

CHAPTER 4

MOBILITY, PENSIONS AND A CAREER SERVICE

123. In Chapter 1 we criticised the lack of contact between the Civil Service and the rest of the community. This is partly the consequence of a career service; since we expect most civil servants to spend their entire working lives in the Service some degree of isolation is almost inevitable. The concept of a career service has also been criticised because of the sense of almost total security of tenure that it gives to all established civil servants. Thus though there are provisions for dismissal and for premature retirement in the interests of efficiency, both are in practice rare—and, in the middle and senior grades, very rare. In 1967 dismissals and compulsory retirements of permanent staff in the grades of Executive Officer (and equivalents) and above on the grounds of misconduct and inefficiency numbered 22 (0.015 per cent of the permanent staff in these groups). In the previous four years the figures were

1963	1964	1965	1966
24	24	25	20

We find it hard to believe that these figures should not have been higher. On the other hand, there are strong arguments for preserving a mainly career service in the sense that most civil servants should enter when comparatively young with the expectation, but not the guarantee, of a life-time's employment. We consider them in detail later in this chapter and in substance accept them. Nevertheless we are convinced that, both in the public interest and also for the health of the Service itself, effective steps must be taken to ensure a very much larger and freer flow of men and women between the Service and outside employments than there has been in the past. The proposals in this chapter are designed with these ends in view.

LATE ENTRY

124. Late entry should be considerably expanded. There are people in business, the professions, nationalised industry, local government and the universities whose experience would be most valuable to the Service. The need is particularly obvious in the specialist disciplines such as engineering, where men are needed with practical experience of kinds that the Service cannot always provide. In these fields there is already some late entry; there should be more. But more late entry is also needed on the administrative side (which, as we define it, includes the present Executive Class) where at present it is sporadic and unduly restricted. For example, there is no regular late entry into the Service between the ranks of Executive Officer and Principal. Recruitment to the Executive Class is now restricted to the Executive Officer grade; and no starting salary can be higher than the salary point for 25-year-olds. In the Administrative Class late recruitment (leaving aside

special provisions for serving and former members of the Armed Forces and Overseas Civil Service) is mainly to the Principal grade; though there is also provision for the late entry of up to three Assistant Secretaries a year. This was started only in 1964, when six Principals were recruited (35 in 1965, 27 in 1966 and 30 in 1967); so far there have been no more than five late-entry Assistant Secretary appointments. (One of the reasons for the small number of Assistant Secretary appointments is that they are made only if the specific qualifications and experience needed cannot be found within the Service.) This is very far from enough. In our view there should be no restriction on the levels to which suitably qualified and experienced people from outside the Service can be directly appointed. A steady inflow of suitably-qualified older entrants with new ideas and relevant experience would, we believe, bring great benefits throughout the Service.

TEMPORARY APPOINTMENTS

125. At middle and higher levels, there should also be more short-term appointments for fixed periods; this would help to maintain regular movement in and out of the Service. It would be particularly valuable in the case of those specialists, for example some engineers and scientists, whose special contribution would be up-to-date knowledge and practical experience of work outside government. It is also often the best way of using the talents of those, again mainly specialists, who are needed in an advisory capacity. For example, the present system by which professional economists come into the Service from the universities for a few years and then return, perhaps to come back again for further spells later, has been of great value. We think that it should be adopted in other specialist fields. In the various administrative groups similar short-term appointments for those with relevant experience in industry, commerce or the universities could also bring advantages.

126. In addition to temporary appointments of this kind, it has been put to us that the Service also needs to employ people whose status is expressly temporary but of indefinite duration. In total the number of temporaries is very large: 124,000 or 29 per cent of the total non-industrial staff. The great majority are in the lower grades (for example, there are 37,500 temporary Clerical Assistants) and there is a rapid rate of turnover. But there are many temporary appointments at higher levels, and temporaries continue to be employed on this basis for long periods—some for over 20 years and until they reach the retiring age. A number of reasons are given why many civil servants are “temporaries”. Some prefer for their own reasons to enter on a temporary basis or to become temporaries after a period of established service, e.g. retired persons or married women. Others, recruited when pressure was urgent, have been offered only temporary posts because they did not possess the full qualifications needed for permanent appointments. The largest group are those whose jobs are themselves temporary because the need for them is not expected to last.

127. We doubt if the Service is justified in employing as many as 29 per cent of its staff on a temporary basis. In so far as it remains necessary to employ temporaries for indefinite periods, we make recommendations on the terms of service that should apply in their case in paragraphs 137

and 143 below. We consider, however, that the Service should find means of reducing the proportion of temporary staff, and should in particular examine ways of ensuring that civil servants do not continue to serve on a temporary basis for unduly long periods.

SHORT-TERM LOANS AND SECONDMENTS

128. Determined efforts are needed to bring about the temporary interchange of staff with private industry and commerce, nationalised industry and local government on a much larger scale than hitherto. War-time experience proves beyond doubt the value of such movement in promoting mutual knowledge and understanding. Coming at the right stage, experience in a changed environment can also be of decisive importance in the individual's development. Interchange should be a two-way process (though not necessarily head for head) covering both administrative and specialist staff from the level of Higher Executive Officer and equivalent upwards. Efforts are being made to promote these exchanges at present. We welcome the scheme, started in 1965, under which about 25 nominees from industry, commerce and the universities were loaned to the Service for a two-year spell as Principals. We hope that it can be continued and developed. But it is at least as valuable for civil servants to go out for a spell. No doubt there are real obstacles: no doubt it is extremely difficult to spare good civil servants, especially at the level of Principal and upwards. At 1st December, 1967 only 30 civil servants were away on secondment to industry, commerce and local government. We cannot believe that this is the most that can be managed. We develop this point further in Appendix G.

PERSONAL APPOINTMENTS BY MINISTERS

129. Several times in recent years Ministers have brought in professional experts and advisers of their own. These have been personal appointments in the sense that they have been individuals known to the Ministers concerned, who have judged that their individual qualities and experience could be of special help to them in their departments. We welcome this practice as a means of bringing new men and ideas into the service of the State. We are satisfied that a Minister should be able to employ on a temporary basis such small numbers of experts as he personally considers he needs to help and advise him. They should be men and women of standing and experience. We consider however that this practice should be put on to a regular and clearly understood basis. We think it inappropriate to propose any precise limitation of the numbers of these appointments or any defined procedures. But it should be made clear that such appointments are temporary and that the person concerned has no expectation of remaining when there is a change of Minister.

MOVEMENT OUT OF THE SERVICE

130. The corollary of more late entry into the Service should be a similar flow out of the Service. We think that it should be of three kinds.

131. First, however well the Service is managed, there will always be able men and women who decide for personal or other reasons that they wish to leave the Service for another kind of work. At present the pension

arrangements make voluntary severance difficult. We do not believe that restrictive pension arrangements are the right way to keep staff—even those with scarce skills whose departure is a real loss to the Service. It would be highly regrettable if civil servants did not have valuable contributions to make to other areas of our national life; it should be natural for others to wish to employ them.

132. Secondly, we consider that the Service should take the system of probation much more seriously than it appears to do at present. Out of the Assistant Principals who entered from 1961 to 1965, 221 passed their probation and only four failed. While no doubt the great majority of men and women can be expected to be confirmed in their appointments at the end of probation, the present almost complete certainty of passing successfully through it is not an adequate spur to effort.

133. Thirdly, the Service should have wider powers to retire on pension those who have ceased to earn their keep, and should use them with more determination. Where culpable inefficiency is in question, the present powers seem adequate, though we suspect that they are not always used as fully as they should be. But wider powers are also needed to deal with the small minority who, perhaps through no fault of their own, have unforeseeably ceased to be able to give a satisfactory performance and ought to be retired early in the interests of the Service—on fair terms (see Appendix H).

THE CIVIL SERVICE AS A CAREER

134. We have recommended a much greater flexibility of movement between the Civil Service and other employments. We think however that it should remain a career service in the sense that most civil servants should enter at young ages with the expectation, but not the guarantee, of a lifetime's employment; and that the great majority of those who come to occupy top jobs will in practice be career civil servants. There are in our view substantial reasons why this should continue to be so:—

- (a) Our avowed aim is to create a Civil Service that is truly professional—expert both in the subject-matter and in the methods of public administration. Long experience and accumulated knowledge are essential parts of this concept. While it involves a constant inflow of new men and ideas from outside, it must also involve for the majority a professional career in the Service.
- (b) Civil servants must be able to give forthright advice to their superiors and to Ministers without fearing that a clash of views might lead to dismissal from the Service.
- (c) Really able young men are more likely to come into the Service if they know that the top jobs are open to them; if too many of the senior posts were filled from outside the Service, this would produce frustration among those already in the Service and discourage recruitment.
- (d) At a time when there is greater intermingling between the public and private sectors, and when the decisions of civil servants are of immediate concern to firms and other organisations, we want to see a substantial increase in the flow of staff, both long-term and short-term, between the Service and commerce and industry. But

this should take place in a professional atmosphere fostered by the fact that the majority of civil servants expect to remain in the Service for a life-time's career. It is important that civil servants should not come to think of those who do business with their departments as their prospective employers, and that firms, which are increasingly required to reveal their technical and financial affairs to government, should be able to do so with confidence.

TERMS OF SERVICE AND PENSION ARRANGEMENTS

135. We thus propose greater mobility into and out of a Service that still continues in the main to be a career service. As a consequence, important changes need to be made in the Service's pension arrangements and the terms on which civil servants are employed.

136. At present the rules of the pension scheme greatly restrict the sort of movement we wish to see. While there is a well-developed system for transferring pension rights in moves between employments in the public sector, this does not extend to moves between the Civil Service and private employment. A person who enters the Service from private employment cannot transfer his pension rights into the Civil Service pension scheme and thus continue to build up a continuous pension entitlement (though he may be able to preserve his rights in his old scheme); and a civil servant under 50 and below the rank of Assistant Secretary who by his own choice leaves to go to a private employment loses his pension rights altogether. Clearly this is a serious impediment to movement both into and out of the Service. We recommend therefore that the Service should, wherever practicable, make transfer arrangements with private employers to facilitate late entry, and that all civil servants who have served for an appropriate qualifying period should be able to transfer or preserve their pension rights on voluntarily leaving the Service.

137. Most temporary staff are now un pensionable, though a small number are members of the Federated Superannuation System for Universities. We think that every person—subject to having served for a specified qualifying period—should be entitled to a pension related to the length of his service. We therefore recommend that the pension scheme should be extended to cover temporary staff.

138. We also believe that the Service needs wider and more flexible powers than those provided in the present Superannuation Act in two respects:—

- (a) to provide reasonable severance arrangements for those who are obliged to retire in the interests of the Service before they reach the normal retiring age, as proposed in paragraph 133;
- (b) to offer improved pension arrangements where these are needed to attract into the Service individual late entrants with special ability, qualifications or experience, who are unable because of the shortness of their prospective period of service to earn a good pension by the time they reach the retiring age.

139. The present pension scheme is non-contributory. It could be suitably adapted to give effect to the proposals in paragraph 136 and 137

above. We think, however, that it would be marginally easier to deal with short periods of service, and that other advantages would accrue, if the scheme were put on to a contributory basis. This proposal has been made more than once before, notably by the Tomlin Commission in 1931, but has never been proceeded with. We understand that the basis of the Civil Service pension scheme, as indeed of all public-service pension schemes, will need to be re-examined when the proposed system of National Insurance retirement pensions related to earnings is introduced; and that the question of contributions is bound to be reviewed in that context. We hope that this review will be speedily conducted and will take full account of the arguments in favour of a contributory scheme.

140. The recommendations in paragraphs 136 to 139 above are discussed in greater detail in Appendix H.

141. We now turn to the terms on which civil servants are employed, and in particular to the question of established status. The origin and meaning of establishment are set out in a note by the Treasury, which we publish at Volume 4, Section IV. Briefly, an established civil servant is (in most cases) one who has been admitted to the Civil Service with a certificate from the Civil Service Commission (certifying that he satisfies the conditions laid down for his appointment); and only those who have been so certificated are pensionable. Established civil servants have much greater security of tenure than unestablished. We have recommended above that the link between establishment and pensionability should be broken. The question is whether the concept of establishment should then remain.

142. In our view, it should be abolished. The term "establishment" has acquired overtones of comfort and complacency, and damages the reputation of the Service. More important, the concept of established status has engendered an atmosphere within the Service that in practice, though not in theory, offers too much protection. It is not true that a civil servant, once established, is completely secure in his job, however lazy or inefficient he may be. But establishment has come to imply a presumption of security until retirement, which goes beyond what is genuinely needed and, we believe, hampers the elimination of the small minority who do not earn their keep.

143. In our view, the new terms of employment required to produce greater mobility into and out of a largely career service are as follows:—

- (a) For all appointments, except the temporary staff discussed in paragraphs 125 and 126 above, there should be a two-year period of probation.
- (b) On successful completion of probation an individual should be informed of this by letter and offered indefinite employment, subject to a reasonably long period of notice: we suggest up to six months on each side. The Service should be able to end the employment only on one of the following grounds:—
 - (i) redundancy, in circumstances in which he cannot appropriately be found a comparable job in another branch or department;
 - (ii) ill health;
 - (iii) disciplinary reasons such as misconduct or unreasonable refusal

to move to another job in the Service when mobility is one of his conditions of service;

(iv) culpable inefficiency;

(v) early retirement in the interests of the Service, as proposed in paragraph 133.

In each case there should be appropriate safeguards for the person concerned. We have not examined the procedures, formal and informal, that now govern (i) to (iv), and therefore have no changes to propose. We discuss the procedure appropriate to the new proposal at (v) in Appendix H.

(c) The temporaries at paragraphs 125 and 126 above should, wherever possible, be offered short-term appointments for a specified number of years.

144. We think that the process of confirming a civil servant in his appointment (paragraph 143 (b) above) should be handled in a way that reduces the administrative complications now involved in the process of establishment. First, it should be delayed until successful completion of the probationary period; this should help to speed up recruitment, delays in which are today partly attributable to the procedures for establishing successful candidates. Secondly, there should be considerable delegation of authority. At junior levels (i.e. below the level of the graduate entry), we think that the employing department should determine that a person has successfully passed his probation and confirm him in his appointment accordingly. It should however report each case to the Civil Service Department, which should watch over the general standards observed by individual departments, and should conduct spot checks to see that standards are being maintained. At the graduate entry and higher levels, the authority should be the Civil Service Department. At the end of the probationary period, a department recommending a recruit for confirmation should submit a report stating that he has the necessary qualifications and is showing satisfactory performance and adequate promise for his grade.