

2.

Prime Minister.



PRIME MINISTER

MANPOWER IN THE DEPARTMENT OF INDUSTRY

The numbers of staff employed on non-core activities look pretty large, even after the planned cuts.

I agree  
- very large

+ 70%

to remain in the core  
3111

1 You have commented from time to time about "thousands" of Civil Servants in the Department of Industry. I thought you would welcome a word of explanation.

2 The total number of people employed in the Department of Industry does seem huge. I inherited a staff of 9,543 on 1 April 1979. I shall have reduced this to about 8,800 by 1 April this year and I plan to get down to 7,320 by 1 April 1984, a total cut of some 23%. This is one of the largest cuts in Whitehall.

3 The scope for cuts is limited since the core of the Department is surrounded by a number of distinct activities which have largely separate existences and justifications. The manpower figures when I took over, and as I expect them to be by 1 April 1984, are:

	1 April 1979	1 April 1984
R&D Establishments	2907	2247
Regional Organisation	1297	992
Statistical Services	1381½	1053
Common Services	1982½	1568
<u>Support Staff for Department of Trade</u>	441	322
Support Staff for DoI Core Activities	226	192
Core activities	1308	1083
		7457
Cuts not yet allocated	-	-137
	9543	7320





4 I should explain that those supplying statistics and other common services support the Department of Trade as well as the Department of Industry. Although the costs are apportioned the manpower numbers appear entirely on my Vote, which exaggerates the apparent size of this Department and reduces the apparent size of the Department of Trade. Manpower in the Common Services is accounted for as follows:

	1 April 1979	1 April 1984
a Accountants	100	102
b Solicitors (including prosecutors for Department of Trade)	170	142
c Economic Services	110½	70 why?
d Personnel Services	472	365
e Finance	206	155
f Manpower and other services ?	523	429
g Information (less Press offices)	64	48
h Support staff for the above	337	257
	<u>1982½</u>	<u>1568</u>

I am concerned about items d, e and f; they look too large. A full review of the effectiveness of the Department's procedures for the management of staff and financial resources will start after Easter. I should also mention that "support staff" covers typists, messengers and reprographic staff.

5 I think you are familiar with the work of the separately justified activities. The Industrial Research Establishments include the Computer Aided Design Centre (CADC), the Laboratory of the Government Chemist (LGC), the National Engineering Laboratory (NEL), the National Maritime Institute (NMI), the /National ...





National Physical Laboratory (NPL) and the Warren Spring Laboratory (WSL). I plan to privatise the NMI and I am exploring the scope for similar action with other Establishments. The Establishments serve public needs; for example the LGC supports the Home Office and the Police on drug control, the NPL provides calibration and metrology services and WSL supports many of Michael Heseltine's activities. The Regional Organisation provides Export Support Services to the Department of Trade as well as administering the Regional Development Grant and selective financial assistance arrangements. The regional offices also provide a framework for emergency services in case of need. The Statisticians provide a service to all industry and commerce.

6 This leaves only a small "core". The core activities cover a wide range of highly complex problems. Subjects covered include small firms, information technology, computer systems, micro-electronics, robotics, telecommunications liberalisation, public purchasing, postal services, vehicles (including BL), aerospace (now excluding British Aerospace but including Concorde, space questions and Rolls Royce), the public and private steel industries, shipbuilding, inward investment, research and development policy and sponsorship of most manufacturing industry.

Despite the width and depth of these subjects, the numbers concerned are in fact counted in "hundreds" and not "thousands".

7 In our second term the numbers could be further reduced by privatising more of the research establishments, by returning

/more ...





more of steel and shipbuilding to the private sector and by reducing sponsorship of manufacturing industry which will have been revived by our policies. Functions like these cannot be shed overnight and for the present our numbers and resources are fully stretched.

KJ

K J

31 March 1981

Department of Industry  
Ashdown House  
123 Victoria Street  
LONDON  
SW1E 6RB