

Ref: A0410

CONFIDENTIAL

MR. WHITMORE

Prime Minister.  
 These proposals still leave the Cabinet Office's staff savings well short - at 7.3% - of the 10% target, though there may be some more to be had from the review of the Statistical Service which Lord Cockfield has suggested. The difficulty about making bigger cuts is that the Cabinet Office is already very small. Are you content for these proposals to go forward?  
 15x

In your minute of 13th September you said that the Prime Minister would like me to consider what further steps might be possible in the Cabinet Office to increase our contribution towards the reductions in the Civil Service.

2. Our original submission to the CSD was for a cut of 6.6 per cent (i.e. £304,000) but since then we have had to consult Departments about those options which affect them. As a result I have concluded that, while we can cut most of the economic side of the Assessments Staff, we will have to retain a very small capability here to produce a few economic assessments mainly on Warsaw Pact countries: not to do so would only result in other Departments producing them at greater expense. It is also now clear from the use being made of the CPRS (for whom we had put forward alternative options of cutting (a) 2 Advisers and (b) 4 Advisers) that we will only be able to give up 2 Advisers plus 1 Personal Secretary and not the 4 Advisers on which the 6.6 per cent cut was calculated: relying more on outside consultants would be a much more expensive course. These changes taken together make a difference of some £27,000 to our proposed savings and reduce our cut back to 6 per cent.

To cut the CPRS more heavily might also make it more difficult to attract an outside to succeed Sir Kenneth Berrill.

3. To achieve further savings in the Secretariat and support staff without detracting seriously from the service to Ministers is extremely difficult. Nevertheless having reviewed the matter very carefully in the light of the Prime Ministerial request, I am ready to propose that we -

(a)	Reduce the European Secretariat by 1 Principal	£9,000
(b)	Reduce the Typing Services by 2	£5,000
(c)	Use the space caused by the cuts in 70, Whitehall to move the Historical Section from Marsham Street to Whitehall thus saving 2 Messengers	<u>£6,000</u>
	Total	<u>£20,000</u>

4. I have also given instructions for the CSO to increase its saving from £160,000 to £200,000 i.e. just over 12½ per cent. Mr. Boreham is very reluctant to do this but is ready to accept the position. It is not possible at

CONFIDENTIAL

this stage to say precisely how this will be done but we think it can be achieved by 1982 by more efficient structure and management of the six central economic branches of the CSO and the computer. In addition Lord Cockfield has just written to Mr. Channon suggesting a wider review of the whole of the Government Statistical Service in the light of cuts on "statistics" which other Departments are offering. We are in touch with the CSD about this and Mr. Boreham is inclined to go along with the proposal. Depending on the result of this it is possible that we shall find that we shall be able to make greater cuts in the CSO. But this remains to be seen.

5. These additional savings of £60,000 bring our total to £337,000 which represents a cut of 7.30 per cent.

6. If in the light of Sir Leo Pliatzky's report on quangos the WNC were to be abolished our savings would rise to £355,000 i.e. 7.7 per cent.

7. If the Prime Minister approves these further reductions I will submit them to CSD.

*John*  
(John Hunt)

*Thank you. I am very grateful for  
the cooperation received*

15th October 1979



B/F 24-9-79  
J  
stet  
Civil Service

10 DOWNING STREET

*From the Principal Private Secretary*

SIR JOHN HUNT

CIVIL SERVICE MANPOWER

At Cabinet on 13 September the Prime Minister expressed disappointment with the progress so far made on Civil Service manpower reductions and asked all Ministers who were not offering savings of at least 10 per cent to re-examine their proposals in consultation with the Lord President.

This means that she must ask you to look again at the Cabinet Office's proposed savings. She recognises that your minute of 20 July listed proposals which would save 10 per cent and that she did not think it possible to put forward all of them to the C.S.D. She did, however, say then that she thought a cut of at least 10 per cent should be possible in the C.S.O. She would therefore be grateful if you would consider what further it might be possible to do in the Cabinet Office generally and with particular reference to the C.S.O.

C. A. WILKINSON

13 September 1979

CONFIDENTIAL

Civil Service



10 DOWNING STREET

*From the Principal Private Secretary*

SIR JOHN HUNT

CABINET OFFICE STAFF REDUCTIONS

The Prime Minister has seen your minute AO410 of 15 October 1979 and agrees that you should submit to the CSD the further reductions in the staff of the Cabinet Office set out in your minute.

You might like to know that the Prime Minister commented: "I am very grateful for the cooperation received."

C. A. WHITMORE

17 October 1979

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