SECRET

Prime Minister

CIVIL SERVICE VOTE: CASH LIMIT

I shall play my full part in implementing the decision to make a further reduction of $2\frac{1}{2}\%$ in 1980/81 to which your minute of 5 March refers.

I have considered whether if any of my colleagues cannot make a saving of as much as $2\frac{1}{2}\%$ in 1980/81, I could do more. But a large proportion of the staff of my Department are engaged in providing a service which people are required by law to use (for example driver testing and various forms of vehicle licensing) and for which they have to pay a fee which covers my costs. Because of the political sensitivity of the accumulated waiting list for driving tests I am already having to authorise further recruitment and to offset the increase elsewhere in order to achieve my targets for reductions.

In spite of this special situation I am seeking as you know to reduce my total departmental manpower by no less than 18% over the next two years or so. Furthermore, in 1979/80 I shall achieve one of 4%.

I am copying this minute to Paul Channon and to Sir Robert Armstrong.

· May!

NORMAN FOWLER

'March 1980

SECRET

