply to the initial enquiry

within six weeks. In 1989 there were only seven cases where Departments failed to do so. Moreover the DSS - one of the offending Departments - has made special efforts to remedy this by employing two retired grade 3s to draft replies. Since then the Department has managed to meet the six week deadline. The PCA is unlikely to say that Departments have prolonged investigations in the past, but may urge that as turnover speeds up it will be all the more important for Departments to respond promptly in future.

The PCA and Chief Executive

5. At their meeting on 30 January, Permanent Secretaries were generally content with the proposals set out in Mr Kemp's letter, which they thought close to existing practice. It was felt that it would be useful if Chief Executives rather than Principal Officers apologised to the PCA when the failings of an agency were criticised in a PCA report.

6. There is nothing in the legislation to prescribe the form of a departmental response and there would therefore be no legal obstacle to a Chief Executive's apologies. The PCA's position on this point is likely to be that it depends on the circumstances. An apology from the Chief Executive alone may be in order on a matter within his responsibilities, but where the Department as well as the Agency is involved in the maladministration (as for example where an MP has taken up a complaint unsuccessfully with the Chief Executive and the Minister or Principal Officer but failed to get satisfaction and only then raised it with the PCA) a joint apology by the Chief Executive and Principal Officer may be in order. Sir Michael Partridge is the field leader in delegating PCA business to Agency Chief Executives. It was Sir Peter Gregson who raised the point about Chief Executive apologies.

EC Ombudsman

7. The PCA's main objective here may be to make the point that it would be helpful if he was informed or consulted about policy in the making. The PCA attends various gatherings of ombudsmen from other countries when it would help him to be well-informed about the Government's position. He is for example attending a meeting in March of a conference organised by the European Parliaments Committee on Petitions, when he expects the EC Ombudsman concept to be discussed. With a Foreign Office official, and in response to an inquiry from Mr Reid, I discussed thinking on EC Ombudsmen with Mr Avery (Mr Reid's deputy) last August.

8. Developments since August have not produced any further clarification of UK policy on which the PCA could have been consulted. In September 1990 the FCO suggested floating UK proposals for an EC Ombudsman as a contribution to the debate on institutional reform. The then Prime Minister was however unhappy with the proposals. In particular, she was concerned that:

(i) the EC Ombudsman's role would spill over into investigations in Member States. On the other hand, if the Ombudsman's functions were strictly limited to personnel there would be very little for her/him to do;

(ii) a large staff would be created, multiplying work for no real benefit.

The UK proposal was not taken further.

9. The Danes put forward a proposal for an EC Ombudsman in November 1990. The UK have decided to explore the possibility of supporting this proposal if it is not over-ambitious and will not now put forward their own proposal. The Danish proposal is understood to have the following elements:

- The Ombudsman would not overlap with national Ombudsmen or the European Parliament or European Court of Justice. Thus, if a complainant pursued the matter in the ECJ or if the EP established a Committee of Inquiry, the Ombudsman would have to drop the case.

- He would only investigate maladministration by EC institutions, and would not address matters relating to national implementation (which would be for the national Ombudsmen or the Commission, depending on the circumstances).

- He would not look at the content of the legislation itself.

- Any individual or company would have a right of complaint.

- The Ombudsman's powers would not include a right to insist upon national papers being provided and national officials being summoned.

10. I understand that Sir Patrick Wright is unable to attend and that Mr Nicholas Bain will attend in his place. Sir Robin will wish to invite him to comment on the current state of play. There were no particular points made on this proposal by Permanent Secretaries at their preliminary discussions.

Notification of departments by the PCA of the decision not to investigate

11. As Health Service Commissioner (HSC), in cases where he decides not to conduct an investigation, Mr Reid is obliged to send a statement of his reasons for doing so to the body concerned as well as to the complainant (Section 119 (2) of the National Health Service Act 1977). There is no similar obligation on him as PCA to inform departments: he only has to inform the MP concerned (Section 10.1 Parliamentary Commissioner Act 1967). The PCA has drawn attention to the disparity and asked if Departments might find it useful to be informed about complaints which are not investigated.

12. The PCA may only look at a complaint which has been referred to him by an MP. Communication between PCA and MP, and MP and the complainant is privileged for the purposes of defamation (section 10 (5)(b) and 10 (5)(c)). For either the MP or PCA to be able to inform the Department under privilege would require a change in legislation.

13. The different legislative arrangements can probably be accounted for by the fact that the HSC is effectively at the pinnacle of the National Health Service Complaints procedure. Before he can initiate an investigation the HSC must be satisfied that the body concerned has had an opportunity to respond to the complaint. The involvement of the HSC therefore is the last stage of the complaint process and the Act makes provision for the body concerned to be informed should the HSC decide not to conduct an investigation of its own. The communication is protected by privilege.

14. At their preliminary discussion, Permanent Secretaries had no particular points to raise. Although it is possible that legislative time could be made available for a modest measure of this kind, in practice it would be very difficult to limit the range of the legislation and there would undoubtedly be pressure for any Bill to go wider by, for example, broadening the PCA's jurisdiction.

Other points

15. No other issues have been suggested under this agenda item, and Mr Reid has no intention of raising specific cases. He has taken some interest in the establishment of the Pensions Ombudsman and what might be seen as the proliferation of Ombudsmen generally, (Banking, Building Society, Insurance, Legal Services). In commenting on draft regulations giving the Pensions Ombudsman jurisdiction over civil service pensions, the PCA's office have drawn DSS's attention to the case that the PCA Select Committee has put forward in the past for bringing these within the PCA's jurisdiction. Giving civil servants the same access as private sector employees to the pensions ombudsman, rather than a separate and privileged access to the PCA, reflects the long-standing policy that the PCA is there to take up complaints from the public, and not to give civil servants a special service on personnel matters.

16. Sir Robin will be aware that the Select Committee on the PCA has recently published a report recommending that there should be a half-day debate on the PCA. This itself echoed a recent recommendation by the Procedure Committee for such a debate. The Lord President has written a non-committal reply to the Chairman of the Select Committee holding out the prospect of a debate at some unspecified time in the future.

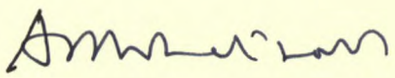
Sir Richard Lloyd-Jones point on compensation

17. Finally, Sir Richard Lloyd-Jones has written to Sir Robin (copy attached at C) expressing his concern at the way he sees the process of compiling PCA reports is developing in respect of financial compensation, (although he has stated that he does not

think the issue can usefully be raised with Mr Reid on 6 February). He suggests that if "'plea bargaining' backed up by threats of the laying of special reports .... became the norm", it might be worth allowing more cases to go forward as special reports for Parliamentary consideration to determine the level of financial compensation. This seems an unattractive suggestion. The essence of Sir Richard's complaint is that the PCA is leaving the last paragraph of draft reports blank so that the Principal Officer can suggest an appropriate offer of compensation. There is nothing very new in this. It would be a new development to allow more unresolved cases to go forward to Parliament, and the Select Committee on the PCA is unlikely to be a suitable body to settle disagreements.

18. As Sir Richard notes, the Parliamentary Commissioner Act 1967 does imply a dialogue can take place between the PCA and the Principal Officer both on the original complaint (Section 7(1) and any remedy (Section 10(3)). Reports produced by the PCA have included references to any exchanges with the Principal Officer on the level of compensation which might be due. The objective has been to reach a satisfactory outcome for both parties, so obviating the need for the PCA to present a special report to Parliament.

19. Both the PCA and the Select Committee have often stated that they see the threat of a special report and subsequent Select Committee inquiry as being one of the main tools available to the PCA to ensure suitable remedies are forthcoming from Departments. To date the PCA has produced only one special report under Section 10(3) of the Act (Rochester Way 1978). On that occasion the Government agreed to the Select Committee's recommendation that compensation be paid, and introduced legislation to allow the Department to do so. The success of the system is one of the reasons the Select Committee and PCA have not sought to give the PCA the power to enforce his recommendations. Without more detailed and comprehensive evidence that Departments are finding it difficult to deal with the PCA on financial compensation or that the relationship between the PCA and Department is more generally under strain, this is not an issue to raise with Mr Reid.



A D WHETNALL
Machinery of Government Division

WP2/6FEBMT

4. PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION

Sir Robin Butler said that Mr Reid, the Parliamentary Commissioner for Administration (PCA), would be attending the following week's meeting. He would be likely to raise four specific issues:

a. PCA inquiries in Next Steps agencies;

b. the Government's view on international Ombudsmen, and on the specific proposal for an EC Ombudsman;

c. whether departments should be told when PCA decided not to investigate a complaint;

d. shortening PCA reports.

On the first of these issues, Mr Kemp said that under the PCA Act the Ombudsman was obliged to go to the Principal Officer in a Department, normally the Permanent Secretary, both to notify him of the inquiry and of the recommendations. Mr Reid was willing, if Permanent Secretaries agreed, that the conduct of the investigation between those two points would be handled with the Chief Executives. In discussion, it was noted that most contact between the PCA and the Department during an inquiry took place at working level. It would be useful, however, if Chief

CONFIDENTIAL AND PERSONAL

Executives had the authority to apologise to the PCA when failings of an agency, which fell short of maladministration, were criticised in a PCA report. Mr Kemp would seek advice on this point before the next meeting.

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref: A091/210

25 January 1991

c- Miss Mulligan (me)

My dear Patrick,

EC Ombudsman: Meeting between the PCA and Permanent Secretaries on 6 February

I have invited the Parliamentary Commissioner for Administration, William Reid, to attend our Wednesday morning meeting of Permanent Secretaries on 6 February.

There are two particular topics which I know he wishes to raise; the relationship between the PCA and Agency Chief Executives, on which I have written separately to Peter Middleton, and the international Ombudsman industry.

He is already aware of the proposal which was being canvassed earlier last year for an EC Ombudsman and he will no doubt wish to know how things have developed. I should be most grateful if you could be prepared to comment on how things stand on the current Danish proposal for an EC Ombudsman and take the lead on any points which William may raise at the meeting on this. There will be an opportunity for a preparatory discussion at our meeting on 30 January.

I am sending copies of this letter to those who attend Wednesday morning meetings.

Yours ever,

Robin

Sir Patrick Wright GCMG
Foreign and Commonwealth Office

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref. A091/209

c- Miss Mulligan (me) 25 January 1991

Dear Peter,

PCA: Meeting with Permanent Secretaries on 6 February

William Reid, the Parliamentary Commissioner for Administration, will be attending the Wednesday morning meeting of Permanent Secretaries on 6 February. There are some specific topics which I know he wishes to discuss and on which I would welcome colleagues' views: the two substantial topics are the relationship between the PCA and the Chief Executives of Agencies, and the concept of an EC Ombudsman. I have written separately to Patrick Wright about the latter point.

As far as the PCA and Agencies is concerned Peter Kemp has already addressed the issue of the relationship between Chief Executives and the PCA and in particular whether the Chief Executive could be the Principal Officer for the purposes of a PCA investigation. The legal position is that the Principal Officer of the department for this purpose is the Permanent Secretary and this position could not be changed without legislation. However Michael Partridge, whose department accounts for about half the PCA's caseload, has already established a system where the handling of PCA cases is effectively delegated to the Chief Executive designate of the Benefits Agency, while he remains the department's Principal Officer under the PCA Act. It may be that Departments have plans to replicate this kind of arrangement in respect of their own agencies, and one of the objectives of the 6 February meeting will be to establish whether there is a common view on the sort of arrangements which are regarded as desirable. Peter Kemp has recently had an opportunity to discuss these issues with William Reid and the attached letter sets out the main points they discussed.

There are two additional points. First, under the terms of the legislation, when he decides not to investigate a complaint, the Health Service Commissioner is required to notify both the

/complainant and the body

24.1.91

Sir Peter Middleton GCB
HM Treasury

20/02

complainant and the body complained of. There is no such provision in respect of the Parliamentary Commissioner for Administration. William Reid wonders to what extend departments would feel it helpful to be so informed (it would require legislation to effect the change). Second, William Reid hoped to discuss briefly the attempts he has made to speed up and shorten reports. On his appointment the Commissioner instructed his staff to produce shorter reports which would no longer catalogue every detail of events.

It would I think be helpful to prepare the ground by rehearsing these issues and any other matters colleagues wish to raise with William Reid at our meeting on 30 January. I am sending copies of this letter to all those who attend Wednesday morning meetings.

Yours ever,

Robin

CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

E P Kemp CB
Second Permanent Secretary

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 6450
Fax: 071-270 6132

William Reid Esq CB
Parliamentary Commissioner for
Administration
Church House
Great Smith Street
London SW1P 3BB

24 January 1991

Dear William

NEXT STEPS AGENCIES

I am very grateful to you for allowing me to call on you on Monday to discuss my letter to you of 17 December. This letter seeks to set out where we got to in our helpful talk.

I repeated some of what I said in my letter of 17 December about the policy behind Next Steps and I went on to say that it seemed to follow that the focus for your enquiries as PCA ought, if they concerned a Next Steps Agency, to be the Chief Executive. He is the person actually responsible for the operation and thus for any alleged maladministration that may have taken place. Moreover, he will be best placed to deal with any repercussions for the operation of which he has charge, given that Agency arrangements are tailored to particular functions. Focusing investigation on the Chief Executive would be consistent with distancing on the one hand the roles of the Minister and of the Permanent Secretary, both as chief adviser to the Minister and as Permanent Head of the Department, and on the other the role of the Chief Executive. Whereas the former are involved in strategic and overall matters, the latter is uniquely concerned with the day-to-day business which is where, generally speaking, matters brought to your attention are likely to have arisen.

However we are advised by the lawyers that the "Principal Officer" to whom the 1967 Act requires you to send statements of complaint and a copy of your final report is the Permanent Secretary of the Department unless the Agency concerned is a Department in its own right and thus entered separately in Schedule 2 to the Act - as for example are the Land Registry and the Ordnance Survey. Unless or until the law is changed, therefore, there is a formal relationship between yourself and the Permanent Secretary.

Subject only to the legal requirements, how you conduct your investigations is entirely a matter for your discretion - and you cannot fetter it or your successors'. Against the above background you said that while you would continue, as you must, formally to initiate and to sign off any investigation direct with the Permanent Secretary as Principal Officer you would if Permanent Secretaries were agreeable invite your staff to conduct investigations by dealing direct with the Chief Executive of the Agency and his staff, subject to any arrangement an individual "Principal Officer" might request in the case of any particular investigation in order to be kept generally in touch with progress, taking due account of the public delegation by the Minister to the Chief Executive of the responsibilities, roles etc set out in the published Framework Document. Your formal obligation is to afford the Principal Officer of the Department and any other person who is alleged to have taken or authorised the action complained of the opportunity to comment on any allegations contained in the complaint (Section 7(1) of the 1967 Act) but I understand that you would have no objection if the responses and general assistance in the course of the investigation came from the Chief Executive and his staff, and that you would be willing to copy your formal letters to the Chief Executive. All this would be without prejudice to your legal right to communicate with the Principal Officer where you saw the need. The obligation to send a formal report of your investigation to the Principal Officer (Section 10(2)) is not inconsistent with affording the Chief Executive the opportunity to comment factually on the draft report and you would have no objection if this happened with the Principal Officer's agreement - which I would hope would be forthcoming.

One purpose of the meeting on 6 February is to see how far colleagues would be content with this as a general model. It would still, I think, be for the Permanent Secretary in question to decide on the extent to which he involved himself personally in the progress of any particular investigation. For my part, I would hope that most Permanent Secretaries would accept that while they would see the outcome of every report, they would not be involved in the progress of the investigation or in the action taken in response to your report and recommendations unless there were matters which you felt it necessary to raise with them, or recommendations which had repercussions going beyond the management and responsibilities of the Agency. Individual Permanent Secretaries could doubtless adopt different approaches one from the other and indeed as between one Agency Chief Executive and another, and it is an area which might well develop over time as people got experience of the Next Steps regime both specifically in relation to PCA cases and indeed generally. You made the point that Permanent Secretaries might want to be particularly aware of any recommendations that you as PCA made at the conclusion of an investigation for significant ex gratia payments to be made to complainants; and you also said that the Select Committee on the PCA would be interested in any procedural change in this area and might not necessarily see things in exactly the same way as the Select Committee on the Treasury and Civil Service.

I hope you will agree that this fairly represents the substance of our discussion.

E P KEMP

Y SWYDDFA GYMREIG
PARC CATHAYS
CAERDYDD CF1 3NQ

0222 823289

Oddi wrth yr Ysgrifennydd Parhaol

WELSH OFFICE
CATHAYS PARK
CARDIFF CF1 3NQ

0222 823289

Sir Richard Lloyd Jones KCB

From the Permanent Secretary

329
1 FEB 1991

31 January 1991

Sir Robin Butler KCB CVO
Secretary of the Cabinet and
Head of the Home Civil Service
Cabinet Office
70 Whitehall
LONDON SW1A 2AS

Dear Robin,

MEETING BETWEEN THE PCA AND PERMANENT SECRETARIES ON 6 FEBRUARY

Our discussion yesterday was necessarily brief, but perhaps I could note one matter of increasing concern, though not necessarily for discussion with William Reid next week.

This is the question of financial recompense of individuals who have suffered as a result of maladministration. It tends to arise particularly when the facts as initially presented to the PCA make it impossible to deny that some element of maladministration has taken place, In recent years I have noted a tendency for the PCA to draft his report in a way which makes it clear that he does not consider that an apology from the Principal Officer will suffice to enable him to complete his report. He then leaves his draft report unfinished, with the suggestion that the Principal Officer should make a suitable offer of recompense. He may be reluctant to leave the level of recompense to the judgment of the Principal Officer, particularly if he thinks he can specify the material loss that has been caused to the complainant by the maladministration in question; and can argue that nothing less than total recompense will do. He may even contemplate the possibility of making a special report to Parliament, normally followed by a hearing at the Select Committee (which by definition will not be comfortable for the Department). In one case at least I have seen him deploy that weapon to good effect from his point of view.

The Act makes clear that the Commissioner may lay before each House of Parliament a special report on the case if, after conducting his investigation, the Commissioner considers that the injustice that has been caused has not been or will not be remedied. This does, I fear, imply the possibility of his bargaining with the Department before he completes his report. Principal Officers, though, cannot generally offer substantial recompense without consultation with the Treasury. If precedent is involved, several other departments may have to be consulted, with scope for tedious collective examination of the minutiae. This process delays redress, thus eventually requiring the

1.223

PCA to step up the pressure. This makes things worse for the Department which has the taxpayer's interest to consider, and hard cases make bad law. The obverse, from the PCA's point of view, is that slow reporting and redress of complaint makes for bad business.

The point is not academic, I fear, as I am currently in debate with William about a case in which he is alleging maladministration through failure to give "adequate" notice of a reduction in rates of grant available to private houseowners.

I think that we cannot raise this usefully with William, and it would not be seemly for me to do so just now. If such cases are infrequent, then we self-evidently have to deal with each on its merits. I would however be concerned if "plea bargaining", backed up by threats of the laying of special reports, (I emphasise that this has not happened to me during William's time), became the norm. If so, there might be some attraction in taking the Act at face value and adopting a general practice of allowing the question of recompense to be dealt with in Parliament rather than struggling to do so at official level.

This may be a bridge too far, but had time allowed it is a point that I would have wished to raise.

I am sending a copy of this letter to Wednesday morning colleagues.

Yours ever,

Richard

RICHARD LLOYD JONES

Sir Robin Byatt SR
RBSR

SECRETARY OF STATE FOR SCOTLAND

SCOTTISH OFFICE

WHITEHALL, LONDON SW1A 2AU

CABINET OFFICE
1398
A
6 FEB 1991
FILING INSTRUCTIONS
FILE No.
FOLIO 29

Tim Renton Esq MP
Minister for the Civil Service
Horseguards Road
LONDON
SW1P 3AL

1042

5 February 1991

487/48

Dear Tim,

I am writing to advise you of my intention to establish the Fisheries Enforcement Services within the Scottish Office Agriculture and Fisheries Department as an executive agency under the Next Steps initiative from 1 April 1991. The new agency's title would be "Scottish Fisheries Protection Agency".

I am pleased with the progress that our officials have made in developing the Agency proposal and I am content that the draft Framework Document provides a satisfactory basis for the effective management of the proposed Agency and its relationship with the wider Scottish Office. In particular I welcome the increased authority for the Agency to manage its operations in the most appropriate way. I hope that this will lead to significant benefits in terms of efficiency and the quality of service provided.

I should be grateful if you would confirm that you are content with the draft Framework Document. I can then make an early announcement to Parliament and inform other relevant interests. This would allow officials to complete the further detailed work required in advance of the Agency launch including the setting of appropriate performance targets and any necessary refinement of the details in the Framework Document.

I have written separately about my other candidate for assuming agency status on 1 April 1991 - Historic Scotland - but I would propose to announce the 2 candidates at the same time. Since I want to make the announcement as soon as possible (to end uncertainty and give the maximum time for final preparations), I would be grateful for early clearance of the principle of agency status for the Scottish Fisheries Protection Agency.

I am sending a copy of this letter to David Mellor.

Yours ever,

IAN LANG

AJG00330.011

MINISTER OF STATE
PRIVATE OFFICE
Action
Copy
Reply
PS/
PS/Sec of State
FOR INFORMATION
QMCS

Mr Watson + fol.
18.2.91 - or earlier if so need it
M 5/2

MANAGEMENT - IN CONFIDENCE

Draft: 30 January 1991

SCOTTISH FISHERIES PROTECTION

EXECUTIVE AGENCY

FRAMEWORK DOCUMENT

APRIL 1991

CONTENTS

Foreword by Secretary of State [to be drafted]

1. **STATUS**

1.1 Establishment of Agency

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ANNEX A FUNCTIONS AND ORGANISATION

ANNEX B PERFORMANCE TARGETS

1. STATUS

Key points here are:

1.2 "Scottish Fisheries Protection Agency" is the preferred title as explained in paragraph 10 of the submission. A new title is necessary because the units comprising the Agency are not in an integrated structure at present with a recognised title.

1.3 SFPA will still be part of the Scottish Office and answerable to the Secretary of State.

1. STATUS

Executive Agency

1.1 From 1 April 1991, the Fisheries Protection and Sea Fisheries Inspectorate Services in Scotland are established as an Executive Agency.

1.2 The Agency's full title is the Scottish Fisheries Protection Agency (SFPA).

1.3 The Secretary of State for Scotland is the responsible Minister.

1.4 This Document sets out the strategic framework under which the Agency operates within the Scottish Office Agriculture and Fisheries Department (SOAFD).

1.5 The Agency's functions are described in Annex A.

2. AIMS AND OBJECTIVES

2.1 The aim of the Agency has been amended throughout the consultation process to the existing single aim. The emphasis is on the enforcement and regulatory role which is the central purpose of the services. The conservation of fish stocks therefore is not the central aim of the Agency alone since it underpins almost all of the Department's fisheries policies. The Agency's aim is to assist the broader conservation requirements through ensuring the relevant rules and regulations are observed.

2.2 This concentrates on the strategic objective of the services air, land and sea activities taken together.

2.3 The operating principles are intended to make explicit certain key principles which the Agency will follow in meeting its objectives.

2. AIMS AND OBJECTIVES

2.1 Aim

The aim of the Agency is to secure the enforcement of UK, EC and international fisheries law and regulations in Scottish waters and ports. This assists in the conservation of fish stocks in the waters around Scotland and in creating the conditions necessary for the existence of a modern and viable sea fishing industry in Scotland.

2.2 Objectives

The primary objectives of the Agency are:

2.2.1 to pursue and implement an effective strategy for fisheries enforcement and meet the targets set for it;

2.2.2 to deter illegal fishing by UK and foreign vessels by air and sea surveillance;

2.2.3 to detect breaches of fisheries regulations by monitoring and inspection at sea and in ports and report as appropriate to the prosecuting authorities;

2.2.4 to provide intelligence on fishing activity in Scottish waters and information and advice in support of fisheries policy;

2.2.5 to deliver and manage its inspection and protection services economically, efficiently and effectively;

2.3 Operating Principles

The Agency aims to meet these objectives:

2.3.1 by seeking to improve the standard of service delivered to Ministers and the fishing industry;

2.3.2 by providing fair and consistent administration of its duties in Scottish waters and ports;

2.3.3 by regular review of technical and operational standards and policies;

2.3.4 by developing effective co-ordination and integration of enforcement and protection services in the air, at sea, and in ports;

2.3.5 by responding flexibly to change in fisheries policy and opportunities in the fishing industry;

2.3.6 by maintaining standards in management and organisation in line with best public and private sector practice;

2.3.7 by encouraging staff development and training and promoting good employee relations and staff involvement.

3. ORGANISATION

3.1 The Chief Executive appointment is an interim arrangement for 2 years. After this period it is envisaged that the post will be publicly advertised for open competition.

3.2 This preserves the existing heads of the 2 professional units in the Agency, the Marine Superintendent and Chief Inspector of Sea Fisheries, which are 2 unique professional groups within the Scottish Office. The opportunity has also been taken to strengthen the management of the remainder of the Agency particularly on overseeing enforcement policy developments and on financial matters. The key point is that all of the enforcement providers and administrators are now, for the first time, within the same organisational management structure answerable to a single Chief Executive.

3.3 SFPA staff represent about 44% of the total number of staff involved in fisheries in the Scottish Office Agriculture and Fisheries Department. In addition to permanent staff, temporary seasonal staff are employed by the Sea Fisheries Inspectorate at peak periods in the fishing season, and by the Marine Service for crew where required.

The Headquarters location will be considered in the light of operational need, costs and the Agency HQ staff links which need to be maintained with the rest of Fisheries Group eg for technical advice from the SFI to the Fisheries Group policy divisions. The accommodation review will start from first principles and there is no preconceived notion of the preferred HQ area or any particular building.

3.4 The assets, ships and planes, will continue formally to be owned by the Secretary of State, although they are for management purposes, considered the Agency's assets.

3.6 This preserves 2 key strands. First, it maintains the present Divisional role of providing policy advice on protection and enforcement legislation (rather than separating this role to a different Fisheries Division which would have been unnecessary and lead to duplication) and secondly the more general fisheries policy advice on technical matters and the industry generally from the SFI is maintained: it would have been impractical and wasteful to separate this role out of the Inspectorate from its day to day enforcement activities.

3. ORGANISATION

3.1 Chief Executive

The Agency is headed by a Chief Executive whose appointment will be approved by the Secretary of State, normally following open competition. The appointment will normally be for 5 years with arrangements for review and possible extension depending on performance. The Chief Executive is answerable to the Secretary of State for the operation of the agency and for its performance in accordance with this document and the Corporate Plan. The Secretary of State will exercise his role through the Fisheries Secretary, SOAFD.

3.2 Management Team

The Chief Executive will determine the management structure of the Agency. At its inception there will be a Management Team comprising the Director of Policy and Resources, the Chief Inspector of Sea Fisheries and the Marine Superintendent. The Chief Executive will head the Management Team and its other members will be accountable to the Chief Executive for their own area of responsibility.

3.3 Staffing and Accommodation

On 1 April 1991, SFPA had about 250 staff. There is a high level of professional and technical skills and commitment among staff. Most are in professional or marine grades deployed either in local fishery offices around the Scottish coast or at sea. There is a small headquarters staff at Pentland House, Edinburgh which consists of the Management Team and managerial and administrative support and the Operations Room. Annex A provides further details. The Chief Executive will review the location of the headquarters as part of the corporate planning process.

3.4 Assets

The Agency is responsible for the effective deployment, operation and maintenance of the fishery protection fleet and fishery surveillance aircraft in support of its enforcement strategy. These assets are owned by the Secretary of State. The Agency also operates and maintains fishery research vessels on behalf of the Marine Laboratory, Aberdeen in support of the fisheries research strategy of SOAFD.

3.5 The Chief Executive is accountable to the Secretary of State for making efficient use of the assets for which the Agency is responsible. He or she will propose any variations required as part of the corporate planning arrangements.

3.6 Policy and Liaison Role

The Agency provides advice to Ministers on fisheries enforcement policy and technical fisheries matters. The Agency will continue to liaise with other fisheries enforcement services in the UK about developments in fisheries enforcement policy and legislation. It will maintain close operational links with the Ministry of Agriculture,

Fisheries and Food and the Ministry of Defence (as provider of certain sea-going protection services). The Agency will take part in EC and international discussions on fisheries enforcement as appropriate.

4. PARLIAMENTARY ACCOUNTABILITY

4.2 Before 1 April, the Secretary of State will be invited to write to all Scottish MPs suggesting that they raise day to day matters concerning his Agencies (including Registers of Scotland and HBM) directly with the Chief Officers of the Agencies.

4.3-4.6 These paragraphs outline the standard arrangement for the Chief Executive of an Agency to be appointed as Agency Accounting Officer, subordinate to the Departmental Accounting Officer who has a wider responsibility for the entire Vote.

4. PARLIAMENTARY ACCOUNTABILITY

4.1 Secretary of State

The Secretary of State will continue to answer to Parliament for the functions of the SFPA. The Secretary of State will determine the policy and resource framework within which the Agency operates but Ministers will not normally become involved in the day to day management of the Agency.

4.2 Scottish Office Ministers will encourage Members of Parliament to deal directly with the Chief Executive when they have an enquiry on a matter which has been delegated to the Agency. Any member who is dissatisfied with a reply from the Chief Executive may raise this with the Minister. The Chief Executive will ensure that Members' enquiries are answered promptly and effectively, by the Minister or by the Chief Executive as appropriate. Members of Parliament will, however, continue to be able to raise with Ministers matters concerning SFPA.

4.3 Accounting Officer Arrangements

The Secretary of SOAFD is the Departmental Accounting Officer for the Vote from which SFPA is funded.

4.4 The Secretary of SOAFD designates the Chief Executive of SFPA as Agency Accounting Officer.

4.5 The Chief Executive, as Agency Accounting Officer, is accountable for the proper, efficient and effective use of resources provided to the Agency, in pursuit of the agreed Corporate Plan objectives and targets.

4.6 The Agency Accounting Officer and the Departmental Accounting Officer are both liable to be summoned to appear before the Public Accounts Committee. It will continue to be for Ministers to decide who should represent them at other Parliamentary Committee hearings. In practice where a Committee's interest is confined to the day-to-day operations of the Agency, Ministers will normally regard the Chief Executive as the person best placed to appear on their behalf.

4.7 Parliamentary Commissioner for Administration

The activities of the SFPA are subject to investigation by the Parliamentary Commissioner for Administration.

5. RESOURCE PLANNING AND MANAGEMENT

5.1-2 The 3 year Corporate Plan is a new requirement. It is an essential feature of Agency planning and forms the basis of the customer/contractor relationship which the Agency will have with the Department and Ministers. It is also the main working document for management planning and Public Expenditure Survey requirements which will dictate its timetable. It also provides an important mechanism however for the Agency to think in strategic terms over a longer timescale, and for Ministers to set longer term objectives and priorities on that basis.

5. RESOURCE PLANNING AND MANAGEMENT

5.1 Corporate Plan

The Chief Executive will prepare each year and submit for approval to the Secretary of State a Corporate Plan covering the 3 forward years. The Corporate Plan will present the Agency's proposed strategy and identify projected resource requirements over the Public Expenditure (PES) planning period. The Plan will inform the Secretary of State's decisions about his Agriculture and Fisheries Programme. It will set out for the period under review:

5.1.1 main objectives and strategies and how these are to be pursued, including examination of alternative options;

5.1.2 external trends and factors which influence the Agency's work;

5.1.3 assessment of main tasks and priorities;

5.1.4 output and resource levels (both cash and manpower) for different options;

5.1.5 preferred strategy and resource requirement;

5.1.6 annual operational, efficiency and financial targets (based initially on the performance measures in Annex B); and

5.1.7 personnel and training strategy.

5.2 The Secretary of State may approve the Corporate Plan, with or without amendment. Approval of the Corporate Plan constitutes the authority for the Chief Executive to conduct the operations of the Agency and forms the main basis against which the Agency's performance will be judged. Exceptionally if policy or circumstances change significantly in the course of the year the Secretary of State or the Chief Executive may propose revisions to the Corporate Plan, including changes to targets and financial resources. Any revisions will be subject to approval by the Secretary of State after consultation with the Chief Executive.

5.3 Annual Plan

The Corporate Plan will provide the framework for a more detailed annual operating plan which will form the basis for day to day management of the Agency.

6. FINANCE

6.1-6.5 These paragraphs describe the financial arrangements which have been agreed with Treasury. All of the Agencies costs will now appear in a separate section within the AFD Vote. There are 2 main elements. First, the running costs for staff which were formerly included in the Scottish Office Administration provision will be transferred to the Agency Section of the Vote. Second, the Agency's programme current expenditure presently in the AFD Vote will be reclassified as running costs. This comprises expenditure on managing and maintaining the protection vessels and aircraft, funding the MoD for one vessel it provides in east coast waters, and paying for the aircraft contractors. This means that all of the Agency's main expenditure will be classed as running costs within one large envelope so that the Chief Executive can deploy the resources in-year to where the greatest enforcement need is. Enforcement requirements in any given year cannot easily be predicted and even more so during a period of growing indiscipline and illegal activity in the industry. The Agency, however, will have increased flexibility to deploy its resources in the most appropriate way - on land, at sea in the air.

6.3 The level of formal financial delegations will not initially be significantly different to those applying at present. Details will be set out in a financial memorandum to be agreed before the Agency launch and will be reviewed in the Agency's first year.

6. FINANCE

6.1 Financial Provision

The Agency is financed by resources provided by the Secretary of State through supply voted by Parliament.

6.2 The Secretary of State will determine the level of financial provision for the Agency as part of the annual public expenditure review. Voted provision for capital expenditure and running costs will be included in a SOAFD cash limited vote in each year's supply estimates and will form part of the agriculture, fisheries and food programme.

6.3 Financial Delegations

The Secretary of SOAFD will delegate specific financial authorities, designed to provide the Chief Executive with flexibility to make the most efficient use of resources. These authorities will be revised from time to time by the Secretary of SOAFD and the Chief Executive.

6.4 The Chief Executive will be responsible for ensuring that relevant Government procedures, including "Government Accounting" are followed. The Chief Executive may delegate financial authorities in writing within the Agency.

6.5 The Chief Executive will continue to pursue opportunities for market testing and, consistent with improving value for money, contracting out of Agency services.

6.6 Internal Audit

SFPA will ensure that a system of internal audit, in accordance with the standards and guidelines laid down in the Government Internal Audit manual, is provided. The Scottish Office Audit Unit will have the right of access to the Agency to give independent assurance to the Departmental Accounting Officer.

6.7 External Audit

The Agency will be subject to external audit by the Comptroller and Auditor General.

6.8 Annual Report and Accounts

The Chief Executive will present annually to the Secretary of State for Scotland an Annual Report and Accounts. The Annual Report will review the Agency's performance over the previous year against the financial objectives and performance targets set in the Corporate Plan and how the Agency has responded to unforeseen circumstances. The Accounts will be prepared in accordance with Treasury guidance and on an accruals basis. The Annual Report and audited Accounts will be laid before Parliament and published as soon as possible after the end of the financial year.

6.9 The Agency will operate financial and management accounting systems which enable management to review performance against budgets and targets set.

7. PERSONNEL MANAGEMENT

7.1 Staff will continue to be Scottish Office Civil Servants. This has been a reassuring factor in discussions with staff and the TUS, although there remains some concern that Agency status could lead to changes in terms and conditions of service. This will require careful handling and any changes will be subject to full consultation with the staff interests involved.

7.3 The personnel management of specialist staff (who form over 80% of the staff of SFPA) will be the responsibility of the Agency. This is an important new flexibility which will make it easier for personnel management to be carried out in a way which fits the Agency special needs. The Trade Union Side oppose that step, because they fear that it may be exploited by management to the disadvantage of staff.

7.4 The personnel management of generalist staff will continue however to lie with the Scottish Office. OMCS has pressed us to assume responsibility for this function, though not necessarily from 1 April 1991. We are unwilling to commit ourselves to this - the benefits are less clear than in the case of specialist staff; we fear that good staff may be deterred by becoming "stuck" in the Agency; and we see higher-priority ways of spending management efforts. But we have agreed to review this in the Agency's first year.

7. PERSONNEL MANAGEMENT

7.1 Status of Staff and Conditions of Service

All SFPA staff will be Civil Servants within the Scottish Office and will continue to be employed on Civil Service terms and conditions. Staff will remain in, or can join, the Principal Civil Service Pension Scheme, unless they choose not to do so. Any subsequent proposals to vary these arrangements to reflect the particular needs of the Agency will be the subject of appropriate consultations.

7.2 Personnel Management

The Agency aims to offer its staff good and satisfying career opportunities and is committed to fostering career development and equal opportunities. The Chief Executive is responsible for ensuring that the requisite level of personnel management expertise is available and maintained and that staff serving in the Agency can obtain advice on training and career opportunities within the Scottish Office and the wider Civil Service.

7.3 Since professional and industrial staff in SFPA are most likely to pursue their careers within the Agency rather than move between it and other parts of the Scottish Office, all aspects of their personnel management (other than pensions) will be the responsibility of the Chief Executive. A personnel unit will be established within the Agency to be responsible for the personnel management of these staff of all grades. If staff in these categories wish to move elsewhere in the Scottish Office (or the Civil Service at large), they may express their wish to the Chief Executive who, in liaison with the Principal Establishment Officer of the Scottish Office, will consider their requests sympathetically and positively wherever practicable. Staff in these categories will be eligible for trawled posts and will have access to the head of their profession if he or she is located elsewhere in the Scottish Office.

7.4 Administrative staff (including office support staff such as typists) within the Agency are normally expected to move between the Agency and other parts of the Scottish Office as a consequence of career planning and promotion. The Chief Executive will be responsible for all line management responsibilities and for job related training; recruitment, and career development outwith the Agency, will be the responsibility of the Principal Establishment Officer of the Scottish Office subject only to the following provisos:

7.4.1 the Chief Executive may recruit directly external candidates to fill selected posts on fixed term contracts;

7.4.2 the Chief Executive may recruit casual staff directly; and

7.4.3 the Chief Executive and the Principal Establishment Officer will consider sympathetically and positively wherever practicable, requests from administrative staff in the Agency who wish to pursue their careers wholly or partly in the Agency.

7.6 Incentive schemes like this are increasingly being introduced by Agencies. SFPA intends to examine the opportunities in detail during its first year.

7.7 This gives the Chief Executive the right to decide the best staff relations machinery. In practice, we intend that existing trade unions should continue to represent staff (because union membership is high, and relations good) and that a form of Whitley Council should be set up for SFPA. We are discussing with the TUS the precise form of that Whitley Council: we would prefer a body independent of the Scottish Office Whitley Council; the TUS would prefer subordination.

7.5 SFPA, in consultation with the Principal Establishment Officer of the Scottish Office, will keep under review the extent of its personnel responsibilities with a view to maximising delegation while increasing the efficiency and effectiveness of the service to management and staff. Particular consideration will be given to taking on a wider range of personnel management functions for administrative staff, from 1 April 1992.

7.6 Performance Incentives

The Agency will consider introducing incentive schemes for all staff, or for groups of staff. A note to the Annual Report will record any payments and their relationship to the achievement of published objectives.

7.7 Staff Relations

The Chief Executive will determine, after consultation with staff and Trade Unions, arrangements to foster good staff relations.

7.8 Training and Staff Development

SFPA recognises the importance of training and development for staff at all levels and of all disciplines. It will draw up a training and staff development strategy for all staff. This strategy will pay particular attention to the Agency's own priorities as set out in the Corporate Plan and to the developmental needs of individual members of staff.

7.9 Health and Safety

SFPA will designate a Health and Safety Officer and aim to achieve the highest standards of health and safety for its employees and on board its vessels and aircraft.

8.1-2 This foreshadows progressive delegation to the Agency, to avoid overburdening management and systems at the outset and to ensure that value for money is examined in each case.

8. SUPPORT SERVICES

8.1 From Launch

From its inception the Agency will be responsible for support services for personnel management (as described in paragraph 7.4) and for Corporate Planning and those financial responsibilities delegated to it (as described in paragraphs 5.1 and 6.2). In addition, subject only to the requirement not to exceed the total budget, the Chief Executive may switch expenditure among a range of services and obtain these services from the source which offers best value for money.

8.2 For the Future

The Chief Executive will progressively review the provision of other support services with appropriate parts of the Scottish Office on the understanding that the number of support services for which the Chief Executive has delegated authority will increase over time. The criteria to be applied in this process will be efficiency and effectiveness in relation to the Agency and the Scottish Office as a whole.

9. REVIEW AND DEVELOPMENT

9.1 Amendment and Review

This Framework Document will be reviewed jointly by the Secretary of State and the Chief Executive no later than 3 years after the establishment of the Agency. Changes may however be proposed to the Framework Document earlier in the light of experience or changed circumstances.

9.2 The Office of the Minister for the Civil Service and the Treasury will be consulted on any proposed changes prior to submission to the Secretary of State for approval. Where the proposed changes relate to staff terms and conditions of service they will also be the subject of consultations with staff representatives.

9.3 Publication

Copies of this Framework Document, and of any subsequent changes, will be placed in the libraries of the Houses of Parliament.

9.4 Enquiries

All enquiries on this Framework Document should be addressed in the first instance to:-

[ ]

SFPA FUNCTIONS AND RESOURCES

1. The exploitation of sea fisheries in the waters around the UK is regulated under the EC Common Fisheries Policy and also under other UK national measures. The enforcement of EC and national regulations is the responsibility of each Member State. In Scotland this role is undertaken by the Scottish Fisheries Protection Agency which is responsible for monitoring the implementation of EC and national regulations and detecting and taking appropriate action on any offences committed.

2. SFPA enforcement and inspection staff are designated as British Sea Fisheries Officers (BSFOs) who have statutory powers and duties relating to the enforcement of fisheries legislation. BSFO duties include the inspection and monitoring of fishing vessels, gear and equipment, records and catches. For the SFPA, Fishery Officers of the Sea Fisheries Inspectorate, and officers of the Fishery Protection fleet are BSFOs with responsibilities within Scottish waters and ports.

AREA OF OPERATION

3. SFPA responsibilities cover Scottish waters of 185,000 sq miles within the British Fishery Limits. Appendix I is a map of the relevant area.

RESOURCES

4. Over 87% the staff have specialist skills, either Fishery Officers in the SFI or officers and ratings in the Marine Service. The staffing complement of the Agency at 1 April 1991 is:

4.1	Marine Service	139
4.2	Sea Fisheries Inspectorate	72
4.3	Administration Group	33

5. The main assets employed by the Agency at 1 April 1991 are:

5.1 Vessels: 4 large offshore patrol vessels: FPVs Sulisker, Vigilant, Norna and Westra;

5.2 two fast patrol vessels: Moidart and Morven.

5.3 Aircraft: 1 Fokker F27

5.4 one Cessna Caravan (on short term lease).

6. The current asset value of the vessels is £39m and of the aircraft £3.5m.

FUNCTIONS

7. The main functions of the Agency are land-based monitoring and inspection of fishing activity and landings; marine and aerial surveillance; and the provision of enforcement policy advice.

Land-Based Inspection

8. The tasks of the Sea Fisheries Inspectorate (SFI) involve land-based fisheries protection and enforcement duties around the Scottish coast and the provision of statistics and intelligence for the Agency and Department about the fishing industry in Scotland and technical fisheries matters.

9. The main functions of the SFI are:

9.1 Enforcement of fisheries legislation and licence conditions

This involves issuing licences and variations, monitoring of catches in port (species landed; size of fish landed; fish mesh sizes; fish grading requirements) and investigating suspected offences.

9.2 Provision of technical advice and intelligence

This involves providing assessment and advice for the Agency and Department on a wide range of fishery issues (including conservation measures; enforcement policy; and fishing methods and gear).

9.3 Fishing Vessel Registration

Registration of Scottish based fishing vessels.

9.4 Food and Environment Protection Legislation

This involves advising the Department on Dumping at Sea licence applications in relation to fisheries interests, and enforcing the relevant legislation. Also advice in relation to oil industry developments and the effects of the oil industry on fisheries.

Marine Surveillance

10. The function of the fishery protection fleet is to undertake protection and enforcement duties at sea. Its tasks are:

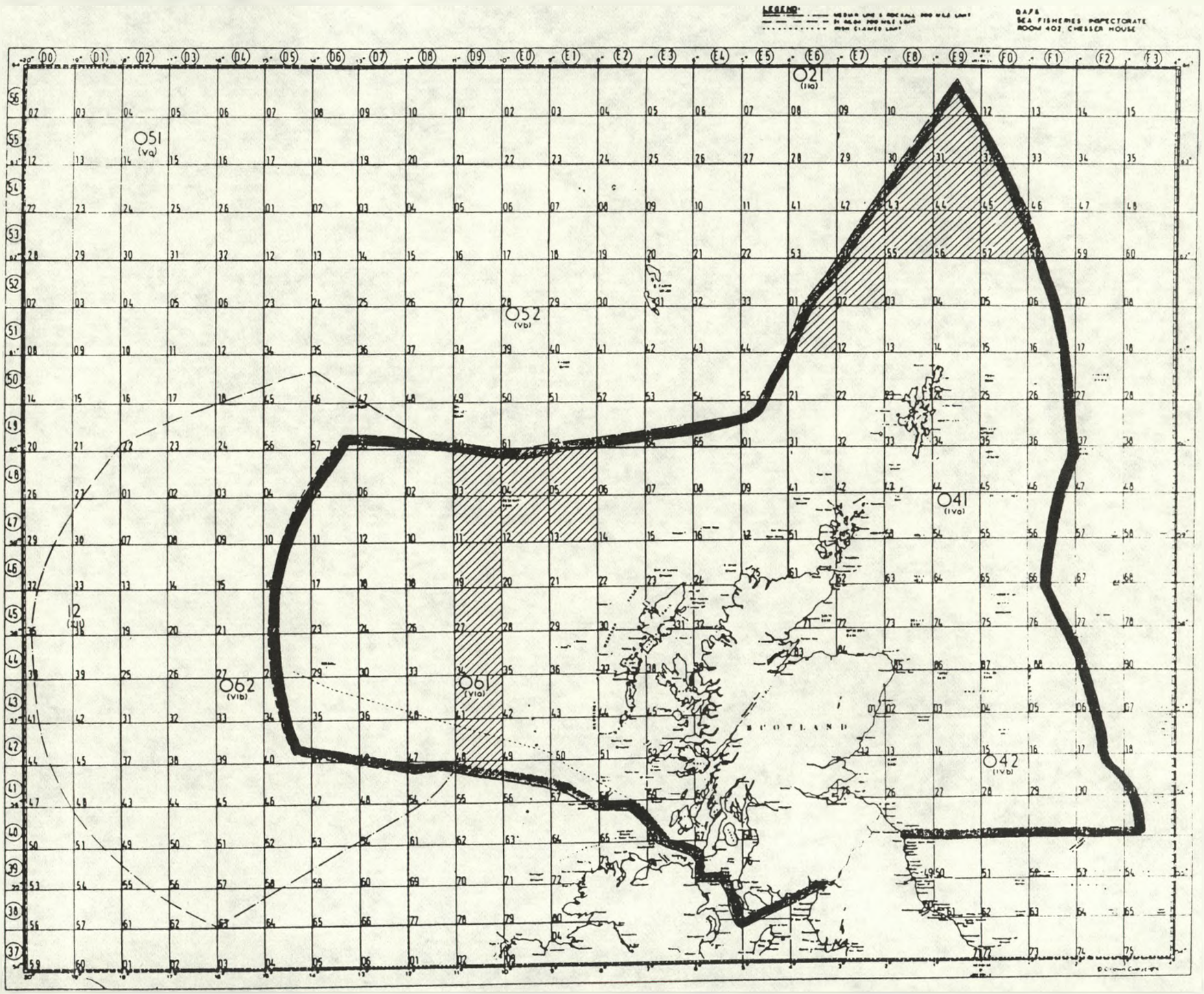
10.1 through regular patrols of waters around Scotland to deter unauthorised fishing activity;

10.2 to board and inspect fishing vessels where required to monitor fishing activity and to detect offences under EC and National fisheries regulations and initiate legal proceedings where necessary;

10.3 record sightings of fishing vessels at sea and report on fishing activity for the Agency and Department.

Aerial Surveillance

11. The function of the aerial surveillance operation is to provide information on the location of fishing vessels and the pattern of fishing activity through regular aerial patrols over the waters around Scotland and information on sightings of vessels and type of fishing operation. The Agency aims also to deter illegal fishing activity and, where possible, detect offences through aerial surveillance. Surveillance aircraft work closely with fishery protection vessels.



NOTE : REVISED GRAPHIC OF MAP WILL BE PREPARED

APPENDIX I

ANNEX B

MEASURES OF PERFORMANCE

The performance targets set for the Agency in the Corporate Plan will initially be based on the following measures:

Level of Service	Days on Sea Patrol Hours Flown
Activity Measures	Boardings at Sea Inspections in Port Boardings at sea per 1,000 sightings Inspections in port per 1,000 vessel arrivals Offences detected at sea per 1,000 inspections Court proceedings as percentage of detections reported Nets measured per quarter
Unit Costs	Marine surveillance cost per boarding Aerial surveillance cost per sighting SFI cost per inspection.

Sir Robin Butler

SECRETARY OF STATE FOR SCOTLAND

SCOTTISH OFFICE
WHITEHALL LONDON SW1A 2AU

PRIVY COUNCIL OFFICE
A 1399
6 FEB 1991
FILING INSTRUCTIONS

The Rt Hon Tim Renton MP
Minister of State
Privy Council Office
Horse Guards Road
LONDON
SW1P 3AL

Mr Watson 18.2.91 — framework document or earlier if so need it

4 February 1991

Dear Tim,

NEXT STEP AGENCY: SCOTTISH HISTORIC BUILDINGS AND MONUMENTS

I am writing to advise you of my intention to establish Historic Buildings and Monuments, which is part of the Scottish Office Environment Department, as an executive agency under the Next Steps initiative from 1 April 1991. The new agency's title would be "Historic Scotland".

I am pleased with the progress that our officials have made in developing the agency proposal and I am content that the draft Framework Document which I enclose provides a satisfactory basis for Historic Scotland's work and its relationship with the wider Scottish Office. It gives Historic Scotland significantly increased authority to manage its operations in the most appropriate way - notably in the financial field where I am glad to learn of the greater flexibility agreed with Treasury on the use of receipts (which will undoubtedly be the key to the generation of more income).

I should be grateful if you and David Mellor could confirm as soon as possible that you are content with the draft Framework Document. I can then make an early announcement to Parliament and other relevant interests and our officials can complete the further detailed work required in advance of the agency launch, including the setting of appropriate performance targets and any necessary refinement of the details in the Framework Document.

I have written separately about my other candidate for assuming agency status on 1 April - the Scottish Fisheries Protection Agency - but I would propose to announce the two candidates at the same time. Since I want to make the announcement as soon as possible (to end uncertainty and give the maximum time for final preparations), I would be grateful for early clearance of the principle of agency status for Historic Scotland.

I am sending a copy of this letter to David Mellor and, for information, to Michael Heseltine.

Yours ever,

Ian.

IAN LANG

Encl.

EML01130.011

DRAFT: 16 JANUARY 1991

H I S T O R I C S C O T L A N D
E X E C U T I V E A G E N C Y

FRAMEWORK DOCUMENT

A P R I L 1 9 9 1

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ANNEX A Functions, Tasks and Performance Indicators

1. STATUS

1.1 Historic Buildings and Monuments, which is part of the Scottish Office Environment Department, becomes an Executive Agency on 1 April 1991.

1.2 The Agency will be known as "Historic Scotland".

1.3 The Secretary of State for Scotland is the responsible Minister and Historic Scotland will be part of the Scottish Office Environment Department.

1.4 This document sets out the strategic framework within which the Agency will operate.

2. AIMS AND OBJECTIVES

Aims

2.1 Historic Scotland will discharge the Secretary of State for Scotland's functions in relation to the built heritage - that is, ancient monuments and archaeological sites; historic buildings, parks and gardens; and designed landscapes. To that end, it will:

2.1.1 Protect Scotland's built heritage. Historic Scotland administers the Secretary of State's policies on the protection of monuments, buildings, sites and gardens of archaeological, architectural or historical importance - whoever owns them. This involves operating and keeping under review the arrangements for protection and conservation (including the statutory systems for scheduling ancient monuments, listing historic buildings, and scrutinising proposals which may damage monuments and buildings); paying grant in selected cases to help to protect and conserve; giving expert advice and help to owners and occupiers; helping to identify the best of Scotland's built heritage (for instance through archaeological excavation); and working with other bodies and individuals who share these goals. Historic Scotland is directly responsible for maintaining and conserving the Palace of Holyroodhouse, the Royal Parks and some 330 monuments (including Edinburgh Castle) in the care of the Secretary of State for Scotland.

2.1.2 Present Scotland's built heritage to the public. Historic Scotland helps promote public enjoyment and understanding of Scotland's historic monuments, buildings, sites and gardens - by improving the presentation of monuments in the Secretary of State's care, by encouraging other owners to improve public access and by general education (both for its own sake and to help create a climate which supports the protection of the built heritage).

2.2 Annex A describes the functions of Historic Scotland in more detail and sets out performance indicators.

Objectives

2.3 In support of its aims, Historic Scotland's specific objectives are to:-

2.3.1 carry out its tasks economically, efficiently and effectively;

2.3.2 improve the standard of services to all those for whom services of any kind are provided;

2.3.3 generate additional income in order to support the approved objectives and achieve the optimal balance between net costs to the Exchequer and the achievement of the approved objectives;

2.3.4 achieve any financial and other performance targets set by the Secretary of State after consultation with the Director.

3. ORGANISATION

Staffing

3.1 On 1 April 1991, Historic Scotland had just over 600 permanent staff, operating partly from headquarters in Edinburgh but mainly deployed throughout Scotland to maintain and manage the estate of monuments in care. Over 80% of the staff are specialists (such as inspectors of ancient monuments and historic buildings, architects, masons and custodians): the remainder are managers and administrators. There is a high level of skills and commitment.

Chief Executive

3.2 The chief executive of Historic Scotland will be known as the Director. The appointment will be approved by the Secretary of State, normally following open competition, and will normally be for 5 years (with arrangements for review and possible extension in the light of performance). The Director is answerable to the Secretary of State for Scotland for the operation of the Agency and for its performance in accordance with this Framework Document and the Corporate Plan.

Management Board

3.3 The Director will determine the management structure of the Agency and will keep these arrangements under review so as to be able to respond to its future needs. At its inception there will be a Management Board which will consist of the Deputy Director (Conservation and Historic Buildings), Deputy Director (Corporate Planning and Resources), Assistant Director (Monuments in Care), Assistant Director (Works and Professional Services) and the Head of the Finance Unit. The Director will chair the Management Board and its other members will be accountable to the Director for their own areas of responsibility. Long-term strategic issues including the Corporate Plan will be considered by a Strategy Group which will consist of the members of the Management Board, the Chief Inspector of Historic Buildings and the Chief Inspector of Ancient Monuments (the chief professional staff expert in their respective fields).

Advisory Bodies

3.4 The Historic Buildings Council for Scotland and the Ancient Monuments Board for Scotland will continue to advise and make recommendations to the Secretary of State for Scotland on his responsibilities for historic buildings and ancient monuments and Historic Scotland will provide the secretariat for both bodies.

4. PARLIAMENTARY ACCOUNTABILITY

Secretary of State for Scotland

4.1 The Secretary of State for Scotland will continue to answer to Parliament for the functions of Historic Scotland. Ministers will not, however, normally become involved in the day-to-day management of the Agency.

4.2 Scottish Office Ministers will encourage Members of Parliament to communicate with the Director when they have an enquiry on a matter which has been delegated to the Agency. Any Member who is dissatisfied with a reply from the Director may raise the question with the Minister. The Director will ensure that Members' enquiries are answered promptly and effectively, by the Minister or by the Director as appropriate. Members of Parliament will, however, continue to be able to raise with Ministers matters concerning Historic Scotland.

Accounting Officer Arrangements

4.3 The Secretary of the Scottish Office Environment Department is the Departmental Accounting Officer for the Vote from which Historic Scotland is funded.

4.4 The Director of Historic Scotland is designated as Agency Accounting Officer by the Secretary of the Scottish Office Environment Department.

4.5 The Director, as Agency Accounting Officer, is accountable for the proper, efficient and effective use of resources provided to the Agency, in pursuit of the agreed Corporate Plan objectives and targets.

4.6 The Agency Accounting Officer and the Departmental Accounting Officer are both liable to be summoned to appear before the Public Accounts Committee. It will continue to be for Ministers to decide who should represent them at other Parliamentary Committee hearings. In practice where a Committee's interest is confined to the day-to-day operations of the Agency, Ministers will normally regard the Director as the person best placed to appear on their behalf.

Parliamentary Commissioner for Administration

4.7 There will be no change in the role of the Parliamentary Commissioner for Administration (the "Ombudsman").

5. FINANCE, PLANNING AND CONTROL

Finance

5.1 Historic Scotland is funded from Fin 5 the Roads, Transport and Environmental Services, Scotland Vote. The Vote, which is cash limited, covers part of the expenditure of the Scottish Office Environment Department, including all capital and current programme expenditure by Historic Scotland together with direct administrative costs. Admissions income, sales, VAT recoveries and other receipts arising from the normal operation of Historic Scotland's business are appropriated in aid of the Vote. Historic Scotland has authority to deploy that income towards its programme or running costs expenditure in implementation of Corporate Plan objectives, subject to the Secretary of State for Scotland's decisions on the distribution of his public expenditure block resources, to Parliamentary approval of Supply Estimates and to a pre-set limit on the extent to which income which exceeded the forecast made in the main Supply Estimates may be used to fund additional running cost expenditure.

Corporate Plan

5.2 Each year, the Agency will produce for submission to the Secretary of State a Corporate Plan covering the three forward years, to inform the Secretary of State's Public Expenditure Survey negotiations with the Treasury about the Agency's running costs and his Survey decisions about the distribution of his public expenditure block. Following these decisions, the approved Plan will set out for the period under review Historic Scotland's

- mission statement,
- strategic aims and objectives,
- assessment of the external constraints and opportunities,
- priorities,
- financial objectives,
- performance and efficiency targets,
- forecasts of income, and trading performance
- resource needs, including staffing.

5.3 The Corporate Plan agreed by the Secretary of State (with such amendments as he thinks appropriate) will form the main basis for judging the performance of the Agency and will provide a medium -term management tool as well as the framework for a more detailed annual operating/business plan which will form the basis on which the Agency is managed. A summary of the Plan, excluding any commercially confidential material, will be published. Any in-year policy or other changes sought by the Secretary of State will be the subject of discussion between the Scottish Office Environment Department and the Director, and may involve changes to the approved objectives and/or approved resources.

Policy Issues

5.4 The Director will advise the Secretary of State on any policy issues not covered by the Corporate Plan which arise and on cases which the Director considers require Ministerial decision.

Annual Report and Accounts

5.5 The Director will present annually to the Secretary of State for Scotland an Annual Report and Accounts. The Annual Report will review the Agency's performance over the previous year against the financial objectives and performance targets set in the Corporate Plan and how the Agency has responded to unforeseen circumstances. The Accounts will be prepared in accordance with Treasury guidance; the Agency will move to accounts prepared on an accrual basis as soon as possible, and no later than financial year 1992-93. The Annual Report and audited Accounts will be laid before Parliament and published as soon as possible after the end of the financial year.

5.6 The Agency will operate financial and management accounting systems which enable management to review performance against budgets and targets.

Internal Audit

5.7 The Agency will ensure that a system of internal audit, in accordance with the standards and guidelines laid down in the Government Internal Audit Manual,is provided, reporting to the Director. In addition, the Scottish Office Audit Unit will have the right of access to the Agency if necessary to give independent assurance to the Departmental Accounting Officer.

External Audit

5.8 The Agency will be subject to external audit by the Comptroller and Auditor General.

Delegations to the Director

5.9 Within the broad strategy of the Corporate Plan the Director has authority delegated from the Departmental Accounting Officer to approve all current expenditure, and capital expenditure up to a limit to be determined from time to time by the Departmental Accounting Officer in discussion with the Director, and amended as appropriate.

5.10 The Director will be responsible for ensuring that relevant Government financial procedures are followed and may delegate functions in writing within the limits set by "Government Accounting".

6. PERSONNEL

Status of Staff and conditions of service

6.1 All staff of Historic Scotland will be Civil Servants within the Scottish Office and will continue to be employed on Civil Service terms and conditions. Any subsequent proposals to vary these arrangements to reflect the particular needs of the Agency will be the subject of normal consultations, principally under the arrangements described in paragraph 6.7.

Personnel management

6.2 The Agency aims to offer its staff good and satisfying career opportunities and is committed to fostering career development and equal opportunities. The Director is responsible for ensuring that the requisite level of personnel management expertise is available and maintained and that staff serving in the Agency can obtain advice on training and career opportunities within the Scottish Office and the wider Civil Service.

6.3 Since most professional, technical, custodial and industrial staff in Historic Scotland are likely to pursue their careers within the Agency rather than to move between it and other parts of the Scottish Office, all aspects of their personnel management (other than pensions) will be the responsibility of the Director. A personnel unit will be established within the Agency to be responsible for the personnel management of these staff, of all grades If staff in these categories wish to move elsewhere in the Scottish Office (or the Civil Service at large), they may express their wish to the Director who, in liaison with the Principal Establishment Officer of the Scottish Office, will consider their requests sympathetically and positively wherever practicable. Staff in these categories will be eligible for trawled posts and will have access to their head of profession if he or she is located elsewhere in the Scottish Office.

6.4 Administrative staff (including office support grades such as typists) within the Agency are normally expected to move between the Agency and other parts of the Scottish Office as a consequence of career planning and promotion. The Director will be responsible for all line management responsibilities and for job-related training. The Principal Establishment Officer of the Scottish Office will be responsible for recruitment, and career development outwith the Agency, subject only to the following provisos:

6.4.1 the Director may recruit directly external candidates to fill selected posts on fixed term contracts;

6.4.2 the Director may recruit casual staff directly; and

6.4.3 The Director and the Principal Establishment Officer will consider sympathetically and positively wherever practicable, requests from administrative staff in Historic Scotland who wish to pursue their careers wholly or partly in the Agency.

6.5 Historic Scotland, in consultation with the Principal Establishment Officer of the Scottish Office, will keep under review the extent of its personnel responsibilities with a view to maximising delegation while increasing the efficiency and effectiveness of the service to management and staff. Particular consideration will be given to taking on a wider range of personnel management functions for administrative staff, from 1 April 1992.

Group Incentive Scheme

6.6 Historic Scotland will consider introducing incentive schemes for all staff, or for groups of staff. A note to the Annual Report will record any payments and their relationship to the achievement of published objectives.

Staff Relations

6.7 In order to foster good staff relations the Director will determine, after consultation with staff and Trade Unions, arrangements for the exchange of information and views.

Training and staff development

6.8 Historic Scotland recognises the importance of training and development for staff at all levels and of all disciplines. It will draw up a training and staff development strategy for all staff. This strategy will pay particular attention to the Agency's own priorities as set out in the Corporate Plan and to the developmental needs of individual members of staff.

Health and Safety

6.9 Historic Scotland will designate a Health and Safety Officer, will ensure compliance with statutory standards, and will aim to achieve the highest standards of health and safety for its employees and visitors.

7. ADMINISTRATIVE SERVICES

To be provided by Agency from outset

7.1 From its inception Historic Scotland will be responsible for personnel management (as described in Section 6 above), for budgetary management (as described in Section 5 above), for corporate planning, for public relations and for accommodation at all locations other than its present headquarters (which is shared with other parts of the Scottish Office). In addition, subject only to the requirement not to exceed the total budget, the Director may switch expenditure among a range of services and obtain these services from the source which offers best value for money.

To be considered

7.2 The Director will progressively review the provision of other support services, with appropriate parts of the Scottish Office, on the understanding that the number of support services for which the Director has delegated authority will increase over time. This will include the provision of headquarters accommodation, when Historic Scotland moves to a headquarters where it is the sole or principal occupant. The criteria to be applied in this process will be efficiency and effectiveness in relation to the Agency and the Scottish Office as a whole.

8. THE FRAMEWORK DOCUMENT

Review

8.1 This Framework Document will be reviewed by the Secretary of State and the Director no later than 3 years after the establishment of the Agency. Changes may however be proposed earlier in the light of experience or changed circumstances.

8.2 The Office of the Minister for the Civil Service and the Treasury will be consulted on any proposed changes before they are submitted to the Secretary of State for Scotland for approval. Proposed changes will also be the subject of consultations under the arrangements described in paragraph 6.7.

Publication

8.3 Copies of this Framework Document, and of any subsequent changes, will be placed in the Libraries of the Houses of Parliament.

DRAFT OF 10 DECEMBER 1990
HISTORIC SCOTLAND: FUNCTIONS, TASKS AND PERFORMANCE INDICATORS

Historic Scotland has two main functions; protecting and presenting Scotland's built heritage (that is, monuments, buildings, gardens and sites of archaeological, architectural or historic importance). This Annex describes the tasks involved in these main functions, and sets targets and performance indicators wherever possible.

Key indicators are emboldened

MAIN FUNCTION A: PROTECTING SCOTLAND'S BUILT HERITAGE

TASK A1 Listing historic buildings of special interest, reviewing the lists when necessary.	A1.1 Complete systematic resurvey of list.	A1.1.1 Number of survey units completed during year. **A.1.1.2 Number of completed survey units, as % of estimated total.**
	A1.2 Undertake listing of areas or building types under special threat.	A1.2.1 Number of survey units completed during year.
	A1.3 Evaluate all ad hoc listing proposals, within 3 months.	A1.3.1 Number of proposals. A1.3.2 % processed in 3 months.
TASK A2 Scheduling important ancient monuments.	A2.1 Schedule 150 monuments in 1991-92, rising to 200 in 1993-94.	**A2.1.1 Number of monuments newly scheduled.**
TASK A3 Protecting buildings of special interest from loss or damage.	A3.1 Process all listed building consent applications within statutory time limits.	A3.1.1 Number of applications. A3.1.2 % of cases processed within 28 days.
	A3.2 Make payment to [ ] Historic Building Repair grant cases per year, giving priority to the most important buildings.	**A3.2.1 Number of general grant** **- enquiries** **- applications** **- cases in payment** A3.2.2 Grant offered and accepted as % of eligible costs. A3.2.3 Number of town schemes. A3.2.4 Number of town scheme grant cases in payment.

TASK A4 Protecting ancient monuments (not in Historic Scotland's care) from loss or damage.	A4.1 Process all applications for consent to work on scheduled monuments, issuing a provisional decision letter within 6 weeks in 65% of cases (increasing to 75% by 1993-94).	A4.1.1 Number of applications. A4.1.2 % of provisional decision letters issued within 6 weeks.
	A4.2 Grant aid the preservation of the maximum number of monuments within the allocated budget, giving priority to the most important monuments.	A4.2.1 Number of applications. A4.2.2 Number of cases in payment. A4.2.3 Grant offered and accepted as % of eligible costs.
TASK A5 Protecting monuments in care, and Royal Parks and palaces, and ensuring their sound management.	A5.1 Take into care monuments of national significance for which no other protection is effective; take out of care monuments which can be protected otherwise.	A5.1.1 Number of properties - taken into care - disposed of.
	A5.2 Reduce maintenance backlog on estate in care by - programme of major conservation works (over £50,000 per project), completing 75% within 10% of agreed time and cost - programme of minor consolidation, repair and maintenance work.	**A5.2.1 Maintenance backlog on historic fabric.** **A5.2.2 % VFM savings achieved.** A5.2.3 % of major projects programme completed. A5.2.4 % of major projects completed within 10% of agreed time and cost. A5.2.5 % of direct labour time spent on historic work.
	A5.3 Secure monuments in care from theft and vandalism and achieve accident free sites.	A6.3.1 Number of damage reports. A5.3.2 Number of reportable accidents - to staff and contractors. - to visitors.

TASK A6 Carrying out rescue excavations at sites threatened by development or natural forces.	A6.3 Use available resources to sponsor at least 20 completed rescue excavations.	A.6.3.1 Excavations in progress. A6.3.2 Excavations completed. A6.3.3 Publications completed.
TASK A7 Developing heritage skills and using them to advise and help owners to repair and maintain properties.	A7.1 Provide specialist conservation service to HS and other owners, completing 75% of major projects (over £5,000) within 10% of agreed time and cost.	A7.1.1 % of major projects completed within 10% of agreed time and cost. A7.1.2 % of staff time on work for other owners. A7.1.3 % of advisory reports done within 3 months of initial request.
	A7.2 Research conservation issues.	
	A7.3 Promote training in conservation skills.	
	A7.4 Provide specialist conservation advice to owners on request; provide general information.	

MAIN FUNCTION B: PROMOTING AND PRESENTING SCOTLAND'S BUILT HERITAGE

TASK B1 Promoting public awareness and understanding of monuments in care and Royal parks.	B1.1 Ensure public access, consistent with preservation, public safety, public demand and available resources.	B1.1.1 Number of properties to which public have access.
		B1.1.2 % days of unscheduled closures of properties where charges are made.
	B1.2 Increase by 4.5% per year the number of visitors to monuments where an admission charge is made.	**B1.2.1 Number of visitors.**
		B1.2.2 % change in year.
		B1.2.3 Number of school visitors.
	B1.3 Improve presentation to visitors, in keeping with status of monuments.	B1.3.1 Number of Class I properties (with major visitor centres).
		B1.3.2 Number of Class II properties (with significant visitor displays).
		B1.3.3 Number of Class III properties (with up-to-date presentation boards).
		B1.3.4 Number of Class IV properties (with little or poor presentation).
	B1.4 Improve quality and variety of goods for sale to visitors.	B1.4.1 Number of guidebooks - revised - rewritten
	B1.5 Increase revenue from - admission charges - trading - functions etc	B1.5.1 Income from admission charges (% change).
		B1.5.2 Income from trading (% change).
		B1.5.3 Income from functions etc (% change).
		B1.5.4 Total income.

TASK B2 Increasing public access to grant-aided historic buildings and monuments.	B2.1 Make all grants conditional on appropriate public access.	B2.1.1 Number of historic buildings with access conditions 1/2/3/4, for grants awarded in year
TASK B3 Encouraging public knowledge about Scotland's built heritage.	B3.1 Arrange (or help arrange) exhibitions, publications, films, lectures, etc.	
MAIN FUNCTION C: GENERAL		
TASK C1 Advising Secretary of State on all policy issues affecting Historic Scotland's sphere of responsibility, promoting legislation where necessary.	C1.1 Give timely sound advice.	
TASK C2 Advising on Inheritance Tax cases.	C2.1 Advise Customs & Excise on all cases: new cases within 6 months (without chattels) and 9 months (with chattels).	C2.1.1 Number of new cases - with chattels - without chattels C2.1.2 % of new cases processed within target timescales. C2.1.3 Number of amended claims. C2.1.4 Number of monitoring cases.
TASK C3 Co-operate with others in heritage field.	C3.1 Service Ancient Monuments Board and Historic Buildings Council. C3.2 Sponsor Royal Commission on Ancient & Historic Monuments of Scotland. C3.3 Co-operate with other historic property owners and other bodies in conservation, tourism and allied fields.	

SIR ROBIN BUTLER

RBSB ALL R

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CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

E P Kemp CB
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CABINET OFFICE
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5 FEB 1991
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487/48

Sir Brian Unwin KCB
Customs and Excise
New King's Beam House
22 Upper Ground
London SE1 9PL

4 February 1991

DJ Flitton

NEXT STEPS

Since I wrote to you last Thursday I have been thinking further about the question of presentation raised by the Prime Minister. I am aware that I am trespassing on your patience to come back once more to a point which has been at the heart of what we have talked about for so long, but it is inevitably going to come up. This is the very simple question "why is Customs and Excise in its entirety not a Next Steps Agency?" or, as a sort of alternative or supplementary, "What is the difference between being a Next Steps Agency, as for instance the Social Security Benefits Agency is going to be, and operating fully on Next Steps lines?".

This question has already been asked, for example by my Minister. And the general question of what is a Next Steps Agency and what is not continues to interest people. Partly - and of course this is something we should be proud of - this is because the concept of an "Executive Agency" has become something of a symbol and a "good housekeeping" mark of the cultural changes we are trying to bring about, which means, less helpfully, that anything that is not readily labelled in this way is liable to be criticised as somehow second best. As you know, and as I later told my Minister and others, I am fully persuaded that this is emphatically not so in the case of yourself and the Inland Revenue. But we have to make this absolutely clear to people.

As I say my Minister asked for a note on this subject, and you may like to have the attached "line to take" which we gave him: it may be useful, for example, as a supplementary to the wider Q & A briefing which you are agreeing with my people here, and for use in Question Time. It seems to me that it would be very helpful if you and Tony Battishill and also Hayden

Phillips (to both of whom I am copying this letter) would agree to cluster round some sort of approach like this. As I say it is a question that is bound to come up and we need to make sure that we have a full and appropriate answer, which sets out things as they are and which is not in any sense defensive.

Stephen Kershaw will be letting Robin MacLachlan have our other comments on your draft Q & A briefing separately.

I am copying this letter to Tony Battishill and Hayden Phillips and also, because of the importance of this issue for Civil Service management reform generally, to Robin Butler.

E P KEMP

REVENUE DEPARTMENTS AND NEXT STEPS

Next Steps is about improving management in government. In most cases that can best be achieved by establishing free-standing Agencies headed by Chief Executives. But Customs and the Inland Revenue have particular characteristics which argue for a slightly different approach. Most important, they already have a significant degree of autonomy by virtue of their statutory Boards responsible to Ministers for the overall management of the work. We have therefore concentrated on sharpening the personal accountability, and enhancing the management freedoms, of the operational units within the two Departments. The creation of the Executive Offices and Units is key to this. Each will have its own Framework Document, annual targets and a named individual in charge with enhanced personnel and financial freedom to meet them. And both the Revenue and Customs have action programmes for further significant change to improve efficiency and quality of service. I am satisfied that these changes will lead to the operation of the two Departments fully on Next Steps lines and increased efficiency and quality of service as this work goes forward.

Y SWYDDFA GYMREIG
ARC CATHAYS
CAERDYDD CFI 3NQ

0222 823289

Oddi wrth yr Ysgrifennydd Parhaol

Sir Richard Lloyd Jones KCB

WELSH OFFICE
CATHAYS PARK
CARDIFF CFI 3NQ

0222 823289

From the Permanent Secretary

31 January 1991

c - Mr Whetnall

Sir Robin Butler KCB CVO
Secretary of the Cabinet and
Head of the Home Civil Service
Cabinet Office
70 Whitehall
LONDON SW1A 2AS

CABINET OFFICE
A 1227
1 FEB 1991
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FILE

487/48

Dear Robin,

MEETING BETWEEN THE PCA AND PERMANENT SECRETARIES ON 6 FEBRUARY

Our discussion yesterday was necessarily brief, but perhaps I could note one matter of increasing concern, though not necessarily for discussion with William Reid next week.

This is the question of financial recompense of individuals who have suffered as a result of maladministration. It tends to arise particularly when the facts as initially presented to the PCA make it impossible to deny that some element of maladministration has taken place, In recent years I have noted a tendency for the PCA to draft his report in a way which makes it clear that he does not consider that an apology from the Principal Officer will suffice to enable him to complete his report. He then leaves his draft report unfinished, with the suggestion that the Principal Officer should make a suitable offer of recompense. He may be reluctant to leave the level of recompense to the judgment of the Principal Officer, particularly if he thinks he can specify the material loss that has been caused to the complainant by the maladministration in question; and can argue that nothing less than total recompense will do. He may even contemplate the possibility of making a special report to Parliament, normally followed by a hearing at the Select Committee (which by definition will not be comfortable for the Department). In one case at least I have seen him deploy that weapon to good effect from his point of view.

The Act makes clear that the Commissioner may lay before each House of Parliament a special report on the case if, after conducting his investigation, the Commissioner considers that the injustice that has been caused has not been or will not be remedied. This does, I fear, imply the possibility of his bargaining with the Department before he completes his report. Principal Officers, though, cannot generally offer substantial recompense without consultation with the Treasury. If precedent is involved, several other departments may have to be consulted, with scope for tedious collective examination of the minutiae. This process delays redress, thus eventually requiring the

PCA to step up the pressure. This makes things worse for the Department which has the taxpayer's interest to consider, and hard cases make bad law. The obverse, from the PCA's point of view, is that slow reporting and redress of complaint makes for bad business.

The point is not academic, I fear, as I am currently in debate with William about a case in which he is alleging maladministration through failure to give "adequate" notice of a reduction in rates of grant available to private houseowners.

I think that we cannot raise this usefully with William, and it would not be seemly for me to do so just now. If such cases are infrequent, then we self-evidently have to deal with each on its merits. I would however be concerned if "plea bargaining", backed up by threats of the laying of special reports, (I emphasise that this has not happened to me during William's time), became the norm. If so, there might be some attraction in taking the Act at face value and adopting a general practice of allowing the question of recompense to be dealt with in Parliament rather than struggling to do so at official level.

This may be a bridge too far, but had time allowed it is a point that I would have wished to raise.

I am sending a copy of this letter to Wednesday morning colleagues.

Yours ever,

Richard

RICHARD LLOYD JONES

A1 R.

487/48

CABINET OFFICE
A 1133
30 JAN 1991
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25 01-03

Ref: O.301

From: A D WHETNALL

Date: 30 January 1991

MR KEMP

cc PS/Sir Robin Butler
Miss Mulligan

PCA AND NEXT STEPS

Following this morning's meeting of Permanent Secretaries, I have asked Mr Avery, the PCA's Deputy, whether it would be in order for apologies following PCA investigations to come from Agency Chief Executives rather than Principal Officers.

2. He did not quite feel able to say yes, but said that it was often possible to agree a form of words at a level below Principal Officer: "The Principal Officer has offered the apologies of the Department ...". He recalled one investigation concerning Companies House since it became an Agency where a form of words had been agreed that expressed apologies of both the Principal Officer and the Chief Executive of the Agency.

3. I said that this was one area on which Permanent Secretaries were in favour of clean delegation. It was surely appropriate for the Chief Executive to apologise for maladministration when it was clearly within his delegated responsibility and where he would have responsibility for any corrective action. Mr Avery agreed that the man in the street might be as much or more impressed by an apology from a Chief Executive, as "Principal Officer" might mean less to him. He will put the point to Mr Reid and let us know any views.

4. I can confirm that the Act does not prescribe ~~on~~ the form of any departmental response, and there will be no legal obstacle to Chief Executives' apologies.

A D WHETNALL
Machinery of Government Division

Ref: O.290

From: A D Whetnall

Date: 29 January 1991

PS/LORD PRESIDENT

cc PS/Mr Renton
PS/Sir Robin Butler
Mr Kemp
Mr Holroyd
Mr Dilling
Mr Maclean

LETTER FROM CHAIRMAN OF SELECT COMMITTEE ON THE PCA: FIRST REPORT 1990-91

Issue

The Select Committee published its first report of 1990-91 on Wednesday 16 January 1991. Its subject is the "PCA's Annual Report for 1989". Sir Antony Buck, the Chairman of the Select Committee, has written to the Lord President (attached at A) drawing his attention to the one substantive recommendation for the Government, that: "a half-day debate on the work and role of the Parliamentary Commissioner for Administration take place in Government time during the current session of Parliament, and ideally before Easter".

Recommendation

2. The Lord President should not commit himself to a debate before Easter; I have discussed this with Mr Maclean who points out that the usual pressures on Parliamentary time relating to the Budget and the legislative programme have been augmented by the Gulf War. If the Lord President is attracted to the Procedure Committee recommendation of a half-day debate on PCA matters once a Parliament, it would be no bad thing to hold a debate before Sir Antony Buck retires, and before the Committee becomes specific in its thinking on extensions to the PCA's jurisdiction. The draft reply therefore promises sympathetic consideration to the proposal for a debate in the not too distant future, but stops short of a commitment to a debate once in each Parliament.

Background

3. Calls for a regular debate on the work of the PCA were first raised in 1989. Frank Hayes, a member of the Select Committee, requested a debate in the House on the annual report of the PCA (11 May 1989). Sir Antony Buck, as Chairman of the Committee, wrote to the then Lord President, Mr Wakeham, asking for two half-day debates for the House to examine the reports the Commissioner made as the PCA and as the Health Service Commissioner. Mr Wakeham declined to make any firm commitment to an annual debate and Sir Geoffrey Howe, Mr Wakeham's successor, subsequently appeared before the Select Committee to explain the Government's position.

4. Sir Geoffrey had suggested that the issue might be brought to the attention of the Procedure Committee in the course of that Committee's investigation into the Select Committee system generally. As a result the Procedure Committee have recommended (paragraph 324 of their report on the Working of the Select Committee System) that there should be time provided "in the not too distant future, and thereafter once a Parliament, for a debate on the work of the Ombudsman as a whole, and on the case for considering possible changes in his role and powers." (recommendation lxv) Sir Antony notes that his own Committee's recommendation is similar to this, but believes it is separate from the broad thrust of the Procedure Committee's recommendations and is seeking a separate response.

Argument

5. The Government have consistently held the view that debate on the work of the PCA is best carried out by the Select Committee on the PCA. The Committee seem particularly keen to raise the profile of the PCA with MPs. Three of the four conclusions highlighted in the report (including the request for a debate) relate to this point. They are concerned that "only 361 MPs had used the services of the Commissioner in 1989". In 1989 Sir Antony suggested that a debate was merited as part of the Parliamentary scrutiny of the executive, drawing an analogy between the PCA and the Comptroller and Auditor General (C&AG).
6. The Select Committee are asking for a single debate, but fully support the Procedure Committee's recommendation for a debate each Parliament, something they regard as a 'minimal demand'. The main arguments the Lord President's predecessor used in resisting commitment to an annual debate on PCA business were:

(i) <u>that the Select Committee monitors the PCA's activities very successfully.</u> Unlike the House, the Committee can summon official, expert and ministerial witnesses to explain details of cases and functions of the PCA's Office. Although the PCA reports raise a few issues of general interest to MPs (such as administrative delays in benefit claims or tax problems), they also deal with housekeeping matters for the PCA's office and disagreements between the PCA and the Government on jurisdictional matters which are thoroughly and appropriately aired by the Select Committee when necessary. A general debate would only retread ground already covered by the Committee. Any proposals for change to the PCA's jurisdiction or powers recommended by the Committee would be carefully considered by the Government;

(ii) <u>the PCA already has the power to lay special reports before Parliament which can be debated.</u> These provide an opportunity for a well-focussed debate on a specific issue of special interest or on a case where the PCA

feels a satisfactory remedy has not been provided. Time is already given to debate select committee reports and they can also be tagged as being relevant to other debates. The analogy between the PCA and the C&AG does not suggest the PCA's reports should be debated. The work of the C&AG is reported to Parliament through the Public Accounts Committee. Any debate is on the basis of one of the committee's reports.

(iii) there is little, if any, demand for a debate from other sources. We are not aware of any political groundswell for a debate. The present arrangements seem satisfactory and the Select Committee itself seldom put forward many substantive recommendations for Government action.

7. The Committee's main line of argument for a debate is that it is one of the most effective ways to raise consciousness among MPs about the role and work of the PCA. In fact awareness of the PCA is already high. Over 500 MPs refer cases to the PCA in the course of a Parliament. It seems unlikely that lack of awareness is the main reason why some MPs do not use the PCA. The PCA and the Committee already carry out a lot of publicity work directed at MPs and the public to ensure they are aware of the PCA's role, and the PCA is about to draw all Members' attention to a new publicity leaflet.

8. These arguments remain sound, but clearly the pressure from the Committee for a debate is persistent. While we see no reason to change earlier advice against a commitment to annual debates on PCA matters, the Procedure Committee recommendation provides a compromise if the Lord President wishes to offer something to Sir Antony. There would moreover be much to be said for holding a debate while Sir Antony (who has announced his retirement as from the Election) is still Chairman, and before the Committee has sharpened up ideas it has floated on extending the jurisdiction of the PCA. There are no particular issues at present which would make a debate on the PCA difficult or embarrassing, although it could stimulate debate on politically awkward extensions of his jurisdiction.

9. Sir Antony has hinted that a refusal to arrange a debate would produce an invitation to the Lord President to explain why in oral evidence. There would be little to add to the line taken by Sir Geoffrey Howe when he appeared before the Committee a year ago, but if the Lord President is invited to give evidence we shall, of course, provide a detailed brief.

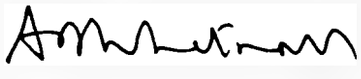
Other issues in the Committee's Report

10. Nothing else in the Committee's Report calls for a substantial response from Government. The Committee have looked at the jurisdiction, role and powers of the PCA once again. They

have indicated that they intend to re-examine the principles governing the PCA's jurisdiction at some future date. Although generally satisfied with the powers of the PCA they also intend to look at the possibility of his being able to initiate investigations without a complaint, and at the case for bringing within his jurisdiction complaints relating to Civil Service personnel matters arising before and after a period of service. This would in effect mean maladministration relating to Civil Service recruitment, and to pensions. The DSS is proposing to bring Civil Service pensions within the jurisdiction of the pensions ombudsman rather than the PCA, and are currently consulting on draft regulations. Mr Kemp has suggested that the PCA gets in touch with Mr Holroyd for a briefing on the role the Civil Service Commission will play after April 1991 in ensuring consistencies and fairness in the more devolved arrangements which will then be introduced for recruitment. At present we see no reason to advise that the PCA's jurisdiction should be extended to deal with personnel matters; his role is to deal with maladministration concerning the public, not Government employees.

11. The Committee's interest in extending the PCA's jurisdiction is triggered by comparisons with the Swedish and Danish ombudsmen who have wider powers and jurisdiction. However, while the experience of overseas ombudsmen may be useful, their position is not always analogous with that of the PCA. The Committee also addressed the issue of the time taken to complete investigations, which increased from 12 to 15 months in 1989. All departments now meet the six week deadline for reply to an initial inquiry. Most of the delay appears to be on the side of the PCA's office which is taking steps to speed up the process.

12. I attach a draft letter to Sir Antony, but would be happy to discuss if the Lord President does not want to make any form of commitment to a debate.



A D WHETNALL
Machinery of Government Division

DRAFT LETTER FROM THE LORD PRESIDENT TO:

Sir Antony Buck QC MP
Chairman
Select Committee on the PCA
House of Commons
London SW1A OAA

GOVERNMENT OBSERVATIONS ON THE FIRST REPORT FROM THE SELECT COMMITTEE ON THE PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION, SESSION 1990-91

Thank you for your letter of 16 January and the copy of the report of the Select Committee on the Parliamentary Commissioner for Administration. I read with interest the Committee's comments on recent developments, and your intention to look in more detail at various aspects of the Commissioner's role and jurisdiction.

You drew attention to the Committee's recommendation that "a half-day debate on the work and role of the Parliamentary Commissioner for Administration take place in Government time during the current Session of Parliament, and ideally before Easter." The Committee thought that a debate would be an effective way of raising the consciousness of MPs about the role and work of the Commissioner. I am not convinced that this would be the case, nor am I persuaded that those MPs who do not use the Commissioner are ignorant of the service he can provide. Over 500 MPs use the services of the PCA in the course of a Parliament. I understand that the Commissioner is issuing new publicity about his functions, and is drawing it to the attention of each Member. In so far as there is any misunderstanding or lack of awareness of his role this is likely to be an effective means of tackling it. The efforts that the Commissioner is making, with the support of Departments, to speed up investigations may also encourage more Members to use his services.

The House will also be aware of the detailed scrutiny carried out by the Committee, which unlike the House can summon official, expert and Ministerial witnesses to enable detailed consideration of matters of jurisdiction, powers, procedures and resources

That said, I am sympathetically considering the recommendation of your Committee together with that of the Procedure Committee that there should be a debate on PCA matters in the not too distant future. The level of interest in any debate that is held would cast some light on whether there is a convincing case for a regular debate once a Parliament. I hope you will understand however that I cannot as yet make a firm promise that there will be a debate this Parliament. There is unlikely to be a suitable time before Easter, as the need to allow opportunities for debate on the Gulf has added considerably to the usual pressures relating to the Budget and the legislative programme, but if an opportunity arises later in the session I shall certainly bear the Committee's case in mind.

487/48 R

24

Ref: O.287

From: A D WHETNALL

Date: 29 January 1991

PS/SIR ROBIN BUTLER

cc Mr Kemp
Miss Mulligan/Mr Jones

CABINET OFFICE
A 10973
29 JAN 1991
FILING INSTRUCTIONS

WEDNESDAY 30 JANUARY: PRELIMINARY DISCUSSION OF PERMANENT SECRETARIES MEETING WITH THE PCA ON 6 FEBRUARY

The Parliamentary Commissioner for Administration (PCA), Mr William Reid, is to meet Permanent Secretaries at their Wednesday morning meeting on 6 February and it has been suggested that Permanent Secretaries might like to have a preliminary discussion on 30 January of the matters to be raised on 6 February.

2. There are four matters which the PCA has said he wishes to raise:

1. Relations between the PCA and the Chief Executives of Next Steps Agencies, in particular, whether the pattern evolving in the Department of Social Security (DSS) for handling PCA investigations will be replicated in other departments;

2. The Government's view on the International Ombudsman industry and in particular the proposal for an EC Ombudsman;

3. Whether the law should be changed to require him to notify Government Departments when he decides not to investigate a complaint; and

4. His efforts to shorten reports.

3. Sir Robin wrote to Permanent Secretaries on 25 January to let them know about the subjects which Mr Reid wished to raise. He circulated along with that letter a copy of Mr Kemp's letter to Mr Reid of 24 January which set out the results of their discussion on the relationship between the PCA and the Chief Executive of Next Steps Agencies. (Copies of the correspondence are attached at A).

4. Sir Robin will wish to find out whether Permanent Secretaries foresee any difficulties with the proposed arrangements. It is possible for example that some may feel that many findings of maladministration would have wider repercussions for the Department generally and would therefore want to keep a closer eye on the conduct of investigations. They might also wish to be consulted in all cases where financial compensation was to be paid. This is certainly an area where the Treasury (who are currently revising the guidance on the payment of compensation in PCA cases) has taken a close interest in departmental practice, and will continue to wish to query consolatory payments (as opposed to compensation for mesasurable finanacial loss) which set precedents.

EC Ombudsman

5. In September 1990 the FCO suggested floating UK proposals for an EC Ombudsman as a contribution to the debate on institutional reform. The then Prime Minister was however unhappy with the proposals. In particular, she was concerned that:

(i) the EC Ombudsman's role would spill over into investigations in Member States. On the other hand, if the Ombudsman's functions were strictly limited to personnel there would be very little for her/him to do;

(ii) a large staff would be created, multiplying work for no real benefit.

The UK proposal was not taken further.

The Danes put forward a proposal for an EC Ombudsman in November 1990. We understand that the UK have decided to explore the possibility of supporting this proposal if it is not over-ambitious and will not now put forward their own proposal. While we do not have full details of the Danish proposal we understand that it would have the following elements:

- The Ombudsman would not overlap with national Ombudsmen or the European Parliament or European Court of Justice. Thus, if a complainant pursued the matter in the ECJ or if the EP established a Committee of Inquiry, the Ombudsman would have to drop the case.

- He would only investigate maladministration by EC institutions, and would not address matters relating to national implementation (which would be for the national Ombudsmen or the Commission, depending on the circumstances).

- He would not look at the content of the legislation itself.

- Any individual or company would have a right of complaint.

- The Ombudsman's powers would not include a right to insist upon national papers being provided and national officials being summoned.

Sir Robin will wish to invite Sir Patrick Wright to comment on the current state of play.

Notification of departments by the PCA of the decision not to investigate

6. The Health Service Commissioner (HSC), in cases where he decides not to conduct an investigation, is obliged to send a statement of his reasons for doing so to the body concerned as well as to the complainant (Section 119 (2) of the National Health Service Act 1977). There is no similar obligation on the

PCA to inform departments: he only has to inform the MP concerned (Section 10.1 Parliamentary Commissioner Act 1967). The PCA has drawn attention to the disparity and asked if Departments might find it useful to be informed about complaints which are not investigated.

7. The PCA may only look at a complaint which has been referred to him by an MP. Communication between PCA and MP, and MP and the complainant is privileged for the purposes of defamation (section 10 (5)(b) and 10 (5)(c)). For either the MP or PCA to be able to inform the Department under privilege would require a change in legislation.

8. The different legislative arrangements can probably be accounted for by the fact that the HSC is effectively at the pinnacle of the National Health Service Complaints procedure. Before he can initiate an investigation the HSC must be satisfied that the body concerned has had an opportunity to respond to the complaint. The involvement of the HSC therefore is the last stage of the complaint process and the Act makes provision for the body concerned to be informed should the HSC decide not to conduct an investigation of its own. The communication is protected by privilege.

9. Sir Robin will wish to take the minds of Permanent Secretaries on this proposal. Although it is possible that legislative time could be made available for a modest measure of this kind, in practice it would be very difficult to limit the range of the legislation and there would undoubtedly be pressure for any Bill to go wider by, for example, broadening the PCA's jurisdiction. It is worth noting in this context that pressures to broaden the PCA's jurisdiction or increase his powers may be renewed by the Select Committee on the PCA which, under the influence of a new Clerk, shows some signs of being more purposive in its work. Although the PCA himself is not thought to be interested in broadening his powers to, for example, initiate investigations he would favour increasing his jurisdiction to cover personnel matters pre-appointment and post-retirement - effectively Civil Service recruitment, dismissal and pensions. Successive Governments have taken the view that it would be inappropriate to extend the PCA's functions to personnel matters.

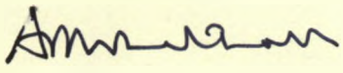
Shortening Reports

10. On taking up his appointment Mr Reid introduced a number of measures both to reduce the length of his reports and the time taken to produce them. His staff were instructed that reports should no longer include an exhaustive recital of every event investigated. The Select Committee's recent published report on the PCA's report for 1989 noted that the average throughput time for the investigation of cases had risen from 12 months in 1988 to 15 in 1989. They went on to observe that the speed of an investigation depended partly on the Department's response time. All Departments are expected to reply to the initial enquiry within six weeks. In 1989 there were only seven cases where Departments failed to do so. Moreover the DSS - one of the offending Departments - has made special efforts to remedy this

by employing two retired grade 3s to draft replies. Since then the Department has managed to meet the six week deadline. It is not known what specifically the PCA wishes to raise on this matter but it seems unlikely that the long throughput times for his investigations can be laid at Departments' doors. Sir Robin may simply wish to ask Permanent Secretaries if they have any thoughts on these issues.

11. It is just possible that Mr Reid may raise one or two other points on 6 February. For example he is known to have taken some interest in the establishment of the Pensions Ombudsman and what might be seen as the proliferation of Ombudsmen generally, (Banking, Building Society, Insurance, Legal Services). If time permits you may wish to alert Permanent Secretaries to these possible additional topics.

12. Finally, Sir Robin may wish to be aware that the Select Committee on the PCA has recently published a report recommending that there should be a half-day debate on the PCA. This itself echoed a recent recommendation by the Procedure Committee for such a debate. The Lord President is currently considering the proposal (see my submission of today's date) though in the past calls for regular debates on the PCA have been resisted.



A D WHETNALL
Machinery of Government Division

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref: A091/210

25 January 1991

c- Miss Mulligan (me)

My dear Patrick,

EC Ombudsman: Meeting between the PCA and Permanent Secretaries on 6 February

I have invited the Parliamentary Commissioner for Administration, William Reid, to attend our Wednesday morning meeting of Permanent Secretaries on 6 February.

There are two particular topics which I know he wishes to raise; the relationship between the PCA and Agency Chief Executives, on which I have written separately to Peter Middleton, and the international Ombudsman industry.

He is already aware of the proposal which was being canvassed earlier last year for an EC Ombudsman and he will no doubt wish to know how things have developed. I should be most grateful if you could be prepared to comment on how things stand on the current Danish proposal for an EC Ombudsman and take the lead on any points which William may raise at the meeting on this. There will be an opportunity for a preparatory discussion at our meeting on 30 January.

I am sending copies of this letter to those who attend Wednesday morning meetings.

Yours ever,

Robin

Sir Patrick Wright GCMG
Foreign and Commonwealth Office

F

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref. A091/209

c- Miss Mulligan (mc) 25 January 1991

Dear Peter,

PCA: Meeting with Permanent Secretaries on 6 February

William Reid, the Parliamentary Commissioner for Administration, will be attending the Wednesday morning meeting of Permanent Secretaries on 6 February. There are some specific topics which I know he wishes to discuss and on which I would welcome colleagues' views: the two substantial topics are the relationship between the PCA and the Chief Executives of Agencies, and the concept of an EC Ombudsman. I have written separately to Patrick Wright about the latter point.

As far as the PCA and Agencies is concerned Peter Kemp has already addressed the issue of the relationship between Chief Executives and the PCA and in particular whether the Chief Executive could be the Principal Officer for the purposes of a PCA investigation. The legal position is that the Principal Officer of the department for this purpose is the Permanent Secretary and this position could not be changed without legislation. However Michael Partridge, whose department accounts for about half the PCA's caseload, has already established a system where the handling of PCA cases is effectively delegated to the Chief Executive designate of the Benefits Agency, while he remains the department's Principal Officer under the PCA Act. It may be that Departments have plans to replicate this kind of arrangement in respect of their own agencies, and one of the objectives of the 6 February meeting will be to establish whether there is a common view on the sort of arrangements which are regarded as desirable. Peter Kemp has recently had an opportunity to discuss these issues with William Reid and the attached letter sets out the main points they discussed.

There are two additional points. First, under the terms of the legislation, when he decides not to investigate a complaint, the Health Service Commissioner is required to notify both the

/complainant and the body

24.1.91

Sir Peter Middleton GCB
HM Treasury

20/02

complainant and the body complained of. There is no such provision in respect of the Parliamentary Commissioner for Administration. William Reid wonders to what extend departments would feel it helpful to be so informed (it would require legislation to effect the change). Second, William Reid hoped to discuss briefly the attempts he has made to speed up and shorten reports. On his appointment the Commissioner instructed his staff to produce shorter reports which would no longer catalogue every detail of events.

It would I think be helpful to prepare the ground by rehearsing these issues and any other matters colleagues wish to raise with William Reid at our meeting on 30 January. I am sending copies of this letter to all those who attend Wednesday morning meetings.

Yours ever,

Robin

CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

E P Kemp CB
Second Permanent Secretary

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 6450
Fax: 071-270 6132

William Reid Esq CB
Parliamentary Commissioner for
Administration
Church House
Great Smith Street
London SW1P 3BB

24 January 1991

NEXT STEPS AGENCIES

I am very grateful to you for allowing me to call on you on Monday to discuss my letter to you of 17 December. This letter seeks to set out where we got to in our helpful talk.

I repeated some of what I said in my letter of 17 December about the policy behind Next Steps and I went on to say that it seemed to follow that the focus for your enquiries as PCA ought, if they concerned a Next Steps Agency, to be the Chief Executive. He is the person actually responsible for the operation and thus for any alleged maladministration that may have taken place. Moreover, he will be best placed to deal with any repercussions for the operation of which he has charge, given that Agency arrangements are tailored to particular functions. Focusing investigation on the Chief Executive would be consistent with distancing on the one hand the roles of the Minister and of the Permanent Secretary, both as chief adviser to the Minister and as Permanent Head of the Department, and on the other the role of the Chief Executive. Whereas the former are involved in strategic and overall matters, the latter is uniquely concerned with the day-to-day business which is where, generally speaking, matters brought to your attention are likely to have arisen.

However we are advised by the lawyers that the "Principal Officer" to whom the 1967 Act requires you to send statements of complaint and a copy of your final report is the Permanent Secretary of the Department unless the Agency concerned is a Department in its own right and thus entered separately in Schedule 2 to the Act - as for example are the Land Registry and the Ordnance Survey. Unless or until the law is changed, therefore, there is a formal relationship between yourself and the Permanent Secretary.

Subject only to the legal requirements, how you conduct your investigations is entirely a matter for your discretion - and you cannot fetter it or your successors'. Against the above background you said that while you would continue, as you must, formally to initiate and to sign off any investigation direct with the Permanent Secretary as Principal Officer you would if Permanent Secretaries were agreeable invite your staff to conduct investigations by dealing direct with the Chief Executive of the Agency and his staff, subject to any arrangement an individual "Principal Officer" might request in the case of any particular investigation in order to be kept generally in touch with progress, taking due account of the public delegation by the Minister to the Chief Executive of the responsibilities, roles etc set out in the published Framework Document. Your formal obligation is to afford the Principal Officer of the Department and any other person who is alleged to have taken or authorised the action complained of the opportunity to comment on any allegations contained in the complaint (Section 7(1) of the 1967 Act) but I understand that you would have no objection if the responses and general assistance in the course of the investigation came from the Chief Executive and his staff, and that you would be willing to copy your formal letters to the Chief Executive. All this would be without prejudice to your legal right to communicate with the Principal Officer where you saw the need. The obligation to send a formal report of your investigation to the Principal Officer (Section 10(2)) is not inconsistent with affording the Chief Executive the opportunity to comment factually on the draft report and you would have no objection if this happened with the Principal Officer's agreement - which I would hope would be forthcoming.

One purpose of the meeting on 6 February is to see how far colleagues would be content with this as a general model. It would still, I think, be for the Permanent Secretary in question to decide on the extent to which he involved himself personally in the progress of any particular investigation. For my part, I would hope that most Permanent Secretaries would accept that while they would see the outcome of every report, they would not be involved in the progress of the investigation or in the action taken in response to your report and recommendations unless there were matters which you felt it necessary to raise with them, or recommendations which had repercussions going beyond the management and responsibilities of the Agency. Individual Permanent Secretaries could doubtless adopt different approaches one from the other and indeed as between one Agency Chief Executive and another, and it is an area which might well develop over time as people got experience of the Next Steps regime both specifically in relation to PCA cases and indeed generally. You made the point that Permanent Secretaries might want to be particularly aware of any recommendations that you as PCA made at the conclusion of an investigation for significant ex gratia payments to be made to complainants; and you also said that the Select Committee on the PCA would be interested in any procedural change in this area and might not necessarily see things in exactly the same way as the Select Committee on the Treasury and Civil Service.

I hope you will agree that this fairly represents the substance of our discussion.

E P KEMP

pso.jt/Middleton/1.28.1.91

UNCLASSIFIED

HM Treasury

Parliament Street
London SW1P 3AG
Telephone 071-270 4360

Sir Peter Middleton GCB
Permanent Secretary

Sir Robin Butler

Mr Lovelock wants to ask whether Sir Peter had mentioned/discussed this with you. SLP 29/1

FOLIO 24L

A 1067
29 JAN 1991
FILING INSTRUCTIONS

487/88

Sir Angus Fraser KCB
Efficiency Unit
70 Whitehall
LONDON
SW1

Sir P. Middleton made the comment at K/ 28 January 1991 saying that he did not find generalised reports very helpful. He did not make the point at Y/, which anyway does not seem to follow from the earlier part of the letter.

Mr Lovelock to discuss with Sir A. Fraser. Would it be helpful if I wrote to Sir A. Fraser in more positive vein. PERB

Dear Angus,

INTERDEPARTMENTAL STUDY OF THE RELATIONSHIPS BETWEEN DEPARTMENTS AND THEIR AGENCIES 29.1.

Thank you for sending me a copy of your letter of 17 January to Robin Butler, enclosing a copy of the interim report on this study.

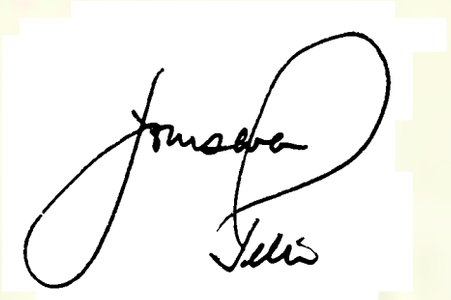
K/ I have to say that I read it without much enthusiasm. I would like to endorse what I believe Nick Monck and Hayden Phillips said to you when you met last week. I hope that the Study Team will re-think the direction of their work, look again at their terms of reference, and devote the remaining few weeks to a really concentrated study of the relationships that exist between individual departments and their Agencies. I am sure that there is a worthwhile report to be written, but it must be a report which is grounded in a detailed appreciation of what is good and what is less good about the way in which individual departments are managing their Agencies.

You mentioned in your letter that the team would want to comment on the development of appropriate financial regimes and on pay and management flexibilities. I welcome the way you have distinguished these points from the objective of the study but I must say that I have doubts as to whether the team will be able to add much value to what is actually being done in those areas by departments, Agencies and the Treasury. I know that Hayden Phillips has arranged for the team to get a full explanation of what is happening and I would urge you not to include these aspects in the remaining work programme until you have been able to make an informed judgement as to whether there is something new and valuable to be said. This concerns not only items (ii) and (iv) in paragraph 5 of your letter, but also affects item (iii) on which we are reviewing the Accounting Officer Memorandum.

Switchboard 071-270 3000 Fax 071-270 5653 Telex 9413704

You may therefore want to think again about circulating this interim report more widely until the emerging findings are rather clearer.

I am sending a copy to Robin Butler.



P E MIDDLETON

R AH 113

487/48

FOLIO 23mm

Mr Gibson
Mr Jenkins Ms Cannon

M 28/2

Rt Hon Tim Renton MP
Office of the Minister
for the Civil Service
Horse Guards Road
LONDON SW1P 3AL

BUSINESS OFFICE
A 2411
1 MAR 1991
FILING INSTRUCTIONS

DEPARTMENT OF HEALTH

Richmond House
79 Whitehall
London SW1A 2NS
Telephone 071 210 3000
From the Parliamentary Under Secretary of State for Health

27 February 1991

Dear Tim

NEXT STEPS AGENCIES: THE MEDICINES CONTROL AGENCY

Thank you for your letter of 1 February about the draft Parliamentary Question and Reply announcing the launch date for the MCA as a Next Steps Agency. I am also grateful for David Mellor's letter of 25 January.

We have been giving further thought to the feasibility of 1 April as a target date and have come to the conclusion that it is not feasible without rushing much of the work which still remains to be done. I very much take David's point that we need to see a firm action plan, as well as full drafts of the Framework Document, the Business Plan and the Corporate Plan before making too firm a public announcement. But I also believe that we need to set a demanding, though realistic internal target and that we ought to be as specific as we can in the Parliamentary Reply.

I understand that my officials have shown yours parts of the draft Framework Document and that the remainder will be ready shortly. I also gather that action plan and revised timetable, together with draft Business and Corporate Plans are almost complete. The revised timetable will point to 1 July as the target and I propose that we agree to work to this. For the purposes of the Parliamentary Reply, I think that my original proposal of "in 1991" meets your point about being as specific as possible, while paying regard to David's concerns also. I must say that I find it difficult to envisage that the MCA, having made as much progress as it has over the past year in establishing the systems and controls it needs for its business activities, whether with Next Steps Agency status or not, will not be ready during 1991.

I am copying this letter to David Mellor.

Yours sincerely,

Stephen

STEPHEN DORRELL

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref. A091/210

25 January 1991

c- Miss Mulligan (me)

My dear Patrick,

EC Ombudsman: Meeting between the PCA and Permanent Secretaries on 6 February

I have invited the Parliamentary Commissioner for Administration, William Reid, to attend our Wednesday morning meeting of Permanent Secretaries on 6 February.

There are two particular topics which I know he wishes to raise; the relationship between the PCA and Agency Chief Executives, on which I have written separately to Peter Middleton, and the international Ombudsman industry.

He is already aware of the proposal which was being canvassed earlier last year for an EC Ombudsman and he will no doubt wish to know how things have developed. I should be most grateful if you could be prepared to comment on how things stand on the current Danish proposal for an EC Ombudsman and take the lead on any points which William may raise at the meeting on this. There will be an opportunity for a preparatory discussion at our meeting on 30 January.

I am sending copies of this letter to those who attend Wednesday morning meetings.

Yours ever,

Robin

Sir Patrick Wright GCMG
Foreign and Commonwealth Office

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 071-270 0101

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref. A091/209

c- Miss Mulligan (me) 25 January 1991

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There are two additional points. First, under the terms of the legislation, when he decides not to investigate a complaint, the Health Service Commissioner is required to notify both the

/complainant and the body

Sir Peter Middleton GCB
HM Treasury

complainant and the body complained of. There is no such provision in respect of the Parliamentary Commissioner for Administration. William Reid wonders to what extend departments would feel it helpful to be so informed (it would require legislation to effect the change). Second, William Reid hoped to discuss briefly the attempts he has made to speed up and shorten reports. On his appointment the Commissioner instructed his staff to produce shorter reports which would no longer catalogue every detail of events.

It would I think be helpful to prepare the ground by rehearsing these issues and any other matters colleagues wish to raise with William Reid at our meeting on 30 January. I am sending copies of this letter to all those who attend Wednesday morning meetings.

Yours ever,

Robin

CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

E P Kemp CB
Second Permanent Secretary

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 6450
Fax: 071-270 6132

William Reid Esq CB
Parliamentary Commissioner for
Administration
Church House
Great Smith Street
London SW1P 3EB

24 January 1991

Dear William

NEXT STEPS AGENCIES

I am very grateful to you for allowing me to call on you on Monday to discuss my letter to you of 17 December. This letter seeks to set out where we got to in our helpful talk.

I repeated some of what I said in my letter of 17 December about the policy behind Next Steps and I went on to say that it seemed to follow that the focus for your enquiries as PCA ought, if they concerned a Next Steps Agency, to be the Chief Executive. He is the person actually responsible for the operation and thus for any alleged maladministration that may have taken place. Moreover, he will be best placed to deal with any repercussions for the operation of which he has charge, given that Agency arrangements are tailored to particular functions. Focusing investigation on the Chief Executive would be consistent with distancing on the one hand the roles of the Minister and of the Permanent Secretary, both as chief adviser to the Minister and as Permanent Head of the Department, and on the other the role of the Chief Executive. Whereas the former are involved in strategic and overall matters, the latter is uniquely concerned with the day-to-day business which is where, generally speaking, matters brought to your attention are likely to have arisen.

However we are advised by the lawyers that the "Principal Officer" to whom the 1967 Act requires you to send statements of complaint and a copy of your final report is the Permanent Secretary of the Department unless the Agency concerned is a Department in its own right and thus entered separately in Schedule 2 to the Act - as for example are the Land Registry and the Ordnance Survey. Unless or until the law is changed, therefore, there is a formal relationship between yourself and the Permanent Secretary.

Subject only to the legal requirements, how you conduct your investigations is entirely a matter for your discretion - and you cannot fetter it or your successors'. Against the above background you said that while you would continue, as you must, formally to initiate and to sign off any investigation direct with the Permanent Secretary as Principal Officer you would if Permanent Secretaries were agreeable invite your staff to conduct investigations by dealing direct with the Chief Executive of the Agency and his staff, subject to any arrangement an individual "Principal Officer" might request in the case of any particular investigation in order to be kept generally in touch with progress, taking due account of the public delegation by the Minister to the Chief Executive of the responsibilities, roles etc set out in the published Framework Document. Your formal obligation is to afford the Principal Officer of the Department and any other person who is alleged to have taken or authorised the action complained of the opportunity to comment on any allegations contained in the complaint (Section 7(1) of the 1967 Act) but I understand that you would have no objection if the responses and general assistance in the course of the investigation came from the Chief Executive and his staff, and that you would be willing to copy your formal letters to the Chief Executive. All this would be without prejudice to your legal right to communicate with the Principal Officer where you saw the need. The obligation to send a formal report of your investigation to the Principal Officer (Section 10(2)) is not inconsistent with affording the Chief Executive the opportunity to comment factually on the draft report and you would have no objection if this happened with the Principal Officer's agreement - which I would hope would be forthcoming.

One purpose of the meeting on 6 February is to see how far colleagues would be content with this as a general model. It would still, I think, be for the Permanent Secretary in question to decide on the extent to which he involved himself personally in the progress of any particular investigation. For my part, I would hope that most Permanent Secretaries would accept that while they would see the outcome of every report, they would not be involved in the progress of the investigation or in the action taken in response to your report and recommendations unless there were matters which you felt it necessary to raise with them, or recommendations which had repercussions going beyond the management and responsibilities of the Agency. Individual Permanent Secretaries could doubtless adopt different approaches one from the other and indeed as between one Agency Chief Executive and another, and it is an area which might well develop over time as people got experience of the Next Steps regime both specifically in relation to PCA cases and indeed generally. You made the point that Permanent Secretaries might want to be particularly aware of any recommendations that you as PCA made at the conclusion of an investigation for significant ex gratia payments to be made to complainants; and you also said that the Select Committee on the PCA would be interested in any procedural change in this area and might not necessarily see things in exactly the same way as the Select Committee on the Treasury and Civil Service.

I hope you will agree that this fairly represents the substance of our discussion.

E P KEMP

Mr Kemp has agreed this but would like to give Mr Reid notice mid-day to manage to make sure that he is content with his letter (covering)

24 JAN 1991

A. Type for my sig. AAH R.

From Miss R A Mulligan
Date 24 January 1991

1. Mr Whetnall
2. PS/Sir Robin Butler

c. Mr Kemp
Mr Jones

22

487/48

PCA: MEETING WITH PERMANENT SECRETARIES ON 6 FEBRUARY

Mr Whetnall's minute to PS/Sir Robin Butler of 19 December (attached) covered draft letters to Permanent Secretaries forewarning them about the subjects which the PCA would wish to raise at the meeting on 6 February.

2. These drafts (attached) have now been brought up to date to take account of Mr Kemp's meeting with Mr Reid and one or two other minor points which Mr Reid wishes to raise.

Sir Robin may wish to sign off the letters before the weekend so that Permanent Secretaries have time to mull over the contents before their preliminary discussion of the issues on 30 January.

ROSALIND MULLIGAN
Machinery of Government Division

CABINET OFFICE
A 934
25 JAN 1991
FILING INSTRUCTIONS
FILE NO.

2 minutes

DRAFT

209

Sir Peter Middleton

PCA: MEETING WITH PERMANENT SECRETARIES ON 6 FEBRUARY

William Reid, the Parliamentary Commissioner for Administration, will be attending the Wednesday morning meeting of Permanent Secretaries on 6 February. There are ~~several~~ some specific topics which I know he wishes to discuss and on which I would welcome colleagues' views: The two substantial topics are the relationship between the PCA and the Chief Executives of Agencies, and the concept of an EC Ombudsman. I have written separately to ~~Sir~~ Patrick Wright about the latter point.

As far as the PCA and Agencies is concerned Peter Kemp has already ~~given some thought to~~ addressed the issue of the relationship between Chief Executives and the PCA and in particular whether the Chief Executive could be the Principal Officer for the purposes of a PCA investigation. The legal position is that the Principal Officer of the department for this purpose is the Permanent Secretary and ~~we are advised that it would require~~ their position could not be changed without legislation ~~to change that~~. However Michael Partridge, whose department accounts for about half the PCA's caseload, has already established a system where the handling of PCA cases is effectively delegated to the Chief Executive designate of the Benefits Agency, while he remains the department's Principal Officer under the PCA Act. It may be that Departments have plans to replicate this kind of arrangement in respect of their own agencies, and one of the objectives of the 6 February meeting will be to establish whether there is a common view on the sort of arrangements which are regarded as desirable. Peter Kemp has recently had an opportunity to discuss these issues with William Reid and the attached letter ~~[with which Mr Reid has expressed himself content]~~ sets out the main points they discussed.

There are two additional points. First, under the terms of the legislation, when he decides <u>not</u> to investigate a complaint, the Health Service Commissioner is required to

notify both the complainant and the body complained of. There is no such provision in respect of the Parliamentary Commissioner for Administration. William Reid wonders to what extent departments would feel it helpful to be so informed (it would require legislation to effect the change). Second, William Reid hoped to discuss briefly the attempts he has made to shorten reports. On his appointment the Commissioner instructed his staff to produce shorter reports which would no longer catalogue every detail of events.

It would I think be helpful to prepare the ground by discussing these issues and any other matters colleagues wish to raise with William Reid at our meeting on 30 January. I am sending copies of this letter to all those who attend Wednesday morning meetings.

WP2/DRFTS

210

DRAFT LETTER TO SIR PATRICK WRIGHT FOR SIGNATURE BY SIR ROBIN BUTLER

EC OMBUDSMAN: MEETING BETWEEN THE PCA AND PERMANENT SECRETARIES ON 6 FEBRUARY

I have invited the Parliamentary Commissioner for Adminstration, William Reid, to attend our Wednesday morning meeting of Permanent Secretaries on 6 February.

There are two particular topics which I know he wishes to raise; the relationship between the PCA and Agency Chief Executives, on which I have written separately to Peter Middleton, and the "International Ombudsman Industry".

He is already aware of the proposal which was being canvassed earlier last year for an EC Ombudsman and he will no doubt wish to know how t[illegible]ed. I should be most grateful if y[illegible] be prepared to comment on how things stand on the current Dani[illegible] an EC Ombudsman and take any points which [illegible] raise at the meeting on this. There will be a[illegible]ty [illegible] a preparatory discussion at our meeting o[illegible].

I am [illegible] of this letter to those who attend Wednesd[illegible]tings.

WP2/DRFTS

CABINET OFFICE
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E P Kemp CB
Second Permanent Secretary

Horse Guards Road
London SW1P 3AL
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Fax: 071-270 6132

William Reid Esq CB
Parliamentary Commissioner for
Administration
Church House
Great Smith Street
London SW1P 3EB

24 January 1991

NEXT STEPS AGENCIES

Many thanks for your letter of today.

I have taken on board pretty well all your points, I hope, and a revised version of my letter is below. As you will see, I have signed it, but we have not put any copies on file or anything like that, and if there is anything in it that makes you unhappy please give me or Jeremy Cowper here (tel: 270 6420) a quick call and we can see what we can do to reach an agreed position. We need to have an agreed version by lunchtime tomorrow (Friday).

I am really most grateful to you for your help in this matter.

E P KEMP

CABINET OFFICE
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E P Kemp CB
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William Reid Esq CB
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24 January 1991

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I hope you will agree that this fairly represents the substance of our discussion.

Yours

E P KEMP

CABINET OFFICE
OFFICE of the MINISTER
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E P Kemp CB
Second Permanent Secretary

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 6450
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William Reid Esq CB
Parliamentary Commissioner for Administration
Church House
London SW1P 3BW

17 December 1990

NEXT STEPS AGENCIES

As the number of Next Steps Agencies grows, your office will no doubt be establishing new ground rules for investigation of complaints concerning their work. I gather there will be an opportunity for discussion of this and other PCA matters at the meeting of Permanent Secretaries on 6 February, but it occurs to me that it might be useful if you and I could meet before then to talk over some of the issues.

As long ago as 5 July last year your predecessor, in evidence to the Select Committee on the Parliamentary Commissioner for Administration, suggested that the committee would wish to ensure that "the change to Executive Agencies does not lead to any reduction in accountability for maladministration". My own view is that the setting up of Agencies should do a great deal to sharpen the accountability of those who are directly responsible for the quality of management - the Chief Executives, to whom responsibility for administration and performance will be delegated in Framework Documents. Both in theory and in practical development, the Chief Executive will increasingly be the individual who should respond and be responsible for the actions of his unit in cases of alleged maladministration.

My initial view was that it would be desirable if this change in the focus of responsibilities could be reflected in a statutory transfer of responsibility for consultation and action on your reports from Permanent Secretaries to Chief Executives. I am advised however that the 1967 Act places on you certain obligations in relation to the principal officer of a Department which is the subject of a complaint and investigation, and the principal officer will be the Permanent Secretary of the Department listed in Schedule 2 of the Act. For as long as Agencies remain for legal purposes part of their parent Department, it is not possible, unless the Act was to be amended, to list Agencies separately in Schedule 2. We shall in time want to look very closely at the case for moving towards "separate departmental" status, but until such time the Permanent Secretary will remain the formal point of contact for the purposes of Sections 7(1) and 10(2) of the 1967 Act, which are designed to give an opportunity to comment on the allegations in a complaint, and state that he should receive a copy of the report.

You are of course bound to comply with these statutory obligations, but you may agree that in practice there is no reason why Permanent Secretaries should not delegate to Chief Executives their consultation functions in respect of reports and I imagine there will be every advantage to your office in establishing direct working relationships with Chief Executives and their staff. If so it would make sense to send concurrent notice of investigations and copies of draft reports to Chief Executives in all cases which involve an Agency and you would, of course, have a statutory obligation to do so if the Chief Executive is identified in a complaint you propose to investigate as the person who has taken or authorised the action complained of.

Your main point of day-to-day contact would then become the Chief Executive. Complaints of maladministration, and action to put right any defects you identify will be his or her direct concern, and he or she will be in the best position to assist every stage of your investigations. The arrangements which Michael Partridge is proposing for handling the heavy case load for DSS seem to me to be a step in the right direction. You may think that arrangements on similar lines would be the most practical and expeditious way for all Departments to respond to PCA investigations concerning Next Steps Agencies.

If you agree that it would be useful to discuss these ideas before the 6 February meeting, we could perhaps arrange a meeting for some time next month?

I am copying this letter to Robin Butler.

E P KEMP

cst.ps/dr/8dm16.1

UNCLASSIFIED

Treasury Chambers, Parliament Street, SW1P 3AG

Sir George Young MP
Minister for Housing and Planning
Department of the Environment
2 Marsham Street
London
SW1P 3EB

21 January 1991

Dear George.

THE BUYING AGENCY (TBA)

Thank you for your letter of 14 January seeking approval to turn The Buying Agency (TBA) into a Next Steps Agency as soon as practicable, and to announce your intention to do so on 17 January.

Our officials have been in close touch over the preparations for turning TBA into a free-standing business, and are presently in discussion over both the Business Plan and the Framework Resources document. I understand that there are no outstanding major points of principle to be resolved. The Treasury would be quite content to see TBA set up as an Executive Agency provided that appropriate targets and safeguards, included in the draft Framework Document, to ensure the business provides best VFM to customer Departments, are observed.

On this basis, I am therefore content that you make the proposed announcement as drafted. Exact timing of the Agency launch will fall to be decided later in the light of circumstances.

I am copying this letter to the Prime Minister, Tim Renton and Sir Robin Butler.

Yours ever,

DAVID MELLOR

UNCLASSIFIED

<487/48 SCP AAH 16/1

Sir Robin Butler

CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

THE RT HON TIM RENTON MP
The Minister of State
Privy Council Office

FOLIO 20

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 5929

C91/219

CABINET OFFICE
A 495
16 JAN 1991
FILING INSTRUCTIONS

Sir George Young MP
Minister for Housing and Planning
Department of the Environment
2 Marsham Street
London
SW1P 3EB

15 January 1991

Dear George

NEXT STEPS AND THE BUYING AGENCY

Thank you for sending me a copy of your letter of 14 January to David Mellor about the discussions which have been taking place about the best arrangements for the future management of the Buying Agency.

I agree that there is a strong case for turning the Buying Agency into a Next Steps Agency and I very much welcome your proposal to do so. I also agree that it is important to minimise the period of uncertainty faced by staff and customers. I hope therefore that it will be possible to launch the Agency from 1 April. The Project Manager believes that this ought to be achievable and, if you agreed, I think it would be worth including the target date as part of the Parliamentary Answer.

I welcome your decision to hold an open competition to fill the post of Chief Executive - as the best way to attract someone with the right qualities and abilities - and to do so as soon as possible so that the successful candidate can contribute to the shaping of the Framework Document and flexibilities. It will be important to offer a realistic salary. I hope that there can be early agreement to placing the advertisement.

I look forward to receiving your launch plans for the Agency. Copies of this letter go to the Prime Minister, David Mellor and to Sir Robin Butler.

Yours
Tim

TIM RENTON

Sir Robin Butler

RDB

DLP NCB 14/1

Minister for Housing
and Planning

Department of the Environment
2 Marsham Street
London SW1P 3EB

Telephone 071 276 3310

CABINET OFFICE
A 393
14 JAN 1991
FILING INSTRUCTIONS

FOLIO 20L

487/48 Pt 2

C91

14 January 1991

Dear Denis,

Our officials have been discussing the best arrangements for the future management of The Buying Agency, after the closure of the The Crown Suppliers at the end of March 1991. They have concluded that there is a strong case for turning the Agency into a Next Steps agency.

Time is short, and we need to minimise the period of uncertainty between the closure of The Crown Suppliers and getting the new Agency on to a proper footing. We plan to recruit a chief executive by open competition, with the first advertisements appearing on 27 January. As there is some delay while such advertisements are placed, and we cannot proceed until our proposals for the Agency have been made public, I propose to announce that it is a Next Steps candidate by way of written Parliamentary Answer on Thursday 17 January.

I enclose a copy of the proposed Question and Answer and would invite any comments by close of play on 16 January. Copies of this letter and enclosures go to the Prime Minister, Tim Renton and Sir Robin Butler.

Yours ever

GEORGE

SIR GEORGE YOUNG

The Chief Secretary

100% recycled paper

DRAFT ANNOUNCEMENT THAT THE BUYING AGENCY IS A NEXT STEPS AGENCY CANDIDATE

Q: To ask the Secretary of State for the Environment whether he will make a statement on the future of The Buying Agency - the Liverpool based public procurement agency

A: Following last summer's announcement of the closure of The Crown Suppliers contract furnishing division, we have reviewed the prospects for the The Buying Agency and concluded that it should become a Next Steps Agency as soon as practicable.

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sps.ay7.12phipp

MANAGEMENT IN CONFIDENCE

Sir Robin Butler, Boss
Mr Kemp has a copy of the submission which he is considering. Nds 10/12

Sir Robin Butler

MISS PHIPPARD

FROM: G H PHILLIPS
DATE: 10 DECEMBER 1990
Ext: 5931

487/48

1. I said to you that I would let you have on a personal basis the submission from Sir Anthony Battishill to the Financial Secretary. This is attached.

2. I am basically happy with this approach as was Mr Kemp. As you will see from paragraph 9 of the submission, I will be putting in my own views and would obviously include any key points which, at a first glance, Sir Robin thinks important.

Susan Yearley

p.p. HAYDEN PHILLIPS

MANAGEMENT IN CONFIDENCE

FROM: THE CHAIRMAN

THE BOARD ROOM
INLAND REVENUE
SOMERSET HOUSE
7 December 1990

FINANCIAL SECRETARY

NEXT STEPS : INLAND REVENUE ACTION PLAN

Here is my proposed Action Plan for implementing Next Steps in the Inland Revenue. It differs very little from the sketch I gave you on your visit to Somerset House at the end of October.

2. If you are content we shall need to show it to the Chancellor - and possibly the Prime Minister who commissioned it. I suggest the Action Plan is then published, perhaps following an arranged Question and Answer.

3. The Plan has been agreed by the Board and discussed at length with the Treasury and the Next Steps team; both Mr Phillips and Mr Kemp have expressed themselves content with it. But in the final analysis the Plan is mine and I shall take responsibility for seeing it implemented.

4. A copy is attached (Annex A) of the Press Notice which reproduces in full what was said about the Inland Revenue in July.

---

cc Chancellor
Chief Secretary
Minister of State
Economic Secretary
Sir Peter Middleton
Mr Scholar
Mr Phillips
Mr Culpin
Ms Rutter
Mr Rayner
Mr Lightfoot
PS/C&E

Chairman
Mr Isaac
Mr Painter
Mr Beighton
Mr Matheson
Mr Shutler
Mr Cleave
Divisional Directors
Mr Willis
Mr Waters
PS/IR

Background

5. The Plan follows the Prime Minister's statement about applying Next Steps to the two Revenue Departments in a Parliamentary Answer in July, when he was Chancellor. Very briefly Mr Major announced that the relationship between Ministers and the Board would not change, but that the Valuation Offices would be launched as a single executive agency within the Department. He went on to say that we would be reviewing our future information technology needs. And he gave an assurance that we would apply Next Steps principles to the rest of the Department, with greater delegation and accountability, and possible longer-term changes to our structure and organisation. He asked me to draw up this Action Plan.

6. It is, I think, quite radical. It contains a very substantial programme of work, some of which involves changes for immediate implementation over the next 12 months or so. Other aspects, as we discussed, look to possible longer-term developments going to the heart of our functions and organisation. Some involve tax policy considerations and will be for Ministers.

7. Much work has gone into constructing the Plan. The Board and most parts of Head Office have been involved. I have also consulted all our Directors, and main operational managers out in the field, including Regional Controllers and the heads of our specialist offices. There is good support and commitment from them.

Consultation with the Central Departments

8. There is general agreement that we are already well down the Next Steps road in the Inland Revenue - particularly in the extent of the operational responsibilities already carried

by our Inspectors, Collectors and other local managers. But the changes in the Action Plan are designed to move the whole Department decisively and comprehensively onto Next Steps lines, by a major delegation of management responsibilities and authorities and by requiring greater accountability from managers for their use of resources and the performance of their staff.

9. We have kept closely in touch with both OMCS and Treasury officials (FP and FM). Their contributions have been valuable, and the advice and experience of the Next Steps Project Team under Mr Kemp have been especially helpful. We have had a number of discussions, and I am satisfied that the Plan is consistent with the application of Next Steps principles to the special circumstances of this Department. I have also discussed our approach with Mr Phillips, and, while he will be letting you have his views separately, I am grateful too for his support.

Changes for the short term: Executive Offices

10. The Next Steps initiative requires Departments to review their organisation to ensure they are structured in a way which matches the work they do. However, as I explained to you when you were here, final decisions on our best longer-term structure cannot be taken until we can assess the full implications for the Department of important pieces of work we now have in hand: the reviews of Schedule D and Schedule E (PAYE); experiments in new technology; local office organisation and the merging of Tax and Collection Offices; and the new network of TOBBI offices.

11. But we cannot wait to implement a new Next Steps culture until those matters become clearer: that could delay, in some cases for perhaps years, changes that we need to get ahead with now, and which our senior managers are ready to tackle.

12. This means making our first wave of changes within the existing Departmental organisation - in particular using the present divisional, regional and local office structure as the basis for extending delegated management authority and accountability.

13. My key proposal for Stage 1 is to set up 33 "Executive Offices" to cover the great bulk of our operational activities and main support services outside the Valuation Offices, and the Information Technology Division, which are being handled separately. You will find a list of the prospective offices set out in Section 1 of the Plan. They embrace all our points of direct contact with the public.

14. The majority of these Executive Offices will derive from our present operational Regions, or other specialist offices or parts of divisions. But designation as Executive Offices will represent much more than just a change of name. It will signal significant changes to the way in which they operate and account to the Board and Ministers. They will not be full Next Steps Agencies: Ministers have already decided that would be inappropriate for a national tax system which requires consistent standards and some central co-ordination of unified commands. But they will share some of the features of Agencies. Like Agencies, they will be established with their own framework documents, operating plans and reporting requirements, and they will have extensive new delegated authorities. They will be required to produce annual reports of performance which can then be published.

15. The delegations of financial and personnel powers to the Executive Offices are set out in Section 2 of the Action Plan, which summarises the changes to be made, and when. More detail is contained in Annex B. I do not suggest you need read that unless you wish.

16. The proposed new arrangements for planning, accountability and reporting are set out in Section 3, again with an associated Annex C giving more detail.

17. The changes are pretty comprehensive. They are bound to take some months to agree and implement. And a lot of work will be involved for key people here. Nevertheless, we are committing ourselves to having all Executive Office framework documents settled by December 1991, with all 33 new offices fully operational by April 1992. It will be a substantial challenge; it frequently takes a year or more to launch a single Agency. But I am confident we can achieve it, provided we start immediately in the New Year.

Service to the public

18. Improved customer service is another important element of the Next Steps approach. Relations with taxpayers are critical for a Revenue Department with a tax system that relies on voluntary compliance. It is something which requires our constant attention. Nevertheless we have drawn up a fresh strategy to renew the Department's commitment within which individual divisions and executive offices can develop their own initiatives to provide a better service to the public (and to each other). Section 4 sets out what we shall do.

19. Mr Beighton is the Board Member with immediate responsibility for co-ordinating the Department's effort here, and he and his team have drawn up a Customer Service Plan which you will find at Annex D. We have a detailed programme of over 80 initiatives already in progress or shortly to start throughout the Department. We have just used our main Regional Conference to launch initiatives in the Tax and Collection Office networks. I expect this to become an annual rolling programme.

Personnel Matters

20. Next Steps is also concerned with getting (and keeping) the right people to carry out the Department's functions. So Section 5 sets out how we propose to recruit, manage, train and develop the staff - again with more details contained in Annex E.

21. The objective must be to provide a framework within which everyone can attain his or her full potential and feel a real sense of job satisfaction from the work they do within the Department. With the need for highly trained and specialist staff - whom we all too easily lose to the private sector - this too is a constant preoccupation in the Revenue. The Action Plan formalises what we need to do, particularly against the demographic pressures of the 90s.

22. One particular point to which I must draw your attention is the proposed review of our management and grading structure. We need to see whether we can rationalise our present unwieldy system of pay and grades, (6 different trade unions, 5 different pay agreements and 80 separate grades of Inland Revenue staff) and find opportunities for cost savings, more effective management and even tighter control of our pay bill. This is a particularly sensitive area and we have discussed it fully with Mr Phillips. After some initial hesitation I believe he is content so long as the exercise is conducted alongside a separate, but linked, review of our organisation and structure. That is certainly what I intend: questions of organisation and structure will be addressed in the light of all the changes shown in Section 6 of the Plan.

The Valuation Offices and Information Technology Division

23. Before I turn to the longer term, I need to bring you up to date with progress on the two other parts of the Department being dealt with rather differently for Next Steps purposes.

24. First, the two Valuation Office (England and Wales, and Scotland). They remain on course to be launched (as already announced) as a single Next Steps Agency, within the Department, next year. The Action Plan shows that (with the agreement of the Next Steps team and subject to Ministers' agreement) I am proposing to fix a firm date - 30 September 1991 - as vesting day. The present Chief Valuer is content with that. It will mean that all those concerned with the Agency project will now know exactly to what timescale they are working. I hope that Ministers will approve that date.

25. The next point of involvement for Ministers will be the appointment of a Chief Executive for the new Agency. The post is being filled by open competition, and short-listed candidates are being interviewed by the Civil Service Commission on 10 December. I hope, if all goes well, to invite Ministers to approve the successful candidate around the turn of the year.

26. Also outside the proposed structure of Executive Offices at this point is our Information Technology Division, M3. Here, as already announced, the Director of Information Technology, Mr Bush, is carrying out a review of what has to be done to ensure that the Department's business needs for information technology support will be best met over the next decade.

27. As part of his work, Mr Bush is taking a close look at what would be involved in setting up the Information Technology Division as a second Inland Revenue Next Steps Agency, and what benefits that might bring the Department and the Division. I expect to receive Mr Bush's report in the next few weeks, and after the Board has considered it I will put recommendations to you. I shall be surprised if this is not what we recommend.

28. Meanwhile, the Action Plan simply records the fact that the review is in hand. I did not wish to hold it up on this account.

Changes in the longer term: organisation and structure

29. I mentioned the likelihood in the longer term of more radical changes to the organisation and structure of the Department. I see these as Stage 2 of our Next Steps programme.

30. Stage 1 puts us in a stronger position to do our present work. Stage 2 is about getting the best organisation and structure for the work we shall be doing by the mid-90s. What further changes are needed to the Inland Revenue will be clearer when we have completed the various reviews, experiments and pilots currently taking place, and discussed the results with Ministers. You are familiar with most of them, either from our earlier discussion, or from recent papers. They are all set out in the second part of Section 6 of the Action Plan.

31. Some are bound to raise important issues for Ministers. One clutch, for example, raises possibilities of moving more towards systems of self-assessment if that is what Ministers would like to see. Another is more immediately concerned with where, and in what kind of (possibly integrated) offices, the future work of the Department can most effectively and efficiently be done. A third raises questions about the kind of computer support which will be needed, and the potential for, possibly quite radical, use of technical developments like OCR and electronic information transfer for doing our work. All bear upon the most cost-effective way of organising and running the Department in the longer term.

32. Only when conclusions start to emerge from these studies (and any others that might arise from Ministers' tax policies) can we properly decide what kind of organisation and management structure for the Department would be best in the future. A lot of preliminary work is in hand, and the proposed management and grading review (paragraph 22) is an

important part of that. We need to flesh out options quite soon if radical changes are to be contemplated, as I believe they must. Some would certainly take several years to implement fully.

33. Pulling all the strands together will be one of the Board's key tasks over the next couple of years. I propose to set up a small team here, with the help of consultants, to begin to map out some longer-term scenarios, to provide that framework. That again is where the management and grading review fits in.

Publication

34. If the Action Plan is approved by Ministers, I recommend that we publish it as soon as possible. Our own managers need to see what we are asking them to do and I do not want to lose the momentum we have built up, at this stage privately, with senior managers.

35. I suggest that we do not include the Annexes in the published version; they are for internal use and too detailed for those who are not immediately concerned with the Plan's implementation.

36. We shall also need to consider with you how we deal with the references in Section 6 to the reviews of Schedule D and Schedule E. The former is on the public record (from my evidence to the PAC), but as yet no publicity has been given to the latter. There is something to be said for including both reviews if we can be sure of handling them in a fairly low key way. But this is something we shall need to raise with the Chancellor. The remaining references should cause no problem.

Conclusion

37. I hope you feel that the Action Plan addresses the key issues and provides the right way forward for the Revenue. It is a bespoke programme for our particular needs, and for this particular point in time. I believe it will be seen inside and outside the Department as a radical approach to Next Steps. It is no accident that the two Revenue Departments have arrived at broadly similar solutions.

38. If you would like to discuss any of the details before we approach the Chancellor we might perhaps start at our meeting on the 11th.

(A M W BATTISHILL)

BOARD OF INLAND REVENUE

NEXT STEPS ACTION PLAN

DECEMBER 1990

FOREWORD BY SIR ANTHONY BATTISHILL KCB, CHAIRMAN OF THE BOARD OF INLAND REVENUE

This Action Plan sets out a major programme of change within the Inland Revenue. It has been approved by the Chancellor of the Exchequer.

This Foreword, when finally approved, will be reproduced in a similar form to the rest of the Action Plan.

Department operates fully

As the Prime Minister announced on 25 July, when he was Chancellor of the Exchequer, the two Inland Revenue Valuation Offices will come together and be launched as a single Executive Agency next year. A Chief Executive [is being] [has been] appointed. The new Agency will come into being on 30 September 1991.

The bulk of the Department's work is concerned with assessing and collecting the various taxes and duties entrusted to it. In line with Next Steps principles, day to day responsibility for undertaking this work, and for providing certain support services, will be given to 33 Executive Offices to be set up by April 1992. Each office will be headed by a Controller appointed by the Chairman. Controllers will be given extensive delegated responsibilities for their own financial resources and for managing the people and offices within their charge. In return, they will be held more firmly and visibly accountable for how well their offices perform, for the quality of service they provide, and for their contribution in carrying out the work of the Inland Revenue economically, efficiently and effectively. These arrangements will be incorporated in published framework documents.

We shall also be launching a new customer service plan as a framework for reviewing our contacts with the public and

identifying how and where improvements can be made to the service we give.

These changes, along with a review of the Department's information technology requirements in the 1990s, are covered in Sections 1 to 5 of the Action Plan. Together they affect everyone in the Department. Work on the most important changes will begin at once.

In the longer term, more far-reaching changes may be needed in the way the Department organises and manages its work. Section 6 of the Action Plan lists a number of areas where quite radical changes may be called for in the light of important reviews and experiments now underway. Some may involve policy issues, which are for Ministers. Others are more directly concerned with improving efficiency and value for money. All will affect the work we do, and the way we do it.

This Action Plan represents an important step forward for the Inland Revenue. It shows how, with the help of those who work in the Inland Revenue, we intend to implement the Next Steps principles, and on what timescale.

I believe it provides a basis on which the Inland Revenue can go on improving the service it gives and can develop in a way that continues to improve the service it gives and earn the respect of the tax-paying public and the people who work in it.

SUMMARY

SECTION 1. AGENCIES AND EXECUTIVE OFFICES

Create agencies and executive offices for the Department's main internal and external services.

SECTION 2. DELEGATIONS AND FLEXIBILITIES

Increase and extend delegated authorities and flexibilities available to managers to give them greater control over and accountability for the assets and the human and financial resources they use to get the work done.

SECTION 3. PLANNING, ACCOUNTABILITY AND REPORTING

Develop and integrate the Department's present management planning, resource allocation and reporting cycle to strengthen the respective responsibilities and accountabilities of Controllers, Directors and the Board.

SECTION 4. SERVICE TO THE PUBLIC

Identify the Department's main customer groups and their needs and decide how best to be responsive to them in order to improve the public's satisfaction with the service we provide.

SECTION 5. PERSONNEL MATTERS

Recruit, manage, train and develop people who will have the skills, expertise and commitment to enable them to carry out their tasks efficiently and effectively in direct support of the Department's business needs; and who will be able to develop their full potential and achieve a high degree of job satisfaction in serving the public.

SECTION 6. ORGANISATION AND STRUCTURE

Review and adapt the organisation and structure of the Department to best suit the work that has to be done.

1. AGENCIES AND EXECUTIVE OFFICES

We shall create agencies and executive offices for the Department's main internal and external services. To achieve this we shall:

1. Launch the Valuation Office Agency

Appoint Chief Executive early 1991.

Launch 30 September 1991.

At present, there are two Valuation Offices, one covering work in England and Wales, the other dealing with valuation work in Scotland. These Offices will, on 30 September 1991, be merged and operate as a single agency within the Inland Revenue.

The new agency will be run by a Chief Executive, to be appointed by open competition early in 1991, who will be responsible to the Board of Inland Revenue and accountable to Treasury Ministers for providing agreed services and adhering to demanding targets intended to ensure quality and speed of service.

Between appointment and the launching of the new agency, the Chief Executive will be involved in agreeing with Treasury Ministers, the Board and OMCS the new agency's framework document, its corporate plan and its accounting and financial systems and targets and performance measures.

Annex A contains details.

2. Create 33 Executive offices

Finalise framework documents by December 1991.

Offices will be operational by April 1992.

33 executive offices will be created within the Department, each under the command of a Controller, appointed by the Chairman and personally accountable through the Divisional structure to the Board for the performance of the office. (Footnote ref.1) The offices - see list below - will, on present figures, account for 56,800 people, 85% of the total number of Revenue staff.

Each office will develop, in consultation with the centre of the Department, framework documents and operating plans. The framework documents will be finalised by December 1991 and the entire structure of executive offices will be launched by April 1992.

Annex A contains details and Section 6 records possible longer-term developments.

(1) For the purposes of this Plan the term "Controller" includes the Solicitor and the Solicitor (Scotland), who report direct to the Chairman, and the Director of Statistics, who reports to a Board member.

3. Decide future organisation of Information Technology Division (M3)

Report to Board December 1990.

Board will consider proposals January 1991.

The Director of Information Technology Division (M3) is conducting a review to consider how best the Revenue's Information Technology needs might be met throughout the 1990s, and subsequently. He will report in December 1990: the Board will then consider the proposals and report immediately to Ministers.

Annex A contains details.

The Valuation Office agency, executive offices and Information Technology Division (M3) together account for 64,700 people - 96% of Revenue staff.

EXECUTIVE OFFICES

Accounts Office (Cumbernauld) - *910 people*
Accounts Office (Shipley) - *910 people*
Capital Taxes Office (England, Wales and Northern Ireland) - *640 people*
Capital Taxes Office (Scotland) - *100 people*
Claims Office - *550 people*
Communications Office - *50 people*
Enforcement Office (Worthing) - *450 people*
FAMAS Office - *90 people*
Financial Operations Office - *300 people*
Inspector of Foreign Dividends Office - *240 people*
Internal Audit Office - *80 people*
Oil Taxation Office - *40 people*
Special Compliance Office - *500 people*
Solicitor's Office - *200 people*
Solicitor's Office (Scotland) - *30 people*
Superannuation Funds Office - *280 people*
Stamp Office - *260 people*
Statistics Office - *170 people*
Training Office - *660 people*

Regional Offices (encompassing local tax and collection offices)
- East London - *1,680 people*
- South London - *1,810 people*
- North & West London - *3,750 people*
- Eastern Counties -*4,570 people*
- South East - *5,310 people*
- South West - *2,950 people*
- West Midlands - *4,150 people*
- South Yorkshire - *4,570 people*
- Greater Manchester - *4,390 people*
- North West - *3,310 people*
- North - *3,410 people*
- Wales - *4,230 people*
- Scotland - *5,050 people*
- Northern Ireland - *1,120 people*

All figures rounded up to nearest 10.

Each executive office will have own framework document, one year operating plan and its Controller will be required to make an annual report to the Board.

2. DELEGATIONS AND FLEXIBILITIES

We shall increase and extend delegated authorities and flexibilities available to managers to give them greater control over and accountability for the assets and the human and financial resources they use to get the work done.
To achieve this we shall:

1.Agree target levels and timetables for enhanced delegations and flexibilities

Managers (in this case, Controllers of executive offices) can be held fully accountable for their performance only if they are given the greatest possible control over the resources they need to do their jobs. Following initial discussion with Directors and prospective Controllers, the following extended delegations from the centre of the Department are proposed in the areas of personnel, finance, manpower and accommodation.

Settle by end of April 1991.

First, we shall delegate to Directors and Controllers personnel management responsibility for staff up to SEO level for most Taxes and Collection staff and for certain Administration Group staff. This will increase to Grade 5 level in the case of certain specialist staff eg lawyers and statisticians.

Second, we shall delegate to Directors and Controllers more responsibility for specific conditions of service issues (eg special leave, flexible working hours).

Third, we shall increase from 93% to 99.5% the proportion of running costs held by Divisions and executive offices, rather than by the centre of the Department. We shall increase from 17% to 85% the corresponding level of delegation for capital budgets. This will include delegation of centrally held IT budgets to IT Division and expenditure on small computers and related software and telecoms and other DP equipment to executive offices.

Fourth, we shall delegate to Directors and, through them, to executive offices the authority to grade mix to up to SEO level (2 grades higher than the existing norm).

Fifth, we shall increase the levels up to which executive offices can authorise expenditure on accommodation matters (up to £500,000 on maintenance and new work).

Annex B contains details.

2. Incorporate delegations in executive offices' framework documents

Once agreement on the delegated powers outlined above has been reached, the details will be incorporated into each executive office's framework document which, inter alia, acts as a long-term guide to each office's structure, powers and resources.

Complete by December 1991.

3. Implement changes

Controllers will start progressively to exercise their new delegated powers as soon as new systems and procedures are in place.

Implement between April 1991 and April 1993.

3. PLANNING, ACCOUNTABILITY AND REPORTING

We shall develop and integrate the Department's present management planning, resource allocation and reporting cycle to strengthen the respective responsibilities and accountabilities of Controllers, Directors and the Board. To achieve this we shall:

1. Set up the Valuation Office agency's planning and accountability arrangements

The corporate plan will set out the agency's objectives, its plans for achieving them over the medium term, and the resources it will use. It will show how the agency is organising and structuring itself to meet the tasks laid upon it; its outputs and performance targets; and the initiatives required to improve value for money and service.

The Chief Executive, or Chief Executive designate will submit the agency's corporate plan, which will cover the financial years 1991/92- 1995/96, to the Board and to Ministers in February 1991.

Corporate plan will be submitted in February 1991.

The business plan is a document produced annually, showing the resources available to the agency over the financial year immediately ahead, together with the work expected of it over the same period, its operational targets for output and performance and other specific objectives. The Chief Executive, or Chief Executive designate will submit the plan for 1991/92 to the Board and to Ministers in March 1991.

Business plan will be submitted in March 1991.

The annual report and accounts will show the actual performance achieved by the agency over the year compared with the objectives and targets in the business plan. The Chief Executive will agree the form, content, and timetable of the report in March 1991, making a first annual report in Summer 1992 to the Board and to Ministers. The report will then be published.

First annual report will be submitted by the Chief Executive Summer 1992.

Annex C contains details.

2. Set up executive offices' planning and accountability arrangements

The operating plan is a document drawn up on an annual basis, showing the resources available to the executive office over the year ahead and the results to be achieved with them. It is the key document by reference to which the Controller will manage the office and be personally accountable for his or her performance. Actual performance against plan is accounted for in the annual report.

It is intended that heads of prospective executive offices should produce pilot operating plans in March 1991. Thereafter, progress will be reviewed at regular intervals during 1991/92. The experience gained during the year will be used by Controllers and Directors to

Produce pilot operating plans March 1991.

Agree first operating plan March 1992.

agree the first formal operating plans for executive offices in March 1992. Appropriate key targets will be published in a suitable form.

Executive offices' first annual reports will be made July 1993.

The form and content of annual reports will be largely determined by the content of the operating plans. Controllers will make an annual report on their offices' performance overall and against key targets. The reports will be published in an appropriate form. Controllers will make their first reports (for the year 1992/93) in July 1993.

3. Integrate executive offices into a single corporate planning and reporting cycle

Launch Summer 1991.

Over the next few years, a series of steps, which will be launched in Summer 1991, will be taken to integrate executive offices into a single corporate planning and reporting cycle. The structure of the Board's existing planning and reporting documents will be revised to reflect the setting up of executive offices. The Board's Report, Inland Revenue Management Plan and Departmental Statement will contain key information about the executive offices.

Annex C contains details.

4. SERVICE TO THE PUBLIC

We shall identify the Department's main customer groups and their needs, and decide how best to be responsive to them in order to improve the public's satisfaction with the service we provide.
To achieve this we shall:

1. Launch a Customer Service Plan

Publicise within Department December 1990.

Publish February 1991.

The Revenue attaches great importance to the standard of service it provides to the public.

We aim to enhance and improve customer service through the launch of a comprehensive Customer Service Plan (see Annex D).

The plan provides a framework for specific actions by Divisions and executive offices to improve customer service in ways that are appropriate to their particular business. It includes commissioning regular external and in-house surveys of the public's views of existing Inland Revenue service, improving contacts with particular groups of customers to identify their special needs, the improvement of enquiry facilities, making customers more aware of changes that affect them, the development and publishing of new indicators of quality of service, and analysing and improving the way that existing work is done.

The plan will be made known throughout the Department, included in the Inland Revenue Management Plan for 1991/92-1993/94 and published externally in February 1991.

Already, over 80 customer service initiatives have been identified, by Divisions and offices, for early action.

2. Encourage prospective executive offices to develop customer service initiatives

Include in pilot operating plans March 1991.

Within the framework of the Customer Service Plan, each executive office will be encouraged to develop further its own customer service initiatives, taking into account local conditions, needs and problems, and any special characteristics of its customers. Each office will incorporate its initiatives into its own operating plan and report on progress in its annual report.

5. PERSONNEL MATTERS

We shall recruit, manage, train and develop people who will have the skills, expertise and commitment to enable them to carry out their tasks efficiently and effectively in direct support of the Department's business needs; and who will be able to develop their full potential and achieve a high degree of job satisfaction in serving the public. To secure this we shall:

1. Implement the strategic plan for staffing the Department in the 1990s

Plan published February 1990.

Revise plan October 1991.

Implement and complete proposals in current plan by mid-1992.

Continue to review new needs for the future post 1992.

This strategic plan, which operates on a rolling basis, envisages a number of actions in the area of recruitment, pay, career and personnel development, training and equal opportunities.

Recruitment policy will be overhauled with a view to widening the field of potential candidates; and recruitment procedures themselves will be made more efficient.

Full use will be made of the flexibilities in existing pay agreements, allowing managers to pay extra sums in areas where, for example, retention of staff is difficult, or where skills valuable to the Department may be lost.

Other programmes will be aimed at retaining and motivating existing staff, through better career development and training, equal opportunities, flexibility of working patterns and improved working conditions.

Implementation of these programmes has already started, and all current proposals will be completed by mid-1992, taking account of any necessary developments consequent upon the setting up of executive offices. We shall review the plan against that background by October 1991.

Thereafter the Plan will be reviewed continuously to take on board changes within and outside the Department, to ensure that it remains fully effective and relevant.

Annex E contains details.

2.Review the development and deployment of technical resources

Report to Board by 31 March 1991.

A review is currently considering the whole range of work carried out by the FT Inspectorate, and will recommend action which, inter alia, will ensure the Department makes most effective use of FT Inspectors, while continuing to provide a high standard of customer service. A report is expected to reach the Board by 31 March 1991.

Annex E contains details.

3. Develop proposals for the career and personal development of people who move between offices

Finalise by December 1991.

Many Inland Revenue people may remain part of the same executive office or agency throughout their career within the Inland Revenue. Others can expect to spend some of their career moving between agencies, executive offices and the centre of the Department. The Director of Personnel will consult with Controllers and Directors to ensure that such people are identified and receive proper career and personal development.

In particular, he will formulate proposals for staffing Head Office and for the personal and career development of the people who work there, including people who move to it from other parts of the Department.

Annex E contains details.

4.Review of management and grading structure

Start early 1991.

Report end September 1991.

A review of the Department's existing management and grading structure will begin in early 1991. It will be linked to work on the Department's organisation and structure (see Section 6). A report will be made by the end of September 1991.

Annex E contains details.

6. ORGANISATION AND STRUCTURE

We shall review and adapt the organisation and structure of the Department to best suit the work that has to be done.

STAGE 1

Action on the organisation and structure of the Department will concentrate initially on delegating more management responsibility and enhancing accountability as quickly as possible.

1. Launch the Valuation Office agency

Launch date 30 September 1991.

Work is proceeding on course for launching the Valuation Offices as an agency on 30 September 1991.

2. Create 33 executive offices

Offices will be operational by April 1992.

Elsewhere in the Department, 33 executive offices will be set up.

3. Decide future organisation of Information Technology Division (M3)

Report to Board December 1990.

The review of the future organisation and scope of Information Technology work will be completed by the end of 1990.

4. Review the role of Directors in relation to executive offices and controllers

By December 1991.

Over the coming year, as the executive offices' framework documents are drafted, the Board will review the role of Directors and how that role should evolve strategically. The framework documents will set out the relationship between Controllers and the individual Directors through whom they will report to the Board, and so define more visibly their respective personal accountabilities and responsibilities.

STAGE 2

Beyond the setting up of executive offices, we will consider possible longer-term changes, some radical, in the organisation and structure of the Department. Any longer-term reorganisation and restructuring of this kind will need to take account of:

- developments already in progress
- evolving changes in the nature and balance of the work of the Inland Revenue
- more specific and fundamental reviews and experiments.

Work has already started to draw together and manage the progress of this programme.

There are specific initiatives to:

1. Bring together some of the work of tax and collection offices

Experiments launched October 1990.
Interim report to Board by 30 April 1991.
Report due to Board 31 October 1991.

3 experiments, which began in October 1990, are examining how assessment and collection work (currently performed in two separate office networks) might better be handled together in future. A fourth experiment is considering the possibility of merging compliance and collection work within particular local offices. An interim report to the Board will be made by 30 April 1991, with a further report by 31 October 1991.

Annex F contains details.

2. Create a network of new repayment offices

Repayment offices set up between January 1991 and April 1992.

It is estimated that up to 14 million non-taxpayers will be making repayment claims for tax deducted from bank and building society interest following the abolition of composite rate tax from April 1991. 24 new offices are being set up to handle and process these repayment claims.

Annex F contains details.

3. Relocate remaining PAYE work from London area

Complete in 1992/93.

The Department is relocating away from the South-East all the remaining PAYE work (1,600 posts) in the London area.

Annex F contains details.

4. Relocate Head Office and specialist posts to Nottingham

Start 1992.

Complete 1994.

Some 2,000 posts in Head Office and specialist offices, including most of Personnel Division and 3 prospective executive offices (the Capital Taxes Office, the Superannuation Funds Office and the Inspector of Foreign Dividends Office) will be relocated from the London area. Some 1,800 will be transferred to Nottingham between 1992 and 1994. The move is being made because of problems of recruiting and retaining staff in the South-East, and should result in a better service to the public.

Annex F contains details.

5. Review of Schedule D

Report to Ministers by January 1991.

A review is currently considering how best to simplify and improve the administrative arrangements for the assessment and collection of tax from the self-employed. The Department is consulting a number of tax practitioners,with a view to producing detailed proposals for Ministers very early in the New Year. Subsequent developments (which might involve legislation) will depend on Ministers' decisions.

Annex G contains details.

6. Review of Schedule E

Interim report to Board by 31 March 1991.

Final report to Board 30 June 1991.

A review is currently considering the scope for changes to the way the PAYE system is administered, with a view to identifying improvements in efficiency and looking into the opportunities for more fundamental reform. An interim report will be made to the Board by 31 March 1991 and a final report by 30 June 1991. The nature and timing of subsequent developments will depend on Ministers' decisions.

Annex G contains further details.

7. Move to "Pay and File" system to collect Corporation Tax

Introduce in 1993 on present plans.

On present plans, the "Pay and File" system for Corporation Tax will be introduced in 1993. The new system simplifies and streamlines the existing administrative arrangements for assessing and collecting the tax.

Annex G contains details.

8. Electronic data capture and matching

Scrutiny report due November 1990.

Report to Board by 31 March 1991.

An efficiency scrutiny has considered the use which might be made of electronic data capture, and particularly optical character recognition (OCR), in the Revenue's operations. A report was made to the Efficiency Unit in November 1990. A study is also being made of the possibilities of obtaining information from third parties by electronic data transfer; a report will be made to the Board by 31 March 1991. There may be potential far-reaching changes in the way the Inland Revenue conducts much of its business.

Annex G contains details.

In short, the Inland Revenue is already committed to a major programme of changes with far-reaching implications for its work and its organisation. It is, in addition, examining the possibility of other changes which could similarly affect the work it does, how that work is done, the information and systems it needs, the numbers and grades of its staff, and how the work and the people doing it are organised and managed in all parts of the Department, including Head Office.

The Board are examining the implications of these known and potential changes in order to identify the form of organisation and structure, workforce and management best able to deliver good quality services efficiently and effectively in the longer-term; and to support their delivery regionally, in Head Office and at top management level.

AGENCIES AND EXECUTIVE OFFICES

Launch Valuation Office agency

The main target milestones for setting up the Valuation Office agency within the Inland Revenue are as follows:

By October 1990 (completed)

Discussion with Treasury officials of the financial regime for 1991/92.

Approval from Treasury of Vote arrangements for 1991/92.

By end December 1990

Nature and format of performance measures agreed in outline with Treasury and OMCS.

Agreement within Department, and with Treasury and OMCS officials, of the reporting and accountability relationships of the Chief Executive, the Board and Ministers.

In or after January 1991

Chief Executive-designate takes up post.

By end February 1991

Corporate plan submitted for approval by Treasury officials and Ministers.

Agreement of pay and personnel delegations from the Department with Department, Treasury and OMCS.

First drafts of complete framework document to Treasury and OMCS.

By end March 1991

Agreement of detailed targets and performance measures with the Department, Treasury and OMCS.

Main accounting and management information systems discussed with Department, Treasury, OMCS and NAO and in place.

By end April 1991

Extension of charging for valuation services.

New Vote and Accounting Officer arrangements in place.

May-June 1991

Consultation with TUS over framework document.

Summer 1991

Approval of framework document by Board, Treasury and OMCS officials and Ministers.

30 September 1991

VO (England and Wales) and VO (Scotland) launched as a single agency.

Create executive offices

The main target milestones for launching the executive offices are:

Decide delegations	By end of April 1991
First drafts of framework documents	February 1991
Finalise framework documents	December 1991

Launch executive offices and publish framework documents	By April 1992

Decide future organisation of information technology

The Director of Information Technology Division (M3) is conducting a review with the following terms of reference:

> "To consider what steps need to be taken to ensure that the Inland Revenue's business needs for information technology support will be met throughout the next decade in the light of:
>
> - the need to continue to improve both efficiency and quality of service; and
>
> - developments in the information technology industry, inside and outside Government,
>
> and to make recommendations."

The aim is for a report to be made to the Board in December 1990, following which the Board will make recommendations to Ministers. Subsequent developments, and their timing, will depend on Ministers' decisions.

The issues that are being addressed in the review include:

- the Department's business needs
- technological developments
- arrangements for financing expenditure on IT within the Department
- preparation of accounts for M3 on an accrual basis
- service level agreements

- performance measurement

- human resource strategy, including devolution of personnel responsibilities

- agency status for M3.

DELEGATIONS AND FLEXIBILITIES

1. Responsibilities will be delegated to and within executive offices, unless there is an overwhelming need for them to be retained at the centre of the Department. The role of the centre will become more oriented towards:

- formulation of overall Departmental policy
- giving Directors and managers of executive offices advice, assistance, support and guidance on how they exercise the responsibilities that have been delegated to them
- ensuring that the procedures and practices of Directors and Controllers of executive offices are consistent with the framework of central regulations governing personnel management and pay and with the obligations of the Chairman as Accounting Officer, and of the Principal Establishment Officer and the Principal Finance Officer.

Personnel

2. The main proposals (with timetables for implementation) for discussion with Directors and Controllers of executive offices are:

- General Group staff (Taxes and Collection staff except fully trained Inspectors): delegation to regional offices of responsibility for

o	selections of EO level staff for accounts investigation training	Spring 1991
o	personnel management of staff up to HEO level	Autumn 1991

o personnel management of staff up to SEO level	Autumn 1992
- Administration Group staff: delegation to larger executive offices of	
o personnel management responsibility for staff up to SEO level	Timing of this change to be decided by April 1991. Could be implemented before or after move of some London Head Office work to Nottingham (see Section 6)
- specialist staff (eg lawyers and statisticians): delegation to Solicitors' Offices and Statistics Division of	
o personnel management responsibility for staff up to Grade 5 level (in principle)	Timing of this change to be decided by April 1991
- fully trained inspectors: no delegations from Personnel Division are proposed (concerns mainly Grades 7 and above)	
- specific conditions of service issues (eg decisions on special leave, flexible working hours and ill-health retirement, equal opportunities and conduct and discipline cases)	Decisions on extent of delegations to executive offices to be reached by April 1991. Likely to depend to some extent on feasibility of providing executive

offices with clear guidelines in the more complex situations.

Finance

3. 93% of running costs budgets and 17% of capital budgets are already delegated from the centre of the Department to Divisions. Both existing and new delegations to Divisions will be expected to be passed on to executive offices.

4. New delegations for discussion with Directors and Controllers of executive offices are:

- accommodation capital: delegation of

o new works up to £150,000	April 1991
o maintenance and new works up to £500,000	Under consideration from April 1992

- DP current and DP capital, datacomms and telecomms: delegation of:

o all centrally held IT budgets to Information Technology Division	Under consideration for April 1992 (but possibly as early as April 1991)
o expenditure for small computers and related software to executive offices	April 1992 (but possibly as early as April 1991)
o telecomms and other DP equipment to executive offices	Extent and timing under consideration

- GTN: delegation of budget currently held by Information Technology Division to and within executive offices	April 1991
- Professional assistance: delegation of:	
o non-DP professional assistance budgets to executive offices	April 1991
o DP professional assistance budgets to M3	Timing of this change to be decided by April 1991
- Legal costs: further delegations are under consideration	April 1991; and April 1992
- Training and removals: delegation to all Divisions and executive offices of responsibility for training and related T&S expenditure and for removals expenditure (eg up to HEO level)	April 1991 or April 1992
- Forms and bulk stationery: delegation of budgets to executive offices	April 1992
- Miscellaneous: further delegations planned	April 1991; and April 1992

5. When the above delegations are implemented about 99.5% of the running costs budgets and about 85% of capital budgets will be held by Divisions and executive offices, rather than by the centre of the Department.

6. In addition, the possibility of other financial flexibilities will be taken up with the Treasury.

Manpower

7. Divisions currently have the delegated authority to grade mix up to and including EO level. It is intended that:

- the authority to grade mix should be raised up to SEO level — The timing of the introduction of this change will be decided by April 1991

- the authority to grade mix up (within the Divisional authority) should be passed down to the level appropriate for each executive office, where that is not already the case

Accommodation

8. The Department occupies some 700 buildings. It is the single occupier of some 275 of those.

9. It is intended to introduce the following changes:

April 1991

- Take responsibility, from Property Holdings (PH), for maintenance of 63 single occupied buildings across three regions, including delegating to the Divisions concerned

    - o responsibility without limit for recurring maintenance work (eg contracted maintenance of plant etc)

- o responsibility up to £150,000 for planned maintenance work (eg reflecting the results of condition surveys and subsequent prioritisation)

- delegation to Divisions of responsibility up to £150,000 for new works

April 1992

- extend delegation of responsibility without limit for recurring maintenance work to all Divisions

- consider delegation to Divisions of responsibility up to £500,000 for planned maintenance work and new works

- transfer about 15% (in terms of area) of the buildings occupied by the Department from the Common User Estate to a Departmental Estate

By April 1993

- consider increasing from £2,000 to £5,000 the local office limit for authorising minor new works and maintenance, once fresh arrangements for maintenance of single occupied buildings are in place

10. Heads of Divisions, to which delegations would be made, will be responsible for agreeing priorities with the Heads of their executive offices. Budgets will then be passed down to executive offices accordingly.

11. Responsibility for large sites (some housing a number of different offices) currently rests with Head Office, Head of Division or Regional Office. This will be reviewed and rationalised in the context of facilities management.

PLANNING, ACCOUNTABILITY AND REPORTING

Valuation Office agency

See Annex A above.

Operating plans for executive offices

Directors and Controllers of designated executive offices:

- decide coverage and format of pilot operating plans for 1991/92	February 1991
- agree plans for 1991/92	March 1991
- review plans as necessary in light of the Chancellor's Budget and agree any changes	June 1991
- review progress at agreed intervals	to March 1992
- review experience of pilot plans, in order to agree coverage and format of first formal operating plans for executive offices	January 1992
- agree first formal operating plans	March 1992

Annual reports for executive offices

Framework documents define reporting arrangements	December 1991
Directors and Controllers review and agree form and content of annual reports	January 1992

Controllers submit first formal reports for executive offices	July 1993

Input/output budgeting

Complete implementation of input/ output budgeting to improve decisions on resource allocation and information about performance in plans and reports	phased programme 1990/91 to 1992/93

Departmental planning and resource allocation cycle

Combine Divisional plans and PES bids	January 1991
Review Board's annual planning and reporting cycle and structure of documents to incorporate executive offices	Launch new cycle at Directors' Conference in July 1991
Revise Board's Report to include better information about executive offices	1st stage: Autumn 1991 2nd stage: Autumn 1992
Revise annual Management Plan and Departmental Statement to reflect executive offices	1st stage: for publicati in February 1992 2nd stage: for publicati in January/February 1993
Launch new Board's information system to focus on key tasks and major departmental objectives	April 1991

Accounting systems

Introduce accruals accounting system for VO agency	April 1991

Implement accruals accounts for IT organisation	Depends on decisions on review of IT (see Annex A)
Implement new purchasing cycle system (ie stock control, accounts payable, purchasing and commitment) for Controllers and local offices	Phase 1: October 1991 Phase 2: 1993 (perhaps 1993/94)

CUSTOMER SERVICE PLAN

1. It has long been a proud tradition in the Inland Revenue to pay special regard to service to the public - in today's language, our customers. The Revenue aims:

- to identify the needs of our customers and
- to meet their needs through quality service

2. It is important to retain public confidence in the efficiency and fairness of our work. We owe a responsibility to our customers to give them a high level of service based on high quality work. We believe that the highest level of voluntary compliance is achieved by offering consistent, impartial, accurate, courteous and prompt service to all our customers, using clear and simple procedures.

3. This involves all our staff, not only those who deal direct with the public but also those who provide a service to colleagues within the Department.

Objectives

4. We will

- **get a better understanding of our customers' needs by**
  - o publicising the Customer Service Plan
  - o commissioning independent surveys of our customers' views on service, as well as
  - o developing our in-house capacity for customer surveys
  - o improving our contacts with particular groups of customers in order to identify their specific needs

- **improve the ways we help the public by**

  - o continuing to improve our enquiry services
  - o providing higher quality, more accessible and more up-to-date technical information to staff dealing with the public
  - o helping customers get it right
  - o making customers aware of major changes that affect them

- **find better ways of measuring the quality of service we provide by**

  - o developing and publishing new indicators of the quality of service we provide
  - o extending the use of customer service agreements where appropriate

- **review how our work is done in order to improve quality all round and so that staff can give a better service by**

  - o increasing the extent to which management systems reflect the quality of work and a customer-service orientation
  - o designing simple and secure procedures
  - o developing the ways in which we test different ways of organising the work we do
  - o looking critically at systems as a whole

- tapping more fully the potential of the Department's staff for analysing how we do things and for producing fresh insights and ideas

- improving staff training in the areas of customer service and quality

- seeking ways of improving accuracy and the quality of work

- analysing and seeking to remove the causes of errors

- seeking ways of reducing the burden on business of complying with the tax system where feasible

5. All parts of the Department are developing specific actions in pursuit of these strategies through the annual cycle of planning, budgeting and reporting.

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PERSONNEL MATTERS

Strategic plan for staffing the Department in the 1990s

1. Details of the main action points and timetables are attached.

Development and deployment of technical resources

2. The Director of Insurance and Specialist Division is leading a review with the following terms of reference:

> "To consider the whole range of work carried out by the FT Inspectorate and as appropriate with other staff groups, and to make recommendations for the development and deployment of technical resources with the objective of obtaining the best value from those resources, in particular by:
>
> - improving flexibility in the deployment or redeployment of technical resources throughout the Department
>
> - reviewing selection procedures and improving motivation and job satisfaction
>
> - supporting the present system of delegated local decision making and recognising the important role in this played by General Commissioners
>
> - continuing to provide a high standard of customer service for the professional and business community
>
> - contributing more effectively to the Departmental Compliance Strategy - both technical and investigation work."

3. A report will be made to the Board by 31 March 1991. The nature and timing of subsequent developments will depend on the decisions taken by the Board on that report.

Staff who move into and between Head Office, Agencies and Executive Offices

4. The Director of Personnel will develop, in consultation with Controllers of executive offices and Directors, proposals for the career and personal development of staff in agencies or executive offices who are thought suitable to work also in Head Office; of staff who will be expected to move between agencies and/or executive offices; and of staff who enter the Department in Head Office but need to gain experience in agencies or executive offices.

Review of management and grading structure

5. The Assistant Director of Manpower and Support Services Division will lead a review with the following terms of reference:

"To advise the Board about the appropriateness of the Department's existing management and grading structures in the light of:

- the Next Steps action plan;
- emerging options for change in the Department's organisational framework;
- proper regard for efficiency and the use of financial resources.

To make any appropriate recommendations to the Board for changes in management and grading structures which may be desirable to enable the Department's functions to be carried out more efficiently and cost-effectively, including an assessment both of the cost and benefits of any changes and of how they are expected to contribute to cost-effectiveness.

To consider the likely impact of changes in management or grading structure on recruitment, training and career structure and development, taking account of wider changes in demography and the labour market and the need to establish career

structures consistent with the needs of the Department under which existing and future staff have suitable opportunities to fulfil their potential and within which they can be most effectively deployed.

To make recommendations about the timing and handling of any changes."

ction to be taken / commendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and
2 Pay						
. Use flexibility of new pay agreements to enhance pay where appropriate.	M2/1	M1/1 M1/2 M1/3 M1/7 CV Treasury	1. Elements of 1987/88/89 IPMS agreements were targeted at specific disciplines from which IR staff gained (valuers, operational research). 2. Extra increases for FT Inspectorate as a result of 1988 and 1989 G5-7 settlements. 3. Extra increases for Principal valuers from 1 Jan 1989. 4. Payments made under NUCPS and CPSA agreements. 5. Certain IRSF grades received extra spine point in 1989 settlement. 6. 1990 IRSF settlement provided accelerated pay for juvenile staff, and implemented first stage of move to pay parity between Taxes and Collection and VO grades.	Joint IPSF review of performance pay end 1990.	Agree TOR and review.	April 1991.
. Areas with delegated Departmental discretion.						
i. Local Pay Additions scheme.	M2/1	M4 (inc. Regions) Heads of Divisions	Scheme introduced with effect from 1 June 1988. Annual reviews 1989 and 1990.	Evaluation (centrally and within Department) of "value for money" of LPAs.	Implement changes within affordability once final decisions taken.	November 1990.
ii. Special bonuses.	M2/1 (Policy Aspects)	M1, DG Management	Scheme introduced 1989/90.			
iii. Special pay point schemes (Grades 4-7).			Central scheme introduced 1990/91.			
.3 Non-Pay						
actors affecting well eing of staff and ction to be taken.	M1/4		Preparation and publication of Strategic Plan which as a whole emphasises that people are our future. Message emphasised by Chairman's February 1990 Newsletter.	1. Action plan regularly updated and circulated to all responsible Divisions. 2. Active proselytisation among managers of need to adapt methods to meet the needs of staff. Every opportunity to be taken to emphasise liaison as prime management task.	Action plan to be shown to Board with commentary on achievements to date.	October 1990. Continuous.

Action to be taken Recommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and 6
2.3 Non-Pay (continued)				3. Continue to develop welfare and welfare-linked programmes ie childcare, flexible working practices as set out under individual headings in Plan/ Chart.		Continuous.
2.4 Best use of people						
a. Selection of candidates for Full Inspector Training.	M1/1		Selection for full training in shortage areas. Reduced targets to be applied as better retention reduces needs.	Continue.		Annually to 31 March.
b. Selection of candidates for accounts investigation.	M1/2		Maximise selections subject to manpower needs and budget constraints. Consultation with Regions for T90A selections.	6-monthly review of Inspector needs in May and November. T90B selections to be made by 31 August 1990.		
c. Expansion of Assistant Valuer scheme.	CV		Further promotion round held.	Numbers expanded to 180.	Numbers to be expanded to 220.	5) 31 March 1990. 6) 31 November 1991.
d. Making better use of existing staff and widening of career opportunities through the reorganisation of Head Office functions.	M1/1 M1/3	M1/2 M1/3 M1/6 M1/7 CV Comp 4/1	2 Working Parties set up to consider careers of FT Inspectors and AG respectively. Former reported August 1989. Latter reported July 1990. Better career opportunities for General Group Inspectors following implementation of Neilson report.	Awaits Board's decisions.		
2.5 Personal Development						
a. Consideration of fields of review, age limits and open opportunities - career development.	M1/4	M1/1 M1/2 M1/3 M1/7 M2/3 CV Deacon WP.	Views of consulting divisions sought.	Collation of responses.	Consideration of further fields of review.	Continuous.
b. Part-time staff - remove obstacles to promotion and revision of training arrangements.	M1/4	M1/1 M1/2 M1/3 M1/7 CV M4/7	IRSF agreement on PT recruitment negotiated. AIT agreement on PT recruitment negotiated. AVOV agreement on PT working negotiated.	CPSA and NUCPS negotiations initiated. FDA agreement in draft - agreed in principle. M1/4 to liaise about training possibility as PT agreements signed.	Active proselytising of management to implement agreements. Conclude negotiation of agreements with other unions.	FDA/CPSA/NUCPS agreement by November 1990. Management Circular when new Treasury rules issued following up March 1990 Newsletter.
c. Equal opportunities monitoring - demonstrate that the Department is a fair employer and identify and correct any residual problems.	M1/4	M1/1 M1/2 M1/3 M1/7 M1/8 Regional Personnel Sections, CV	Ethnic monitoring - 98.3% database achieved. Perceived religious affiliation database in N.I. complete. Review of 1988 Clerical Promotions Committee results.	Ethnic monitoring - completion of management classification programme. Discussions with Fair Employment Commission to clarify and help implement implications of Fair Employment (N.I.) Act 1984. Validate data on FRISM.	Ethnic monitoring - implementation of Programme of Action on Race. Identification of specific target areas and IR objectives. Further information on promotions/appeals procedures to be published.	6) April 1991.

ction to be taken ecommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and 6
.5 Personal Development (continued)						
. Continued implementation of Bridge Programme.	M1/4		Identification of new candidates.	Continue to identify new candidates.		
. Continued implementation of SMDP.	M1/6		Identification of new candidates.	Continue to identify new candidates. AGT WP report recommends number of changes for AG participants.		
. Continued implementation of MDP.	M1/3		Identification of new candidates.	AGT WP report recommends number of changes.		
. Participation in Operational Raleigh.	M1/4		Selection weekend to identify participants.	Monitor participants' progress in fundraising and venturing via Operation Raleigh newsletter.		December 1990.
. Effective operation of inefficiency procedures.	M1/5	M1/4	Change from permature retirement to dismissal and establishment of common procedures throughout Department completed.	Abolition of different treatment of the over 60s and the introduction of shorter review periods for officers below EO/RE.	Keep effectiveness of procedures under continuous review.	Autumn 1990.
. Promote health and safety of staff through Welfare Service and health education programmes.	M1/4	Occupational Health Service, Health Eduction Authority	Increased Welfare input on management training courses. Broad outline of no smoking policy published. Information issued to staff on smoking, drugs and cancer screening: guidance issued to management on these and on infectious diseases. IR joined and publicised Look After Your Heart Campaign.	Development of Welfare Service as a support service for managers. Policies on smoking and problem drinking under review. Agree management guidance on no smoking policy. Policy statement and information sheet about misuse of drugs to be agreed with TUS. Major review of working practices which might aggravate upper-limb disorders: information and guidance for staff and management in preparation.	Further consideration of how Welfare Service can become more proactive as opposed to reactive. Publicity for revised policies on smoking and problem drinking. Implementation of LAYH. Issue of Health Education guide.	Late 1990/early 1991: issue of Annual Report and Future Plan. November 1990: detailed management guidance on no smoking policy. June 1991: drinking policy guidance. LAYH - rolling 5-year programme 1992 for HE guide, when gaps in LAYH identified.
i. Implementation of working parties on:-						
i. career structure of FT Inspectors and preparation for management and experience on policy work (Deacon Working Party)	M1/1	M4 Training M1/2 M1/8	Greater flexibility in planning careers and more opportunities for policy experience. Instructions for arrangements to management experience to Inspectors (P) issued in July 1990.	Contributions to Deacon WP on FT Inspector careers. 25 candidates to be selected and posted.	Produce papers for WP report. Continue to select and post candidates at half-yearly intervals.	Report to be completed 31 March 1991.
ii. changes to mobility requirement especially as applied to promotion	M1/1	M1/2 M1/3 M1/4 CV	Implementation of main Mobility WP recommendations completed. New promotion arrangements in operation.	Consideration of possibility of implementing one outstanding recommendation.	Negotiation with Treasury still in progress on one.	Open.
iii. career structure of General Group Inspectors (Neilson WP)	M1/2	M4/7 M4 Training	Implementation programme determined and most recommendations implemented.	Review of remaining recommend-ations.	Complete implementation.	1990/91.

ction to be taken ecommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and 6
.5 Personal Development (continued)						
iv. career structure of Administration Group and training in Head Office (AGTWP) (Munro WP)	M1/3	M1/4 M1/8 M1/6 M1/7 CTS	Interim AGT report completed February 1990 and submitted to Board. Final report submitted July 1990. Detailed information provided on recruitment procedures.	Await Board's decisions.		
.6 Training						
Effective targeting of vocational (inc. accountancy) training.	M1/6	M4 Training CV CTO IFD SFO M3 Stamps Comp 4/1	TDU reviewed effectiveness of main vocational training programmes in 1988. Annual analysis in CTO.	Continuous review by Central Training Committee and Training Liaison Committee.	Summary paper to go to CTC.	6] 1991.
Management and development training - implementing Next Steps initiative and Management Charter Initiative.	M1/6	M4 Training and other training sections		M1/6 to coordinate action plan programme for Next Steps in accordance with timetable set out in plan - review and report to DG(M) every 6 months.	Review and report.	End February 1991.
Improving training on delivery of services - Next Steps Report.	M1/6	M4 Training and other training sections		See above - CD to review improvements to customer service.	Review and report.	End February 1991.
Introducing Young People Programme subject to development by OMCS.	M1/6	M4 Training M1/7 OMCS	Pilot exercise in Hinchley Wood and South Yorkshire.	Revised package being prepared by OMCS.	Consider OMCS recommend-ations when formulated.	
Considering refresher training where appropriate.	M1/6	M4 Training CV CTO IFD SFO M3		Continuous review.		
Develop M4 training initiative.	M4 Training		1. Technical training: Review team set up.	Review course content/structure.		Complete review 31 December 1991.
			2. Management training: Needs Analysis complete.	Awaiting Senior Management approval.	Implement recommendations	Introduce foundation course April 1992.
			3. Clerical training: Open Learning strategy agreed.	Continuous review	Redesign RO/RE courses	Continuous.
2.7 Working patterns, FWH, part-time working, special leave and other types of working patterns.	M1/4	M1/1 M1/2 M1/3 M1/7 M2/3 M4/7 CV	FWH agreement revised (draft with TUS).	Consideration of career breaks. Consideration of other special leave arrangements. Continue to make the best use of these methods.	See 3.4.	
	M1/4		Widespread circulation of Treasury booklet "Made to Measure" on alternative working patterns (to be seen by all staff).	Meeting with TUS arranged to discuss implementation.	Consider where arrangements may be useful (eg TOPSI).	March 1991.
2.8 Retirement policy						
Whether and to what extent service beyond 60 should be encouraged.	M1/7	M1/1 M1/2 M1/3 CV M2/3 M4/7	Retirement age relaxed in Regions with shortfalls at certain grades. Retirement and Superannuation WG paper put to EOM.	Awaiting EOM decisions.	Await developments.	

Action to be taken / Recommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and 6
3.8 Retirement policy (continued)						
c. Achieving this without adversely affecting careers of younger staff.	M1/7	M1/1 M1/2 M1/3 M2/1 CV		To be reviewed.		
3.1 Recruitment - Targeting	M1/8		Use Jobcentres to reach young people and ethnic minorities in particular. (Used nationwide for delegated EO and RE(P) schemes.) Leaflet and video for RE/RO/PA focused on young people and IR as Equal Opportunities Employer. See para 3.3c for YTS and Work Experience Schemes. CSC and all GDs considering relaxation of minimum (17.5) age limits.	Covered in 3.2 - 3.6 below.	Covered in 3.2 - 3.6 below. Non-ITGE: Implement lower age limit when approved.	Covered in 3.2 - 3.6 below.
3.2 Recruitment						
a. Review of recruitment process.	M1/8	M1/1 M1/2 M1/3 M1/7 CV	ITGE: Introduction of new bio-data sift to speed up process. Modifications to post-selection procedure to speed up process. Improved timetable agreed with CSC. Trial of portable computerised cognitive testing aimed at speeding up selection process.	ITGE: Monitor effects of changes. Evaluation of computerised cognitive testing and decision whether to introduce it. Review possibility of making appointments below FT Inspector at earlier stage of competition.	Joint development with CSSB and CSC.	1 April 1991.
			Changed basis of recruitment from continuous competition to series of open competitions.	Organisation (after liaison with CSC) of new type of competitions for 1991/92.	Introduction of series of open competitions.	28 February 1991.
	M1/8		Non-ITGE: Use of QT for recruitment at RE/RO level has been dropped in "delegated" areas thus speeding up process.	Non-ITGE: IR volunteers taking part in CBA/QT to replace EO written QT and speed up recruitment process.		CSC set availability as Spring 1991.
			1988 M2/6 review recommendations: notification of success by telephone, better training for interviewers, redesign of application forms.	Non-ITGE: Revise appointment letters. Revise schedule accompanying appointment letters. Review recruitment forms.	M2/6 review: up to Regions to implement telephone notification. Regions instructed to implement training recommendation.	Continuous.
			Decision to untie from CSC for recruitment at EO/RE level and delegate responsibility to Regions (except NI)/M3/AG.	WP set up to manage change of EO/RE recruitment process: guidelines, clearing house, central monitoring arrangements.		
	M1/3		AGTWP interim report: scope for changes in recruitment process and arrangements.	Implement AGTWP report recommendations as appropriate when approved by Board.		
b. Reviewing starting pay and early increments.	M2/1	M1/7 M1/8 CV Treasury	Non-ITGE: Flexible starting pay arrangements are available for EO (AG) recruitment.	Discussions with TUS (IRSF, CPSA etc). Discussion will be arranged with M1, M4 and CV about how to proceed and in relation to which grades.		Autumn 1990.

ction to be taken ecommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and 6
.3 Widening Recruitment Field						
. Entry qualifications.	M1/8	M2/1 M1/1 M1/2 M1/4 M1/5 M1/7 M4 Treasury CSC	ITGE: Response to EOM (89) 3 on fast-stream recruitment welcoming relaxation of age limits in certain areas. Non-ITGE: QT not required for EO/RE recruitment in delegated areas.	Non-ITGE: Certain parts of IR (SE Region, CTO, SEVO) taking part in pilot study by RRU to determine useful bio-data test as an alternative to educational qualifications/SAT at AO/AA level.	ITGE: Await outcome of Treasury review of fast stream entrance requirements per EOM(89) 37. Non-ITGE: Await outcome of RRU pilot. Evaluation computer-based testing as applicable to the Revenue as a substitute for the QT for EO/RE entry. Await outcome of "nationality" deliberations EOM(89) 29 and act accordingly.	6) Pilot report due in April 1990 - still with RRU.
. Reconsidering need for educational qualifications.	M1/8	M2/1 M1/1 M1/2 M1/3 M1/4 M1/7 M4 CSC	Non-ITGE: EC Region substituted "clerical experience" for educational qualifications to alleviate EO/RA shortage. AGTWP interim report.	AGTWP reviewing need for SAT, clerical experience etc. Non-ITGE: As above	Extend EC Region experiment where appropriate.	
. Recruiting and training unqualified people.	M1/8	M2/1 M1/1 M1/2 M1/3 M1/4 M1/7 M4 CSC	Non-ITGE: 18 YTS placements at Telford to qualify for B/TEC diploma. Various work experience schemes for ages 16+ and eligible 15-year olds. Discussions underway with M4 and CV to introduce "work experience" for 15-year olds. Local visits made as background to guidelines.	Non-ITGE: Consideration being given to extending YT and participating in ET with a pilot scheme. M1/8 represented at "Managing Agents" meetings to discuss common practice. M4 will target Regions to participate where resources allow.		M1/8 to complete guide-lines by November 1990.
. Recruiting civil servants at the same grade/level via open competitions.	M1/3	M1/8	Response to EOM(89) 37.		Await outcome of Treasury review of existing regulations.	
. Extra payment for older experienced entrants.	M2/1	M1/1 M1/2 M1/3 M1/4 M1/7 M1/8 Treasury	ITGE: Direct entrant Inspectors are awarded increments according to age and experience. Non-ITGE: As 3.2(c): flexible starting pay available for NUCPS and IPMS grades.	Consider the need for extra payment for experience entrants and how that need might be met. Discussions continue for expansion to IRSF grades.		
.4 Women - enhance recruitment and retention by.						
. Flexible Working Hours.	M1/4	M4 M1/3 M1/7 CV M3 CTO SFO IFD Solicitors Stamps	Continue to consider FWH in consultation with local management.	Follow up Chairman's Newsletter drawing local management's attention to these possibilities and responsibilities.	Secure final TUS agreement to draft management circular.	[June] 1990 issue management circular.
. DARS and other career breaks.	M1/4	M4 M3 CV CTO SFO M1/3 M1/7 M1/8 Solicitors	Research OGDs' intentions and Scheme. 2 DARS successes in CTO.	Recommendation of adoption of CBS	"Keeping in touch" arrange-to be formalised and and publicised.	Introduce CBS November 1990.
. Recruiting part-time staff.	M1/4	M4 M1/1 M1/2 M1/3 M1/7 M1/8 CV CTO SFO IFD Stamps Solicitors	IRSF/AIT/AVOV agreements: July 1989 onwards. AGT WP interim report. ITGE: Recruitment literature amended to reflect introduction of PT working.	All other IR unions to sign up to PT working agreements. ITGE: Appointment letters under review.	Draw local management's attention to possibilities and responsibilities. ITGE: Appointment letters to be amended.	FDA/CPSA/NUCPS agreement by Nov 1990. 5) Letters ready by mid-October 1990.

ction to be taken ecommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and 6
.4 Women - enchance recruitment and retention by (continued)						
. Alternative working patterns - temporary contracts home working etc.	M1/4	M4 CV M1/1 M1/2 M1/3 M1/7 M3 CTO SFO IFD Stamps Solicitors	Contract for working under 15 hrs p.w. drawn up for AO Shipley: agreed with TUS.	Advertisement placed for staff in local press. Follow up possibilities for new agreements.		Continuous.
. Child care facilities - workplace nurseries, playschemes etc.	M1/4	M4 M3 CV M1/1 M1/2 M1/3 M1/7 CTO SFO IFD Stamps Solicitors	13 holiday playschemes running by Summer 1990. (Cumbernauld and Hertford opened March 1990). Cumbernauld and Hertford opened workplace nurseries.	Workplace nurseries in Bootle and Telford: also planned for Oxford, Cambridge and Bristol. Looking at plans for Nottingham. Regional feasibility studies underway. Joint schemes (eg with OGDs) planned.	OMCS-led feasibility study on childcare in London. Encourage yet more activity.	Bootle and Telford nurseries to open Autumn 1990 - others shortly after.
. Targeting.	M1/8	M1/4 CV	ITGE Introduction of advert aimed specifically at women. Non-ITGE: Local recruitment campaign literature aimed at women.	Advertising aimed at women graduates.		Continuous.
.5 Ethnic minorities recruitment						
. Publicity.	M1/8	M1/4 M4	ITGE: Definite efforts to change emphasis of newspaper adverts and brochure to show Inspectorate as an Equal Opportunities employer. Non-ITGE: As at 3.1 - Asian Times and The Voice already used. Asian Herald from February 1990. Advertise in national, local and ethnic press as Equal Opportunities Employer.		ITGE: Promotion of IR as Equal Opportunities employer. See also 3.1. Non-ITGE: Consider ethnic minorities when preparing new EO literature and video.	Continuous. Spring 1991.
. Targeting.	M1/8		ITGE: Questionnaire asking why ethnic minority candidates withdrew from ITGE. Commissioning of attitude survey among ethnic minority undergraduates towards Inspectorate.	ITGE: Advertising in quality ethnic press eg The Voice (Afro-Caribbean), India Mail.	Non-ITGE: Revision for monitoring system for ethnic minority successes/failures in recruitment process.	Continuous.
. OMCS initiative for Access training.	M1/8	M1/4 M4	IR not currently participating.	Non-ITGE: discuss how to develop schemes as developmental training for serving officers.	Non-ITGE: possible IR participation after pilot results available from OGDs.	
.6 Older people - extend recruitment by						
. Relaxing age limits.	M1/8	M1/1 M1/2 M1/3 M1/7 CV	ITGE: Age limit raised to 52 for fast-stream. Adverts notifying raised age limit used since spring 1989. Adverts aimed at returners. Review of placement of adverts ro reach older age group. Non-ITGE: CSC and GDs discussing relaxation of upper age limit for EOs to 52 in line with fast stream recruitment. Non-ITGE: See 3.2(b).		ITGE: Monitor responses of older candidates to recruitment campaign using statistics from CSC. Change emphasis of recruitment brochures.	Continuous.

Action to be taken / Recommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and 6
3.6 Older people - extend recruitment by (continued)						
b. Extending grades of direct entrants.	M1/3	M1/1 M1/2 M1/8 M1/7 CV	Non-ITGE: direct entry HEO scheme. AGT interim report.	Non-ITGE: consider direct recruitment to higher grades - will inform decision whether or not to untie from CSC.		Post-Spring 1991.
3.7 Recruitment process						
a. Delegation to IR and its managers.	M1/8	M1/1 M1/2 M1/3 M1/7 M4 CV CSC Regions	ITGE: Decision not to untie ITGE from CSC for 1991/92. REs may be appointed directly from ITGE failures. Non-ITGE: All AO/AA recruitment delegated to Regions, Singletons etc. EO/RE recruitment already delegated to London Regions, SE and EC Regions up to 45 miles from London, Singletons and Central London AG. Decision that from April 1991 all Regions (except N Ireland) Singletons and Central London AG will untie from CSC for EO/RE recruitment.	Review of position for 1992/93.		January 1992.
				VO to use CSC on a contract basis for professional grades.		April 1991.
			ITGE: nationwide university/polytechnic etc liaison system. Non-ITGE: Review conducted by M1/8 as a consequence of 1988 M2/6 review. AGTWP interim report.	Non-ITGE: see 3.1, 3.2(b), 3.3(a) and (b) and 3.5(a).		Continuous.
4.1 Efficiency improvements	Central Division	FD M2/3 M2/6 M4/1 M4/7	Scrutinies (especially of repayments), work measurement and staff inspection. Department exceeded Government's target of 1.5% savings.	Efficiency scrutiny of data capture and matching. Computerisation of repayment claims.	Efficiency improvement plans will be covered in Divisonal plans in January 1991 and published in summary in the new Departmental Management Plan.	October 1990. January 1991.
4.2 Relocation	M1/3	M4/7 M1/1 M1/2 M1/3 M1/7	Exit London (Roberts report).	300 technical and clerical posts to go to provincial locations.		November 1990.
			Transfer of PAYE work from London & SE.	400 posts removed: 1200 more to go to provincial locations.		Mid-1992.
	Nottingham Project Team	CTO IFD SFO Solicitor FD M1 M2/2 M2/3 M2/6 M4/2 M4/6 Comp 3/2 Comp 3/5 Comp 4 Comp 4/1 B10	Decision announced and Project Team established to implement relocation of 1800 HQ posts to Nottingham and 100 + posts to other locations.	100 + posts in process of moving to Shipley, Telford and Worthing. Implementation work on main move to Nottingham continuing.		Late 1992
4.3 Departmental Relocation Scheme						
Department to provide mortgage, estate agency, legal, removal etc. services and advice to minimise stress suffered by staff moving home and to reduce costs.	M1/5		Scheme out to tender.	Final shortlist negotiations in hand.	Submission to Board.	October 1990.
					Final contract negotiation.	December 1990.

ction to be taken ecommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 a[illegible]
.2 Implementation						
ll Divisions to take esponsibility for the personal evelopment and motivation of heir staff. Action to be eflected in Divisional anagement Plans.	a) M1/4 b) Heads of all Divisions	Central Division	Circulation of implementation plan proposals to those responsible.	a) Consideration of responses Circulation of completed plan. b) Report to Board identifying key action points.	Submission to Board on progress made in first year. Progress to be followed up by M1/4 in next year.	October 1990.
Finally]						
evelopment of Human esources	All Divisions			Develop all officers to reach full potential as quickly as possible; give the best possible job satisfaction; provide maximum career flexibility to enable people to develop their own particular strengths in the interests of the Department.		

ction to be taken ecommendation Number	Division in lead	In consultation with	Action already taken	Work in progress or planned	Work to be done	Target dates for columns 5 and 6
nnex - restricted Circulation						
ossible recovery of raining costs						
. FT Inspectors	M1/4	Solicitor M1/1 M1/8	Paper examining options prepared.	Discussion with M1 Assistant Directors and M1 generally.		December 1990.
. Valuers	CV	Solicitor	Contract included in offer letter.	Monitor effect on recruitment and retention.		December 1990.
. Accountants	Comp 4/1	Solicitor	Agreed text in draft with Solicitor. Will apply to all new entrants from April 1990.			December 1990.
. Nottingham - bound posts - new recruits	M1/3	Solicitor		Arrangements made for the mobility condition to be amended in future recruitment competitions for EOs and above.		December 1990.

ORGANISATION AND STRUCTURE: EXISTING ORGANISATIONAL REVIEWS AND CHANGES

Experiments with tax and collection offices

1. Three experiments are concerned with merging assessment and collection work:

Redruth - setting up a collection section within the District to deal with all the collection work arising from the work of the District.

Bath - a more radical approach, giving individual allocation officers responsibility for both the routine assessment and collection work arising from the taxpayers in their allocations.

Cardiff - bringing in PAYE auditors to work alongside District staff engaged on Schedule E and PAYE compliance work.

2. A fourth experiment is testing the problems and benefits of reorganising local offices on a different basis altogether:

Newcastle - setting up a "compliance district" which will continue to be responsible for accounts review and investigation work and Schedule D and E compliance, but which will also take on PAYE audit and local collection recovery and enforcement work. The taxes clerical work will be put under the management and control of another District in Newcastle.

New offices to repay tax

3. 24 new offices will be set up with up to 5400 staff to examine repayment claims from up to 14 million people who will not be liable to tax, which will have been deducted at source, on bank and building society interest after April 1991.

Relocation of PAYE work

4. The relocation from the London area of work on some 1.5 million PAYE taxpayer records involving around 1600 posts will be completed.

Relocation of some Head Office posts

5. Some 2000 posts will be moved from the London area. 1800 will go to a purpose built building in Nottingham including most of Personnel Division and three prospective executive offices: Capital Taxes Office (England and Wales), Superannuation Funds Office and Inspector of Foreign Dividends Office.

ORGANISATION AND STRUCTURE: BUSINESS ETC REVIEWS

Assessment and collection of Schedule D tax

1. A review has started of ways to improve the administrative arrangements for the assessment and collection of tax from the self-employed. The aim is to make the system simpler to understand and easier to administer, for the benefit of taxpayers, their professional representatives and the Department. Possible changes include a simplified assessing process, the adoption of the current year basis of assessment and new arrangements for payment of tax.

2. With the approval of Ministers, confidential discussions are currently being held with tax practitioners to develop more detailed proposals and gauge their general acceptability.

3. A report will be made to Ministers early in 1991. The nature and timing of subsequent developments, which would probably require legislation, will depend on Ministers' decisions.

Assessment and collection of Schedule E tax

4. A review has started of the scope for changes to the way the PAYE system is administered, to identify improvements in efficiency and whether there may be opportunities for more fundamental tax reform.

5. The review will identify ways of moving towards:

(i) a much wider issue of tax returns

(ii) static filing, non-cumulation and self-coding

(iii) a broader assessing base, including partial or full self-assessment and/or total income assessing.

6. The review will also look at:

(iv) the best structure and organisation of work

(v) where OCR would be necessary/most beneficial

(vi) the impact, if any, of opportunities in the foreseeable future for electronic handling and matching of information from the payers of income

(vii) who would be affected by the changes and what the impact on them would be, including estimates of costs and savings where possible.

7. An interim report will be made to the Board by 31 March 1991 and a final report by 30 June 1991. The nature and timing of subsequent developments, which may require legislation, will depend on Ministers' decisions.

Assessment and collection of tax from companies

8. Legislation is in place for movement to a "pay and file" system for the assessment and collection of corporation tax from companies. This will streamline and simplify the administrative arrangements.

9. Key features of the change are:

- tax from companies will become due and payable 9 months after the end of an accounting period, without the need for a prior assessment

- companies must make returns 12 months after the end of the accounting period

- when the tax payable for an accounting period has been agreed, the company will pay additional tax or receive a repayment as appropriate

- interest will be payable by the company or the Revenue on the occasion of the final settling up calculated from the original due date.

10. On present plans, this system will be introduced in 1993.

Electronic data capture and information matching

11. An efficiency scrutiny has recently been carried out as follows:

"A review of the possibilities offered by electronic data capture and data matching. In particular this will look at how optical character recognition (OCR) technology - a technology for converting handwritten and type printed data directly into electronic form in a computer system - might fit into the Department's future operational and computing strategy."

A report was made to the Efficiency Unit in November 1990.

12. It is hoped to pilot in April 1992 the use of OCR to read repayment claim forms submitted by the public to TOBBI offices to generate repayments.

13. The possibility of obtaining information from third parties by electronic data transfer rather than on paper, and how that information might then be matched to the records of individual taxpayers, is also being studied. A report will be made to the Board by 31 March 1991.

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Scrutiny

of the

Public Record Office

Report

Volume One

Lord Chancellor's Department

December 1990

Price £10

Martin Bonsey
Susan Hughes
David Thomas
Val Traylen

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SCRUTINY OF THE PUBLIC RECORD OFFICE

EXECUTIVE SUMMARY

Introduction

1. The Lord Chancellor asked us to look at the functions, management and organisation of the Public Record Office, to determine whether the internal systems of the Office were best suited to the effective performance of its functions, to examine the quality of the services provided and to consider whether the Office should be established as a Next Steps agency. We were also asked to look at the scope for developing new revenue generating services.

Main Findings

2. We found that the collection of records held by the PRO was, by virtue of its age and size, an invaluable national asset for the purposes of historical research. It also met continuing needs of Government. We established that there remained a need for the public records to be selected, preserved and made available by a central archive as a core function of Government.

3. Our main findings are that:

* there is widespread goodwill towards the PRO from its users, many of whom think it is providing a good service in difficult circumstances.

* however, there was evidence that the Office has been insufficiently responsive to the changing profile and needs of its users.

* there was wide concern within the Office about a lack of clear leadership and direction in managing resources effectively.

* management and financial planning and information systems are inadequate for the 1990s.

* the organisational structure is out of balance and poorly suited to the most efficient performance of its functions.

* the present division between curatorial and administrative staff has led to inflexibilities which hamper management in deploying staff in the most effective way.

* the PRO could be more easily managed, with a stronger sense of common purpose, if all staff and records were brought together at Kew.

* the Office is too inward-looking, giving inadequate attention to outreach activities and positive promotion of the records.

* there was a large measure of acceptance within the Office that major change was inevitable and necessary.

Key recommendations

4. Our recommendations aim to restructure and redirect the PRO to ensure that it is more efficiently and effectively managed in the future and provides a service which is centred on the needs of its users. The key recommendations are:

Agency status

* The PRO should become a Next Steps Executive Agency from 1 April 1992 and should be renamed The National Archives.

Services for readers

* There should be a gradual introduction of longer opening hours from 1 July 1991, leading to a full service on Saturdays and two late-night openings.

* A range of other service improvements is proposed, including the use of volunteers to welcome new visitors, freeing Search Department staff to spend more time with readers and to develop self-help finding aids, and opening the PRO library to readers.

* Copying services should be subject to market-testing with the aim of providing a faster and less expensive customer service.

* Greater priority should be given to making the records accessible to a wider public, through a more popular publications list, a broader programme of educational services, expansion of suitable retailing activities and exhibitions.

* Charging for access to the records should not be introduced now, but should be reconsidered in 1993/94.

* The original records currently stored in the Chancery Lane building should be moved to Kew once the extension there is complete, but extensive microfilm reading facilities should be retained in central London; a detailed review should be carried out to determine future uses of the Chancery Lane building.

* Savings obtained from moving out of Chancery Lane should be used for specific quality of service improvements, including extended opening.

Services for Departments

* The Office should be more businesslike and consistent in the guidance it gives Departments on selection of records for permanent preservation and should issue advice on the selection of computerised records.

* The Office should provide on a cost-recovery basis a records management consultancy to advise Departments on the handling of their current records.

* The PRO should withdraw from the management of the intermediate storage facilities at Hayes.

Management

* A Chief Executive should be designated for the Agency from 1 September 1991 to work alongside the Keeper in the transition to agency status.

* A Director of Corporate Services at Civil Service Grade 5 level should be appointed from outside the PRO to manage finance and personnel functions and direct a programme of management change.

* Strategic planning should be introduced, enabling priorities to be set and resources allocated accordingly.

* A reorganisation of the Office should be carried out to achieve a more appropriate balance of workload and provide a clearer focus for reader services.

* The present dual staffing structure should be replaced by a new Archives Officer structure.

* A position-based promotion system should be introduced with more emphasis on the career wishes of staff. There should be a more flexible use of open recruitment and of alternative working patterns, including short-term contracts.

* The Office should obtain consultancy help in managing the change process.

5. We estimate that our proposals could lead to a net annual saving to the PRO of up to £1.9m from 1996/97, with additional savings of £2.4m from possible accommodation changes at Hayes.

6. Our task has been to review the PRO's stewardship of the public records; the purpose of our recommendations is to enhance the use of the collection through its better management.

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INTRODUCTION

1. The Lord Chancellor and the Prime Minister's Adviser on Efficiency agreed in July 1990 that an Efficiency Scrutiny of the Public Record Office should be undertaken.

Our terms of reference were:

1. to review the functions, management and organisation of the Public Record Office;

2. to examine the financial, management and control systems and the operational systems of the Office to determine whether they are best suited to the efficient, economic and effective performance of its functions;

3. to examine the need for, and the quality and value for money of, the services currently provided by the Office and to consider the scope for developing revenue generating services;

4. to make proposals on the future status of the Office, in particular on whether it should be established as a "Next Steps" Agency;

and to make recommendations and to report.

Scope of the scrutiny

2. We conducted a wide ranging review to determine whether the PRO was providing a high quality of service and good value for money. Areas of concern were the Office's organisation and senior management structure, and in particular whether the need for effective financial management and planning was being met. The public service, outreach and educational functions of the PRO were examined, and possibilities for increasing revenue explored. The role of curatorial and administrative staff was considered, with a view to ensuring the best use of human resources. We also looked at the relationship between the PRO, the Lord Chancellor and the Lord Chancellor's Department, taking account of the status of the PRO as a separate government department and its suitability for establishment as an executive agency.

3. A number of issues were not considered to be part of the scrutiny's remit and were not examined in detail. These included the broad legislative framework concerning access to government information and the public records, the criteria for selection of documents for preservation, and the basis on which some records are subject to extended closure or are retained by departments. Our report does not address the general question of Ministerial responsibility for the PRO within the overall machinery of government.

Structure of report

4. Given the wide remit of our scrutiny it has not been possible to give all the issues the detailed analysis they deserve in the main report. We therefore have two volumes: Volume One contains the main report, an implementation timetable and a complete list of recommendations; Volume Two consists of annexes with more detailed recommendations and supporting arguments.

Scrutiny team

5. The team comprised:

Martin Bonsey:	On secondment to the Lord Chancellor's Department from the Australian Department of the Prime Minister and Cabinet.
Susan Hughes:	Efficiency Unit
David Thomas:	Modern Records Department, Public Record Office
Val Traylen:	Establishment and Accounts Division, Public Record Office

Cost of the scrutiny

6. The cost of the scrutiny was £48,000.

Acknowledgements

7. The Scrutiny Team would like to thank the Keeper and staff of the Public Record Office and all those individuals and representatives of organisations who gave their time and knowledge so willingly to help us in our investigations. We are also very grateful to those readers who took the trouble to write to us to express their views.

8. We were greatly assisted by the administrative help provided by Saratha Balendran and the secretarial support of Debbie Angell. We thank them both.

CHAPTER 1 THE BUSINESS OF THE PUBLIC RECORD OFFICE

"What an important thing memory is, collective memory. It's really collective memory that makes a nation, its memory of what the past was, what it has done, what it has suffered and what it has endured..."(1)

"Historical study is not the study of the past but the study of present traces of the past;...The crucial element is the present evidence, not the past existence;..."(2)

1.1 The Public Record Office holds on behalf of the nation a collection of historical records that is second to none in the world. The collection goes back to the Domesday Book of 1086 and forms a continuous record of the activities of the courts and of central government. We think it crucial to reaffirm the intrinsic value of the records and the importance of the scholarly environment appropriate to a national archive. Our approach to the scrutiny has been based on the premise that the records are an invaluable national asset which will be enhanced by efficient and effective management, ensuring that the best possible quality of service is provided for users of the Office.

Background

1.2 The PRO was established by statute in 1838 to preserve and provide access to the nation's records. The Public Records Act 1958 transferred responsibility for the public records from the judicial office of the Master of the Rolls to the Ministerial office of Lord Chancellor. The PRO is not part of the Lord Chancellor's Department but is a separate department of state. The Act provides for the appointment by the Lord Chancellor of the Keeper of Public Records who is in charge of the PRO and is the Accounting Officer for its expenditure. It gives to the Lord Chancellor various other powers concerning the records, especially those relating to questions of access, and imposes duties on the Keeper and those with responsibility for government records.

1.3 The PRO employs some 440 staff and in 1989/90 cost 16.3m. It has four sites:

(a) **Chancery Lane:** 30,500 linear metres of storage in a Grade 2* listed purpose-built Victorian repository; the records held are those of the law courts up to the present day, and of central government until approximately 1800; some 90,000 original records are produced for readers each

year; the separate microfilm collection of censuses from 1841 to 1881, also located at Chancery Lane, is used by over 200 readers each day;

(b) **Kew:** 109,700 linear metres of storage in a 1970s purpose-built repository; the records held are those of Government Departments, the armed services and other organisations, mainly from 1800 onwards; 400,000 records are produced for readers each year; an extension to provide an additional 90,000 metres of storage is planned;

(c) **Hayes:** 346,000 linear metres of storage space is provided free by the PRO on the site of a former ordnance factory for use as an intermediate repository or records centre by 44 Departments; and

(d) **Portugal Street:** part of the Conservation Department will continue to be located in the Land Registry building near Chancery Lane until completion of the Kew extension.

Defining the business

1.4 In managing the archives in its care, the PRO has 3 core functions, which derive from the 1958 Act:

(a) **selection:** guiding, supervising and co-ordinating Departments in selecting records for permanent preservation:

(b) **preservation** of the records it holds; and

(c) **access:** making the records available to the public.

1.5 Before turning to the way in which the PRO carries out these functions, we must ask what purposes it serves. There are three main purposes:

(a) Precedent value: most organisations generate records and need to refer back to them. Governments are no exception. Efficient administration requires a separation of active records from those which are only needed for occasional reference. The continuity, breadth and interrelationship of government functions coupled with the impermanence of particular Departments and other government bodies argue in favour of transfer to a central archive. Government makes considerable use of the PRO; 11,148 records were requisitioned by Departments in 1989-90.

(b) Democratic accountability: preservation and public availability of the records documenting the actions and decisions of Governments is an important form of accountability to their citizens, if not to those immediately affected, at least to posterity. As recent events in Eastern Europe have illustrated, history cannot be written if governmental power is exercised in such a way that records are not kept or made publicly accessible. In its 1954 report the Grigg Committee on Departmental Records commented:

> "We believe that the making of adequate arrangements for the preservation of its records is an inescapable duty of the Government in a civilised state." (3)

(c) The study of history: there is widespread and increasing interest in history, demonstrated not only by an upsurge in the adult study of history, the growth in family and local history studies, and the generally increased level of interest in, and wish to preserve, what is of value from the past, but also by the current vigorous debate about its place in the curriculum and how it should be taught in schools.

1.6 The size and continuity of the original records held by the PRO make it an invaluable national asset for the purposes of historical research. Readership has more than doubled over the last 25 years. In its 1990 Report, the National Curriculum History Working Group said:

> "The study of history in schools...should have at the core the history of Britain, the record of its past and, in particular its political, constitutional and cultural heritage...(and) should help pupils to acquire and develop an historical approach based on objective analysis of evidence." (4)

The emphasis on British history and on testing evidence through the use of primary sources will provide increasing opportunities for the PRO to respond to educational initiatives.

1.7 During our inquiries we considered suggestions that the PRO might be divided into separate organisations, possibly on a functional basis, separating the guidance given to Departments in selecting records from the preservation and access functions, or alternatively on a chronological basis turning on either the current division between records held at Kew and Chancery Lane or some later point determined by whether the records had ceased to be of any administrative value to Government.

1.8 We found that the functions of selection, preservation and access are closely related parts of the integrated business of archives management. Any chronological division of historical records is likely to be unsatisfactory to researchers. The times at which records cease to be of administrative value to Government vary according to the type of record and cannot be predicted. We concluded that selecting, preserving and making available the public records formed a coherent whole, was properly regarded as a core function of Government, and was best carried out by a central national archive.

CHAPTER 2 KEY FINDINGS

2.1 We consulted widely among the users of the PRO. We had discussions with representatives of a range of research interests. We received written submissions from readers who used the PRO during September and October 1990. The PRO made available to us the results of a reader survey and files of letters of appreciation and complaint. We sat in on two readers' forums and a meeting of the Advisory Council. We obtained the views of staff responsible for records within Government Departments from discussions with individuals and attendance at the 1990 Conference of Departmental Records Officers. We held discussions with PRO management, staff and trade unions both individually and in groups. Details of those consulted are at Annex Q.

Readers' views

2.2 Among readers there is much goodwill towards the PRO. Those with long experience said there had been great improvement in the quality of service over the last 30 years. Many praised the help they were given by expert staff in the reference rooms. However first-time readers often found the PRO intimidating and had difficulty identifying the records they wished to consult and some complained of a lack of assistance from staff. There were complaints about high staff turnover, increasing delays in the production of records, and high charges and substantial delays in copying services. A number felt the PRO could promote itself better through a broader range of publications, better educational services and exhibitions. Of greatest concern to readers was the inadequacy of the PRO's opening hours, unfavourable comparisons being made with other institutions both here and abroad. Many considered that a lack of resources was the main cause of these problems.

Departments' views

2.3 Departmental Records Officers (DROs) were concerned about the quality of management of the Office. They regarded the PRO as insufficiently businesslike and consistent in its dealings with Departments. There was considerable dissatisfaction among Departments about the PRO's reluctance to give a clear lead on the selection of records. Aspects of the transfer process were a source of friction, particularly the preparation of listings where the PRO is seen as more concerned with form than substance. There was widespread criticism of the PRO's 17 year delay in meeting Departments' need for clear guidance on technical and archival questions associated with computer records.

PRO staff views

2.4 The most severe criticisms came from staff of the PRO. Many had a highly developed appreciation of, and commitment to, the aims of the Office but considered that much more could be achieved with better management and more resources. There was frustration at the lack of decisive action and clear direction from above. Decision-making processes were regarded as obscure. Decisions were seen as based on inadequate consultation and poorly communicated. Senior managers were thought to involve themselves unnecessarily with administrative detail while neglecting the task of leadership. We found dissatisfaction with the present organisation of the PRO and strong criticism of the way it was staffed. Many staff considered that damaging divisions within the Office arose from the distinctions in staffing and training policies applied to curatorial and administrative grades.

Our overall impression

2.5 We were struck by the extent to which similar views were held and the informed nature and constructive intent of much of the criticism. Our own inquiries confirmed that there were serious problems to be resolved. The overall impression we gained is of an organisation whose underlying purpose is held in high regard and to which there remains a large measure of goodwill and loyalty. There was however evidence that the PRO has been slow to respond to the changing profile and needs of its users. Internally, the PRO's organisational structure is not well suited to the most effective performance of its functions; its staffing structures and policies have not necessarily put the right people in the right jobs and have led to poor morale. Planning, resource management and information systems are inadequate. There is a lack of clear direction and leadership in many areas and this is reflected in a rather negative and inward-looking culture in the organisation as a whole. We conclude that major change is needed.

2.6 In the remainder of this report and its annexes we set out our findings in more detail and consider how change may best be achieved.

CHAPTER 3 MANAGEMENT AND ORGANISATION

PLANNING AND RESOURCE MANAGEMENT

3.1 We were asked to look at the PRO's financial, management and operational systems to determine whether they were best suited to the efficient, economic and effective performance of its functions. Our discussions revealed considerable concern within the Office about management of resources, project control, decision-making processes and communications. Many staff thought that much more could be achieved if the activities of the Office were more decisively managed and directed.

3.2 Many centrally led civil service management reforms - in particular the Financial Management Initiative - already adopted in other Departments have not been implemented, for example:

(a) no effective **strategic planning** is carried out: an exercise to produce a strategic plan was undertaken in 1989/90 but has not resulted in a clear statement of top management aims and priorities related to analysis of available resources;

(b) there is no effective **management of resources** geared to the achievement of strategic aims; recent efforts to define objectives for departments and individual members of staff have been intermittent and haphazard;

(c) there is no systematic **measurement of perfomance**; seminars have been arranged to discuss performance indicators, but these have not been followed up;

(d) the **financial allocation** process is based on an incremental approach and does not reflect any systematic assessment of priorities;

(e) **delegated budgeting** for staff and other resources in line with management responsibilities has not been introduced;

(f) the **market testing** programme has not been implemented; and

(g) **information systems** able to support effective management and financial planning and evaluation have not been developed.

3.3 Although top management accepted that there were benefits to be gained from implementing these initiatives, the lack of progress was explained as resulting from inadequate resources. Achieving managerial change in a small Department was seen as requiring diversion of resources from core tasks. The PRO and the Treasury had accepted that expertise was needed from outside to help with the introduction of central initiatives. Before the scrutiny began, the PRO had made a case for a new Grade 5 post to lead the financial and personnel functions and direct a programme to develop a more vigorous approach to management.

3.4 We agree with the view that additional senior support for the Keeper, drawn from outside, is needed to implement change. Existing staff have limited experience of working in other Departments and were recruited and trained in an environment in which little emphasis was placed on positive management of resources. Traditional ways of doing things have continued into a period of new demands, a heavier workload and tighter funding. **We recommend that a new Director of Corporate Services post at Grade 5 should be approved and a suitable external candidate be appointed from 1 April 1991.**

3.5 We found that **project control** was a particularly weak area. Our attention was drawn to examples of projects which had wasted resources through inadequate planning and control. We were told of individual initiatives for new finding aids, for example a handbook on the War Office papers, which had absorbed months of work only to be set aside once the officer moved on. Some small-scale projects of this kind have taken years to reach publication. Major projects such as the refurbishment of the Museum had failed at a substantial cost in time and resources.

3.6 A more systematic approach to management of resources will have the following benefits:

(a) It will enable the work of the Office to be positively managed thus avoiding the waste of resources which has occurred in the past. Setting targets for priority tasks and regularly reviewing performance will ensure that there is a focus on results. Projects can be tightly controlled against budget and timetable.

(b) Priorities can be explicitly agreed in line with strategic aims to determine the work programme. The need for a more systematic approach to resource management is particularly pressing for the PRO; because of the size and age of the holdings, there is an almost infinite number of tasks that could be undertaken to preserve the records, and increase their accessibility. For example, a recent survey

showed a potential 70 years' worth of work to modernise Chancery Lane reference materials given present resources.

(c) Setting targets and measuring performance will improve productivity; there is an unusual lack of internal or external pressure for improvement in efficiency or effectiveness, particularly in records-related areas.

3.7 We conclude that there is a need for a tighter management framework which will maximise the use of present resources by enabling clear priorities, aims and timescales to be established. We are strongly of the view that the PRO will not be able to make a convincing case for more resources until its present resources are better managed and efficiency savings achieved.

3.8 **We recommend that a resource planning system should be put in place on a pilot basis during 1991/92, and should come into full operation on 1 April 1992.** An illustrative timetable is attached at the Appendix to Annex A. The responsibility for establishing the main aims of the PRO, setting the strategic direction and ensuring that priorities are turned into action will rest with the Management Board which should be assisted by a planning team working under the direction of the Corporate Services Grade 5. The team will need to have strong support from the top and should work closely with departmental managers.

3.9 The main elements of the new system should be:

(a) a corporate plan, supported by a running costs management plan
(b) annual departmental business plans
(c) delegated budgets
(d) performance measures
(e) evaluation and reporting
(f) individual performance appraisal linked to strategic and business aims
(g) management and financial information systems.

Detailed proposals are set out in Annex A.

3.10 Widely held views were put to us that there was insufficient communication within the Office and inadequate consultation on policy changes. **We recommend that there be a more open communications policy and that performance appraisal should include assessment of managers' effectiveness in communicating with their staff.**

3.11 The knowledge and loyalty of the PRO's staff are major assets. We think it is most important for staff at all levels to be committed to the new approach. A programme of change will need to be well managed and its momentum maintained. Although staff are strongly committed to the overall purposes of the Office, our discussions revealed widespread uncertainty about the value of planning and performance measurement. In some cases, this amounted to a feeling that it was a waste of time and a diversion from the real task. It was not clear to staff that a performance-based system of managing resources could provide a means of avoiding the waste about which they were concerned. **We recommend that professional consultancy help should be commissioned to assist in developing the resource planning system and in advising on its implementation.**

ORGANISATION

3.12 The PRO is organised in three divisions: Record Services and Publications Division (RSPD) headed by a Grade 5 who is also Deputy Keeper; Records Administration Division (RAD) headed by a Grade 5; and Establishment and Accounts Division headed by a Grade 7 who acts as Principal Establishment and Finance Officer (PEFO). We have found that the organisational structure of the PRO is no longer well suited to the most efficient and effective performance of its functions. We found:

(a) there is a need to improve the handling of management and personnel issues, and to separate responsibility for these from responsibility for reader services;

(b) the grading of the PEFO at Grade 7 provides inadequate authority in relation to other divisional heads and also contributes to the overload on the Deputy Keeper post, which carries substantial personnel management functions for the curatorial staff;

(c) there is an unequal distribution of work between the three divisions, leading to a relative underloading on the Grade 5 in charge of RAD, and an overloading on the Deputy Keeper, who is responsible for a large range of disparate G6 and G7 commands including some that would be better suited to a corporate services division; and

(d) the separation of RAD from parts of Modern Records Department (MRD) dealing with incoming records leads to inefficiencies and delay in making these available.

3.13 Detailed recommendations for a new organisational structure are at Annex B. **Our recommendations will achieve the following key changes:**

(a) **sharpening of the focus for management issues with the appointment of a new Grade 5 for Corporate Services;**

(b) **improvement in the balance of responsibilities between the three divisional heads, and a greater coherence in the workload of their divisions;**

(c) **a clearer grouping of reader services functions and more integrated approach to preservation issues; and**

(d) **incorporation into RAD of those parts of MRD with which there is a close link.**

STAFFING

3.14 Readers, Departments and staff were critical of the existing staffing structures and policies which failed to ensure that posts were filled by officers with the most appropriate skills, knowledge and experience.

Staffing structures

3.15 Most records-related posts in the Office require a mix of archival, research and administrative skills although there is considerable variation in the emphasis required in particular jobs. Traditionally a marked distinction was made between the research role of curatorial staff and the supporting role of administrators. Since the Fifties archives management combining the two roles has emerged as a discipline in its own right. Present staffing arrangements at the PRO with distinct curatorial and administrative grading structures is still based on the earlier demarcation.

3.16 The division between the curatorial and administrative grades does not match the division of work in the Office. Much records-related work requiring archival expertise is performed by staff in administrative grades while some administrative work is undertaken by curatorial staff. For example, RAD Inspecting Officers are administrative staff who advise Departments on the selection of records for which they need well developed archival skills. Conversely, the administrative tasks of planning the Kew extension and developing performance indicators for the Office are undertaken by a curatorial Grade 7.

3.17 Many staff in both categories perform similar work but enjoy quite different promotion prospects and training opportunities. There are some 32 curatorial staff and 143

administrative staff, but of the 30 posts at unified Grade 7 and above, 26 are perceived as curatorial posts and only 4 are regarded as available for administrative staff.

3.18 We found that the division:

(a) prevents the effective deployment and management of staff;

(b) hinders the development of a more effective organisational structure;

(c) creates significant morale and staff relations problems; and

(d) impedes joint working towards the PRO's objectives.

3.19 The Keeper and senior management recognise the problem and consider its resolution essential for the effective management of the Office. Many staff wish to see an integrated structure. The PRO Branch of the FDA made a submission in favour of all records-related work being undertaken by curatorial grades, although with some changes being made to the present practice of through-grade promotion. A submission from NUCAPS favoured integration of the structures by use of the administrative grades. Detailed consideration of this issue is at Annex C.

3.20 **We recommend that all PRO staff in curatorial and administrative grades below unified Grade 7 should be employed in a new Archives Officer structure with gradings described as Archives Officer Grades 8 to 12 these being equivalent to SEO/curatorial D (8); HEO/curatorial E (9); EO/curatorial F (10); AO/curatorial G (11) and Administrative Assistant (12).** Grade 6 and 7 staff would be unaffected: the generic description of Archives Officer could be applied to them although it would be more usual in practice to use particular job titles such as "Head of Search Department". Pay should be linked to pay rates for administrative grades. Only 5 curatorial staff in the Office are below Grade 7 and thus subject to the current pay differential. Appropriate transitional arrangements should be made for them. Our recommendation is revenue neutral.

Staffing policies

3.21 Achieving a harmonised grading structure is only a partial remedy. Equally important is the reform of related staffing policies. Administrative staff can only be promoted where a post is available, whereas for curatorial staff there is the possibility of personal promotion up to Grade 7. For both groups, promotion is based on annual boards assessing suitability for promotion to the general level rather than to a specific job. A consequence of

this system is that inadequate attention is given to matching the staff available to the requirements of the posts likely to become vacant. Our recommendations aim to provide increased flexibility for management in deploying staff, coupled with greater emphasis on meeting the career wishes of staff. **We recommend:**

(a) **a position-based promotion system where boards are held only when vacancies occur, with all who consider they have reasonable claims for promotion to the position able to apply;**

(b) **the creation of posts within departments according to a strict assessment of the grading at which the work should be done;**

(c) **no restrictions on the length of time staff should remain at particular grades nor any inhibition on skipping grades: the emphasis should be solely on filling the vacant post with the most suitable person;**

(d) **more emphasis on the career wishes of staff; those who wish to move will be able to apply for promotion and transfer as vacancies arise, while those who wish to develop particular specialist expertise should be permitted to do so.**

3.22 Further discussion of these recommendations is included in Annex C but we wish to emphasise that a harmonised structure does **not** mean disregarding the specialised nature of some of the work or any down-grading of the more scholarly aspects of the PRO's activities. Indeed the position-based promotion system we propose will greatly increase the emphasis that can be placed on special skills and knowledge. It will still be possible for particularly talented staff to make rapid progress.

Other grades

3.23 Much of what we propose is also applicable to other groups within the Office. We do not consider structural change is needed for conservation and support grades as these have both been recently reviewed. But all staff should be able to develop their expertise by staying in their specialist fields, for example conservation or reprographics or, where they have the necessary qualifications, be able to move to the Archives Officer structure.

Recruitment

3.24 We favour a more flexible approach to recruitment. **Our key recommendations are that:**

(a) **posts should be advertised whatever the grade when there is any question about the ability to find a suitable internal candidate;**

(b) **Archives Officer Grade 10 (EO/curatorial F) should be the normal entry point for graduates;**

(c) **where it is necessary to obtain staff with skills not otherwise available, direct recruitment to higher grades should be undertaken;**

(d) **the greater use of fixed-term contract employment for short term specialist projects; and**

(e) **further development of part-time employment especially in repository and reprographics to enhance the PRO's ability to recruit and retain staff.**

Training

3.25 For the more open promotion policy we are recommending to be successful, staff with different backgrounds will need to have access to appropriate training. At present there is a marked disparity in training for curatorial and other staff. Curatorial staff have a two year training programme with planned assignments throughout the Office. Training for other groups is more ad hoc and until recently had no archival content; a particular concern is the lack of training for new RAD Inspecting Officers. Training for curatorial staff is run quite separately from the PRO's main Training Unit. We favour an integrated training strategy managed by the Training Unit. Our detailed recommendations on training are included in Annex C.

NEXT STEPS AGENCY STATUS

3.26 Before the scrutiny was established the PRO had been identified as a possible candidate for Next Steps agency status. We were asked to address this question. We consider the PRO fits the profile of a Next Steps Agency well. Its functions, founded in statute, comprise a coherent whole, are primarily executive in nature and are a core function of government. **We recommend that the PRO become a Next Steps Executive Agency on 1 April 1992.** Our detailed arguments and recommendations are set out in Annex D.

3.27 As required to do when assessing organisations for agency status, we have considered various alternatives. None seems suitable; in particular, privatisation is not a practical or desirable option because:

(a) the process of selection and providing access to documents is closely associated with the central operations of Government and considerations of national interest;

(b) maintaining what is, in effect, the nation's collective memory is a proper function of national Government; and

(c) the PRO's activities as a whole are unlikely ever to be commercially viable.

3.28 We see the transition to agency status as providing the essential stimulus to and timetable for the changes which need to be made. In particular, transition to agency status will provide the opportunity for the following:

(a) introduction of effective planning, resource management and information systems;

(b) introducing a new organisational structure reflecting a more service-oriented approach; and

(c) harmonising the grading structure and introducing more flexible staffing policies.

3.29 Appointment of the agency Chief Executive will provide an opportunity to reconsider the role of the Keeper and the relative importance of management and leadership qualities, archival expertise and familiarity with processes of government. **Our recommendation is that due emphasis be placed on management and leadership qualities.**

3.30 Drawing up the Framework Document will provide an opportunity for clarifying relationships between the Lord Chancellor, his Department and the PRO. Our detailed **recommendations are in favour of more direct communication between the PRO and the Lord Chancellor on most aspects of PRO business.** It will however be necessary for LCD, as the Agency's sponsoring Department, to develop its capacity to advise the Lord Chancellor on the PRO's performance against its targets.

3.31 **We recommend the opportunity be taken to rename the PRO as The National Archives.** This would be more informative, better reflect the nature of the organisation and be more consistent with international practice. Formal change will require amendment of the Public Records Act and for some purposes, for example statutory instruments, the present title will need to be retained pending amendment of the Act. But we favour use of the new title for everyday use when the PRO is established as an Executive Agency.

CHAPTER 4 SUPPORT SERVICES

4.1 Of the various support services, copying services, security and information technology have been sources of major concern. Copying services are dealt with in the next chapter (paragraph 5.9).

Security

4.2 The importance of effective security was brought home to us during the course of the scrutiny when the discovery was made of a substantial loss over a five to six year period of records of considerable monetary value. Criminal proceedings are in progress and records are being reclaimed. A description of PRO's security arrangements with their confused lines of responsibility, an account of revisions being made following the discovery of the loss, and our recommendations are at Annex E.

4.3 Although some readers remarked favourably on the assistance provided by security staff, others were critical. In particular we received comments that there were too many security staff, particularly at Chancery Lane. We consider there is scope for greater use of surveillance equipment. As they are the first contact readers have with the PRO the impression security staff create has a significant effect on readers' overall views of the Office. Training in good customer relations is therefore important especially as the job done by security staff will not be made any easier by the emphasis that will now need to be placed on exit checking. The security function is an early candidate for market testing and we envisage that this will provide an opportunity for a thorough review of PRO's security requirements and the best way of meeting them.

Information technology

4.4 The storage, retrieval and processing of information are central to the PRO's business. Information technology has the potential for improving efficiency and effectiveness in the following areas:

(a) managing internal administrative systems, eg management and financial information, editorial and publications work;

(b) providing fast access to the records and control of records movement;

(c) handling computer-readable records;

(d) developing compact information storage methods; and

(e) providing remote access to the records.

4.5 Our detailed concerns and recommendations about the PRO's use of Information Technology are at Annex F. In summary, although we appreciate the reasons for the decision to concentrate the limited resources available on the replacement of the record control and documentation system (RIS), we have two major concerns:

(a) no priority is being given to assessing longer-term developments in IT which, in areas of document-imaging and communications, seem likely to have far-reaching effects on the storage of documents and the means of access to them; and

(b) work on the Computer Readable Data Archive (CRDA) and on the Financial Information System has not been subject to effective planning and project management.

4.6 The proposed review in 1991 of the PRO's IT Strategy Review will provide management with the opportunity to focus on questions of future IT needs, priorities and resources. **We recommend that:**

(a) **consideration be given to the scope for contracting out some areas of IT work;**

(b) **there should be closer contact with other organisations with comparable interests, for example the British Library's Research and Development Department;**

(c) **if the CRDA is to go ahead, it should be carried out using proper project methodology; and**

(d) **any future projects should be the subject of project management and have clear aims and objectives, timetable and budget and an identified project sponsor.**

CHAPTER 5 CUSTOMER SERVICES

READER SERVICES

5.1 The PRO receives about 125,000 reader visits annually. Last year, 49,000 people visited the Census Room in central London, where the data on individuals collected in the 1841-1881 censuses is available on microfilm. There are three main categories of readers: academic historians, amateur family and local historians, who are engaged in their own research, and record agents carrying out paid research for clients. Family and local historians have increased in recent years to about 50% of total users. Readers' views have been summarised at paragraph 2.2 and are further discussed along with our detailed recommendations at Annex G. Our attention was drawn to many instances of excellent and helpful service by members of the PRO's staff. But we think there is still a way to go in developing a culture which is more responsive to users' needs. The main concerns of readers and our key proposals for improvement are set out below.

Opening hours

5.2 We found almost universal dissatisfaction with the PRO's opening hours, which are restricted to 9.30am to 5.00pm on weekdays only. Readers drew unfavourable comparisons with longer opening hours found overseas, ranging up to 24 hours at the Canadian National Archives. They commented that the short opening hours, the difficulties of getting to Kew, delays in producing documents to readers and limited services after 3.30pm could effectively shorten the working day to 5 hours. We think it is unacceptable that people who work normal office hours cannot readily have access to the records. **We recommend that targets should be set for the progressive introduction of longer opening hours so that by April 1994 the PRO will provide full services for readers all day on Saturdays and on two evenings per week.** Some improvement could be made as early as July 1991 and need not be expensive: these include Saturday opening of the census room. Details are set out in Annex G.

5.3 Improvements to opening hours should be taken as an opportunity to ensure the most efficient use of staff time and to make full use of the greater flexibility that staff now seek in their working patterns. **We recommend that increased use be made of flexible working time and part-time employment to provide adequate staffing over longer opening hours without disproportionate cost increases.**

5.4 We recognise that there will be a substantial cost involved in achieving the longer term objective of providing

full services for Saturdays and some late evening opening, (£770,000 for both sites; £560,000 after consolidation at Kew). **We recommend that from 1996-97 this cost should be met from the efficiency savings obtained by moving records and staff out of Chancery Lane.** Present opening hours fall a long way short of an acceptable standard, and it will not be possible for the PRO as an agency to meet increasingly high standards of quality of service unless these savings can be re-invested in the PRO's business.

Reception

5.5 Many newcomers find the Office unwelcoming, intimidating and difficult to use. **We recommend a more welcoming approach and effective signposting and the use of volunteers to provide a friendly introduction and provide basic information about the PRO's facilities and reference materials.**

Management of reader services

5.6 Reader services are managed by separate search departments at Kew and Chancery Lane, which provide help and advice for readers using the reading rooms and answer postal queries. High turnover has required the deployment of relatively inexperienced staff to deal with readers' inquiries. Competing pressures of written, telephone and personal inquiries lead to interruptions and inefficiency. **We recommend amalgamation of the two search departments to provide more consistent policy on matters affecting readers; preparation of a departmental business plan defining priorities and performance standards; training in customer services; organisation of staff into small subject-related teams, with provision for a training period before new staff work in the reference rooms; and centralisation of telephone inquiries and written work away from the public reference desks.**

Means of reference

5.7 Many readers, especially the increasing number of family and local historians, have difficulty in understanding and making the best use of the various reference materials. **We recommend emphasis on the further development of self-help subject-based finding aids, particularly for the more popular subject areas, drawing on feedback from readers on their needs.** But we recognise the need to maintain progress on the task of improving the reference materials for the lesser-used early records.

Speed of access

5.8 Some readers were dissatisfied with the longer time that was now commonly taken for documents to be produced for them from the repository. When the Kew building was opened

the intended production time was 15 minutes. The current target of 30 minutes is not being met, with readers having to wait for up to an hour when the Office is busy. **We recommend that when the new computer system is introduced in April 1992, detailed information on production times and productivity rates should be generated which can be used to set targets and monitor performance.**

Copying services

5.9 Reprographic services provided by the PRO have been extensively criticised on grounds of cost and delay. We found that there were management problems in the Reprographic Department. There is high staff turnover and low morale. **We recommend (Annex G) a new management structure for reprographics with closer integration of the department's production and sales activities; early attention to be given to market testing the range of reprographic services; demanding production and unit cost targets for reprographic work to be set as part of the PRO's targets as an Executive Agency coupled with performance-related pay for management and staff; introduction of rigorous investment appraisal for equipment decisions; increased emphasis on customer service; and maximum use of self-service facilities, including carefully supervised trials of allowing readers to do their own photocopying of the more robust records.** We are not persuaded that photocopying by properly supervised readers will lead to greater damage to the records.

Library

5.10 Since its establishment in 1838, the PRO has built up an extensive staff library with impressive history and archives-related holdings, which would provide a valuable resource for historical researchers. The current cost of the library per head of staff needing to use it is around £2,500 per annum. This level of expenditure cannot be justified as long as access to the library is confined to staff, and our recommendations (Annex G) propose that it should be opened to readers on a charging basis from 1 April 1991. **We recommend the employment of a professional librarian.**

EDITORIAL SERVICES

5.11 We found that many of the difficulties of readers in finding the records they wished to consult arose from inadequacies in the reference aids. This led to increasing pressure on the reader services staff. Three editorial departments are responsible for improving the means of reference, by producing leaflets and handbooks and maintaining the 9-volume Current Guide to the records, together with lists and indexes. This is scholarly work,

which contributes to to the status of the PRO as a national archive. We saw evidence that many of the listings were neither comprehensive nor accurate. For example, pre-World War I soldiers' records are indexed only by regiment, not by name, and contain errors. Some of the 1950s Foreign Office papers are difficult to use because large numbers of files have the same title with no more detailed description of the contents.

5.12 We are concerned that there has been insufficiently tight management of editorial work in the past with the result that much has been wasted or has taken a long time to become available to readers. The absence of a strategic framework has reduced the ability of the editorial departments to set priorities among the almost infinite range of projects which could be undertaken. Building on some recent improvements, **we recommend that the existing editorial departments should be amalgamated to give strengthened control, and a clear programme of work be drawn up with defined review and monitoring arrangements.** Close co-operation will be needed between the editorial department and the publications unit as well as search department, particularly over the development of the more popular publications we recommend. These proposals, along with comments on the fostering of specialist expertise in editorial work, are outlined in Annex H.

OUTREACH

5.13 The primary purpose of keeping the records is to enable the public to have access to them. Potential readers need to know about the PRO and what it has to offer. We wish to see greater priority given to making the PRO's unique collection of records accessible to a wider public. A greater range of "outreach" activities (that is, activities intended to promote wider public awareness of the PRO and the records) would encourage a higher level of appreciation and use of the records, and in some cases could generate additional revenue. Our proposals are set out in Annex I. **Our key recommendations are;**

(a) **an expanded publications programme with a greater emphasis on more popular works and educational publications but soundly based on records scholarship;**

(b) **setting up an in-house publishing unit led by a publications manager with a background in publishing;**

(c) **employment of an education officer with a teaching background to develop an expanded programme of educational services including working in**

conjunction with the publications manager on the development of educational publications, and arranging educational conferences and seminars; emphasis should be placed on ensuring that teachers are familiar with the PRO and the uses that they and their pupils can make of it;

(d) **expansion of the PRO's retailing activities ensuring that the emphasis on quality PRO-related products is maintained; and**

(e) **developing more extensive displays of records than are provided by the present museum, using facsimiles where light levels are a problem.**

5.14 We think that the aim should be for the publications and enterprise units to become self-financing after an investment period of three years. That is not the sole purpose: making the PRO and what it has to offer better known is worthwhile for its own sake. From our discussions with comparable organisations, and taking into account the smaller number of visitors to the PRO, we doubt whether revenue generating services will ever be capable of making more than a small contribution to overall PRO funding. For these activities to be successful, appropriate accounting systems need to be developed to ensure profits can be ploughed back into further development or made available for other PRO purposes. In the meantime, arrangements will be needed to protect the funds allocated, enabling investment to be carried out.

CHARGING FOR ACCESS

5.15 We have given careful consideration to the question whether readers should make a contribution to the costs of running the PRO by paying for access to the records. Strong representations have been made by user groups that charges should not be introduced. The arguments for and against charging are set out in Annex J. **We recommend against immediate introduction of charging, but suggest it should be reconsidered in 1993-94 in the light of specific improvements in the quality of service; the position on funding these, eg. from efficiency savings and investment by Government; and the climate of opinion at that stage.**

COPYRIGHT

5.16 Use of material contained in the PRO's collections can raise issues of private and crown copyright for readers and PRO staff. We are concerned at the resources currently devoted to providing advice on copyright, with very little return for the PRO. We think the PRO should continue to ensure that its readers are aware that their use of the

records may raise issues of private copyright; it should be possible for this to be done almost entirely by way of notices and leaflets. So far as crown copyright is concerned, we consider there would be a significant reduction in casework if a general policy were established that crown copyright would not be claimed or fees charged, apart from a few specified commercially oriented exceptions. **Our recommendations on copyright (Annex K) propose a joint review by the PRO and HMSO.**

DEPARTMENTAL SERVICES

5.17 The Records Administration Division (RAD) provides a range of services to Departments, the most significant being the statutory requirement for guidance, co-ordination and supervision of Departments in their selection of records for permanent preservation. RAD staff also oversee the practical arrangements for the transfer of the selected records to the PRO including the preparation of descriptive lists. Some advice is provided to Departments on records management issues. Comments from Departments were summarised at paragraph 2.3 and are further discussed in Annex L along with our proposals for change which cover both archival aspects of RAD work and records management.

Selection

5.18 A major concern of Departments was the lack of positive direction and consistency in the guidance given to them by the Inspecting Officers (IOs) who oversee selection of records. While the differences in Departmental records preclude completely standardised approaches, **we recommend that the PRO should assist Departments by identifying issues of common concern to them and setting out clearer policy guidelines.** Recommendations addressing other concerns about selection include: review of policy on the selection of photographic collections; review of present practice on scientific and technical material; preservation only in microform of high volume material primarily of interest to family historians; and more effective communications between the PRO and Departmental Records Officers (DROs).

Transfer

5.19 Departments find aspects of the processes associated with the transfer of records to the PRO unsatisfactory. In particular we consider the preparation of the descriptive lists of records selected for transfer could be carried out more quickly and simply. There are also internal concerns about incorrect classification and description of documents. **We recommend the PRO should specify common software to be used by Departments in preparing lists.** We also consider

that our proposals for the inclusion in the Division of those parts of the Modern Records Department which handle new lists will speed up PRO's consideration of whether incoming records are being correctly classified and described.

5.20 Although we do not wish to see fundamental change in their respective responsibilities, we see some possible savings arising from the PRO providing a centralised purchasing service for Departments, on a repayment basis, for specialist packing materials. We also recognise that on occasions small Departments would be helped by earlier direct assistance on listing and packing on a repayment basis.

5.21 We were also told, particularly by the Royal Historical Society, that Departments were more frequently retaining records under section 3(4) of the 1958 Act. We have not been able to make any detailed assessment of this. However, we note that some of the increase may be accounted for by Departments following advice that retention should be used for newly discovered material more than 30 years old pending its review and also for material, access to which is barred by statute. We have been assured that careful attention is given by the RAD to Departments' proposals for retention of records; this should continue. Public concern may be allayed by adopting a more open approach to describing the records and the reason for their retention, whenever it is possible to do so.

Records management

5.22 Inspecting Officers currently have as part of their job descriptions a requirement to provide advice to Departments on records management. This is subsidiary to the primary role of IOs to provide guidance on the selection of records for permanent preservation. The current arrangements do not adequately reflect the specialist expertise required.

5.23 During our inquiries DROs made frequent reference to the success of the Treasury-based 1986/87 records management initiative and regretted that there was no longer a central government focus for records management advice. We share DROs' views that there is now a vacuum which could be usefully filled by the PRO developing a small expert team that could provide, on a cost-recovery basis, advice to Departments on records management. IOs would have a role in identifying where such advice could be useful. In some cases particular expertise would be contracted in from appropriate consultants.

Hayes

5.24 Since 1950 the PRO has managed the site at Hayes which provides for some 44 Departments free long term storage facilities for material pending the 25 year review and for records which will never be transferred to the PRO but which cannot yet be destroyed (Annex L). Intermediate storage is not a core function of the PRO and the PRO does not bring any specialist expertise or add value to what is essentially an estate management operation.

5.25 It is estimated that some ninety per cent of Government's total holdings of inactive records are stored by Departments. Hayes is thus not a comprehensive storage service of the kind provided by some of PRO's counterparts in other countries, e.g Canada. Setting up such a comprehensive service would be a huge task and would be inconsistent with the trend to devolution in the Civil Service; it would be resisted by most Departments, and would be of little benefit to PRO's core function of preserving records selected by Departments.

5.26 The current cost to PRO of the Hayes operation (2.9m) is a disproportionate part of its overall budget when the limited relevance of the service to PRO's core functions is considered. Substantial future maintenance costs arising from the poor condition of the buildings will increase the financial burden.

5.27 The option of the PRO recouping its Hayes accommodation and administration costs from Departments is superficially attractive and would doubtless provide a worthwhile discipline to ensure records were reviewed. However, given the intention that Property Holdings (to which the PRO pays rent for the entire site) should operate on a fully commercial basis, charging would be unlikely to generate revenue for the PRO. Rather the PRO would face the increased burden of financial administration of the site and the prospect of shortfalls if Departments reduced their holdings as the result of charging.

5.28 **We recommend the PRO cease its management of the site at Hayes when time has been allowed for Property Holdings and user Departments to make appropriate alternative arrangements, either separately or jointly.** Possibilities range from all users finding other accommodation to an arrangement where some major users take over direct responsibility for the whole site or particular buildings.

5.29 There is some concern that our recommendations may increase the overall cost of intermediate storage to Government. Hayes has been a free service for Departments. DROs suggested to us that this absence of charges encouraged delay in reviewing the records for preservation or disposal. We consider that Departments should bear all the costs

associated with intermediate storage of the records, and that this will operate as a discipline which should, in the longer term lead to a reduction in the overall space requirements for intermediate storage and thus an eventual fall in the overall cost to Government.

CHAPTER 6 LOCATION

6.1 The Lord Chancellor asked that we consider the possible advantages of consolidating PRO's operations on one site. Recent work undertaken for the planning of an extension at Kew showed that it would not be economic to consider a totally new site either in London or elsewhere. We have therefore confined our consideration to the possibility of consolidation at Kew where the proposed extension provides an opportunity for bringing together all the original records. We understand that the current design for the Kew extension, with some redesign, could accommodate the records, the additional readers and staff from Chancery Lane. Consolidation at Kew would have the disadvantage of reducing the period during which the Kew extension would be available for accessioning new records. However, the need for further extension at Kew may be limited by technological developments in compact storage and remote access.

6.2 Our consideration and recommendations on this difficult issue are detailed in Annex M. In summary the advantages of consolidation at Kew are:

(a) the PRO could be more easily managed with a much stronger sense of common purpose and corporate identity;

(b) opening hours could be progressively extended far more economically at Kew; and

(c) staff savings of almost £1 million per annum and accommodation charge savings of about £1.6 million per annum would accrue after consolidation; the staff saving alone is significant when considered against PRO's total budget of £16.3 million.

6.3 On the other hand a great deal of support for keeping Chancery Lane open has been expressed by both its main groups of readers - academic historians using the pre-1800 records, and family and local historians making use of the census microfilm reading rooms. The reasons given were:

(a) proximity to other central London research institutions, for example St Catherine's House, the Institute of Historical Research and the British Library;

(b) greater convenience for readers travelling to London; and

(c) sentimental attachment to the historic building.

6.4 Particularly strong representations have been made for retention of a central London location for reading records

on microfilm. Duplicates of the large microfilm collection of modern records held at Kew could also be available there.

6.5 Any PRO presence in central London, will reduce the potential savings, especially if it involves retention of all or part of Chancery Lane, but we note that substantial staff savings would accrue from moving just the original records to Kew. Offsetting revenue could be obtained from alternative uses of the Chancery Lane building. Possible gain to the Exchequer if the building were sold is extremely difficult to assess, given the uncertainties of the property market and the peculiarities and heritage listing of the building.

6.6 Our attention has also been drawn to the argument that Chancery Lane should be seen as a major asset for the PRO, the distinctiveness of the building being used to promote the organisation in a variety of ways: for a greatly enhanced museum displaying many aspects of British political history; for a consolidated family history centre; for conferences and other educational purposes related to archives; as a major retailing outlet for history and law books; as rented accommodation for other archives related bodies, for example the Royal Commission on Historical Manuscripts; and including a progressively growing reading room for records on microfilm and perhaps, in the not very distant future, compact disk. To the extent that the entire building was not taken up with these purposes, the costs of retaining it could possibly be defrayed by rental of parts of it, for example as office accommodation or barristers' chambers.

6.7 In the time available we have not been able to carry out a detailed study of all the implications of consolidation on one site. But **we recommend:**

(a) **moving all the original records held at Chancery Lane to Kew upon completion of the extension;**

(b) **retaining in central London, possibly at Chancery Lane, extensive microfilm and other compact storage reading facilities together with a shop;**

(c) **undertaking, in conjunction with other interested parties, a review of the requirements of the PRO in central London and of possible records-related uses of the Chancery Lane building as a basis for a decision on whether the PRO should continue to make use of it; and**

(d) **developing long term strategies to minimise storage requirements including re-reviewing seldom or never used records.**

CHAPTER 7 RELATIONS WITH OTHER ORGANISATIONS

7.1 We have considered PRO's relationship with the Advisory Council on Public Records, the Royal Commission on Historical Manuscripts and the British Library.

The Advisory Council on Public Records

7.2 The statutory basis of the Advisory Council and its activities is described in Annex N. We support the proposal made by the Wilson Committee in 1981 and agreed by the Government in 1982 that the statutory provision specifying that the Master of the Rolls be the Chairman of the Council should be repealed. **We recommend a Council which is smaller but more representative of current readers.**

7.3 So far as the functions of the Council are concerned we recognise the importance of the work done in testing the basis of Departmental submissions to the Lord Chancellor seeking extended closure of records. In the context of the PRO becoming an Executive Agency, we favour the Council taking a more active interest in services provided by the PRO. **We recommend that the Council be consulted in the development of the Framework Document and the PRO's Corporate Plan,** though we do not consider it would be appropriate for the Council to become a steering or supervisory group so far as management of the PRO is concerned.

Royal Commission on Historical Manuscripts

7.4 The Lord Chancellor asked us to give consideration to the relationship between the PRO and the Royal Commission on Historical Manuscripts (HMC). We have considered the arguments for and against maintaining the HMC and the PRO as distinct bodies (Annex O). We conclude that although the arguments for retaining the HMC as an independent body are not entirely persuasive and there could be long term advantage in amalgamation, we should not recommend this at this stage given the more pressing changes which have to be made within the PRO. **We recommend review in 1995 and in the meanwhile closer co-operation on staffing, publications, IT and inspections of places of deposit.** In view of possible accommodation changes affecting both PRO and HMC, co-location could be a worthwhile option.

British Library

7.5 Closer co-operation between the British Library and the PRO may be valuable particularly on IT, conservation and publishing. (Annex O)

CHAPTER 8 IMPLEMENTATION AND COSTS AND SAVINGS

Implementation

8.1 Implementation of our recommendations will require careful management and adequate resourcing. The implementation appendix immediately following this report sets out an indicative timetable for use as a starting point in the preparation of the action plan. Some key points in the suggested timetable are:

*	draft action plan	January-March 1991
*	set up Corporate Services Division and appoint new Grade 5	April 1991
*	open library for readers	April 1991
*	select and appoint Chief Executive Designate	April-September 1991
*	consult on grading structure and reorganisation	May-October 1991
*	develop agency Framework Document, corporate plan, annual business plans, performance indicators	June-December 1991
*	open Chancery Lane census room on Saturdays	July 1991
*	start market testing programme	July 1991
*	review possible uses of Chancery Lane building	November 1991 to March 1992
*	implement reorganisation and Archives Officer structure	November 1991
*	agency launch	1 April 1992

8.2 Key appointments will be particularly important in the implementation process. **We recommend the early appointment of the Grade 5 Director, Corporate Services**, who will have a central role in supporting the Keeper in implementation of our recommendations and overseeing the programme of management change.

8.3 Our recommendations on the management of the Office cover many issues which need to be addressed as part of the

normal transition to agency status. We consider that this process can be most smoothly managed if there is some overlap in the terms of office of the present Keeper (who is to retire in 1992) and his successor who will also be the PRO's first agency Chief Executive. **We recommend that the Lord Chancellor appoint a Chief Executive-designate from 1 September 1991 following advertisement and open competition.** We see the Keeper, the Chief Executive-designate and the Corporate Services Grade 5 operating as a team with project support from the proposed Planning and Evaluation Unit, working in close association with the Lord Chancellor's Department.

8.4 The commitment of staff at all levels but especially of line managers will be essential. **We recommend that:**

(a) **an open and consultative approach be adopted throughout the implementation period;**

(b) **management of change training be provided for key staff; and**

(c) **consultants be engaged to assist in the management of change.**

Costs and Savings

8.5 Annex P provides estimated costs and savings arising from our recommendations. The main points are:

(a) development of the PRO's planning and management systems, the harmonisation of the grading structure and other changes to the organisation are broadly revenue neutral; there will be implementation costs but long term benefits in improved efficiency;

(b) there will be initial investment costs arising from our recommendation that the PRO develop a records management consultancy service and undertake an expanded range of outreach activities; it is intended that these should become self-financing after a three year investment period;

(c) some significant early improvements in quality of service can be made from efficiency savings, although major improvements, in particular fully extended opening hours, will be expensive to achieve;

(d) considerable long-term accommodation and staff savings can be derived from moving original records from Chancery Lane to Kew and withdrawing

from management of the intermediate repository at Hayes; these however will not come on-stream until completion of the extension at Kew in five years' time.

8.6 The benefits of better planning and tighter management are unlikely to be easily quantifiable as they will tend to take the form of incremental improvements in the quality of services provided to readers, for example better finding aids and more expert assistance. They can, however, be tracked through systematic surveys of reader satisfaction as recommended in the report.

8.7 After five years, the annual effects of our proposals will be to increase the PRO's expenditure on planning and management by £57,000 and on outreach by £12,000. Our proposed changes to the organisation will lead to a saving of £128,000. The cost of providing a full service to readers on two evenings a week and on Saturdays would be £770,000 for both sites or £560,000 if original records were consolidated at Kew and a microfilm reading room provided in central London. These costs could be funded by major savings on staff (£1m.) and accommodation (£1.6m.) if the decision is taken to move the records out of Chancery Lane. There would need to be an investment of an additional capital sum of about £4m. in redesign and extra work on the extension and a cost of £1.5m. to move the records to Kew. A decision by the PRO to withdraw from the management of Hayes would lead to a saving to the Office of £481,000 for staff, and £2.4m. for accommodation, although the total impact on the Exchequer will depend on the outcome of a review of the use of the site.

8.8 While we are convinced from our inquiries that better resource management will enable greater value to be obtained from the funds provided to the PRO, we do not consider it likely that efficiency savings, new revenue-generating services or even the introduction of charges will ever produce more than a small proportion of PRO's overall budget.

8.9 There is a widely held view among PRO users and its management and staff that the PRO is underfunded. The general level of funding for the PRO is of course a matter for Government in the light of its competing priorities. Our view, which we consider is coming to be understood in the PRO, is that increases in government funding will not be forthcoming until the Office is able to show that its present resources are being used as efficiently as possible. This will be possible with the more rigorous planning and management framework we envisage with its emphasis on measuring performance. The PRO will then be able to put a case for increased funding on a sounder basis.

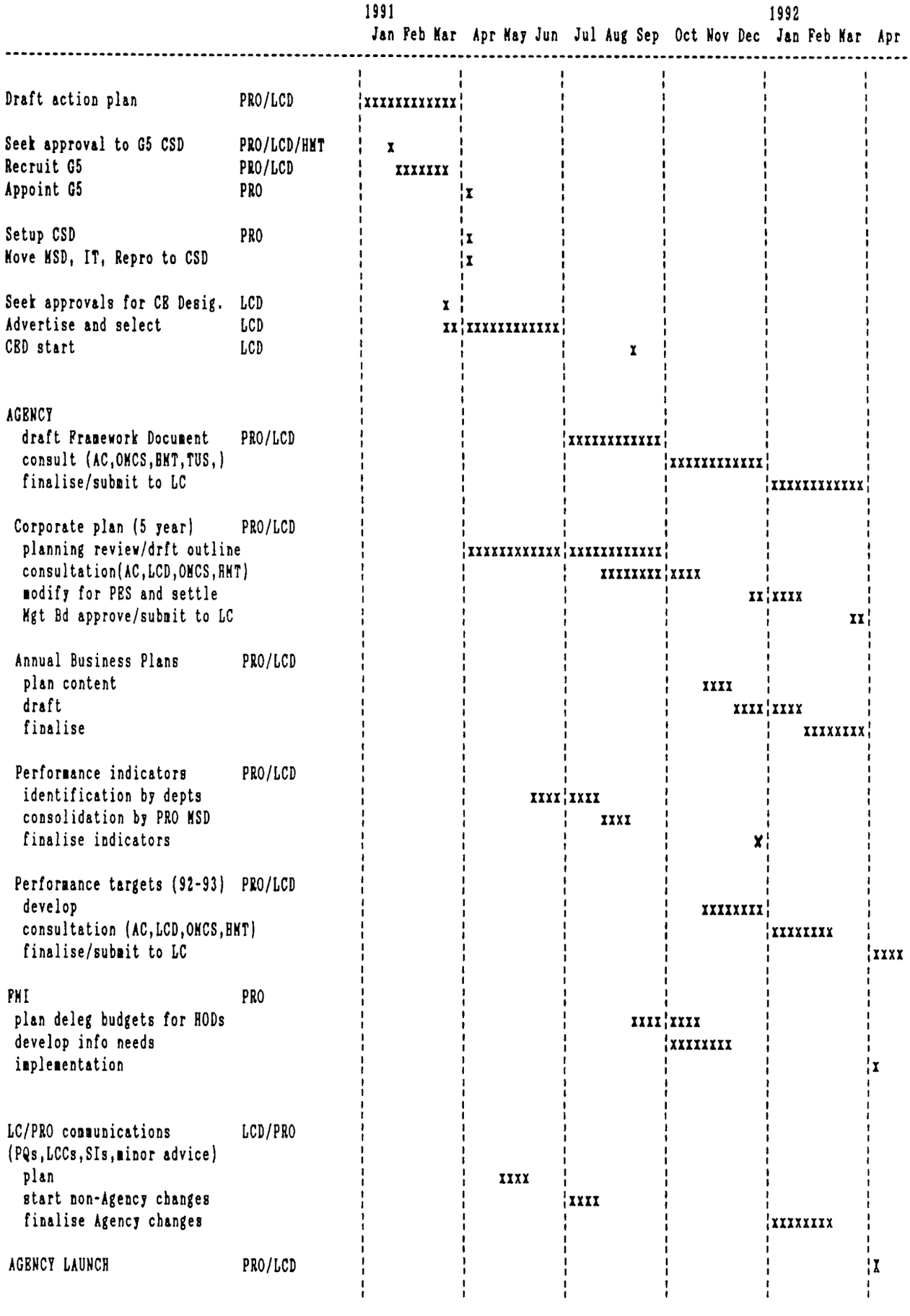
8.10 Underinvestment in the PRO carries the long-term risk of progressive deterioration in the expertise of its staff, the quality of services provided to readers and its value to the community. It would become a second-rate organisation subject to unfavourable comparison with other national archives. Our view is that the public records are too valuable a national asset for that.

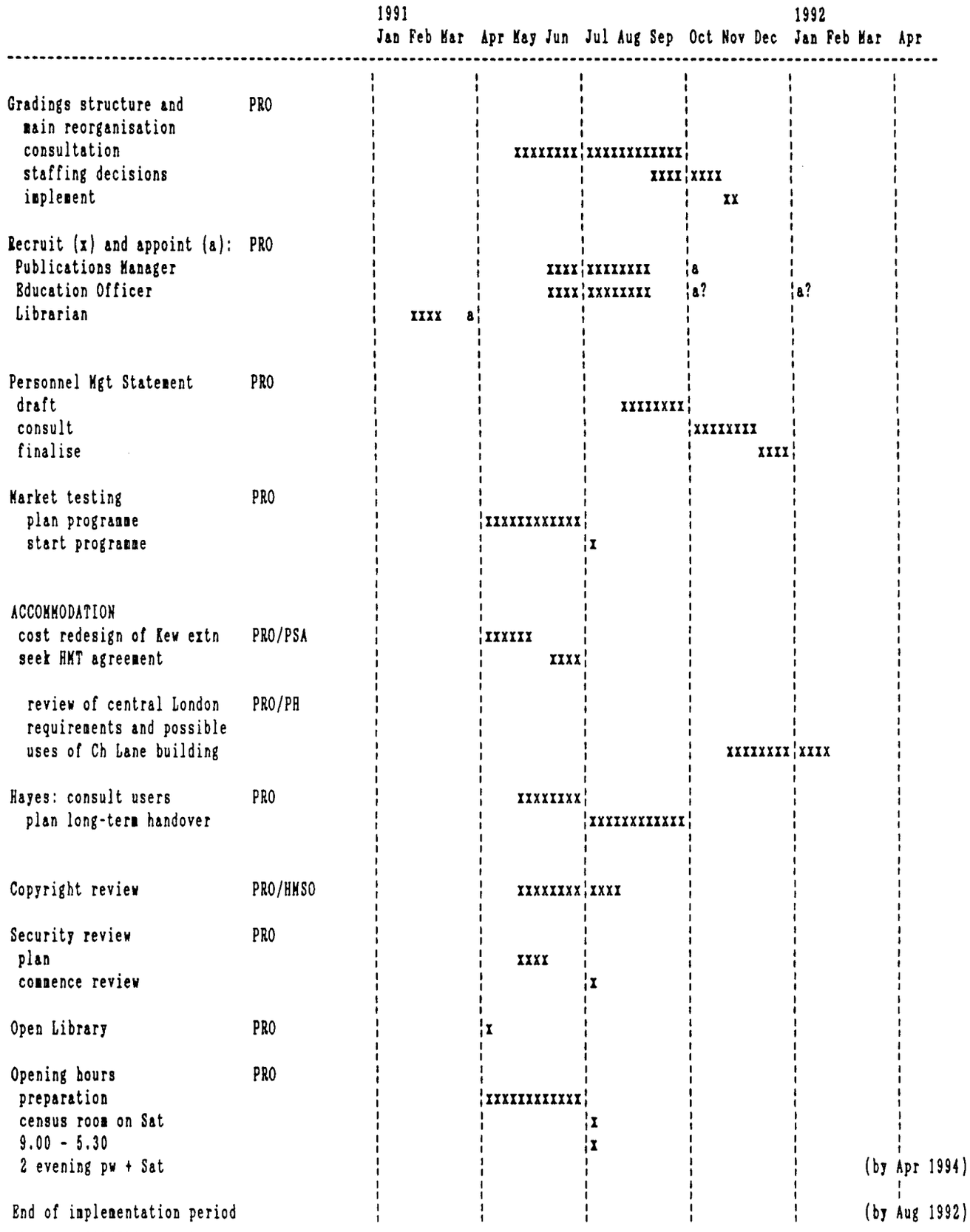
End notes

1. Enoch Powell, Byline, BBC1, 3 July 1989
2. G.R. Elton, The Practice of History, Sydney University Press, 1967
3. Report of the Committee on Departmental Records, Cmnd 9163, HMSO July 1954 (reprinted 1972)
4. Department of Education and Science, National Curriculum History Working Group, Final Report, April 1990

Appendix

PRO SCRUTINY IMPLEMENTATION TIMETABLE




1991
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
1992
Jan Feb Mar Apr
Gradings structure and main reorganisation PRO
consultation
staffing decisions
implement
Recruit (x) and appoint (a): PRO
Publications Manager
Education Officer
Librarian
Personnel Mgt Statement PRO
draft
consult
finalise
Market testing PRO
plan programme
start programme
ACCOMMODATION
cost redesign of Kew extn PRO/PSA
seek HMT agreement
review of central London requirements and possible uses of Ch Lane building PRO/PH
Hayes: consult users PRO
plan long-term handover
Copyright review PRO/HMSO
Security review PRO
plan
commence review
Open Library PRO
Opening hours PRO
preparation
census room on Sat
9.00 - 5.30
2 evening pw + Sat
(by Apr 1994)
End of implementation period
(by Aug 1992)

LIST OF RECOMMENDATIONS

PLANNING AND MANAGEMENT (ANNEX A)

Planning and resource management

R.1 A planning and resource management system should be put in place on a pilot basis during 1991/92 and fully implemented in April 1992. [A.7;11]

R.2 Professional management consultancy help should be commissioned to advise on the introduction of the system and on the management of the process of change. [A.7]

R.3 Delegated budgets including staff costs should be introduced by 1 April 1992. [A.17]

R.4 Appropriate performance indicators should be devised in the context of drawing up annual plans. [A.19-20]

Communications

R.5 There should be a more open communications policy and performance appraisal should include assessment of managers' effectiveness in communicating with their staff. [A.22]

R.6 The Keeper's annual report should report on achievement of objectives, should be more visually attractive and of greater general interest. [A.25-26]

R.7 A high priority should be given to developing computer systems which can deliver accurate, relevant and timely information to managers and budget-holders by 1 April 1992. [A.27]

Market testing

R.8 A timetable should be set for market-testing support services such as reprographics, security, cleaning and catering; and some consultancy help employed to advise on contract negotiation and management for the first such exercise.[A.28]

ORGANISATION (ANNEX B)

R.9 The PRO should be managed by the Keeper advised and assisted by a Management Board of three Grade 5 Divisional Directors. In the absence of the Keeper, responsibilities should be delegated to the appropriate Director or to the Board. The formal title and role of Deputy Keeper should be abolished.[B.11]

R.10 The PRO should be organised in the following divisions :

Corporate Services Division (CSD), incorporating departments for:
- Finance,
- Personnel,
- Accommodation and Office Services,
- IT,
- Reprographic, and
- Planning and Evaluation

Reader Services Division (RSD), incorporating departments for:
- Search,
- Editorial Services,
- Preservation, and
- Outreach

Departmental Services Division (DSD), incorporating departments for:
- Accessions, and
- Records Management

[B.12]

Corporate Services Division

R.11 IT Unit, Reprographic Department and Management Support Department should be transferred from Record Services and Publications Division to Corporate Services Division. [B.13]

R.12 A Grade 5 with appropriate management experience should be appointed in April 1991 from outside the PRO to be director of corporate services and Principal Establishment and Finance Officer [B.13]

R.13 The existing Grade 7 Principal Establishment and Finance Officer post should become a dedicated finance post and an external candidate with substantial experience appointed on secondment. [B.17]

R.14 The memorandum trading account for Reprographic Department should be computerised and included in the financial management information system.[B.19]

R.15 The present post of SEO Finance and Personnel should become a dedicated personnel post.[B.20]

R.16 A single full-time EO post should be created by combining welfare officer duties with those of the disablement officer, currently carried out part-time by the HEO in training unit. [B.21]

R.17 The PRO should negotiate with the central Departments for a lower grade of Equal Opportunities Officer with a view to incorporating the duties into those of the SEO Personnel [B.21]

R.18 Responsibility for security should be concentrated within Corporate Services Division and the line of command shortened.[B.25]

R.19 Staff management and technical expertise in the Reprographic Department should rest with the Reprographic Services Manager, and an SEO reporting directly to the Corporate Service Director should be appointed as departmental manager. [B.28]

R.20 PRO should continue to obtain internal audit services from LCD on a repayment basis rather than employ its own internal auditors.[B.33]

R.21 A suitably experienced officer should be allocated fulltime for no more than three months to bring the registry and review system up to standard; the Departmental Records Officer and registry functions should then be combined and responsibility given to the Accommodation and Office Services Manager (HEO) at Chancery Lane.[B.35]

Reader Services Division

Search Department

R.22 Editorial and Search should remain separate departments with staff allocated formally to each, but individual officers who in the course of their posting to Search Department are considered to have acquired valuable knowledge which should be committed to writing should be "seconded" full- or part-time to the Editorial Department. [B.40]

Editorial Department

R.23 The three editorial departments (Maps, Medieval and Early Modern Records, and Modern Records) should be amalgamated into a single Editorial Department headed by a Grade 6.[B.41]

R.24 Activities relating to incoming records should be transferred from MRD to Departmental Services Division with the necessary staff; publishing activities and some junior staff should be transferred from MEMRD to Outreach Department; the periodic check on the condition of classes of documents at Chancery Lane currently carried out by MEMRD should be handled by Conservation staff. [B.42]

R.25 On absorption into the Editorial Department, the present Map Department and the junior staff in MRD currently responsible for photographs should combine to form a "special interest" team which should be given a high priority in the allocation of additional staff.[B.44]

Preservation Department

R.26 The Conservation and Repository Departments should be combined in a new Preservation Department headed by a Grade 7, reporting directly to the G5 Director of Reader Services. [B.49]

R.27 A full-time SEO should be appointed as head of Repository Department and the post of HEO Repository at Chancery Lane abolished.[B.49]

R.28 To ensure a more coherent and sustained programme of filming, an element for conservation filming should be included in the Preservation Department budget and the programme determined by the G7 in consultation with Search and Reprographic Departments.[B.51]

Outreach Department

R.29 A separate Outreach Department should be created headed by a new post at Grade 6 to co-ordinate press and public relations, publishing, educational services, exhibitions and marketing.[B.52]

Departmental Services Division

R.30 In the long-term the internal organisation of DSD should consist of a Director (G5) and two managers, one heading a Records Management Consultancy (G7), the other an Accessions Department (G6), the latter being subdivided into teams according to Departmental group, undertaking both inspection and documentation work. [B.60]

R.31 However, until changes in grading structure, training and career development have begun to produce officers fully qualified for the Accessions Department, there should be, as an interim solution, two separate but mutually supportive teams of Inspecting Officers and Documentation Officers each reporting to a Grade 6. [B.61-62]

STAFFING (ANNEX C)

Policy

R.32 The PRO should develop a personnel management policy statement which stresses the importance of proper documentation and communication of staffing decisions; senior management and the personnel unit should follow best practice and ensure that line managers know what is required.[C.5;8]

R.33 The PRO should undertake a review of its personnel information needs and develop appropriate systems.[C.6]

R.34 Senior management should ensure that counter-signing officers are aware of their role in encouraging consistency in reporting standards and there should be regular and systematic review by Personnel and senior management of the quality of the appraisal system.[C.7]

Grading

R.35 We recommend the introduction of unified grading for all curatorial and administrative staff with pay scales based on those of the administrative grades, but with PRO-specific grading. Below unified Grade 7 there should be a structure of Archives Officer Grades 8 to 12, being equivalent to SEO/curatorial D (8), HEO/curatorial E (9), EO/curatorial F (10), AO/curatorial G (11) and Administrative Assistant (12). [C.21]

R.36 Grading of all new posts should be considered critically in the light of existing guidelines, comparable institutions and market forces; posts should be graded at the lowest level consistent with effective performance; and should be upgraded where this is the only solution to the problems which have arisen. [C.29]

R.37 More Administrative Assistants (AAs) should be employed throughout the Office to carry out basic clerical tasks. [C.29]

R.38 The PRO should establish a programme in consultation with LCD to review the duties and grading of all its administrative/curatorial grade posts. [C.32]

Training

R.39 The Office should institute a modular programme of archival training for new entrants at EO level. The programme should be capable of meeting the Office's need for staff who have appropriate skills and knowledge of the records, and should be undertaken within the first five years after joining the Office. [C.37]

NEXT STEPS EXECUTIVE AGENCY (ANNEX D)

R.40 The PRO should become an Executive Agency, renamed The National Archives, on 1 April 1992. [D.2]

R.41 In the selection of a Chief Executive, careful consideration should be given to the appropriate balance of:

(a) management and leadership qualities;
(b) archival expertise and standing; and
(c) familiarity with the overall processes of government and the ways in which government records are created and used.

with due emphasis being placed on the first. [D.25]

R.42 A Chief Executive-designate should be appointed from 1 September 1991 following advertisement and open competition. [Rep 8.3]

R.43 LCD should continue to take the lead on main policy developments, for example the major policy questions that would be involved in a significant revision of the Public Records Act.[D.28]

R.44 The Public Records Act should be amended to enable the Lord Chancellor, if he so wishes, to delegate his statutory powers to appropriate PRO officers. [D.30]

R.45 Instruments requiring the Lord Chancellor's signature should be submitted directly to him by the PRO following consultation, where necessary, with LCD. [D.31]

R.46 There should be direct communication between the Lord Chancellor's Private Office and the PRO on the answering of Parliamentary Questions, with the role of LCD being confined to consultation. [D.32]

R.47 On transition to Agency status, more direct channels of communication should be established for the handling of correspondence to the Lord Chancellor about the PRO. [D.33]

SECURITY (ANNEX E)

R.48 Security staff should be provided with training in both the technical aspects of their work (the recognition of public records, how to deal with persons suspected of theft,etc) and in interpersonal skills.[E.4]

R.49 The corporate services director should be appointed departmental security officer to ensure there is a clear line of responsibility for security. [E.4]

R.50 The important role which user departments (search and repository) can play in maintaining good security should be recognized by ensuring that they are fully consulted on issues which affect them. [E.4]

R.51 The security function should be market tested as soon as possible. [E.6]

INFORMATION TECHNOLOGY (ANNEX F)

R.52 Early consideration should be given to the scope for contracting-out some areas of IT work. [F.4]

R.53 The requirement to maintain awareness of IT developments in archives and libraries and of the possibility for joint ventures should be one of the primary aims of the head of ITU and performance formally measured. [F.10]

R.54 The PRO should quickly determine how many computer tapes which are held by government departments are worthy of permanent preservation; should decide how it should meet its statutory obligations and whether it should go ahead with the Computer Readable Data Archive. If so, proper project methodology should be used. [F.16]

R.55 In projects similar to the financial information system, the Office should establish clear aims and objectives, set a timetable and a budget, and appoint a project sponsor; any major changes should be reported to the IT Steering Committee and trigger a formal review of the whole project. [F.19]

READER SERVICES (ANNEX G)

R.56 The PRO should continue to give readers the chance to contribute on a regular and systematic basis to thinking about services. [G.2]

Opening hours

R.57 Targets should be set for the progressive introduction of longer opening hours so that by 1 April 1994, the PRO will provide a full service all day on Saturdays and on two evenings per week. [G.7]

R.58 Improvements which should be introduced include:

* opening in the morning at 9am rather than 9.30am, possibly without full staffing of the Search Rooms;
* delaying closing time until 5.30pm with a limited number of security and repository staff on duty to supervise the return of records;
* opening the Chancery Lane Census Room on Saturdays, minimising security costs by limiting access to the building to a single entrance. [G.8]

R.59 Increased use should be made of flexible working time and part-time employment to provide adequate staffing over longer opening hours without disproportionate cost increases. [G.9]

R.60 The cost of providing full services for Saturdays and 2 evenings a week should be met in the longer term from the efficiency savings obtained by moving records and staff out of Chancery Lane. [G.10]

Management of Reader Services

R.61 Postings to search department should be for not less than 3 years. [G.13]

R.62 The staff memoranda which are currently used to collate expert knowledge of aspects of the records in a permanent form should be incorporated into finding aids for readers. [G.13]

R.63 Staff should be organised in subject-related teams and encouraged to develop areas of expertise so that as well as being able to field general questions, they can be called on for specialist advice; use should be made of a number of enquiry points for identified areas of interest such as "family history", "foreign and colonial" and "military". [G.14]

R.64 Changes should be made in the organisation of the work of the search department:

(a) the two departments should be brought together under a single Grade 6 manager;
(b) an annual business plan should be prepared and implemented, defining priorities and performance standards;
(c) staff should have specific training in customer service and should not deal with the public until they have had a training period behind the scenes in search department;
(d) the core reader service functions should be re-defined to exclude activities which can be carried out more effectively by others, e.g. invigilation would be better carried out by security professionals;
(e) telephone queries and other "back office" activities should be centralised away from the reference rooms. [G.16]

Reader reception

R.65 The new title of The National Archives should be prominently displayed on the Kew building so that it is visible from the entrance and from the District Line; signposting at the gate at Kew and in the reception areas of both buildings should be improved to provide a more welcoming atmosphere; and there should be better signposting at the local BR and Underground stations. [G.18]

R.66 Volunteers organised by the Friends of the PRO should be deployed to welcome readers and provide basic information about facilities and the means of reference to the records, and to help in the shops on both sites. [G.20]

R.67 Security guards should receive customer relations training devised in consultation with search department. [G.20]

R.68 The video in the reception area at Kew should be revised to give more practical information on the use of the finding aids rather than general information about the PRO's holdings. [G21]

Reference aids and advice

R.69 There should be continued development of simple subject-based reference notes for the more frequently used material, and the series of leaflets and handbooks should be further expanded. [G.25]

R.70 The PRO's recent initiative in seeking the views of readers so that reference aids can be more closely tailored to their needs should continue on a regular basis.[G.26]

R.71 Targets should be set for the agency to make progress in developing computerised indexes over a 5-year period. [G.26]

Speed of access

R.72 From 1 April 1992, computer-generated information on production times for documents, staff productivity and unit costs of productions should be made available to repository managers to enable them to set targets for improving the service to readers and to monitor performance. [G.29]

Copying services

R.73 A programme should be drawn up for market testing the reprographic department at an early date, and demanding targets set for the in-house staff to enable them to compete on a realistic basis with outside contractors. [G.32-33]

R.74 A closely supervised trial should be run to determine whether self-service copying of suitable original documents could be used more widely. [G.34]

R.75 The PRO should keep in touch with developments in photocopying technology to identify machines, for example overhead copiers, which could be used by readers with minimum risk to the records. [G.35]

Library

R.76 The library's holdings should be made available to readers on a charging basis from 1 April 1991, initially with books produced for readers in the reading rooms. [G.37]

R.77 The following key changes should be made:

* a librarian be employed to undertake the recataloguing of the stock;
* the library should form part of the Outreach department;
* the author catalogue should be made available to the public and holdings publicised through displays in time for the opening;
* once the Kew extension is open, the library holdings should be brought together at Kew and located so as to make books available to the public on a self-help basis. [G.38]

EDITORIAL SERVICES (ANNEX H)

R.78 The editorial department in consultation with search department and repository should include in its annual business plan a programme of priority editorial work drawn up in the light of readers' needs. [H.12]

R.79 All proposals for editorial projects should be justified by the initiating manager with an estimate of the resources required, the probable time-scale and the benefits hoped for; where large projects are concerned, there should be an experimental pilot project. Every editorial project once initiated should be formally "owned" by one officer who should sign it over to his or her successor when transferred off the project; where no successor has been identified the project should be signed over to the departmental manager.[H.12]

R.80 Subject areas of significant and enduring interest should be identified and teams formed to carry out a variety of editorial work on them. Each team should be headed by a full-time, permanent member of PRO staff and may include short-term contract staff, part-time staff and officers seconded from elsewhere in the PRO. [H.12]

R.81 There is also scope for further employment of editors and volunteers. [H.12]

OUTREACH (ANNEX I)

Publications

R.82 The PRO should establish an in-house publishing unit, appointing a publications manager with a background in publishing from April 1991 to be responsible for

* commissioning work from editorial departments or external authors,
* negotiating contracts,
* liaising with publishing companies (including HMSO),
* production of in-house items
* copyright
* editions on microfilm or other new media. [I.6;11]

R.83 The publications programme should be critically reviewed so as to increase the proportion of more popular works and educational publications. [I.8]

Retailing

R.84 An Enterprise Manager at HEO level should develop enterprise activity further but essentially along the same lines as at present, using the Domesday Book and visually attractive material as the basis for a range of retail items. [I.13;15]

Educational services

R.85 The number of school visits to the PRO should be gradually increased to about one a week, with opportunities for younger children as well as sixth-formers and college students. [I.17]

R.86 An education officer with a teaching background should be appointed at SEO level to develop outreach activities with the education community. [I.19]

Exhibitions

R.87 A series of small-scale exhibitions should be planned, taking account of any national anniversaries or other events, and minimising the cost through sponsorship and reuse of the material. [I.23]

Funding

R.88 Outreach activities should at first be managed within the Outreach department under a plan for gradual expansion and targets should be set for activities to become profitable at the end of 3 years. At the 3-year point, the publishing unit should be put on to a trading fund, trust fund or other basis which will allow a proportion of the profits to be covenanted back to the PRO and a proportion to be reserved for development funding. [I.26-7]

CHARGING FOR ACCESS TO THE PUBLIC RECORDS AND FOR VALUE ADDED SERVICES (ANNEX J)

Charging for access

R.89 Basic access to the records should continue to be free for the present. [J.6]

R.90 The question of charges should be considered again by the PRO and the Lord Chancellor's Department in 1993/94 in the light of:
(a) the extent to which service improvements can be funded from savings;
(b) the amount of investment which the Government is prepared to make; and
(c) the extent to which the climate of opinion has shifted towards accepting charges. [J.7]

Charging for value-added services

R.91 The PRO should consult recognised organisations of record agents with a view to establishing new arrangements under which the PRO would either:
(a) circulate to enquirers a complete list (or separate interest-based lists) of record agents who pay a fee for inclusion; or
(b) refer enquirers direct to record agents' organisations. [J.10]

COPYRIGHT (ANNEX K)

R.92 A review should be undertaken by the PRO and HMSO to consider the possibilities of reducing the costs to the PRO of copyright administration.[K.6]

R.93 In the light of the review, PRO should ensure that copyright administration is done at the most appropriate grade and management should closely monitor its costs. [K.8]

DEPARTMENTAL SERVICES DIVISION (ANNEX L)

Accessions Department

Selection

R.94 The PRO should review its policy in relation to selection of photographic collections and make appropriate arrangements, possibly in line with those made for film and sound records. [L.8]

R.95 The PRO should undertake a review of its present practice in relation to scientific and technical

material, and consider alternative approaches in conjunction with the Science Museum, appropriate Departments and record user groups. [L.9]

R.96 To improve consistency of advice to Departments:
(a) the Grade 6 IO should be given specific responsibility for identifying the issues which are of concern across a range of Departments;
(b) IOs should be brought together in regular meetings and short conferences to discuss common problems as identified by the G6;
(c) DROs should be brought together in groups small enough to generate fruitful discussion, at which draft PRO guidelines could be debated and difficulties aired;
(d) the resulting guidelines should be publicised through whatever channel is most appropriate: Keeper's letter to Departments, amendment to the manual, announcement in the newsletter or at the annual conference, etc. [L.12]

Transfer

R.97 The PRO should investigate the need for a listing and packing service for small Departments and consider the possibility of providing short-term support on a repayment basis. [L.16]

R.98 The PRO should ensure through training, seminars and conferences that Departmental archives staff are aware of listing and packing standards and of the variations in performance which are acceptable. [L.17]

R.99 PRO's purchasing officer should investigate the economies of scale which might be gained by PRO's buying all the specialist materials required for packing and providing them to Departments on a repayment basis. [L.18]

Documentation

R.100 To improve the accuracy of classification and documentation:
(a) Modern Records Department functions and staff concerned with the accessioning of records should be incorporated into RAD;
(b) steps should be taken to develop in the existing staff the full range of skills required by an Inspecting Officer so that the posts of IO and Documentation Officer can progressively be merged.

(c) small teams should be created each having responsibility for the whole process of selection and classification of records produced by a group of Departments. [L.24;26]

R.101 PRO should encourage use of a common software package which would enable Departmental staff to produce draft lists on disk to be refined within DSD; and should take steps to ensure that staff in Departments who undertake listing are trained to produce descriptive lists and introductory notes which are adequate guides to record users. [L.26]

Communications

R.102 Where Departments disperse their records activities or hive off part of their functions, the IOs should maintain direct contact only with the DRO at one site. [L.29]

R.103 Conferences, seminars and training courses (on a repayment basis where appropriate) should be expanded and developed with particular reference to the needs of Departments who do not have easy and frequent access to PRO staff. [L.29]

R.104 A single contact point or a number of Departmental Group-based contact points should be identified within DSD specifically to facilitate communication between DROs and IOs and to ensure that Departmental queries are routed as quickly as possible to the appropriate person. [L.31]

R.105 To improve the dissemination of information:

(a) The Manual of Records Administration should be updated and reissued by 1 April 1991. Important changes within it should be drawn to DROs attention by the newsletter and by seminars where these are appropriate.

(b) The newsletter should be developed to act as a means of communication between both PRO and DROs and between Departments.

(c) A greater degree of formal communication should be established between DSD and the various parts of Reader Services Division.

(d) Consideration should be given to the wider circulation among Departments of PRO's own house magazine and/or the Readers Bulletin to enable Departmental staff to appreciate the use to which records are put. [L.33]

Records Management Consultancy

R.106 The PRO should establish a small team to advise on records management issues in Departments and to encourage their development of economic and effective records management systems. The service should aim to cover its full costs by direct fees and identified Departmental savings within three years. [L.42]

R.107 PRO should consult user Departments and Property Services Agency/Property Holdings with a view to withdrawing from management and use of the Hayes site. [L.57]

LOCATION AND ACCOMMODATION (ANNEX M)

R.108 The PRO should move all original records held at Chancery Lane to Kew once the extension is complete, but should retain in central London extensive microfilm reading facilities and a shop. [M.21]

R.109 In conjunction with other interested parties the PRO should undertake a review of its requirements for central London accommodation and possible archives-related uses of Chancery Lane. [M.21]

R.110 The Office should investigate the feasibility of renting out surplus space in the Kew extension.[M.21]

R.111 While Chancery Lane remains open, senior management should normally be located at Kew which should be regarded as the Office's headquarters.

R.112 The Office should investigate use of electronic security equipment to reduce the number of guards needed at Chancery Lane. [M21]

R.113 Procedures should be drawn up for review and disposal of little or never-used classes of records of no significant research value. [M25]

R.114 The PRO should reconsider its approach to files which have been microfilmed: such records should be stored in the most economical way and in some cases it may be appropriate to destroy them. [M26]

ADVISORY COUNCIL ON PUBLIC RECORDS (ANNEX N)

R.115 The statutory requirement that the Chairman of the Advisory Council be the Master of the Rolls should be repealed. [N.5]

R.116 Over a period, Council membership should be reduced to 12; appointments should include an appropriate mix of current users of the PRO and a reasonably senior serving civil servant. [N.6]

R.117 A more robust view should be taken of the relationship between the PRO and the Council; the Council should take a more active and independent role in setting its agenda and in providing advice to both the PRO and the Lord Chancellor about the future direction of the Office. [N.10]

R.118 The Advisory Council should be consulted by the PRO and LCD in the transition to Agency status and also in the continuing corporate and business planning of the PRO.[N.11]

R.119 The Keeper should consider the level at which various parts of the secretariat function need to be performed and resources should be provided accordingly. [N.13]

RELATIONSHIPS WITH ROYAL COMMISSION ON HISTORICAL MANUSCRIPTS AND BRITISH LIBRARY (ANNEX O)

Royal Commission on Historical Manuscripts

R.120 The Commission and the PRO should remain separate organisations for the time being. [O.6]

R.121 There should be more systematic exchange of information to eliminate unnecessary duplication of inspections. [O.8]

R.122 There should be close consultation on development and marketing of their respective publications and on other outreach activities, e.g. conferences. [O.10]

R.123 A more systematic programme of staff secondment should be established and there should be close co-operation in the development of training programmes and the identification of training needs. [O.11-12]

R.124 In the 1991 revision of its IT Strategic Plan, PRO should take account of the possible benefits of co-operation in information technology. [O.13]

R.125 Consideration should be given to co-location of the Commission and the PRO in the latter's Chancery Lane building. [O.14]

R.126 Further consideration should be given in 1995 to the possible benefits of the work of the Commission and the PRO being undertaken by one organisation. [O.15]

British Library

R.127 There should be continued involvement of the PRO in the Library's National Preservation Advisory Committee; PRO management and the IT section should keep themselves informed of the BL's Research and Development Department's activities and of the results of the research it funds; and there should be close liaison between PRO and BL publications staff to identify areas where there would be benefit from co-operation. [O.16]

Scrutiny

of the

Public Record Office

Annexes

Volume Two

Lord Chancellor's Department
December 1990

Martin Bonsey
Susan Hughes
David Thomas
Val Traylen

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Annex A

PLANNING AND MANAGEMENT

FINDINGS

A.1 We were asked to look at the financial, management and control systems and the operational systems of the PRO to determine whether they were best suited to the efficient, economic and effective performance of its functions. Our discussions revealed considerable concern within the Office about management of resources, project control decision-making processes and communications. Many staff thought that more could be achieved if the activities of the Office were better managed and directed. We found that many Government-wide initiatives now adopted in other Departments aimed at improving the quality of management, in particular the Financial Management Initiative (FMI), had not been implemented. Our findings are outlined below.

(a) **Strategic planning**

We found that no effective strategic planning was carried out. An exercise to produce a Strategic Plan had been undertaken in 1989/90, but this had not resulted in a clear statement of top management aims and priorities for the organisation. The focus of the Plan was on description of current activities rather than on setting future direction, and the strategic priorities identified were not linked to analysis of available resources.

(b) **Resource management and performance measurement**

The Strategic Plan exercise had not led to the establishment of a resource management system to set objectives and performance measures at all levels which would translate the top-level priorities into reality. The Plan was seen as a statement of intent which had little practical effect on the way in which the work of the Office was planned and managed. Some effort recently has been given to the development of objectives and performance measures for departments and individual members of staff, but we were told that this had been intermittent and haphazard. Seminars had been held in the past two years to discuss performance indicators and related topics, but there had been little follow-up as part of day-to-day management and no attempt to generate enthusiasm for a new approach.

(c) Financial management

We found that the financial allocation arrangements did not reflect a systematic assessment of priority needs and aims. PES bids were constructed in an ad hoc way, and resources were allocated on an incremental basis or by adjustment on a case by case basis. The FMI principles of devolved responsibility and delegated budgeting have not been introduced. Some staff at Grade 6 to HEO level held cash budgets for particular purposes eg. building maintenance or conservation supplies, but there was no delegation of resource budgets from the Management Board.

(d) Market testing

No market testing of obvious candidates such as reprographics, security, cleaning or catering had been carried out, and there was no clear programme for consideration of contracting-out support services.

(e) Information

Information systems able to support effective management and financial planning and evaluation had not been developed.

(f) Project control

This was also a weak area. Our attention was drawn to a number of examples of projects which had wasted resources through inadequate planning and control. There is a tradition in the PRO of self-generated work under loose supervision. We were told of individual initiatives for new finding aids eg a handbook on the War Office papers, which had absorbed months of work only to be set aside once the officer moved on. Some small-scale projects of this kind have taken years to reach publication. Major projects such as the refurbishment of the museum, the development of a Computer Readable Data Archive and computerisation of financial information had failed or been substantially delayed at a considerable cost in time and resources.

A.2 Although top management accepted that there were benefits to be gained from implementing the initiatives to introduce better management into Government Departments, the lack of progress was explained as resulting from inadequate resources to devote to the process of change. Achieving change in a small Department was seen as requiring a diversion of resources from core tasks. Before the scrutiny began, the PRO and the Treasury had accepted that help would be needed from outside to implement central initiatives, and the PRO had made a case for a new Grade 5

post to act as PEFO and direct a programme to develop a more vigorous approach to management.

A.3 We agree with the view that additional senior support for the Keeper, drawn from outside, is needed to implement change. Our discussions with staff indicated that understanding of more systematic resource management practices was lacking to an extent that is now unusual elsewhere. Existing staff have limited experience of working in other Departments and many were recruited and trained in an environment in which little emphasis was placed on positive management of resources. Traditional ways of doing things had continued into a period of new demands, a heavier workload and tighter resources. We recommend in the report that a new Grade 5 post should be approved and an external candidate appointed.

A.4 Although some staff saw little need for any radical change in approach, many felt frustration at the lack of clear direction and decisive action from senior management. The processes of decision-taking were widely seen as obscure. Management style within the Office was seen both as authoritarian in failing to consult adequately with those affected by decisions, and paradoxically, as lax in not taking appropriate action in cases of poor performance or failure to observe staff rules eg. on hours of work or annual leave. There was criticism of inadequate consultation on changes in policy, and of a tendency on the part of some managers to get too involved in administrative detail while neglecting the task of leadership.

A.5 It seemed clear to us that there was little real commitment at the top level to a more structured way of managing the resources available. Although staff were strongly committed to the overall purpose of the Office as outlined in the Strategic Plan, the Plan itself was not seen as leading to a management process which would set the direction for the year's work in line with agreed priorities. Managers at G6 and G7 said that they decided on their work programmes without much input from senior management. Some welcomed this, but there was also strong criticism of the waste of resources which could arise from an absence of a clear framework. Our discussions revealed, however, widespread uncertainty about the value of planning and performance measurement in the context of the PRO's business. In some cases, this amounted to a feeling that it was all a waste of time and a diversion from the real task. We thought this attitude in part reflected the absence of any effort to engage the enthusiasm of the staff for a new approach which could resolve some of their concerns about waste and lack of control.

A.6 Some people expressed the view to us that more resources would solve the problems of the Office, which were seen in terms of coping with increased work and new

demands from both Departments and readers against a background of having to devote more resources to "administering ourselves". We did not find this a particularly convincing argument, for three main reasons:

(i) the nature of the PRO's work is such that because of the size and antiquity of the holdings, there is an almost infinite number of tasks that could be undertaken to preserve the records, and increase their accessibility. We were told that a survey had been carried out showing a potential 70 years' worth of work in one editorial department, given present resources.

(ii) at a time when the PRO did have more resources available to it, a significant proportion of its funds had to be returned to the Exchequer; between 1984 and 1987, an average of £264,000 was surrendered each year. We heard some severe criticism of the way in which the Office had been managed at that time and formed the view that some high-calibre staff had been lost as a result.

(iii) there is an unusual lack of internal or external pressure for improvement in efficiency or effectiveness. Almost the only externally imposed deadline on the Office is the requirement to open 30-year old records on 1 January each year.

We concluded that these points reinforced the need for a tighter management framework which would maximise the use of present resources by enabling clear priorities, aims and timescales to be established. Although some staff would not welcome greater direction, we think that the majority would find an improvement in motivation and job satisfaction.

RECOMMENDATIONS

A.7 We recommend that a planning and resource management system should be put in place on a pilot basis during 1991/92. There should be full consultation and evaluation leading to any necessary improvements before full implementation in the following year. We think it is most important to gain the personal commitment of the staff at all levels. This means that a well-planned programme of change will need to be carried out. **We recommend that professional management consultancy help should be commissioned to advise on the introduction of the system and on the management of the process of change.** An illustrative timetable is attached at the appendix to this Annex.

A.8 The responsibility for establishing the main aims of the PRO, setting the strategic direction and ensuring that priorities are turned into action will rest with the Management Board. We think the Board will need to be assisted by a planning team working under the direction of the corporate services G5. It will be important for the team to work closely with the departmental managers in the Office.

A.9 The PRO has recently produced two planning documents:

(a) Strategic Plan 1990-95 A draft Strategic Plan was prepared in 1989 for discussion. It contains a statement of purpose, five overall aims broken down into generalised objectives, and a detailed account of activity in four areas of strategic priority: information technology, the Kew extension, the computer-readable data archive, and preservation and conservation. It is a description of current effort rather than an analysis of future direction, and fails to define the tasks which must be carried out in order to translate aims and objectives into reality. Priorities as between the different areas are not specified, targets are not set, there are no timetables for action and no indication of how progress towards achieving the objectives set will be measured.

(b) Management Plan 1990/91 The PRO's first running costs management plan was prepared in 1988 for discussion with the Treasury. This is a resource-based document which, focusing on the year ahead, attempts to cost each of the PRO's aims, taking into account staff costs, accommodation, budgets and central services. The Treasury has not yet approved this plan.

New planning and resource management system

A.10 The new planning and resource management system needs to have a coherent framework within which the key issues for the Office can be analysed and translated into action plans for all departments. It should:

(a) cover all aspects of the PRO's work,

(b) task the various parts of the Office to achieve the priority objectives of the organisation, and

(c) incorporate pressure for improvement in performance and a more flexible use of resources.

A.11 **We recommend that the main elements of the new system should be as follows:**

(a) a Corporate Plan, supported by a running costs management plan

(b) annual business plans for PRO departments

(c) delegated budgets

(d) performance measures

(e) performance appraisal for staff linked to strategic and departmental aims

(f) evaluation and reporting

(g) management and financial information systems

Corporate plan and running costs management plan

A.12 The Corporate Plan should set the top management strategy for a 5-year period, to be rolled forward each year. It should clearly set out the PRO's main aims and priority tasks, identify the targets and timescales agreed with managers, and key resource issues. It should make clear how performance is to be measured and explain the indicators to be used. The structure of the Plan should be along the following lines:

* Outline of the management planning framework and role of Chief Executive, Management Board and planning team

* Statement of purpose

* Overall aims - guiding principles which will not change appreciably over time

* Analysis of planning background and resource summary

* Action plans for each area of activity, with targets and deadlines

* Key indicators of performance.

A.13 The Corporate Plan will need to be revised in the late autumn each year once the outcome of PES is known. We suggest that from 1993 onwards the Corporate Plan should be published. The statement of top management aims and priorities in the Corporate Plan will be supported by a running costs management plan to be agreed with the Treasury.

A.14 We suggest that the first planning cycle should follow the LCD's proposed new system and begin in April 1991 with a planning review which will

- enable strategic aims and key issues to be identified
- settle priorities for the planning period
- set performance indicators which will demonstrate the achievement of these priorities.

This will enable an outline of the Corporate Plan to be drafted and discussed with staff.

Running costs management plan and annual business plans

A.15 The aims in the Corporate Plan will be put into effect by annual business plans drawn up by all managers of PRO departments containing the detail of what they aim to achieve, by when and at what cost and how performance will be measured. These annual plans will be drawn up in the autumn for the following year and revised in the light of resource allocations to departments in line with PES outcome. The objectives set for the following financial year will be agreed in March between the Management Board and the departmental head. Quarterly reports will be made to the Chief Executive on departmental performance against target. Once the resource management system is in full operation, performance will be regularly reviewed against plan at all levels of management.

Delegated budgets

A.16 We discussed with a number of staff the PRO's failure to introduce delegated accountability under FMI. Currently, most spending, including salary costs, is managed centrally by Finance department. Budgets are held by managers only for "programme" spending: for example, IT equipment, editorial help, conservation materials. There was little enthusiasm for introducing resource budgets below Divisional head level. Some thought that, with a total budget of only £16m, the budgets that could be held by individuals would be too small to allow any flexibility worth having. We think that, whatever the size of budget relating to a discrete area of responsibility, even a limited amount of flexibility would increase managers' sense of control over the way in which they allocate resources to tackle the work for which they will be held accountable. We see no reason why the principle of matching financial accountability to responsibility for achieving results should not work well in the PRO as it has elsewhere.

A.17 We therefore recommend that delegated budgets including staff costs should be introduced for departmental heads by 1 April 1992 on a pilot basis for the first year. As part of the preparation for this move, the PRO should discuss with other Government Departments the information and monitoring requirements for a system of delegated budgets and draw up a plan for implementation.

Performance measures

A.18 We found that there had been some attempt in mid-1990 to develop a system of performance indicators covering all areas of the PRO's work, but this had not been actively followed up. There was some resistance among staff to the idea of applying performance measures to their work and some scepticism about the value of purely quantitative measures which would say little about quality. We thought the staff had been asked to carry out a difficult exercise in devising performance indicators in the absence of strategic aims and departmental objectives geared to top management priorities. We think it is essential to develop performance measures as part of a strategic management process, and not in isolation. It is also important to use a range of indicators rather than relying on a small number, in evaluating quality of service.

A.19 **We recommend that appropriate performance indicators should be devised in the context of drawing up annual plans.** There are a number of areas of the Office where a quantitative approach could yield useful monitoring data over time, for example, unit costs or turnround times for reprographic services. In other areas, there should be an emphasis on customer satisfaction in assessing the quality of the service provided. Most PRO departments have customers for their work, whether these are other departments, readers or the general public, and there is a need to build customer responsiveness. They will be required to ask "Why are we doing this and for whom are we doing it? Are we doing it to their satisfaction?" as a first step. This will be a new process for some, and it will need to be well managed.

A.20 **We recommend that the range of indicators to be used to monitor the PRO's performance should include the following:**

(a) **<u>Reprographic</u> - quality of service targets, unit costs and turnround times for specific operations, satisfaction of internal and external customers**

(b) **<u>Preservation</u> - total of different types of records conserved, eg paper, parchment, maps, photographs, textiles, seals, number of documents microfilmed for conservation, unit costs,**

satisfaction of repository, search and editorial departments, assessment of quality where possible

(c) Documentation/Selection - numbers of records reviewed, selected, preserved and destroyed, quality of service targets for records management, turnround times and level of accuracy of transfer, accessioning and listing, unit costs, level of satisfaction of Departmental Record Officers

(d) Search - regular reader satisfaction surveys, feedback from readers' forums

(e) Repository - turnround times for productions, unit costs, satisfaction of search department

(f) Editorial - unit costs of output, satisfaction of search and outreach departments and readers.

Other indicators of effectiveness and efficiency would be the level of resources devoted to common services over time and a comparison of budgets with actual costs.

Performance appraisal

A.21 It will be important to link performance appraisal of individual members of staff with the setting of objectives for departments. Targets for individuals will need to be drawn up as part of the annual reporting cycle in January, reflecting the departmental and unit objectives and targets.

Communications

A.22 Despite the small size of the organisation, communications both along the line management chain and between departments seemed surprisingly poor. We were told by a number of staff that where communications were good, this was the result of personal initiative rather than an effective system which required regular consultation. On the basis of the widely held views put to us that there was insufficient communication both between departments and along the line management chain, **we recommend that there be a more open communications policy and that performance appraisal should include assessment of managers' effectiveness in communicating with their staff.**

Evaluation and Reporting

A.23 The planning and management framework itself, as well as the priorities set under the plan and progress towards achieving the planned objectives, need to be subject to systematic evaluation.

A.24 We envisage that as an agency, the PRO will establish a procedure for regularly (probably biannual) reporting to

the Lord Chancellor's Department on progress towards achieving its performance targets. Annual meetings with the Lord Chancellor will take place from 1993 to review performance against plan.

A.25 The Keeper's annual report, required by the 1958 Act, should be used as the main vehicle for reporting to Parliament and the public on the work of the Office. These reports are already structured around what have been identified as the Office's strategic aims. **We recommend the further development of this approach, so that the report provides a detailed account of what the PRO set out to achieve in the year being reported, the extent to which objectives have been achieved, and where they have not, some indication of the reasons for this.**

A.26 We also see the annual report as a useful means for spreading information about the PRO and the public records. **We recommend that the annual report be more visually attractive and that its contents be reviewed with a view to including more information about the Office likely to be of general interest.**

Information

A.27 The effectiveness of the new management and budgeting system will depend on good management and financial information systems. All managers will need access to information on which to base decision-taking and to provide feedback on the performance of their departments or units. The Management Board will have different information needs to support top management decisions and help it to monitor the Office's progress towards achieving its objectives. The PRO has not yet moved very far in the direction of computerised systems and **we recommend that a high priority is given to developing systems which can deliver accurate, relevant and timely information to managers and budget-holders by 1 April 1992.** Planning the systems will need to involve the users to ensure that their requirements are fully met.

Market testing

A.28 We recommend that a timetable should be set for market-testing a wide range of PRO activities, with priority being given to candidates such as reprographics, security, cleaning and catering. Some consultancy help should be employed to advise on contract negotiation and management for the first such exercise.

Appendix to Annex A

PLANNING CYCLE

Year 0 (1991/92)

Apr/Sep — Director of Corporate Services (G5) under the direction of the Management Board, conducts planning review:

(a) reconsiders and defines strategic aims and key objectives

(b) sets priorities for the planning period, giving greater emphasis to access function

(c) identifies key performance indicators for achievement of objectives

(d) sets delegated budgeting levels.

May — Submit running costs management plan for 1992/3-94/5 to Treasury.

Jul/Sep — Draft Agency Framework Document

Aug/Oct — Draft Corporate Plan for Years 1-5 prepared for discussion with staff and Lord Chancellor's Department. (LCD)

Budget-holders identified/discuss information needs for delegated budgeting.

Oct/Dec — Consult on Framework Document

Nov/Dec — Draft of pilot annual business plans setting departmental objectives for Year 1.

Piloting of management and financial information systems (MIS and FIS) begins.

Corporate Plan for Years 1-5 (up to 1996/97) revised in light of PES outcome and agreed by Management Board.

Jan — Annual plans revised in light of available resources.

1992 targets set for individuals in line with departmental objectives.

Feb/Mar — Framework Document revised, incorporating proposed targets and performance indicators; submitted to Lord Chancellor.

Corporate Plan submitted to LC.

Management Board agrees annual plans with departmental heads: objectives set for Year 1.

Running costs management plan revised.

"Shadow" budgets for Year 1 allocated to departmental heads.

Year 1 (1992/93)

Apr — PRO becomes an agency.

MIS and FIS implemented.

May — Discussions with staff about planning system

Jul — First quarterly report to Chief Executive on departmental performance against target.

Jul/Sep — Corporate Plan rolled forward to 1997/98.

Oct — Quarterly performance report to Chief Executive.

Oct/Nov — Annual business plans for Year 2 prepared by departments.

Dec — Corporate Plan revised in light of PES outcome and agreed by Management Board.

Jan — Quarterly performance report to Chief Executive.

Annual plans revised in light of available resources.

1993 targets set for individuals in line with departmental objectives; 1992 performance appraised.

Feb/Mar — Management Board agrees annual plans with departmental heads: objectives set for Year 2.

Running costs management plan revised.

end Mar — Corporate Plan for Years 2-6 (up to 1997/98) published.

Budgets for Year 2 allocated to departmental heads.

Year 2 (1993/94) (first full year of operation)

Apr	Quarterly performance report to Chief Executive
Apr/May	Chief Executive and Management Board consider outcome of planning cycle and hold accountability reviews with departmental heads.
May/Jun	Accountability reviews held at each level of management.
Jul	Quarterly performance report to Chief Executive
	First annual review of agency performance with the Lord Chancellor.
Jul/Sep	Corporate Plan rolled forward to 1998/99.
Oct/Nov	Quarterly performance report to Chief Executive.
	Annual business plans for Year 3 prepared.
Dec	Corporate Plan revised in light of PES outcome and agreed by Management Board.
Jan	Quarterly performance report to Chief Executive.
	Annual plans revised in light of available resources.
	1994 targets set for individuals in line with departmental objectives: 1993 performance appraised.
Feb/Mar	Management Board agrees annual plans with departmental heads: objectives set for Year 3.
	Running costs management plan revised.
end Mar	Corporate Plan for Years 3-7 (up to 1998/99) published.
	Budgets for Year 3 allocated to departmental heads.

PLANNING CYCLE 1991-92 (YEAR 0)

	MARCH 1991	APRIL 1991	MAY 1991	JUNE 1991	JULY 1991	AUGUST 1991	SEPTEMBER 1991	OCTOBER 1991	NOVEMBER 1991	DECEMBER 1991	JANUARY 1992	FEBRUARY 1992
PUBLIC EXPENDITURE SURVEY	Treasury issues PES timetable Bids and savings sought from Depts.for 1992/3-94/5	Bids submitted to LCD	Bidding letter to Treasury Running costs management plan (1992/3-94/5) submitted to Treasury	Negotiations with Treasury officials on PES bids					Autumn statement and Public Expenditure White Paper	Resource allocation made to Departments		Running costs management plan revised
RESOURCE PLANNING CYCLE		G5 Corporate Services appointed: CSD set up Planning review →			Draft Agency framework document →			Consultation on framework document →				
						Draft corporate plan for years 1-5 (1992/3-1996/7) Identify budgetholders			Draft pilot annual business plans for depts. for year 1 (1992/3) Piloting of MIS & FIS Corporate plan for years 1-5 reviewed in light of resources and agreed by Management Board		Annual plans revised in light of resources available 1992 targets set for members of staff	

PLANNING CYCLE 1992-93 (YEAR 1)

	MARCH 1992	APRIL 1992	MAY 1992	JUNE 1992	JULY 1992	AUGUST 1992	SEPTEMBER 1992	OCTOBER 1992	NOVEMBER 1992	DECEMBER 1992	JANUARY 1993	FEBRUARY 1993
PUBLIC EXPENDITURE SURVEY	Treasury issues PES timetable PEFO seeks bids and savings from depts.for years 2-4 1993/4-95/6	Bids submitted to CSD	Bidding letter to Treasury Running costs management plan for yrs. 2-4 (1993/4-95/6) submitted to Treasury	Negotiations with Treasury officials on PES bids					Autumn statement and PEWP	Resource allocations made to Depts for year 2 (1993/4)		Running costs management plan for years 2-4 revised
RESOURCE PLANNING CYCLE	Framework doc. to LC	Agency launch MIS and FIS implemented		Quarterly performance report to Management Board				Quarterly performance report Annual plans prepared by depts. for yr.2 (1993/4)			Quarterly performance report Annual plans revised in light of resources available	
	Management Bd. agrees annual plans with depts. Objectives set for yr.1 (1992/93) "Shadow" budgets set for year 1											
	Corporate plan for yrs.1-5 (1992/3-96/7) circulated within Office			Corporate plan rolled forward to year 6 (1997/8)						Corporate plan revised in light of resources & agreed by Managt.Board		
											1993 targets set for members of staff	

PLANNING CYCLE 1993-94 (YEAR 2)

	MARCH 1993	APRIL 1993	MAY 1993	JUNE 1993	JULY 1993	AUGUST 1993	SEPTEMBER 1993	OCTOBER 1993	NOVEMBER 1993	DECEMBER 1993	JANUARY 1994	FEBRUARY 1994
PUBLIC EXPENDITURE SURVEY	Treasury issues PES timetable PEFO seeks bids and savings from depts.for years 3-5 1994/5-96/7	Bids submitted to CSD	Bidding letter to Treasury Running costs management plan for yrs. 3-5 (1994/5-96/7) submitted to Treasury	Negotiations with Treasury officials on PES bids					Autumn statement and PEWP	Resource allocations made to Depts for year 3 (1994/5)		Running costs management plan for years 3-5 revised
RESOURCE PLANNING CYCLE	Corporate plan for years 2-6 (1993/4-97/8) published				First annual review of Agency performance with Lord Chancellor							
		Chief Exec./Management Bd. accountability reviews with departmental heads			Quarterly report to Chief Exec.			Quarterly report to Chief Exec.			Quarterly report to Chief Exec.	
	Budgets for year 2 allocated											
	Management Board agrees annual plans with depts. Objectives set for yr.2 (1993/4)		Accountability reviews at each level of management			Corporate plan rolled forward to year 7 (1998/9)		Annual plans prepared by depts. for yr.3 (1994/5)		Corporate plan revised in light of resources an agreed by Managt.Bd.	Annual plans revised in light of available resources 1994 targets set for members of staff	

ORGANISATION

B.1 Over the past 15 years the PRO has experienced a number of changes in emphasis and resource allocation which are not appropriately reflected in its present organisation and structure. We consider that this impedes the Office in the efficient performance of its core functions and we recommend a range of changes at divisional and departmental level which we believe will bring organisation more closely in line with present needs.

Present Divisional Organisation

B.2 The Office is currently organised in three divisions across four sites: Records Services and Publications, headed by the Deputy Keeper (G5) with some 271 staff; Records Administration, headed by the Records Administration Officer (G5) with some 27 staff; and Establishment and Accounts, headed by the Principal Establishment and Finance Officer (G7) with some 129 staff. (See Table 1) These three heads of division with the Keeper (G3) form the Management Board. In the Keeper's absence the Deputy Keeper acts as head of the Office in everything except financial matters which, since the role of Accounting Officer cannot be delegated, must be handled by the Principal Finance Officer or not at all.

Table B1: Staff in post by division and site (October 1990)

	RSPD	RAD	E&A	Total
Kew	177	22	66	266
CL	73	2	38	113
Port St.	21	0	0	21
Hayes	0	3	25	27
Total	271	27	129	427

B.3 Within Records Services and Publications Division (RSPD) there are nine Departments, three of which are

normally regarded as common service functions: information technology, management support, and reprographics. Some departments are divided between sites: Repository and Reprographic, Library and Conservation are headed by a single manager (G7 in each case) but located at both Kew and Chancery Lane or, in the case of Conservation, at Kew and Portugal Street. Conversely the search and editorial functions are divided into separate departments according to site, each headed by a G6.

B.4 Within Establishment and Accounts Division (E & A) there are nominally two departments each headed by an SEO: Finance and Personnel, and Accommodation and Office Services. In practice the first is fragmented into Finance, Personnel and Training, headed respectively by an SEO and two HEOs. There is additionally a newly created Purchasing Officer (SEO) post.

B.5 Records Administration Division (RAD) is the smallest and most cohesive of the Divisions. It has no internal organisation into formal departments but there are broadly three areas of work: selection of records, documentation, and liaison with places of deposit, headed by a G7 and two G6s respectively. There is some overlap of interest with the editorial departments, especially Modern Records Department over documentation and with Accommodation over the maintenance of the Hayes intermediate repository. (A chart showing present divisional structure is at Appendix B1).

Problems

There are several problems which appear to us to be caused or exacerbated by this structure:

B.6 The grading of the Principal Establishment and Finance Officer at 7 limits his authority and influence within the Office.

(a) He has no effective control over the personnel function in the Office as a whole. In deployment of junior staff he can be over-ruled by heads of department or division who "pull rank" on him. Recruitment, training and management of curatorial staff is handled by the Deputy Keeper, as is career development and discipline of all staff at Grades 7 and 6. With responsibility and authority diffused, there is no focus for development of personnel policy and no guarantee it could be consistently applied if it were formulated.

(b) He has insufficient authority to implement central initiatives. As the Office's main link with the Central Departments, E & A is the first part of

the Office to feel pressures for reform. It has been the Division most affected by the delegation of responsibilities from the Centre, and in being forced to change itself should have been well placed to act as catalyst for change in the Office as a whole. That the Office has made so little progress on central initiatives may result in part from the relative weakness of representation for the corporate service functions on both the main Management Board and at the interdepartmental management meetings.

(c) He has to refer up a range of relatively minor issues to the Keeper. As the Keeper is often out of the Office on official business this can cause considerable delay.

(d) There is no effective head of corporate services, and consequently no strategy for their development. Although corporate service staff have some perception of the customer-oriented role they could play within the Office (largely due to the development of such a relationship between themselves and the former central agencies such as PSA, HMSO, etc), there has been no focus for the fostering of a customer-oriented ethos. In their relationship with other divisions corporate service staff are unclear as to their role and authority and this leads to clashes when perceptions differ. They complain that they are not consulted over issues where they consider themselves best qualified to advise, and that they are encouraged by Central Departments (Treasury and OMCS) to be increasingly professional, but they are not treated as such within the PRO. The low status afforded to the Division is seen to be reflected in the continued grading of the PEFO at G7, despite a substantial increase in the Division's size and responsibilities. Morale within E&A is good considering the lack of recognition but there is considerable disillusionment with the Office, which is seen to be so far out of step with "best practice" elsewhere in the civil service and in the private sector. Unless a more positive direction can be given to the Division the loss of good quality administrative staff is liable to continue and increase.

B.7 The post of Head of RSPD is heavily overloaded with an inevitable reduction in the effectiveness with which the postholder can act:

(a) It is combined with the Office of Deputy Keeper so that in the not infrequent absence of the Keeper on official duties, the postholder becomes involved in issues which need not otherwise concern him. There is an unavoidable tendency for any officer once involved in an issue to continue involvement in it for the sake of administrative convenience, or for half-completed tasks to be passed back and forth between officers increasing the potential for misunderstandings and mistakes.

(b) There are too many managers reporting directly to the head of RSPD on too wide a range of issues. Policy on search room and editorial services which should be decided at departmental level has to be handled at divisional level because there is no one departmental head in each case to whom the task can be delegated. It is not possible for the postholder to handle all the issues referred to him without distortions of priority and long delays. A cycle of inefficiency has been set up: the lack of clearly formulated policy aims requires managers to refer proposals to the divisional head for vetting on an *ad hoc* basis instead of being able to judge for themselves whether they are in line with objectives; this in turn involves the head of division in too much detail for him to have time to formulate policy and set objectives. We consider that much of what is referred to the head of division could and should be dealt with by the departmental managers.

B.8 The internal focus of divisions is blurred by the inclusion of some elements and the exclusion of others. RSPD's primary focus should be on reader services. The inclusion of IT and management support/accommodation planning, which are office services, obscures that focus preventing the formation of a cohesive divisional identity and the formation of clear policy. Similarly E&A's primary focus should be on corporate services. The exclusion of ITU and MSD reduces their effectiveness and that of the division. We believe the work of MSD in particular has suffered from the lack of divisional leadership for strategic planning and its associated developments: there appears to be little enthusiasm for it within RSPD; nor authority for it within E&A.

B.9 The proper relationship between divisions is confused by an unnecessary or inappropriate overlap of functions. This appears to have led to a loss of a sense of responsibility or ownership for particular projects or

services and to interference in or duplication of the work of other divisions. We are particularly concerned by the lack of responsibility for the following areas:

* the Computer Readable Data Archive project;

* security;

* development of performance measures and targets; and

* the production of new lists.

We believe this is a primary cause of the delays and deficiencies in these areas.

B.10 The internal arrangement of divisions has exacerbated the problems of operating across four sites.

(a) Splits according to site, such as that between the two search and editorial departments, emphasise the division by allowing the development of different policies and procedures, and by encouraging the formation of separate cultures. Such variations of approach to the same or similar problems cause confusion to readers and staff with consequent inefficiency and loss of effectiveness.

(b) There are anomalies in the management of split departments, with insufficient consideration being given to the real needs of staff for supervision. We find it anomalous that the Chancery Lane Search Department which contains two grade 7s is considered to need a Grade 6 on site to manage and supervise them, while the Photo-Ordering section has two AOs operating alone, supervised only by an occasional visit from the EO at Kew. This has contributed to a breakdown of procedures at Chancery Lane, causing considerable inconvenience to customers and to other sections of the Office.

Recommendations

B.11 **We recommend that the PRO should be managed by the Keeper advised and assisted by a Management Board of three Grade 5 Divisional Directors. In the absence of the Keeper responsibilities should be delegated to the appropriate Director or to the Board. The formal title and role of Deputy Keeper should be abolished.** The role of the directors should be clearly defined as setting the direction of their divisions and exercising overall management. Once objectives for the Office, the divisions and the departments have been set by the Board in consultation with their staff and these have been clearly communicated, managers should be able to act authoritatively within their own departments.

B.12 **We recommend the PRO be reorganised into the following divisions :**

Corporate Services Division (CSD), incorporating departments for:

Finance,
Personnel,
Accommodation and Office Services,
IT,
Reprographic, and
Planning and Evaluation

Reader Services Division (RSD), incorporating departments for:

Search,
Editorial Services,
Preservation, and
Outreach

Departmental Services Division (DSD), incorporating departments for:

Accessions Services, and
Records Management

Internal problems and their solutions for each of these divisions are considered below. (Charts showing the proposed structure for the Office, CSD and RSD are at Appendices B2-B4).

Corporate Services Division

B.13 The creation of a corporate services division brings together all those activities which are essentially in support of, rather than in direct execution of, core functions. The emphasis should be strongly on service, with the various sections of CSD regarding the other divisions as customers, in the same way as they in turn should regard readers and Departments as their customers. A strong CSD will be able to push ahead with the implementation of central initiatives and to provide effective support for the Chief Executive in drawing up and implementing the Office's strategic plan. **Our recommendations are:**

* **appointment from outside PRO of a Grade 5 with appropriate management experience to be Principal Establishment and Finanace Officer, and**

* **transfer from RSPD of IT Unit, Reprographic, and MSD.**

Director of Corporate Services

B.14 The appointment of an experienced PEFO as corporate service manager is crucial to the success of the division and will have considerable bearing on the transition of PRO to agency status. Tight planning and careful monitoring will be required to keep developments on course and enable progress to be made without substantial increases in staff resources. There is urgent need within the division to:

(a) establish effective systems of monitoring and control, especially in finance and personnel;

(b) develop flexible but well-controlled staff development strategies and procedures.

(c) manage accommodation more economically;

(d) undertake the market testing programme;

(e) pursue value for money in purchasing;

(f) develop expertise in contract management;
(g) review IT strategy; and

(h) undertake an extensive management review of Reprographics.

Finance and Personnel Officers

B.15 With the appointment of a Grade 5 as director of corporate services and PEFO, the present Grade 7 and SEO Finance posts can be reappraised. The present division of duties between the G7 PEFO and the SEO Finance is largely a consequence of personalities in post. Broadly the PEFO handles personnel and the SEO finance. The finance role was previously divided between the PEFO and the HEO Accounts. In 1988 the HEO post was upgraded in recognition that the finance work was increasingly being handled at that level. Nominally the SEO is head of Finance and Personnel Department but it was considered the necessary personnel training and duties could not be undertaken until completion of the finance computerisation project. As a short-term arrangement the HEOs in personnel and training were to continue to report direct to the PEFO, with the SEO taking over from January 1990. Slippage on the finance computer project and a change of SEO resulted in this reallocation of responsibilities being postponed for a further year.

B.16 However since the Grade 7 as Principal Finance Officer cannot shed all financial responsibilities, he has continued to be involved in discussions within the Office and with Treasury: this demands time both for actual negotiations and for development of an understanding of the system but, apart from the weight of rank, there is little value added

to what is already done by the SEO. To time spent duplicating the work of the SEO Finance is added time spent on oversight of Accommodation and Office Services Department, leaving relatively little for personnel issues. Personnel has effectively been managed by an HEO working in parallel with the HEO Training, but with no higher grade co-ordination of the two units (which should be closely meshed) and little direction in terms of policy, strategy or priorities. Heavy dependence on individuals' expertise rather than on agreed policy and well-documented procedures has made personnel unit particularly vulnerable to staff loss. The training unit has continued without effective management from within the Division, its direction being largely determined by the Training Steering Committee under the chairmanship of the Deputy Keeper.

B.17 We recommend the Grade 7 post become a dedicated finance post, and in view of the need for stringent financial control during a period of change and particularly in the run-up to Agency status, we recommend the appointment on secondment of an external candidate with substantial experience of the public expenditure survey, vote accounting, computerised financial management, purchasing and stock control systems, and trading accounts.

B.18 Whilst an internal candidate could develop such expertise, the need for it is urgent and would be better bought in. However once the PRO has passed through the period of rapid change, it would be desirable to re-open the post to internal candidates and to consider whether it could be effectively handled at SEO level. The experience of negotiating with the Treasury and an in-depth understanding of the possibilities and constraints created by the government finance system should be available to all staff aiming at high managerial positions whether their career tends towards the records-related or the corporate services. Finance need not be regarded as a specialism: professional expertise in accounting or audit can and should be bought in as required.

B.19 The Finance Officer would have line management responsibility for the SEO Purchasing Officer and for the Accounts Unit which we suggest should be managed by an HEO. The HEO Accounts would liaise with the Treasury on routine aspects of PES, Estimates etc, manage the financial information system, monitor expenditure, oversee vote accounting procedures and provide support to the head of Reprographic Department in production of the memorandum trading account. The MTA has traditionally been produced by the head of Reprographic (G7) with assistance from Accounts (EO). As a result of a change of staff at both levels and the consequent loss of expertise, the MTA has been temporarily contracted out to a commercial accountant whose brief includes compiling instructions which will

enable unqualified PRO staff to complete the account in future. **We recommend computerisation of the MTA and its inclusion in the financial management information system.** There will also need to be increasing co-operation between the purchasing officer and the HEO Accounts, and there may be scope for shared administrative support, but we believe a line management relationship would be unnecessary and undesirable.

B.20 Following transfer of all finance responsibilities to the Grade 7, **we recommend the present SEO post concentrate on personnel** with initial priority being given to:

(a) drafting of a personnel policy covering recruitment, promotion, career development, training etc in the light of the proposed grading changes (see Annex C);

(b) setting up of information systems to enable management to monitor accurately and consequently optimise staff resources;

(c) co-ordination of training and career development;

(d) setting and maintaining consistent standards of appraisal (particularly important in view of performance-related pay and the proposed changes in promotion policy); and

(e) reappraisal of the posts of welfare and equal opportunities officers, and the placement of responsibility for the disabled.

B.21 We consider that a part-time welfare officer would be sufficient for an organisation the size of PRO. This could be an internal part-time appointment or PRO could share a welfare officer with another small department, but **we recommend that a single full-time EO post should be created by combining welfare officer duties with those of the disablement officer, currently carried out part-time by the HEO in training unit.** The grade and placing of the Equal Opportunities Officer will need to be discussed with the central Departments whose original directive indicated the officer should be a G7 within the personnel department. **We recommend that PRO negotiate with the central Departments for a lower grade of equal opportunity officer with a view to incorporating the duties into those of the SEO Personnel or of combining them with the welfare and disablement duties at HEO level.**

Accommodation and Office Services Manager

B.22 The present Departmental Accommodation Manager (SEO) has had responsibility for only two of the three sites, Hayes being managed on a part-time basis by an SEO from RAD. This anomalous situation is no longer sustainable following

PSA's delegation to PRO of responsibility for obtaining funds for and supervising all maintenance work. Considerable sums will have to be expended on Hayes over the next few years merely to meet basic maintenance and safety needs, and these projects need to be handled in the context of the total accommodation bid. From January 1991, the part-time SEO from RAD will be replaced by a full-time HEO Accommodation Manager from E & A reporting direct to the Departmental Accommodation Manager.

B.23 With this overdue centralisation of accommodation responsibilities, and the appointment of HEO accommodation managers at each site to handle routine maintenance, the Accommodation Manager's brief can and should be broadened to include an element of forward planning. With both the original Kew building and with the extension, it was necessary to set up entirely new planning units to handle the projects, because there was no existing accommodation management and planning expertise. While such large projects will always require the involvement of a wider range of staff, their work would be facilitated by being fitted into an existing accommodation strategy and including existing accommodation expertise.

B.24 We regard the Accommodation and Office Services Department as one with considerable scope for contracting out and **we recommend the programme of market testing should include as a priority: estate management, cleaning and security** with the aim of reducing the number of staff directly employed to the minimum required to oversee contracts.

B.25 Our concern about the role of the Accommodation and Office Services Manager in relation to security is discussed at Annex E. **We recommend that responsibility for security be concentrated within Corporate Services Division and the line of command be shortened.**

IT Department

B.26 Development of the IT specialism has led to the creation of a unit which in being self-contained could function acceptably within any division. Staff in IT Unit are more likely than their colleagues elsewhere to have been recruited as specialists, to work alongside specialist consultants, to be promoted within the Unit and to leave the Office rather than move on to work outside their specialism. Conversely most of the present IT staff joined ITU after experience in other areas of PRO and believe this gives them a good feel for the needs of the Office. Comments from other departments suggest however that ITU is seen as isolated from and insufficiently responsive to the needs of its "customers".

B.27 We believe bringing IT Unit into Corporate Services Division would emphasise its customer service role and would encourage a better balance of computer projects. While the present dominance of IT's programme by its major project (replacement of the obsolescent document requisitioning system by a comprehensive records management system) is inevitable given the limited resources overall, we consider that there has been inadequate attention to the long-term efficiency gains which could be obtained from computerisation of corporate service activities, and that this has arisen largely because of ITU's incorporation in RSPD.

Reprographic Department

B.28 Unlike the reprographic service of other government Departments which is usually regarded as a common service function, PROs reprographic department exists primarily to give a service to the public. The balance of its activities is:

	£1000 p.a	% of total
Copies of documents for sale to the public	1,174	79
Filming records for conservation and security reasons	109	7
Office copy and print facilities	200	14

Despite this emphasis on reader services, preservation and income generation, all of which seem to indicate that it should be incorporated in Reader Services Division, **we recommend that Reprographic Department should be included in the new Corporate Service Division.**

B.29 The present problems and shortcomings of Reprographics are discussed in Annex G. We believe that these are fundamentally management problems. There is an urgent need for a more businesslike approach including

(a) clear aims and targets;

(b) performance measures and appropriate incentives;

(c) tighter financial control, including investment appraisal of new equipment, effective monitoring of expenditure and professional purchasing strategies;

(d) customer service orientation, both towards the public and the office; and

(e) a comprehensive staff training and development scheme

B.30 While this change of approach could theoretically be developed within RSD, we believe that in practice it will happen more readily and effectively within the new CSD. Close cooperation with finance, personnel, training and purchasing staff will be necessary both to overhaul the existing management systems and to carry out market testing. As a combined department Repository and Reprographic is appropriately headed by a Grade 7. This could not be justified for Reprographic Department alone, but effective development of the reprographic service cannot be left to the Reprographic Services Manager (SM1) since it will require exceptionally careful financial management and needs a thorough grasp of the possibilities and problems of reprographic work in an archive. **We recommend that staff management and technical expertise should rest with the RSM, and an SEO reporting directly to the Corporate Service Director should be appointed as departmental manager.**

Planning and Evaluation Unit

B.31 The present Management Support Department contains three entirely disparate elements: planning of the Kew extension, support to senior management in preparation of the management plan, and public relations including liaison with the press. The first two are clearly proper to Corporate Service Division: the present arrangement arose only because a unit consisting of a Grade 6, a Grade 7 and an HEO could not be subordinated to a Grade 7 PEFO. With the appointment of a Grade 5 PEFO the line management problem no longer exists. The press/public relations function on the other hand is appropriate to the Outreach Department of Reader Services Division and we recommend it should be transferred there. MSD could then be absorbed into CSD as it stands.

B.32 We think the Grade 6 should take responsibility for strategic planning, delegating more of the project management to the Grade 7. There is a need for:

* development of a corporate plan with objectives and performance indicators set at all levels;

* constant review of interdepartmental procedures including oversight of forms design, manuals etc;

* monitoring of technology developments;

* *ad hoc* research into specific issues or problems; and

* staff inspection/internal audit.

B.33 The Planning and Evaluation Unit would not undertake all these tasks itself but would act as a focal point and management support team for issues which cut across all three divisions. In particular **we recommend that PRO continue to obtain internal audit services from LCD on a repayment basis rather than employ its own internal auditors.** We believe this enables more flexible audit staffing, ensures a higher level of objectivity and adds weight to the audit recommendations.

Library/DRO/Registry

B.34 The only element which is normally regarded as a common service but which we recommend should remain in RSPD is the library. Although an increasing number of books and periodicals purchased by the library relate to areas such as management skills, IT, reprographics or conservation, these still form a tiny proportion of the total holdings which are primarily historical. We suggest use of the library should be extended to the public and some of the costs recouped by charging (see Annex J). Since this would link the library closely with other reader services and revenue generating activities and there is not the same need for close liaison with other corporate service functions as apply to Reprographic, **we recommend the library be included in Outreach Department.**

B.35 At present the library is run by an HEO who also acts as the PRO's own Departmental Records Officer and who, it has been proposed, should consequently take over central control of the registry system. Given the proposed reader service role of the library, and the fact that the registry system itself is to be moved to Chancery Lane shortly, **we recommend that the DRO and registry functions should be combined and responsibility given to the Accommodation and Office Services Manager (HEO) at Chancery Lane.** However, since the present loading of this post will only allow for additional routine duties and the present state of the registry and review procedures is not entirely satisfactory, **we recommend that a suitably experienced officer be allocated fulltime for no more than three months to bring the system up to standard.** This officer would then be a good candidate to move on to the Records Management Consultancy as assistant to the Grade 7 there.

Reader Services Division

Search Department

B.36 We do not consider that the mere fact of operating at two sites justifies the existence of separate Search Departments each headed by a Grade 6. Day-to-day problems at Chancery Lane can be more than adequately handled by the two Grade 7s and development of common policies and

procedures at the two sites would be facilitated by appointment of a single departmental manager. **We recommend the abolition of the G6 post in Search Department Chancery Lane.**

B.37 Within the Search Department **we recommend the organisation of staff into teams concentrating on a particular type or area of the records and including a full range of grades.** (See Annex F).

B.38 The focus of Search Department should be service to readers, in particular those who visit in person, but there is some conflict between the immediate demands of visitors and the longer term need for Search Department staff to develop and record their knowledge of the records. There is also overlap of functions with the Editorial Department in that both Departments are currently producing records-related information for the public. Search Department staff in being primarily occupied with reader enquiries do not have the time to research as thoroughly or write up their discoveries in as much depth, which they find personally frustrating and which also results in a loss of their expertise to the Office. Conversely editorial staff do not have the same up-to-date knowledge of readers' interests and difficulties to inform their improvement of the finding aids.

B.39 One solution would be to merge the two departments, with staff being allocated to searchroom duties or editorial projects either on a rota basis or on a split-time basis. This would create a larger department, able to field a wider range of expertise. Sometimes pressurised and often repetitive searchroom duties could be alternated with more creative, scholarly work, which in turn would be "earthed" by constant reference to the realities of reader interests and needs. Rotation between different types of duties would merely be a wider version of the present rota system employed by Kew curatorial officers, and in providing a varied workload would make a long posting in Search Department interesting to the individual while increasing the usefulness of staff to the Office. Expertise would be available both to the visiting public and to the Office with its more long-term concern to capture and exploit individual knowledge.

B.40 Staff in editorial departments who currently provide occasional or routine relief for Search Departments have varied responses to it: some see it as a valuable insight into readers' current needs, others regard it as an unwelcome distraction from the "real" job. Many are concerned that if the Department were amalgamated Search Department would simply absorb the staff and editorial work would be sacrificed to the demands of the moment. We are concerned to maintain the distinctive focus of each Department. For this reason **we recommend that Editorial and**

Search should remain separate departments with staff allocated formally to each, but that individual officers who in the course of their posting to Search Department are considered to have acquired valuable knowledge which should be committed to writing should be transferred on a short-term "secondment" or permitted temporarily to work part-time in the Editorial Department. Such movement from Search into the Editorial Department could be partly balanced by the continuation of occasional relief duties by editorial staff and by short-term training secondments for Editorial and RAD staff. This combination of separation at the departmental level and flexibility at the level of individual staff would demand careful management control within departments and considerable co-operation between them, but it would allow some of the benefits of an amalgamation while putting a necessary fence around vulnerable editorial work.

(Further discussions of Search Department is at Annex G)

Editorial Department

B.41 At present editorial work is carried out by two small departments each headed by a Grade 6 and an even smaller Map Department headed by a Grade 7. **We recommend the amalgamation of all three into a single Editorial Department headed by a Grade 6.** This would encourage development of a coherent editorial programme and allow more flexibility in the use of staff resources, both permanent and contract.

B.42 We believe the effectiveness of the Department would be improved by defining its purpose as responsibility for maintenance and improvement of finding aids relating to material already transferred. **We recommend:**

(a) **transfer of activities relating to incoming records and the necessary staff to Departmental Services Division;**

(b) **transfer of publishing activities and some junior staff to Outreach Department; and**

(c) **that damage to or deterioration in documents noted in the course of carrying out editorial work should continue to be reported to Conservation but that the periodic check on the condition of classes of documents at Chancery Lane currently carried out by MEMRD should be handled by Conservation staff.**

B.43 Within the Editorial Department we believe retention of collective expertise and continuity of project work would be best served by organisation of staff of varying grades into small teams concentrating on particular subject area. (See Annex H).

B.44 We are particularly concerned that the large collection of maps and photographs has received inadequate attention. The resources required for the long-term job of identifying and suitably storing maps and photographs are considerable, those currently allocated compare very unfavourably with other institutions. **We recommend that on absorption into the Editorial Department, the present Map Department and the junior staff in MRD currently responsible for photographs should combine to form one of the "special interest" teams and that this team should be given a high priority in the allocation of additional staff.**

Table B2: Comparison of staffing levels in Map Departments

	No. of Maps millions	No. of staff
Bodleian Library	1.0	5
National Library of Scotland	1.5	7
National Archives of Canada	1.75	24
British Library	2.0	12
PRO	6.0	3

Note: Figures are approximate. Comparisons are complicated by the variations in grades of staff & their duties, as well as the types of map (loose or bound) & their use.

B.45 We are concerned that as just one element within the Editorial Department, this "Special Media Unit" will be competing for scarce resources in an area for which it is particularly difficult to obtain additional funding and that it runs the risk of its activities being regarded as a project to be pursued or suspended according to overall pressures on the Department. Gradual or purportedly temporary shifts of work towards other areas could undermine the progress made in recent years. In view of the close day-to-day contact between Map Department, Repository and

Conservation we considered the possibility of incorporating Map Department in the new Preservation Department. This would have linked it with the core function of preservation, for which funds are more readily available than for editorial work, and would have protected the staffing levels from all but the most deliberate redeployment of resources. However we believe it is of primary importance that as far as possible each Department should have a single focus and therefore have recommended Map Department's inclusion in the Editorial Department.

(Further discussion of the Editorial Department is at Annex H).

Preservation Department

B.46 Despite the centrality of preservation to the PRO's functions there is at present no management focus for it. Conservation has traditionally concentrated on repairing severe damage already caused, while prevention of damage or deterioration has been the responsibility of Repository. The inadequacy of Conservation's resources ever to meet the need for repair work in full has led them to place increasing emphasis on damage limitation. They are aware that much could be done in terms of correct preparation, packing, storage and cleaning to minimise the inevitable deterioration of paper stored over long periods and/or subject to frequent handling, but at present resources for, and consequently control of, these activities lie with Repository.

B.47 There is duplication of effort between Repository, Conservation and Accommodation on monitoring atmospheric conditions, a lack of communication and some confusion and friction as a result. Problems with both Kew and Chancery Lane sites clearly exist (there has been an outbreak of mould at Kew, atmospheric conditions at Chancery Lane are variable) but it is not clear who is responsible for taking action or for ensuring that future accommodation planning takes existing problems into account, although this will have a significant influence on preservation of the records.

B.48 In particular one of the most effective methods of preserving the records is the production to readers of microfilm instead of originals. At present the conservation microfilming programme is decided by the Head of Repository and Reprographic and agreed with the Head of Division. Search Department is consulted but not Conservation. The programme is subordinate to the provision of copies to readers: at periods of high reader demand or staff shortages, conservation filming stops.

B.49 **We recommend that Conservation and Repository Departments should be combined in a new Preservation**

Department headed by a Grade 7, reporting directly to the G5 Reader Services Division. Although this grades the departmental head lower than others in Reader Services Division, we do not believe that a higher grading is necessary in view of the fact that staff management and technical matters would be handled in Conservation by a Conservation Officer D and in Repository by an SEO assisted by an HEO. We consider there is little justification even now for two HEO posts in Repository and replacing the part-time G7 with a full-time SEO will make it entirely unnecessary: **we recommend the post of HEO Repository at Chancery Lane should be abolished.**

B.50 Once the aims and objectives of Preservation Department have been agreed with the Director, we expect the departmental manager to have freedom to determine the internal policies and procedures of the department without further detailed reference up. The Director could expect to be involved in issues arising from the inevitable difficulty of balancing the demands of preservation of the records and public access to them. There will need to be frequent consultation and liaison with Search Department, particularly in regard to document delivery and the microfilm programme.

B.51 In view of the potential benefits to both the Office and readers of a more coherent and sustained programme of filming, this should not be subordinate to immediate demands. Provision of self-service film will not only reduce reader pressure on the repository but also on the reprographic department itself by allowing for more self-service copying. Less pressure on repository would release staff for packing and cleaning; less reader pressure on reprographics would allow for more conservation filming. We consider a commitment should be made to maintain a continuous programme of conservation filming. **We therefore recommend that an element for conservation filming should be included in the Preservation Department budget and that the programme of filming should be determined by the G7 in consultation with Search and Reprographic Departments.**

Outreach Department

B.52 **We recommend significant change in emphasis within Reader Services by the creation of a separate Outreach Department headed by a new post at Grade 6 to co-ordinate press and public relations, publishing, educational services, exhibitions and marketing.** This new department would absorb the present Library and Museum Department, building on developmental work which has already begun there, and would incorporate the publishing activities of MEMRD and the support for the Friends of PRO currently provided part-time by staff in several departments. As this is a new approach for PRO, some caution should be exercised in expanding activities, and the following proposals for its

internal organisation should be regarded as a guide to the eventual shape of the Department rather than as a detailed prescription.

B.53 While we are generally concerned at PRO's grading of posts at a higher level before it has been demonstrated they cannot be done at a lower, we consider the grading of this post at 6 to be appropriate in view of the holder's need to:

* have a thorough knowledge of the Office and its holdings;

* draw together the elements within the Office on which the new department will be based by the exercise of leadership and management skills;

* act as line manager for experienced professionals recruited from outside PRO, requiring an understanding both of their individual fields of expertise and an ability to mesh their contribution into the Office;

* negotiate, liaise and enter into contracts with a wide range of external and internal suppliers; and

* expand the present press officer role into a more assertive and broadly based press/public relations/information service, requiring authority in dealing with the media and the public.

B.54 Reporting to the Grade 6 would be a professional Publications Officer who would need to be paid on the Grade 7 scale, and a professional Education Officer who could probably be recruited on the SEO scale, the disparate rates reflecting the market rate for the job and not a lower priority for one than the other. The publications officer could also expect to have oversight of the related marketing activities. Editorial assistance would be needed (one HEO and two EOs) and an "enterprise manager", (HEO) with responsibility not only for supervising purchase, stock control and shop activities but also for investigating and developing marketable material. The Education Officer would need executive support in arranging exhibitions, visits, lectures etc and maintaining the museum, but the research element could be "commissioned" from the Editorial Department. The Library would be included within the Outreach Department as an additional income generating service to the public and one also headed by a professional. The librarian could report to the Education Officer but could equally well report direct to the Departmental Manager. The Grade 6 would be assisted by an HEO with particular responsibility for liaison with the Friends of the PRO, routine press matters, and editing of the house magazine. (A chart of the proposed structure of Outreach Department is at Appendix B5).

B.55 A close and clearly understood relationship between the Publications Officer and the Editorial Department which has traditionally handled PRO publishing needs to be established at the outset. The experience of museums and galleries suggests that the best results are obtained by ensuring the independence of the publishing team from scholarly control especially in devising the programme and in marketing so that the publishing activity can serve the needs of the whole organisation and a wide range of consumers.

Departmental Services Division

Present Structure

B.56 The Records Administration Officer (RAO) (Grade 5) heads the Division and is responsible for policy, liaison with LCD and with the Cabinet Office Departmental Records Adviser who has interdepartmental responsibility for security issues relating to records. We were initially doubtful about the justification for the grading of the RAO post at G5. It was not part of our task to carry out staff inspection functions. However the workload and management responsibilities of the post appeared to be lighter than those of the other G5 post and substantially less than G5 posts elsewhere. It was put to us that the grading was needed to enable the postholder to relate on equal terms to senior staff in Departments in advising them on the handling of records under the statutory procedures. We did not think this represented a strong justification. We consider that justification for continued grading of this post at G5 depends partly on the delegation to PRO of responsibilities currently borne by LCD, such as responding to parliamentary questions and Ministerial correspondence.

B.57 Reporting directly to the RAO is a Grade 6 (Liaison) responsible for inspection of places of deposit, issues relating to status of records and selection of government films; a Grade 6 (Appraisal) responsible for appraisal of series of records, classification and listing of new accessions; and a Grade 7 (Principal Inspecting Officer) who as well as having an inspecting officer role with particular reference to sensitive material, is also Departmental Security officer. The Grade 5 and both Grade 6 posts are curatorial; the Grade 7 post is administrative.

B.58 Apart from some EO administrative support the G6 Liaison has no staff responsibilities. The G6 Appraisal although carrying out a curatorial task has no curatorial support: lists of documents for transfer are prepared by Departments, approved by the EOs and checked by the HEO before being passed to the G6. The PIO is line manager to the IOs but tends to act as "first among equals" rather than as leader or manager. There is no direct administrative

support for either the PIO or IOs. Although IOs and EOs share groups of departments, the IOs have no supervisory role in relation to the EOs, who report to an HEO. The EOs are not available to the IOs for administrative or research support. There are in addition a small number of administrative officers, primarily employed on listing and packing small collections of documents which for various reasons have had to be taken into PRO in their "raw" state.

Problems

B.59 The anomalies in this structure appear to us to underlie a number of problems in RAD:

(a) The overlap of interest between the two Grade 6's and the Grade 7 (particularly between the G6 Appraisal and the IO) and the lack of any line management relationship between them despite the inequality of their grading has led to confusion among Departmental Record Officers and RAD staff themselves as to the precise boundaries of their authority. Issues of policy and procedure seem to fall between the two posts with resulting inaction or to be referred up inappropriately to the RAO with resulting delay. There is considerable dissatisfaction among both DROs and IOs at the lack of progress in several areas (See Annex L).

(b) There is no effective management of the inspecting officers. The PIOs role is insufficiently distinguished from their own, and his additional duties reduce the time he can give to supervising, co-ordinating and guiding them. New IOs are traditionally introduced to their job by experienced equals rather than by their line manager. The PIO does not initiate discussions among IOs or monitor their performance in such a way as to maintain consistency in advice given to Departments or in records selected. On the other hand this role does not fall naturally to the RAO; the focus of his work is too removed from the day-to-day work of the IOs of which he has had no first-hand experience.

(c) Lack of curatorial staff at the middle level in RAD has led to a close but uneasy relationship with Modern Records Department. The administrative staff of RAD need to draw on the archival expertise of MRD curatorial staff at the time that records are being selected; the MRD staff draw on the lists produced by RAD in order to develop further finding aids. A cumbersome and time-consuming system has grown up, partly formal, partly *ad hoc* and personal, to answer each side's need for information from the other.

(d) The EOs have inadequate support and supervision. One HEO handles all the lists produced by nine EOs, but as he has no archival training, his role is little more than proofreading and maintenance of standards in terms of format. Moreover he is unable to supervise EOs while they work in Departments and must rely on feedback from Departments either directly or through the IO. Conversely the IO does not see the EO's written work. Neither HEO nor IO is in a good position to make a judgement on the EO's all round performance.

Recommendations

B.60 We believe that the management structure of RAD has arisen as a result of the grading structure of the Office without reference to the real needs of the Division and that a complete solution of RAD's management and other problems is dependent on the introduction of harmonized grading (see Annexes C and L). **We recommend that in the long-term the internal organisation of Departmental Services Division should consist of a Director (G5) and two managers, one heading a Records Management Consultancy (G7), the other an Accessions Department (G6), the latter being subdivided into teams according to Departmental group, undertaking both inspection and documentation work, and staffed with a full range of grades from AA to 7.**

B.61 However until changes in grading structure, training and career development have begun to produce officers fully qualified for the Accessions Department, **we recommend as an interim solution two separate but mutually supportive teams of Inspecting Officers and Documentation Officers each reporting to a Grade 6.**

B.62 **We recommend:**

(a) **expansion of the G5 post to include responsibility for:**

* **overseeing the Division's increasing responsibility for responding to parliamentary questions and Ministerial correspondence;**

* **developing the existing administrative and curatorial staff in the division into appropriately trained and experienced inspecting officers;**

* **co-ordinating the process of change from the short-term structural arrangements to the long-term integration of all aspects of the accessioning process; and**

* more actively promoting good records management and archival practice in Departments by more frequent visits;

(b) the abolition of the G6 (Liaison) post;

(c) the appointment of a G6 (Inspection) to be responsible for:

* establishing the status of records and approving transfers to places of deposit other than PRO;

* formulating a comprehensive selection policy;

* co-ordinating the training and work of IOs;

* access and sensitivity issues; and

* improving communication with and between Departmental records staff;

(d) abolition of the Grade 7 post, transferring the role of Departmental Security Officer to the G5 Corporate Services;

(e) appointment of an SEO to have responsibility for:

* inspection of places of deposit

* occasional audit of the National Film Archive's selection of government films; and

* the organisation of conferences and seminars for DROs;

(f) delegation to individual IOs of liaison on selection and disposal of non-standard records other than films;

(g) **abolition of the post of HEO which will no longer be required following the implementation of the revised listing procedure.** This proposes that EOs report direct to documentation officers graded at HEO-7 who will occasionally need to visit Departments and who will therefore be able to judge EOs work more accurately than present line management.

(h) **expansion of the G6 (Appraisal) post to include responsibility for:**

* **all aspects of policy and procedure relating to classification and documentation;**

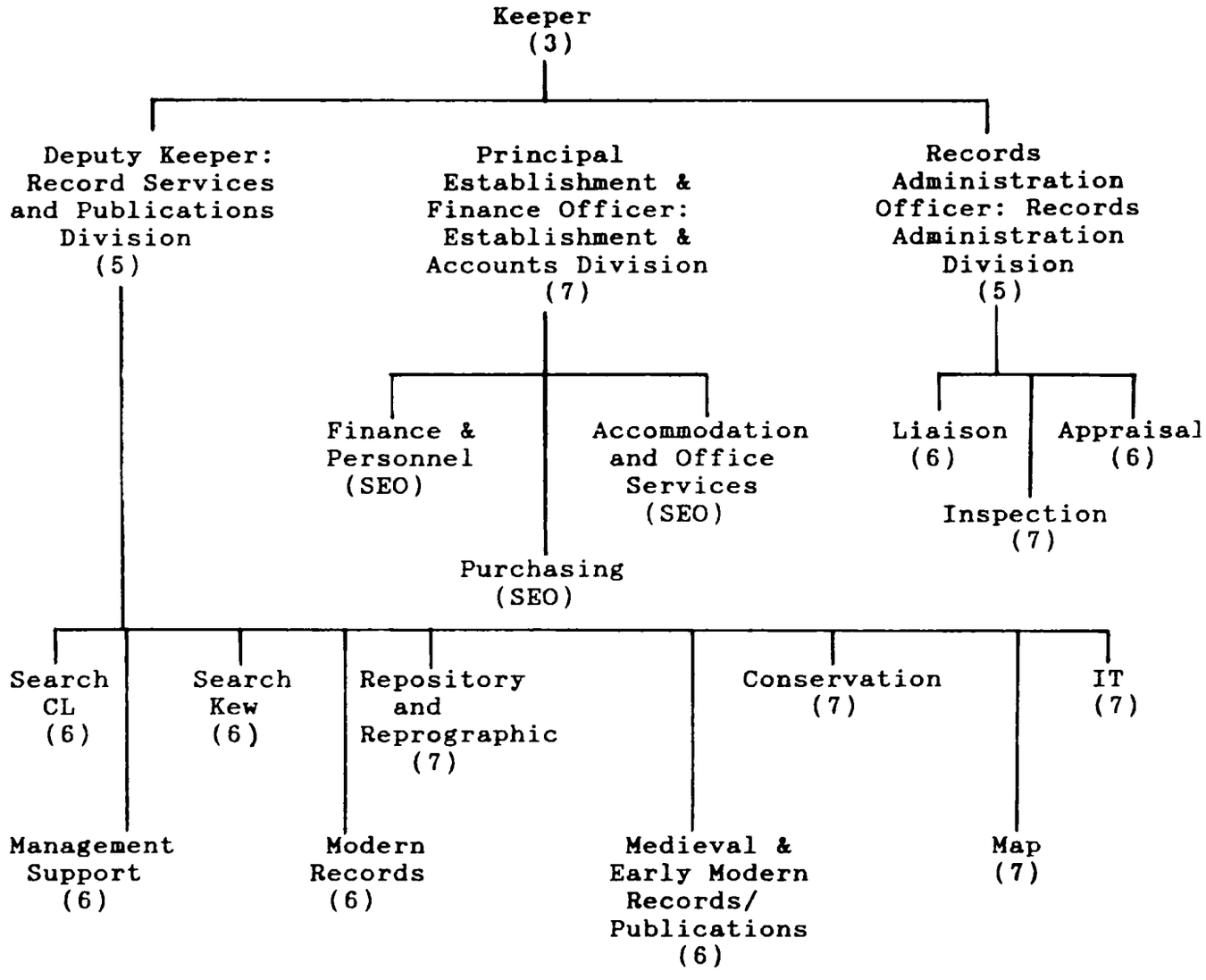
* **improving communication with Reader Service Division departments on archival matters;**

(i) **appointment of a Grade 7 preferably with existing experience and qualifications and if necessary from outside the Office to launch the Records Management Service. Appropriate executive and administrative support should be provided.**(See also: Annex L).

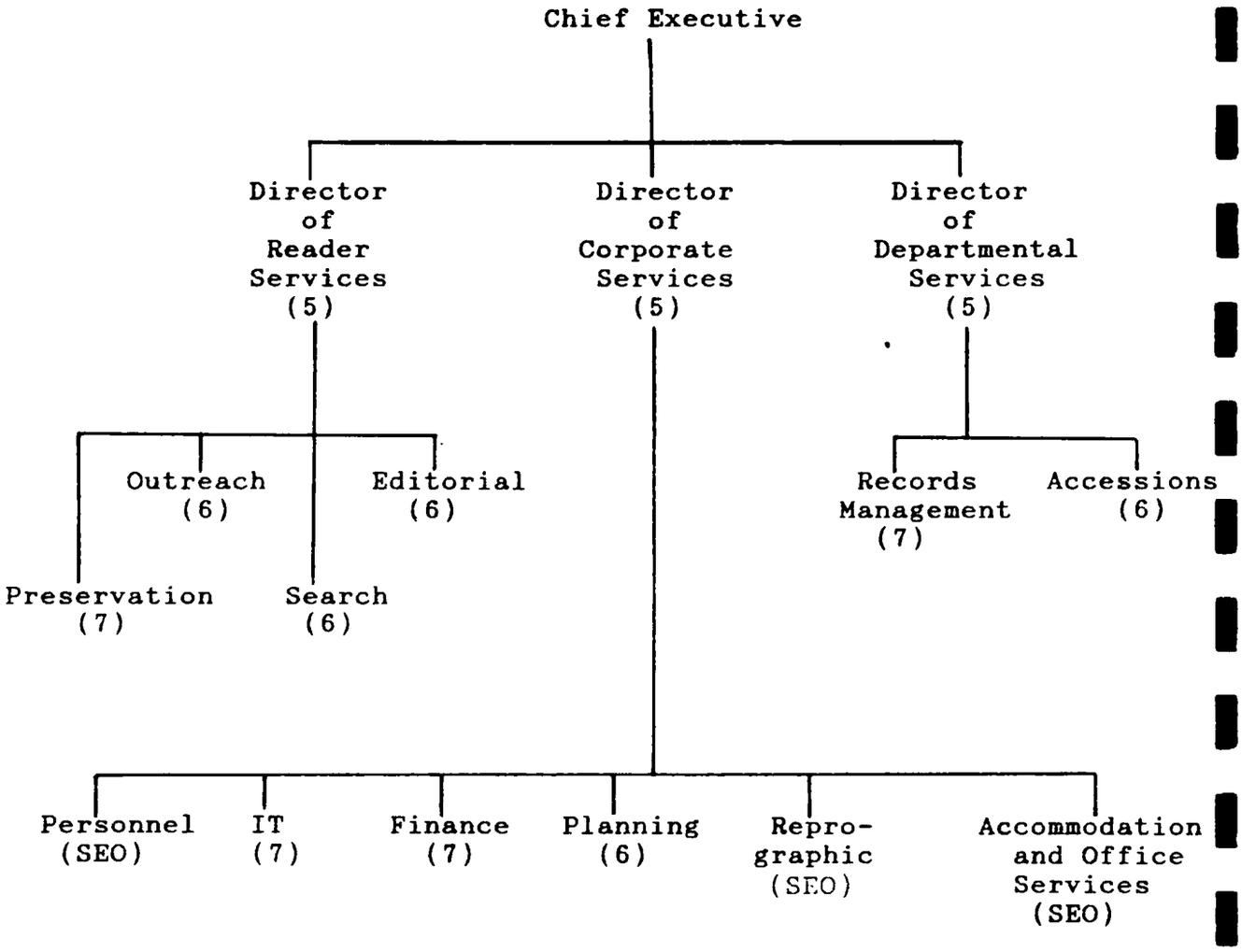
Staffing Implications of Reorganisation

B.63 In redefining, creating and abolishing posts, any reorganisation inevitably has staffing consequences which require management action. Our recommendations imply additionally a gradually changing profile of grades, with more staff at a very junior level (AA) to carry out basic clerical duties, more at HEO and SEO level, particularly in the records-related areas where teams should have a full range of grades, and fewer at AO, EO, G7 and G6. Many of the changes recommended can be met through redeployment and natural wastage combined with a revised recruitment and grading policy. There will be a small number of senior posts where this may not be possible and the Office will need to consider the possibilities offered by early retirement and transfer to other Government Departments.

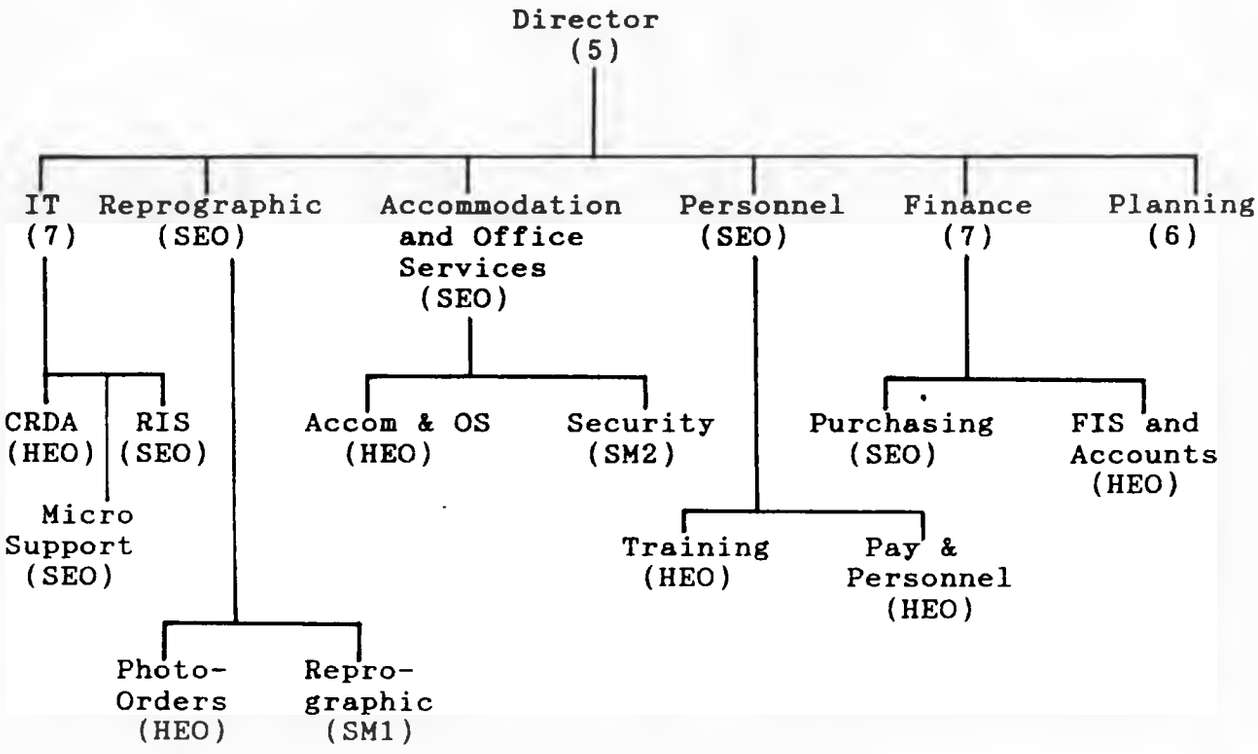
APPENDIX B.1 : PRESENT DIVISIONAL STRUCTURE
showing grades of departmental managers



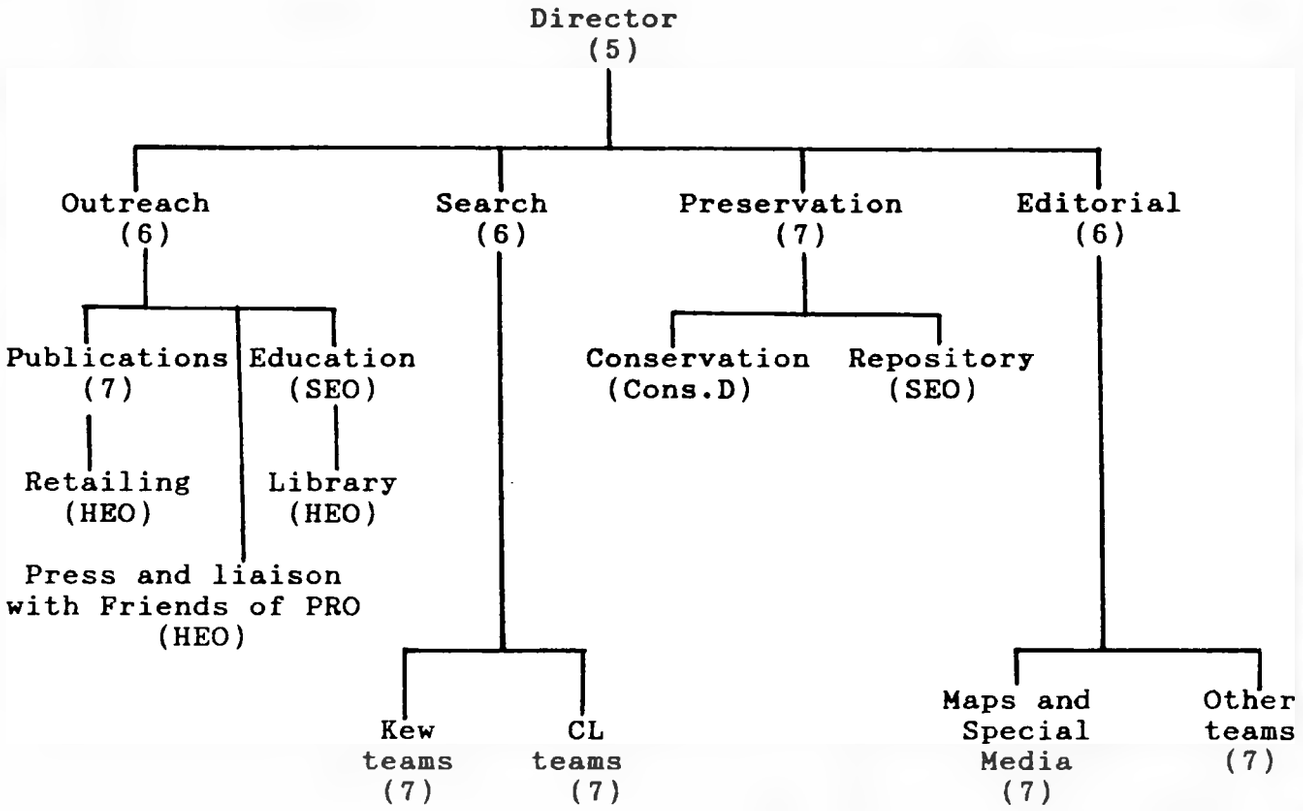
APPENDIX B.2: PROPOSED DIVISIONAL STRUCTURE
showing grades of departmental managers



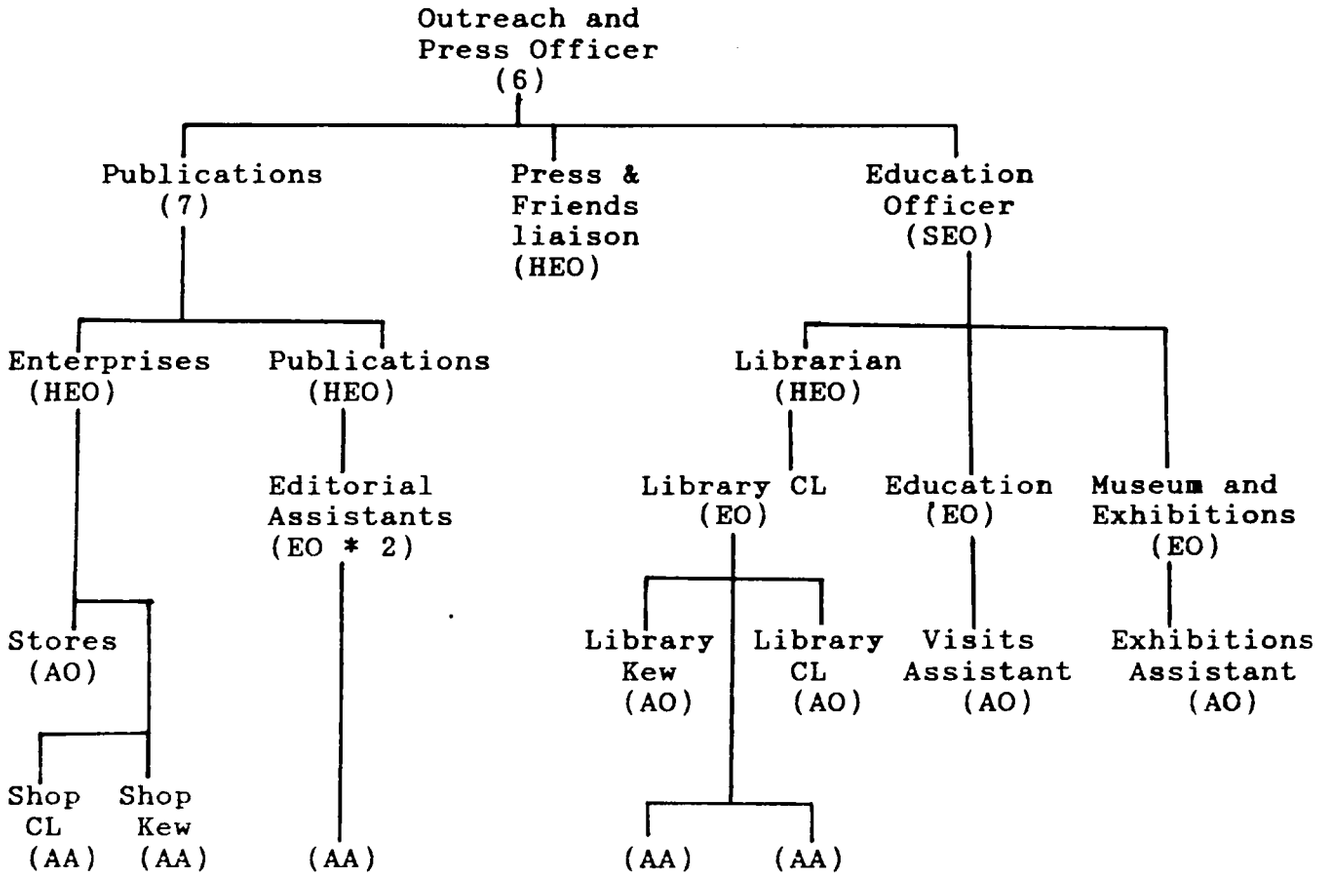
APPENDIX B.3 : CORPORATE SERVICES DIVISION: PROPOSED STRUCTURE
showing grades of heads of departments and sections



APPENDIX B.4 : READER SERVICES DIVISION: PROPOSED STRUCTURE
showing grades of heads of departments, sections and teams



APPENDIX B.5: OUTREACH DEPARTMENT: PROPOSED STAFFING



STAFFING

C.1 This Annex deals with:

(a) the need for an integrated approach to personnel management and the development of a PRO Personnel Management Policy Statement;

(b) the lack of effective personnel information systems;

(c) the quality of staff appraisal and documentation associated with staffing decisions;

(d) the curatorial/administrative grading structure;

(e) the grading of posts; and

(f) training.

PERSONNEL MANAGEMENT

C.2 PRO staff raised with us a number of concerns about the quality of personnel management in the Office. Personnel staff in the Establishment and Accounts Division were relatively inexperienced and felt a need for closer direction. Responsibilities for various aspects of staffing processes fall unevenly between line managers and personnel staff, with much of the detailed administration of curatorial staffing being handled directly by senior management, while similar action for other staff is dealt with by the personnel section.

C.3 We consider that it is appropriate for there to be extensive involvement of line managers in the staffing of their Departments (and our recommendations for a more position-based promotion system will increase this). This however needs to take place in a context where there is adequate support from a central personnel unit:

(a) to provide guidelines and specific advice on particular personnel processes;

(b) to undertake those activities that are best handled centrally.

C.4 Our recommendations concerning the organisation of the Office envisage direction of the personnel function by an SEO and we consider that the leadership and direction to be provided by the Grade 5 Corporate Services Division will be significant in this area.

C.5 Given the importance of good personnel management for the overall efficiency of the PRO and the quality of its services, **we recommend PRO develop a Personnel Management Policy Statement.** This would stress the importance attached by management to the effective staffing of the organisation, fair treatment of staff, their opportunities for advancement according to ability, and their opportunities for career development and training and set out the approaches to be adopted by managers in the key areas of staff recruitment, promotion, postings, appraisal, welfare, probation, discipline, handling of inefficiency, leave of various types, part-time employment, career breaks and so on. The statement should also make it quite clear which matters are to be dealt with by line managers and which need to be referred to the personnel section or to senior management.

STAFFING INFORMATION

C.6 We were concerned about the quality of staffing information which was available to management; basic data about the number of staff in post, their departments, their grades and their location was not always readily available. **We recommend that the Office undertake a review of its personnel information needs and that it develop appropriate systems.**

STAFF APPRAISAL AND STAFFING DOCUMENTATION

C.7 Concern was expressed both by staff and more senior management that there were marked inconsistencies in the approach taken by line managers to staff appraisal. Such inconsistencies may arise in part from uneven grading of posts. Staff confidence in the organisation's appraisal system, particularly given its increasing significance for career advancement and performance pay, is essential. **We recommend that senior management ensure that countersigning officers are aware of their role in encouraging consistency in reporting standards and that there should be regular and systematic review by Personnel and senior management of the quality of the appraisal system.**

C.8 Concern was also expressed by staff about the adequacy of supporting documentation for, and communication of, a variety of decisions about the duties of posts and staff management. **We recommend that the Personnel Management Policy Statement stresses the importance of proper documentation and communication of staffing decisions and that senior management and the personnel unit follow best practice and ensure that line management know what is required.**

GRADING STRUCTURE

Curatorial Grading

C.9 The Office recruits history graduates with research degrees or an archives qualification as curatorial Officers and employs them in through-graded posts, graded F-Grade 7. The normal career pattern is for a new curatorial officer to have an initial one- or two-year training period at Grade D, E or F (the level of recruitment and the length of training depends on the experience and qualifications of the entrant). On successful completion of training, he or she would be promoted to Grade D and thereafter can expect fairly rapid promotion to Grade 7. The mechanism for promotion is that the curatorial Officer appears before a promotion board to satisfy it that he or she is capable of undertaking work at Grade 7 level; a successful candidate would be promoted if work was available and needed at that level. Promotion is personal rather than post-based and is designed to reflect expertise, as well as administrative and managerial ability. There are some similarities to the AT scheme.

Administrative Grades

C.10 The administrative grades enjoy a more conventional career pattern and are recruited as AOs, or EOs (increasingly, graduates have been recruited into these grades) and have to pass through annual promotion boards, but can only be promoted if a vacancy occurs. After a short introductory training, they learn on the job. Currently, a brief training in archival theory and practice is proposed for non-specialists. In recent years, there has been a growing tendency for administrative staff in the Establishment and Accounts Division to specialise in certain areas (e.g. personnel work) and for them to acquire marketable skills which they can use elsewhere.

Employment of Staff

C.11 Curatorial staff are normally employed on records-based work. They occupy the senior positions in the search and editorial departments and are responsible for management of the Conservation Department and the Museum and educational activities of the Office. The new-building team in MSD is staffed by a Curatorial Grade 7, whose post has a high administrative content. Administrative staff are employed across the whole of the Office, working on records at junior levels in search or editorial departments and at more senior positions in Records Administration Division as well as in the general administrative posts in the Establishments and Accounts Division. In the case of the Inspecting Officers (SEOs) in RAD, who are employed on the selection of records, there is clearly a significant curatorial element in their posts as their work requires a familiarity with contemporary

history, the structure of government, and research trends, as well as current records management practice.

Disadvantages of the present structure

C.12 We believe the present structure has severe disadvantages for the Office; unless it can be changed, then many other improvements will be difficult, if not impossible, to implement. The essential problem is that there is a mismatch between the grading structure and the Office's operational requirements. The Office needs staff with a range of abilities and skills to fulfill its functions. It needs staff with knowledge of administrative history, archives theory, records management and paleography to be able to select, classify, and describe records and to advise on their use, either in the reading rooms, or by way of publications. It also needs staff with specific skills in finance, personnel, accommodation management and training, as well as with broader management abilities. Some of these skills can be acquired by recruiting suitably qualified staff, others can only come through on the job experience. All staff need to feel part of a system that provides them with opportunities to develop their career. The current grading structure is unsatisfactory for the following reasons:

(a) Staffing rigidities: the Office has been able to recruit a number of high quality EOs who wished to have a career in records, but, because the opportunities for transfer into the curatorial grades were very limited, were faced with the need to undertake purely administrative work if they were to further their careers and some have left to take up records-related work in other institutions. Similarly able administrative staff have left because they felt that they did not have access to the senior posts in the Office or because they wished to specialise in personnel or finance work. Equally, it is difficult for many curatorial officers to obtain the sort of experience of finance and administration which is needed to equip them for the higher posts. It is possible for administrative staff to be put onto the crucial job of selecting records for permanent preservation as Inspecting Officers without any experience of records work. Those who do have records related experience tend to have gained it at AO or EO level, as there are very few records related posts at HEO level.

(b) Inefficiencies in line management: in the editorial departments, there are two hierarchies, one consisting of curatorial staff, who report direct to the Grade 6 and the other, consisting of EOs and AOs, who report to the Grade 6 through an

HEO. Any attempt to get staff from both hierarchies to work on the same project invariably leads to disputes over line managment; often the curatorial staff are responsible for supervising the work of administrative staff, but not for their line management. In RAD the Inspecting Officers are managed by an administrative grade 7, whose job has a high degree of archival content, while the team of EOs is managed by an HEO who is responsible to a curatorial Grade 6, who also has responsibility for the appraisal of records. We found it very difficult to discover the intended distinction between the Grade 6 and Grade 7 posts and believe that their existence is a reflection of the present grading structure, rather than any real operational need.

(c) Poor staff relations: the grading structure has led to the development of separate cultures with the inevitable friction and mutual suspicion that this engenders. A particular cause of ill-feeling among administrative staff is the inequality of opportunity represented by through-grading, the lengthy training given to curatorial staff and the perception that all except four grade 7 posts and all higher positions are, in effect, reserved for curatorial staff.

Need for change

C.13 We wish to see greater flexibility for management in staffing the Office and better career opportunities for all staff, while preserving the ability to recruit and retain high quality graduates with aptitude for archive work. In considering options for change, we have taken the view that the main obstacles to integration are the persistence of through-grading and the great disparity in training. We are also conscious of the need to produce a workable scheme which would fall within existing civil service grading structures and would be cost-effective.

Possible options

C.14 We have considered two options which are set out below.

Option (a): Separate grading for records and non-records work

C.15 Under this arrangement, posts would be defined as being either records-related, or purely administrative with staff employed on either the curatorial or administrative scale as appropriate. In practice, this would mean that all posts in RAD, Search, Editorial and Museum sections would be curatorial. Junior staff in those departments, currently in

administrative grades would move to corresponding curatorial grades. Some movement between scales would be permitted, but staff would normally be expected to choose a career in one or the other. This might entail standing arrangements with other departments to allow career moves for administrative staff. In both streams, promotion would be to specific posts rather than to grades and through-grading would be abolished. To some extent, staff would be able to manage their careers by applying for particular jobs.

Option (b): Unified grading across the whole Office

C.16 In this scheme, all administrative and curatorial staff would be employed in a new Archives Officer structure specific to the PRO with rates of pay the same as those paid on the administrative scale. Recruitment would normally be at EO level but with provision for recruitment at higher grades if appropriate. Promotion would be to individual posts, not to grades and individuals would, by and large, be able to manage their own careers by applying for specific jobs. Particularly talented staff would still be able to gain quick promotion as there would be no restrictions on the time they had to spend in a particular grade and grade skipping would be permitted.

Assessment of options

C.17 Option (a) would have the advantage that the PRO would be clearly seen to be placing emphasis on its scholarly traditions and its comparability with other organisations such as libraries and museums which use curatorial grades. The PRO would be perceived as placing proper emphasis on its ability to recruit and retain high quality staff who are interested in records-based work.

C.18 This option, however, has major disadvantages. It would essentially retain the present division between curatorial and administrative staff, although with different boundaries, with each group becoming entrenched in its own area of work. It would be difficult for the curatorial staff to gain expertise in finance or management, while the administrative staff would rapidly lose touch with the main aims of the Office. The antagonism which now exists would not be removed. Moreover, there would be a difficult transitional phase, in which it would be necessary to reassess the career patterns of many of the administrative staff in records related areas. The disparity in pay scales between the two streams would inevitably lead to tensions in the transition process.

C.19 Besides greater flexibility for management in staffing decisions, an advantage of unified grading across the whole PRO (option b) is that it would enable staff to select the career pattern that met their wishes and best suited them;

they could, if they wished, specialise in records work, or administration, or move between the two. Existing barriers which restrict the ability of people to chose their own career path would be removed. Recruitment at EO level and the possibility of fast promotion would allow the PRO to offer a good career to bright graduates and thus to preserve its traditions of archival expertise and knowledge of the records, while also allowing it to recruit able staff who wished to specialize in administration. It would allow greater flexibility in staffing structures. It has been put to us that this change would, in some way, lower the PRO's status in the archival community, among historians and in the eyes of potential recruits. Our enquiries among historians and archivists have led us to form the view that most are unaware of the specific details of the PRO's grading structure and would not be aware of the significance of any change to it. This change would in our view be unlikely to affect graduates' employment wishes.

C.20 In addition, option (b) would be significantly cheaper. Because of the larger numbers involved, the cost of converting administrative staff to curatorial grades would be about £209,000 more over a five-year period than the cost of converting curatorial staff to administrative grades. In the longer term this could be even greater because the curatorial scale has more performance points.

Recommendation

C.21 We recommend option (b): unified grading for all curatorial and administrative staff. The pay scales would be based on those of the administrative grades, but the grading titles would be PRO-specific. Below unified Grade 7 we recommend a structure of Archives Officer Grades 8 to 12 equivalent to SEO/curatorial D (8), HEO/curatorial E (9), EO/curatorial F (10), AO/curatorial G (11) and Administrative Assistant (12). Grades 6 and 7 would be unaffected although the generic description Archives Officer could be applied to them.

Detailed considerations

C.22 The introduction of unified grading would require attention to be paid to the following issues.

Grading of posts

C.23 Posts within the PRO should be carefully examined to determine at what grade the work should be done and what particular skills and aptitudes are required from the postholders.

Staffing

C.24 Detailed arrangements for appointment, promotion and transfer would have to be developed. These would need to include:

(a) management's ability to recruit by open competition or by trawling in suitable cases;

(b) provision for promotion from Archives Officer Grade 11 (AO/curatorial G) to Archives Officer Grade 10 (EO/curatorial F) notwithstanding the proposed use of Grade 10 as a recruitment grade for appropriately qualified entrants;

(c) arrangements for suitable members of secretarial, support and conservation grades to move sideways or to be promoted into Archives Officer posts above the recruitment level;

(d) staff with the necessary ability would be able to skip grades, while there would be no restriction on the time individuals would have to spend in a particular grade before they became eligible for promotion;

(e) promotion would normally be to a specific post, rather than to a grade and individuals would normally expect to manage their own careers by applying for suitable vacancies on promotion or transfer; and

(f) management would retain the ability to transfer staff to meet the operational needs of the Office, but so far as possible would take individuals' wishes into account.

Qualifications

C.25 The specific qualifications and aptitudes required from recruits at all levels would need to be determined. The normal entry level for graduate staff would be at Archives Officer Grade 10 (EO/ curatorial F), and we would expect that attempts would be made to recruit staff with archival qualifications or experience and with management potential. Salary levels of this grade would be sufficient to enable the Office to recruit newly qualified archivists.

Length of postings

C.26 The desirable period for staff to spend in each particular department or specialism should have be identified. Many users and user organisations have complained that as soon as a member of Search Department staff obtains sufficient expertise, he or she is moved to

another job. This is clearly inefficient and more attention needs to be paid to ensuring that staff remain in post long enough to repay the investment in their training.

Existing curatorial staff

C.27 The position of existing curatorial Officers F-D would have to be reviewed; and appropriate arrangements made for retaining their existing salary or promotion rights.

IT staff

C.28 The present right of staff in the IT specialism to hold 'local' administrative rank within their specialism independent of their substantial departmental grades will also need to be considered in the new context.

GRADING OF POSTS

C.29 Although we have not carried out a detailed, post-by-post assessment - the role of a staff inspection team rather than of an efficiency scrutiny - our impression, supported by the comments of some staff, is that a number of posts in the PRO are overgraded compared with similar institutions and other government Departments. We believe this arises from the following.

(a) PRO's isolation as a small Department: this leads to a tendency not to make comparisons outside its own organisation. Internal comparisons seem to result in new or well-loaded posts being graded on a par with existing posts regardless of whether there is adequate justification for the existing grades. **We recommend that grading of all new posts should be considered critically in the light of existing guidelines, comparable institutions and market forces; posts should be graded at the lowest level consistent with effective performance; and should be upgraded where this is the only solution to the problems which have arisen.**

(b) Weakness in the appraisal and promotion system: inconsistency in reporting-standards, combined with a promotion system heavily dependent on report markings and promotion in strict order of merit without consideration of the candidate's suitability for the particular post has resulted in officers being promoted beyond their ability and/or placed in unsuitable posts. On occasions poor performance in post is interpreted as proof of the post's difficulty, not the officer's inadequacy, with a resulting tendency to over-grade.

(c) Lack of job and skills related training: again, this leads to poor performance and the consequent overrating of a post's difficulty.

(d) Lack of written guidelines and instructions from the broad policy level down to desk instructions: the difficulty and hence the grading of many posts is increased by the extent to which officers have to reinvent the wheel.

(e) Inadequate administrative support: we consider that many officers, not only at AO level but even as high as Grade 7, are carrying out duties more appropriate to the most junior administrative staff (AA) simply because the Office does not recruit sufficient staff at this level. There is a very small number of AAs considering the scope in most departments for their employment full-time or part-time on such basic clerical duties as filing, and photocopying. For higher grade staff to carry out such tasks is not only a waste of resources but tends to create an impression that the post-holder is excessively stretched and busy with consequent risk of overgrading. **We recommend the employment of more AAs throughout the Office.**

C.30 Our recommendations about consistency of reporting standards; promotion based on individual suitability for particular posts; training more closely related to identified job-specific skills and less to general personal development; comprehensive written guidelines at all levels; and a fully integrated system of job descriptions, performance indicators, manuals, statements of objectives etc, co-ordinated and maintained by an officer within the Planning and Evaluation Unit are intended to overcome many of these problems and will assist in reducing grade drift.

C.31 We believe that over time worthwhile resource savings and efficiency gains would result from a more rigorous and critical analysis of the duties and grading of new and existing posts and from a long-term commitment to ensuring gradings are more in line with other organisations and market requirements.

C.32 PRO is currently obliged to use Treasury staff inspectors. **We recommend that with transfer to Agency status, PRO should be permitted to untie from Treasury and establish appropriate alternative arrangements with LCD, either for the use of LCD staff auditors or outside consultants.** We consider there is an urgent need for PRO to review the duties and grading of all its administrative/curatorial grade posts and **we recommend that PRO establish a programme for such a review in consultation with LCD.**

TRAINING

C.33 The Office's training unit is responsible for providing job-related and general management training. The particular needs of individuals are met by external courses, while there is a range of in-house courses on general management issues. Individual departments also run training days for their own staff.

C.34 We are concerned about the great disparity in training for curatorial officers and other staff. An example of the effects of this disparity is in RAD, where new Inspecting Officers, who are responsible for overseeing the selection of documents for permanent preservation and who may have had no previous records related experience, have received no theoretical training at all and only minimal training on the job. Similarly, the EOs in RAD, who are primarily responsible for maintaining the quality of lists produced in departments, only receive on the job training.

C.35 At present, curatorial staff have a two-year training programme, which is managed by a curatorial training officer (currently the Grade 7 in charge of the museum) in close conjunction with the Deputy Keeper. The training covers the organisation, aims and work of the Office, the records, archival and scholarly principles, practices and techniques and their application in the PRO, as well as relevant administrative and management techniques. It is largely based on a series of attachments to departments, as well as seminars and individual study. This training is much resented by non-curatorial staff, while some curatorial trainees feel that the quality of work and supervision they receive on their placements is sometimes inadequate.

C.36 Other staff receive a brief introductory familiarisation course and then have to rely on on-the-job training. It is intended to run a brief introductory training course in archival theory and methodology for non-curatorial staff in 1991. A small number of non-curatorial staff have been sponsored by the Office to study for University College London's postgraduate diploma in archive studies.

C.37 Clearly, it would not be possible for the Office to provide a two-year, in-depth training for all new entrants. **We recommend that the Office institute a modular programme of archival training for new entrants at EO level. The programme should be capable of meeting the Office's needs for staff who have appropriate skills and knowledge of the records and should be undertaken within the first five years after joining the Office.**

C.38 The programme should cover all the archival elements which are included in the present curatorial training programme:

(a) legislative background to the Office;
(b) archival principles,
(c) archival organisations in the UK and overseas,
(d) archival and scholarly knowledge and skills,
(e) holdings,
(f) selection,
(g) transfer,
(h) preservation,
(i) description, and
(j) access and outreach.

Training should consist of seminars, together with on-the-job training and individual study. Consideration should be given to the possibility of involving London University and local archives in the programme.

C.39 We are also concerned about the balance between job-related training and more general management training; our proposed new grading structure is based on an assumption, reflecting trends elsewhere in the Civil Service that individuals will have a greater say in their own careers and will seek jobs within the Office which enable them to use their skills to the full and allow them to develop new skills for the future. **We recommend that there should be an integrated approach to training, managed by a training unit within Corporate Services Division; emphasis should be placed on identifying the training needs of individuals and available resources should mainly go into individual, job-related training.** The training unit should maintain a critical eye on the various alternative suppliers of training to ensure that the best value for money is being obtained.

SHOULD THE PRO BECOME A NEXT STEPS EXECUTIVE AGENCY?

D.1 One of the Scrutiny Team's terms of reference is "to make proposals on the future status of the Office, in particular on whether it should be established as a Next Steps Agency".

D.2 **We recommend that the PRO become a Next Steps Executive Agency, renamed as 'The National Archives', on 1 April 1992.**

Background

D.3 On 18 February, 1988 the Prime Minister made a statement in the House of Commons accepting the recommendations of the Efficiency Unit's report "Improving Management in Government: The Next Steps". The report recommended that to the greatest extent practicable the executive functions of Government, as distinct from policy advice, should be carried out by units clearly designated within Departments, referred to in the report as "agencies". Responsibility for the day-to-day operations of each agency should be delegated to a Chief Executive who would be responsible for management within a framework of policy objectives and resources set by the responsible Minister, in consultation with the Treasury.

D.4 When considering whether a particular organisation, or part of an organisation, should become an Agency, Government policy requires that certain questions be asked about the organisation's functions and about possible alternatives to agency status.

Functions

D.5 Although there are no fixed criteria, common features are that prospective agencies are, or can be made:

(a) discrete administrative units, sufficient in size to justify major structural change;

(b) wholly concerned with the delivery of services to the public or the government; and

(c) independently accountable.

Where the day-to-day involvement of the Minister is inevitable or where policy and its execution are inextricably linked, the organisations concerned are unlikely to be suitable candidates for agency treatment.

D.6 We consider that the PRO fits this agency profile well. The PRO has always been a discrete administrative unit and it is of sufficient size to be an Executive Agency. The PRO is very much in the business of delivering services to the public and to the Government. The PRO is already independently accountable, the Keeper of Public Records being appointed as its Accounting Officer.

D.7 The view has been put to us that the PRO has a policy role that would call into question its suitability for Executive Agency status. We do not share this concern. It is true that the PRO has a policy role,but this is generally limited to advising the Lord Chancellor on the exercise of his various statutory powers under the Public Records Act. Little policy development work is carried out. There are many examples of Executive Agencies which have policy advice responsibilities of this kind. The PRO is an organisation that is primarily operational in character and concerned with the delivery of services to its various users, including Government but which has some ancillary policy responsibilities. An advantage of Next Steps is that the Framework Document setting out the relationship between the responsible Minister, his or her Department, and the Executive Agency can be used to specify the roles of the Department and Agency in providing policy advice. The PRO's role in advising the Lord Chancellor should continue and indeed we see scope for more direct communication of advice between the PRO and the Lord Chancellor and a corresponding reduction in the Lord Chancellor's Department's role in the handling of various relatively routine policy matters. Details of this are further discussed in paragraphs D.26-35 below.

Alternatives to Agency status

D.8 In considering the PRO as a potential agency we are required to consider the alternatives of privatisation, contractorisation/market testing, conversion into a public corporation, and abolition.

Privatisation

D.9 Privatisation is seen as providing all the managerial freedoms and disciplines sought by the Agency approach and, consistent with the Government's policy, should normally be regarded as the preferred route unless there are compelling reasons to the contrary. In the case of the PRO, we see privatisation as being neither practicable nor desirable. First, there is the question of Government's own interest in its records. The public records are, after all, the records of Governments. Although a point is inevitably reached when a record becomes so old that it is of no possible practical use to a present day Government, this line is not always easy to draw and we have been impressed by the extent to which records up to 200 years old are used for current

purposes by Government. Secondly the Government may have a keen interest in questions relating to public access to its records, particularly ones concerning international relations and intelligence and security matters. The Government interest in regulating access to such documents cannot be assured unless it retains control of them. Thirdly, persuasive arguments have been put to us that maintenance of what is, in effect, the nation's collective memory is inherently a core function of Government.

D.10 Fourthly, and more pragmatically, the business of selecting, preserving, and providing access to the public records is never likely to be a commercially viable proposition. While we wish to see the PRO become more outward-looking and commercially oriented, offering services that have potential for producing additional revenue, we do not see any satisfactory long term alternative to Government funding of the PRO's core functions.

Contractorisation/Market testing

D.11 Elsewhere we comment that the PRO has not given effect to the Government's policy that wide-ranging areas of departmental activity should be subject to a rigorous programme of market testing with a view to assessing where functions can be more economically performed by private contractors. We note that there are already areas of the PRO's activities, especially in editorial and publications work, where the service is provided by outside contractors on a fee for service basis. We consider it important that early attention be given to market testing such functions as security, cleaning, and various reprographic services. We do not, however, see the scope for contracting out parts of the PRO functions as being so extensive as to undermine the viability of the PRO as an Executive Agency.

Public Corporations

D.12 Large executive operations which already have an arm's length relationship with their parent Departments are seen by the Government as potential candidates for conversion into public corporations especially where they are currently established as Trading Funds. Given recent legislative developments that enable Executive Agencies to attain Trading Fund status and the stated intention that agencies should have the degree of financial flexibility that they need for the most efficient and economic performance of their functions without incorporation, we see little merit in the PRO becoming a public corporation and note that this form of organisation is better suited to bodies whose objectives are more commercial than those of the PRO.

Abolition

D.13 In some circumstances closer examination of particular services as part of the preparation for setting up an agency will call into question whether they are needed at all. For the reasons discussed in Chapter 1 of the Report we are satisfied that the functions of the PRO should continue.

Some Misapprehensions

D.14 In the course of the scrutiny we became aware of widespread misapprehensions about Executive Agencies.

D.15 First, there is a misapprehension that Executive Agencies are required to be largely self-funding. This is not the case: many Agencies are funded by the Exchequer.

D.16 Secondly, the view has been put to us that the influence that the PRO has on Departments is limited and precarious and that agency status could have an adverse effect by creating the impression that the PRO was being relegated to an outer ring of Government organisations. We consider that this concern is misplaced. Agencies are now becoming so widespread in the Civil Service that they will soon cease to be seen as exceptional. Further, as an Agency, the PRO should operate in a more businesslike manner and thereby be more effective in its dealings with Departments. And finally, the relationship between the PRO and Departments is based on statute; the PRO's effectiveness will turn on the quality of its operations and its preparedness to assert its statutory role rather than whether or not the PRO is an Executive Agency.

D.17 Thirdly, concern and scepticism has been expressed to us by PRO staff members, especially at the more junior levels, that the real purpose for establishing Executive Agencies is to reduce staff terms and conditions of employment. This view is ill-founded. Next Steps is about delivering high quality services to customers as efficiently as possible. This requires the retention and recruitment of good quality staff who are then trained and developed by the organisation to develop their skills and expertise so that high quality services can be provided. Job satisfaction is dependent upon satisfactory terms and conditions of employment and is, in turn, a precondition to the organisation's ability to meet both its quality and productivity goals. Staff of Agencies remain civil servants and in general have retained civil service terms and conditions of employment.

Timing

D.18 We consider our recommendation that the PRO become an Agency on 1 April 1992 will allow sufficient time for the necessary preparatory work to be undertaken in a deliberate

and well-co-ordinated way, yet not leave it so late as to lose the momentum for change which we wish to see built up during 1991.

Framework Document

D.19 Central to setting up the PRO as an Executive Agency will be the development of a Framework Document setting out details of the PRO's functions, its aims and objectives, its overall planning framework including the indicators by which its performance is to be measured, describing the key relationship between the Lord Chancellor and the Keeper, and outlining the more important elements of its management, staffing and employee relations practices. An Outline of a possible Framework Document is set out in an Appendix to this Annex. Particular attention will need to be given to:

(a) the role of the Keeper/Chief Executive;

(b) the development of appropriate performance indicators;

(c) the relationship between the PRO and the Lord Chancellor's Department; and

(d) the role of the Advisory Council.

The first three are discussed further below; the fourth is the subject of separate discussion in Annex N.

Role of the Keeper/Chief Executive

D.20 Next Steps emphasises the personal responsibility of the Agency Chief Executive for ensuring that the Agency meets the stretching performance targets set for it by the responsible Minister. Chief executives are therefore normally selected on the basis of their management abilities and leadership potential. In the case of the PRO the question arises how readily the combination of those management abilities and the more professionally oriented historical research and archival skills traditionally associated with the office of Keeper can be found in one person. We have considerable reservations about the practicality of making any distinction between the role of Keeper and that of Chief Executive not least because the statutory duties relating to the preservation of the records require the Keeper to be responsible for the direction and management of the PRO as a whole.

D.21 We recognise that this is a matter on which views differ and appreciate the concern expressed to us that placing emphasis on management abilities could be seen as jeopardising the regard in which the PRO is held by the wider academic community. We are also aware of the view that it is possible for the necessary managerial direction

and support to be provided at a level below the office of Keeper.

D.22 We do not consider that the standing of the PRO in the wider community should be seen as dependent on the academic reputation of the Keeper. We consider that the scholarly reputation of the PRO should rest on the excellence, research skills and archival expertise of the broader range of PRO staff. With a greater emphasis on the leadership and management role of the post of Keeper, and the more energetic outreach programme that we wish to see put in place, we see scope for an enhanced academic reputation for the PRO resulting from better managed research projects, publications and educational services.

D.23 Representation of the PRO in the international archives community has, over the years, been given a high priority by Keepers of the Public Records. Whilst we would not wish to underestimate the importance of international co-operation in the field of archives and the need for the Keeper/Chief Executive to take an appropriate role in that activity, we would expect that the professional archival contribution could frequently be undertaken at a level lower than that of the head of the organisation.

D.24 A further highly desirable quality that we should emphasise, given that the public records are the records of government, and that the Keeper has a statutory responsibility for the supervision and co-ordination of their selection for permanent preservation, is familiarity with the overall processes of Government and the way in which Government records are created and used.

D.25 The ideal appointee would be an excellent manager, highly regarded in the archives community and familiar with the processes of government, but we have given careful consideration to the question of which way the balance should lie if this desirable mix of skills is not available. The view of the present Keeper is that greater weight should be placed on management abilities. **We agree and recommend that in the selection of a Chief Executive, careful consideration be given to the appropriate balance of:**

(a) management and leadership qualities;

(b) archival expertise and standing; and

(c) familiarity with the overall processes of government and the ways in which government records are created and used;

with due emphasis being placed on the first.

Relationship between the Lord Chancellor's Department and the PRO

D.26 This relationship will need to be carefully specified in the Framework Document. We suggest changes will need to be made in aspects of this relationship in the transition to Agency status, in particular to the handling of:

(a) significant policy questions;
(b) the exercise of the Lord Chancellor's statutory powers under the Public Records Act;
(c) Parliamentary Questions;
(d) correspondence from PRO readers and Members of Parliament to the Lord Chancellor; and
(e) PRO management issues.

D.27 At present there is little if any direct communication between the PRO and the Lord Chancellor and his Private Office, communications being channelled through LCD. Contrary to quite widely held opinion, LCD has very little involvement in management issues affecting the PRO. The PRO operates as a separate Department with the Keeper as Accounting Officer. While for administrative convenience the PRO's Public Expenditure Survey bids are consolidated with the bids for LCD as a whole and its other outrider organisations, LCD has no role in any decisions concerning the resources available to the PRO. The PRO deals directly with the Treasury on this.

D.28 Significant policy questions: We doubt whether it is possible to be definitive about the respective roles of LCD and PRO when it comes to policy matters affecting the public records. We note that in other jurisdictions the archives organisation itself is regarded as being the primary source of advice to Government. However, **we recommend that LCD continues to take the lead on main policy developments.** For example the major policy questions that would be involved in a significant revision of the Public Records Act might best be handled by LCD in consultation with other interested Departments because of its greater familiarity with the Lord Chancellor's priorities and parliamentary and legislative processes. However there will always be a need for close co-operation as LCD lacks PRO's detailed knowledge of the practical workings of the Public Records Act.

D.29 On minor policy issues, advice could be provided directly from PRO to the Lord Chancellor, subject as necessary to prior consultation with LCD.

D.30 Statutory Powers: The Lord Chancellor has various statutory powers under the Public Records Act ranging from the sensitive questions of extended closure or retention of records by Departments to the more routine approval of places of deposit and the loan of records to other institutions. Successive Lord Chancellors have delegated

the less controversial matters for decision by LCD officials, legal advice being to the effect that delegation of these powers could not be made to officers of the PRO. At the time of reporting this advice was being reconsidered. If it is confirmed, **we recommend amendment of the Public Records Act to enable the Lord Chancellor, if he so wishes, to delegate his statutory powers to appropriate PRO officers.**

D.31 **We recommend that instruments requiring the Lord Chancellor's signature be submitted directly to him by the PRO following consultation, where necessary, with LCD.**

D.32 Parliamentary Questions: The arrangements for handling Parliamentary Questions to be set out in the Framework Document will need to take into account relevant comments in the Eighth Report from the Treasury and Civil Service Committee, Session 1989-90, HC 481 and the Government's response "Progress in the Next Steps Initiative" of 31 October 1990 (CM 1263) and guidance set out in Ministerial correspondence of the same date. **We recommend direct communication between the Lord Chancellor's Private Office and the PRO on the answering of Parliamentary Questions, with the role of LCD being confined to consultation.**

D.33 Correspondence: Similarly, **we recommend that with the transition to Agency status more direct channels of communication be established for the handling of correspondence to the Lord Chancellor about the PRO.** As with other Agencies, it will frequently be appropriate for a letter to be sent to the correspondent by the Lord Chancellor's Private Office explaining that the matter falls within the responsibilities of the PRO and that a substantive reply will be sent direct from the PRO. Where it is appropriate that there be a substantive personal reply from the Lord Chancellor **we recommend that this usually be the subject of direct communication between the Private Office and the PRO, with LCD only being involved when significant policy issues are raised.**

D.34 Management Issues: While we see considerable scope for reduction of LCD's involvement in the more routine policy issues and day-to-day communication between the PRO and the Lord Chancellor, setting up the PRO as an Agency will require LCD to develop a closer knowledge than it has at present about the PRO's overall activities and performance. We emphasise that this does not mean that LCD should seek to interfere in the Keeper's running of the PRO. Rather, LCD will need to become sufficiently well informed about the PRO's operations that it can provide reliable and independent advice to the Lord Chancellor to enable him to give strategic direction to the Keeper, set the performance targets to be met by the PRO and assess the extent to which those performance targets have been achieved. We understand

LCD is already reviewing its internal structure to provide a capacity to carry out these functions.

D.35 With Agency status, it would be appropriate for LCD to become more closely involved with certain management advisory functions currently provided directly by Treasury to PRO as a small department, in particular staff inspection and CIR activities.

Performance indicators and performance targets

D.36 The Framework Document will need to list the more important of the PRO's performance indicators. Once the PRO is established as an Agency the Lord Chancellor, in consultation with the Treasury, will wish to set demanding, but realistic, performance targets. Although some work has been carried out within the PRO on identifying possible performance indicators much remains to be done. Early attention needs to be given to the development of performance indicators across the spectrum of the PRO's activities.

D.37 We do not underestimate the difficulty of this task. Given the multi-dimensional nature of the PRO's operations it follows that the performance indicators will be many and varied. We favour the use of quantitative measures where these are practicable and informative although we note that there are many aspects of the PRO's work where quality considerations are more important and may not be readily quantifiable. A good example is in the conservation department where there are already quite detailed statistics kept on the different types of work being done. However, knowing that x paper repairs were undertaken does not tell you anything about the difficulty of the repairs nor about the finished quality.

D.38 Again, although it is quite possible to record the amount and type of assistance given by members of the Search Department to readers, far more important is an assessment of the quality of the advice provided. For these reasons, PRO should develop a rigorous and systematic approach to obtaining the views of PRO's various users on the quality of its services. It may be desirable for consultants to develop, or at least validate, the statistical basis of user satisfaction surveys so that the Lord Chancellor can be assured of the reliability of the conclusions drawn from them. In other parts of our report we draw attention to the possibility of particular performance indicators being developed in connection with specific activities.

Agency status as a catalyst for change

D.39 We should emphasise that as well as seeing Agency status as appropriate to the nature of the PRO's functions and as offering opportunities through tauter management for the more efficient delivery of higher quality services, we

see the process of change involved in the transition to Agency status as being a highly desirable stimulus and catalyst for the broader management, organisational and cultural change that we consider necessary. In particular, we see the transition to Agency status as providing the PRO with the opportunity to become a far more outward-looking, confident and assertive organisation with a more clearly articulated view of its strengths as an organisation, the direction in which it wishes to move, and the means of getting there. Early attention should be given to the best means of encouraging a climate of innovation throughout the PRO and, in particular an assessment of the training needs that are required for the effective management of change.

Appendix to Annex D

OUTLINE OF THE NATIONAL ARCHIVES FRAMEWORK DOCUMENT

Foreword by the Lord Chancellor

Contents

1. Status and functions

This part will cover:

* the National Archives' status as an Executive Agency
* the use of the titles National Archives and Public Record Office pending amendment of legislation
* the Lord Chancellor's ministerial responsibility
* the continuing departmental status of the National Archives with its own Accounting Officer
* the statutory responsibilities of the Keeper of Public Records; appointment by the Lord Chancellor; responsibilities as Chief Executive of the National Archives; continuing responsibility as Accounting Officer
* the statutory history and current basis of the organisation
* the key statutory functions of the Keeper under the 1958 Act
* the statutory role of the Advisory Council.

2. Aims and Objectives

Part 2 should set out a succinct statement of the National Archives' purpose, its principal aims and objectives concerning the selection, preservation and provision of access to the records. Drafting of this will need to go hand in hand with preparation of the corporate plan.

3. Relationships with Parliament and Central Government

Part 3 will cover:

* continuing arrangements for ministerial and departmental accountability to Parliament, in particular the liability of the Chief Executive as Accounting Officer to examination by the Public Accounts Committee

* arrangements for the handling of Parliamentary Questions and Ministerial correspondence, drawing on the treatment of these issues in the Eighth Report of the Treasury and Civil Service Select Committee and the Government's response of 31 October 1990, encouraging direct dealing with the Chief Executive but acknowledging the importance of retaining proper Parliamentary accountability

* the continued application of the Parliamentary Commissioner Act 1967

* the role of the Lord Chancellor, making reference to his statutory functions under the 1958 Act and to his role in setting the strategic objectives for the National Archives and the performance targets to be achieved

* the Chief Executive's accountability to the Lord Chancellor and responsibility for ensuring the organisation meets its performance targets

* the role of the Advisory Council in providing advice on the strategic direction and priorities of the National Archives

* relationships with central departments

* the proposed relationship between the National Archives and the Lord Chancellor's Department both in relation to public records policy and advice to the Lord Chancellor on the Agency's performance.

4. Planning and management

Part 4, drawing on considerations discussed in Annex D, will cover:

* the overall planning and management timetable and framework

* the general content for the rolling five year Corporate Plan

* the annual business plans to be prepared by heads of PRO departments and their relationship to the Corporate Plan

* the PRO's performance indicators (to be specified in some detail in an Annex to the Framework Document)

* arrangements for reporting progress achieved against the performance targets to the Lord Chancellor and the Treasury

* the use to be made of the Keeper's Annual Report to the Lord Chancellor, as required by the 1958 Act, for accountability to Parliament and the public

* arrangements for external and internal audit.

5. Personnel

Part 5 will cover:

* the continuing employment status of staff of the National Archive as civil servants

* the National Archives' personnel policies as detailed in the Personnel Management Policy Statement which we recommend (Annex C) be developed and which will include description of the organisation's approach to recruitment, promotion, postings, training, staff appraisal, and equal employment opportunities

* the Chief Executive's staffing responsibilities

* the continuation of generally applicable civil service terms and conditions, subject to the possibility of developing new terms and conditions better suited to the particular requirements of the National Archives with agreement of central departments where this is necessary and following appropriate consultation with staff and trade union representatives

* general approach to be taken to employee relations and arrangements for consultation with staff and unions

* the National Archives' overall training strategy.

6. Finance

Part 6 will cover:

* the Agency's accounting and financial management systems

* the financial arrangements to apply to income generating services and the use of a Memorandum Trading Account for reprographic services

* financial relationships with the Treasury and the extent of financial delegation from the Treasury.

7. Review

This part will outline arrangements for the review of the Framework Document.

SECURITY

Initial findings

E.1 During the early phase of our investigations, we found that:

(a) The PRO apparently had too many security guards; our own impression was confirmed by some readers who complained to us that guards would be better employed on making records available.

(b) The role of the guards was not sufficiently clearly defined. The Office's physical security officer regarded their main purpose as being to protect the building against terrorism and crime and felt that they had no role in preventing the theft of documents. If this was their sole purpose, then their numbers were clearly too large.

(c) The management structure for the security guards was anomalous. The chief security officer (SM2) reported to the physical security officer (SEO), who was also the departmental accommodation manager and was part of Establishment and Accounts Division. In addition, the Office has a departmental security officer who is the grade 7 in RAD. The relationship between the physical security officer (who reports to the Establishment Officer) and the departmental security officer is not clear, nor is the responsibility of the departmental security officer for the physical security of the building, or for the security of the documents. He was heavily involved in planning the security of the extension at Kew, but his involvement in recent changes to the security procedures at Kew has been much smaller.

Similar problems existed in the field of document security; to what extent was the security of documents the responsibility of the Search Department or of Repository, and what was the role of the security guards?

Subsequent developments

E.2 During the course of our study, it was learned that the PRO had been the subject of a major and systematic theft. A large quantity of RAF records had apparently been stolen from the reading rooms over a long period of time. Criminal proceedings are in progress and documents are being

reclaimed. As a result, the Office has taken steps to improve the security of its records. The number of security guards will be increased by converting some messenger posts to security guards; readers will only be allowed to take small handbags into the reading rooms and may be required to use yellow notepaper for taking their notes. The possibility of installing video cameras in the reading rooms and turnstiles using machine readable tickets at the entry points is being considered.

Recommendations

E.3 We hope that the improvements put in place by the Office will be successful in preventing any further major crime and we hope that they will be kept under continuous review.

E.4 The security guards are one of the main public faces of the Office and they have a considerable influence on the impression the Office gives to readers. At the same time, their role in ensuring the security of the records is vital. For this reason, **we recommend that:**

(a) **security staff should be provided with a high level of training in both the technical aspects of their work (the recognition of public records, how to deal with persons suspected of theft,etc) and in inter-personal skills;**

(b) **the anomalous management structure should be resolved by appointing the head of the new corporate services division as departmental security officer, thus ensuring that there is a clear line of responsibility for security; and**

(c) **the important role which user departments (Search and Repository) can play in maintaining good security should be recognized by ensuring that they are fully consulted on issues which affect them.**

E.5 The Office is generally reluctant to contemplate the use of private security companies, partly because it feels that their use may diminish the quality of security provided and partly because it had an unfortunate experience with one such organisation it employed in the past. We consider that these objections could be overcome by a careful application of the market testing process which should include the establishment of mechanisms for ensuring that proper standards of performance are enforced - either on the Office's own staff or on any external contractor. It should

also involve a full review of the number of staff required, and an investigation of the possible use of recording cameras, intruder alarms and other technologies to determine whether they can both improve security and reduce costs.

E.6 **We recommend that the security function be market tested as soon as possible.**

INFORMATION TECHNOLOGY

Role of IT in the Public Record Office

F.1 We believe that information technology is crucial to the future operation of the Public Record Office. The storage and retrieval of information are central to its business. Information technology has the potential for improving efficiency and effectiveness in the following areas of its work:

(a) managing internal administrative systems, e.g.management and financial information, editorial and publications work;

(b) providing fast access to the records and control of records movement;

(c) developing compact information storage methods; and

(d) providing remote access to information contained in the records.

Resources

F.2 The IT Unit currently employs nine staff and has asked for an additional seven posts at junior levels by 1994. Their top priority is the replacement for the record control and documentation system (RIS), while some development work is planned on a proposed Computer Readable Data Archive (CRDA) in 1991. The only other activity currently undertaken is support for a range of microcomputer projects. The new staff will be responsible for operating RIS and the Computer Readable Data Archive. We accept that the current level of activity is appropriate for current staffing levels and believe that the decision to concentrate resources on a small number of areas is the right one.

F.3 It has been put to us that the level of resources in ITU is insufficient to address the whole range of issues facing the Office. The fate of the CRDA (see paras F10-14 below) certainly supports this view. A number of steps are being taken to alleviate the problem of limited staff resources. A series of standardised applications for use in editorial projects is being created and it is intended to give selected staff in user departments more detailed training in setting up projects. At the same time, a G7 member of the staff of Modern Records Department with relevant expertise is providing advice and assistance to user departments in the archival application of IT. We

support both these developments as a cost-effective means of increasing the use made of IT.

F.4 **We recommend that when the Office has undertaken in 1991 its review of the present IT Strategy, encompassing the staffing requirements of any future projects, early consideration should be given to the scope for contracting out some areas of IT work.**

Problem areas

F.5 We have identitied two problem areas in the application of IT in the PRO: failure to assess developments in IT which are taking place in libraries and other archives, and shortcomings in project management.

Current awareness

F.6 We are concerned that the PRO does not give sufficient attention to monitoring IT developments in libraries and archives in the UK and overseas and to considering possible long-term developments which might have an impact on the Office, although there are a number of networks which could provide information about developments in this field.

F.7 The Automation Committee of the International Council on Archives provides an international forum for the discussion of developments in the application of IT to archives. The Society of Archivists Computer Group fulfills a similar role in the United Kingdom.

F.8 Another potential source of information is the British Library Research and Development Department which provides funds for library and information science research. Much of their work is of relevance to the PRO. Recent projects have included research into novel document storage and information accessioning, alternative methods of handling material and the problems of remote sites.

F.9 The PRO is represented on, or has access to all these bodies; representation tends to be at a senior level. Technical staff from the IT Unit feel that information is not passed back to them and are therefore unaware of many developments which are taking place. This has two disadvantages. Firstly, there is a risk that the PRO may be duplicating developments which have already been tried elsewhere and, secondly, the Office may be missing out on the opportunity for joint-ventures which would allow it to share development costs. The Society of Archivists commented to us that they felt there was potential for co-operation in this area. We are concerned that three government funded archival institutions, the PRO, the HMC and the Scottish Record Office are developing major computer applications in apparent isolation from one another.

F.10 We have considered a number of options for ensuring that ITU develops its current awareness, including the establishment of a separate post in the proposed planning and evaluation unit concerned with research and development. We feel however that this would pose problems of communications and might remove some of the more interesting areas of work from the ITU. Consequently, **we recommend that**

(a) **the requirement to maintain awareness of IT developments in archives and libraries and the possibility of joint-ventures be made one of the primary aims of the head of ITU;**

(b) **the PRO provides sufficient resources to enable this aim to be carried out; and**

(c) **performance in this area should be formally monitored.**

Project management

Computer Readable Data Archive

F.11 Since the early 1970s, the Office has been trying to come to grips with the problem of how to deal with government records produced on computer. A consultancy firm was hired in 1973, reporting a year later; steps were also taken to identify computer tapes suitable for permanent preservation. An environmentally controlled store was built at Hayes and the problems of a suitable long-term storage medium were investigated. This work continued throughout the 1970s. A second consultancy report was produced, this time by CCTA, in 1979; it recommended that a strategy should be developed for establishing an in-house computer system to handle machine-readable records. In 1980 a third study, again by CCTA recommended establishing a data archive based on magnetic tape. A fourth study was produced in 1982 and a fifth in 1983. By 1984, the Office was confident that it would be able to take in computer tapes from other government departments by 1987.

F.12 In 1986, it was decided that optical disk technology offered a better medium for the long-term storage of data and a pilot project was undertaken to assess its suitability and cost effectiveness. The optical disk project which reported in January 1989 demonstrated that a system based on this technology could be operated by non-specialist staff and that data could be transferred from magnetic tape to disk and back to tape without loss of integrity. However, the project, which cost a total of £228,000, was only concerned with the suitability of optical disk as an archive storage medium. It did not address a whole series of technical questions about the method of storing data on such disks or methods of access to it.

F.13 A further consultancy into these questions is proposed for January 1991. While the optical disk project was running, a working party was set up to identify material in departments which was suitable for long-term preservation and to draw up criteria for appraisal of computer readable records. Although the working party has done useful work, it has been hampered by lack of progress on the technical side. It is hard for the working party to maintain its credibility and make progress with Departments while the Office remains unable to take in computer records.

F.14 Since 1973, the PRO has identified a problem, acquired an environmentally controlled magnetic tape store at Hayes, decided that long-term storage of magnetic tape is not desirable, learned some valuable lessons about the suitablility of optical disks as a storage medium, set up a working party to draw up criteria for selecting computer tapes and is commissioning further studies. Progress over 17 years has thus been intermittent and haphazard; researchers who wish to consult computer tapes and Departments who wish to appraise computer tapes in order to dispose of unnecessary ones and preserve vital ones still cannot be helped. Some DROs have been very critical of the PRO's failure in this area.

F.15 Failure to implement the CRDA can be ascribed to three causes, of which we think the last is the most significant:

(a) technology has changed over the years and the initial solution of a tape-based archive was replaced by the idea of using optical disks; this has clearly delayed progress;

(b) IT Unit has not had the resources to develop a data-archive as well as undertaking other projects: the delay in progress since the publication of the optical disk report in January 1989 has been largely because ITU have been fully occupied on RIS; and

(c) there has not been a clearly defined project sponsor who was responsible for ensuring the project was successfully completed on time and to budget. Even now, there is no timetable or budget for completing the project.

F.16 **We recommend that the working party on appraisal quickly determine the scale of the problem: how many tapes which are held by government departments are worthy of permanent preservation. This information should form the basis for a decision by the PRO on how it should meet its statutory obligations on computer based records and whether it should to go ahead with CRDA. If so, a proper business case should be drawn up as part of the IT strategy review in**

1991. A fully costed project proposal including a detailed timetable should be produced and a project sponsor who could deliver the project on time and to budget should be appointed. Proper project methodology should be used.

Financial Information System

F.17 The PRO has recently suffered a setback in its attempts to implement a computerised financial information system. Briefly, the PRO perceived a need to computerize its financial systems to meet the more detailed information requirements of HMT which followed the establishment of the Central Unit on Purchasing. Later, the project was expanded to meet management's requirement for a financial management information system. The total cost of the project was £109,000 (excluding PRO staff costs and installation), of which £72,000 was for consultancy. The system was set up in September 1989 and was run in parallel with the existing manual system until November 1990 when continuing technical problems culminated in a complete breakdown. Currently, it is not certain that the system will ever prove to be satisfactory. The residual value of the hardware is about £14,000.

F.18 The primary reason for the failure appears to be that the project was not managed according to approved project management methodology:

* There was no proper business case for the project and its objectives were not clearly stated at the outset.

* The initial plan was to computerise existing manual systems without reviewing their adequacy in relation to the Office's current needs.

* The project board consisted of the head of ITU and the Establishment Officer, neither of whom had direct experience of the detailed operation of the Office's finance systems.

* There were serious differences of view between the two user groups (senior management and the finance and accounts staff) over the degree of sophistication needed at that point.

* A major change to the specification which was designed to allow the system to be used for FMI and for the production of a departmental ready reckoner did not lead to the whole project being reappraised, merely to additional expenditure on consultancy; the original estimate of 6 weeks consultancy work grew to 6 months.

* The package chosen was too complex and staff training inadequate.

* There has been no post-implementation review.

As a result, the Office still does not have an operational finance computer system and is impeded in its response to FMI and other central initiatives.

F.19 **We recommend that in any future similar projects, the Office should establish clear aims and objectives, set a timetable and a budget. A project sponsor should be appointed to ensure satisfactory completion. Any major changes to the project should be reported to ITSC and trigger a formal review of the whole undertaking.**

Annex G

READER SERVICES

G.1 This annex deals with the services which are provided for those who visit Kew or Chancery Lane to consult the records in person, and those who write in with enquiries about the records. We also propose the introduction of a new service: opening the PRO's library to the public. The PRO receives about 125,000 reader visits per year. In the year to October 1990, well over 15,000 new readers were registered, two-thirds at Kew and one-third at Chancery Lane. 49,000 people visited the Census Room in central London where the data collected in the 1841 - 1881 censuses is stored on microfilm.

Customer awareness

G.2 Our evidence has suggested that the PRO has not traditionally been an organisation responsive to its customers' needs. Its priorities have centred on its preservation role rather than that of providing access to the records for the public. Staff and readers alike have commented on an attitude - more widespread in the past than now, but still surviving in places - that it was up to the readers to accommodate themselves to the PRO's systems rather than the other way round. We have noted some substantial recent improvements in customer awareness, particularly in the Kew Search Department, which has taken a lead in expanding the range of leaflets available and has now established contact with readers through a regular readers' forum. Readers have warmly welcomed this approach. There is a real effort being made to give readers the chance to contribute to thinking about services, and to respond to their comments. We support this initiative, and recommend that it should continue on a regular and systematic basis. We would like to see a sustained effort to ensure that staff are appropriately trained and managed to give priority to the provision of a first-class service. We believe that this can best be done in the context of becoming an executive agency.

Readers' views

G.3 In the course of the scrutiny, we canvassed the views of readers in a number of ways: through interviews with representatives of user groups, attendance at two readers' forums and correspondence from readers. We also saw the results of reader surveys organised by the PRO. We were

impressed by the degree of support for the PRO shown by readers and by the well thought out ideas which some had developed for improving services. It was evident that the readers themselves - both their commitment to the Office and their knowledge of the records - represent a substantial resource.

G.4 The readers form one of the two major groups of the PRO's customers (the other being Government Departments). The main categories of readers are:

- academic historians, including postgraduate students
- family historians (genealogists) and amateur local historians
- professional record agents.

In recent years, the "leisure" users of the PRO - the family and local historians - have increased to about 50% of the total. Meeting their needs for information has brought a change in the PRO's approach to reader services, and many readers commented on welcome improvements made recently, especially at Kew and in the census room at Chancery Lane.

G.5 However, widespread criticisms were made of some aspects of reader services, in particular:

* the limited opening hours
* the initially unwelcoming reception
* the difficulty of using the finding aids
* the time taken to obtain documents
* the high charges and long delays associated with getting copies of documents or film.

Our attention was drawn to many individual instances of excellent and helpful service by members of staff. We think there is still some way to go, however, in developing a more responsive culture and a greater degree of customer awareness throughout the organisation as a whole.

Opening hours

G.6 We found almost universal dissatisfaction among readers with the PRO's opening hours. The Office is open from 9.30 am to 5 pm on weekdays only. Because of waiting-times for documents and an effective closedown on new productions of

documents at 3.30pm, the working day can be cut to as little as 5 hours. Many of our respondents wrote outlining the problems which this caused them, for example:

- readers with long journeys had only a short time in which to work, or faced the added expense of an overnight stay;

- readers whose jobs involved working normal office hours were unable to use the records except during holidays;

- retired readers were often unable to make use of cheap travel arrangements.

Overseas visitors, who are used to much longer opening hours in their home countries, ranging up to the 24-hour opening offered by the Canadian National Archive, are particularly critical of this aspect of the service, allied to the PRO's location in London where accommodation is very expensive.

G.7 We found that many PRO staff were in favour of extending opening hours. However, a decision on this has been deferred against an assumption that no extra resources could be made available, and no detailed costings have been done to expose the issues for debate. We consider that the present opening hours offer an unacceptable level of customer service and we think a priority aim should be to enable readers who work normal office hours to use the records. **We recommend that targets should be set for the agency for the progressive introduction of longer opening hours so that by 1 April 1994, the PRO will provide a full service all day on Saturdays and on two evenings per week.**

G.8 Appendix 1 to this Annex shows illustrative costings for a range of extended opening options. Opening of the census room on Saturdays would cost an additional £70,000 per annum, and **we recommend that this should be implemented by 1 July 1991 as a first step.** Other improvements which should be introduced on this timescale include:

* opening in the morning at 9am rather than 9.30am, possibly without full staffing of the Search Rooms;

* delaying closing time until 5.30pm with a limited number of security and repository staff on duty to supervise the return of records;

* opening the Chancery Lane Census Room on Saturdays, minimising security costs by limiting access to the building to a single entrance.

A timetable should be set for the introduction of a progressively improved service along the lines of the options outlined in the Appendix between 1 April 1992 and 1 April 1994.

G.9 We think that improvements in opening hours should be taken as an opportunity to ensure the most efficient use of staff time and to make full use of the greater flexibility that many staff now increasingly seek in their working patterns. **We recommend that increased use be made of flexible working time and part-time employment to provide adequate staffing over longer opening hours without disproportionate cost increases.**

G.10 We recognise that there will be a substantial cost involved in achieving the longer term objective of providing full services for Saturdays and 2 evenings a week (£750K). **We recommend that this cost should be met from the efficiency savings obtained by moving records and staff out of Chancery Lane.** Present opening hours fall a long way short of an acceptable standard, and it will not be possible for the agency to meet high standards of quality of service unless these savings can be re-invested in the PRO's business.

Management of Reader Services

G.11 Reader services are managed at present by separate search departments at Kew and Chancery Lane, headed by a Grade 6 at each site. At Kew, there are 20 staff, working in 2 reading rooms. At Chancery Lane, there are 12, in 4 reading rooms. Staff cover a range of tasks. The core function is to provide help and advice to readers in finding the records they need. Related tasks include answering postal enquiries and editing information leaflets. Other, less central tasks include invigilation of the reading and search rooms, issue of readers' tickets, sales of books and advice on the use of the facilities of the Office.

G.12 Improvements in reader services are hindered by high turnover among search department staff - 44% in 1989/90. There is no policy which requires staff allocated to the search departments to have experience elsewhere in the the Office or training in working with the records. At a time of high turnover, this has meant new and inexperienced staff dealing with enquiries from the public. We found that some of the junior staff had little understanding of the systems operating within the reading rooms or of the relationship of the search departments with the rest of the Office. They were demotivated, and dissatisfied with the amount of training they received and with its relevance and content. Although the search departments aim to have experienced curatorial staff on call to answer difficult queries, in

practice sick and annual leave, or other calls on time, can leave new staff working without effective support.

G.13 Readers reported to us some examples of inaccurate or unhelpful information being given by search department staff. We do not find these surprising in the circumstances, yet accuracy is particularly important to the PRO's users, who cannot in most cases go elsewhere to check the information they are given. Readers also commented that the practice of short postings meant that staff expertise was built up only to become inaccessible to readers once the officer moved on. Although we recognise the need for staff to work in different areas of the Office, **we recommend that postings to search department should be for not less than 3 years and that there should be allowance for a training period before new staff work in the reference room. We also recommend that the staff memoranda which are currently used to collate expert knowledge of aspects of the records in a permanent form should be incorporated into finding aids for readers.**

G.14 We found that search department staff were concerned about the quality of service provided for readers. They wanted to put their knowledge of readers' needs and problems to good use by improving the reference materials and guidance notes and thought there was too little time available for this. They felt under pressure in answering queries from both personal and telephone enquirers and that their professional expertise in the records was not always well-used. A lot of time was spent in replying to complaints from the public about the work of record agents. **We recommend that staff should be organised in subject-related teams and encouraged to develop suitable areas of expertise at different levels of complexity so that as well as being able to field general questions on a wide range of subjects, they can be called on for advice in particular areas.** When serving on the reference desk, they should be identifiable to readers as having specialist knowledge. **We recommend that use should be made of a number of enquiry points for identified areas of interest such as "family history", "foreign and colonial" and "military".**

G.15 It was argued that more resources would solve the difficulties of the search departments, but we were not convinced that this was the answer. It seemed to us that three problems needed to be addressed before a realistic assessment could be made of the adequacy of available resources to the tasks to be done:

* the weakness of the management systems. The absence of a clear strategic management plan with agreed priorities and performance measures keyed into these is - as in other areas of the PRO - a real drawback. Management and staff have no

framework within which to determine the best deployment of resources in relation to agreed priority needs and monitor progress towards improved service quality standards.

* duplication of management effort between the two search departments.

* the resistance to change of a minority of the staff. There is a reluctance to consider more radical solutions in order to achieve a better service, and a tendency to blame readers for the difficulties they experience with the finding aids.

G.16 It must be stressed that although the management systems seemed to us to be poor, the quality of leadership at Kew was high, and many of the staff were committed to providing a good standard of service. **We recommend that a number of positive changes should be made in the organisation of the work of the search departments:**

(a) the two departments should be brought together under a single Grade 6 manager, providing a better focus for policy on all matters affecting readers and eliminating overlaps.

(b) an annual business plan should be prepared and implemented, defining priorities and performance standards.

(c) staff should have specific training in customer service and should not deal with the public until they have had a training period either behind the scenes in search department or in at least one other department of the PRO.

(d) the core reader service functions should be re-defined to exclude activities which can be carried out more effectively by others. For example, invigilation is a security function which would be better carried out by security professionals.

(e) the workload of staff dealing directly with the public should be appraised and pressure points minimised. Telephone queries and other "back office" activities should be centralised elsewhere.

Reader reception

G.17 Readers' letters indicate that some newcomers find the Office unwelcoming, intimidating and difficult to use. There are relatively more complaints of this type about Kew than about Chancery Lane, possibly reflecting the higher numbers of non-academic readers at Kew whose need for help may be greater.

G.18 We found that the initial approach to Kew was not encouraging. The building itself carries no sign that it houses the Public Record Office. There are a number of signposts on the way in, but most of them bear a negative message. There is no welcoming message and very little effective signposting to enable first-time visitors to get their bearings. **We recommend that:**

(a) **the new title of The National Archives should be prominently displayed on the Kew building so that it is visible from the entrance and from the District Line;**

(b) **signposting at the gate at Kew and in the reception areas of both buildings should be improved to provide a more welcoming atmosphere; and**

(c) **better signposting at the local BR and Underground station would also be helpful.**

G.19 The first contact for newcomers to the PRO is with the security guards, who as well as checking bags, are responsible for giving initial basic information about the Office and its facilities. Views varied as to the helpfulness of the guards. We think there is a good deal of scope for using volunteers at the PRO to provide a friendly welcome, issue readers' tickets and give basic information about the layout of the building, the facilities for visitors and the way in which the finding aids are arranged. We were impressed by evidence from the National Trust on the use of volunteers in greeting visitors to their properties and providing information. It was clear that volunteers could be highly effective in relating well to the needs of visitors with an interest in but little expert knowledge of history. It was also clear that volunteers must be well trained and organised, and committed to regular help.

G.20 **We recommend that a body of volunteers should be deployed to welcome readers and provide basic information about the facilities and the means of reference to the records, and to help in the shops on both sites. They**

should be organised by the Friends of the PRO, who have expressed a wish to be more involved in the running of the Office. Search department should be jointly responsible with the Friends for training. Apart from the advantages to readers, this would enable security staff to be deployed to increase exit security - a weak area at present - and ensure that scarce search department resources are concentrated in the reading rooms where they are most needed. Although under our proposals, initial information would be provided by volunteers, we think it is important for all staff working at the PRO who come into contact with the public to be trained to a high standard which is then reinforced by appropriate management from day to day. **We recommend that the security guards should receive customer relations training devised in consultation with search department.**

G.21 A first-time visitor to Kew obtains a reader's ticket from the office in the reception area and is given basic information by a junior member of the search department. A short video about the PRO is provided, which we were told was little used by visitors. We thought the video would be more useful if it contained less general information about the PRO's holdings and more detailed, practical information on the use of the finding aids. It should be no more than 5 minutes in length, and should also be positioned in a more central part of the reception area than at present. **We recommend that a revised video should be provided.**

Reference aids and advice

G.22 The aids to use of the records provided for readers fall into 4 categories:

* leaflets on individual subjects.
* the Current Guide to the records
* detailed lists of records
* expert advice from staff

In providing advice and developing the reference aids, the search department aims to help readers to help themselves in as short a time as possible. We commend this aim as likely to increase reader satisfaction and allow the most productive use to be made of staff expertise.

G.23 However, there are some obstacles to self-help. At Chancery Lane, some of the finding aids are themselves historical records and require special expertise to use. The Current Guide consists of 9 volumes containing 6,700 pages covering over 10,000 classes of records and 267 major administrative histories. Consulting the Guide and other aids can be daunting, particularly for new or non-specialist users. General archival practice is that the records are arranged according to the administrative

structure of the organisation which produced them and the current Guide reflects this arrangement. Previous experience of, for example, library catalogues does not help. There is no comprehensive subject or key-name index to the records and the accepted view within the Office is that it would be impossible to provide one because of the size and complexity of the holdings and the constant inflow of new records. Many readers, particularly those used to the subject-based classification of libraries, find difficulties in adjusting to the archival approach. The administrative structure of central Government has changed substantially over time. Since most readers do not know how the records they wish to consult relate to the administrative structures of the past, learning where to look can be unexpectedly time-consuming.

G.24 Against the background of a system which is so far from being user-friendly, it seems inevitable that more interaction with staff than would be expected in other reference institutions will need to continue to be built into the finding aid process. Some readers require detailed one-to-one help in finding what they need. Others will need basic guidance before going on to use the recently-expanded set of subject leaflets and specialised handbooks on particular topics. The system is a problem for both users and staff. Users complain of delays in getting answers to their enquiries, while the staff feel that they are required to answer a stream of similar questions.

G.25 Judging by trends in the USA, it is likely that the number of family and local historians will continue to grow, and with it the demand for finding aids which are easy to use while promoting self-help. In the long term, developments in archival practice may permit faster interrogation of lists and indexes on a subject basis. **We recommend in the meantime the continued development of simple subject-based reference notes for the more frequently used material to provide signposts into the system.** The series of leaflets and handbooks should be further expanded, building on the knowledge of staff about trends in the popularity of records.

G.26 **We recommend that the PRO's recent initiative in seeking the views of readers so that the reference aids can be more closely tailored to their needs should continue on a regular basis.** It would also be helpful to involve the representative user bodies in forward planning to fill gaps in the finding aids. With advances in information technology, and increasing computer literacy among users, we think it should be possible to develop computerised key-word indexes in the more popular areas of research which could be readily accessed by readers. Bearing in mind that this is a huge task, **we recommend that targets should be set for the agency to make progress in developing computerised indexes over a 5-year period.**

Speed of access

G.27 Readers expressed varying levels of satisfaction with the speed with which documents were produced for use. The telephone ordering service was commended, but as there is no access to the finding aids other than in the Office, this cannot be used by new or inexperienced readers. Readers accustomed to the British Library thought that the PRO compared favourably, particularly since the introduction of the computerised ordering service at Kew. Others, especially those whose time was limited, were impatient with waits of up to an hour. There was a surprising amount of complaint about the bleep system in operation at Kew, which alerts readers electronically when their documents are ready for collection. We understand that search department has improvements in hand.

G.28 Our investigations showed that at Kew, the repository's current target of 30 minutes for production of a document is not met in many cases. No system exists for recording production times, but figures quoted to us by search department are that productions take 50 minutes to one hour between 12 and 2pm, and 30-40 minutes at other times. When the Kew building was opened in 1977, the publicly announced target was 15 minutes, as compared with 45 minutes at Chancery Lane where a complex building layout, older equipment and a manual ordering system slowed down the production process. We found that individual productivity has risen, from 6750 productions per staff member in 1977 (27 per day) to 9860 in 1989 (39 per day).

G.29 We thought that both overall turnround times for document orders and individual productivity rates were useful indicators of the performance of the repository. However, there are no systematic arrangements at present for measuring production speed. We were surprised to learn that under the new computer system (RIS) which is due to be introduced in 1992, while the times at which a document is ordered, placed in the paternoster and made available to the reader are to be recorded, the system will not be able to provide information on overall production times. **We recommend that from 1 April 1992, computer-generated information on production times for documents, staff productivity and unit costs of productions should be made available to repository managers to enable them to set targets for improving the service to readers and to monitor performance.**

Copying services

G.30 High charges and long waiting-times for photocopying of documents and other reprographic services have been another major source of criticism from readers. On

charges, many readers accept that there may be a premium to be paid for a specialised element in reproducing old documents or papers from official files, but there is a perception that the charges are so much higher than those of commercial operations that it is difficult to justify them. The present charges are shown in the leaflet at Appendix 2. Many of the letters we have seen have referred to the inconvenience and difficulty caused by delays of up to 5 weeks for print from film and 3 months for microfilm. No targets are set for turnround times for services. Delays of this order seem to us to be unacceptable. Production targets should be set for progressive improvement in waiting-times over a defined timetable which should be made public.

G.31 It is clear from views expressed by readers and staff that the service has deteriorated over the past 5 years. Our inquiries indicate that there are two main causes for this:

* weak management of reprographics staff, with no clear service targets set for the section or individuals

* an organisational split between the photo-ordering section (sales) and reprographics (production), which has led to a lack of awareness of customer needs on the part of reprographics staff.

Another aspect of poor management is that decisions on the purchase of new equipment are made by the Finance Committee on the basis of recommendations from the head of Reprographic Services without any proper investment appraisal being carried out. This has resulted in equipment being acquired without any real attempt to determine its cost-effectiveness.

G.32 We think that the reprographics department is a clear candidate for market testing, and that a programme should be drawn up to invite tenders at an early date. The process of drawing up a model contract will include a review of the management of the service and the setting of production and unit cost targets, and we recommend that demanding targets should be set for the in-house staff at an early date to enable them to compete on a realistic basis with outside contractors. Fears have been expressed about the ability of outside firms to carry out the Keeper's responsibility to safeguard the records, some of which may be fragile or need special handling. However, with the present high turnover rate (20%), an appropriate level of care cannot be guaranteed from the in-house staff. While long-serving members of the department understand the need for careful handling of unique documents, short-term staff may not develop sufficient understanding of the

importance of the records or of their own role. We were told that (5%) of the work of the Conservation Department arises from damage caused in the reprographic section. We think that a tightly-drawn contract which specifies quality standards, training requirements and sanctions for damage will be a more effective means of controlling the handling of the records than the present system.

G.33 As long as the reprographics function remains in-house, **we recommend that the following improvements should be made:**

(a) **there should be a greatly increased emphasis at all levels on customer service, and staff should be encouraged to undertake appropriate training**

(b) **the production and sales aspects of the reprographic section should be integrated**

(c) **investment appraisal for equipment purchasing decisions should be introduced**

(d) **demanding targets for production and unit cost targets should be set**

(e) **consideration should be given to performance pay related to achievement of targets by management and staff.**

G.34 Some readers suggested that self-service copying facilities should be introduced for non-fragile and standard sized documents. We understand that self-service facilities at the US National Archive have led to a lower incidence of damage to the records. We were told that members of the public had proved to treat the records with more respect than the staff. We were pleased to note the introduction of self-service facilities for making prints from films during the period of the scrutiny and **we recommend that a closely supervised trial should be run to determine whether self-service copying of suitable original documents could be used more widely.**

G.35 A difficulty in photocopying many of the more recent papers held at the PRO is that in order to be placed on the copying machine, they have to be removed from an official file and then replaced in order. There is a real risk of damage and misfiling involved here, which could be overcome by the use of hand-held copiers. However, hand-held machines currently available on the market operate by contact with the surface of the document and are thus unsuitable for use on original records. The PRO's Conservation Department rightly considers the preservation of the records to be paramount and has banned the use of

these copiers. An overhead copier, if one were available, might offer a way forward. **We recommend that the PRO should keep in touch with technical developments in this area.**

The Library

G.36 We were told that the PRO's library, which contains over 100,000 books would be a particularly valuable resource for historical researchers if it were open to them. It contains some books unobtainable elsewhere and special collections of rare books published before 1800 and archival catalogues. We considered whether it could be located elsewhere, perhaps at the British Library, but accepted the argument of historians and staff that its value would be greatly diminished if it were not closely associated with the records. We found that there was a demand among readers, particularly regular users of the PRO, for access to the library so that books could be used alongside documents for research purposes. It was also put to us that because many of the books refer to the public records, they are in themselves finding aids. However, the Library is at present used only by PRO staff and is an unacceptably expensive internal resource. Assuming that every member of staff at AO level and above used the Library, the annual cost per head would be about £1,278. Since only half these staff are likely to use the Library for their work, the cost is nearer £2,500 per head. We suggest that continued expenditure of this order can only be justified if use of the Library is extended to the public, and some of the costs recouped by charging. Over the years the PRO has considered opening the library to readers but has decided not to put the necessary extra resources into this area.

G.37 We think it would be desirable for readers to have personal access to the library rather than having books produced for them in the same way as documents. However, there are two practical problems which will need to be resolved. One is that the subject catalogue has been indexed over time by unqualified staff, and is virtually unusable. The other is the location of the books. The Kew library is located in an area of the building which is an integral part of the office space and is not open to the public. Once the Kew extension comes into operation, it will be possible to move the library into a more accessible area and we think that personal access will need to be postponed until then. The Chancery Lane library is scattered in different parts of the building and as long as the books remain there, it would be impracticable to give readers access to them. In the meantime, it would be possible to offer a delivery service in both buildings to the reading rooms. Readers would be able to request books on the basis of the author catalogue, which unlike the

subject catalogue is easy to use, and lists of periodicals and series publications. The library should make its holdings better known by theme displays in the reception areas at Kew. **We recommend that access to the library's holdings should be opened up to readers on 1 April 1991 on a charging basis (see J.11), with books produced for readers in the reading rooms initially.**

G.38 We think it will be difficult to provide a modern standard of service to the public unless a professional librarian is appointed to recatalogue the stock and manage access to the books. **We recommend that the following key changes should be made:**

* **a librarian should be employed at HEO level (replacing the present HEO post in the library) to give a more professional service and undertake the recataloguing of the stock;**

* **the library should form part of the Outreach department and should have close links with archives officers in the Reader Service departments;**

* **the library holdings should be brought under one roof at Kew once the records are moved out of the Chancery Lane building;**

* **the author catalogue and appropriate lists should be made available to the public, and the holdings of the library publicised through displays in time for the opening;**

* **a plan should be agreed for relocating the library once the Kew extension is open, making the books available to the public on a self-help basis and in the longer term, bringing all the library holdings together at Kew.**

We estimate that our proposals for restructuring the library staff (shown in Annex B) would yield an annual saving in staff costs of £8000 as the Grade 7 would no longer be needed, and the support staff could be at more junior grades.

The Friends

G.39 The Friends of the PRO are a recently established group of about 200 users who currently run a number of activities with the help of two members of the PRO staff. These include readers' forums, special lectures and study days and organisation of volunteers for editorial work. We think that the users of the PRO represent a largely untapped resource of knowledge and goodwill and we see scope for

development of the Friends' activities to improve services to readers eg by organising volunteers to man the reception desk and provide other help for readers. At present, the Friends appear to be over-dependent on the staff and we think that they should aim to become more self-supporting.

Appendix 1 to Annex G

COSTS OF PROGRESSIVE EXTENSION TO OPENING HOURS

	ADDITIONAL COST CL	KEW	TOTAL £'000	CUMULATIVE TOTAL	INCREASE AS % OF TOTAL PAY
All reading rooms 9-9.30 a.m. daily	0	0	0	0	0.0
Census Room Saturday 9.30 - 5	70	0	70	70	1.2
All reading rooms 2 evenings 5 - 8 p.m. for pre-ordered records	79	104	183	253	4.3
Plus document ordering	23	50	73	326	5.6
All reading rooms Saturday 9.30 - 5 for pre-ordered records	138	196	334	660	11.3
Plus document ordering	41	69	110	770	13.2
Total	351	419	770		

(Extract from PRO leaflet on copying services)

SCALE OF CHARGES (Inclusive of VAT)

17. This scale of charges will take effect from 1 August 1990 on the authority of SI 1990/1497. Copies supplied in response to orders placed by post from overseas will be net of VAT. The relevant net charges can be supplied on request.

		£
18.	Microfilms of records	
a)	For microfilm of records where there is no existing negative:	
(i)	For records filmed at the rate of not less than 120 frames an hour	
	Per exposure	0.28
	Minimum charge	28.00
b)	For silver duplicate microfilm from existing negatives:	
(i)	For each run of consecutive frames of less than 100ft	
	Per foot	0.58
	Minimum charge	23.00
(ii)	For each reel of 100 feet of consecutive frames	46.00
c)	For diazo duplicate microfilm from existing negatives:	
(i)	For each run of consecutive frames of less than 100ft	
	Per foot	0.35
	Minimum charge	13.80
(ii)	For each reel of 100 feet of consecutive frames	27.60
19.	Electrostatic copies of records	
a)	For direct copies from original documents: (no limit on the number of copies per document)	
	Per print (A3 size)	0.30
	Per print (A2 size)*	0.50
b)	For prints from microfilm (less than 40 prints per document):	
(i)	From existing microfilm	
	Per print	0.80
(ii)	From new microfilm	
	Per print	2.30

* Kew Only

c) For prints from microfilm (40 prints or more per document):

(i)	From existing microfilm Per print	0.58
(ii)	From new microfilm Per print	1.60

d) For prints from existing microfilm (self-service)

Per print	0.30

20. Bromide prints from microfilm

For bromide prints from microfilm		£
a)	12" x 16" (30.5cm x 40.5cm)	7.82
b)	16" x 20" (40.5cm x 51cm)	8.62
c)	20" x 24" (51cm x 61cm)	10.63
d)	Additional charge for originals up to 20" x 24" (51cm x 61cm) reproduced to actual size Per print	2.93

21. Photographs of records

a) For monochrome prints and transparencies

(i) For prints

8" x 10"	(20.5cm x 25.5cm)	9.45
12" x 15"	(30.5cm x 38cm)	9.92
16" x 20"	(40.5cm x 51cm)	11.04
20" x 24"	(51cm x 61cm)	12.50
24" x 30"	(61cm x 76cm)	13.92
30" x 40"	(76cm x 101.5cm)	14.54
35" x 50"	(89cm x 126cm)	21.16
40" x 60"	(101.5cm x 152.5cm)	29.10

(ii) For sepia-toned prints an extra 50% is charged on the cost of each print

(iii) For ultra-violet or infra-red enhanced prints

Extra charge per first print from each negative	4.57

(iv) For prints mounted on board

Per sq foot of board	1.10

(v) For transparencies for overhead projectors:

8" x 10"	(20.5cm x 25.5cm)	11.35

b) For colour prints and transparencies

(i) For prints:

5" x 7"	(12.5cm x 17.5cm)	22.58
6" x 8"	(15cm x 20.5cm)	25.53
8" x 10"	(20.5cm x 25.5cm)	32.55

(ii) For transparencies:

35mm	(mounted)	7.51
5" x 7"	(12.5cm x 17.5cm)	29.66
8" x 10"	(20.5cm x 25.5cm)	42.68

22. Miscellaneous charges

			£
a)	Handling charge for orders placed by post	Per document or film	2.30
b)	Postage: at standard Post Office rates		
c)	Packing	Per package	0.32
d)	Hand-colouring	Per hour of staff time	17.25
		Minimum charge	8.62
e)	Certification	Per sheet	4.00 (not liable to VAT)
f)	Work requiring special attention	Per hour of staff time	17.25

EDITORIAL SERVICES

H.1 There are three editorial departments: Medieval and Early Modern Records (MEMRD), Modern Records (MRD), and Maps. MEMRD is based at Chancery Lane and has 13 staff headed by a Grade 6; MRD is based at Kew and has 16 staff also headed by a Grade 6; Maps Department is based at Kew and has a staff of three headed by a Grade 7. A number of staff in MEMRD work part-time, while both MEMRD and MRD employ short-term contract staff and both have a number of long-term editors employed on a casual basis. At present there are some 26 editors, the majority of them employed on preparing means of reference for the 1891 census due to be opened in 1992.

H.2 There are three main areas of work within the editorial departments:

* improving existing lists and indexes to records;

* maintaining the Current Guide to the records; and

* producing leaflets, handbooks, calendars of early documents etc for publication.

H.3 We have recommended that the three departments should be merged into a single editorial department under a Grade 6 (see Annex B). This will require work on new lists for incoming records and the associated Guide entries to be transferred to departmental services division (see Annex L) and .publishing activities to be handled in outreach department (see Annex I). While this will leave some of the Guide work on the early records, and the preparation of texts for publication within the editorial department, it will shift the emphasis towards the improvement of lists and indexes.

Main findings

H.4 It is fundamental to the effectiveness of any record office that its finding aids are comprehensive and accurate. Many of PRO's older lists are neither. We found that many of the difficulties of readers in finding the records they wished to consult arose from inadequacies in the reference aids. Increasing demands for help with these led to greater pressure on the staff of search department. We saw evidence that many of the listings were neither comprehensive nor accurate. For example, the list of pre-World War I soldiers' records is by regiment, not name, and contain errors. Some of the Foreign Office papers from the 1950s are difficult to use because large numbers of files have the

same title with no more detailed description of the contents. There are holdings of records to which no list or index exists and which are not therefore accessible to readers. We saw 600 sacks of common law writs covering a period from the 12th - 17th century, which were deposited at Chancery Lane in the last century but which are only now undergoing listing and boxing for retrieval.

H.5 We found that the absence of a tight planning and management framework for the editorial departments adversely affected their ability to tackle the substantial workload involved in improving the means of reference to the records. Expert resources were not used to full advantage. We also found that expansion of the reference aids and the maintenance of scholarly standards were put at risk by the lack of priority given to adequate resourcing of these departments.

Management of editorial services

H.6 Our investigations indicated that recent efforts had been made to identify priority areas from the almost infinite range of projects which could be undertaken to improve the accessibility of the records: for example, the Chancery Lane List Improvement Project (CLLIP). However from discussions with a wide range of staff we have identified several weaknesses in the management of editorial projects.

(a) Failure to set priorities: there is a tendency to match the editorial work to the staff available rather than to identify priorities linked to readers' needs and allocate resources accordingly. We think it should be a primary aim of the editorial department to ensure that every class of records has at least a basic descriptive list comprehensible to the average researcher. Inadequate reference aids in particularly heavily-used classes should also have priority where improvement would ease pressure on reader services staff.

(b) Lack of project management and control: the managers of editorial departments have traditionally been free to initiate projects and set priorities without reference to any agreed divisional objectives. The managers in turn have often allowed officers to begin a project because of personal interest. When staff move on, their projects are often allowed to lapse. It is impossible to quantify the resources which have been wasted in this way but we think that over time they have been substantial.

(c) Delay in large, long term projects: major tasks such as the improvement of the Chancery Lane

lists, the original listing of medieval records, or the relisting of a large and popular class known to be badly described tend to be postponed and if undertaken are often allowed to lapse for considerable periods, losing their coherence and momentum. Conversely some long-term projects have passed through so many hands over such a long period of time that they have continued in a desultory fashion for far longer and at much greater cost than could be justified or than was originally envisaged.

(d) Quality of editorial work: problems have arisen with work produced by external editors and considerable resources have had to be devoted to quality control.

Resources

H.7 We are concerned that because failure to carry out editorial work does not have visible or immediate repercussions, it is often sacrificed in favour of less tolerant areas. We found that editorial departments' resources were routinely depleted by a number of practices which, while unobjectionable in themselves, when taken together severely limit what can be achieved. These departments are expected to

(a) take staff new to the Office whose usefulness is limited by lack of knowledge of PRO and disrupted by necessary training;

(b) hold vacancies while curatorial staff are trained;

(c) hold vacancies at AO and EO level where there is an office-wide shortage;

(d) provide temporary relief to the search department;

(e) act as a base for officers having other duties, such as secretary to the Advisory Council, equal opportunities officer or copyright officer; and

(f) cancel or reduce editorial projects contracted out whenever there is a shortfall on funds.

H.8 While editorial departments are better able to tolerate cuts, vacancies and part-time workers than other sections, the net result is a lack of dependable resource for editorial work and some demoralisation among staff who see their role given such low priority. This is increased by the tendency of the Office not to recognise and employ the existing specialist expertise of officers or to allow them to develop and maintain such expertise. At present a

generalist is likely to remain a generalist, while an officer joining the PRO with a Ph.D. in medieval legal history is as likely to be employed on Cabinet Office records and copyright issues at Kew as on medieval and legal records at Chancery Lane.

H.9 Specialist expertise should be bought in on short-term contracts whenever this is the most effective way of carrying out an editorial task. However, we consider that some permanent specialist posts are needed in areas of significant and enduring interest. Alongside these specialist posts there should be generalist posts for permanent staff to work on a wide variety of projects either to use existing expertise or to develop it. There needs to be opportunity for a few staff to undertake scholarly work free from management or administrative duties.

H.10 With the appointment of a professional Publications Officer, the editorial department will lose its present responsibility for publications, but its staff will continue to produce many of the texts for publication. They will also carry out research and serve as advisers to the Education Officer and Enterprises Manager. Such duties should not be seen as an integral part of the department's aim of ensuring that the records are made as accessible as possible.

Recommendations

H.11 The range of projects to be undertaken will require tight management control to ensure the most effective use of expert resources. Priorities will need to be set and resources allocated in the light of the greater strategic emphasis to be given in future to making the records more accessible. We think that the process of producing an annual business plan will enable management and staff of the new unified editorial department:

* to review current and prospective workload;

* to set priorities in line with strategic objectives;

* to define the tasks to be undertaken and the timescales for completion; and

* to allocate resources and get these agreed with senior management.

H.12 **Our recommendations are that:**

(a) **the editorial department in consultation with search department and repository should include in its annual business plan a programme of priority editorial work drawn up in the light of readers' needs.**

(b) all proposals for editorial projects should be justified by the initiating manager with an estimate of the resources required, the probable time-scale and the benefits hoped for. Where large projects are concerned, there should be an experimental pilot project.

(c) all editorial projects should be subject to regular monitoring and periodic review. Every editorial project once initiated should be formally "owned" by one officer who should sign it over to his or her successor when transferred off the project. Where no successor has been identified the project should be signed over to the Departmental Manager.

(d) within the editorial department subject areas of significant and enduring interest should be identified and teams formed to carry out a variety of editorial work on them. Each team should be headed by a full-time, permanent member of PRO staff who already has or can develop specialist knowledge of that area. The teams might include short-term contract staff, part-time staff and officers seconded from elsewhere in the PRO.

(e) the Office should examine the scope for further employment of volunteers or editors.

(f) all editorial projects which are contracted out, whether to paid editors or to volunteers, should be fully documented in the same way as in-house projects, including a detailed contract against which the final work will be judged and payment withheld in cases of unsatisfactory work.

OUTREACH

I.1 This Annex deals with quality of service and financial issues in relation to "outreach" services - a shorthand term which we are using for activities aimed at a wider constituency than those who visit the PRO in person: in particular, publications, retailing, educational services and exhibitions. We found that although the PRO has recently begun to develop these areas, there has been no intensive effort to review long-established ways of doing things so as to reach out to a wider audience. The PRO has traditionally maintained a low profile and has not generally sought to increase the accessibility of the records or the use of the Office by the public. This is changing slowly, and we regard the adoption of a higher profile as an encouraging development.

I.2 We were asked to examine the scope for developing new revenue and generating services. We found from discussions with comparable institutions which over the past decade or so have set up enterprise units and in-house or independent publishing businesses, that many of these had successfully begun to make respectable profits for the parent institution. We also found that the enterprise activity (including publishing) in most of these organisations was required not only to achieve financial success but to enhance the image of the institution through close identification with its basic purposes.

I.3 We would not wish to recommend that the PRO should develop a more entrepreneurial outlook if there were no prospect at all of a return on investment. We do, however, think that there are other worthwhile benefits to be gained from giving a higher profile to areas of possible revenue raising, partly through focusing attention on the importance of outreach, and partly because it offers the opportunity to enhance the PRO's public image and draw attention to the value of the records. Financial aspects are dealt with in paragraphs I.24-I.26.

Publications

I.4 Publications are currently the chief means by which the PRO seeks to publicise the records to a wider audience. The Keeper has the power under the 1958 Act to "prepare publications concerning the activities of and facilities provided by the Public Record Office". The PRO's publications programme, which began in the 19th century, is managed by the G6 in charge of the Mediaeval and Early Modern Records Department, supported by 2 staff. Some publications work is also undertaken by the head of the

Museum and Library Department, who is involved in preparing some educational publications, while Modern Records Department also commissions and edits publications relating to more recent records. The current publications programme up to 1994 includes 52 titles, some of which are provisional. The majority of books and catalogues are funded directly by the PRO, which currently spends approximately £120K on publications, although some sponsorship funding and a few joint ventures are also planned. PRO publications are published exclusively through HMSO at present.

I.5 The **publications programme** is less tightly managed than a commercial operation would be, partly because the PRO lacks professional expertise in managing it. Most of the publications, both learned and popular, are written or edited by outside authors on a fee basis or sponsored by academic and other institutions. More effort is now being made to obtain sponsorship deals with university departments for particular projects. PRO staff see titles through the press, liaising with HMSO, and providing copy-editing and indexing etc. Contracts specifying quality standards and deadlines have only recently been drawn up, and difficulties in making staff available for editing tasks have led to delays. We were told that it was usual for PRO authors to fail to meet their deadlines, and that an advantage of publishing through HMSO over commercial publishers was that HMSO was prepared to wait for text.

I.6 The PRO is not entirely satisfied with the overall performance of **HMSO** as the monopoly publisher of PRO's list, and we found some support for diversifying away from HMSO or assuming in-house control of the publishing operation. There was particular concern that HMSO showed little interest in undertaking educational publishing, an area where there is potential for development, and lacked a network of representatives in schools. Our own discussions with HMSO confirmed that this was not seen as a high priority. We think that, on balance, HMSO has responded well to the special needs and difficulties of the PRO, but has not sought to develop the list in any particularly imaginative way. Almost every comparable national institution now has its own publishing arm. We think the PRO has many strengths on which it would be possible to build an in-house publishing organisation, including perhaps most importantly a wealth of interesting and relatively unexploited material. There is a good potential range of both heavyweight and lighter productions, an apparently ready supply of potential authors and editors, and a number of existing markets - academic, genealogical and general historical readership. **We recommend that the PRO should establish an in-house publishing unit.**

I.7 The **publications strategy** is intended "to facilitate the most effective use of the records in the Office, by making users and potential users more familiar with its contents and with its functions and services, and by making the holdings of the Office more widely accessible by providing editions of records, thereby furthering both academic studies and the increasing interests of a wider public." We do not think the current publications list satisfactorily fulfils the strategy. The list is a somewhat unimaginative mix of heavyweight works such as texts and calendars of records, which are used by the historical research community, and a relatively small number of more popular books intended for the general reader.

I.8 In our view, too little attention has so far been given to developing the **publications list** to reflect the interests of the growing constituency of family and local historians, and of the general reader who is interested in history, or the needs of history teachers. The emphasis is very much on the scholarly end of the market at present, and we heard a considerable body of views that the PRO could successfully aim at a more popular audience. There is a concern that this would involve a lowering of standards, but we do not accept that excellence is related to the narrowness of the audience. We think it would be more a question of a different emphasis while continuing to create a high-quality product. **We recommend that the publications programme should be critically reviewed so as to increase substantially the proportion of more popular works and educational publications.** More attention should also be paid to marketing opportunities for microform publications following the success of the microfiche of the World War II War Cabinet minutes. There should certainly continue to be a scholarly element to the list, but the present arrangements for joint ventures with academic institutions should be developed.

I.9 As a first task, the publishing unit will need to develop a **new strategy** defining its aims and functions. We propose that its objectives should be defined in the context of the core activity of increasing access to the records. In the long term, the aim will be to become profitable, but we think it is important that the publishing unit is seen as an essential part of greater emphasis on outreach. We think that books on historical themes which use the records as evidence could find a market with both genealogists and the general public. There is scope for tying in publications with national events and anniversaries.

I.10 We found some support for the idea that the PRO should develop a range of **educational publications** to meet the increasing needs of history teachers for records-related texts. We were told that commercial publishers had not so

far radically revised their approach to textbooks in the light of the National Curriculum proposals for greater use of original source material, and that there could be an opening here for the PRO. In developing the educational side, the unit will need to proceed cautiously, exploring the scope for joint ventures with those publishers who have the appropriate contacts in the education world. We suggest that the PRO should identify suitable themes for educational publications, using the National Curriculum as a guide. These could be aimed not just at A-level students but also at primary school teachers, and developed in consultation with education advisers. Piloting in schools could be advisable in some cases. The Imperial War Museum has developed a successful range of teachers' information packs, and we think that the PRO should test the market for theme packs of facsimile documents with an associated teacher's guide.

I.11 We think that a **professional publisher** should be appointed to head the Office's publications business. The PRO has developed considerable expertise relating to the production of books and is skilled at copy-editing, production of text on disk, the use of desk-top publishing and many of the other skills needed to turn typescript into printed text. What it lacks is knowledge of how to commission, package and market books in a commercial environment, including the skills needed to market research and pilot educational publications. The lesson from other institutions was that a publishing unit would need a professional manager strongly supported by senior management for it to be a success. All the publications officers we saw advised that it was essential to employ a professional publisher, and it seemed evident to us that the experience, specialist knowledge and contacts which a professional would bring to the task would be of enormous value. **We recommend that the PRO should employ a publications manager with a background in publishing at Grade 7 from 1 September 1991.**

I.12 The publisher would be responsible for:

* commissioning work from editorial departments or external authors,
* negotiating contracts,
* liaising with publishing companies (including HMSO),
* production of in-house items
* copyright
* editions on microfilm or other new media.

We think it is important that the person employed should be able to develop a good relationship with expert staff so as to build up a sound appreciation of the potential of the records. We were impressed by the way in which the British Library in particular had drawn on the expertise of each of its departments to develop an attractive trade catalogue,

with a good balance between scholarly and popular works. We think the PRO should aim for a similar presentation.

Retailing

I.13 The PRO currently has a small shop at Chancery Lane and a tiny retailing operation in the reception area at Kew. Turnover increased substantially in mid-1990, but the total scale of the retailing enterprise is much more limited than any of the museums or galleries we visited, reflecting the smaller visitor numbers at the PRO and the recent development of this activity. The main items on sale are PRO publications, other books and leaflets, posters, postcards and inexpensive gifts with a PRO theme. The strategy is to expand the range of items gradually, testing the market and ensuring that the items developed are tasteful, of good quality and closely linked to the PRO's business. We support this approach and **we recommend that within the new Outreach department, an Enterprise Manager at HEO level should work under the direction of the Outreach Grade 6 to develop enterprise activity further, but essentially along the same lines as at present.** We do not think that specialist marketing expertise is essential, but it will be helpful for the PRO to build on the experience of comparable institutions and to extend its market through joint ventures with them, for example reciprocal agreements to sell items through existing shops and mail order catalogues. There are also a small number of shops and mail order catalogues specialising in museums and "heritage" items, which may be worth exploring in the future.

I.14 In developing a range of retail items, the PRO will be competing in a market in which larger institutions such as the V & A and the British Museum are already firmly established. Our discussions with comparable organisations suggested that in some areas such as stationery the market might be approaching saturation point. However, there was scope for development in other areas. Although the PRO's holdings - consisting mainly of documents - are less visually rich than those of museums and galleries, there are some unusual features such as large collections of maps and photographs. We were told that both of these were relatively unexploited and expanding areas of the market. The view was also put to us that it was not necessary to have a large number of different items in order to be successful. The National Gallery had used a small number of its paintings as a basis for the range of items sold in its shop, while the Fitzwilliam Museum had developed a limited collection which had been effectively marketed.

I.15 **We recommend that the Domesday Book and visually attractive material such as the collection of manuscripts, maps and registered design applications to the Board of Trade should be used as the basis for a range of items closely linked to PRO's work.** It will be for the PRO to

develop a helpful appropriate public image based either on some representative aspect of its holdings or a suitable logo. Understanding of the PRO's holdings will be an important factor in developing these areas, but we think it may be helpful to obtain some design consultancy advice to provide an external perspective.

I.16 We recommend in Annex D that the name should change to The National Archives at agency status. We think this name could be a potential asset, particularly among those who are familiar with its work. For example, it may be possible to generate some income from licensing the name for use by family and local historians on their literature. For the purposes of a logo, the name or abbreviation could be supplemented by an easily understood phrase such as "The Nation's Memory".

Educational Services

I.17 The PRO's current focus on education is mainly at the university postgraduate level, and our inquiries indicated that much valuable help is given - both at summer schools and other special courses and as part of everyday work in the search rooms - to guide students to the records they need and to familiarise them with the potential of the PRO. We envisage that this will continue. However, there was a view both within and outside the Office that as the national archive, the PRO could play a valuable educational role which it had shown little interest in developing. We see scope for expanding the PRO's work with schools, especially as the national curriculum for history, with its emphasis on the use of original material, comes into force. At present, group visits from schools are not encouraged. In the year to October 1990, search department (Kew) hosted only 9 visits from schoolchildren and 9 from students in further education. Clearly the need of readers for quiet must be respected, but we think it is also important to educate the next generation about the value of the PRO. It is unlikely that a more open approach would result in unmanageable numbers of applications, as schools tend to turn first to their local record offices. **We recommend that the number of visits to the PRO should be gradually increased to about one a week, with opportunities for younger children as well as sixth-formers and college students.**

I.18 We heard from HM Inspectorate of Schools that a survey of the use of archives in the teaching of history had revealed that teachers had little appreciation of the use that could be made of original documents. Many senior pupils did not even know what a record office was or how it could be used. The PRO is well-placed both to raise the general level of awareness and target particular groups for specific archives training. We think there should be a more active interchange with schools, including observation

of the use which teachers make of original documents and discussion with them at teachers' centres. It was suggested to us that the PRO could participate in in-service training for teachers, particularly primary school teachers who may not have handled original documents themselves. We commend this suggestion.

I.19 Educational activities are managed at present by a Grade 7 with a wide span of other responsibilities and little opportunity to undertake the development work necessary to enhance the PRO's role in this area. **We recommend that a person with a teaching background should be appointed by the PRO at SEO level as an education officer to develop outreach activities with the education community.** The work would include development of educational publishing using PRO material, provision of in-service training for teachers, arranging exhibitions and group work with children. The post-holder should be a qualified teacher, ideally with archive or advisory teaching experience. He or she will need to work closely with archives officers so that the requirements of teachers and students can be matched with the potential of the records. Another area which could be developed by the Education Officer in conjunction with archives officers would be evening lecture series on aspects of the records, probably at Chancery Lane, which would be of interest to historians and genealogists.

Exhibitions

I.20 Although the PRO has a small permanent display of documents in its museum at Chancery Lane, it has not mounted an exhibition since the 1986 Domesday Exhibition. This was a major event, requiring several years of preparation, substantial staff input and commercial sponsorship to mount. It attracted nearly 132,000 visitors, but failed to cover its costs by some £150K. This experience has affected the PRO's attitude to further large-scale events, and ideas for more modest exhibitions have not been followed up, partly because of the difficulty of finding a suitable location for the display of original documents. An expensive project for refurbishing the Rolls Chapel at Chancery Lane was undertaken in 1988 to provide a larger museum space, but was abandoned because the BS standard for lighting intended to avoid damage to the documents could not be met.

I.21 We think, however, that provided a suitable location can be found, well-designed, small-scale exhibitions based firmly on knowledge of the records would add another dimension to the more outward-looking approach which we would like to see the PRO adopting in the future. There needs to be an emphasis on bringing people into the PRO. We understand that an exhibition of this kind, on "Records and the people", has been prepared for 1991, and we hope

that a programme of similar events will be planned.

I.22 Although there are resource implications here for the new Outreach department, we think that it would be possible to keep the costs down by using the material prepared for exhibitions for associated publications, education packs and lectures or in-house training. An exhibition on the work of the PRO itself, for example, could generate a book or video which could be used for educational purposes and for induction training for staff. Exhibitions related to the national curriculum could develop from the work of the Education Officer with teachers and students. An exhibition in the family or local history area could have a valuable spin-off effect for the retailing side. We were told that it was not easy to obtain sponsorship for exhibitions of documents, but we think it is worthwhile to target possible sponsors in areas related to the theme of an exhibition.

I.23 **We therefore recommend that a series of small-scale exhibitions should be planned, taking account of any national anniversaries or other events, and minimising the cost through sponsorship and reuse of the material.** We suggest that the PRO should plan for more exhibitions on historical topics to be held jointly with other organisations, for example the historic royal palaces. Touring exhibitions could be arranged in co-operation with English Heritage, the National Trust, local record offices, libraries or universities.

I.24 At present, the PRO's revenue from publishing and enterprises is limited to a small income from direct sales which under Government accounting rules cannot be retained for investment purposes. We heard some strong views that the financial arrangements under which the PRO is required by the Treasury to operate were too restrictive to allow the sensible development of income-generating projects. We were told that some flexibility on the annuality rules was required to allow any profits to be invested in development and build in incentives. We considered whether the revenue-earning capacity of the PRO was ever likely to put the organisation as a whole on a self-financing footing which would make trading fund status a possible option, and concluded that it would not. Even the most successful of the enterprise organisations we saw had shown profits of no more than £1m in a single year.

I.25 We also considered whether it would be sensible to plan for the enterprise and publishing activities to be separated from the main organisation and set up as a profit-making concern, on the model of British Museum Publishing. It was clear that there were a number of reasons why it would be right to develop these activities positively but in a circumspect way:

* the number of visits to PRO, at around 125,000, is considerably smaller than the number attracted by the big museums and includes a larger proportion of repeat visits

* the PRO is less rich in visually attractive material on which to base a retailing collection than some of the other institutions, although it is strong in material suitable for publications

* most of the institutions we consulted had taken at least 3 years to begin to show a profit.

Some of the enterprise organisations we saw had had financial difficulties at the outset which appeared to arise from being cut loose from the parent organisation before there had been an opportunity to show any profit. It was put to us that the first 3 years of a new publishing venture, for example, should be regarded as a period of investment.

I.26 **Our key recommendations are that:**

(a) a publications unit should be set up

(b) an enterprises manager should be appointed at HEO level within the new Outreach department

(c) these activities should at first be managed within the Outreach department under a 3-year plan for gradual expansion

(d) targets should be set for these activities to become profitable at the end of 3 years.

I.27 Agency status will give the PRO the opportunity to review its financial arrangements, and we recommend that at the 3-year point, the publishing unit should be put on to a trading fund, trust fund or other basis which will allow a proportion of the profits to be covenanted back to the PRO and a proportion to be reserved for development funding. We found that in the other institutions, income from other enterprise activities often subsidised the publishing arm, and it may be that a separate Enterprises Unit covering retailing as well as publishing would in the long term be the most effective organisation within which to manage all aspects of income generation. During the development period, we think the PRO will need to devise a way of protecting the funds allocated and enabling investment to be carried out within existing accounting arrangements.

CHARGING FOR ACCESS TO THE PUBLIC RECORDS AND FOR VALUE ADDED SERVICES

Charging for access

J.1 We have addressed the question whether readers should be asked to make some direct contribution towards the cost of running the PRO by paying for access to the records. It is a difficult issue about which people hold strong views.

J.2 Many users, representative groups and learned societies expressed their objection to the idea of charging readers for access. To summarise the arguments:

(a) the public records are an important primary source for historical research and from that research we gain important contributions to the sum of human knowledge;

(b) the records are public records, in that they have been created by governments on behalf of the governed and accountability requires free access to them;

(c) on occasions the reader may be the subject of the record, or in the growing area of family history, the reader will be the direct descendant of the subject of the record, creating a feeling of proprietary interest in the record;

(d) there is concern that charges would be a significant burden on students and others in low income groups, would be additional to the high cost of travelling to the PRO and could restrict the acquisition of knowledge to the well-off; charges are seen as a "tax on knowledge";

(e) local record offices would come under increasing pressure to charge for access;

(f) comparisons are made with free access to public libraries and some museums and galleries;

(g) other countries, even where there is a well-established tradition of charging for museum and gallery entrance, do not charge for basic access to their national archives; (this includes the USA, Canada, Australia, and European countries except France where there is a 100F (£10) charge

for an annual reader ticket: the charge is related to the production of the ticket which includes a photograph); and

(h) there could be a tendency for charges to lead to a corresponding drop in government funding, rather than being kept by PRO for investment in better quality services.

J.3 It is not surprising that these views should be widely held and strongly represented by PRO users and staff. We would also expect them to be held by others who do not make use of the Office, but who support the principle of government support for the research and leisure uses that are made of bodies like the PRO. The general criticism made of the introduction of charges in some museums and galleries could be expected to extend to any decision to charge for access to the public records.

J.4 There are contrary arguments which were only occasionally raised with us during our inquiries but which we wish to see aired and fairly considered. To summarise these:

(a) although it is appropriate for the obligation to future generations to be borne by the taxpayer, current readers should be expected to make some contribution towards the services they use;

(b) the absence of charges constitutes a subsidy to readers from taxpayers;

(c) a significant number of readers are from abroad and are therefore not making any contribution as taxpayers;

(d) to the extent that government funds the acquisition of knowledge and academic research, this should be by way of funding directly through the education system rather than by cross-subsidy from the PRO;

(e) a theoretical distinction can be drawn between the professional academic use of the records which through research and publication eventually adds to the sum of continuing human knowledge and the leisure interest of some family historians where the information derived from the records may be solely for private purposes; but there would be practical difficulties in adopting different approaches to charging these groups;

(f) charging would be a useful stimulus to improvement in the quality of service provided;

(g) even quite reasonable charges would produce a worthwhile income which could be earmarked for particular improvements in quality of service;

(h) there is increasing acceptance of the principle that users should pay for services or, at least make some contribution to them.

J.5 The annual income that could be derived from charges would depend on many variables but for the purposes of illustration a possible scheme is outlined below:

Day ticket	**£3.00**
Annual ticket	**£40.00**
Annual concession ticket	**£20.00**

Using readers' survey figures on the number of visits readers make to the Office in a year, which gives an indication of the propensity to purchase season tickets, the following annual income would be received:

Assuming a 50% loss of readers (a very high estimate) and 60% of season ticket holders being on concession: **£175,528**

Assuming no loss of readers and 40% of season ticket holders being on concession: **£312,191**

J.6 However, a significant thrust of our report is that there should be more emphasis on PRO's function of providing access to the records, and we are conscious that any imposition of charges will tend to create a barrier to increased access. We also have a pragmatic concern that the likely adverse reaction to a recommendation for immediate charging would be disproportionate to the financial benefit to be derived and would distract attention from our recommendations for improved management of the PRO, which in our view will be more significant for its long term effectiveness. **We therefore recommend basic access to the records should continue to be free for the present.**

J.7 For the future, we think there may be a place for charging users for access to the records in the context of a more efficient and customer oriented service, which is likely to cost substantially more to set up and run than the present service. **We recommend that the question of charges should be considered again by the PRO and the Lord Chancellor's Department in 1993/94, once a strategic plan for specific improvements in service has been drawn up in the light of:**

(a) **the extent to which improvements, for example extended opening hours, can be funded from savings resulting from concentrating services at Kew or other efficiency savings accruing from better management;**

(b) **the amount of investment which the Government is prepared to make in order to secure a good level of service; and**

(c) **the extent to which the climate of opinion has shifted towards accepting charges as a contribution by users to an improved service.**

Charging for value-added services

J.8 Paid Searches: Search Department's policy is to give priority to readers who visit in person and to work which benefits a number of readers rather than individuals. Most correspondence is answered by means of standard replies. Exceptions to this rule are official enquiries, those which raise a point of wider application and enquiries about blocks of records where research is considered to be a useful training exercise for staff. In other cases where detailed research is needed, inquirers are referred to the services of commercial record agents. This is normally done by sending details of two record agents drawn from a list held by Search Department which indicates agents' particular areas of interest. Inclusion in the list is by request and with the approval of the head of Search Department who interviews applicants to obtain some reassurance that they will provide a reasonable quality of service. Search Department staff are not entirely happy with this approach. Despite the disclaimer included in the standard letter, the Office by giving the names of two agents appears to be recommending the service of persons over whom in fact it has no control, with the result that it is often drawn into disputes between record agents and their clients.

J.9 A number of readers expressed the view that PRO staff could provide a valuable service by carrying out paid research. The suggestion has also been made that PRO could follow the practice of some local record offices in contracting out research to record agents on a profit-sharing basis. Both these schemes would enable PRO to exercise greater quality control over research done in response to written enquiries and would generate income for PRO. However, against the background of a government policy that the public sector should not compete with private sector services, we consider the PRO could not justify expanding its research activity in competition with record agents and that in this respect there is no essential difference between a contracted-out profit sharing service and a direct one.

J.10 **We recommend that the PRO should consult recognised organisations of record agents such as the Association of Genealogists and Record Agents (AGRA) with a view to establishing new arrangements under which the PRO would either:**

(a) circulate to enquirers a complete list (or separate interest-based lists) of record agents who pay a fee for inclusion; or

(b) refer enquirers direct to record agents' organisations.

J.11 The Library: We think that the Library would represent much better value for money if it were open to the public, and that, as this would be a value-added service rather than a core activity, some income should be generated from charges, either on a subscription basis or per book. Initially, these should be set at a level which would enable the cost of producing the books to be covered. We estimate that this would be £1 per book.

J.12 Charging Departments: We considered whether Government Departments should be charged for PRO's services in providing guidance on the selection and retention of records, but concluded this would be inappropriate given that Departments are under a statutory duty to co-operate with the PRO. Charging Departments could lead their putting less effort into the record selection and transfer process with long term adverse effects on the value of the collection.

COPYRIGHT

K.1 Copyright is inordinately complicated; it is especially so as it affects the activities of the PRO. We are concerned about the extent to which the provision of advice about copyright both within the Office and to readers absorbs scarce resources and provides no worthwhile return. The annual cost to PRO of copyright work is in excess of £20,000. The average annual revenue from copyright fees over the past three years has been £3,503.

K.2 Advice is provided by a Copyright Officer (40% of a Grade 7), assisted by a Deputy (15% of a Grade 7) and an EO (5%) for the following purposes:

(a) to readers who ask about the copyright implications of uses they propose to make of material they have studied at the PRO, and in particular who seek permission to reproduce material in crown copyright in respect of which PRO has delegated authority from the Controller of HMSO, who has overall responsibility for administration of crown copyright;

(b) to HMSO when they are handling requests from PRO's users (that is, in cases where the request does not fall within the delegation of authority from HMSO) for permission to use public records in crown copyright;

(c) to management and staff of PRO in connection with its own publishing activities, in particular ensuring that PRO contracts with external editors include standard clauses on copyright based on guidance supplied by HMSO;

(d) to readers and Reprographic Department staff in connection with copyright implications of copying records held in the PRO's collection but which are not public records.

K.3 Advice to readers and HMSO in respect of permission to use material in copyright constitutes the most time consuming activity, the main elements being:

(a) ensuring that readers are aware that material they use may be subject to copyright notwithstanding that any <u>public</u> record may be copied for them by the PRO without breach of copyright;

(b) advising specifically whether material is subject to crown or private copyright and

- where it is in crown copyright, and falls within the PRO's delegation from HMSO, deciding when to give formal permission for its use, and whether or not a reproduction fee should be charged; or

- where it is or may be in private copyright, advising that this is the case, and that the PRO can neither give formal permission for its use, nor advise on the current ownership of the copyright;

(c) in cases where users have made application direct to HMSO, advising HMSO on the nature and copyright status of the records concerned.

K.4 Applications for use of crown copyright material are dealt with in accordance with Cabinet Office General Notice (GEN 90/23). HMSO's main requirements are that crown copyright be acknowledged and that fees be charged when appropriate. There is a wide discretion available; the Office need not charge in the case of material used for 'professional, technical or scientific purposes where profit is not a primary purpose of reproduction', or in the case of works of scholarship, works published in the journals of non-profit-making bodies or for educational purposes, or in other cases where the need for the fullest dissemination of official information is paramount. In practice, permission is always granted and fees are very rarely charged.

K.5 There is an underlying conflict of principle. Copyright exists to protect the commercial interests of authors from the loss they would suffer from unauthorised reproduction of their work; the PRO is in the business of making public records available to the public and fostering the dissemination of the information contained in the records to the wider public through the work of academic researchers. We note that in other countries such as the United States there is no equivalent of crown copyright, the view being taken that the possible commercial interest of the Government as the originator of material is subordinate to the public interest in its wider dissemination.

K.6 **We recommend that a review be undertaken by the PRO and HMSO to consider the possibilities of:**

(a) reducing costs to the PRO of copyright administration

(b) **complete delegation to the PRO of administration of crown copyright in the public records; and**

(c) **establishing a general policy that except in cases of demonstrable commercial and large scale publishing activities (for example some microform publishing) crown copyright will not be claimed or fees charged for the reproduction of material derived from the public records.**

K.7 The approach we suggest should greatly reduce the extent to which readers need to seek advice from the PRO on copyright questions. So far as private copyright is concerned the PRO should limit its role to making readers aware that there are possible private copyright implications of their use of the records and that readers must make their own inquiries; but that can be done by the provision of notices and simplified standard leaflets. Deciding not to claim crown copyright will not only remove the need for authors to seek permission to reproduce material from the records subject to crown copyright; it will also remove the need to establish the material's crown copyright status. Notices and leaflets can be used to ensure that appropriate acknowledgement is given of the source of the material.

K.8 **We recommend that in the light of the review PRO ensure that copyright work is done at the most appropriate grade and that management closely monitor the costs to the PRO of copyright administration.**

DEPARTMENTAL SERVICES

L.1 The present functions of Records Administration Division combine the complementary disciplines of records management and archives. Records management is generally defined as the administration of active files from creation to disposal, while the archival function is concerned with the selection, classification, documentation and physical care of records for permanent preservation. PRO has an advisory role in relation to records management (which is primarily a Departmental responsibility) and a statutory, executive role in relation to archives.

L.2 We believe that PRO would provide a more professional and effective service to Departments if its advisory and statutory functions were separated, and the distinction emphasised by putting the former on a repayment basis. **We recommend the organisation of the new Departmental Services Division into two departments: Accessions and Records Management Consultancy,** the scope of their responsibilities following broadly the definition given above.

Accessions Department

Selection

L.3 Whilst the selection of records for permanent preservation is primarily the responsibility of the creating or transferring Department, it needs to be exercised in close consultation with the PRO which has statutory responsibilities to 'co-ordinate and supervise' the selection of records and whose officers can add to the Department's necessarily more detailed knowledge of its holdings a more broadly-based appreciation of the use likely to be made of any particular series of records and their relative historical merits.

L.4 A number of concerns relating to the selection process were expressed to us by PRO staff (both in RAD and elsewhere), by Departmental Record Officers, Treasury and some user groups:

(a) too much is kept

(b) too much is destroyed

(c) selection is biased towards traditional policy files and PRO shows no interest or expertise in dealing with records which are non-standard in either form or content

(d) there is a lack of consistency between IOs in the selection advice they give to Departments

Is too much kept?

L.5 How much of the vast amount of paperwork produced by the Government machinery ought to be kept is an unanswerable question. At present the percentage of a Department's records preserved permanently depends on the traditional importance credited to the issues with which the Department is concerned and to the type of records they produce. Proportionately more records of the Foreign Office are kept than of the Department for National Savings. Overall about one per cent of all government records are selected for permanent preservation at the PRO or another approved place of deposit. This does not seem excessive. (See also: Annex M: Location and Accommodation)

Is too much destroyed?

L.6 Fears were expressed by users, particularly academic historians, that valuable material was failing to find its way into public access. On investigation these turned out to be largely related, not to actual destruction, but to the apparently increasing frequency with which Departments retain selected records. Unlike applications for extensions to the normal 30 year closure period, applications for retention are not subject to consideration by the Advisory Council. The historians' concern was echoed by staff within PRO. While we have not been able to make a detailed assessment of the problem, we have been assured that PRO gives careful attention to Departmental proposals for retention. This should continue but it might also allay public concern if Departments were to adopt a more open approach, giving some broad indication of the nature of the records and the reason for their retention. For example, recent legal advice has resulted in the use of formal retention pending review for material discovered when it is already over 30 years old. Retention is also increasingly used for material where access is statute-barred.

Non-standard records

L.7 Records can be non-standard in two respects: in format or in content. PRO already has a settled policy for non-standard formats such as films, audio-tape and models. But there is considerable concern and irritation among Departments at the slow progress which has been made on the development of the Computer Readable Data Archive. Our recommendations on this are at Annex F.

L.8 There was also some concern both within the PRO and from user groups that PRO does not have a sufficiently clear policy on photographic collections: the recent disposal of the Central Office of Information collection was quoted as an

example of PRO's mishandling of a type of material in which it has chosen not to develop an interest or expertise. **We recommend that PRO reviews its policy in relation to selection of photographic collections and makes appropriate arrangements, possibly in line with those made for film and sound records.**

L.9 A concern expressed by a number of DROs and PRO staff related to the selection of scientific and technical records. PRO itself has been concerned about the difficulty of making judgements on records which fall outside the experience of the staff who have to select them. In the mid 1970s a "scientific inspecting officer" was briefly employed but little progress was made, and since then such records have been dealt with by all inspecting officers as and when they occurred in the normal course of selection. There appears to be unease among some DROs and PRO staff as to whether the present arrangements are appropriate. **We recommend that the PRO should undertake a review of its present practice in relation to scientific and technical material, and consider alternative approaches in conjunction with the Science Museum, appropriate Departments and record user groups.**

Consistency

L.10 One of the most frequent complaints voiced by Departmental Record Officers concerned the lack of consistency between Inspecting Officers in their advice on selection. While this is partly a reflection of the unavoidably subjective nature of decisions in the small number of marginal cases, it also reflects a lack of clear policy in several important areas, namely:

(a) Computer records
(b) Scientific and technical records
(c) Personnel and case records
(d) Records relating to international bodies
(e) Records of privatised and "fringe" bodies

L.11 IOs themselves expressed dissatisfaction with the lack of PRO policy in some of these areas and complained that their repeated attempts to establish such a policy had been unsuccessful. Within the PRO there is an awareness of all the exceptions and special cases which could make rules about selection dangerously narrow. Within Departments there is a quite contrary desire to have clear directions which will simplify and speed the huge task of review and selection. While we appreciate the limitations of too rigid a set of "rules", we do not accept that it is impossible or undesirable for PRO to establish and promulgate clear "guidelines" on the treatment of categories of records which are currently of concern to DROs. It should be possible for IOs to establish through their personal contacts with DROs and through discussion with each other what the major

area of difficulty are and to ensure that these are systematically addressed. At present however IOs have very little structured communication with each other: an IOs meeting takes place approximately every six weeks but is treated as an opportunity to communicate management information rather than as a forum for discussion. Informal exchange of information is limited by the amount of time IOs spend away from the Office.

L.12 We believe that the consistency of IOs guidance to Departments on selection, would be improved by establishing a more formal procedure for identifying problem areas and establishing policy. **We recommend:**

(a) **giving the Grade 6 IO specific responsibility for identifying the issues which are of concern across a range of Departments.** To do this he will need not only to draw on the experience of IOs but also to visit Departments himself and invite DROs to express their concerns and opinions, perhaps through the medium of the newsletter or occasional seminars.

(b) **bringing IOs together in regular meetings and short conferences to discuss common problems as identified by the PIO.** Some of these meetings could be on a number of minor issues, or could be whole day events on a single topic, but they should draw on external expertise as appropriate (either from other areas of PRO or outside) and should aim to produce draft guidelines.

(c) **bringing DROs together in groups small enough to generate fruitful discussion, at which draft PRO guidelines could be debated and difficulties aired.** The aim should be both to identify potential problems in practical terms and to arrive at some degree of consensus which will enable DROs to see guidelines not merely as something imposed by PRO but as an expression of the collective wisdom.

(d) **publicising the resulting guidelines through whatever channel is most appropriate: Keeper's letter to Departments, amendment to the manual, announcement in the newsletter or at the annual conference, etc.** It should be made clear that such guidelines are "official" and should it be necessary to amend them this should be done with appropriate formality and publicity. DROs and IOs should never be in any doubt as to current policy.

Transfer

L.13 Once records have been selected for permanent preservation, they have to be prepared for transfer to the PRO. There are a number of processes to enable PRO to obtain the physical and intellectual control over the material which will ensure that the documents are not only preserved but are accessible to the public. Briefly, permanent preservation and physical control require that each document is free of possible sources of damage or loss (eg. rusting staples, loose papers), is in reasonable condition (eg. mould-free, papers flattened), is clearly marked with its unique archival reference and access date, and is boxed to archival standards for easy, protected storage. Intellectual control and access require that each document is correctly classified according to archival principles, accurately and fully described in an item-by-item class list, and set in context by the introductory note to its class and the Guide notes to its class and Department of origin.

L.14 The Public Records Act 1958 does not specify precisely which parts of this process are the responsibility of the Department and which are PROs. The basis for PRO's insistence on Departments carrying out the whole procedure to its exacting standards is somewhat unclear - a fact which has always been recognised by PRO staff and is increasingly commented on by DROs pressed for resources.

"Physical control"

L.15 At present PRO aims to accept documents only when they have been fully prepared by Departmental staff. There are exceptions and compromises but on the whole Departments bear the costs of preparing records for transfer. The suggestion has been made both by DROs and within PRO that PRO staff should take over at the point of final selection and should do the listing and packing themselves. For large Departments this would require a full-time team of seconded staff; for small ones a "flying angel" arrangement would suffice. Departments see this as a way of reducing their own costs, while PRO staff see it as a way of improving the quality of both listing and packing.

L.16 In terms of cost it would not greatly help Departments. Since they have been funded to do this work, if they ceased to do so they would have to transfer the funds to PRO. For both PRO and Departments there would be problems of administration and control which lead us to reject it as a blanket application while the present system is on the whole working well. On the other hand we believe that involvement of PRO staff in listing and packing would greatly assist some small Departments and **we recommend that PRO investigate the**

need for such a service in Departments and consider the possibility of providing short-term support on a repayment basis.

L.17 As Departmental staff increase their contacts with each other, there is growing awareness of the extent to which standards vary. A number of DROs find they have attempted to reach a standard demanding considerable staff and other resources in ignorance of the degree to which other Departments are allowed to "get away with" lower standards. While PRO obviously wishes to maintain as high a standard as possible, several DROs clearly felt they were not being dealt with fairly and were less cooperative as a result. **We recommend that DSD ensure through training, seminars and conferences that Departmental archives staff at all levels are aware both of the reasons for the existing standards and of the variations in performance which are acceptable, given the inevitable variation in resources available to Departments.**

L.18 Although we consider that there is no justification at present for a major change in the funding arrangements for the preparation of records for transfer, **we recommend that PRO's purchasing officer should investigate the economies of scale which might be gained by PRO's buying all the specialist materials required for packing and providing them to Departments on a repayment basis.** This would replace the somewhat piecemeal arrangement which exists at present, whereby PRO provides some packing materials free and some on a "payment in kind" basis but leaves most Departments to make their own arrangements. The arrangement would recognise that it is primarily in PRO's interest that documents should be correctly packed, but would leave the financial arrangements as they are at present.

"Intellectual control"

L.19 In our discussions with administrative and curatorial staff both within and outside RAD, questions were raised as to how far inspecting officers and EOs need archival expertise, and if they do, whether this needs to be through formal training (in-house or full-time) or experience. There were two specific criticisms made: records are sometimes placed in the wrong class altogether, and they are often inadequately or misleadingly described. Classification of records is part of the selection process and is carried out by inspecting officers in consultation to a greater or lesser extent with curatorial staff in RAD and MRD. Preparation of the descriptive lists is the responsibility of the transferring Department: it raises a number of issues which are dealt with separately.

Classification

L.20 The misclassification of records is believed to arise primarily because IOs do not have adequate archival experience, but it is also due to the current lack of curatorial input at the appropriate point in the transfer procedure. Although proposals for new classes of records are circulated to curatorial staff, the usefulness of their comments is often limited by the lack of information available to them and by their not having access to the actual records. Additions to existing classes of records are not seen by curatorial staff until the transfer procedure is almost complete, at which point changes are difficult and time-consuming. It was not possible to determine the scale of the problem and it may be that the unnecessary additional work caused by such mistakes cause them to loom larger than perhaps is justified by their number.

L.21 The existing Inspecting Officer team consists of nine SEOs who had on average 15 years experience in the Office, 65% of it in records-related sections, before becoming IOs. Some of them are recognised as experts on records management and public records procedures and lecture to students taking archive diploma courses. Additionally most of them have experience of personnel, accounts, registry or accommodation management. They consider themselves to be in a good position to understand both the needs of the PRO and the general civil service context in which DROs operate.

L.22 Conversely there is no doubt that the existing IO team lacks formal archival qualifications and the depth of records experience of most curatorial staff. The present grading structure of the Office prevents their having had recent experience of the content of the records or training in archival principles (see Annex C). IOs complained that such training was not provided on their joining RAD, there was inadequate time allowed for them to research existing holdings related to their Departmental groups, they had no research assistance and the poor documentation and dissemination of policy on archival matters within the Office failed to keep them up to date.

L.23 We believe that simply replacing the present administrative team with a curatorial one would not be an adequate solution as curatorial staff are currently no better equipped to do the full range of duties. We believe that suitably qualified officers will gradually emerge as a result of a unified grading structure (see Annex C), but in the meantime steps can be taken to improve the performance of the existing staff.

L.24 **We recommend:**

(a) **the immediate incorporation of the relevant MRD functions and staff into RAD.** Audit of departmental practices and records management advice would be handled by IOs alone. In selection and classification they would be supported by advice and research carried out by the DOs, who would be responsible for supervising the production of lists and introductory notes by the EOs and preparing entries for the Guide. The present HEO post would no longer be required as lists produced by Departments would be checked by EOs and passed directly to the documentation officer for that Departmental group.

(b) **steps be taken to develop in the existing staff the full range of skills required by an Inspecting Officer so that the posts of IO and DO can progressively be merged.**

(c) **all the staff of this division should operate as members of small teams each having responsibility for the whole process of selection and classification of records produced by a group of Departments.** This would reduce the damage done by the departure of experienced individuals and allow for different grades and skills to be employed appropriately. Generally staff should expect to serve an apprenticeship within the team before taking on the task of selection. During this apprenticeship they would have opportunities to carry out research on their Departments and existing holdings, and could also act as a knowledgeable contact for queries addressed to IOs who are necessarily often absent. Gradings within these teams would range from AO to 7, reflecting the varying complexity of the work and allowing for flexibility in the placing of any one individual.

Documentation

L.25 One of the most frequently voiced complaints in our discussions with DROs was that the preparation of descriptive lists of documents selected for transfer was made unnecessarily burdensome for Departments by the editorial requirements of the PRO. At the same time complaints were voiced within PRO that the exhaustive checking of the form of the lists was not matched by attention to the accuracy of their content. The present system for the preparation of lists is not substantially different from that employed in 1972 when the Civil Service Department Review of the Relationship between the PRO and Government departments reported: The main problem was that because of PRO requirements a good deal of discussion and correspondence

occurred in finalising the form of the lists. This gave rise to additional work when Departments had to revise draft lists.

L.26 **We recommend:**

(a) **PRO should take steps to ensure that staff in Departments who undertake listing are trained to produce descriptive lists and introductory notes which are adequate guides to record users.** This will involve PRO in providing some basic archival training and "familiarisation" for Departmental staff. There is a great deal of educational value in allowing Departmental staff to undertake some elementary research at PRO, using the lists and discovering for themselves what a reader needs from the various finding aids. While it would be desirable for such training to be on a repayment basis, PRO should also regard it as an investment aimed at reducing the waste of its own resources at a later stage.

(b) **PRO should encourage use of a common software package which would enable Departmental staff to produce draft lists on disc to be refined within DSD, without the need of further reference to the Department.** This would make production of the lists quicker and easier. It would cut out the need for a great deal of the present laborious proofreading and correction, which tends to concentrate on form at the expense of substance, and in time it would save resource in editorial sections by allowing for storage of masters on disc and consequent ease of amendment.

(c) **PRO should accept responsibility for finalising lists at an earlier stage.**

(d) **With the incorporation of editorial staff into RAD, the process of producing lists of newly transferred material and the associated Guide entries should be concentrated in DSD.** The Editorial Department should have no input into original lists, but should take over once the master has been brought to camera-ready state and the documents have been formally accepted by repository. A detailed proposal for how the procedure could be streamlined is at Appendix A.

Communications

L.27 There were a number of complaints from both DROs and IOs which can be broadly classified as problems of communication. These are discussed below.

Relocation and dispersal of Departments

L.28 IOs visits to Departments are of highly variable frequency and regularity depending not only on the volume of work in the Department but also on its location. The dispersal of Departments or their archives sections has considerably increased the amount of time which IOs spend simply travelling. One small Department formerly based in London and now in Scotland used to see its IO for half a day once a fortnight: it is now fortunate if it sees him for a couple of days every six months. While the volume of work would not justify more frequent visits, the relationship formed between such a Department and PRO is inevitably going to be more tenuous and the processes of selection and transfer more longdrawn with a consequently greater possibility of expertise within the Department being lost before tasks are completed.

L.29 This is obviously not a problem that is going to be easily solved given the increasing pressure on Departments to find cheaper accommodation outside London. However there are some things which can be done, and **we recommend:**

(a) **Where Departments disperse their records activities or hive off part of their functions, IOs should endeavour to ensure their principal contact remains with the DRO at one site.** While many IOs already occasionally need to travel widely as support to DROs who are attempting to establish proper procedures throughout their Departments' regional or dispersed organisation, this should not be compounded by taking on direct responsibility for such delegated record centres.

(b) **Conferences, seminars and training courses (on a repayment basis where appropriate) should be expanded and developed with particular reference to the needs of Departments who do not have easy and frequent access to PRO staff.**

Contact points within DSD

L.30 The large amount of time which IOs spend away from their PRO base, and the fact that at present they work very much in isolation rather than as part of a team, tends to make it difficult for Departments to contact them or to get problems dealt with in their absence. At present a DRO may telephone Kew and be informed merely that the IO is unavailable or may be given a number in another Department where the IO may be (or often turns out not to be) contactable. At present there seems to be little attempt within PRO to field Departmental queries without resorting to involving the IO, yet the kind of queries which DROs reported to us as causing these calls were in many cases not appropriate to the IO anyway. Moreover we do not think it

appropriate that the valuable time IOs spend with one Department should be interrupted unnecessarily by demands from another.

L.31 **We recommend that a single contact point or a number of Departmental Group-based contact points should be identified within DSD specifically to field enquiries from Departments and to facilitate communication not only between DROs and IOs but to ensure that Departmental queries are routed as quickly as possible to the appropriate person.**

Information

L.32 Both DROs and IOs complained of the lack of up-to-date statements from PRO on policy and procedure and of information from Departments on their records activities. There was a general feeling that there could be and should be more sharing of experience among Departments and more guidance from PRO. The RAD Manual is long overdue for amendment. On the other hand manuals are of limited usefulness in that they are consulted only by staff who know they are ignorant: they do not address the problem of Departmental staff or PRO staff continuing to act on out-of-date experience or assumptions.

L.33 **We recommend that:**

(a) **the manual should be updated and reissued by 1 April 1991. Important changes within it should be drawn to DROs attention by the newsletter and by seminars where these are appropriate.**

(b) **the newsletter should be developed to act as a means of communication between both PRO and DROs and between Departments.** It will need to be developed in collaboration with the new Records Management Consultancy and with the advice and assistance of the PRO's own publications officer. If the present reluctance of DROs to write contributions is to be overcome, the newsletter will have to become a much more attractive forum for them. Consideration should be given to paying for articles and for employing some PRO staff time on a reporting function. Such a use of resources should be seen as an investment aimed at an overall improvement in Departments' archival and records management functions with a consequent saving to PRO in the long-term.

(c) **a greater degree of formal communication should be established between DSD and the various parts of Reader Services Division.** This might take the form of circulating minutes of divisional and departmental meetings, or of occasional joint seminars on topics of mutual concern.

(d) **consideration should be given to the wider circulation among Departments of PRO's own house magazine and/or the Readers Bulletin to enable Departmental staff to appreciate the use to which records are put.** Apart from those few DROs who already undertake research at PRO as private individuals and find their understanding of their own role enhanced by such experience, many Departmental staff have a very poor conception of how they fit into the overall scheme.

Application of the Public Records Act to British Coal

L.34 Towards the end of the scrutiny we received representations from British Coal seeking amendment of the 1958 Act so that their records would not be treated as public records. From the quick consideration that we have been able to give to the matter, it does seem anomalous that British Coal is subject to the Act and we have some sympathy for their view that they should be brought into line with other companies in their market. We suggest the status of British Coal records be reviewed, noting the possibility that the issue may be subsumed in the broader question of privatisation of British Coal after the next General Election.

Records Management Consultancy

L.35 PRO's present involvement in records management consists of giving advice to DROs and providing an intermediate repository at Hayes. In our view the present balance between these two activities needs to change. **We recommend that PRO should withdraw from direct involvement in the provision of intermediate storage and should concentrate its resources on the establishment of a records management consultancy.**

Advice to Departments

L.36 The provision of expert advice on records management in general is not a PRO obligation under the Public Records Acts. Nevertheless, in the absence of any effective guidance or coordination from elsewhere, DROs are looking to PRO for leadership.

L.37 Within Departments records management is largely taken for granted. There is little appreciation of the vast resources involved (an estimated 5.2 billion in 1987) or the potential savings and efficiency gains to be made by improved techniques of information control and storage. If these savings are to be realised, a programme is needed along the lines of those already centrally initiated for financial management and purchasing. The team implementing this initiative would need to:

(a) educate Departmental staff in effective management of records and information as a resource;

(b) identify best practice and issue guidance;

(c) set standards;

(d) monitor performance;

(e) promote improvement within Departments; and

(f) encourage cooperation between Departments and between disciplines within Departments.

L.38 In 1986 Management and Personnel Office in consultation with CCTA, PRO and DROs of major Departments initiated such a programme to improve records management in the civil service. Despite its success - it was extended by a further year and produced substantial savings - there has been a decline of interest at the centre and there is now no recognised focus for records management issues in the Civil Service.

L.39 Many DROs and records management professionals regard PRO as the natural home for a successor to this centrally initiated programme. Since it already has a network of Departmental contacts, experience in performing a central function (bringing DROs together, providing training, setting standards and issuing guidance) and a developing expertise in the new technologies, they consider it would be able to make a significant impact without too many additional resources.

L.40 Some initial, additional resource would nevertheless be necessary. Present IOs' knowledge and understanding of records management is largely acquired coincidentally in visiting a wide range of Departments where they encounter an equally wide range of records management systems. The size of the PRO precludes their having direct experience of managing or working in a registry/records management system on the scale of most other Departments'; there are no secondments of PRO staff to Departments where they might gain such experience; and there is no formal training in records management to compensate for the lack of it.

L.41 There would consequently be an initial expense in training a small number of additional staff in records management methodologies and in advertising the existence and scope of the initiative. However in view of the fact that records management advice is not a statutory obligation laid on PRO and that it would be a service between Departments, we consider that all records management activities should be on a full cost-recovery basis. Moreover it is not envisaged that staff would undertake all consultancy projects themselves. Rather they would scope projects which could then be contracted out, employing their expertise in monitoring the project on the client Department's behalf. We believe that

the small investment which would be required to set up this service would be more than offset in the long-term by savings arising within Departments from resulting improvements in records management.

L.42 **We recommend that PRO establishes a small team within Departmental Services Division to advise on records management issues in Departments and to encourage their development of economic and effective records management systems.** The service should aim to cover its full costs by direct fees and identified Departmental savings within three years.

Hayes Intermediate Repository

Ownership

L.43 The Hayes site is part of the common-user estate, use and development of which is determined by Property Services Agency/Property Holdings. Part of it has recently been transfered to Home Office; the Imperial War Museum and the Home Office Passport Department rent two buildings on site directly from PSA/PH and LCD will have the same arrangement for its planned new building. The rest of the site is managed and paid for by PRO as nominally the "major occupier" on behalf of some 44 user Departments. These are housed in a range of buildings remaining from the site's original use as an ordnance factory which now provide over one million linear feet of record storage. During the recent reorganisation of PSA/PH, PRO was offered the opportunity of taking direct responsibility for the site but declined because of its extremely limited expertise in estate management. This leaves PRO the option of withdrawing from the site with six months notice and without responsibility for subsequent disposal.

Management

L.44 As a consequence of its interest in appraisal procedures, PRO has retained responsibility for management of the site which it has held since 1950. Although some review activities are carried out at Hayes, the records stored there represent a very small proportion of the total estimated holdings of inactive files in the civil service as a whole, perhaps only 8-12 per cent; and although all Departments on the site use the accommodation for record storage, its relevance to PRO varies. As intermediate storage Hayes should contain only inactive files with a firm review or destruction date, but it also houses blocks of records in very active current use by dedicated staff based on site (MOD) and functions unrelated to the Act (HO Passport Department and IWM).

L.45 Records accepted for storage at Hayes remain in the custody of the transferring Department. Those with substantial holdings tend to employ their own records staff

on site; those with smaller or inactive holdings make use of the limited retrieval service provided by PRO. (see: Table 02). Of the 307 staff on site, the major employers are MOD (91) and HO Passport Department (79). PRO has 39, most of whom are required to provide common services for the site: PRO's own staff needs there are negligable.

L.46 PRO attempts to ensure that full and proper use is made of accommodation allocated for intermediate storage, by initial vetting of applications and by a six-monthly stocktaking. It has been suggested that a central computerised record management system on site would enable PRO to make more effective use of the space available, but this would require provision of a great deal more information by Departments than is currently the case and it is not clear that they would wish to participate in such a scheme.

L.47 PRO itself occupies some 54,000 linear feet of shelving with little used records or those normally produced to readers on microfilm. The need for this storage will end with completion of the Kew extension in 1996. There is additionally a purpose-built film and tape store with a capacity of 7,000l.ft. used to house masters of microfilm and some magnetic tape. The requirement for film masters is that they should be kept in appropriate conditions somewhere other than the original records. Chancery Lane material could be stored at Kew and vice versa or all the material could be placed in contract storage.

Financial management

L.48 It is usual with joint occupations of government property for the major occupier to be responsible for its maintenance, reclaiming appropriate shares from other occupants. Although in terms of linear feet of storage space occupied, PRO is far from being the main user of Hayes, it has traditionally been regarded as the "major occupier". Moreover it aims to meet the full cost of accommodation and services from its own vote. (See: Table L1) In this it is out of step with current policy in the civil service where such allied services have largely been abolished.

L.49 Financial management of the site is complicated by the semi-official arrangements which have grown up in response to resource shortfalls with PH, PRO or individual Departments meeting the cost of works depending on which has funds available, and by PSA/PH's failure to provide timely and accurate forecasts.

L.50 Rent, rates and maintenance charges are set by PSA on the basis of property type, location, and market rent as assessed at a five-yearly review. As London storage Hayes is the second cheapest form of crown accommodation available. How it compares with other PSA London storage facilities will

depend on their relative positions in the quinquennial review. As a result of the latest review, for example, Hayes rent will increase in 1991-92 by some 156%; it will then remain at that level for five years. However if PH becomes fully commercial, it will presumably start to charge rents at the current market rate, ending Hayes' present advantage over commercial storage. If the major attraction to users of Hayes is that it is cheap, putting it on a par with commercial storage will remove that advantage. Large Departments with the option of cheaper provincial storage (crown or commercial) can be expected to move out. What will remain is the convenience of a London repository for those who need it and it is questionable whether any London repository is necessary for inactive files: some major departments with remote storage are still able to provide a very rapid turnaround for documents ordered from London.

Table: L1 Hayes running costs: 1990-91 Budgets

	£ '000
Accomodation	
PH (Rent, rates & reserved maintenance)	2,057
PRO (Maintenance, fuel & utilities)	323
	2,390
Services	
Security	274
Cleaning	68
Messengerial	102
	444
Administration	37
Total	2,871

Future role of PRO in intermediate storage

L.51 In its 1972 Review, the Civil Service Department suggested that a study should be undertaken of the need for intermediate storage, the possibility of regional record centres and the role that PRO could play in running this network. The assumption was made that PRO would do this as an allied service. These proposals were not implemented and Departments have now largely made their own arrangements, either providing their own storage or contracting out. A relatively small proportion of Departments' needs can be met by Hayes and neither Departments nor PRO show any interest in PRO's setting up and running regional repositories along the lines of the Australian or Canadian systems. This would in any case be contrary to government policy since it would involve PRO in providing a service which could be obtained from the private sector.

L.52 Administration of the Hayes site has continued as it is for many years largely because there has been no pressure on PRO to make changes. Although the cost was borne on the PRO's vote, it is only relatively recently that Treasury has begun to question this and to urge conversion to a repayment system. Such a move would not be entirely unwelcome to DROs who recognise that only a need to reduce costs will encourage the development of a rigorous records management policy in their Departments. As long as Hayes is free, user Departments will be able to postpone reappraisal of their records. PRO however has been concerned that if charges were introduced, Departments would withdraw from Hayes, not only transferring their records into even less suitable storage with possible future implications for PRO's own preservation and conservation costs, but leaving PRO with an immediate financial shortfall and even less involvement in records management.

L.53 On the other hand, a persuasive argument for conversion to a repayment scheme is the proportion of PRO's total running costs expenditure attributable to Hayes. This currently stands at 17 per cent and is to rise substantially over the next few years. Not only is there a major rent increase due, but the cost of major maintenance for the ageing and basically unsuitable buildings will in future be borne directly by PRO and not, as previously, met from the government estate common fund. This will leave proportionately less for maintenance of Kew and Chancery Lane.

L.54 Conversion to a repayment system would reduce the expense of Hayes but would not address the problem of the increasing amount of adminstrative time required to keep Hayes functioning. As long as major maintenance was handled by PSA, PRO's activities were mainly at EO/Office Keeper level. With the large sums and long-range planning now required, a fulltime accommodation manager is needed, and there is a substantial increase in senior management involvement in estimating and negotiating for necessary funds. PRO could of course pass on to Departments the full costs of managing Hayes, including its own administrative costs, but calculation and allocation of such charges would not be straightforward.

L.55 PRO's own need for storage at Hayes will end with completion of the Kew extension in 1996. Were PRO subsequently to need remote storage to outhouse little used records, it would be looking further afield than Hayes and for a quality of accommodation which would fully meet archival standards. In remaining at Hayes it would therefore be providing a service for other Departments entirely for their benefit and there seems little justification for a small department like PRO to do this for Departments with far greater resources and expertise in estate management.

L.56 It might be possible for PRO to provide such a service for those Departments which have small amounts of material in intermediate storage and which currently depend on PRO for both storage and retrieval services. PRO could hand over management of the site to one of the major Departments, retaining use of part of the buildings for its own storage needs and those of other small Departments for which it could provide accommodation and retrieval on a repayment basis. Such a limited scheme would not have the administrative implications of running the whole site on a repayment basis and could continue after PRO transfers to Kew since in the short-term unwanted space could be used to provide intermediate storage on a repayment basis. Providing this service at Kew would be far easier than at Hayes since it could be incorporated into the existing Departmental requisitioning system. However there are alternatives available to these Departments. One or more of the major Departments on site could offer the same service for a fee as that now provided by PRO. The Departments affected could form a consortium to manage their own facilities. Or they could contract out, either individually or as a consortium.

L.57 Since these options are available and we can see no benefit to PRO in continuing to manage the site even under a repayment system, **we recommend that PRO should consult user Departments and PSA/PH with a view to withdrawing from management and use of the Hayes site.**

L.58 Such a change of management will need to be discussed and negotiated with all interested parties. While it would be of benefit for PRO to hand over the management of the site to another department as soon as possible, it cannot withdraw from the site entirely until 1996. Any such transfer of responsibilities would of course require a corresponding transfer of funds and this would need to be negotiated during the Public Expenditure Survey. We consider PRO should question with Treasury the usefulness of introducing a repayment scheme in the interim. We believe that any benefits of such a scheme would be offset by the administrative burden to PRO. We suggest that a compromise solution would be the temporary continuation of Hayes on PRO's vote but as a discrete subhead, enabling a distinction to be made between the costs of PRO's core functions and those of the Hayes site.

Table: L2 Departmental Use of Hayes Intermediate Storage *

Department	Allocation of storage (Linear ft.)	% unused	Office accom. (Sq. ft)	Productions by PRO paperkeepers
OVER 100K 1.ft				
MOD	418,544	15	11,802	
Environment & transport	103,677	14	1,888	
OVER 20K 1.ft				
LCD	86,142	6	1,504	
MAFF	61,145	12	2,237	
Home Office	60,472	8	1,092	
DTI	56,175	7	502	
PRO	53,918	0	57,024	2,730
Met. Police	50,141	4	1,776	
DES	40,908	15	884	
DE	23,884	11	250	
ODA	23,765	14	61	
FCO	22,680	20	1,206	
OVER 10K 1.ft				
CAA	17,402	6		1,987
Energy	12,054	16	60	1,230
Charity Comm.	12,026	7.5	322	

Department	Allocation of storage (Linear ft.)	% unused	Office accom. (Sq. ft)	Productions by PRO paperkeepers
OVER 1K 1.ft				
HO Passport Dept	7,973	10	14,742	
PSA	7,371	30		319
NIOO	6,825	14		
PMG	6,636	19		766
CICB	6,048	3		2,817
IR(tithe)	5,019	8		113
OPCS	4,466	30	60	
Br.Council	4,166	3		35
SERC	3,780	4		63
OFT	3,472	52	60	237
CPS	1,974	71		
COI	1,956	22	12	30
ESRC	1,785	22	60	
PCA	1,785	47		52
Crown Estate	1,050	10	252	84
UKAEA	1,344	9		21
UNDER 1K 1.ft.				
Treasury	945	60		25
Nat.Maritime	819	0		
ECGD	798	24		
BL	756	14		
HSE	756	0		
University Funding C.	679	9		13
C & E	630	10	570	
Crown Agents	546	46		
Friendly Soc.	462	0		
NERC	441	19		235
HMC	357	100		
OME	336	93		
PHLSB	273	15		9
TU Registry	150	0		255
NIO	84	0		3
Science Museum	84	25		
TOTAL	1,059,418		38,770	7,792
Average	22,541	28		

* Figures are the latest available, August 1989

SUGGESTED PROCEDURE FOR PRODUCTION OF NEW LISTS AND ASSOCIATED GUIDE ENTRIES

1. Inspecting Officer (IO) confirms selection.

2. Department prepares draft list of selected documents in appropriate order *without PRO references* and passes it with background information to IO

3. IO passes draft etc to/discusses selection with Principal Inspecting Officer (PIO) to ensure across-the-team consistency; and consults Principal Documentation Officer (PDO) where necessary

4. IO passes draft list and background information to appropriate Documentation Officer (DO) to

   a. allocate class references in consultation with the IO and after direct reference to documents in Department if necessary.

   b. agree format of list which is returned to Dept. via IO/EO

5. Department packs documents which are spot-checked against approved draft list by EO and transferred to PRO

6. Department prepares proof list and introductory note and passes to EO to

   a. proofread list and review introductory note

   b. check all maps/photographs/miscellaneous objects have been identified and noted on list where appropriate

   c. make entries in Legislation Index

7. EO passes proof to DO for approval and production of Guide notes etc.

8. DO passes proof list and introductory note (for final acceptance) and Guide notes (for information) to PDO

9. PDO passes Guide notes to DO(Guide) for review and proof to IO for

   a. discussion with Department of access to list/description (if necessary)

   b. discussion with PDO if amendments substantial

10. Agreed list and introductory note passed to EO for preparation of camera ready copy (including separation into open/closed masters and preparation of closure slips) and forwarding to Repository Office. List ceases to be responsibility of DSD at this point.

11. Repository Office enter details on computer.

12. List passed to Editorial Department officer responsible for masters to

a. check closure slips etc

b. arrange maintenance of masters

c. arrange production and filing of copies (including provision of one copy to Department via DSD)

LOCATION AND ACCOMMODATION

M.1 We have identified three major issues relating to the PRO's use of accommodation:

* what should be done with the building in Chancery Lane?
* how can repository space best be used?
* what should be done with the PRO's site at Hayes?

(The question of Hayes is reviewed in Annex L.)

Chancery Lane

M.2 The Public Record Office building in Chancery Lane houses the records of central government before about 1800, the records of the law courts and certain legal departments from the earliest times until the present day, as well as the nineteenth century censuses of population.

The building

M.3 The building was constructed between 1851 and 1902 to a design by the government architects Sir James Pennethorne and Sir John Taylor. Architecturally, it is interesting because it is one of the earliest examples of a purpose-built record storage building which is still used for its original purpose. It consists of a large number of comparatively small cells each of which is fitted with two floors of metal racking on which the documents are housed. There are also four reading rooms: the Census Room in the basement, a room for consulting records on the first floor, and two reading rooms for original records, the Long Room and Round Room on the ground floor. Most of the offices and the staff library are in a virtually self-contained block on Chancery Lane, to the south of the main entrance arch.

M.4 The building is a stone-faced structure with thick masonry walls and iron beams supporting the floors. The massiveness of the construction makes it difficult and expensive to make any changes to the interior. It is Grade 2* listed and English Heritage has been very diligent in protecting the original architectural features and fittings, particularly in the Rolls Chapel.

M.5 This is on the site of a former medieval chapel and contains some relics, including magnificent windows with seventeenth century heraldic glass. It was used as the Office museum until 1986 when it was decided to upgrade it

with new showcases, new heating and a new floor as a home for a series of temporary exhibitions. £194,000 was budgeted for this project. Unfortunately, when the new showcases were installed, it was found that the light levels were too high and it has not subsequently been possible to produce a modified design which would provide a sufficiently low level of light to protect any documents displayed while satisfying English Heritage's requirements relating to the fabric of the room and the windows. The room is currently unused. There is a very small museum and a shop in adjacent rooms.

Use

M.6 Of Chancery Lane users, 65% visit the census reading room in the basement, which was opened in mid-1990, while a considerable proportion of the rest of its readers make use of the other genealogical sources held there, such as wills, registers of baptisms and marriages in non-conformist churches, hearth tax records, etc. The building is more heavily used by readers than Kew, with 58% of the Office's visitors using it. The majority of readers at Chancery Lane consult records on microfilm and the number using it for original records is much smaller than at Kew (30,000, compared with 53,000). There was an average of 1.14 productions per foot of documents stored at Chancery Lane compared with 1.27 productions per foot at Kew in 1989-1990.

M.7 As well as the reading rooms and museum, Chancery Lane houses the Medieval and Early Modern Editorial Department, part of the staff library, a small reprographic unit and some accommodation and office service staff. The Keeper and Deputy Keeper have offices there in addition to their rooms at Kew, as do Records Administration Division. The officer in charge of Chancery Lane is the Grade 6 head of Search Department. The total staff employed there is 113, compared with 265 at Kew.

Disadvantages of Chancery Lane

Cultural and administrative

M.8 There is no doubt that a split site adds greatly to the administrative difficulties facing the Office and reduces its efficiency, with senior staff having to spend time in both buildings. There is also something of a cultural difference between the sites. This division would tend to make it more difficult to implement major improvements in efficiency and to institute a programme of organisational change.

Costs

M.9 Retention of Chancery Lane is comparatively expensive; assuming that closure were to be implemented in 1996, the

net annual saving would be about £2.6 million. The following are the *additional* costs of operating the site:

a) The total annual accommodation cost of Chancery Lane, including rent, rates and maintenance will be £1,616,852 from 1993-1994. This figure may, in the event, be much higher because of changes to non-domestic rates.

b) Chancery Lane is expensive to staff and, in particular, because of its labyrinthine construction, requires the employment of a large number of security guards. Many readers have commented to us about the apparently large number of guards employed there. There is also, inevitably, some duplication of effort between the two buildings. We estimate that by closing Chancery Lane a total of 58.5 posts might be saved. Further savings would come from transferred staff moving on to a lower rate of London weighting at Kew, ending payment for night security and because senior staff would no longer have to travel between the two buildings (this would save both time and travel and subsistence costs). The total savings would be:

	£'000
Savings in posts	744
London weighting	46
Night security	145
Travel costs	55
Total	990

The mid-1990s is expected to be a period of severe labour shortage and the Office would be better able to deliver a service if by concentrating on one site it could reduce its staffing requirements to the minimum. We would not envisage any redundancies from the closure of Chancery Lane and believe that all the staff savings could be met by natural wastage or transfer of staff to Kew.

c) We understand that retaining a reprographic service at Chancery Lane adds £74,921 to the costs of the service as a whole. Moving the function to Kew could largely be accommodated within existing facilities and would result in some staff savings. The specific savings are:

	£'000
Reprographic accommodation	28
Reprographic staff	26
Ordering section accommodation	3
Ordering section staff	18
	75

Longer opening hours

M.10 One of the major complaints from readers has been that the Office's opening hours are too restricted. There is no doubt that retaining Chancery Lane makes it more expensive to extend opening hours: the staff needed to provide security, supervision and advice to readers at Chancery Lane add about £85,000 a year to the cost of Saturday opening. Concentration on one site would reduce the number of staff required overall and would also save on fuel costs.

Disadvantages of closing Chancery Lane

Inconvenience to readers

M.11 There is no doubt that readers would be inconvenienced by the closure of Chancery Lane which is close to many other central London research institutions: the British Library, Society of Genealogists, Somerset House, the Historical Manuscripts Commission, Greater London Record Office, Guildhall Library, Institute of Historical Research, etc. There would be considerable opposition from users to closure; most users and user groups to whom we spoke argued for its retention. They were concerned about the time which would be lost by readers who also wished to visit another central London research institution. When the Office conducted a survey of its Census Room users in 1987, it found that 79% had visited another research institute on the same day.

M.12 They were also concerned about the problems facing people who come to London by train and then have to travel out to Kew. The additional travel costs of closure can be calculated by identifying the resource costs of travel and the additional time taken by members of the public to get to Kew. Based on figures calculated by the PRO in 1987, we believe that this figure would be no greater than £180,000 a year if the whole building were to close, but more research would be needed to establish it precisely.

Cost of alternative microfilm reading facilities

M.13 To some extent, reader dissatisfaction could be minimised by providing a central London microfilm reading room where readers could consult census returns on microfilm

and, possibly, duplicates of records which are already seen on microfilm at Kew. The annual cost of a 800 square metre facility (including rent, rates, maintenance and staffing) would be about £723,000. This would accommodate up to 250 readers and associated facilities. However, further study is needed of the PRO's requirements for facilities in central London, which might include an exhibition area and shop.

Cost of additional accommodation at Kew

M.14 Currently, an extension is being planned at Kew for 1996; this is intended to accommodate accruals of records up to 2025 and beyond and to house those records held at Hayes which have been selected for permanent preservation. The extension appears to have the capacity to house all the Chancery Lane records, as well as those at Hayes and accruals up to and beyond 2012. However, our understanding is that some redesign and extra construction work would be needed if the Chancery Lane records were to be housed there, both for storing the bulky early records and making them available to the public and to accommodate the additional staff and readers, although provision of a central London microfilm reading room would considerably reduce pressure on the reading rooms at Kew. We estimate that the costs of changes to the design of the Kew extension to accommodate records and readers from Chancery Lane would be about 34 million. There would also be a cost for transporting the records from Chancery Lane to Kew. Further study is needed of these issues.

M.15 Although a further extension at Kew may be necessary after 2012, the Office should be looking at the possibility of providing remote storage for little used records and for those on microfilm. Currently, the rent charged to the PRO for storing little-used records at Kew is £67 per square metre; high quality warehousing in the north west of England would cost no more than £43 per square metre.

M.16 It is also possible that technological developments in the area of data storage and transmission may so transform the business of the Office that a further extension for paper based records would no longer be necessary.

M.17 In the meantime, one way of reducing the additional running cost of extra accommodation at Kew would be to rent out temporarily unused storage space in the extension. There appears to be no reason why the Office should not derive some income from its ability to supply high-quality, secure, warehouse accommodation.

Disposal of Chancery Lane

M.18 There is no doubt that the financial case for the PRO moving out of Chancery Lane would be affected by the

building's possible alternative uses, either by Government or by sale to the private sector. We have discussed these with Property Holdings who pointed out the difficulties of converting it to other purposes, both because of its construction and its heritage listing. Property Holdings informed us that it would be difficult to obtain any reliable estimate of the market value of the building.

M.19 Our attention has been drawn to the argument that Chancery Lane should be seen as a major asset for the PRO and could be used to promote the organisation in a variety of ways, such as exhibitions, conferences and retail outlets, and as providing the opportunity for rented office accommodation for other archives related bodies, such as the Royal Commission on Historical Manuscripts. It could also include a reading room for records on microfilm, microfiche and possibly in the future compact disk. There could be scope for ventures with other institutions to provide a joint centre for historical and genealogical research.

M.20 Because of the lack of precise information about additional costs of relocating Chancery Lane records to the planned extension at Kew, about the Office's needs for a central London microfilm reading room, and about possible alternative uses of the Chancery Lane building we have not been able to carry out a precise investment appraisal of the costs and benefits of moving from Chancery Lane. We have, however, undertaken two costing exercises comparing, in each case, the effects of consolidating at Kew with the status quo. Both were based on the assumption that the Office would continue to provide a central London census reading room. In one case, we assumed that once the Kew extension was full, the Office would build another building, possibly on the Kew site. In the other case, we assumed that once the Kew extension was full, the Office would go for remote storage of records in rented accommodation. Both these costings show that ceasing to use Chancery Lane for the storage and production of original records would lead to savings, even though both assumed a nil residual value for the central London building. This confirms the findings of an investment appraisal carried out in 1982, which also found that closure would lead to considerable savings.

Recommendations

M.21 **We recommend:**

a) **The PRO should move all original records held at Chancery Lane to Kew once the extension is complete, but should retain in central London, possibly at Chancery Lane, extensive microfilm reading facilities together with a shop.**

b) **The PRO in conjunction with other interested parties should undertake a review of its requirements for central London accommodation, including the provision of a microfilm reading room. The study should consider possible archives-related uses of Chancery Lane and should form the basis for a decision on whether the PRO should continue to make use of it, or look elsewhere for its central London requirements.**

c) **The Office should investigate the feasibility of renting out surplus space in the Kew extension.**

While Chancery Lane remains open:

d) **senior management should normally be located at Kew which should be regarded as the Office's headquarters; and**

e) **the Office should investigate possible methods of using electronic security equipment to reduce the number of guards needed at Chancery Lane.**

M.22 A summary table of the financial costs and savings arising from the closure of Chancery Lane is given in the Appendix to this Annex.

Use of Space

M.23 If the Office is to be concentrated in one building, there will be a need to make the most effective use of available space.

M.24 The Office currently has 143,000 linear metres of records which have been selected for permanent preservation and its holdings are growing by about 1% a year. The selection of records is not a precise science and it may well be that some records which have been selected have no long-term research value, or may only be of interest to a tiny minority of readers. The only real test of the PRO's selection policies is the extent to which the records which have been selected have been used by readers over a reasonable period. The Office has compiled statistics which show that 7.4% of its holdings (or 10,707 metres of records) are in classes from which there have been five or fewer productions a year since 1986. The storage of these little-used classes costs the Office 11,000 a year.

M.25 The Office does not have the information to make it possible to identify individual files which have never been used and a file-by-file review would neither be practical nor cost-effective. It is however feasible to identify whole classes which have been little used and it may be possible to identify large blocks of files within classes

which are rarely used. **We recommend that the Office should draw up procedures for rereviewing little or never-used classes of records. It should seek to determine whether they have significant potential research value for a significant number of readers and dispose of those which do not.** Methods of disposal might include transfer to other institutions, remote storage, transfer to more compact forms of media (microfilm or optical disks) or destruction in the case of never used material clearly of no significant value for historical research.

M.26 The PRO has microfilmed about 10% of its holdings; in all cases, it retains the original records. Research has shown that microfilming records merely in order to save storage space is not economical. However, the cost of microfilming PRO records is largely paid for by customers of its reprographic service. Moreover, microfilm technology is well-established and its longevity compares with that of modern, acidic paper. **We recommend that the PRO reconsider its approach to files which have been microfilmed. After filming, such records should always be stored in the most economical and compact way possible and in some cases it may be appropriate to destroy them, particularly if they are little-used items for which microfilm provides an adequate substitute.**

TABLE 1 SUMMARY COSTS AND SAVINGS ARISING FROM CLOSURE OF CHANCERY LANE

	£'000
COSTS	
Capital costs	
Additional works at Kew	4,000
Move of documents	1,500
Total	5,500
Additional resource costs	
Costs of travel to Kew	180
SAVINGS	
Annual savings in running costs	
Accommodation charge for Chancery Lane	1,617
Staff savings	790
Travel costs	55
Night security	145
Total	2,607

ADVISORY COUNCIL ON PUBLIC RECORDS

Background

N.1 Sub-section 1(2) of the Public Records Act 1958 provides:

> "There shall be an Advisory Council on Public Records to advise the Lord Chancellor on matters concerning Public Records in general and, in particular, on those aspects of the work of the Public Record Office which affect members of the public who make use of the facilities provided by the Public Record Office. The Master of the Rolls shall be chairman of the said Council and the remaining members of the Council shall be appointed by the Lord Chancellor on such terms as he may specify.".

N.2 Besides the Master of the Rolls there are currently fifteen members of the Council. Three are Members of Parliament. There are senior academics, two former Permanent Secretaries, and others with well-established reputations in fields relevant to the use of the records. The Keeper of Public Records and the Principal Establishment and Finance Officer of the Lord Chancellor's Department, although not members of the Council, are present at, and take a full part in, its meetings. A Grade 7 in the PRO acts as Secretary to the Council, this activity taking up some 35 percent of that officer's time.

N.3 The Council meets four times a year and devotes most of its attention to the provision of advice to the Lord Chancellor on the exercise of his statutory powers under section 5 of the Act concerning the extended closure of records beyond the normal thirty-year period. Additionally, the Council is kept informed by the Keeper about particular issues and general developments affecting the operations of the Office. The Council has traditionally taken a close interest in the PRO's publications programme. In the past this has been by means of a quinquennial committee of the Council but following the report of the last such committee in November 1989 there has been a standing editorial and publications committee to advise the Council on all aspects of PRO publications. This committee has been active over the past year and is anxious that the PRO should adopt a broader programme of publications and explore new funding options.

Chairmanship

N.4 In March 1981 the Wilson Committee (Cmnd. 8204) had it put to them that it was unreasonable always to expect successive Masters of the Rolls to have the time, or the background and interest which chairmanship of the Advisory Council calls for. The Committee agreed that there seemed to be little advantage to tying the statutory chairmanship to so busy and senior a member of the Judiciary and suggested amendment of the Public Records Act 1958 to remove the limitation. (Paragraphs 309-310 and 354). In their response, (Cmnd. 8531 of March 1982) the Government considered that the Lord Chancellor should have a completely free hand in the appointment. The Government indicated that the necessary statutory change, which is supported by the present Master of the Rolls, would be introduced when an appropriate legislative opportunity arose.

N.5 This legislative amendment has not been made. We endorse the views that have previously been expressed and **recommend that the necessary change be made as soon as there is an appropriate legislative opportunity.**

Membership of the Council

N.6 We note that in 1982 the Government accepted the Wilson Committee's recommendation that the membership of the Council should more fully represent the increasing range of users of public records. Composition of a body such as the Council is a matter of continuing evolution. Notwithstanding the changes made since 1982 the view was put to us on a number of occasions that the Council would be more effective if it were smaller but included among its members a higher proportion of active users of the PRO, for example relatively junior academics or frequent users of the census rooms, such as record agents. We support this view and **recommend that over a period Council membership be reduced to 12 and that as new appointments are made they include an appropriate mix of current users of the PRO.** Given the interests that Departments have in the operations of the PRO **we also recommend that consideration be given to the appointment of a reasonably senior serving civil servant to the Council.** The role envisaged is one of representing the user interest of Departments although the individual concerned need not have any direct responsibility for the management of his or her Department's records. Nor should he or she be involved in decision-making on the level of resources available to the PRO.

N.7 Current reorganisation of the Lord Chancellor's Department provides the opportunity to reconsider the role of the Principal Establishment and Finance Officer as an "assessor" to the Council. The reorganisation will result in a sharper focus within the Department for its relationships with the Lord Chancellor's Executive Agencies

and it may be more suitable for the person in charge of this activity to be available to assist the Council. We find the description of the Keeper and the Lord Chancellor's Department official as "assessors" uninformative; we think they could be better described in the Council's Annual Report as "attending meetings of the Council to provide assistance".

Activities of the Council

N.8 Various observers commented favourably to us on the role of the Council in testing the submissions being put forward by the PRO on behalf of Departments to the Lord Chancellor on the extended closure of records. The Lord Chancellor himself regards the Council's role on this as important and valuable. Although the Council does not itself have access to the records that are the subject of recommendations for extended closure, fuller descriptions of the records in question and of the reasons for recommending extended closure are now being provided. The Council, particularly its Parliamentary members, are active in questioning the need for extended closure and satisfactory arrangements exist for their queries to be followed up by appropriate PRO officers who are able to see even the most sensitive of records, and for further explanations to be given at later meetings of the Council. We consider this role of the Advisory Council is an important one which we hope the Council will exercise vigorously as a continuing discipline on Departments in framing their initial recommendations for extended closure.

N.9 The other activities of the Council tend to be oriented more directly to the PRO than the Lord Chancellor. Although the statute does not make express provision for the Council to be a source of advice and user feedback to the PRO, we do not see any difficulty in the Council having these two somewhat distinct roles.

N.10 The view has been put to us that there is altogether too cosy a relationship between the PRO and the Advisory Council. **We recommend that a more robust view be taken of the relationship between the PRO and the Council and that the Council take a more active and independent role in setting its agenda and in providing advice to both the PRO and the Lord Chancellor about the future direction of the Office.** Although the Council's advice needs to be realistic, it should not be constrained to expressing the views that it knows the PRO will be able to accept. Nor, of course, will the Lord Chancellor or the PRO necessarily wish, or be able, to give effect to all that the Advisory Council may wish to see happen. In any such relationship judgement has to be exercised about the appropriate boundaries and we share concern expressed by members of the Council that the Council should not become involved in the day to day running of the PRO.

The Advisory Council and Next Steps

N.11 Particular attention will need to be given to the role of the Advisory Council in the context of the proposal to set up the PRO as a Next Steps Executive Agency. As detailed in Annex D, the essence of Next Steps is that the Keeper should have the necessary flexibility to manage the Office within an overall framework, and meet performance targets laid down by the Lord Chancellor. While the PRO will be largely responsible for defining what needs to be done and how to do it, it is important that there should be independent advice to the Lord Chancellor on management issues. Consistent with Next Steps practice throughout the Civil Service, this role will fall to the Lord Chancellor's Department. **We recommend, however, that the Advisory Council should be consulted by the PRO and LCD both in the transition to Agency status and in particular on the development of the Framework Document and also in the continuing corporate and business planning of the PRO.** The planning process we envisage will enable the Advisory Council's views on the strategic direction of the Office and the priority to be given to its various activities to be taken into account. Once again, we emphasise the importance of the Council adopting a robust attitude to its advisory responsibilities but recognising that those responsibilities are only advisory.

N.12 To maximise their contribution, both generally and in relation to Next Steps, members of the Council will need to develop their knowledge of the range of activities of the Office and the issues facing it, and a realistic appreciation of the inescapable resource constraints within which the PRO must set its priorities. The PRO will need to provide informative briefing for this purpose.

Support to the Council

N.13 We note the Government's decision in 1982 to reject the Wilson Committee recommendation that the secretarial support to the Council should be provided by the Lord Chancellor's Department. Support should continue to be provided by the PRO and, depending on the level of activity of the Council and any committees, the work involved may increase. However, **we recommend that the Keeper give consideration to the level at which various parts of the secretariat function need to be performed and that resources be provided accordingly.**

Annex O

RELATIONSHIPS WITH ROYAL COMMISSION ON HISTORICAL MANUSCRIPTS AND BRITISH LIBRARY

Royal Commission on Historical Manuscripts

O.1 The Royal Commission on Historical Manuscripts was constituted by Royal Warrant in 1869, revised in 1959, to investigate and advise on all matters concerning historical records throughout the United Kingdom, except the public records, and to promote and assist their preservation and study. Since 1980 it has concentrated through computerisation on extending the coverage of its National Register of Archives and improving its research facilities as the central collecting point for information about historical records on reshaping its publications and on providing expert advice to government and to others.

O.2 The Commissioners meet twice a year and are supported by some 20 staff who work in rented accommodation in Quality Court off Chancery Lane, a short distance from the PRO's Chancery Lane building. The Commission's budget for 1989/90 was £615,000. For budgetary and some other administrative purposes, the Commission has links with the Office of Arts and Libraries, though much emphasis is placed on the independence of its operations given its status as a Royal Commission.

O.3 Until 1958, when responsibility for the administration of the PRO passed from the Master of the Rolls to the Lord Chancellor, the work of the HMC was undertaken within the PRO. Since then it has operated independently with its own staff and in its own accommodation. Reasons given for the Commission's independence from the PRO are:

(a) the Commission's Royal Warrant excludes it from having any responsibility for public records;

(b) the Commission considers that private owners of manuscripts are more likely to seek and accept its advice if they are convinced of its independence ;

(c) the PRO is seen as a potential deterrent to private owners who may not wish to deal with an organisation which is seen as more closely identified with government than is the Commission; and

(d) as a body which itself acquires records, the PRO may be seen as not having the requisite degree of impartiality in providing advice to private owners on where their manuscripts and records might be deposited.

0.4 We do not find these arguments totally persuasive. A continuing Royal Commission is a somewhat anomalous form of organisation. We doubt the extent to which private owners would in fact distinguish between the status of a Royal Commission and that of the PRO, whose functions are, and can be further, defined by statute and thereby be independent of Government. Similarly, we are unconvinced that PRO's capacity as the custodian of the public records would compromise its ability to provide advice to owners on the most appropriate location for the safe keeping of their manuscripts and records. The Scottish Record Office manages to combine both roles without embarrassment and national archives bodies in other countries, for example Canada, combine both private and public functions.

0.5 In favour of possible servicing of the Commission by the PRO, or indeed incorporation of the Commission's functions into the PRO's statutory responsibilities, are the following arguments:

(a) removal of a source of uncertainty for users about the respective functions of the Commission and the PRO;

(b) development of a sounder basis for a coherent national archives policy;

(c) some small savings of administrative costs;

(d) greater staffing flexibility;

(e) elimination of overlap in the inspection of local repositories;

(f) more cohesive development of publications policy; and importantly for the future

(g) common exploitation of developments in information technology.

0.6 That said, however, **we recommend that the Commission and the PRO remain separate organisations for the time being**, our principal reasons being that:

(a) the Commission, so far as we can judge, appears to be run in a businesslike way;

(b) we doubt whether the functions of the Commission could be given appropriate priority by the PRO during the next few years in the light of the extensive changes we believe are necessary within the PRO; and

(c) worthwhile changes, as recommended below, can be made in the meanwhile.

0.7 Inspection activities. Section 4 of the Public Records Act enables the Lord Chancellor (or in practice his delegate) to appoint places of deposit for the safe-keeping and preservation of public records outside the PRO. For this purpose a Liaison Officer of the PRO's Records Administration Division (currently a Grade 6) carries out a programme of inspections of existing and potential places of deposit around the country. Separately the Master of the Rolls has statutory powers under the Manorial Documents Rules and the Tithe Rules to recognise buildings, usually county record offices, as repositories for manorial and tithe documents. Commission staff undertake inspections for this purpose. Inspections also enable Commission staff to become familiar with local record offices generally, thus serving the Commission's broader role of providing advice to private owners about suitable repositories for their manuscripts and records.

0.8 While there is a measure of co-ordination between the Commission and the PRO on their respective inspection activities including the use of each other's inspection reports, and while we recognise that the Commission has legitimate broader objectives for its visits, **we recommend the more systematic exchange of information to eliminate any unnecessary duplication of inspections.** We note that Commission and PRO staff are alive to the designs of local archivists who on occasions wish to have both the Commission and the PRO making comments on their facilities merely to strengthen their arguments within their own organisations for improvements. This should be resisted.

0.9 Publications. The Commission disseminates its more important historical information through its publications. Lack of resources and the priority being given to computerisation of the National Register of Archives has affected the progress of the Commission's publication programme. It is directing its publishing effort towards the Guides to Sources of British History; it plans to bring its Reports and Calendars series to a close by 1994/95 and has suspended the Prime Ministers Papers series until 1994.

0.10 We recognise the difference in emphasis in the publishing programmes of the Commission and the PRO. However, in the light of our recommendations that the PRO undertake an enlarged and more popular publications programme and be more active in the provision of

educational services, **we recommend that there be close consultation between the PRO and the Commission on the development and marketing of their respective publications and other outreach activities, for example the arranging of conferences.**

O.11 Staffing. There have been some secondments between the PRO and the Commission. We consider this desirable for both organisations although we note the Commission's interest in securing the services of staff who have more direct experience of local record office work than is common for PRO staff. Without wishing to be prescriptive about frequency or level, **we recommend there be a more systematic staff exchange programme between the PRO and the Commission and that as vacancies arise in each organisation consideration be given to filling them by secondment from the other.**

O.12 Familiarisation and training. **We recommend also that greater use be made of short familiarisation visits between the Commission and the PRO, not only for new staff for whom such visits would be a useful part of their induction training, but also for longer serving members of staff who may not have kept up with developments in the other organisation. We also recommend close co-operation in the development of training programmes and the identification of training needs.**

O.13 Information technology. The Commission has been making steady progress in the computerisation of the National Register of Archives. We note the Commission's intention to provide early access to the PRO on the way to more widespread direct access by networking or other methods in the mid-1990s. **We recommend that both PRO and the Commission be alive to the possible mutual benefits of co-operation in information technology, particularly in communications and networking, and that this be taken into account in the 1991 revision of PRO's IT Strategic Plan.**

O.14 Accommodation. We note the possibility that the Commission may have to vacate its Quality Court site. Depending on the outcome of further consideration to be given to the use(s) that might be made of the PRO's Chancery Lane building **we recommend that consideration be given to co-location of the Commission and the PRO in the latter's Chancery lane building.** We do not consider a separate address to be essential for maintenance of the Commission's independence (leaving aside questions about the need for that independence) and we do see considerable benefits from the closer relationship which would develop from the use of common accommodation as well as benefits to the users of both organisations.

O.15 In the longer term, following implementation of those changes to the PRO's functions, management and organisation

we have recommended, and in particular the transition to Executive Agency status, we see benefits in the work of the Commission and the PRO being undertaken by the one organisation. **We recommend that further consideration be given to this in 1995 if other machinery of government changes or developments in national archives policy have not provided an appropriate opportunity before then.**

British Library

0.16 There are several different dimensions to the relationship between the British Library and the PRO:

(a) conservation - there are common interests between the PRO's Conservation Department and the various conservation activities of the British Library though the differences between the conservation needs of a library and an archive lead to an emphasis on quite different activities; we note that the PRO is represented on the Library's National Preservation Advisory Committee which brings together professionals from a range of backgrounds and disciplines all of whom are concerned with the national and local implications of preservation and security; we **recommend continued involvement of the PRO in this broader national preservation forum;**

(b) research and development - The British Library's Research and Development Department sponsors a wide range of research for the benefit of the library and information community. In our recommendations concerning information technology we propose that PRO management and the IT section should keep themselves informed of the Department's activities and of the results of research it funds;

(c) publications - in recent years the Library has considerably expanded its publications programme and its retailing activities; **we recommend close liaison between the PRO's Publications Officer and the Library's publications staff to identify areas where there would be benefit from mutual co-operation, for example joint publications or common retailing.**

COSTS AND SAVINGS

P.1 Estimates of the main costs and savings arising from our recommendations in each of the areas detailed below are given in the summary table in the Appendix to this Annex. The savings are the readily identifiable cash savings arising from our recommendations. It is difficult at this stage to quantify the indirect savings which will result from the improvements in efficiency, more effective use of resources and better quality of service which will result from the implementation of our report, but we think these will be substantial and should be tracked by the PRO over time. All costs and savings are at 1990 values.

P.2 Planning and management
There are additional costs arising from the appointment of a new G5 Director of Corporate Services, G7 Finance Officer, and HEO Accounts and for the cost of having a Chief Executive designate, overlapping with the Keeper during the transition to agency status. In addition, funds will be needed for consultancy help with market testing, validation of the readers' satisfaction survey, staff audit and establishing performance indicators and other aspects of the change to agency status.

These will be offset to some extent, by abolishing the post of G7 Establishment Officer and by downgrading the post of G7 Finance Officer to SEO after the Agency has been successfully established.

Estimated net annual costs after 5 years: £57,000.

P.3 Outreach
Improvements to the PRO's education and publications programme will involve the appointment of a G6 head of outreach, a G7 Publications Manager, an SEO Education Officer and an HEO Enterprises Manager. Some funding will be needed for design and for running seminars and exhibitions. The G7 and HEO posts are intended to be self-financing after three years. There should be offsetting savings from the abolition of the present G7 Museum/Library post, while the appointment of a new publications officer, together with changes to arrangements for administering copyright will result in the saving of another G7 post.

Estimated net annual costs after 5 years: £12,000.

P.4 Library
The proposal to make the library available to the public and to improve its quality will involve the replacement of the current HEO post by a professional librarian at the same

grade. There will be some minor costs for copying index cards and improving security. There should be offsetting savings because one EO and one AO post will be replaced by two AAs.

Estimated net annual savings after 5 years: (£10,000).

P.5 Records Management
The creation of a records management team will involve the appointment of a G7 supported by an EO. It is envisaged that these posts will become self-financing within three years.

P.6 Changes in grading and organisation
Changes in the grading structure will be revenue neutral The merger of Records Administration Division and Modern Records Department, and the union of the two Search Departments will result in the creation of one SEO post, and the saving of two G6 posts, one G7, and two HEOs. The G7 Repository and Reprographics post will be abolished, as will the HEO Repository at Chancery Lane, while two new SEO posts will be created.

Estimated net annual savings after 5 years: (£118,000).

P.7 Administrative costs
The staff changes will require expenditure on recruitment and possible early retirement.

P.8 Opening hours
Opening the Census room on Saturdays will add about £70,000 to the costs, while providing a full service to readers on Saturdays and two evenings a week at Kew and Chancery Lane will cost an additional £700,000. Consolidation of the records at Kew and establishing a central London microfilm reading room will reduce the total cost of additional opening hours to £560,000.

Estimated net annual costs after 5 years: £770,000.

P.9 Accommodation
Providing a central London microfilm reading room will cost about £723,000 a year, while additional works in connection with the Kew extension to enable Chancery Lane records to be seen there may add a one-off sum of up to £5.5m. to its costs, although much more detailed costing is required. These costs will be offset by eventual annual savings of nearly £2.9m. in staff and other costs at Chancery Lane, plus £1.6m. in accommodation charges. £2.9m. will be saved on the PRO's budget by the move from Hayes although the impact on the Exchequer can only be determined following a review of the use of the site.

Estimated net savings after 5 years: (£2.7M.)

P.10 Flow of funds

The effect of our recommendations will be to increase the PRO's expenditure over the next three years, as the organisation is strengthened, and new initiatives are taken in the field of education, publications and records management. A one-off cost of £1.5M will be incurred in year 4 if the decision is taken to move the records and staff at Chancery Lane to the Kew extension. There will be an estimated additional capital cost of £4M in redesign and extra work on the extension, which will represent an investment enabling the Office to make substantial savings in staffing and accommodation charges once records are moved from Chancery Lane and Hayes. We estimate that after 5 years, our recommendations should produce annual savings of the order of £1.8m.

Appendix

SUMMARY OF COSTS AND SAVINGS FROM IMPLEMENTATION OF REPORT

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
			(£'000 at 1990 values)			
1. REVENUE						
Planning and management						
Costs						
G3 Chief Exec for 7 months	30					
G5 PEFO	41	41	41	41	41	41
G7 Finance Officer	27	27	27	27	27	27
HEO Accounts	19	19	19	19	19	19
Consultancy costs:						
Staff audit	30					
Managing change	23					
Market testing	4	1	1	1	1	1
Reader survey	2					
Subtotal	176	88	88	88	88	88
Savings						
G7 Estab Officer	27	27	27	27	27	27
G7 Fin.Off. to SEO			4	4	4	4
Subtotal	27	27	31	31	31	31
NET COSTS	149	61	57	57	57	57
Outreach						
Costs						
G6 Outreach	19	39	39	39	39	39
G7 Publications	14	28	28	---Self	Financing----	
SEO Education	12	24	24	24	24	24
HEO Enterprises	19	19	19	---Self	Financing----	
Seminars,exhibits	5	5	5	5	5	5
Design costs: publications		10				
Subtotal	69	125	115	68	68	68
Savings						
G7 Pub/Copyright	14	28	28	28	28	28
G7 Mus/Lib	14	28	28	28	28	28
Subtotal	28	56	56	56	56	56
NET COSTS	41	69	59	12	12	12
Library						
Costs						
HEO Librarian	19	19	19	19	19	19
AA Library (Kew)	8	8	8	8	8	8
AA Library (CL)	8	8	8	8	8	8
Library: copying:	1					
Library: security	1					
Subtotal	37	35	35	35	35	35
Savings						
HEO Lib	19	19	19	19	19	19
EO Lib (Kew)	15	15	15	15	15	15
AO Lib (CL)	11	11	11	11	11	11
Subtotal	45	45	45	45	45	45
NET SAVINGS	(9)	(10)	(10)	(10)	(10)	(10)
Records Management						
Costs						
G7 Records Managt	13	27	27	---Self	Financing----	
EO Records Managt	8	15	15	---Self	Financing----	
NET COSTS	21	42	42	0	0	0

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Changes in organisation						
Costs						
SEO RAD	12	24	24	24	24	24
SEO Repository	11	23	23	23	23	23
SEO Reprographic	11	23	23	23	23	23
Subtotal	34	70	70	70	70	70
Savings						
G6 Search CL	19	39	39	39	39	39
G6 MRD Kew	19	38	38	38	38	38
G7 Repro/Repos	13	27	27	27	27	27
G7 Inspecting Officer	13	27	27	27	27	27
HEO Repos CL	10	19	19	19	19	19
HEO RAD	9	19	19	19	19	19
HEO MEMRD	10	19	19	19	19	19
Subtotal	93	188	188	188	188	188
NET SAVINGS	(59)	(118)	(118)	(118)	(118)	(118)
Staffing costs:						
Recruitment	10					
Outplacement	60					
NET COSTS	70					
Opening hours						
Opening census room	70	70	70	70	70	
Extended opening (Kew and Chancery Lane)				700	700	
Extended opening (consolidated site)						561
NET COSTS	70	70	70	770	770	561
Accommodation						
Costs						
London microfilm reading room						723
Subtotal	0	0	0	0	0	723
Savings						
CL Staff						989
CL Accommodation						1,617
Hayes staff						481
Hayes accommodation *						*2,390
Subtotal	0	0	0	0	0	3,087
NET SAVINGS	0	0	0	0	0	(2,364)
TOTAL COSTS	477	430	420	1,031	1,031	1,545
LESS SAVINGS	193	316	320	320	320	3,407
COST OF IMPLEMENTATION	284	114	100	711	711	(1,862)

* saving on PRO's budget: no saving to Exchequer, pending review of the site

2. CAPITAL

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Additional costs of Kew extension arising from relocation of Chancery Lane Works				2,000	2,000	
Cost of move					1,500	
TOTAL				2,000	3,500	

Annex Q

LIST OF THOSE CONSULTED

Government Departments

Cabinet Office	
Sir Robin Butler KCB, CVO	Secretary of the Cabinet and Head of the Home Civil Service
Miss P.M. Andrews	Departmental Records Adviser
M. Gibson	Next Steps Project Team
J. Cowper	Next Steps Project Team
A.D. Whetnall	Machinery of Government Division
Lord Chancellor's Department	
T.S. Legg CB, QC	Permanent Secretary
Ms A. Finlay	Management Support Division
Mrs E. Smith	Departmental Records Officer
R. Towner	Internal Audit
A. Robinson	Internal Audit
Ministry of Defence	
J. Oliver	Departmental Records Officer
Department of Education and Science	
Ms H. Moffat	HMI
Department of the Environment	
L. Colgan	Property Holdings
R. Fletcher	Property Holdings
Inland Revenue	
M. Rickard	Deputy Departmental Records Officer
HMSO	
Dr P.I. Freeman	Chief Executive
D.W. Ray	Director General, Corporate Services
C.J. Penn	Director, Publications Division
R.C. Barnard	Publications Division
P. Glover	Publications Division
Treasury	
G.M. Dow	Central Unit on Purchasing
A. Scott	Central Unit on Purchasing
P. Russell	Home and Transport Division
M.W.N. Towers	Financial Management Division
G. Kyriakou	Financial Management Division
C.R. Muid	CCTA
M. McKillop	CCTA
Mark Sudan	CCTA
Brian Strowger	CCTA

Museums and Libraries

British Library

B.J. Perry	Director, R & D Department
Ms S. Tyacke,	Director, Special Collections
Dr L. Hellinga	Preservation Services
E. King	Bindery
D. Way	Publications

Historical Manuscripts Commission

B.S. Smith	Secretary

Victoria and Albert Museum

Ms M. Stuart	V & A Enterprises

British Museum

Ms C. Clear	Publishing Manager

National Trust

L. McCracken	Deputy Secretary
Ms M. Willes	Publisher

Public Record Office of Northern Ireland

B. Follis

Scottish Record Office

G. MacKenzie	Conservation Officer
P. Anderson	

Overseas Archives

G.E. Nichols	Director General, Australian Archives
Ms G. Finlay	Formerly Assistant Director General, Australian Archives
D.W. Wilson	Archivist of the United States
W. Russell	London Representative National Archives of Canada

Advisory Council on Public Records

The Rt Hon the Lord Donaldson of Lymington, Master of the Rolls (Chairman)
The Rt Hon Sir Frank Cooper, GCB, CMG
Professor Henry Roseveare
J. Gibson
D.G. Vaisey (Bodley's Librarian)
Dr M.R. Foster (Secretary)

Other bodies

British Association for Local History

C. Charlton
M. Cowan
Dr R. Schofield

London Archive Users Forum

Ms I. Watson	Secretary
D. Stewart	Activities Secretary
P. Hadley	

Society of Archivists

V.W. Gray	Chairman
Ms R. Watson	Treasurer

Institute of Historical Research

Dr A. Prochaska	Secretary

Society of Genealogists

S. Hale	Chairman of Executive Committee

Museums and Galleries Marketing

Ms C. Humby-Teck
M. McCluskey

Federation of Family History Societies

G. Pelling	Chairman

History at the Universities Defence Group

Dr R.C. Mettam
Dr D. Stevenson

Individuals

Professor P.D.A. Harvey	Emeritus Professor, Durham University
P. Hennessy	Journalist and author
Dr P. Nutley	Training consultant

PRO Staff

M. Roper	Keeper
C.D. Chalmers	Deputy Keeper
Dr N.G. Cox	Records Administration Officer
J.A. Keene	Establishment Officer
Miss G.L. Beech	Head of Search, Kew
N.E. Evans	Head of Search, Chancery Lane
Dr A.A.H. Knightbridge	Liaison Officer
Mrs A.E. Morton	Grade 6 on career break
Mrs A. Nicol	Appraisal Officer
Dr J.B. Post	Head of Medieval Records
Dr D.L. Thomas	Acting Head of MRD
J.L. Walford	Head of Management Support
Mrs M.K. Banton	Medieval Records Department
T.M. Chalmers	RIS Project
Miss M.M. Condon	Head of Map Department
C.R.H. Cooper	Search Department Chancery Lane
Miss A. Crawford	Search Department, Kew
D. Crook	Medieval Records Department

Dr M.R. Foster	Copyright Officer
Dr H. Forde	Head of Conservation
Dr E.M. Hallam Smith	Head of Museum
Ms S.M.F. Healy	Modern Records Department
Dr E.J. Higgs	Search Department Chancery Lane
Mrs H.E. Jones	Search Department, Kew
Miss J. Lawlor	Head of ITU
A.W.H. Medlicott	Principal Inspecting Officer
T.R. Padfield	Management Support Department
Dr N.A.M. Rodger	Medieval Records Department
K.J. Smith	Head of Repository/Repro
Miss M. Brennand	Accommodation Officer
Mrs M.A. Bull	Personnel and Finance
Miss C.J. Dimmer	Inspecting Officer
S.R. Duffield	ITU
J.S. Harley	O/C Hayes
Miss L.R. Hoare	Inspecting Officer
A.J. McDonald	Search Department, Kew
F. McCall	Inspecting Officer
J.A.V. Rose	Modern Records Department
A. Bodle	Formerly HEO Personnel
P.W. Brooker	RAD
Mrs V.J.A. Carr	Repository
Mrs S. Flatman	Accommodation
J.S. Fowler	Modern Records Department
Miss A.W. Goldsmith	Library
Mrs B.K. Locker	Medieval Records Department
Mrs S. Orton	Pay & Personnel
P.J. Seaman	Photo-orders
Mrs C.A. Stone	Training
R. Wythe	Reprographic
E. O'Dell	Repository
G. Brookes	Training

Trade Unions
Meetings were held with the PRO Trade Union Side and with representatives of the FDA and NUCAPS.

Meetings attended
Advisory Council meeting on 18 October
Readers' Forums on 29 August and 21 November
RAD Conference in York on 3 - 5 October
Meetings were held with the staff of the following PRO departments:
RAD
Modern Records
Search Department, Kew

Written submissions
Submissions were received from the following bodies:
British Academy
British Association for Local History
British Record Society
Economic History Society

Edmonton Hundred Historical Society
Furniture History Society
Hampshire Genealogical Society
Railway and Canal Historical Society
Royal Historical Society

In addition, a wide range of letters was received from individual readers.