

1. Prime Minister.

Can we have
an additional column
giving nos. in post-
office relevant - 80-81
date?
mb.



I understand that Sir Derek
Rayner is generally content with the
draft White Paper.
You will have James Street
concerned re the Cabinet?
Yes - I assume that
D-R has no 5th
comments.
mb.

PRIME MINISTER

WHITE PAPER: EFFICIENCY IN THE CIVIL SERVICE

You have agreed to publish a White Paper reporting progress on Civil Service efficiency and to do this as quickly as we can, now that the Treasury and Civil Service Sub-Committee have decided to begin an enquiry into this subject. I attach a draft of the full text. This includes an Annex with the figures from the running costs scrutiny.

There is a substantial amount to report ranging from Sir Derek Rayner's initiatives, those which my Department has taken (sometimes in conjunction with Sir Derek), to the many separate pieces of work undertaken by Ministers in their own Departments. Results are now coming through as indicated by the substantial reduction of 42,000 in Civil Service manpower already achieved.

We need to demonstrate that we are achieving the reductions both through doing fewer things and as a result of the efficiency drive. I believe that the examples given in Part 2 of the attached draft White Paper do this convincingly. Together they show firm decisions taken by Ministers already to save over 34,000 posts and approaching £200 million. Then they illustrate what else is in hand. These are only significant examples. It is not possible to identify all the savings achieved from the day-to-day decisions of Ministers and their line management let alone all the work in hand. But Part 2 makes the direction clear with a strong emphasis on results.

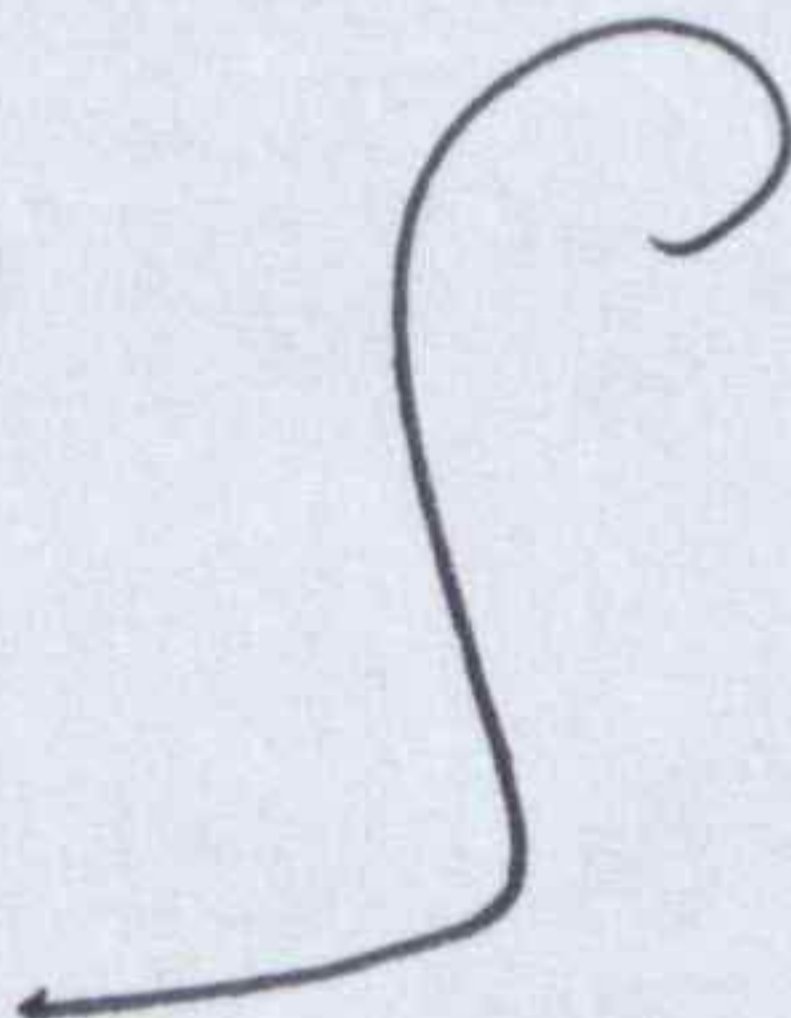
Part 1 is of its nature more general. It sets out the Government's policies for improving management. It is concerned with the important reforms needed to eliminate the underlying obstacles to efficiency and particularly with those which Sir Derek Rayner has identified.

I hope you will agree that early publication will be of use in encouraging a constructive attitude in Parliament and elsewhere for the great deal of further work that remains to be done.

There is a point about the Annex summarising the figures from the 1980 scrutiny of departmental running costs. It does not show the figures for previous years. I have considered whether it should and concluded not. The 1980-81 figures are based on Estimates; those for earlier years are out-turns or provisional out-turns. They are therefore not comparable. Out-turn is usually several percentage points below Estimates. Publication of the figures for earlier periods would therefore overstate the increase in costs and add needlessly to controversy.

MANAGEMENT IN CONFIDENCE

Sir Derek Rayner has been closely consulted in the preparation of the draft. He also thinks that we should now get it out. Assuming that industrial action in the Civil Service will still be continuing at the time of publication, we shall add a reference to it. Subject to your views, I would like to circulate the Paper to Cabinet colleagues towards the end of next week with the aim of publishing by the end of June.

A large, stylized handwritten mark, possibly a signature or initials, consisting of a vertical line with a curved top and a horizontal base.

SOAMES

5 June 1981

MANAGEMENT IN CONFIDENCE