

CONFIDENTIAL

E-3R.
C-3R.
Long Term
Policy

PRIME MINISTER

Civil Service Manpower

The Lord President has been looking at the Civil Service manpower bids for 1981/82 which his Cabinet colleagues have been submitting to him for Estimates' purposes. Taking the figures together, the picture is an alarming one, and if no action is taken on them, the size of the Civil Service on 1 April 1981, far from showing a reduction on 1980/81 figures, will represent a large increase, and the credibility of the Government's plan to get down to a figure of 630,000 by April 1984 will be seriously undermined. Most of the upsurge in the bids arises from the fact that unemployment is higher than expected and more staff than the DHSS and Department of Employment had planned are needed to deal with it.

Lord Soames is of a mind at present to circulate to Cabinet for discussion next week a paper proposing that, in order to get the manpower bids under control, recruitment restrictions of the kind we had last year should be introduced from 1 January. He would not propose that they should be applied universally and accepts that in certain areas, e.g. in the social security field, there would have to be exemptions.

Before he goes any further, however, he would like to have a word with you and he will try to find an opportunity to do so either before E tomorrow or between E and Cabinet.

I am sure that Lord Soames is right in saying that he ought to let his Cabinet colleagues know at once what an alarming picture the totality of their manpower bids represents, and it may be that we shall have no alternative but to bring in the kind of recruitment restrictions he wants in order to get the run down of the Civil Service back on target. But if we do have to take such measures, we must expect a good deal of criticism of the "I told you so" variety from those, including the Treasury and Civil Service Select Committee, who have attacked the Government's plans for cutting the size of the Civil Service as consisting of a final target figure based on no detailed Departmental plans for cutting both numbers and functions and amounting to little more than a pious hope.

KW.

3 December 1980

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