

CONFIDENTIAL

Prime Minister

And I have already  
commented before  
this one arrived.  
Can the L.P. send  
it out with  
Mr. P. in. We may  
have to reduce  
N.E. & M.S.C.

The Lord President's minute  
is with your earlier papers.

PRIME MINISTER

Duty Clerk.

1979/80 CASH LIMITS: CIVIL SERVICE WAGES AND SALARIES

reduced for places  
N.E. & M.S.C.  
9/6  
and

I have seen the Lord President's minute of 8 June proposing  
that the DHSS should be allowed in large part to substitute  
reduction of fraud and abuse in benefits for staff cuts.

Fraud.

I have 20,000 staff paying out benefit as agents of DHSS.  
I can divert staff onto fraud detection so as to make, on  
the same assumptions as were made by DHSS, benefit savings  
of £3.9m in a full year and £1.3m in 1979/80. This secures  
the equivalent of most of my 3% staff cut and I can make  
shift to secure the rest.

I should be in an intolerable position if the Lord President's  
proposal is accepted for the DHSS but not for my Department  
doing the same operation as their agents.

I am copying this minute to all Cabinet colleagues including  
the Minister of Transport and to Sir John Hunt.

laufair

J P

8 June 1979

Approved by the  
Secretary of State for  
Employment and signed his  
absence

CONFIDENTIAL



PRIME MINISTER

1979/80 CASH LIMITS: CIVIL SERVICE WAGES AND SALARIES

I have seen the Secretary of State for Employment's minute to you of 8 June.

2. If it is really intolerable to limit the substitution of "fraud effort" for staff savings to DHSS, I see only one alternative if we are to get anywhere near the 3% reduction in cash limits we have announced. That is to permit DHSS to maintain the present strengths of their local offices but not to reinforce them this year by an extra 1000 people (£5m) as is now proposed.

3. Copies to Cabinet colleagues including the Minister of Transport, and Sir John Hunt.

S.

SOAMES  
// June 1979

Elon PD



DS

10 DOWNING STREET

*From the Private Secretary*

12 June 1979

1979/80 Cash Limits : Civil Service Wages and Salaries

---

The Prime Minister has considered the Lord President's minute of 8 June and Mr. Prior's minute of the same date on the above subject, and has decided that she would like this issue to be considered in Cabinet this Thursday.

I am sending copies of this letter to Private Secretaries to members of the Cabinet including the Minister of Transport, and to Sir John Hunt.

T. P. LANKESTER

Jim Buckley, Esq.,  
Lord President's Office.

AC