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CC No



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The Rt Hon John MacGregor MP
Chief Secretary
Treasury Chambers
Parliament Street
LONDON
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1 October 1985

CONTROL OF CIVIL SERVICE RUNNING COSTS

Thank you for the copy of your minute of 10 September to the Prime Minister.

Norman Tebbit has already made the point that the new limits should not be operated in a manner which introduces further rigidities into the system, cutting out initiatives even where they are justified by public expenditure savings.

This has particular relevance to the substantial net savings in public expenditure which could be obtained by Departments through improvements in energy efficiency. I hope this will be borne in mind.

I am copying this letter to the Prime Minister and other Cabinet colleagues and to Sir Robert Armstrong and Sir Robin Ibbs.

PETER WALKER

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CIVIL SERVICE
LONG TERM MANAGEMENT
PT 18

