

CONFIDENTIAL



10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

A Freeze on Manpower

The Prime Minister told me that she and her colleagues had had a discussion during their informal meeting this afternoon about putting a freeze on public service manpower, with particular reference to local authority manpower and Civil Service manpower. As regards the Civil Service, the view was taken that the right course would be to institute immediately a freeze on recruitment, for a period, recognising, however, that there would necessarily have to be certain exceptions from the freeze in specific areas. These exceptions would, however, need to be approved by the Departmental Ministers concerned. The freeze for this period would be coupled with an urgent examination to secure reductions in functions which would result in a manpower requirement within the limits imposed by the freeze, and ultimately much lower.

The Prime Minister told me of this after the meeting and said that she had asked the Lord President, as Minister in charge of the Civil Service, to talk to you and arrange for a paper setting out proposals on these lines to be prepared urgently as a basis for Ministerial decision. The Prime Minister asked me to inform you myself of this requirement. She hopes that a paper by the Lord President could be prepared speedily for consideration and decision by the Prime Minister and those colleagues with a critical interest in Civil Service manpower and its cost.

I am copying this minute to Sir John Hunt and I am sending a copy, for his information, to the Lord President's Private Secretary.

K.R.S.

8 May 1979

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Extract from the informal Cabinet Meeting at 2.30pm 8 May 1979

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(e) Freeze on Civil Service Manpower - Ministers agreed that it was essential to institute immediately a freeze on the recruitment to the Civil Service for a period; they recognised, however, that there would necessarily have to be certain exceptions from the freeze in specific areas but these exceptions could only be made with the approval of the Departmental Ministers concerned. During this period of freeze, Ministers would undertake an urgent examination of functions to secure reductions in the Civil Service manpower requirement so that it was brought within the limits imposed by the freeze and ultimately much lower. The Lord President, as Minister in charge of the Civil Service on behalf of the Prime Minister, was asked to consult the Head of the Civil Service urgently and to prepare a paper setting out a policy on these lines for Ministerial decision.

The Lord  
President has  
not mentioned  
you suggesting  
that the  
paper comes  
to Cabinet  
- see Flag DE.

Top copy - Blue - Pass - May 79