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4 June 1980

The Rt Hon William Whitelaw, CH, MC, MP
Secretary of State for the Home Department
50 Queen Anne's Gate
LONDON SW1H 9AT

Handwritten notes:
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MAD 5/1/80

Dear Willie,

CIVIL SERVICE EFFICIENCY AND MANPOWER

Colleagues are now drawing up plans for achieving our aims of improving the efficiency of the Civil Service and reducing its size to around 630,000 by 1 April 1984.

The Prime Minister has asked me to report progress to Cabinet before the Summer Recess, so I should be grateful if all Ministers in charge of departments would let me have by Wednesday, 2 July, with a copy to Sir Derek Rayner, an outline of their plans for reviewing functions and efficiency, together with their provisional view of the reductions they would propose up to April 1984, with more detailed thinking about 1981-82.

In drawing up their plans, in consultation with Paul Channon and myself, and Sir Derek Rayner as appropriate, colleagues will wish to bear in mind that:

- a. we have agreed to make a determined effort to cut out less essential tasks, simplify procedures and make the work more efficient. There are some areas where functions cannot be dropped. But greater simplicity and efficiency are attainable everywhere to a greater or lesser extent, even including those parts of the work where the pressure is growing;
- b. the review of Departmental functions must be seen to be effective and comprehensive. I therefore suggest that colleagues assign one of their best officials to the detailed work of the review, under their direction and that of their Permanent Secretary;
- c. to be sure of getting down to 630,000 we need a reduction of about 55,000 posts, over and above both the savings to which we committed ourselves last December and the 2½% cut arising from the pay settlement this year. If applied equally to all departments, this new commitment is equivalent to a further reduction of 8% in present staff in post.

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- d. while there is to be some flexibility in individual contributions, it is obvious that if some achieve less than 8%, others must do correspondingly more. It will not be possible to make up elsewhere any serious short-falls in the large departments;
- e. it is important to keep up the impetus in 1981-82;
- f. we must achieve a proportionate saving in senior posts;
- g. the confidentiality of some proposals will need to be protected for all sorts of different reasons, but colleagues will want to be as open as possible with the staff and unions;
- h. I hope colleagues will do everything possible to sustain morale in the Civil Service, especially by praising effort and initiative both within our departments and publicly.

My officials will play their part in the ways agreed in Cabinet, and are already in touch with departments for this purpose.

I am sending copies of this letter to the Prime Minister, to all Ministers in charge of Departments; to Sir Robert Armstrong; and to Sir Derek Rayner.

Yours ever

Christoph

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