

MR C A WHITMORE

## CIVIL SERVICE MANPOWER IN 1980-81

I thought I should let you have one or two thoughts which the Prime Minister may like to have in mind when the Cabinet discusses the papers on the civil service cash limit tomorrow.

When the Prime Minister visited us in January, she expressed concern about the time it would take to get civil service numbers down. As far as 1980-81 is concerned, this is the crucial opportunity.

If it is not taken, the 11,000 additional staff which Ministers have already approved mainly to cope with "demand-led" work (eg unemployment, prisons) will almost wholly cancel out the first tranche of the Lord President's cuts. Thus the figures will show no drop in 1980-81 as compared with present numbers. There is therefore a very strong case for seeking the biggest practicable further squeeze on manpower independently of the pay problem, though it also has the big additional merit of offering a prospect of getting home on pay with less industrial trouble than the alternatives.

I have no doubt that colleagues will strenuously resist the squeeze of 3% with minor exemptions which Mr Channon has proposed. They will say that they have done everything possible already. Our judgement is different. There is too much evidence that points to the continued existence of fat. For example, a recent review of messengers shows that present complements in several departments are between 30% and 50% too high; we believe the overmanning here is general. The CSD's staff inspectors regularly find overmanning which averages at over 6%; while they pick the most succulent targets, it is quite clear that there is still some slack around to be taken up. If the Cabinet were really determined to find 3% (with some small necessary exceptions), I believe it could be done. I do not say it could all be achieved by greater efficiency. Some more work would have to be dropped. But that too is the Government's policy.

SSB

IAN BANCROFT  
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PS. I have just seen Sir Derek Rayner's interesting minute of 26 February. This raises some very contentious issues which as he acknowledges will need to be thought through carefully. We must avoid time and manpower being spent on arguing about these all round Whitehall before the ideas are fully formed. But his piece shows we are at one in believing there is scope for further reductions. If the Cabinet sets the scene, the central departments can get together with Sir Derek to work up fully formed proposals from his provisional quiverful of ideas.