

cc 1/10



FROM: CHIEF SECRETARY
DATE: 18 October 1983

Prime Minister ②
For Cabinet meeting

AT 19/10

PRIME MINISTER

CIVIL SERVICE MANPOWER

I reported to Cabinet on 21 July that it should be possible to achieve a further reduction in civil service numbers from 630,000 to below 600,000 by 1 April 1988. Cabinet agreed that I should pursue the possibilities with colleagues during my bilateral discussions. This minute reports the outcome so far.

2. I have now agreed with all but one of our colleagues on target figures for 1 April 1988 and each intervening year. The figures are at Annex A. Allowing for a contingency margin of 7,500 they amount to a total of around 593,000 at 1 April 1988 for the Civil Service as a whole, a further reduction of 6 per cent on the target figure for 1 April, 1984.

3. The outstanding issue is civilian manpower in the Ministry of Defence. Because of the size of the department, this is crucial. The Ministry's survey bid was for 182,000 (ie. no reduction on the 1984 figure apart from the hiving-off of the Royal Ordnance Factories). It is, I believe, common ground between Michael Heseltine and

myself that he should be able to do a good deal better than that. I have proposed a target figure of 170,000 (a further reduction of 6.3%), though I hope for more in due course once MINIS has got into full swing in the MOD. Michael Heseltine has not committed himself to any particular target but I hope he will now feel able to accept the figure I have proposed.

5. The manpower figures are consistent with the expenditure programmes on which I am reporting in a separate minute. They reflect the best estimate we can make of the manpower needed to perform the essential tasks of each department as they are now foreseen. The contingency margin is included to give a measure of flexibility in planning; it is larger than it would have otherwise been in 1987 and 1988 to allow scope for the establishment of the proposed National Prosecution Service, if it is decided that it should be staffed by civil servants. As far as possible, allowance has been made for productivity gains expected during the period (including those from computerisation). The figures also reflect agreed plans for privatisation and hiving-off or contracting out of certain services now performed in-house. But it is probable that further savings will be identified over the period, and the figures will therefore be reviewed in the course of each subsequent public expenditure survey.

6. I propose that the figures should be published alongside the expenditure plans, in the Autumn Statement. In publishing them, it will be made clear that they will be reviewed annually during the Survey but that the presumption is that they will be adhered to, or reduced where circumstances warrant it. Firm control will continue to be needed to ensure that numbers do not creep up again.

7. I have undertaken to inform the Civil Service Unions about our decisions on manpower after 1984. I propose to let them have a copy of the figures in the Autumn Statement as soon as the Chancellor has made the statement.

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8. I am copying this letter to Cabinet colleagues, Lord Gowrie and Sir Robert Armstrong. Subject to a satisfactory outcome on the outstanding point, I invite your agreement and theirs to my proposal to publish the figures and to review and control them thereafter, as proposed above.

PR.

PETER REES

CONQUEROR
M
LONDON

CONFIDENTIAL

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COMMISSION

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MANPOWER PLANNING FIGURES

ANNEX A

	1.4.84	1.4.85	1.4.86	1.4.87	1.4.88
AGRICULTURE FISHERIES AND FOOD					
Ministry of Agriculture Fisheries & Food	11,493	11,450	11,400	11,340	11,260
Intervention Board for Agricultural Produce	623	610	590	566	560
CHANCELLOR OF THE EXCHEQUER					
Inland Revenue	69,850	70,200	69,300	66,300	62,900
Customs and Excise	25,150	25,350	25,100	24,900	24,700
Department for National Savings	3,050	3,025	7,900	7,875	7,590
HMSO	4,000	3,700	3,500	3,460	3,440
Treasury	3,820	3,570	3,535	3,500	3,455
Royal Mint	977	965	981	970	960
Central Office of Information	949	952	955	945	935
Registry of Friendly Societies	129	129	129	127	120
Government Actuary	64½	64½	64½	64½	64½
National Investment & Loans Office	52	52	52	52	52
EDUCATION AND SCIENCE					
Department of Education and Science†	2,398	2,470	2,435	2,415	2,390
EMPLOYMENT					
Department of Employment	31,048	30,238	29,995	29,211	28,505
Health & Safety Commission/Executive	3,742	3,662	3,652	3,644	3,644
Manpower Services Commission	22,229	21,677	21,297	21,297	21,297
Advisory, Conciliation & Arbitration Service	645	639	632	629	629
ENERGY					
Department of Energy	1,110	1,106	1,085	1,062	1,033
ENVIRONMENT					
Department of the Environment	6,650	6,570	6,470	6,390	6,325
Property Services Agency	27,506	26,990	26,351	25,697	25,300
Ordnance Survey	2,815	2,815	2,801	2,787	2,773
FOREIGN AND COMMONWEALTH OFFICE					
Foreign and Commonwealth Office	9,433	9,314	9,199	9,033	8,903
Overseas Development Administration	1,793½	1,685	1,663	1,648	1,633
HOME OFFICE					
Home Office†	35,761	36,639	38,199	40,129	41,138
LORD CHANCELLOR					
Lord Chancellor's Department (including Public Trustee Office)	10,125	10,195	10,195	10,170	10,000
Land Registry	6,725	6,845	6,910	6,910	6,950
Public Record Office	406	406	413	419	425
NORTHERN IRELAND					
Northern Ireland Office	200	196	191	188	182
SCOTLAND					
Scottish Office	9,800	9,809	9,791	9,622	9,542
Scottish Courts Administration	879	879	879	879	879
General Register Office Scotland	283	266	268	278	274
Registers of Scotland	754	800	832	854	889
Scottish Record Office	132	128	125	122	118
SOCIAL SERVICES					
Department of Health and Social Security	90,709	90,000	89,500	88,850	87,850
Office of Population Censuses and Surveys	2,162	2,152	2,132	2,102	2,155
TRADE AND INDUSTRY					
Department of Trade and Industry†	12,751	12,751	12,751	12,751	12,751
Export Credits Guarantee Department	1,840	1,840	1,835	1,835	1,830
Office of Fair Trading	320	313	313	313	313
TRANSPORT					
Department of Transport†	14,317	14,625	14,810	14,608	14,271
WELSH OFFICE					
Welsh Office	2,195	2,195	2,195	2,195	2,195
SMALL DEPARTMENTS					
Cabinet Office	518	518	518	518	518
Charity Commission	329	329	320	320	320
Crown Estate Office	114	116	117	118	119
Director of Public Prosecutions	237	242	241	240	240
Law Officers' Department	22	22	22	22	22
Lord Advocate's Department	22	22	22	22	22
Management and Personnel Office	1,198	1,188	1,178	1,168	1,158
Office of Arts and Libraries†	45	45	45	45	45
Paymaster General's Office	872	898	934	960	989
Privy Council Office	33	33	33	33	33
Crown Office & Procurator Fiscal Service	966	980	1,000	1,020	1,040
Treasury Solicitor's Department	460	456	452	447	442
DEFENCE					
Ministry of Defence	200,000	179,000*	176,000*	173,000*	170,000*
CONTINGENCY MARGIN	1,298	2,000	4,000	6,500	7,500
TOTAL	630,000	608,121	605,307	600,550	592,678

†Machinery of government changes subject to confirmation (some figures still provisional)

*Treasury proposals not yet agreed by department

Prime Minister (2)

Good progress

AT 7/11



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

7 November 1983

Andrew Turnbull Esq
Private Secretary
10 Downing Street
LONDON SW1

ms

Dear Andrew,

CIVIL SERVICE NUMBERS

The Prime Minister will wish to know the latest - very encouraging - Civil Service manpower figures.

We now have Departments' staff-in-post figures for 1 October 1983. The total stands at 636,300 - a reduction of 6,500 on the last quarter. The size of the Civil Service has fallen by 96,000 (13.1 per cent) since the beginning of the last Parliament and we now have the smallest Civil Service since the Second World War. The reduction in numbers means a full year's gross savings in pay costs at current rates of about £749 million. This is partially offset by the costs of services contracted out to the private sector or hived off to other public sector bodies but these cannot be separately identified.

The reduction of 6,500 in the last quarter is made up of 4,000 non-industrial and 2,500 industrials. Gross savings totalled about 7,050 of which the most significant proportions occurred in DHSS (2,310, partly due to reductions in the Social Security local office network), Ministry of Defence (1,640, reflecting the continuing rundown of Chatham and Portsmouth Dockyards), Inland Revenue (820, due to permanent staff leaving collection office posts, which will shortly disappear as work on schedule D is computerised), and HMSO (380, following the sale of the Gateshead Press). There were offsetting increases of about 550, of which about 190 were in the Home Office, where extra staff have been recruited in the Prison Department, and about 150 in the Land Registry following recruitment of permanent staff



to bring their manpower levels towards complement.

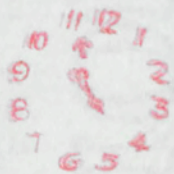
The Minister of State will be announcing the October figures by means of a Written Answer within the next day or so.

Yours sincerely,

Margaret O'Mara

MISS M O'MARA
Private Secretary

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H. M. TREASURY

Parliament Street, London SW1P 3AG, Press Office: 01-233 3415
Telex: 262405

17 November 1983

CIVIL SERVICE NUMBERS TO FALL BY A FURTHER SIX PER CENT

Civil Service numbers are to come down by a further six per cent in the next four years from 630,000 to 593,000 by 1988.

This will follow on a 14% reduction in staffing being made between 1979 and 1984 with numbers falling from 732,000 to 630,000.

The transfer of the Royal Ordnance Factories out of the Civil Service will account for 18,500 of the new 37,000 reduction in numbers. The remainder will come from a wide range of departmental savings (see attached table).

The Chief Secretary to the Treasury, Mr Peter Rees QC MP, announcing the new target in a Commons written reply today said:

"The continued efficiency in the use of resources, including manpower, makes an important contribution to the control of public expenditure. Therefore, the Government has reviewed its manpower requirements for the years up to 1988, and has decided on new plans which are set out in the table below. The aim has been to improve the efficiency of the Civil Service and to match staff numbers closely to the necessary functions of departments. The figures show a continuing steady reduction in the size of the Civil Service to about 593,000 by 1988, a further fall of 6%.

These manpower plans rest on the same assumptions about future policy and workload as the expenditure plans in my Rt Hon Friend the Chancellor of the Exchequer's Autumn Statement and the forthcoming Public Expenditure White Paper. They make allowance for productivity gains during the period (including those from computerisation). They also reflect plans for privatisation and hiving-off, and for contracting out services where this gives good value for money. The figures will be reviewed each year as part of the regular expenditure survey to take account of changing workload and other developments. A small contingency margin is included to give a measure of flexibility in planning. Subject to that, the presumption will be that the figures will be adhered to, or reduced further if changing circumstances make this possible.

PRESS OFFICE
HM TREASURY
PARLIAMENT STREET
LONDON SW1P 3AG

208/83

NOTE FOR EDITORS

In 1980 the Government announced its aim of reducing the size of the Civil Service by 14 per cent from 732,000 as at 1 April 1979 to around 630,000 by 1 April 1984. The 630,000 target should be achieved before, or by, 1 April 1984. During the next period the Government's aim will be to maintain a steady pressure on staff numbers so that full use can be made of all opportunities for improving efficiency.

The plans provide for savings from improvements in productivity during the period, and from wider use of computers and new technology. They also reflect plans for transferring work out of government departments when it makes good management sense to do so and represents value for money for the taxpayer. They provide for increases in staff where increasing workloads make this necessary. The reduction of 37,000 is a net figure.

The figures result from an assessment by each department of its manpower needs from 1984-88. These assessments revealed that developments in some departments over the next four years would enable some departments to achieve bigger savings than others, and that some would require additional manpower.

The figures now published will be reviewed each year as part of the annual Public Expenditure Survey to take account of changing workload and other developments.

Treasury officials are meeting representatives of the Council of Civil Service Unions at 4.30pm today to inform them about these plans, and to answer their questions about them. There will subsequently be further discussions between the management of individual departments and their departmental union representatives.

	1.4.84	1.4.85	1.4.86	1.4.87	1.4.88
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Ministry of Agriculture Fisheries & Food	11,193	11,150	11,406	11,310	11,260
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CHANCELLOR OF THE EXCHEQUER					
Inland Revenue	69,850	70,200	69,300	66,300	62,900
Customs and Excise	25,150	25,350	25,100	24,900	24,700
Department for National Savings	3,050	8,025	7,900	7,875	7,590
HMSO	1,000	3,700	3,500	3,460	3,440
Treasury	3,320	3,570	3,535	3,500	3,455
Royal Mint	977	965	981	970	960
Central Office of Information	949	952	955	945	935
Registry of Friendly Societies	129	129	129	127	120
Government Actuary	64½	64½	64½	64½	64½
National Investment & Loans Office	52	52	52	52	52
EDUCATION AND SCIENCE					
Department of Education and Science	2,402	2,472	2,437	2,417	2,392
EMPLOYMENT					
Department of Employment	31,048	30,238	29,995	29,211	28,505
Health & Safety Commission/Executive	3,742	3,662	3,652	3,644	3,644
Manpower Services Commission	22,229	21,677	21,297	21,297	21,297
Advisory, Conciliation & Arbitration Service	645	639	632	629	629
ENERGY					
Department of Energy	1,110	1,106	1,085	1,062	1,033
ENVIRONMENT					
Department of the Environment	6,695	6,615	6,515	6,435	6,370
Property Services Agency	27,502	26,986	26,347	25,693	25,296
Ordnance Survey	2,815	2,948	2,934	2,920	2,906
FOREIGN AND COMMONWEALTH OFFICE					
Foreign and Commonwealth Office	9,437	9,373	9,214	9,109	9,026
Overseas Development Administration	1,793½	1,565	1,545	1,525	1,500
HOME OFFICE					
Home Office	35,755	36,633	38,193	40,123	41,132
LORD CHANCELLOR					
Lord Chancellor's Department (including Public Trustee Office)	10,125	10,195	10,195	10,170	10,000
Land Registry	6,725	6,845	6,910	6,910	6,950
Public Record Office	406	406	413	419	425
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SOCIAL SERVICES					
Department of Health and Social Security	90,709	90,000	89,500	88,850	87,850
Office of Population Censuses and Surveys	2,162	2,152	2,132	2,102	2,155
TRADE AND INDUSTRY					
Department of Trade and Industry	12,759	12,754	12,754	12,754	12,754
Export Credits Guarantee Department	1,840	1,840	1,835	1,835	1,830
Office of Fair Trading	320	313	313	313	313
TRANSPORT					
Department of Transport	14,206	14,514	14,699	14,497	14,160
WELSH OFFICE					
Welsh Office	2,195	2,206	2,206	2,206	2,206
SMALL DEPARTMENTS					
Cabinet Office	518	518	518	518	518
Charity Commission	329	329	320	320	320
Crown Estate Office	114	116	117	118	119
Director of Public Prosecutions	237	242	241	240	240
Law Officers' Department	22	22	22	22	22
Lord Advocate's Department	22	22	22	22	22
Management and Personnel Office	1,198	1,188	1,178	1,168	1,158
Office of Arts and Libraries	45	45	45	45	45
Paymaster General's Office	870	873	912	938	967
Privy Council Office	33	33	33	33	33
Crown Office & Procurator Fiscal Service	966	980	1,000	1,020	1,040
Treasury Solicitor's Department	460	456	452	447	442
DEFENCE					
Ministry of Defence	200,000	179,000	176,000	173,000	170,000
CONTINGENCY MARGIN	1,360	2,000	4,000	6,500	7,500
TOTAL	630,000	608,208	605,255	600,554	592,723



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Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01-215 5422
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14 November 1983

CONFIDENTIAL

The Rt Hon Peter Rees QC MP
Chief Secretary
HM Treasury
Parliament Street
London SW1

NBPM

AT 15/11

D Peter,

Your minute of 18 October sought agreement to your proposal to publish future civil service manpower figures and to review them in the course of public expenditure surveys. I have seen Norman Fowler's comment in his letter of 28 October. I agree with your proposal but share Norman Fowler's reservation, in particular concerning any increases in workload stemming from our collective decisions.

I am copying this letter to the Prime Minister, Cabinet colleagues, Lord Gowrie and Sir Robert Armstrong.

*Yours
Norman*

NORMAN TEBBIT

~~CO NO.~~

NBPM 7/11

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Norman Fowler MP
 Secretary of State for Social Services
 Department of Health & Social Security
 Alexander Fleming House
 Elephant & Castle
 LONDON
 SE1 6BY

4 November 1983

Dear Secretary of State

CIVIL SERVICE MANPOWER

Thank you for your letter of 28 October agreeing to my proposals to publish future civil service manpower figures, and to their review in the course of public expenditure surveys.

I accept in principle your point about demand led work-load changes and recourse to the contingency margin. You will understand of course that should the case arise the Treasury will have to be convinced that increased staff are needed and that there are no offsetting savings to be had elsewhere.

I am copying this letter to the Prime Minister, Cabinet colleagues, Lord Gowrie and Sir Robert Armstrong.

Yours sincerely

J. G. G. G.

Jr. PETER REES

(Approved by the Chief Secretary)

Civil Servant: ~~Manjinder~~ Kaur P114

7 NOV 1985

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31/10

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

The Rt Hon Peter Rees QC MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

28 October 1983

CIVIL SERVICE MANPOWER

Your minute of 18 October to the Prime Minister sought agreement to your proposals to publish future civil service manpower figures, and to review them in the course of public expenditure surveys.

I am content on both points, but ought to place on record the understanding between our officials that workload changes will be a call on or addition to the central contingency margin. I will seek to achieve savings beyond those implicit in the figures but must have some measure of protection from changes in demand-led work over which I have little control.

I am copying this letter to the Prime Minister, Cabinet colleagues, Lord Gowrie and Sir Robert Armstrong.

NORMAN FOWLER

CONFIDENTIAL

Civil Service Long term Pt 14

31 OCT 1981

