

# CONFIDENTIAL

Ref. A051

PRIME MINISTER

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## Cabinet: The Ban on Civil Service Recruitment

### BACKGROUND

At the first Cabinet meeting of this Government, a decision was taken to impose an immediate freeze on Civil Service recruitment (CC(79) 1st Conclusions, Minute 1). This decision was supplemented by one at the second meeting (CC(79) 2nd Conclusions, Minute 6), that the ban should be applied for three months, and reviewed. Departmental Ministers were given discretion on their own authority to grant exemptions to the ban on a case-by-case basis. The temporary ban was seen as the first step towards securing economies of at least "3 per cent in Government expenditure on wage-related items".

Flag A ✓ 2. The Lord President's minute of 17th July suggested that, given the new cash limit controls, the recruitment ban had now served its purpose and that the ending of the ban should be announced by a Written Answer before the Recess. His proposal was subsequently supported by the Secretaries of State for Trade, Industry and Defence, and by the Home Secretary. Your Private Secretary recorded your approval of the Lord President's proposal in a letter of 24th July.

Flag B ✓  
Flag C ✓ 3. However the Secretary of State for the Environment has now argued in his minute of 24th July (written no doubt before he had seen your Private Secretary's letter of the same date) that the ban should be retained, primarily for presentational reasons. He feels that announcing the end of the ban would appear to show a weakening in Government resolve, and would make it more difficult to press local authorities to continue their ban. He suggests that the present arrangements, which give Ministers discretion, have the merit of involving Ministers personally in decisions about recruitment in their Departments and should be retained. Against that it can be argued that the Government and local authority situations are not directly analogous, since the Government has a firm control of its own staffing policies through cash limits, and so no longer needs the blunt instrument of a recruitment ban to ensure results. Moreover a recruitment



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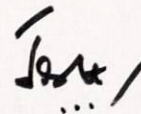
ban inevitably creates anomalies, with Ministers forced increasingly to use their discretion to permit exceptions - a process which could damage the public credibility of the ban, as posts are seen to be advertised. Certainly on the evidence of the response by your colleagues to the Lord President's suggestion most of them would welcome the added flexibility which ending the ban would give.

HANDLING

4. You might start by saying that there had been widespread support from colleagues for the Lord President's proposal to end the ban and rely on the new cash limits to contain staff costs; you had agreed to that course. However in view of the Secretary of State for the Environment's representations you agreed that he could raise the issue at Cabinet. You could add that the issue is one of presentation of policy, rather than of the ends to be achieved: either way a decision will have to be announced. You might then call on the Lord President to make his case followed by the Secretary of State for the Environment.

CONCLUSION

5. The choices are:-
- (a) To support the Lord President's proposal that the recruitment ban should be dispensed with from mid-August and that an announcement to this effect should be made before the Recess.
  - (b) To maintain the ban: in which case an explanatory statement will have to be made, the terms of which would need to be agreed between colleagues (but which presumably could be made during the Recess).



JOHN HUNT

25th July, 1979