

010.



Prime Minister:

Ref. A083/0996

PRIME MINISTER

We can probably reduce CPRs. It is much too large for the present work. Are you content with the line Sir Robert proposes? R 31/3

Civil Service Manpower After 1984: The Cabinet Office

As part of the Service-wide review by Ministers of manpower needs after 1984, Sir Anthony Rawlinson asked me to arrange for a contribution covering the Cabinet Office. I have carried out a review under the three main headings shown below as requested by the Treasury; before sending it to them I am putting this submission to you in your capacity as my departmental Minister. In the report which follows the Central Statistical Office is considered separately. First, the scope for reducing numbers on the basis of the continuation of existing policies

2. The Central Statistical Office. The 1 April 1984 CSO manpower target is 196, on the basis set out in the White Paper on Government Statistical Services (Command 8236). This represents a reduction of 25% since May 1979, and brings the CSO down to the basic programme which Sir John Boreham and I agreed with you following the Rayner scrutiny. The Directors will continue to exercise the strict and energetic management, which has achieved this significant reduction, in the search for further economies. There may be limited opportunities to achieve small reductions through improvements in efficiency, but in such a small office they will now be hard to find and none can be foreseen at present. On the basis of existing policies I expect CSO numbers to remain at about the 196 level.

3. The Cabinet Office. The Cabinet Office itself is in a different position from other Departments; in the main it does not have functions which can be dropped; it supplies a service both to Ministers collectively and to you in particular. The Office can - and does - respond to the varying demands placed on it. Changes have occurred during the last two years which have added to its responsibilities; you approved the establishment of an Information Technology Unit (now disbanded, its primary task having been completed) and a



Science and Technology Secretariat; more recently there has been the strengthening of the Joint Intelligence Secretariat. Staff numbers in other Secretariats and in the CPRS have also fluctuated to meet changes in priorities. These changes have been effected and the additional demands met while numbers, overall, have been reduced. The staff target for 1 April 1984 is 325 a reduction of almost 16% since May 1979.

4. The operations of the Cabinet Office depend crucially on an efficient Common Services area (typing, reprographic, messengers etc). We have introduced word processors into our central typing pools and are now allocating them to some Secretariats. Efficiency reviews of the Messenger service and of the Establishments and Finance Branches have taken place. Staff savings have been secured, and others are in prospect though they cannot yet be identified and measured, which will help to meet the 325 target and perhaps even bring us below it. Beyond these steps the opportunity to make staff savings is limited. If we are to maintain the functions and the standards of service which the Office provides there is little scope for further savings in the foreseeable future. Given the existing structure and activities of Ministerial and Official Committees, I would expect Cabinet Office numbers to remain at about the 325 level.

Second, the manpower and financial implications of new policies envisaged, but not yet incorporated into plans

5. There are no new policies or changes envisaged at present which have implications for manpower or costs. In the CSO the effects of the significant staff reductions already made there, on the quality of the central economic statistics will need to be observed.

Third, additional options for producing a further substantial reduction in manpower of 5% or 10%

6. In the CSO individual functions have been reviewed, but there is no measurable scope for producing further substantial savings without reducing or withdrawing from agreed commitments, in particular those which bear on the role of Sir John Boreham as Head of the Government Statistical Service. Following the Rayner review a need was seen for a strong lead from the centre to keep up momentum in

Still scope for reduction in CPRS which are needed to run down to 325 by 1/4/84



monitoring productivity and value for money in statistical work and this requires the CSO to maintain at least a minimum involvement in the whole range of Government statistics - those of the large social and defence Departments as well as in the economic statistics that traditionally lie at the heart of the CSO's work.

7. The savings to be made in the reduction of clerical work by computerisation have now virtually all been made. Further developments in computerisation now mainly lie in areas which will not yield staff savings.

8. The scope for further privatisation of the work of the CSO is inevitably limited; but we shall explore the possibility of contracting out the non-sensitive work of the graphic design unit and of changing over to a system of grants and awards, as opposed to employment, for Cadet Statisticians, which together offer the prospect of saving up to 10 posts - 5% of the CSO total manpower. A change in the method of acquiring Cadets could have implications for the manpower count throughout the Government Statistical Service. In practice Sir John Boreham and I see no real scope for a further saving of 10% (20 posts). The CSO's programme is tightly controlled and such a severe cut could not be achieved by trimming throughout its nine Branches without undermining the viability of the organisation and damage to the service which it provides.

9. In the Cabinet Office itself there will be limited opportunities to achieve further reductions through continuing improvements in efficiency, but these may not amount to a further 5% (16 posts). The possibility of contracting out our outdoor messenger service (10 posts) could be explored with the other central Departments. But our security needs alone rule out the privatisation or contracting out of Cabinet Office services eg typing and reprographic.

10. The only option which would produce a further substantial reduction is the withdrawal of one or more of the support services which the Cabinet Office now provides to Ministers, ie one of the major Secretariats or the CPRS. Excluding the Joint Intelligence area the European Secretariat has the highest number of staff -



21 including support people; the CPRS has 32, about 10% of the Cabinet Office total. Any proposal to abolish the European Secretariat would, of course, have important implications for the conduct of Government business and perhaps add to the resources needed by other Departments.

11. I should be glad to know if you are content for me to provide information to the Treasury on the basis outlined above. For the purpose of the present exercise I need do no more than register with them that any further substantial reduction in the Cabinet Office itself would entail the abolition of one of the major areas, without listing any candidates.

A handwritten signature in black ink, consisting of the letters 'R' and 'A' in a stylized, cursive font.

ROBERT ARMSTRONG

31st March 1983



2.6 AH

10 DOWNING STREET

From the Principal Private Secretary

MANAGEMENT IN CONFIDENCE

SIR ROBERT ARMSTRONG

CIVIL SERVICE MANPOWER AFTER 1984 :
THE CABINET OFFICE

The Prime Minister has considered your minute of 31 March (A083/0996).

She is content that you should provide information to the Treasury on the basis outlined in your minute. She has noted that some of her ideas about reorganisation after a general election would produce reductions in Cabinet Office staff but, as you say in your minute, it is not necessary to report these to the Treasury at this stage; and it would not be appropriate to do so.

F.R.B.

13 April 1983

AH