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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on

THURSDAY 28 FEBRUARY 1980

at 10.30 am

PRESENT

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon William Whitelaw MP
Secretary of State for the Home Department

The Rt Hon Lord Hailsham
Lord Chancellor

The Rt Hon Lord Carrington
Secretary of State for Foreign and
Commonwealth Affairs

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer

The Rt Hon Sir Keith Joseph MP
Secretary of State for Industry

The Rt Hon Francis Pym MP
Secretary of State for Defence

The Rt Hon James Prior MP
Secretary of State for Employment

The Rt Hon Sir Ian Gilmour MP
Lord Privy Seal

The Rt Hon Peter Walker MP
Minister of Agriculture, Fisheries and Food

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales

The Rt Hon Patrick Jenkin MP
Secretary of State for Social Services

The Rt Hon Norman St John-Stevas MP
Chancellor of the Duchy of Lancaster

The Rt Hon John Nott MP
Secretary of State for Trade

The Rt Hon David Howell MP
Secretary of State for Energy

The Rt Hon Mark Carlisle QC MP
Secretary of State for Education and Science

The Rt Hon John Biffen MP
Chief Secretary, Treasury

The Rt Hon Angus Maude MP
Paymaster General

SECRET

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Solicitor General (Item 1)

The Rt Hon Norman Fowler MP
Minister of Transport

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

Earl Ferrers
Minister of State, Ministry of Agriculture,
Fisheries and Food

Mr Paul Channon MP
Minister of State,
Civil Service Department (Item 4)

SECRETARIAT

Sir Robert Armstrong
Mr M D M Franklin (Items 2 and 3)
Mr P Le Cheminant (Item 4)
Mr P J Harrop (Item 1)
Mr R L Wade-Gery (Items 2 and 3)
Mr P Mountfield (Item 4)
Mr W N Hyde (Item 1)

CONTENTS

Subject	Page
PARLIAMENTARY AFFAIRS	
Lambeth, Southwark and Lewisham Area Health Authority	1
Government of Scotland (Scottish Convention) Bill	3
FOREIGN AFFAIRS	
Afghanistan	4
Rhodesia	4
COMMUNITY AFFAIRS	
Community Budget	5
Sheepmeat	6
PAY RESEARCH AND CASH LIMITS	7

1. The Cabinet were informed of the business to be taken in the House of Commons during the following week.

THE SECRETARY OF STATE FOR SOCIAL SERVICES said that the High Court had held that the directions he had given in August 1979 under Section 86 of the National Health Service Act 1977 appointing Commissioners to manage the affairs of the Lambeth, Southwark and Lewisham Area Health Authority were invalid. He had concluded, after consultation with the Attorney General, that the prospects of success were not sufficiently good to justify appealing against the judgment. Nor would it be possible to make further directions enabling the Commissioners to continue to act until the end of March, since such directions could be given only in an emergency, and the present situation did not constitute an emergency. He therefore proposed to make arrangements for a rapid but orderly transfer of responsibility back to the members of the Health Authority. He had already discussed with the chairmen of the Commissioners and the Health Authority how this might be done. He would need to do all that was possible within the powers given him under existing legislation to ensure that the Authority kept within the cash limits which they had previously been unwilling to accept. His actions on this point would be watched closely by other Health Authorities in London. New powers requiring authorities to stick to their cash limits were contained in the Health Services Bill now before Parliament. The High Court judgment meant not only that the appointment of the Commissioners was invalid but that the actions they had taken were now open to legal challenge. They had, for example, recruited staff and entered into commercial contracts. A Bill would need to be passed quickly to validate their actions. He had considered including in such a Bill the new powers requiring Health Authorities to observe their cash limits; but had decided not to do so in the interests of securing its speedy passage. It was possible that the three London Borough Councils would apply to the court tomorrow for a writ of certiorari. His Counsel could use the occasion, if necessary, to say that he was not proposing to appeal. He himself could make a statement in the House on Monday 3 March announcing, *inter alia*, the Government's intention to introduce a validation Bill. He very much regretted that the action he had taken on departmental legal advice to secure adequate financial control over spending in the Health Authority's area had, in the event, created an embarrassing situation for the Government.

THE ATTORNEY GENERAL said that the Secretary of State for Social Services was entitled to take reasonable time to decide whether or not to appeal. He confirmed that the prospects of success were not good and that further directions under Section 86, in the absence of an emergency, would be open to challenge. In the event of court proceedings the following day it would be open to

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the Secretary of State's Counsel to state what the Government's intentions were. He had no doubt that, in the absence of an appeal, an early validation Bill would be necessary to safeguard those with whom the Commissioners had entered into contracts and also the position of the Commissioners themselves unless the Health Authority were willing (as they might well not be) to give prior undertakings to accept what they had done.

In discussion, there was general support for the action the Secretary of State proposed to take. The hope was expressed that any court proceedings the following morning would not result in demands for an immediate Parliamentary statement which would interrupt the proceedings on the Abortion (Amendment) Bill. The business announced for the House of Commons the following week could be rearranged to make time for the proposed validation measure. The Opposition would seek to make maximum capital out of the court's judgment, but it should be possible to obtain through the usual channels their agreement to the speedy passage of legislation. Debate in the House of Lords would have to be fitted into a timetable that was already congested because of the need for the Education (No. 2) Bill to become law before Easter.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that the Secretary of State for Social Services should accept the judgment of the court and make the best possible arrangements for the early and orderly transfer of responsibility to the Lambeth, Southwark and Lewisham Area Health Authority. If necessary, the decision not to appeal against the High Court judgment could be announced in any court proceedings the following day. The Cabinet accepted that an immediate Bill would be needed to validate the actions taken by the Commissioners during their period of responsibility. It should be drafted as soon as possible with a view to early introduction. The Secretary of State for Social Services should make a statement to the House of Commons on Monday, 3 March.

The Cabinet -

1. Took note that it would not be advisable to appeal against the decision of the High Court that the appointment of Commissioners to manage the affairs of the Lambeth, Southwark and Lewisham Area Health Authority had been invalid.
2. Noted that the Secretary of State for Social Services would arrange for the members of the Health Authority to resume responsibility as early as practicable.

3. Invited the Secretary of State for Social Services, in consultation with the Attorney General, to arrange for the court to be informed accordingly, if the Borough Councils carried out their threat to apply to the court the following day for an order of certiorari.

4. Invited the Secretary of State for Social Services, in consultation with the Chancellor of the Duchy of Lancaster, to make a statement in the House of Commons on Monday, 3 March, and to arrange for the early introduction of a Bill to validate the actions of the Commissioners.

5. Agreed that Parliamentary Counsel should be authorised forthwith to draft the validation Bill.

ment of
and (Scottish
Convention) Bill

THE SECRETARY OF STATE FOR SCOTLAND said that Mr Gordon Wilson, MP, would seek leave on 4 March to introduce a ten-minute rule Bill to establish an elected Convention in Scotland which would draw up proposals for the Government of Scotland by an elected Assembly. It was the normal practice for the Government not to oppose the introduction of ten-minute rule Bills but to ensure that their further progress was blocked. He understood, however, that Mr Tam Dalyell, MP, would speak against the Motion, and Government backbenchers from Scotland thought that the Bill should be opposed. In his view the Government should arrange for the Motion to be defeated.

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet agreed that, if Government backbenchers from Scotland were determined to vote against Mr Wilson's Motion, the Chief Whip should take the necessary steps to ensure that the Motion was defeated.

The Cabinet -

6. Invited the Chief Whip to arrange for the Motion to give leave to introduce a Government of Scotland (Scottish Convention) Bill to be defeated.

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that, following the European Community's endorsement of the British initiative on the neutrality of Afghanistan, detailed proposals were currently being examined by a meeting in Rome of officials of the Nine. The attitude of the French might give rise to difficulty. Meanwhile there were certain pointers - President Brezhnev's recent speech, his interview with Mr Hammer, President of Occidental Petroleum, and a report in the Evening News for 28 February - to the possibility that the Russians might be interested in the idea. It was not clear whether their interest was genuine or merely a diversionary tactic to mitigate international hostility over eg the Olympic Games. Increasing unrest in Afghanistan might in any case make it harder for the Russians to withdraw their troops even if they wanted to do so.

THE FOREIGN AND COMMONWEALTH SECRETARY said that voting in Rhodesia was proceeding satisfactorily and even with something of a festive air. Despite the intimidation which had occurred during the campaign, the elections would probably represent as fair an expression of the electorate's views as was possible. The presence of British policemen at polling stations had helped to establish the confidence of voters in the secrecy of the ballot; it was unfortunate in that context that a British television reporter should have been shown asking Rhodesians outside a polling station how they had voted. The Governor was doing all he could to provide suitable facilities for the various international observers, including the British Parliamentary delegation who had been showing some signs of dissatisfaction with their treatment. The outcome of the elections was impossible to predict. If Mr Mugabe's party won the largest number of seats, the crucial question would be what kind of coalition Mr Nkomo would be willing to form. There would be strong pressure from other African States for him to join with Mr Mugabe, but his personal inclinations might be more in favour of a coalition with Bishop Muzorewa and the white representatives, which he might hope to dominate. A coalition between all the parties was also a possibility. The situation had been complicated by Mr Mugabe's abrupt departure from Rhodesia the previous day. He had not been summoned to see President Machel of Mozambique, as originally supposed, and might have acted out of fear for his personal safety. Efforts were being made to persuade him to return, not least so that he could as planned help maintain calm among his armed supporters in their assembly areas. Internationally, President Nyerere of Tanzania had overreached himself by his apparent unwillingness to accept as fair any result other than a Patriotic Front victory; and at the recent meeting of the Front Line States he had had to agree to a

very mildly-worded communique. The United States Government had issued a most helpful statement. But the Australian Government's attitude had been less constructive. Surprisingly, there had been a successful meeting between General Walls and President Machel; and even some contact between Mr Mugabe and the South Africans.

The Cabinet -

Took note.

3. THE PRIME MINISTER said that, contrary to newspaper reports, she had had a successful discussion with the Federal German Chancellor on 25 February. Herr Schmidt's main concern had been with East-West relations but he was anxious for an early settlement of our Budget issue. He envisaged a Summit meeting at which other outstanding questions particularly fisheries and sheepmeat would also be settled. Chancellor Schmidt was also very keen that the United Kingdom should join the exchange rate mechanism of the European Monetary System (EMS), and she had asked the Treasury for a further study. He also wanted the United Kingdom to take the initiative in calling for reform of the Common Agricultural Policy (CAP): an initiative which would hardly be welcomed by the French Government.

THE FOREIGN AND COMMONWEALTH SECRETARY said there had also been talks with other German Ministers on the Budget issue; he had met the Luxembourg Foreign Minister and would be seeing the Belgian and Irish Foreign Ministers in the following week. The French were trying to exploit the Prime Minister's remarks during the BBC Panorama interview about the possibility of withholding our Budget contribution.

In a brief discussion reference was made to President Giscard's recent television interview at which he had explicitly linked the United Kingdom Budget problem with CAP prices, fisheries and sheepmeat. It was clear that the French and Germans were working closely together. French tactics were irritating, but we should not over-react. It was not envisaged that the consequences of further enlargement of the Community should be included in the discussions at this stage, although it would pose problems for the existing members.

COMMUNITY
AFFAIRS
Community
Subject
Previous
Reference:
(1970) 7th
Discussions
Page 3

Department
reference:
11/7th
divisions
page 3

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that he had discussed the latest Commission initiative with the Lord Privy Seal and proposed to take the line that interim arrangements following the French removal of their illegal import restrictions and pending negotiation of a Community sheepmeat regime would be acceptable only if the Community finance made available to the French was not spent on intervention measures and the French made it clear that they would never revert to illegal import restrictions in the future. We should have to accept that this put us into a minority at the forthcoming Council of Ministers (Agriculture), with other member States favouring an interim solution along the lines suggested by the Commission.

The Cabinet -

Took note.

RESEARCH
CASH
LIMITS

Previous
reference:
1979/25th
Conclusions
date 7

4. The Cabinet considered two memoranda by the Chancellor of the Exchequer (C(80) 14 and 16) and a memorandum by the Minister of State, Civil Service Department (C(80) 15) about cash limits for 1980-81 and the 1980 pay settlement for the non-industrial Civil Service.

The Cabinet's discussion and detailed conclusions have been separately recorded.

The Cabinet -

1. Agreed that the public sector cash limits already approved and noted in sub-paragraphs 1-4 of paragraph 2 of C(80) 14 should be maintained.
2. Invited the Minister of Transport to discuss with the Chief Secretary, Treasury, the particular problem of the road programme for that year.
3. Agreed upon a cash limit for the Civil Service vote.
4. Agreed upon the means to be adopted to ensure compliance with the cash limit on the Civil Service vote.
5. Gave authority to the Minister of State, Civil Service Department, as to the basis on which pay negotiations should be conducted with the Civil Service National Staff Side.
6. Invited the Minister of State, Civil Service Department, in consultation with Sir Derek Rayner and the employing Departments, to advise on the development and improvement of management information systems to help Ministers control Civil Service numbers and costs.

Cabinet Office

28 February 1980

SECRET
AND PERSONAL

Cabinet Office,
Whitehall,
London, SW1.

PS(80) 3

7th March, 1980

Dear Private Secretary,

Pay Research and Cash Limits

It has been agreed that we should in certain respects enlarge upon the conclusions recorded on this subject in CC(80) 8th Conclusions, Minute 4.

As recorded, the Cabinet agreed upon the basis on which the Minister of State, Civil Service Department should conduct negotiations with the National Staff Side on the Civil Service pay settlement due from 1 April 1980. They also agreed upon a cash limit for the Estimate for the Civil Service pay vote for 1980-81.

The Cabinet further agreed that, in so far as the cost of the outcome of the negotiations on the amount and timing of payment of the pay increases exceeded what would be provided for in the Estimate, the savings required should be achieved by further manpower reductions. It was thought that reductions totalling $2\frac{1}{2}$ per cent should be manageable. Ministers in charge of Departments were invited to give immediate consideration to the means of reducing the costs of manpower in their Departments by 2 to $2\frac{1}{2}$ per cent in 1980-81. The Cabinet recognised that some Departments would find savings of this order easier to achieve than others, and that the savings need not be uniformly distributed among Departments; but, if some Departments were to reduce by less than the average, others would need to reduce by more. The Cabinet invited the Minister of State, Civil Service Department, to discuss with his colleagues in charge of Departments how to achieve the necessary reductions, and to circulate proposals in due course.

I am sending copies of this letter to the Private Secretaries of all members of the Cabinet.

Yours sincerely,

(Signed) D.J. WRIGHT

SECRET
AND PERSONAL

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CABINET

NO CIRCULATION ANNEX

CC(80) 8th Conclusions, Minute 4

Thursday 28 February 1980 at 10.30 am

RESEARCH

CASH

COSTS

Notes

Reference:

C(80) 25th

Conclusions

Page 7

The Cabinet considered two memoranda by the Chancellor of the Exchequer (C(80) 14 and 16), and a memorandum by the Minister of State, Civil Service Department (C(80) 15) about cash limits for 1980-81 and the 1980 pay settlement for the non-industrial Civil Service.

THE CHANCELLOR OF THE EXCHEQUER said that his first paper (C(80) 14) dealt with the cash limits which had already been established for all central Government expenditure except Civil Service pay, and for the Rate Support Grant and external financing limits of the nationalised industries. It concluded that, although the maintenance of these limits would apply a volume squeeze of between 3 and 3.5 per cent on the expenditure concerned, the limits should be strictly observed. This conclusion had been endorsed by the Group of Ministers (MISC 38) which had recently been considering these matters. The second paper (C(80) 16), which had been discussed by the same Group, considered the problems presented by the results of pay research for the non-industrial Civil Service, which indicated a settlement of around 18.75 per cent on average, after making the increased deduction for the value of index-linked pension rights now recommended by the Government Actuary. If a cash limit allowing for 14 per cent increase in costs were set for the Civil Service vote, in line with those already approved for other services, there would be a gap of over 4 per cent to be bridged. This would require a combination of tough negotiation on the amounts of the pay settlement, of some staging of the pay settlement, and of reductions in manpower. Various permutations of these were possible. The Ministers concerned had also agreed that there should be a further review of the principle of comparability and the machinery of pay research; and that management information systems already under development, by the Civil Service Department, should be further improved, with the assistance of Sir Derek Rayner, to help Ministers to control their own Departmental numbers and costs.

THE MINISTER OF STATE, CIVIL SERVICE DEPARTMENT, said that the review of pay research was a long-term project. It was not possible to depart from the present pay negotiating machinery without provoking immediate and far-reaching industrial action. If colleagues wished to avoid this, and to maintain a 14 per cent cash limit for the Civil Service vote, they would have to be prepared to make considerable reductions in manpower, on top of those already agreed in earlier discussions. There was a strong case for such reductions. They were politically desirable, they would demonstrate that the Government meant business over containing the costs and improving the efficiency of central Government, and they were likely to be less strenuously opposed by the Civil Service trade unions than any other course. Those Ministers he had consulted were understandably concerned about the possible effects on their Departments' activities; but the effects of a long strike would be even more damaging. He therefore recommended that the main burden of adjustment should be found by reductions in manpower.

THE PRIME MINISTER said that the Civil Service unions had called to see her and the Minister of State, Civil Service Department, the previous day. It had been clear that they gave first priority to reaching an acceptable pay settlement based on the pay research evidence and maintaining the existing negotiating machinery, including arbitration. They appeared prepared for further manpower reductions, and wished to avoid precipitating industrial action. The Head of the Civil Service had assured her that he was convinced that there was still scope for further reductions of up to 3 per cent in the cost of Civil Service manpower in 1980-81.

In discussion, the following main points were made -

- a. The evidence produced by the Pay Research Unit was a basis for negotiation, not an award. The evidence pointed to a range of increases, varying between grades, and benefiting particularly groups of staff where skills were in short supply. The largest groups in the Service would receive the smaller increases, and this helped to keep down the average increase in the wage bill.
- b. The increases indicated by the pay research evidence were unacceptably large. They would do great damage to the Government's strategy of containing wage inflation. They would give renewed currency to the idea that people were entitled to automatic compensation for price increases, even at a time when gross national product was likely to fall. Other groups in the public sector had been persuaded, through the discipline of cash limits, to settle at a much lower level. For these reasons the Government should seek to reduce the overall cost of the settlement by at least 2 per cent.

c. Any attempt to insist upon a settlement substantially below the levels suggested by the pay research evidence would result in the Official Side being taken to arbitration, which they would certainly lose. The only way of avoiding this was to refuse arbitration in advance. This would precipitate immediate and damaging industrial action, which would be widespread and would extend to sensitive groups like prison officers and computer staff responsible for paying pensions. In the longer term, it would help the militants to take over the Civil Service unions and to achieve their objective of substituting direct confrontation on pay for the disciplines of the present negotiating machinery.

d. There was more hope of persuading the unions to accept a degree of staging which could reduce the total average cost over the year. Various possible staging formulae were available. Such an approach would be publicly defensible. It could be argued that staging, by establishing higher eventual rates of pay, simply raised the base for further claims the following year; but this should not be the case in the Civil Service because pay research proceeded by comparisons with outside analogues.

e. Some part of the cost would have to be met by reductions in manpower. These would come on top of cuts already agreed by the Cabinet. It was argued that it would be very damaging to efficiency and morale to go on seeking manpower cuts in this way. Many Departments were, however, still below authorised complement, and should thus be able to find further cuts without too much difficulty. Some Departments' staff needs were demand-led, and could not easily be further reduced: for instance, further reductions in the local offices of the Department of Health and Social Security would put at risk the Government's anti-fraud policy and the payment of benefits. Other Departments, like the Ministry of Defence, were committed to a particular level of effort, and could not easily find further manpower savings in the short term, though studies already in hand in the Ministry of Defence would yield further savings in due course.

f. An average reduction of as much as 3 per cent in the cost of manpower over the year would imply cuts of 5 or 6 per cent by the end of the year. Despite the high natural wastage and retirement rate, cuts of this scale could be found only by redundancy or by enforced transfer. Both were costly and would increase the total pay bill for the year in question. More modest manpower cuts should however be practicable and would be more easily accepted by the unions against the background of a relatively generous pay settlement.

g. Manpower cuts were politically more acceptable than a breach in the Pay Agreement for which, in any case, six months notice of termination was required. The Government was committed to a policy of paying people properly but insisting upon an efficient and cost-conscious public service. There was no doubt that further manpower reductions could be made without loss of efficiency. Cuts should therefore be applied as widely and as uniformly as circumstances allowed. Some specialist groups, like prison officers, could not be further cut but other previously exempt groups, including those providing supporting services in the law and order field, should be stringently re-examined.

h. Despite the care with which pay research comparisons were made, there was considerable doubt whether the results were in fact representative, or whether the principle of comparability could any longer be sustained. A further review of the pay research machine, and of the future of the Standing Commission on Pay Comparability, was therefore necessary. This was a longer term problem, which should not be introduced into the present pay negotiations, but which should be reconsidered by Ministers in time, if necessary, to end the present Pay Agreement before the next round of negotiations began.

i. There was insufficient information available to Ministers to allow them to impose manpower reductions sensibly or to monitor the performance of their Departments. The Civil Service Department have already begun work on designing suitable information systems. This should be carried further, in consultation with Sir Derek Rayner.

j. Any premature disclosure of the Cabinet's decisions or of the Government's negotiating position would prejudice the negotiating position of the Minister of State, Civil Service Department.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that the cash limits which had already been approved for 1980-81 should not be reopened. The Minister of Transport should discuss with the Chief Secretary, Treasury, the particular problems this would cause for the road programme. Cabinet agreed that the cash limit for the central Civil Service vote should be set at a level which allowed for a 14 per cent increase in the cost of the Civil Service. They noted that the evidence from the Pay Research Unit reports indicated a pay increase of around 18.75 per cent on average. They agreed that expenditure would have to be brought within the cash limit by a combination of tight negotiations on pay,

staging of the pay increases and reductions in manpower. The precise balance between the three would depend on the outcome of the pay negotiations, but the Cabinet accepted that it would be necessary to achieve by means of manpower cuts whatever part of the necessary reduction in costs could not be achieved by hard bargaining on the amount and staging of the pay increases. In conducting the negotiations the Minister of State, Civil Service Department, should seek to avoid a breakdown which might make it necessary for the Government to refuse arbitration. The Cabinet were anxious to avoid such a course and the industrial action which might follow it. Within that overall limitation the Minister of State, Civil Service Department, should negotiate as tightly as possible on the amounts of the pay increases. On the assumption that there would remain a difference of about four percentage points between the cost of the pay increases at present staff numbers and the cash limit, the balance of view in the Cabinet favoured looking more to manpower reductions than to staging to cover it. A reduction of 3 per cent by way of manpower reductions might be too stiff, but $2\frac{1}{2}$ per cent should be manageable. It should therefore be the objective of negotiations to conclude an agreement on the amount and staging of the pay settlement so as to leave not less than 2 and not more than $2\frac{1}{2}$ percentage points to be found by manpower reductions. The Cabinet recognised that some Departments would find savings of this order easier to achieve than others; the savings need not be uniformly distributed among Departments. The Minister of State, Civil Service Department, should prepare proposals for achieving the necessary reductions once the outcome of the pay negotiations was known. It was particularly important that absolute secrecy should be maintained on the Government's decisions while the negotiations were in train. Nevertheless individual Ministers should give urgent consideration to the ways in which further reductions in staff could be found in their Departments. The Cabinet also agreed that the future of the pay research system, and of the comparability principle in public service pay determination, should be reviewed. It was also agreed that improved management information systems were needed to help Ministers control departmental staff costs.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Agreed that the public sector cash limits already approved, and listed in sub-paragraphs 1-4 of paragraph 2 of C(80) 14, should be maintained.

3. Invited the Minister of Transport to discuss with the Chief Secretary, Treasury, the particular problem of the road programme for that year.
4. Agreed that the cash limit for the Civil Service Vote for 1980-81 should be set at a level which implied an increase of 14 per cent in the cost of earnings as a result of new settlements.
5. Invited the Minister of State, Civil Service Department, to negotiate on the 1980 pay settlement for the non-industrial Civil Service on the basis of and with the aims described in the Prime Minister's summing up.
6. Agreed that the balance of the required savings, over and above what could be realised by hard bargaining on the amounts and staging of the pay increases, should be achieved by further manpower reductions, which should in any case average at least 2 per cent over the Civil Service as a whole.
7. Invited the Minister of State, Civil Service Department, to circulate proposals for achieving the necessary reductions in due course.
8. Invited all Ministers in charge of Departments to give immediate consideration to the means of reducing the costs of manpower in their Departments by 2 to 2½ per cent in 1980-81.
9. Invited the Chancellor of the Exchequer, in consultation with the Secretary of State for Employment and the Minister of State, Civil Service Department, once the current pay negotiations had been concluded, to arrange for officials to carry out a complete review of the pay research system and of the comparability principle in public service pay determination, and to bring proposals before them before the summer Recess.
10. Invited the Minister of State, Civil Service Department, in consultation with Sir Derek Rayner and the employing Departments, to advise on the development and improvement of management information systems to help Ministers control Civil Service numbers and costs.