

cc Mr. Hogg
Mr. Hogg



Prime Minister
Agree to Mr Hogg's
issuing the attached
statement, subject to
consultation with Lord
Soames (and Mr Carlisle?)
on timing?

CONFIDENTIAL

PRIME MINISTER

LOCAL AUTHORITY MANPOWER

PL
1875

Play A

In my minute of 11 May I raised with you and other Cabinet colleagues the need to encourage restraint in local government manpower as well as in Civil Service manpower.

Play B

I have seen Mark Carlisle's minute to you of 16 May and whilst I can understand he may have hesitations about timing, I do not think the kind of statement I have in mind would prejudice the Government's policy for education, or, indeed, for any other particular function carried out by local authorities. Indeed I am under great pressure from our local government colleagues to clarify our public expenditure policies so that they have a clearer understanding of the background against which they have to negotiate with their various employees.

What my announcement would do is to underline the general point that the public expenditure restraint to which we are committed inevitably means manpower restraint. And it would ensure that local authorities start reviewing their overall manpower without delay.

I attach a draft of the message which, if you and other colleagues agree, I will deliver to the local authority Associations and make public. It has already been discussed at official level. The timing will naturally depend upon the announcement about Civil Service recruitment, on which I shall keep in close touch with the Lord President.

I am copying this to members of the Cabinet, the Minister of Transport and Sir John Hunt.

with

MH

18 May 1979

DRAFT STATEMENT ON LOCAL GOVERNMENT MANPOWER

The Government will be seeking restraint over a wide area of public expenditure, while giving priority as they have clearly announced to law and order services. Because so much of public expenditure, in both central and local government, consists of manpower costs restraining public expenditure must mean restraining manpower. As part of its policy on public expenditure the Government has therefore announced a freeze on Civil Service recruitment. Similar action is needed for local authority manpower and the Government will approach the expenditure needs of local authorities on the assumption that a vigorous policy of manpower restraint is being pursued. The Government therefore expects local authorities to review their manpower requirements urgently and, meanwhile, to freeze recruitment wherever possible.

L. S. C. 1965

7
6
5
4
3
2
1
11-21

18 MAY 1979