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PRIME MINISTER

THE BAN ON CIVIL SERVICE RECRUITMENT

I had the opportunity of discussing with you earlier today the proposal by the Lord President to lift the overall ban on civil service recruitment. You agreed that I might raise my worries orally at Cabinet on Thursday and asked me in the meanwhile to circulate a minute.

I would urge that at this stage we should not lift the ban, for the following reasons:

- i. this would be seen as a first weakening of the Government's resolution in the critical field of restraining public service manpower;
- ii. it would be extremely difficult for me to continue to ask local authorities to retain a ban - which I believe is necessary - if in central Government the restriction had been lifted;
- iii. as the Lord President reminds us, we shall be discussing future, and bigger, reductions in manpower in September. Until this exercise is complete I believe that the ban should remain as it underlines the Government's determination and, at the same time, will make easier the achievement of reductions. Until that review is complete we simply do not know how credible our stance on manpower reductions will be;
- iv. the achievement of arbitrary percentage reductions is a significant step. But it is not a substitute for Ministers taking day to day decisions about the details of their own Departments - a process which is made necessary by the recruitment ban.

I accept that we should now adopt a more flexible regime. Ministers in Departments should have discretion but the reporting procedures should, I believe, be agreed by the Lord President. One refinement we could adopt has been tried successfully by some of our colleagues in local government. This involves a percentage replacement policy - eg for every ten people leaving, a finite number - perhaps eight - can be recruited. I fully realise too, that the maintenance of a



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continuing restraint policy means that more attention has to be paid to redeploying manpower within the civil service. But this is the essence of what must be involved in our policies if we are to avoid redundancies on the one hand, while recruiting on the other.

Finally, any announcement that is made on the continuation of restraint, if that is what is agreed, could make clear that the ban is not total: for example, specific reference could be made to recruitment which might be needed to maintain health and safety.

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

*Handwritten initials*

MH

24 July 1979

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