

310

cc B1

cc NO 1

FROM: CHIEF SECRETARY
DATE: 1 May 1984



PRIME MINISTER

Prime Minister:

Yes mb

Agree this announcement should be made by written answer as in the draft attached?

JF 2/5

CIVIL SERVICE NUMBERS

You will be pleased to know that the latest Civil Service manpower figures show that the 630,000 target has been achieved on schedule; indeed, with the 1 April total standing at fractionally below 624,000 it has been bettered by some 6,000. This is a substantial achievement; and a key pledge has been fulfilled.

For the record, the size of the Civil Service has fallen by 108,300 (14.8 per cent) since the beginning of the last Parliament. The reduction in numbers produces a full year's gross saving in pay costs of about £845 million at current rates. This is partially offset by the costs of services contracted out to the private sector or hived off to other public sector bodies; these cannot be separately identified.

As you know, a further reduction in Civil Service numbers of 6 per cent over the next 4 years is planned and the Civil Service will then have been slimmed down by about 19 per cent; and during this year's Public Expenditure Survey we shall be seeking to get these figures down further.

The following table shows how the numbers of non-industrials and industrials changed during the period April 1979 to April 1984:

	<u>Non-industrials</u>	<u>Industrials</u>	<u>Total</u>
1 April 1979	565,815	166,460	732,275
1 April 1984	504,246	119,726	623,972
Net reduction over the period	61,569	46,734	108,303

There has, thus, been a 10.9 per cent reduction in non-industrials and 28.1 per cent in industrial staff. The higher percentage reduction for industrials reflects the greater scope for contracting-out work in this area, the rationalisation of the Royal Dockyards and changes in the production requirements of the Royal Ordnance Factories.

I think it would be appropriate for you to announce the achievement of the target personally: I suggest by way of a Written Parliamentary Answer. I attach a draft for your consideration. If you are content, I will arrange for a press notice to be put out, to supplement and complement the Answer.



PETER REES

CIVIL SERVICE MANPOWER: DRAFT PQ

Tuesday 8 May 1984

DRAFT QUESTION:

To ask the Prime Minister, what was the size of the Civil Service at 1 April 1984 and how this compares with the plans she announced on 13 May 1980.

DRAFT ANSWER:

On 1 April 1984 there were 623,972 staff-in-post in central government departments. This reflects a reduction in the size of the Civil Service of more than 108,000 or 14.8 per cent since the beginning of the last Parliament. This is a considerable achievement. We have done even better than planned. A key pledge has been fulfilled; and the Civil Service gross pay bill is over £ $\frac{3}{4}$ billion lower as a result.

As the House will recall, when I announced the 1 April 1984 target of 630,000 in May 1980, it was called "a statement of pious hope" by the Opposition. Others foresaw a decline in efficiency and the near collapse of essential services.

I pay tribute to the Civil Service for loyally carrying our policy through. Savings have been made by improvements in efficiency, greater use of new technology, ^{by} ~~but~~ cutting out unnecessary work and by privatisation and contracting out. Productivity gains have been made, sometimes hand in hand with improvements in levels of service. For example, since 1979 staff numbers in the Department of Health and Social ^{Security} ~~Services~~ have been reduced by over 7,000, but unit costs for delivering benefits have been reduced by about 20 per cent.*

These very substantial reductions in manpower have, moreover, been achieved against a background of an increasing workload in some areas of the Civil Service ^{for example} ~~eg.~~ in the employment ^{& Social Security} groups, because of the rise in benefit payments; in the Land Registry, due in part to the large numbers of sales of council houses; in the prison service; and, of course, in youth training.

Plans for a further reduction of 6 per cent over the next four years were announced by my Rt Hon Friend, the Chief Secretary, on 17 November 1983. The Civil Service will then have been slimmed down by nearly one-fifth; and we shall be looking for further improvements. Our policy is to retain within the Civil Service only work which must be done there, or which can be done more efficiently and effectively there. Value for money for the taxpayer is a key objective. I am determined that these policies will continue to be vigorously pursued.

Tuesday 8 May 1984

(Answered by the Prime Minister on Tuesday, 8 May 1984)

UNSTARRED
NO. 284

Sir Bernard Braine : To ask the Prime Minister, what was the size of the Civil Service at 1 April 1984 and how this compares with the plans she announced on 13 May 1980.

On 1 April 1984 there were 623,972 staff-in-post in central government departments. This reflects a reduction in the size of the Civil Service of more than 108,000 or 14.8 per cent since the beginning of the last Parliament. This is a considerable achievement. We have done even better than planned. A key pledge has been fulfilled; and the Civil Service gross pay bill is over £ $\frac{3}{4}$ billion lower as a result.

As the House will recall, when I announced the 1 April 1984 target of 630,000 in May 1980, it was called "a statement of pious hope" by the Opposition. Others foresaw a decline in efficiency and the near collapse of essential services.

I pay tribute to the Civil Service for loyally carrying our policy through. Savings have been made by improvements in efficiency, greater use of new technology, by cutting out unnecessary work and by privatisation and contracting out. Productivity gains have been made, sometimes hand in hand with improvements in levels of service. For

/example,

example, since 1979 staff numbers in the Department of Health and Social Security have been reduced by over 7,000, but unit costs for delivering benefits have been reduced by about 20 per cent. And in transport, the waiting time for driving tests has been reduced, despite fewer staff.

These very substantial reductions in manpower have, moreover, been achieved against a background of an increasing workload in some areas of the Civil Service - for example, in the employment and social security groups, because of the rise in benefit payments in the Land Registry, due in part to the large numbers of sales of council houses; in the prison service; and, of course, in youth training.

Plans for a further reduction of 6 per cent over the next four years were announced by my Rt. Hon. Friend, the Chief Secretary, on 17 November 1983. The Civil Service will then have been slimmed down by nearly one-fifth; and we shall be looking for further improvements. Our policy is to retain within the Civil Service only work which must be done there, or which can be done more efficiently and effectively there. Value for money for the taxpayer is a key objective. I am determined that these policies will continue to be vigorously pursued.

Civil Serv.
 DC 8/2

TF to write

Prime Minister ③

AT 6/2



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

3 February 1984

Andrew Turnbull Esq
10 Downing Street
LONDON SW1

Dear Andrew,

CIVIL SERVICE NUMBERS

The Prime Minister may like to know the latest Civil Service manpower figures.

We now have Departments' staff-in-post figures for 1 January 1984. The total stands at 632,600 - a reduction of 3,700 on the last quarter. The size of the Civil Service has fallen by 99,700 (13.6 per cent) since the beginning of the last Parliament. The reduction in numbers produces a full year's gross saving in pay costs of about £778 million at current rates. This is partially offset by the costs of services contracted out to the private sector or hived off to other public sector bodies which we cannot separately identify.

13.6
£778m

The rate of rundown is slowing down as we approach the 630,000 target. The reduction in each of the previous two quarters was over 6,000 but it is under 4,000 in this quarter. Nevertheless we expect there to be fewer than 630,000 civil servants at 1 April this year. A further reduction of at least 2,600 is needed but many Departments will continue to reduce their numbers and the Heritage Act bodies (with about 2,600 staff) are due to leave the Civil Service on 1 April. Nearer the time we shall be considering how the achievement of the 630,000 target might best be publicised.

/The reduction



The reduction of 3,700 in the last quarter is made up of 1,900 non-industrials and 1,800 industrials. Gross savings totalled about 4,200. The most significant reductions were in the Ministry of Defence (1,480, mainly due to the continuing rundown of Chatham Dockyard), Inland Revenue (925, mainly as a result of efficiency measures), PSA (excluding Supplies Division) (330, mainly due to contracting out building maintenance and design work), and Department of Employment (310, mainly due to savings achieved through efficiency exercises). There were offsetting increases of about 500, of which about 125 were in the Home Office, where extra staff have been recruited in the Prison Department, and about 120 in DHSS, bringing their manpower level towards complement.

The January figures will be announced in a Written Answer within the next day or so.

Yours sincerely,

Margaret O'Mara

MISS M O'MARA
Private Secretary