

2.Prime Minister.

HLL

2.2.82

MO 2/2/6

*[Handwritten signature]*PRIME MINISTERSENIOR POSTS

Following Wardale, you asked all Ministers to carry out a rigorous review of their senior posts with the intention of reducing the number to the essential minimum. Although Wardale did not cover Service posts, I was asked to look at them as well.

2. With the personal assistance of the Chief of the Defence Staff and the Permanent Secretary I have now carried out a review of all senior Defence posts. As a result, and using 1.4.79 as the baseline, I can see my way to making the following reductions:

a. Open Structure: 15-20% by 1.4.84 (the timing of developments with the ROFs and the Dockyards is a critical factor); 25% by 1.4.86.

b. Service two-star posts and above: 15% by 1.4.84 rising to 16% by 1.4.86.

3. Given the severe pruning of senior Service and civilian posts as a result of regular scrutiny over the last 15 years or so it has proved far from easy to identify reductions of this order. Certain cuts flow from the changes to the defence programme which were announced last year, but to reach the level I envisage we have to go well beyond that. After excluding certain key posts which must remain, we have therefore looked



critically at all the others. Those which do not stand up to the most rigorous test we have cut, downgraded or merged. Details of our review are being sent to the Treasury.

4. Trends over a longer period are clearly important. By 1986, as a result of these cuts, both military and civilian senior posts will have reduced by some 35% since 1965. During this period we have effectively integrated five Departments into one. As the record shows, MOD has consistently, and successfully, cut out senior posts as overall Service and civilian numbers have reduced. My proposals above will carry this forward.

5. I am sending copies of this minute to the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster and to Sir Robert Armstrong.

SV

Ministry of Defence

29th March 1982