



Ref. A03829

PRIME MINISTER

Civil Service Manpower: Estimates 1981-82

BACKGROUND

Cabinet decided last week that the aims should be to agree on total provision in Estimates for 695,000 civil servants by 1st April 1981 and 685,000 by 1st April 1982. The achievement of these numbers required a reduction of 3,500 from the total bids for staff made by Departments for 1st April 1981, and a reduction of 8,000 from the bids made for 1st April 1982. To this end Ministers were invited to provide revised manpower estimates to the Civil Service Department by yesterday, and until further notice to maintain personal control of recruitment to their Departments.

2. The Lord President's minute to you of ¹⁶10th December shows that the revised bids he has received do not go far enough. The excess at 1st April 1981 has been reduced to 1,000 but the excess still outstanding for 1st April 1982 is 5,500. He suggests that the 1st April 1981 excess of 1,000 should be dealt with by pro rata cuts based on the original bids (so as not to penalise those who have done well in preparing their revised estimates) and the 1st April 1982 excess be dealt with by giving him authority to establish new revised numbers for 1st April 1982 taking account of the savings which he thinks "can reasonably be expected" in the light, e.g., of the Rayner exercises.

3. Individual Ministers may well have detailed objections to make or problems to raise (not all of them bogus - see for example Mr. Pym's letter to Lord Soames of 16th December) but Cabinet will not wish - and indeed should not - get involved in points of detail. The number involved are marginal and the Cabinet, having willed the end, can only deal with this in a broad-brush way and with maximum delegation. Of course some Ministers may object to what amounts to the effective handing over of authority on their staffing levels to the Lord President, but there is probably no realistic alternative, subject in the last resort to appeal to you.

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HANDLING

4. You might invite the Lord President to begin by stating the problem and then just quickly check whether there are volunteers prepared to contribute the numbers now being sought. If not (and volunteers are most unlikely) you might remind the Cabinet that the effective choice is between following the Lord President's proposed path or abandoning the targets. Given that the numbers now being sought are marginal to the whole operation, but important to maintain the Government's credibility, you might urge the Cabinet to accept the Lord President's proposals. No-one can surely argue that the pro rata cuts for 1st April 1981 are unattainable; and Ministers in charge of Departments will have 16 months to make good the numbers which the Lord President will be suggesting for 1st April 1982 (and which represent less than a 1 per cent reduction in the numbers now sought by Departments). If it would ease acceptance of the general approach to the problems, you might offer to act as a court of appeal should the Lord President and individual Ministers be unable to agree on the detailed figures for 1982 (though not, I would suggest, on those for 1981 where colleagues ought to be able to live with the marginal consequences of a pro rata cut of 1,000).

CONCLUSION

5. You will want to aim at endorsement of the Lord President's proposals subject, if necessary, to adjudication by you on any remaining disputes on the 1982 figures.

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ROBERT ARMSTRONG

17th December, 1980

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