

Prime Minister



This seems reasonable.
Are you content with X?

PRIME MINISTER

THE BAN ON CIVIL SERVICE RECRUITMENT

I am very reluctant to lift it. Although stage 1 particularly as we have not fixed cash limits 17/7

When we took office we imposed a 3 month freeze on recruitment to the Civil Service as an initial measure in our plans to curb public expenditure. As I reported to you on 29 June, we have since agreed on adjusted cash limits to provide for a 2 3/4% overall savings in Civil Service staff costs this year, after allowing for some essential exemptions. And we shall be discussing plans for reductions in the longer term in September.

2. Information from departments shows that we are now well on course to achieving the required saving in staff costs. The ban has served its intended purpose of exerting an immediate pressure on numbers but now that we have established the new cash limits I do not think we need retain it.

Have not been fixed

3. The cash limits will compel continuing restraint in recruitment by departments but continuation of the general ban, with its present largely indiscriminate effects, would cause unnecessary strains and make more difficult the resumption of recruitment particularly of some good quality people. The financial discipline of the cash limit is now our constraint and we can leave it to colleagues to permit such recruitment as they consider necessary. This will provide a more flexible approach, enable recruitment to be adjusted more closely to operational needs and provide a more sensible run-in to the bigger reductions we shall be discussing in September. I therefore propose that we announce the lifting of the general ban from mid-August by means of a Written Answer before the recess.

X

4. I am copying to Cabinet colleagues, the Minister of Transport and Sir John Hunt.

Cash limits have not been fixed for next year