

32/20

PART 2

MT

Confidential Filing

Disposal Policy
Disposal of Health + Safety
Exec. to Boote

CIVIL SERVICE

Pt. 1: May 1979

Pt. 2: Oct. 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
(new covers)							
4. 6. 82							
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● PART 2 ends:-

4 . 6 . 82

PART 3 begins:-

9 . 9 . 82

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

4 June 1982

Dear Muir,

DISPERSAL

The Prime Minister was grateful for your Secretary of State's minute of 2 June, with its comments on Lord Carrington's minute of 11 February about the dispersal of Foreign and Commonwealth/Overseas Development administration staff to East Kilbride. The Prime Minister notes that there will now be urgent consideration of the options available for transferring a further 30 or 40 posts to East Kilbride, in the light of the Government's commitments in this matter.

I am sending copies of this letter to the Private Secretaries to the Members of E(EA) and to Brian Fall (Foreign and Commonwealth Office), Jim Buckley (Lord Privy Seal's Office) and David Wright (Cabinet Office).

Yours sincerely,

Michael Scholar

A.M. Russell, Esq.,
Scottish Office.

CONFIDENTIAL

EM



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

1. ASE to see Mr G.
2. Prime Minister

CONFIDENTIAL

PRIME MINISTER

DISPERSAL

1. I have only now seen a copy of Peter Carrington's minute of 11 February to you about dispersal of Foreign and Commonwealth/Overseas Development Administration staff to East Kilbride. It also appears that no copy of the minute reached Janet Young's office. I am sorry to trouble you now with what may appear to be a relatively minor domestic matter, but it is only because of this unfortunate administrative oversight that the views expressed in the minute of 11 February have lain unchallenged for over 3 months.

2. The burden of Peter Carrington's minute is that because of civil service cuts made since we announced our dispersal plans in July 1979, dispersal targets should be correspondingly reduced. (Douglas Hurd's letter to Barney Hayhoe of 15 October 1981 had of course conveyed the same view.) The FCO maintain that they cannot find the extra 30 or 40 staff (from a total of well over 9,000) to complete the Government's oft-stated commitment to dispersing 650 posts to East Kilbride, unless the move the Records Unit of the Passport Office with which there are considerable difficulties (not least that these jobs appear to be temporary because of imminent computerisation).

3. I find the terms of Peter Carrington's minute surprising in the light of the conclusions of the 1st meeting of E(EA)82 on 19 January at which dispersal was considered. The point was made forcibly at that meeting that it would be particularly difficult to agree that fewer than 650 posts should be moved to East Kilbride, given Cabinet's decision that this was the number of jobs to be transferred. In opening the ODA office in East Kilbride in November

cc: JV
1

Policy in this area has become uncertain. I suggest that the 3 departments should meet, as proposed; and that you Yes should merely note this proposal. Agree? Yes
MS 3/6

last year, Peter Carrington himself referred to the 650 jobs to be moved. As the E(EA) minutes record, FCO and ODA are in any case not being required to move the full 650 posts: 180 jobs with the Crown Agents are being counted towards the East Kilbride dispersal target. The Sub-Committee concluded (conclusion 3) that the Secretary of State for Foreign and Commonwealth Affairs should be invited to agree with Janet Young and myself the details of the posts to be transferred to East Kilbride, and to report.

4. The discussion and conclusions were reported to you in Patrick Jenkin's minute of 22 January. Your Private Secretary's response of 26 January noted that, while you considered that the argument that we must take account of the effects on dispersal plans of subsequent reductions in Civil Service numbers was reasonable, you assumed that E(EA) had taken full account of the need to maximise management efficiency within the constraints imposed by dispersal and were content with E(EA)'s conclusions.

5. In these circumstances, I must record my misgivings at the tenor of paragraph 6 of Peter Carrington's minute of 11 February, which appears to take the line that the FCO/ODA should not be obliged to fulfil their commitment to dispersing 650 posts to East Kilbride. In the light of E(EA)'s third conclusion and given the lapse of time since E(EA)'s meeting I consider that officials in the 3 Departments concerned should now urgently consider the options available for transferring a further 30 or 40 posts to East Kilbride in order to fulfil our clear and public commitment to the total of 650.

6. I am copying this minute to all members of E(EA), to Francis Pym and to Janet Young.

G.Y.

Scottish Office
2 June 1982

G.Y.



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Civil Service

MS/PM



MS/PS

Management and Personnel Office
Whitehall London SW1A 2AZ
Telephone 01-273 } 4400
GTN 273 }

John Holmes Esq
Private Secretary to the
Secretary of State
Foreign and Commonwealth Office
King Charles Street
London SW1A 2AH

24 May 1982

cc JV

Dear John

DISPERSAL

I am grateful to your office for forwarding promptly on request today a copy of Lord Carrington's minute of 11 February to the Prime Minister on dispersal. This was, however, the first that we had seen or heard of it. While I quite understand that it was probably accidental, it is unfortunate that the Foreign Secretary's minute was not copied to the Minister with responsibility for Civil Service dispersal policy.

I am copying this letter to Michael Scholar (Prime Minister's Office), Private Secretaries to members of E(EA) and David Wright (Cabinet Office).

Yours sincerely
Douglas Board

D R H BOARD
Assistant Private Secretary

MAY 1982

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CONFIDENTIAL

PA. (1) Civil Service

PRIME MINISTER

Dispersal

Your comments on Patrick Jenkin's minute of 22 January about proposals for dispersal to Cardiff and East Kilbride have introduced a note of uncertainty in the dispersal policy making process. Janet Young's office have a number of times telephoned me to let me know that Janet Young is not a keen disperser, is quite impressed by the efficiency arguments against dispersal in particular cases, but is soldiering on with the policy in the belief that that is what is required of her.

I told them each time that the policy stands - and that if Janet Young thinks it needs modification she will, presumably, minute you, or consult her colleagues, to that effect.

Content with this line?

Yes - but I agree very much with John Biffen's letter on the policy. must not be seen in coming

Or would you prefer me to invite Janet Young to have another look at existing policy, with a view to softening it at the edges - in particular whether dispersal plans pre-date manpower cuts, and so are having an unplanned harshness in their effect on Departments?

Please see the attached two letters on the subject.

MUS

17 March 1982

Note/TOW Douglas Board in Lady

Young's office. Agreed that I would

not commit the informal steer

CONFIDENTIAL

to paper.

MUS 14/3

to unreasonable lengths MB.



Prime Minister (2)

MS 16/3

From the Secretary of State

The Baroness Young
Chancellor of the Duchy of Lancaster
Management and Personnel Office
Whitehall
London, SW1A 2AZ

15 March 1982

Dear Janet,

DISPERSAL

Following the discussion of departmental dispersal plans at the meeting of E(EA) on 19 January, I commissioned a further comprehensive review of the options for finding another 100 posts for Cardiff from within my Department and ECGD. In doing so, I have also taken account of the Prime Minister's reactions to our discussion (Mr Scholar's letter to Mr Spencer of 26 January).

First, I am bound, yet again, to point out that the fact that I am placed in this position is an accident of circumstance and timing. Export Credits Guarantee Department have honoured their commitment in that the functions they said they would disperse to Cardiff have been transferred, but as a consequence of manpower cuts these functions can be fulfilled with 700 rather than 800 staff. These staff cuts were achieved in London before the dispersal of the relevant functions had been completed. If the functions had been dispersed to Cardiff before the cuts had been made, there would have been no question of requiring me to make good the shortfall, because there has never been any suggestion that the English regions, Wales and Scotland should be exempt from the reductions we are seeking to achieve in Civil Service manpower.



From the Secretary of State

Secondly, when we cancelled, with certain exceptions, the dispersal programme we inherited from our predecessors, it was because, among other things, of the adverse effect it would have had on Civil Service efficiency. To seek ways of making good a so-called "short-fall" carries with it the clear implication that we shall be doing things less efficiently than if the functions had not been transferred.

Taking these considerations into account, I have been unable to identify any area of work within the Department where dispersing 100 jobs to Cardiff would not have adverse effects on efficiency. The only possibility I can hold out is in the Department's Marine Division. This is currently being re-organised and it may be possible to disperse some of the functions to Cardiff. I have set up a study to examine in detail what might be possible, although I fear that the consequence may be a larger overall staff requirement than if the functions remained in London. I shall write to you again as soon as the results of the study are available.

I am copying this letter to the Prime Minister and all members of E(EA).

*Yours
John Biffen*

JOHN BIFFEN





cc JV
Management and Personnel Office
Whitehall London SW1A 2AZ
Telephone 01-273 } 4400
GTN 273 }

Chancellor of the Duchy of Lancaster

15 March 1982

The Rt Hon Norman Tebbit Esq MP
Secretary of State For Employment
Caxton House
Tothill Street
LONDON SW1H 9NA

2 pp's.

John Naman,

DISPERSAL

Thank you for your letter of 8 February, in which you argued that you were unable to find a final 100 or so posts for dispersal to Sheffield.

I recognise that taking the moves already made to Sheffield with the plans for the moves of the HSE's posts both to Bootle and Sheffield, you are meeting some 95% of the original dispersal target set for the Employment group. The small shortfall does raise difficult problems for you and I suggest that we ask our respective officials to get together to look at these.

Copies of this letter go to the recipients of yours.

Yours etc.

Baroness Young

BARONESS YOUNG

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2 PRIME MINISTER

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THE PRIME MINISTER

Dispersal

1. I was interested to see your Private Secretary's letter of 26 January to the Private Secretary at the Department of Industry. I have also seen the minute of the meeting of E(EA) on 19 January.
2. I agree with you that it is important, when considering dispersal plans, to take account of the effects of subsequent reductions in Civil Service numbers and of the need to maximise management efficiency.
3. As you know, my Department has been able to identify between 610 and 620 out of the target of 650 posts to be dispersed to East Kilbride. Four hundred and thirty have already moved to East Kilbride and the rest will follow in August this year.
4. The only way of finding the balance without a totally unacceptable loss of efficiency is to disperse the Records Unit of the Passport Office from Hayes. This is not to say that even that would be an easy or sensible course in terms of efficiency. The Records Unit is staffed mainly by non-mobile clerical staff who would not move to East Kilbride or even want to accept the offer of clerical jobs in Central London. Consequently we would, in effect, be dismissing them and, as we argued at the meeting of E(EA), this would be a shabby reward for their exceptional loyalty during the Civil Service industrial action last year. Furthermore, we are now committed to the introduction of a machine-readable British passport. This and forthcoming improvement of methods in the Passport Office will require the introduction of computerisation which will mean that much of the work of the Records Unit will eventually disappear.

/5.



5. As you know, the organisation, financing and operation of the Passport Office are to be the subject of one of our Rayner scrutinies this year. In addition, the Foreign Affairs Committee are making the Passport Office the main subject of their investigation into my Department in 1982. One of the main thrusts of the Rayner Scrutiny will be the application of new technology, bearing in mind the need to issue machine-readable passports conforming to EC standards. It would be reasonable not to pre-empt any conclusions or recommendations of these surveys and I am consequently reluctant to take a final decision on the Records Unit at this stage.
6. The target of 650 posts for dispersal from the FCO was fixed some years ago and the obligation was originally laid on the ODA. It was confirmed after the last election as a target which I had to meet. But it does not take into account more recent decisions on reductions in the Civil Service. The 1984 target for the FCO (including the ODA, the Passport Office and Communications Division but excluding GCHQ) is 9,340. This is a reduction of 10.4 per cent over the numbers of 1979. In percentage terms, therefore, we are already over-fulfilling our obligations.
7. I am sending a copy of this minute to all members of E(EA).

C

(CARRINGTON)

Foreign and Commonwealth Office

11 FEB 1982
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11 FEB 1982
8 9 10 11 12 1 2 3 4 5 6 7



Prime Minister

(2)

MUS 8/2

Civil Service
cc AD

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400 GTN 213

Switchboard 01-213 3000

The Baroness Young
Chancellor of the Duchy of Lancaster
Management and Personnel Office
Whitehall
SW1A 2AZ

8 February 1982

D. Jenkin

DISPERSAL

I have seen a copy of No. 10's letter of 26 January reporting the Prime Minister's comments on Patrick Jenkin's report of the discussion in E(EA) on 19 January. I think I ought to make it clear right away that these comments are very relevant to the shortfall we expect in the dispersal of the Manpower Services Commission.

As you know, MSC's entire headquarters organisation is going to Sheffield. At the time of the Government's July 1979 announcement, the numbers involved were 1850, but the drive to reduce the number of Civil Servants has naturally had its effect here too, and by the time the dispersal is completed at the end of this year we expect the Commission's total to have been reduced below this figure by some 245. It will, of course, be impossible for MSC to make up for this shortfall since they are dispersing the whole of their Headquarters. However, there is a good prospect of our being able to make up some of the shortfall by dispersing from elsewhere in the DE Group through the proposal that the Health and Safety Executive's Cricklewood Laboratory (about 150 posts) should be consolidated on the existing campus of the HSE's Research and Laboratory Services Division at Sheffield. It is estimated that this move could be completed at a cost of around £3 million with the estimated annual savings of over £400,000. Additional major savings - including staff savings - would be achieved in the longer term through the integration of laboratories and common services. HSE see this particular dispersal as an opportunity to make significant improvements in management efficiency which the Prime Minister is seeking and at the same time produce substantial savings over the longer term.

There is however no prospect of the DE Group being able to make up the balance of the shortfall that would remain of around 100 posts (nor indeed, without the dispersal of the HSE Cricklewood laboratories, of any of the shortfall). HSE has its own commitment to disperse the bulk of its London Headquarters staff to Bootle and could not possibly contribute further to the Sheffield numbers. Furthermore it would be managerial nonsense to move to Sheffield a small packet of DE's remaining staff where it would be isolated from the rest, with all that implies for managerial efficiency. (Work areas that do not need to remain in London, like payroll, computer operations and routine



establishments work have already been moved out).

I should perhaps mention that MSC's shortfall will not mean that their accommodation in Sheffield will be left partly empty. As the building belongs to MSC it is in their interest to make full use of it, and this they intend to do by concentrating their area and regional staff there (with consequent economies elsewhere), and by private letting.

I think we are unlikely to incur serious reproaches from local opinion in Sheffield about a shortfall in MSC's numbers, given that the cause is a reduction in the numbers in MSC's headquarters as a whole. It is relevant too that Sheffield is due to lose its assisted area status next August.

I am copying this letter to members of E(EA), to Sir Robert Armstrong and to the Private Secretary at No. 10.

J. N. M.

10 FEB 1962

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FILE MS
Civil Service

10 DOWNING STREET

From the Private Secretary

26 January 1982

Dear Jonathan,

Dispersal

The Prime Minister was grateful for your Secretary of State's report of the E(EA) discussion about difficulties which have arisen over dispersal to Cardiff and East Kilbride.

The Prime Minister is content with the conclusions which E(EA) has reached in both these cases. She has, however, commented that the argument in paragraph 4 of your Secretary of State's minute, that we must take account of the effects on dispersal plans of subsequent reductions in Civil Service numbers, seems reasonable to her; and that she assumes that E(EA) committee in reaching its conclusions, have taken full account of the need to maximise management efficiency, within the constraints imposed by dispersal.

I am copying this letter to the Private Secretaries to members of the Cabinet and to David Wright (Cabinet Office).

Yours sincerely,

Michael Scholar

Jonathan Spencer Esq
Department of Industry.

CONFIDENTIAL

JL

26/4/81

①



PRIME MINISTER

DISPERSAL

The argument in terms reasonable Prime Minister
page 4 to me not.

To note ; do you wish to congratulate the Committee on sticking to its guns?

MUS 25/1

E(EA) discussed on 19 January difficulties which have arisen over dispersal to Cardiff and East Kilbride (E(EA)(82)1st Meeting, Item 1).

2 We did so against the background of the Government's firm commitment to the dispersal programme announced in July 1979. You will recall that, in reply to questions on your statement on 13 May 1980 on the size of the Civil Service, you said that there was 'no change in the plans, numbers and destinations announced' for the dispersal programme (Col.1055) and that you reaffirmed as recently as 12 November (col 665) that there would be 'no change whatever' in the programme.

Cardiff

3 We announced that 800 posts in the Export Credits Guarantee Department (ECGD) would be dispersed to Cardiff. The original plan was to move there the whole of ECGD's Comprehensive Group operation. Partly as a result of the reductions in Civil Service manpower, only some 700 staff are now involved in that work; and the Secretary of State for Trade has not so far been



able to identify a satisfactory block of work - either in ECGD or, in consultation with me, in the Department of Trade and Industry - which could sensibly be moved to Cardiff to make up the total to 800. E(EA) considered whether instead the planned move of about 100 statistical posts to Newport, which is only about 12 miles from Cardiff and has a higher unemployment rate, could be presented as meeting the spirit of our commitment on dispersal to Cardiff.

4 Some members of the Sub Committee took the view that it was necessary to interpret our dispersal policy, in this case and generally, with a reasonable degree of flexibility. They argued that the aim must be to disperse clearly defined blocks of work whose removal from London would not disproportionately reduce Departments' efficiency; and that we must take account of the effects on dispersal plans, which date back in some cases to the 1973 Hardman Report, of subsequent reductions in Civil Service numbers. They agreed with the Secretary of State for Trade that it would be reasonable in the circumstances to disperse 700 jobs to Cardiff and to point to the 100 going to Newport.

5 A majority of the Sub Committee, however, attached greater weight to the arguments for sticking to the announced targets, including that of moving 800 jobs to Cardiff itself. Some members pointed out that banks and other private sector institutions increasingly find it advantageous to move part of

This seems reasonable to me



their Headquarters staff outside London, and they were not persuaded that Government departments could not find the necessary numbers. It was argued that, if anything, our dispersal programme is not ambitious enough and that this reinforced the need to meet the present targets in full; particularly as a concession on one move could encourage pressure for concessions elsewhere in the programme. In this particular case, expenditure has already been incurred in providing office accommodation for 800 staff in Cardiff; and it was thought that it would not be possible to defend moving staff to Newport as an adequate substitute for dispersal to Cardiff except in terms which called in question our commitment to the precise dispersal programme we have announced.

6 The Sub Committee has, therefore, asked the Secretary of State for Trade, to find sufficient posts from within the areas for which he is responsible to meet the target of dispersing 800 jobs to Cardiff.

*If this can be done bearing
in mind management efficiency,*

East Kilbride

7 Foreign and Commonwealth Office Ministers have had continuing difficulty in finding 650 jobs to move to East Kilbride. We decided in Cabinet in March 1980 that the target must be adhered



to (CC(80)11th Conclusions, Item 5): 180 jobs with the Crown Agents have been credited to this total but these, together with around 430 ODA posts already moved, leave a shortfall of between 30 and 40 posts.

1 after ✓
 8 At E(EA), Foreign and Commonwealth Ministers argued that it was difficult to see how the full target of 650 jobs could be met unless the Passport Office Record Unit, now situated at Hayes, is moved. They pointed out that dispersal would be poor reward for the refusal of the staff at Hayes to take industrial action during last year's Civil Service strike - the Unit was the only part of the Passport Office which kept working then; that their replacements in East Kilbride would almost certainly be more militant; and that computerisation will probably put an end to these jobs in about three years' time anyway. They suggested that a shortfall of between 30 and 40 on a target of 650 could be defended. Nonetheless, for the same general reasons as apply in the Cardiff case, E(EA) concluded that the 650 target must stand and invited the Foreign and Commonwealth Secretary to ensure that it is met.

9 I think that E(EA)'s discussion of the dispersal programme, and its decisions on the two particular cases, are of general interest and I am copying this minute to members of the Cabinet and to Sir Robert Armstrong.

PJ.
 P J

22 January 1982



Civil Service

NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

CONFIDENTIAL

The Rt Hon Leon Brittan MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1P 3AG

R
17/9

15 September 1981

Dear Leon,

In my letter of 1 September about your bilateral meeting with Michael Heseltine about his future expenditure plans I described the importance which I attach to the speedy completion of offices at Anderston in Glasgow to accommodate dispersed Ministry of Defence civil servants.

I understand that you concluded at your meeting with Michael that you could not recommend to colleagues that the PSA bid for PESC cover for the development should be accepted on the basis that you were not prepared to have extra funds made available for the project and that Michael was not prepared to sanction economies elsewhere so that the bid could be dealt with from within his existing totals.

As you will appreciate I am most concerned about this outcome. I do think that before you come to present your recommendations to Cabinet, colleagues with a direct interest in the MOD dispersal should have the opportunity to consider the matter collectively. I should, therefore, very much welcome it if you would arrange a meeting for this purpose.

I am copying this letter to Michael Heseltine, John Nott and Barney Hayhoe; and to the Prime Minister for information.

Yours sincerely,
George



Civil Service
NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

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CONFIDENTIAL

The Rt Hon Leon Brittan MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1P 3AG

1 September 1981

Dear Leon,

I understand that you and Michael Heseltine are about to have your bilateral discussion of Michael's future expenditure plans; and although I shall be represented at the meeting by an official - neither Malcolm Rifkind or I are able to attend - I am writing to register briefly the importance I attach to one particular bid that Michael has submitted - that for the funding of the office block to be built at Anderston Cross in Glasgow to house dispersed Ministry of Defence civil servants.

You will recall that in June we discussed, under the Prime Minister's chairmanship, the funding of Anderston in the context of the reply which I had to make at that time on behalf of the Government to the Select Committee on Scottish Affairs' report on dispersal. Those of us directly involved in progressing the dispersal programme had concluded in the light of that report that Anderston, rather than the previously announced St Enoch site, would be the best location for MOD essentially because of the cost and particularly the timing advantages which it offered. Following our discussion the change to Anderston was announced; and our memorandum of reply to the Committee indicated, with your agreement, that using Anderston would make it possible to complete MOD dispersal a year earlier than in the case of St Enoch and that on present plans completion in 1985 could be achieved. I understand that completion to the timetable described in our reply can only be achieved if Michael's bid is accepted.

You are aware of the reasons why I and colleagues attach considerable importance to the implementation of our dispersal plans as speedily as possible. I need not spell these out in detail, but, the benefits to inner Glasgow in terms both of construction and permanent employment apart, I believe that in political terms our commitment to our announced programme of dispersal will be seriously undermined unless we are seen to attach a high priority to its implementation. There has as you know been considerable concern in Scotland about the strength of our commitment and I am firmly of the view that to take action which would delay the programme set out as feasible in the reply to the Select Committee would indeed be damaging. I very much hope therefore that you will be able to reach an agreement at your meeting with Michael which will enable the programme to proceed to this timetable.

I am copying this letter to the Prime Minister, Michael Heseltine, John Nott and Barney Hayhoe.

Yours ever,
George

2 SEP 1988

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Treasury Chambers, Parliament Street, SW1P 3AG

WAG
1966

Godfrey Robson Esq
Private Secretary to the
Secretary of State
Scottish Office
Whitehall
London SW1A 2AU

19 June 1981

Dear Godfrey,

MOD DISPERSAL TO SCOTLAND

Thank you for your letter of 16 June.

This is to confirm, as I told you on the telephone yesterday, that the Chief Secretary was grateful for your Secretary of State's acceptance of his redrafts of the Memorandum, and that the Chief Secretary endorses the line your Secretary of State proposes to take in response to press enquiries.

Copies of this letter go to Willie Rickett at No 10, David Edmonds (DOE), David Omand (MOD), Andrian Carter (CSD), and David Wright (Cabinet Office).

Yours ever,

Terry Mathews

T F MATHEWS
Private Secretary



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19 JUN 1980





Civil Service

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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

- 1 Mr. Patten *MP*
- 2 Prime Minister

CONFIDENTIAL

T F Mathews Esq
 Private Secretary to the Chief Secretary to
 the Treasury
 Treasury Chambers
 Parliament Street
 LONDON
 SW1P 3AG

Mr Younger hopes to publish
 his response to the Select Committee
 on Scottish Affairs on Thursday.
 The drafting has been agreed
 following the meeting you held
 16 last week.
 16 June 1981

WR
16/6

Dear Terry,

M

MOD DISPERSAL TO SCOTLAND

Thank you for your letter of 12 June. My Secretary of State is content with the suggested redrafts of paragraphs 6 and 9 of the Memorandum to the Select Committee on Scottish Affairs and I attach for you and copy recipients copies of the final version of the Memorandum. (As a consequential the concluding paragraph has been recast slightly.)

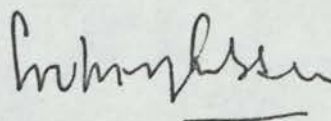
As you know there has been considerable pressure from the Select Committee for a reply to their report on dispersal as soon as possible; and my Secretary of State hopes to write this afternoon to the Committee's Chairman presenting him formally with the Memorandum. Under arrangements tentatively agreed with the Committee Mr Younger hopes to be able to publish the Memorandum 48 hours after the Committee has received it, ie on Thursday, by means of a lobby conference and press release. You, and particularly copy recipients in Departments involved in the implementation of the programme, will wish to be ready for press queries.

Following from last week's discussion, if Scottish interests or the press ask about arrangements for funding Anderston or about whether the Government are entirely clear that the use of Anderston will mean completion of the MOD dispersal by 1985 my Secretary of State would propose to:-

- a. indicate that the Government are firmly committed to the dispersal programme and intend to implement it as soon as possible;
- b. make clear that the change to Anderston has been made with a view to completing the dispersal as soon as possible: on present plans it is possible for Anderston to be ready in 1985, a year in advance of St Enoch;
- c. on finance (if it is raised) indicate that the best means of funding the development is being investigated (as was made clear to the Select Committee) but that these enquiries are not holding up progress, though at the end of the day availability of finance must condition the timing of any development.

I am copying this to the Private Secretaries of those involved in last week's meeting; and to the Minister for Overseas Development.

Yours truly,



GODFREY ROBSON
Private Secretary

MEMORANDUM IN RESPONSE TO THE REPORT ON DISPERSAL OF CIVIL SERVICE JOBS TO SCOTLAND
FROM THE COMMITTEE ON SCOTTISH AFFAIRS

Introduction

1. The Government have taken careful note both of the contents as a whole and the specific recommendations contained in the Report of the Select Committee on Scottish Affairs on the dispersal of Civil Service jobs to Scotland. The Government accept fully the Committee's commendation of the long term benefits of the announced programme of dispersal to Scotland and wish to assure the Committee that it is not their intention to sacrifice these benefits to short term needs. The Prime Minister in the House of Commons (Hansard 19 May 1980, Vol 985, Cols 1-2) announced that the Government are firmly committed to the revised dispersal programme announced in 1979.

Ministry of Defence Dispersal to Glasgow

2. The Report refers to the need to make firm decisions on the composition of the package of Ministry of Defence posts to be dispersed to Glasgow. The Ministry of Defence will continue to keep under review the make-up of the dispersal package, taking firm decisions whenever possible on component parts. No delay to the programme announced on 26 July 1979 has been caused by following this policy. The accommodation requirements of the posts included in the blocks of work selected for dispersal are known in sufficient detail to permit building design to proceed.

3. The Report also stressed the value of staged dispersal of the Ministry of Defence posts. Opportunities arising for staging will be fully explored as firm decisions on the nature of component parts of the move are taken as part of the review referred to above. The Property Services Agency (PSA) have carefully examined with Glasgow District Council the Lord Provost's offer to make existing Council buildings available to facilitate early dispersal. Only the building at 302 Buchanan Street was considered in principle suitable to accommodate the move of the Army Pensions Office already announced; but during negotiations it became clear that insufficient space could be made available there for the staff concerned and that costly modifications at the PSA's expense would in any event have to be made. PSA have concluded therefore that they should proceed with the adaptation of a Crown Building in Waterloo Street to accommodate the Army Pensions Office move in 1982/83, the timetable already announced.

Interdepartmental Machinery for the Co-ordination of Dispersal

4. Keeping under review possibilities for early dispersal was one purpose of the interdepartmental machinery proposed by the Committee to undertake a number of tasks involved in the implementation of the programme. The Departments concerned do of course liaise closely together on questions relating to the implementation of the programme; but the Government have taken note of the concern that has been expressed, notably by the West of Scotland Ad Hoc Committee on Dispersal, about the arrangements. The Government accordingly accept the Committee's recommendation and are establishing interdepartmental machinery to keep the dispersal programme under review and to progress its implementation. The Departments involved, namely the Civil Service Department, the Ministry of Defence, the Overseas Development Administration, the Property Services Agency and the Scottish Office will participate in this machinery and the Scottish Office will take the lead on matters arising within Scotland, though the Civil Service Department will of course continue to exercise its wider responsibilities for overall policy on dispersal.

Accommodation for Ministry of Defence

5. The Committee also recommended that a reappraisal be made by the Property Services Agency on the advantages and disadvantages of the St Enoch site and that at Anderston Cross, Glasgow, as the location for the Ministry of Defence posts to be dispersed; and that the possibilities for commercial leasing of existing properties on a permanent basis should be explored as a further alternative. The Government are clear that commercial leasing of existing buildings for this purpose is not a practical proposition; a significant element of specialised accommodation will be required including that to house a computer which it would be inappropriate and costly to include in a commercial lease. As requested by the Committee, however, PSA have re-assessed the St Enoch and Anderston sites and have in particular given attention to the question of whether one or other of them would more readily attract private capital. The advice which has been received from private estates consultants engaged to carry out the evaluation is that there are no significant differences between the 2 sites in terms of their attractiveness to private investors. The financial consequences to PSA between developing an office at the St Enoch or Anderston sites will therefore be related directly to the estimated building costs. In the light of the initial conceptual design studies it was considered that there would be no significant difference in building cost. These studies have now been refined taking into account the planning decisions which have been announced regarding the general infrastructure of the total St Enoch development, and

they now indicate that it would cost in round terms £1.5m more to develop St Enoch. As the Committee were informed the St Enoch site is more valuable than Anderston and the valuations provided by the PSA's property consultants indicate that on the open market the St Enoch site should fetch some £0.25m more than Anderston.

6. PSA have also re-examined the implications of revising the original Anderston design to accommodate the presently planned Ministry of Defence blocks of posts and have estimated that on present plans completion in 1985 could be achieved, compared with 1986 for the St Enoch option.

7. On resource costs and benefits, as indicated in paragraph 5 the Government do not believe that leasing on a permanent basis of existing buildings would be a practicable way of housing the Ministry of Defence in Glasgow - and the Committee in their Report accept this as rather unlikely. For this reason no calculation of the resource costs and savings of that option has been undertaken. The Government have, however, as requested by the Committee at paragraph 34 of their Report, undertaken a comparative calculation of resource costs and benefits involved in a move to St Enoch or to Anderston on the basis of the Property Services Agency's re-appraisal of their costs and timing. The results, together with an explanatory note, are attached as the annex to this memorandum. In resource terms Anderston is the more favourable site.

8. Against this background the Government have given careful consideration as to whether there is a case for altering the decision announced on 26 July 1979 that the Ministry of Defence posts to be dispersed should be located at St Enoch. As the Committee are aware the Government regard the redevelopment of the St Enoch site as being of great importance for the redevelopment of Glasgow's city centre as a whole. It is in the Government's view most desirable that those involved with the redevelopment of the centre of the city should be concerned with reviving its style and appearance, which is essential for the regeneration of the city in both social and economic terms. The Government also acknowledge the strength of opinion in the Select Committee and elsewhere that these considerations argue at the same time for the earliest possible dispersal of civil service jobs to inner Glasgow: and the Government too are anxious to implement the main Ministry of Defence dispersal as soon as possible. In their evidence to the Committee, the Lord Provost of Glasgow and the Convenor of Strathclyde Regional Council, while not pressing specifically for a change of site at this time, were anxious to stress that their preference as to which of the two sites should be

utilised would be determined by which would enable the Ministry of Defence dispersal to take place more quickly. Furthermore, the Scottish Development Agency who have charge of the overall development of St Enoch, are now satisfied that development appropriate to a city centre site of such importance would not be significantly inhibited if the Ministry of Defence element were removed.

9. Since it is now clear that the use of Anderston to achieve this would not endanger the development of the St Enoch site the Government have decided that the office block for the Ministry of Defence should be constructed at Anderston. This decision has the advantage of making dispersal possible a year earlier than in the case of the St Enoch option. It will also make a saving in the cost of the dispersal, and is in resource terms more favourable. The necessary design work is therefore being put in hand immediately. In the meantime the Scottish Development Agency are proceeding urgently to the development of modified proposals for St Enoch.

Overseas Development Administration and Crown Agents' Dispersal

10. Paragraph 16 of the Report refers to the decision taken in principle on the dispersal of the Crown Agents' Pensions Department to East Kilbride. This decision has now been confirmed and arrangements for the move have begun. It is hoped that it will be completed by the end of 1982.

Conclusion

11. The Government are grateful to the Committee for the examination which they have made of this question. It is hoped that the Committee for their part will be reassured by the terms of this response. Much has been made of the difficulties in implementing dispersal. There are practical problems in any large scale operation of this kind. But having settled the policy in 1979 the Government are moving firmly ahead towards implementation.

DISPERSAL TO SCOTLAND

Resource Cost/Benefit Analysis

1. The Tables in the attached Annex show estimates, year by year, of the costs and savings of resources due to the planned dispersals of MOD and ODA (with Crown Agents) to West Central Scotland. In the case of MOD, we have costed the move of 1,400 posts (a) to the St Enoch's site in late 1986 and (b) to Anderston Cross a year earlier. In each case an advance move of 100 posts (the Army Pensions Office) is assumed in 1982/83. The resale value of whichever plot of land is not to be used for the MOD dispersal has not been taken into account in the tables. The ODA-Crown Agents costing supposes 450 posts to be moved to East Kilbride early in 1981/82 and 200 a year later. All future costs are expressed as far as possible in terms of 1981 Survey prices.

2. The tables can be compared with those taken from the costing exercise carried out in 1979, which were used to advise Ministers during the 1979 review of the dispersal programme, and from which the costs for the Scottish dispersals were taken to supply earlier information to the Select Committee. The chief difference between this costing and the earlier one lies in the different price-base. The assumptions underlying the costing are largely the same. However, it has been possible to make more accurate estimates of some of the elements than it was two years ago. Also, since the current costing has been specifically of the MOD and ODA dispersals, whereas the earlier costing model was designed to cover all proposed dispersals, it has been practical to tailor the estimation a little more accurately to the circumstances of these dispersals. These two areas of refinement account for larger or smaller changes in certain elements than result simply from a change in the price-base.

3. It should be noted nevertheless that these costings are estimates and therefore do carry a degree of approximation both in amounts and in the dates at which the resources will be consumed or released. It makes no difference in resource terms whether the MOD building is Crown-built or built by another body for lease to the Crown.

Net Present Values (NFVs)

4. The NFVs of the two MOD options have been calculated on the following basis using a 7% Test Discount Rate (TDR):

- a. only the resource costs and savings from 1981/82 and thereafter have been included;
- b. the calculation is in terms of 1981 Survey prices; and
- c. a base-year of 1980/81 has been used.

Two calculations for each site have been made, one excluding and the other including the resale value of whatever plot of land is not to be used. The results are:

	Resale value of land not to be used:	
	Excluded	Included
Anderston Cross	£5.6M	£6.3M
St Enoch's	£3.9M	£4.4M

On the same basis, the NPV of the ODA dispersal is £9.7M.

5. To aid comparison of the two MOD options the NPV of the future cost differences between the two sites has also been calculated using a 5% TDR* and taking into account the resale value of whichever plot of land is not used. On this basis the NPV of the Anderston Cross option is higher than that for St Enoch by £2.6M, rather than £1.9M.

* A Test Discount Rate (TDR) of 7% pa is normally used for public sector investment appraisals because of the difficulty in forecasting long-term trends and the consequent tendency to optimism - ie of overestimating benefits and underestimating costs. A 7% TDR was therefore used for previous appraisals of dispersal. However, Treasury advice is that when the problem is simply one of comparison, as between the Net Present Values of the St Enoch's and Anderston sites, it is more realistic to use a 5% TDR.

Resource Cost/Benefit Analysis
Dispersal of ODA to EAST MILBRIDE

	1980 -81	1981 -82	1982 -83	1983 -84	1984 -85	1985 -86	1986 -87	1987 -88	1988 -89	1989 -90	EACH YEAR THEREAFTER
<u>COSTS</u>											
Accommodation:											
Buildings	850	450	-	-	-	-	-	-	-	-	-
and Occupational Services	170	200	-	-	-	-	-	-	-	-	-
Furnishings and Supplies	100	600	600	600	600	600	600	600	600	600	600
Regional Rents											
PSI Departmental Expenses	150	100	-	-	-	-	-	-	-	-	-
Regional Rates	40	250	250	250	250	250	250	250	250	250	250
Telecommunications: Capital	190	-	-	-	-	-	-	-	-	-	-
Recurrent	10	70	70	70	70	70	70	70	70	70	70
Additional Manpower	180	320	290	200	170	170	170	170	170	170	170
Allowances to Staff:											
Transfer payments	-	590	260	-	-	-	-	-	-	-	-
Travel and Subsistence											
Provisions	-	190	280	280	280	290	290	290	290	300	300
TOTAL COSTS	1690	2770	1740	1400	1380	1380	1380	1380	1390	1390	1390
<u>SAVINGS</u>											
London Rents	-	-	400	990	1180	1190	1200	1220	1230	1240	1240
London Rates	-	-	160	400	470	470	470	470	470	470	470
Net Employment Effect	40	310	420	430	440	450	460	470	480	490	490
Differential House Prices	-	1450	640	-	-	-	-	-	-	-	-
Differential Commuting Costs	-	50	70	70	70	70	70	70	70	70	70
Differential Domestic Rates	-	0	0	0	0	0	0	0	0	0	0
TOTAL SAVINGS	40	1810	1700	1900	2170	2190	2220	2240	2260	2280	2280
NET COST OR SAVING	-1.6M	-1.0M	-	+0.5M	+0.8M	+0.6M	+0.8M	+0.9M	+0.9M	+0.9M	+0.9M
CUMULATIVE NET COST OR SAVING	-1.6M	-2.6M	-2.6M	-2.2M	-1.4M	-0.5M	+0.3M	+1.1M	+2.0M	+2.9M	

Notes: Figures in the bottom two rows are expressed in £M, rounded to the nearest £0.1M

All other figures are expressed in £'000s, and no figure is quoted more accurately than to the nearest £10,000 (0 indicates an element estimated as less than £5,000)

As figures are rounded independently, there may be slight discrepancy between the sums of constituent items and the totals.

Resource Cost/Benefit Analysis
Dispersal of MOD to LINDSEY CROSS

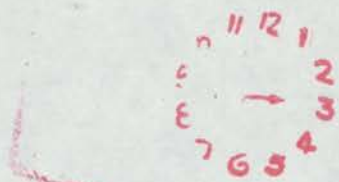
	BEFORE 1981 -82	1981 -82	1982 -83	1983 -84	1984 -85	1985 -86	1986 -87	1987 -88	1988 -89	1989 -90	EACH YEAR THEREAFTER
<u>COSTS</u>											
Accommodations: Buildings, Land, and Occupational Services	1100	270	1460	7230	8500	4800	310	-	-	-	-
Furnishings and Supplies	-	-	70	-	-	560	210	-	-	-	-
Regional Rents Lost	-	-	10	40	40	40	-	-	-	-	-
PSI Departmental Expenses	600	300	1880	930	460	540	260	-	-	-	-
Regional Rates	-	-	10	20	20	420	800	800	800	800	800
Telecommunications: Capital	-	-	-	250	830	150	-	-	-	-	-
Recurrent	-	-	-	-	-	70	150	150	150	150	150
Additional Manpower	-	10	50	60	300	630	630	460	370	370	370
Allowances to Staff: Transfer payments	-	-	170	10	-	2000	50	-	-	-	-
Travel and Subsistence Provisions	-	-	10	20	30	390	760	770	780	790	790
TOTAL COSTS	1700	580	3650	8560	10180	9610	3180	2180	2100	2110	2110
<u>SAVINGS</u>											
London Rents	-	-	-	-	160	220	220	2620	2650	2670	2670
London Rates	-	-	-	-	70	90	90	1020	1020	1020	1020
Net Employment Effect	-	10	100	480	560	790	980	980	1000	1020	1020
Differential House Prices	-	-	420	-	-	4520	-	-	-	-	-
Differential Commuting Costs	-	-	0	10	10	50	170	170	170	180	180
Differential Domestic Rates	-	-	0	0	0	10	20	20	20	20	20
TOTAL SAVINGS	-	10	530	500	810	5720	1470	4810	4860	4910	4910
NET COST OR SAVING	- 1.7m	- 0.6m	- 3.1m	- 8.1m	- 9.4m	- 3.9m	- 1.7m	+ 2.6m	+ 2.8m	+ 2.8m	+ 2.8m
CUMULATIVE NET COST OR SAVING	- 1.7m	- 2.3m	- 5.4m	- 13.5m	- 22.8m	- 26.7m	- 28.4m	- 25.8m	- 23.0m	- 20.2m	

Notes: Figures in the bottom two rows are expressed in £M, rounded to the nearest £0.1m

All other figures are expressed in £'000s, and no figure is quoted more accurately than to the nearest £10,000 (0 indicates an element estimated as less than £5,000)

As figures are calculated independently, there may be slight discrepancy between the sums of component items and the totals

16 JUN 1981





with compliments

MINISTER OF STATE

CIVIL SERVICE DEPARTMENT
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086



Minister of State

T F Mathews Esq
Private Secretary to the
Chief Secretary
HM Treasury
Parliament Street
LONDON SW1P 3AG

cc. J. Vercher.
A. Dodgird.

Civil Service

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

MM 16/6

16 June 1981

Dear Terry,

MOD DISPERSAL TO SCOTLAND

I have seen a copy of your letter of 12 June to Godfrey Robson.

The Chief Secretary's proposed amendments to the Draft Memorandum to the Select Committee on Scottish Affairs are acceptable to Mr Hayhoe.

Copies of this letter go to Willie Rickett at No 10, David Edmonds (DOE), Godfrey Robson (Scottish Office), David Omand (MOD) and David Wright (Cabinet Office).

Yours sincerely,

Adrian Carter

A A CARTER
Private Secretary

16 JUN 1968

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Treasury Chambers, Parliament Street, SW1P 3AG

Godfrey Robson Esq
Private Secretary to the
Secretary of State
Scottish Office
Dover House
London SW1

DA
Any sign of X?
Wh
12/6

12 June 1981

Dear Godfrey,

MOD DISPERSAL TO SCOTLAND

At the Prime Minister's meeting yesterday, the Chief Secretary was commissioned to draft amendments to the Memorandum to the Select Committee on Scottish Affairs attached to your Secretary of State's letter of 21 May, so as to avoid commitments to a specific completion date.

XI I enclose the Chief Secretary's redrafts of paragraphs 6 and 9 of the Memorandum. I should be grateful for confirmation from you, and copy addressees, that this is acceptable.

Copies of this letter and enclosure go to Willie Rickett at No. 10, to David Edmonds (DOE), David Omand (MOD), Adrian Carter (CSD) and David Wright.

attached

Yours ever
Terry Mathews

T F MATHEWS
Private Secretary



*With the Compliments
of the
Chief Secretary to the Treasury*

Treasury Chambers,
Parliament Street,
SW1P 3AG

CHIEF SECRETARY'S AMENDMENTS TO DRAFT MEMORANDUM TO THE
SELECT COMMITTEE ON SCOTTISH AFFAIRS

Paragraph 6

6. PSA have also re-examined the implications of revising the original Anderston design to accommodate the presently planned Ministry of Defence blocks of posts and have estimated that on present plans completion in 1985 could be achieved, compared with 1986 for the St Enoch option.

Paragraph 9

9. Since it is now clear that the use of Anderston to achieve this would not endanger the development of the St Enoch site the Government have decided that the office block for the Ministry of Defence should be constructed at Anderston. This decision has the advantage of making dispersal possible a year earlier than in the case of the St Enoch option. It will also make a saving in the cost of the dispersal, and is in resource terms more favourable. The necessary design work is therefore being put in hand immediately. In the meantime the Scottish Development Agency are proceeding urgently to the development of modified proposals for St Enoch.

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✓. Roster act

From the Private Secretary

11 June 1981

Dear Godfrey

MOD Dispersal to Glasgow

The Prime Minister held a meeting at 1730 hours yesterday evening to discuss your Secretary of State's letter to Mr. Heseltine of 1 June, and the correspondence on this subject. Your Secretary of State, Mr. Heseltine, the Chief Secretary, Mr. Hayhoe, and Mr. Blaker were present.

Your Secretary of State said that it was impossible for the Government to go back on its commitment to disperse 1400.. MOD posts to Glasgow. There was already deep suspicion in Scotland that the Government would not honour its commitment to dispersal. He was under considerable pressure to respond to the report of the Select Committee on Scottish Affairs. The problem was that the PSA had no provision in PES for this scheme. He would like to be able to reply to the Select Committee that the Government had considered their views, and had agreed to develop the Anderston site to receive the MOD posts. The Government's reply could then express the hope that the dispersal could take place earlier than previously planned, and at an lower cost. It could go on to say that the question of finance was still under examination. But it was imperative that the question of principle should not be reopened. The Anderston site had been obtained, and was already prepared. The construction of the building would provide two and half thousand jobs, and the majority of these could be filled locally.

The Chief Secretary said that he agreed that the Government could not escape from its commitment to dispersal. But there was simply no provision in PES either for the £20m. required to develop the site, or for the £10m. for the installation of specialised defence equipment. The problem would not be completely solved by arranging for the private sector to construct the building and lease it to the Department. The installation of the specialist equipment would have to be financed from public funds. The proposal would therefore have to be considered as a fresh bid in the PESC review in the normal way. This did not mean that the Government could not commit itself to the development. But it did mean that there could be no commitment to timing. The Chief Secretary said that he would therefore be content if the

/Government's

JS

Government's response to the Select Committee was suitably non-committal on the timing of the completion of the Anderston site.

Mr Heseltine suggested that a possible solution would be for the Government's response to the Select Committee to commit the Government to the dispersal of the MOD posts. It could go on to say that the Government were examining various methods of financing the project, including the involvement of the private sector. The statement could then say simply that the completion of the project would depend on satisfactory resolution of the financial arrangements, and that 1986 was the PSA's latest estimate for completion.

Summing up, the Prime Minister said that the meeting was agreed that the Government's response to the Select Committee's report should repeat the Government's commitment to the dispersal of 1400 MOD posts to Anderston. It should not, however, commit the Government to completing the project by 1986, or even to the earlier dates that the decision to develop Anderston rather than St Enoch suggested were possible. The Chief Secretary should consult the other Ministers present at the meeting with a view to producing a suitable draft passage for inclusion in the Government's response. One possible formula would be to state that "on present plans, the project was expected to be complete by 1986". The Prime Minister said that the Ministers concerned should note that the proposal should be considered as a fresh bid in the next PESC review in the normal way. Mr Heseltine and Mr Younger were free to pursue sources of private finance for the project if reasonable terms could be obtained.

I am copying this letter to the Private Secretaries to the other Ministers present.

yours
William Rickett



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

C O N F I D E N T I A L

PRIME MINISTER

DISPERSAL TO GLASGOW

We are meeting tomorrow to discuss the Government's response to the Select Committee on Scottish Affairs' Report on the Dispersal of Civil Servants to the West of Scotland, which has been the subject of correspondence (which has been copied to you) between myself and colleagues concerned. We shall be able to discuss the issues fully when we meet; but beforehand I thought it might be useful were I to sketch out a little of the background, and I should also like to register one or two points in relation to Leon Brittan's letter of 5 June in particular.

You will recall that in July 1979 following our review of the previous Administration's dispersal plans we concluded and announced inter alia that at least 2,000 MOD and ODA posts would be dispersed to the West of Scotland. The ODA move - though affected by manpower reductions - is taking place to offices at East Kilbride where about 420 ODA staff will be joined by the Crown Agents' Pensions Department and - it is hoped - by some FCO staff to give the total of 650 required by Cabinet. The MOD move involves 1,400 posts and it was essentially controversy over the timescale of this move that gave rise to the investigation of the programme by the Select Committee. We had decided that the MOD posts would be located in a building to be constructed at St Enoch in the centre of Glasgow, a prime site which had been intended to house the main bulk of the previous Administration's programme and whose development is in my view most important to the regeneration of Glasgow. Towards the end of 1979 it was announced that the necessary work at St Enoch could not be completed until 1986. This was widely criticised as an unacceptably long timescale.

In undertaking their investigation the Select Committee asked that we re-evaluate the merits of a rival site half a mile away at Anderston Cross for which a building had already been planned by PSA as an overflow from the previous dispersal plans. It was clear that with some modifications to suit the new move that building could be ready somewhat earlier. In considering our response to the Committee with colleagues I had been minded to stick with St Enoch but Michael Heseltine persuaded me that the timing advantages of Anderston were such as to make it preferable. In his letter of 7 May he notes that the "roof could be on at Anderston" in 1984 (with completion in 1985), while the completion of St Enoch has

C O N F I D E N T I A L

now been allowed to slip to 1987. Following advice from the Scottish Development Agency who have overall charge of St Enoch's development I am now rather more confident than two years ago that a satisfactory development can be found for that site without MOD offices. I am now clear therefore that Anderston represents the best solution both politically and from the point of view of bringing work to Glasgow; and John Nott is willing to go along with the change.

It is against this background that the current difficulty about funding - which would apply both to St Enoch and to the cheaper Anderston - has arisen. PSA have not secured PES cover for the development - initially they say because it fell outwith the PES survey period and subsequently because they hoped to find private finance for it. They have recently concluded that they are less likely to secure the necessary private finance; possible changes in the PES rules mean that, even if they can do so, they might require PES cover; and they will in any event require to find some £10 million for specialised requirements. Michael Heseltine and Leon Brittan will be able to report fully on the circumstances in which this has arisen. My own concern is that the Government's commitment to, and the implementation of, dispersal should not be prejudiced by what has occurred with concomitant serious political embarrassment.

Against that background perhaps I could turn to Leon's letter of 5 June. First Leon suggests that the proposed memorandum of response contains a firmer commitment to dispersal than the Government has yet entered into. But, as a result particularly of scepticism about our will to deliver the dispersal programme against the widely suspected opposition of the Civil Service, we have all taken pains to emphasise publicly the firmness of our commitment. You yourself made this quite clear in the House in May of last year. I do not therefore consider that his suggestion that the response should make reference to expenditure constraints is a starter.

Secondly, he suggests that, if Michael Heseltine cannot fund the building himself, the only source would be to require the Scottish Office to pay for it. But the responsibility for implementing our policies on dispersal lies neither exclusively nor mainly with me, but with dispersing departments and DOE. This suggestion is quite inappropriate. Moreover, since it is DOE who have, for whatever reason, failed to secure from Treasury the necessary guarantee of funding which will be required (whether or not a measure of private finance can be achieved on terms acceptable to Treasury) for the MOD building in Glasgow, I feel particularly strongly that a solution must be sought in Michael Heseltine's Department with Treasury assistance if necessary.

As you know, the Select Committee have been pressing me and Barney Hayhoe to appear before them to explain why the Government has not yet responded to their Report. We have so far managed to hold them off; but it will be extremely difficult for us to do so if there is a further delay in our response. Our appearance in these circumstances would give them an

C O N F I D E N T I A L

opportunity to embarrass the Government; and it would I think set an unwelcome general precedent.

I am copying this minute to Michael Heseltine, Leon Brittan, Barney Hayhoe, John Nott and for information to Neil Marten.

G. Y.

SCOTTISH OFFICE
10 JUNE 1981

1981 JUN 14

11 12 1 2 3
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for mtg of Ministers 2 PPS Thursday

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

9 June 1981

Dear Tim

MOD DISPERSAL OFFICES, GLASGOW

You asked David Edmonds for a note yesterday on the dispersal of MOD offices to Glasgow. I understand that a meeting has now been fixed for Thursday, 11 June at 5.15 pm.

/ I attach, as requested, a short background note.

I am copying this to the Private Secretaries to the Chief Secretary, the Secretary of State for Defence, the Secretary of State for Scotland, and Sir Robert Armstrong.

Yours ever

Jeff Channing

J P CHANNING
Private Secretary

MOD DISPERSAL OFFICES, GLASGOW

1. The Government is committed to dispersing some 1,400 MOD jobs to Glasgow. The Secretary of State for Scotland is about to re-affirm this commitment in response to the report of the Select Committee on Scottish Affairs who reported in January calling for the dispersal to be expedited. The Committee also questioned the choice of site for this development: they favoured the Anderston site rather than St Enoch's (which was the Government's choice announced in 1979) because the former could be completed sooner and is cheaper. (The two sites are about half-a-mile apart in the city centre: MOD favour St Enoch's but are prepared to accept Anderston. The Secretary of State for Scotland has decided to revert to Anderston).
2. The Government's response is held up because PSA have never had provision in their PES for this scheme. Until 1979/80 the start of construction lay beyond the PES period. The new works provision has since been cut by 60% and PSA have proposed proceeding on a lease-leaseback basis with a private developer - if acceptable terms could be obtained. No approach has been made to the market because the change of site has not yet been announced. The advice of Agents is that the prospects for private finance for such a large development in Glasgow are not very promising.
3. The Secretary of State for the Environment has therefore warned that the scheme involves a potential claim on public funds for which he has no provision in PES. Recognising the political commitment to dispersal he has proposed that an approach be made to the market but that, if this fails to produce an acceptable offer, the public funding of the scheme should be considered later in this year's PES round.
4. The total cost of the scheme is about £22.5m over the period 1982/3 - 1985/6. (excluding fees and interest during construction). Expenditure would peak at £8.5m in 1984/85. In that year there is some £19m available for major new works, of which £13.3m is committed to computerisation of PAYE. The remainder is allocated

to other high priority schemes, notably computerisation of DHSS local offices. Many schemes to which Departmental Ministers attach importance have had to be cancelled or deferred to make way for these computerisation projects.

4. The Government's response to the Select Committee can proceed provided it is recognised that the scheme represents a potential demand on public funds, for which provision may need to be made. But private finance for a lease-leaseback scheme will be sought first.

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1988 JUN 27



2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/15133/81

Your ref:

9 June 1981

MOD DISPERSAL

George Younger has sent you a copy of his letter to me of 4 June about PES provision for this scheme. It is clearly essential to reach a decision on this matter quickly in view of the Select Committee's pressing interest.

I have not questioned the political commitment to this scheme. I have simply sought to emphasise the potential commitment of public funds. In his last paragraph George Younger repeats the suggestion that I made in my letter of 3 June - that if you agree, it is not essential to resolve now how the cost of this scheme is to be met - provided that it is recognised that there is no provision in PSA's PES for the scheme and that, if acceptable arrangements cannot be made for private financing of the whole of the capital cost, provision will have to be made for all or part of it in PES. We can decide later in the current PES round how the cost is to be met: but it certainly cannot be met from PSA's PES unless other new works commitments, notably computerisation of PAYE, are to make way for it.

George Younger asks why PSA have not made provision in PES for at least the cost of the specialist elements in the scheme. The reason is firstly that other operational requirements have taken priority for the limited funds available, and secondly that we will not know what proportion, if any, of the costs of the scheme will have to be funded in this way until prospective developers/investors have been approached. It is a potential claim on resources, but we do not yet know its size or phasing in relation to the total project cost.

suggest that George Younger should now send his response to the Select Committee and the financial implications will have to be followed up subsequently. I assume that you agree that the first step will be to ascertain what terms are available for private financing for the whole scheme or as large as part as possible. As I have said before, if the Government want this scheme to go ahead it has to be paid for by one means or another. It cannot be financed from a new works programme that has already been cut by 60% and where the bulk of the remaining funds over the next three years or so is committed to the computerisation of PAYE.

I am copying this to the Prime Minister, George Younger, John Nott and Barney Hayhoe.

Yes
Michael Heseltine

MICHAEL HESELTINE

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1





10 DOWNING STREET

Tim. 12

Thursday 11th
at 1715 at
No 10.

Choy Lee:
May have difficulties
with Finance
Committee.

cf.

9/6.



10 DOWNING STREET

Caroline

MOD Dispersal to Scotland

Pls fix 1/2 hour (or
if poss. 3/4 hour) meeting

for this week :

Nott or Trenham

Hayhoe

Heseltine

Brittain

Younger

No officials

12

9/6

*With the Compliments
of the
Secretary of State*

*Scottish Office,
Dover House,
Whitehall,
London, S.W.1 A 2AU*



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Michael Heseltine MP
Secretary of State
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EP

5 June 1981

Dear Michael,

MOD DISPERSAL

Thank you for your letter of 3 June.

I can see that you have difficulties - though I find it hard to follow why PSA have not budgeted for that element of the costs which will inevitably arise on leasing, or why they do not accept their own responsibility to resolve the problem, if a leasing solution proves impossible.

There are two fundamental points about all this that are being missed. The first is that the Government collectively is firmly committed to dispersal. The second is that I do not have the option not to reply to the Select Committee.

I therefore have two immediate options.

I can reply as I propose, in line with the firm Cabinet decision taken as long ago as July 1979 and with all Government statements since then. Or I can reply telling the Select Committee that they have been wasting their time in considering the timetable and alternative sites, have been led on to do this by Government Ministers and that at this eleventh hour the Government is without warning back tracking on a commitment it has clearly made and confirmed on many occasions.

I am sure you will agree that our colleagues would never agree to such a disastrous volte-face, and the first course is really the only one we can contemplate.

I therefore hope that you and Leon Brittan can reach an agreement which will enable me to issue the memorandum to the Select Committee now, confirming a firm commitment to dispersal to Anderston in 1985. Whether that agreement involves the finding of the necessary resources now, or an undertaking that they will be sought during the forthcoming PES round

(either from DOE's PES or from elsewhere) is immaterial to the present issue. The point is that we have a policy commitment and the resources must be found to honour it.

I am copying this letter to the Prime Minister, to Leon Brittan, Barney Hayhoe and Tom Trenchard.

Yours ever,

George.



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F-55JUN 1987



*cc. A. Duquid.
J. Verket*

*Cu
Sawre*

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon George Younger MP
Secretary of State
Scottish Office
Dover House
Whitehall
London SW1A 2AU

5 June 1981

R. George

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976*

TPM

I have seen Michael Heseltine's letter of 3 June in which he says that he has no room for the move to Anderston within his existing programme and that even a lease-back proposal would require Government funding of the £10 million specialised accommodation.

I am afraid this inevitably means that I cannot agree to the reply to the Select Committee going forward in the form you proposed.

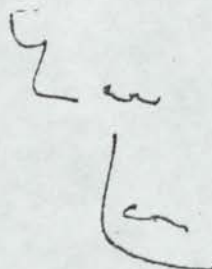
That draft reply represented, as I understand it, an advance on the commitments so far made in that it brought the date forward to 1985 and made the pledge more definite. If the Government is to pledge itself in this way, we must have an understanding in advance that the money will be found from within existing public expenditure totals. If Michael cannot find the money, the only source seems to be a transfer from your provision. If you made such a proposal I would not object, though it would pre-empt some of our room for manoeuvre when we come to discuss your programme later in the year.

Any decision to find the money must of course be without prejudice to the discussions we shall be having in the autumn on public expenditure and must be subject to what Cabinet eventually decides on the level of your and Michael's programmes.

In view of all this, if the matter cannot quickly be resolved in one of the ways I have referred to, I think it might be most sensible for the reply to the Select Committee to include a reference to the financial constraints. It is after all Government policy that the availability of finance is a constraint.

expenditure and there should therefore be no surprises when that is re-expressed.

I am sending copies of this letter to the Prime Minister, Michael Heseltine, Barney Hayhoe, Neil Marten and Tom Trenchard.

A handwritten signature in dark ink, consisting of a stylized 'L' followed by 'e' and 'n', with a long horizontal stroke extending to the right.

LEON BRITTAN

It newly proved

PRIME MINISTER That accommodation costs should be borne by departments not the PSA.

You have already seen some papers on the funding of the building for MOD staff to be dispersed to Anderston in Scotland. This has now reached an impasse, as you will see in the attached exchange of letters between George Younger and Michael Heseltine and Barney Hayhoe.

Mr. Younger's letter sets out the very real political problem. But the figures sidelined in Mr. Heseltine's letter make it clear that there is simply no money in the PSA programme to meet the costs concerned.

This is not going to get sorted out in correspondence. Are you prepared to have a meeting, which will need to include Ministers from the Scottish Office, Environment, Treasury and CSD? If so, this correspondence should be an adequate basis, provided we have available some clear figures on the costs of the options Mr. Younger has in mind.

Yes
MB

Caroline

MJD

5 June 1981



Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

The Rt Hon George Younger TD MP
Secretary of State
Scottish Office
Dover House
Whitehall
LONDON SW1A 2AU

4 June 1981

Dear George,

I have seen copies of your letter of 1 June to Michael Heseltine, Leon Brittan's to you of the same date, and Michael Heseltine's reply of 3 June, about the response to the Select Committee on Scottish Affairs.

It must be for Leon and Michael to determine how the necessary money can be made available for the Glasgow dispersal. For my part, I am clear that in view of the Government's firm and repeated commitments to the Glasgow dispersal it is essential that means be found to fund the scheme, and within the right timescale.

In view of the increasing anxiety being expressed by the Select Committee on Scottish Affairs I hope this matter can be resolved very quickly indeed.

I am sending copies of this letter to the Prime Minister, Leon Brittan, Michael Heseltine and Tom Trenchard.

BARNEY HAYHOE



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MANAGEMENT IN CONFIDENCE

WFSR o/a
3 PPS.



From the
Minister for Trade

DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 5144
SWITCHBOARD 01 215 7877

Barney Hayhoe Esq MP
Minister of State
Civil Service Department
Whitehall SW1A 2AZ

4 June 1981

Dear Barney,

Thank you for your letter of 12 May about ECGD dispersal to Cardiff.

I wish to be cooperative, but I am not prepared to prejudice the effective operation of the ECGD. Already we are being criticized for transferring various sections of ECGD to Cardiff, and it is important for us to give an effective back-up to UK exporters. This could not be done with any additional transfer of jobs to South Wales.

We have cooperated with the dispersal programme through the additional transfer to Newport of 100 posts in our statistical services. We have thus now agreed to transfer the 800 jobs required from the ECGD and the Departments of Industry and Trade to South Wales.

I feel, therefore, that unless you can accept this it would be best for us to put the issue to colleagues.

I am sending copies of this letter to Nicholas Edwards, members of E Committee and to Sir Robert Armstrong.

Yours
Cecil
Parkinson

CECIL PARKINSON

MANAGEMENT IN CONFIDENCE



ST. LOUIS, MO. 63101
1 2 3 4 5 6 7 8 9 0



BF on 10/6

2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/14970/81

Your ref:

3 June 1981

Thank you for your letter of 1 June about financial provision for the MOD dispersal offices in Glasgow.

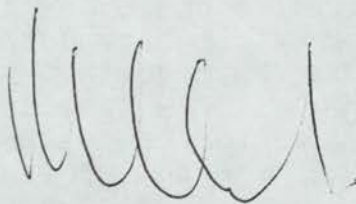
As I have explained, there has never been any provision in PSA's PES for this scheme. Until the 1979/80 PES round the bulk of the expenditure fell beyond the PES period. In 1979 and again in 1980 provision for major new works was sharply reduced, and is now 60% below the 1979 baseline (before the current option cuts). It was therefore necessary to explore the lease-leaseback alternative. This was not unusual - 60% of the office estate is leased and there have been several leaseback schemes in recent years. In discussions at official level it has always been made clear that, if acceptable terms could not be obtained on the market, the only alternative was a Crown-build - for which provision would have to be made. It is not yet known whether acceptable terms could be obtained for the Anderston site (the Agents' advice is that St Enoch's would be the same) and, as we have not yet been able to approach the market, we have to take account of the potential call on public funds. Some £10m would be required in any event to fund the specialist elements in a leased development.

There is no way in which I can meet this requirement from the PSA programme. As a result of the cuts agreed in the past two years there is room only for essential operational requirements and for the replacement of a few premises where leases cannot be renewed. By far the largest of these commitments is to cater for computerisation of PAYE. Leon Brittan will know that until last year there was no provision for this in the PSA programme but, despite the cuts, I agreed to give it top priority at the expense of many other requirements to which Departmental Ministers attached importance. As a result, in 1984/85 when expenditure on Anderston would reach its peak at £8.5m, I have £19.2m available of which £13.3m is required for computerisation of PAYE. The priority claim on the balance is for the computerisation of DHSS offices (CAMELOT). If option cuts at the levels now proposed were made, there would be insufficient to meet these commitments.

I hope I have demonstrated that we cannot expect to make drastic cuts in PSA's programme and then undertake projects for which no provision has been made. In view of the political importance attached to the dispersal commitment, I suggest that for the present we must keep open the lease-leaseback option and, if that proves not practicable, additional provision will have to be considered when we come to decisions on the current PES round. I am prepared to accept the £270,000 required for fees etc on the Anderston scheme in 1981/82. Beyond that, if the scheme is to go ahead, adequate provision will have to be made.

I am copying this to the Prime Minister, Leon Brittan, Barney Hayhoe and Tom Trenchard.

Yours ever



MICHAEL HESELTINE



3 JUN 1981

PRIME MINISTER

WR
3/6

The Select Committee on Scottish Affairs reported in January on the dispersal of Civil Service posts to Scotland, strongly supporting the Government's planned dispersal. You ought to be aware that Mr Younger hopes to publish his reply to the Select Committee this week (as in the draft at Flag A). The reply will announce that 1,400 Ministry of Defence posts will be dispersed in 1985, following the construction of a new Government building at Anderston. Crown Agents and ODA staff will be dispersed by 1982.

Mr Heseltine is however having some difficulties over the funding of the building for the MOD staff. Mr Younger is pressing him to agree since the Select Committee asked for a response by mid-March. You will wish to await Mr Heseltine's comments on Mr Younger's latest approach before deciding whether or not to comment yourself.

WR

2 June, 1981

MB.



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4/6

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon George Younger TD MP
Secretary of State
Scottish Office
Dover House
Whitehall
London SW1A 2AU

1 June 1981

George,

DISPERSAL OF MOD TO GLASGOW: PSA COSTS

We spoke during the weekend about the proposed draft response to the report on dispersal to Scotland by the Select Committee on Scottish affairs, on which you have recently exchanged letters with Michael Heseltine and Barney Hayhoe. I recognise the political importance of this issue, and the difficulty in which you are placed. But there are some points on finance which I must make.

First, Michael indicates that PSA have recently been considering the possibility of a lease and lease-back development for the Glasgow site. I understand that it now in fact seems unlikely that private financing could be arranged for such a large development in Glasgow. But I should in any case make the point that Treasury Ministers are, as Michael says, considering the treatment of financing expenditures by lease and lease-back and other arrangements. We hope that we can devise guidelines for the assessment of such prospects. Until the guidelines have been prepared, and we can see how the Anderston development stands in relation to them, I am afraid that we cannot assume that it could be financed by a leasing arrangement. Even if it could, the capital costs might still be a charge on public expenditure.

If the expenditure had to be treated by PSA in the normal way, we would come right up against the difficulty, which we discussed over the weekend, that there is no provision for the development in the PES figures. I understand that my officials have now explained to you how this came about, the main reasons being that PSA earlier assumed that leasing would be possible and that no major expenditure would have been incurred on St Enochs, which was then the preferred site, within the PES period. As matters stand, however, I have to make it clear that expenditure on the Glasgow accommodation must be found from within the totals already agreed. I am afraid therefore that I can agree to our telling the Select Committee that we have decided on the move to Anderston only if you and the other Ministers involved can confirm that this will be done.

As I said, I recognise the political importance of this subject. But I know you will understand why I cannot agree to adding now to figures for public expenditure announced only three months ago.

I am sending copies of this letter to Michael Heseltine, Barney Hayhoe, Neil Marten and Tom Trenchard.

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on

LEON BRITTAN

5-4 JUN 1987





SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL

The Rt Hon Michael Heseltine MP
Secretary of State
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

1 June 1981

Dear Secretary of State,

*will
- request if
required*

Matters have moved on somewhat since my letter of 21 May to Barney Hayhoe to which was attached a copy of my proposed memorandum of response to the Select Committee on Scottish Affairs dealing with their inquiry into the dispersal of Civil Service posts to Scotland.

Barney and Neil Marten are content with the terms of the proposed response; but your officials have been in touch with mine and those of Leon Brittan to indicate that you are likely to see some considerable difficulty in agreeing the text of the memorandum - and particularly the inclusion of a firm date for the dispersal - unless an arrangement can be reached with Treasury about the funding of the building for the 1,400 MOD posts in Glasgow.

We are now agreed - subject to Tom Trenchard's views - that the building should be at the less expensive Anderston site; and my own views on the matter were very much swayed by what you yourself said about the rival merits and timing of completion of the two sites in your letter of 7 May. I know that in that letter you drew colleagues' attention to your lack of PES cover for the dispersal; and I appreciate that the current consideration of the treatment of leasing, the difficulties which your officials now see about the prospects of finding private finance for Anderston, and the earlier timing of the Anderston move, does cause problems for you. But in view of the Government's firm and repeated commitment to the Glasgow dispersal made as a result of Cabinet decisions in 1979 I had taken the view that, whatever the outcome of your current deliberations, it need not affect the response to the Select Committee since it is clear that whatever happens the means must be found to pay for the dispersal. In view, however, of the concern which your officials have expressed about the funding, I spoke to Leon Brittan on the matter. He shared the concern that a response should be withheld until it was clear that the funding could be provided, and, while he is anxious to help in any way he can, I think it is a fair reflection of his view that in the first instance this is a problem which you will have to resolve. I have some sympathy with that view, to the extent that we have all known for two years that the dispersal was to go ahead and that it would be DOE's responsibility to provide the building.

CONFIDENTIAL

This is a matter which must be resolved very quickly. The Select Committee, who asked for a response by mid-March, have been putting pressure on Barney Hayhoe and myself to meet them to explain why the Government has not yet responded to their Report; any further delay will inevitably encourage the suspicions of those who are persuaded that there is a Whitehall conspiracy against dispersal; and I am most anxious to respond to the Select Committee very quickly - this week if I can.

I therefore hope that whatever the outcome of the consideration of leasing, you will find it possible to agree at this stage to find whatever resources are necessary to enable Anderston to be completed in 1985. I should say that, in view of what you said about future delay if we were to opt for St Enoch, I no longer see that as a possibility (even though the later expenditure would presumably help your difficulties); and since the main public justification for moving to Anderston must be the earlier dispersal which that will permit we have no option but to aim for completion in 1985.

On a point of detail, may I take it that despite the reservations which your officials now have about the prospects of obtaining private finance for Anderston the conclusions expressed in the proposed response about the rival attractiveness of the two sites to commercial developers still stands.

I am copying this to the Prime Minister with a copy of the draft memorandum of response; and to the recipients of the earlier correspondence.

Yours sincerely,
Christopher

Approved by the Secretary of State
& signed in his absence.

A

CONFIDENTIAL

DRAFT MEMORANDUM RESPONDING TO REPORT ON DISPERSAL
BY SELECT COMMITTEE ON SCOTTISH AFFAIRS

Introduction

1. The Government have taken careful note both of the contents as a whole and the specific recommendations contained in the Report of the Select Committee on Scottish Affairs on the dispersal of Civil Service jobs to Scotland. The Government accept fully the Committee's commendation of the long term benefits of the announced programme of dispersal to Scotland and wish to assure the Committee that it is not their intention to sacrifice these benefits to short term needs. The Prime Minister in the House of Commons (Hansard 19 May 1980, Vol 985, Cols 1-2) announced that the Government are firmly committed to the revised dispersal programme announced in 1979.

Ministry of Defence Dispersal to Glasgow

2. The Report refers to the need to make firm decisions on the composition of the package of Ministry of Defence posts to be dispersed to Glasgow. The Ministry of Defence will continue to keep under review the make-up of the dispersal package, taking firm decisions whenever possible on component parts. No delay to the programme announced on 26 July 1979 has been caused by following this policy. The accommodation requirements of the posts included in the blocks of work selected for dispersal are known in sufficient detail to permit building design to proceed.

3. The Report also stressed the value of staged dispersal of the Ministry of Defence posts. Opportunities arising for staging will be fully explored as firm decisions on the nature of component parts of the move are taken as part of the review referred to above. The Property Services Agency (PSA) have carefully examined with Glasgow District Council the Lord Provost's offer to make existing Council buildings available to facilitate early dispersal. Only the building at 302 Buchanan Street was considered in principle suitable to accommodate the move of the Army Pensions Office already announced; but during negotiations it became clear that insufficient space could be made available there for the staff concerned and that costly modifications at the PSA's expense would in any event have to be made. PSA have concluded therefore that they should proceed with the adaptation of a Crown Building in Waterloo Street to accommodate the Army Pensions Office move in 1982/83, the timetable already announced.

Interdepartmental Machinery for the Co-ordination of Dispersal

4. Keeping under review possibilities for early dispersal was one purpose of the interdepartmental machinery proposed by the Committee to undertake a number of tasks involved in the implementation of the programme. The Departments concerned do of course liaise closely together on questions relating to the implementation of the programme; but the Government have taken note of the concern that has been expressed, notably by the West of Scotland Ad Hoc Committee on Dispersal, about the arrangements. The Government accordingly accept the Committee's recommendation and are establishing interdepartmental machinery to keep the dispersal programme under review and to progress its implementation. The Departments involved, namely the Civil Service Department, the Ministry of Defence, the Overseas Development Administration, the Property Services Agency and the Scottish Office will participate in this machinery and the Scottish Office will take the lead on matters arising within Scotland, though the Civil Service Department will of course continue to exercise its wider responsibilities for overall policy on dispersal.

Accommodation for Ministry of Defence

5. The Committee also recommended that a reappraisal be made by the Property Services Agency on the advantages and disadvantages of the St Enoch site and that at Anderston Cross, Glasgow, as the location for the Ministry of Defence posts to be dispersed; and that the possibilities for commercial leasing of existing properties on a permanent basis should be explored as a further alternative. The Government are clear that commercial leasing of existing buildings for this purpose is not a practical proposition; a significant element of specialised accommodation will be required including that to house a computer which it would be inappropriate and costly to include in a commercial lease. As requested by the Committee, however, PSA have re-assessed the St Enoch and Anderston sites and have in particular given attention to the question of whether one or other of them would more readily attract private capital. The advice which has been received from private estates consultants engaged to carry out the evaluation is that there are no significant differences between the 2 sites in terms of their attractiveness to private investors. The financial consequences to PSA between developing an office at the St Enoch or Anderston sites will therefore be related directly to the estimated building costs. In the light of the initial conceptual design studies it was considered that there would be no significant difference in building cost. These studies have now been refined taking into account the planning decisions which have been announced regarding the general infrastructure of the total St Enoch development, and they now indicate that

● would cost in round terms £1.5m more to develop St Enoch. As the Committee were informed the St Enoch site is more valuable than Anderston and the valuations provided by the PSA's property consultants indicate that on the open market the St Enoch site should fetch some £0.25m more than Anderston.

6. PSA have also re-examined the implications of revising the original Anderston design to accommodate the presently planned Ministry of Defence blocks of posts and have concluded that completion in 1985 could be achieved. This represents at least a year's saving in time over the St Enoch option if it were decided now to choose the Anderston site.

7. On resource costs and benefits, as indicated in paragraph 5 the Government do not believe that leasing on a permanent basis of existing buildings would be a practicable way of housing the Ministry of Defence in Glasgow - and the Committee in their Report accept this as rather unlikely. For this reason no calculation of the resource costs and savings of that option has been undertaken. The Government have, however, as requested by the Committee at paragraph 34 of their Report, undertaken a comparative calculation of resource costs and benefits involved in a move to St Enoch or to Anderston on the basis of the Property Services Agency's re-appraisal of their costs and timing. The results, together with an explanatory note, are attached as the annex to this memorandum. In resource terms Anderston is the more favourable site.

8. Against this background the Government has given careful consideration as to whether there is a case for altering the decision announced on 26 July 1979 that the Ministry of Defence posts to be dispersed should be located at St Enochs. As the Committee are aware the Government regard the redevelopment of the St Enoch site as being of great importance for the redevelopment of Glasgow's city centre as a whole. It is in the Government's view most desirable that those involved with the redevelopment of the centre of the city should be concerned with reviving its style and appearance, which is essential for the regeneration of the city in both social and economic terms. The Government also acknowledge the strength of opinion in the Select Committee and elsewhere that these considerations argue at the same time for the earliest possible dispersal of civil service jobs to inner Glasgow: and the Government too are anxious to implement the main Ministry of Defence dispersal as soon as possible. In their evidence to the Committee, the Lord Provost of Glasgow and the Convener of Strathclyde Regional Council, while not pressing specifically for a change of site at this time, were anxious to stress that their preference as

which of the two sites should be utilised would be determined by which would enable the Ministry of Defence dispersal to take place more quickly. Furthermore, the Scottish Development Agency who have charge of the overall development of St Enoch, are now satisfied that development appropriate to a city centre site of such importance would not be significantly inhibited if the Ministry of Defence element were removed.

9.

Since it is now clear that the use of Anderston to achieve this would not endanger the development of the St Enoch site the Government have decided that the office block for the Ministry of Defence should be constructed at Anderston thereby allowing the dispersal to take place in 1985. This decision will also make a saving in the cost of the dispersal, and is in resource terms more favourable. The necessary design work is therefore being put in hand immediately; and so that the timetable may be met the Government do not propose to review the decision further. In the meantime the Scottish Development Agency are proceeding urgently to the development of modified proposals for St Enoch.

Overseas Development Administration and Crown Agents' Dispersal

10. Paragraph 16 of the Report refers to the decision taken in principle on the dispersal of the Crown Agents Pensions Department to East Kilbride. This decision has now been confirmed and arrangements for the move have begun. It is hoped that it will be completed by the end of 1982.

Conclusion

11. The Government are grateful to the Committee for the examination which they have made of this question. It is hoped that the Committee for their part will be reassured by the terms of this response. Much has been made of the difficulties in implementing dispersal. There are practical problems in any large scale operation of this kind. But having settled the policy in 1979 the Government are moving ahead towards implementation - and intend to ensure that the Scottish dispersal programme is completed to the timetable set out in this response.

DISPERSAL TO SCOTLAND

Resource Cost/Benefit Analysis

1. The Tables in the attached Annex show estimates, year by year, of the costs and savings of resources due to the planned dispersals of MOD and ODA (with Crown Agents) to West Central Scotland. In the case of MOD, we have costed the move of 1,400 posts (a) to the St Enoch's site in late 1986 and (b) to Anderston Cross a year earlier. In each case an advance move of 100 posts (the Army Pensions Office) is assumed in 1982/83. The resale value of whichever plot of land is not to be used for the MOD dispersal has not been taken into account in the tables. The ODA-Crown Agents costing supposes 450 posts to be moved to East Kilbride early in 1981/82 and 200 a year later. All future costs are expressed as far as possible in terms of 1981 Survey prices.

2. The tables can be compared with those taken from the costing exercise carried out in 1979, which were used to advise Ministers during the 1979 review of the dispersal programme, and from which the costs for the Scottish dispersals were taken to supply earlier information to the Select Committee. The chief difference between this costing and the earlier one lies in the different price-base. The assumptions underlying the costing are largely the same. However, it has been possible to make more accurate estimates of some of the elements than it was two years ago. Also, since the current costing has been specifically of the MOD and ODA dispersals, whereas the earlier costing model was designed to cover all proposed dispersals, it has been practical to tailor the estimation a little more accurately to the circumstances of these dispersals. These two areas of refinement account for larger or smaller changes in certain elements than result simply from a change in the price-base.

3. It should be noted nevertheless that these costings are estimates and therefore do carry a degree of approximation both in amounts and in the dates at which the resources will be consumed or released. It makes no difference in resource terms whether the MOD building is Crown-built or built by another body for lease to the Crown.

Net Present Values (NPVs)

4. The NPVs of the two MOD options have been calculated on the following basis using a 7% Test Discount Rate (TDR):

- a. only the resource costs and savings from 1981/82 and thereafter have been included;
- b. the calculation is in terms of 1981 Survey prices; and
- c. a base-year of 1980/81 has been used.

Two calculations for each site have been made, one excluding and the other including the resale value of whatever plot of land is not to be used. The results are:

	Resale value of land not to be used:	
	Excluded	Included
Anderston Cross	£5.6M	£6.3M
St Enoch's	£3.9M	£4.4M

On the same basis, the NPV of the ODA dispersal is £9.7M.

5. To aid comparison of the two MOD options the NPV of the future cost differences between the two sites has also been calculated using a 5% TDR* and

taking into account the resale value of whichever plot of land is not used. On this basis the NPV of the Anderston Cross option is higher than that for St. Enoch by £2.6M, rather than £1.9M.

* A Test Discount Rate (TDR) of 7% pa is normally used for public sector investment appraisals because of the difficulty in forecasting long-term trends and the consequent tendency to optimism - ie of overestimating benefits and underestimating costs. A 7% TDR was therefore used for previous appraisals of dispersal. However, Treasury advice is that when the problem is simply one of comparison, as between the Net Present Values of the St Enoch's and Anderston sites, it is more realistic to use a 5% TDR.

RESOURCE COST/BENEFIT ANALYSIS

DISPERSAL OF MOD TO ST ENOCH'S

	BEFORE 1981 -82	1981 -82	1982 -83	1983 -84	1984 -85	1985 -86	1986 -87	1987 -88	1988 -89	1989 -90	EACH YEAR THEREAFTER
<u>COSTS</u>											
Accommodation: Buildings, Land, and Occupational Services	1100	-	260	1300	7500	9000	5000	1000	-	-	-
Furnishings and Supplies	-	-	70	-	-	-	560	210	-	-	-
Regional Rents Lost	-	-	10	40	40	40	40	-	-	-	-
PSA Departmental Expenses	80	750	1010	1490	500	500	580	280	-	-	-
Regional Rates	-	-	10	20	20	20	420	800	800	800	800
Telecommunications: Capital	-	-	-	-	250	830	150	-	-	-	-
Recurrent	-	-	-	-	-	-	70	150	150	150	150
Additional Manpower	-	10	50	60	40	290	630	630	460	370	370
Allowances to Staff: Transfer payments	-	-	170	10	-	-	2000	50	-	-	-
Travel and Subsistence Provisions	-	-	10	20	30	30	400	770	780	790	790
TOTAL COSTS	1180	760	1580	2950	8380	10700	9850	3890	2190	2110	2110
<u>SAVINGS</u>											
London Rents	-	-	-	-	160	220	220	220	2650	2670	2670
London Rates	-	-	-	-	70	90	90	90	1020	1020	1020
Net Employment Effect	-	-	30	150	510	600	820	1040	1000	1020	1020
Differential House Prices	-	-	424	-	-	-	4520	-	-	-	-
Differential Commuting Costs	-	-	0	10	10	10	90	170	170	180	180
Differential Domestic Rates	-	-	0	0	0	0	10	20	20	20	20
TOTAL SAVINGS	-	-	460	170	750	930	5750	1540	4860	4910	4910
NET COST OR SAVING	-1.2M	-0.8M	-1.1M	-2.8M	-7.6M	-9.8M	-4.1M	-2.4M	+2.7M	+2.8M	+2.8M
CUMULATIVE NET COST OR SAVING	-1.2M	-1.9M	-3.1M	-5.8M	-13.5M	-23.2M	-27.3M	-29.7M	-27.0M	-24.2M	

Notes: Figures in the bottom two rows are expressed in £M rounded to the nearest £0.1M

All other figures are expressed in £'000s, and no figure is quoted more accurately than to the nearest £10,000 (0 indicates an element estimated as less than £5,000)

As figures are rounded independently there may be slight discrepancy between the sums of constituent items and the totals.

Resource Cost/Benefit Analysis
Dispersal of MOD to ANDERSTON CROSS

	BEFORE 1981 -82	1981 -82	1982 -83	1983 -84	1984 -85	1985 -86	1986 -87	1987 -88	1988 -89	1989 -90	EACH YEAR THEREAFTER
<u>COSTS</u>											
Accommodation: Buildings, Land, and Occupational Services	1100	270	1460	7230	8500	4800	310	-	-	-	-
Furnishings and Supplies	-	-	70	-	-	560	210	-	-	-	-
Regional Rents Lost	-	-	10	40	40	40	-	-	-	-	-
PSA Departmental Expenses	600	300	1880	930	460	540	260	-	-	-	-
Regional Rates	-	-	10	20	20	420	800	800	800	800	800
Telecommunications: Capital	-	-	-	250	830	150	-	-	-	-	-
Recurrent	-	-	-	-	-	70	150	150	150	150	150
Additional Manpower	-	10	50	60	300	630	630	460	370	370	370
Allowances to Staff: Transfer payments	-	-	170	10	-	2000	50	-	-	-	-
Travel and Subsistence Provisions	-	-	10	20	30	390	760	770	780	790	790
TOTAL COSTS	1700	580	3650	8560	10180	9610	3180	2180	2100	2110	2110
<u>SAVINGS</u>											
London Rents	-	-	-	-	160	220	220	2620	2650	2670	2670
London Rates	-	-	-	-	70	90	90	1020	1020	1020	1020
Net Employment Effect	-	10	100	480	560	790	980	980	1000	1020	1020
Differential House Prices	-	-	420	-	-	4520	-	-	-	-	-
Differential Commuting Costs	-	-	0	10	10	90	170	170	170	180	180
Differential Domestic Rates	-	-	0	0	0	10	20	20	20	20	20
TOTAL SAVINGS	-	10	530	500	810	5720	1470	4810	4860	4910	4910
NET COST OR SAVING	- 1.7m	- 0.6m	- 3.1m	- 8.1m	- 9.4m	- 3.9m	- 1.7m	+ 2.6m	+ 2.8m	+ 2.8m	+ 2.8m
CUMULATIVE NET COST OR SAVING	- 1.7m	- 2.3m	- 5.4m	- 13.5m	- 22.8m	- 26.7m	- 28.4m	- 25.8m	- 23.0m	- 20.2m	

Notes: Figures in the bottom two rows are expressed in £M, rounded to the nearest £0.1m

All other figures are expressed in £'000s, and no figure is quoted more accurately than to the nearest £10,000 (0 indicates an element estimated as less than £5,000)

As figures are reported independently, there may be slight discrepancy between the sums of component items and the totals



Handwritten red text, possibly a signature or a date, written diagonally below the circular stamp.





with compliments

MINISTER OF STATE

CIVIL SERVICE DEPARTMENT
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086

WR 17/5

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Civil Service

12 MAY 1981.



Mr. Cecil
Geoff Parkinson Esq MP
Minister for Trade
Department of Trade
1 Victoria Street
LONDON SW1H 0ET

Jan Cecil,

ECGD DISPERSAL TO CARDIFF

Thank you for your letter of 31 March about dispersal to Cardiff.

Neither Nicholas Edwards nor the Cardiff and South Glamorgan local authorities support your claim that the transfer of 90-100 Statistics staff to Newport would meet the Government's commitment to Cardiff. The Prime Minister made it clear in the House on 13 May 1980 that, notwithstanding cuts in the Civil Service, there would be no change in the plans, destinations and numbers announced for dispersal. This means a total of 800, not 700, for Cardiff; the outstanding balance must be found, if not from ECGD then from within the Trade/Industry group of Departments unless you can persuade colleagues in other Departments to take over your commitment.

Accommodation will be no problem as PSA officials are quite sure that they can provide for the outstanding balance of numbers. They also say that a comparison of accommodation costs in Cardiff with those in London suggests that economies will result. I hope therefore that on further reflection you will find the outstanding balance of 117 from the 17,500 staff in the Trade/Industry group of Departments.

I am sending copies of this letter to Nicholas Edwards, members of E Committee and to Sir Robert Armstrong.

[Handwritten signature]



18 MAY 1981

Telephone
01-212 8001

DEPARTMENT OF THE
ENVIRONMENT
2 MARSHAM STREET
SWIP 3EB



J P Channing

*With the Compliments of the
Secretary of State for the Environment*



cc PS / MR FINSDEN
 PS / SIA R COX
 MR H. P. JOHNSON
 MR SEMPLE
 MR PATRICK

2 MARSHAM STREET
 LONDON SW1P 3EB

My ref: H/PSO/13809/81

Your ref:

7 May 1981

De la Fons

You wrote to Barney Hayhoe on 15 April about the report of the Select Committee on Scottish Affairs on Civil Service dispersal to Scotland. I agree with the type of response you propose. PSA will participate in the proposed co-ordinating machinery. As for the advance moves of MOD posts we can meet the Army Pension move in an existing building but any significant increase in these numbers might present accommodation problems.

I am much concerned, however, with your proposal that we stick to the 1979 decision to build the main office block at St Enoch and to complete it by 1986. In view of the six months delay since the Select Committee intervened in this matter, it is no longer realistic to expect the development on this site to be completed and occupied in that time. PSA gave this date in December 1979 on the understanding that all information and planning decisions would be available by April 1980. In October my officials told the Select Committee that this completion date was at risk if this information was not available by the end of the year. It is, of course, impossible to be precise about completion dates of large and complex projects (the cost is some £24m) but early 1987 should now be regarded as the realistic objective for the St Enoch project.

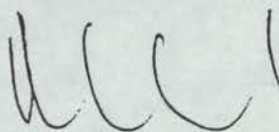
You evidently feel that we can defend retaining the St Enoch site despite the fact that it will cost more and take longer than the Anderston scheme, where the design work is substantially complete. I much emphasise that the St Enoch development, besides being more expensive, is far less advanced and presents major planning and design problems that will not be easily solved. At Anderston we have already cleared all the planning hurdles, the Scottish Royal Fine Art Commission etc. At St Enoch we are virtually starting from scratch. The work which the consultants have done so far does little more than illustrate the problems ahead. We could well reach 1984 with not much more than a piling contract in progress at St Enoch, whereas the roof could be on at Anderston. You will want to weigh up these alternatives.

I must take this opportunity of reminding colleagues that I have no provision in my PES for this scheme: it has never been included in the past because the start lay beyond the PES period, and more recently we have envisaged the possibility of a lease-leaseback development. Treasury Ministers are considering the latter alternative and we have not yet approached the market. If satisfactory terms for a leased development cannot be obtained, then provision for a Crown building will have to be made in PES if the scheme is to go ahead. As regards the disposal values to which you refer, I do not know that it will take longer to sell the St Enoch site than the Anderston site, which is almost certainly less commercially attractive and in which there was very little interest when we put it on the market last year.

You make very clear the political importance of our being seen to be committed to the Glasgow dispersal. This being so, I feel that we ought to go for the earliest completion. If we stick to St Enoch we will have to admit to some delay and extra cost. The choice of the Anderston site will allow us to show a substantial building under construction at the end of 1983, which could be politically important.

I am copying this letter to the recipients of yours, and also to Leon Brittan.

Yours ever



MICHAEL HESELTINE

110 JUN 1981



The Rt Hon George Younger MP (Scot/ISH)

*A. Dwyer
A. Waters*

Civil Service

Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switsfwrdd)
01-233 6106 (Llinell Union)



WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switchboard)
01-233 6106 (Direct Line)

Oddi wrth Ysgrifennydd Gwladol Cymru The Rt Hon Nicholas Edwards MP *From The Secretary of State for Wales*

13 April 1981

✓ MP

Barney

I would like to make one comment on Cecil Parkinson's letter of 31 March to you about ECGD dispersal to Cardiff.

I think it may be an oversimplification to suggest - as his letter does - that the office accommodation originally earmarked for ECGD staff in the new Crown Building has been occupied - certainly if this carries the implication that the possibility of bringing a further 100 ECGD staff to Cardiff has been prejudiced.

I would not want any decision to be taken on this basis alone. If the dispersal were to go ahead - and certainly I hope the policy differences on this can be resolved - the allocation of space on normal service wide standards should be capable of solution.

/ I am copying this letter to Cecil Parkinson and those to whom he copied his letter.

John

Neil

Barney Hayhoe Esq MP
Minister of State
Civil Service Department
Whitehall
LONDON

14 APR 1981





From the
Minister for Trade

Barney Hayhoe Esq MP
Minister of State
Civil Service Department
Whitehall SW1A 2AZ

✓ MAD

CR Serv

DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 5144
SWITCHBOARD 01 215 7877

31 March 1981

Dear Barney,

I was surprised to learn from your letter of 27 February that you consider the additional 90 to 100 posts which we are transferring to the Business Statistics Office at Newport are an inadequate recompense for the shortfall of about 100 in Export Credits Guarantee Department posts being moved to Cardiff.

As you know, the dispersal plans which we inherited defined one area of ECGD activities which could be moved from London to Cardiff. The transfer of this work had started before our review of the dispersal programme and it was decided therefore that it should continue. When that decision was taken about 800 staff happened to be involved, but subsequently, and through our staff cuts, we have been able to reduce the numbers in the area of work to be transferred to around 700. As was firmly endorsed in the Hardman Report (at which time the identified staff number for dispersal stood in fact at only 600) there was never any prospect of dispersing further ECGD functions, without placing unacceptably at risk the contribution which that Department makes to our export trade. As you know I am eager to cooperate with you as far as possible, and I have therefore looked again at this problem; but I can confirm that there are no more blocks of work in ECGD which we can transfer to Cardiff. However, I recognised that the reduction in ECGD staff which we have been able to achieve, and as a result the number we can transfer to Cardiff, might not be welcome in South Wales. We have considered therefore whether there was any way in which we could mitigate this reduction in Welsh expectations. As I explained in my previous letter we have been able to transfer a further 90 to 100 statistics staff to Newport which, as you pointed out in your earlier letter of 13 January, is only 13 miles from Cardiff and has a higher level of unemployment.



This additional transfer of statistics staff would seem to meet the Prime Minister's wishes as expressed in her Private Secretary's letter of 20 January. I hope on further reflection you will agree. Certainly there is nothing more I can offer. And it is surely also relevant that the Welsh Office have now, I understand, occupied the office accommodation originally earmarked for the ECGD staff whose posts have now disappeared.

I am copying this letter to Nicholas Edwards, members of E Committee and to Sir Robert Armstrong.

James *Edwards,*
Leah

CECIL PARKINSON



with compliments

MINISTER OF STATE

A handwritten signature in black ink, appearing to be 'S. M. A.' with a checkmark above it.

CIVIL SERVICE DEPARTMENT
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086



Minister of State

Cecil Parkinson Esq MP
Minister of State
Department of Trade
1 Victoria Street
LONDON SW1H 0ET

Civil Service
Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

27 February 1981

Dear Cecil,

Thank you for your letter of 30 January about dispersal to Cardiff.

I understand your dilemma but we simply cannot use manpower economies as a reason for not fulfilling our dispersal commitments to both numbers and destinations. As I pointed out in my letter of 13 January the Prime Minister made this quite clear in the House on 13 May last. Also, I have seen the letter, dated 20 January, from the Prime Minister's Private Secretary to mine, conveying her wish that we should maintain the numbers to which we are committed and the hope that you and I could settle the problem between us. That letter was subsequently copied to your Office.

I strongly support what Nick Edwards said, in his letter to me of 2 February, about his serious reservations about any proposal to change the previously agreed plans, and that the transfer of 90 posts to the BSO at Newport is not a suitable alternative to dispersal to Cardiff of the full numbers announced. I am afraid I have no alternative but to look to you to make good the ECGD shortfall (which, I understand, is now put at 117 posts) from within the Trade/Industry group of departments.

I am copying this letter to Nick Edwards, to members of E Committee and to Sir Robert Armstrong.

Yours sincerely
Barney

BARNEY HAYHOE



1905
1000



1000



From the
Minister for Trade

✓ MAD civil
Services
DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 5144
SWITCHBOARD 01 215 7877

Barney Hayhoe Esq MP
Minister of State
Civil Service Department
Whitehall
SW1A 2AZ

30 January 1981

Dear Barney,

Your letter of 13 January about the shortfall in the number of ECGD posts being dispersed to Cardiff asked me to examine the possibilities of making this good from within ECGD or from other parts of the Trade/Industry group.

We have tried to be as helpful as possible with the dispersals programme, but we are faced with a dilemma. As a result of our efforts to cut staff in ECGD there are simply less posts to disperse. Consequently, the number of posts in Cardiff will fall short of the figure of 800 which was announced to the House in July 1979, in circumstances very different from today's. I am satisfied that there is no other part of ECGD's operations which could be transferred to Cardiff without serious loss of efficiency. However, as your letter records it is planned to transfer 90 posts from the statistics division which we share with the Department of Industry in London to the Business Statistics Office in Newport, in accordance with recommendations of the Rayner Scrutiny of the statistical services of the two departments. This undoubtedly helps the position in South Wales, and I hope you will agree that it would be entirely reasonable to regard these staff as compensating for the shortfall in the ECGD numbers.

I am copying this letter to Nicholas Edwards, members of E Committee and to Sir Robert Armstrong.

Yours truly,
Cecil Parkinson

CECIL PARKINSON

30 JAN 1987

0 1 2 3 4 5 6 7 8 9



Civil Service cc HQ
MOI
mfs

10 DOWNING STREET

THE PRIME MINISTER

22 January 1981

Dear Horace,

Thank you for your letter of 6 January about the dispersal of 1400 Ministry of Defence posts from London to Glasgow.

The revised dispersal programme which was announced in both Houses on 26 July 1979 was the outcome of a thorough review of the programme which we inherited from our predecessors. It represented the minimum we considered acceptable, balancing considerations of regional policy and Civil Service efficiency against the overriding need for economy in public expenditure. As was then explained, the moves to Glasgow and Merseyside were allowed to continue on a reduced scale in order to meet the particular pressing needs of both areas. Their needs remain pressing, and the number of white collar jobs involved is insignificant compared with the total amount of such employment available in London. You may have seen the report of the Select Committee on Scottish Affairs, setting out its strong support for the planned dispersal to be maintained and if possible speeded up.

/I am afraid

25

I am afraid I could not entertain your suggestion of reopening the remaining dispersal package. As I reaffirmed in the House last May, the Government remains committed to the plans, numbers and destinations already announced.

Yours
Raymond

Sir Horace Cutler, O.B.E.

From the Private Secretary



Civil Service Department

Whitehall London SW1A 2AZ

01-273 4400

20 January 1981

Mike Pattison
Private Secretary to the Prime Minister
10 Downing Street
LONDON

C.R.

Type for PM, M

Blend copies to MOD, CSO

Dear Mike,

MAD

Thank you for your letter of 8 January and the copy of one to the Prime Minister from Sir Horace Cutler. I attach a reply which the Lord President suggests the Prime Minister might send to Sir Horace.

I am sending a copy of this letter and draft to David Omand in the Secretary of State for Defence's Office.

Yours sincerely,
Jim Buckley.

J BUCKLEY

DRAFT LETTER FROM THE PRIME MINISTER TO SIR HORACE CUTLER

Thank you for your letter of 6 January about the dispersal of 1400 Ministry of Defence posts from London to Glasgow.

2. The revised dispersal programme which was announced in both Houses on 26 July 1979 was the outcome of a thorough review of the programme which we inherited from our predecessors. It represented the minimum we considered acceptable, balancing considerations of regional policy and Civil Service efficiency against the overriding need for economy in public expenditure. As was then explained, the moves to Glasgow and Merseyside were allowed to continue on a reduced scale in order to meet the particularly pressing needs of both areas. Their needs remain pressing, and the number of white collar jobs involved is insignificant compared with the total amount of such employment available in London. You ^{may} ~~will no doubt~~ have seen ~~by now~~ ^{setting out} the report of the Select Committee on Scottish Affairs, ~~and~~ its strong support for the planned dispersal to be maintained and if possible speeded up.

3. I am afraid I could not entertain your suggestion of reopening the remaining dispersal package. As I reaffirmed in the House last May, the Government remains committed to the plans, numbers and destinations already announced.

4. Copies of this letter go to the recipients of yours.



cc WO
CO

H8

Trade (via CSO)

10 DOWNING STREET

From the Private Secretary

20 January 1981

The Prime Minister has seen a copy of Mr. Hayhoe's letter of 13 January to Mr. Parkinson, about dispersal to Cardiff.

She wishes to ensure that the Government maintains the reduced dispersal figures to which Ministers are now committed. Previous experience of collective discussion of these problems has shown that there is virtually no likelihood of other departments volunteering to make good shortfalls in the departments already earmarked for dispersal. She therefore very much hopes that the problems over ECGD can be settled between the Civil Service Department and the Department of Trade.

I am sending copies of this letter to John Craig (Welsh Office) and David Wright (Cabinet Office).

M. A. PATTISON

G.E.T. Green, Esq.,
Civil Service Department.

8.



Minister of State

Cecil Parkinson Esq MP
Minister of State
Department of Trade
1 Victoria Street
LONDON SW1H 0ET

Prime Minister

2

More slippage on dispersal - this time to Cardiff.

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Past experience suggests that collective discussion is not a productive use of time. We should try to settle in correspondence.

13th January 1981

MAP 14/1
Dread
mb

Dear Cecil,

I am writing to seek your help with problems which have arisen over the number of ECGD posts to be dispersed to Cardiff.

The original total of posts to be dispersed was 800, and that was also the figure included in the revised dispersal package which Paul Channon announced in the House on 26 July 1979. (The published figure was 550, which took account of the fact that 250 posts had already been dispersed.) My officials understand, however, that the current estimate of posts available for dispersal (including those that have already gone) is only 700 because earlier anticipated expansion will not now take place and because there have been some staffing cuts in the areas earmarked for dispersal. ECGD officials have assured us that the balance could not be made up without causing serious damage to efficiency.

I recognise that, as your people have reminded us, ECGD were already warning at the time of the 1979 review that the figure would be nearer 750 than 800 and might well be below 750 if further manpower economies were required. Nevertheless Cabinet decided on a final revised package which assumed a full 800 posts from ECGD and the Government is publicly committed to that. Moreover, when answering a question following her statement about the efficiency and size of the Civil Service on 13 May 1980, the Prime Minister said that there is no change in the plans, numbers and destinations announced (for dispersal). May I therefore ask you to satisfy yourself that all possibilities of making good the shortfall within ECGD have been thoroughly examined? If so, and if the shortfall cannot be made good from other parts of the Trade/Industry group of departments, the problem will need to be considered by colleagues collectively. I should be grateful for your views as a matter of some urgency.

I understand it has been suggested that the proposed transfer of 90-100 posts of the Business Statistics Office from London to Newport (a new development since the revised dispersal programme was settled) might be regarded as making good the ECGD shortfall. Whilst this is unlikely to find favour with the local authorities in Cardiff it undoubtedly helps South Wales as a whole, particularly as unemployment in Newport - only 13 miles from Cardiff - is currently higher than in Cardiff itself. Nevertheless this, too, would need to be considered by our colleagues since it would involve a change of dispersal destination. I am copying this letter to Nicholas Edwards who will no doubt wish to comment on this point.

Apart from Nicholas Edwards, I am copying this letter to members of E Committee and to Sir Robert Armstrong.

Yours ever
Barney

BARNEY HAYHOE

14 JAN 1981



8 January 1981

I enclose a copy of a letter to the Prime Minister from Sir Horace Cutler - copies have already gone to Mr. Hayhoe and to the Secretary of State for Defence.

The Prime Minister does not wish to re-open the remaining dispersal package. She would be grateful if the Lord President could suggest a reply for her to send to Sir Horace. It would be helpful if a draft could reach us by 20 January.

I am sending a copy of this letter to David Omand (Ministry of Defence).

MAP

Jim Buckley, Esq.,
Lord President's Office.

Jim

PRIME MINISTER

Horace Cutler writes (copying to Messrs. Nott and Hayhoe) about dispersal to Glasgow. He asks for a further review, with the aim of stopping it.

The Departments going to Glasgow have nothing to gain from dispersal: indeed, the most recent manpower cuts are making it more difficult for both MOD and ODA. But the present package was only accepted with the greatest reluctance by George Younger, who feels that the Government is already falling short of its commitments.

Would you like Lord Soames to suggest a short reply to Sir Horace, standing by what remains of the dispersal programme?

Yes please
ms

MS

7 January 1981



JS

10 DOWNING STREET

From the Private Secretary

7 January 1981

I am writing on behalf of the Prime Minister to thank you for your letter of 6 January. I will, of course, place this before the Prime Minister who will be replying to you as soon as possible.

MAP

Sir Horace Cutler, OBE.

DSS

From **SIR HORACE CUTLER, O.B.E.**
LEADER OF THE GREATER LONDON COUNCIL
THE COUNTY HALL, SE1 7PB
Telephone 01-633 3304/2184

6 January 1981

The Rt. Hon. Mrs. Margaret Thatcher, MP
Prime Minister
10 Downing Street
London, SW1

Dear Margaret,

CIVIL SERVICE DISPERSAL - M.O.D. MOVE TO GLASGOW

You will recall the help you gave us when we raised the issue of civil service dispersal immediately after the General Election. I have recently been approached once more by the Institution of Professional Civil Servants (who have been in touch with Sir Derek Rayner, too) about the proposed relocation of 1,400 M.O.D. employees.

It is clear from what I am told that the move, which is being considered by the Committee for Scottish Affairs, will be inordinately costly and will lead to inefficient and uneconomic working. It will also damage London without helping Glasgow much.

Given current economic circumstances - and particularly the expenditure pressures on M.O.D. - it seems to me that all dispersal proposals, this one included, could usefully be shelved. Would it be possible to have the entire remaining policy looked at, and put into abeyance meanwhile? I know that one review has taken place and action taken, for which we are very grateful, but it would be advantageous to call a complete halt.

As a matter of courtesy I am copying this letter to John Nott and Barney Hayhoe in their new ministerial capacities.

Yours with best wishes Jan 1981

Horace.



✓ Civil Service
MAA

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

MO 2/5

14th October 1980

Dear George,

Thank you for sending me a copy of your letter to Michael Heseltine of 2nd October about dispersal to Scotland. I am content that planning should proceed as you propose. We shall, of course, need to tell the staff and Trades Unions before a public announcement is made. Our officials are also in touch about the public presentation of our policy in the context of the evidence to the Select Committee on Scottish Affairs.

I am sending copies of this letter to the Prime Minister, John Biffen and Paul Channon, as well as to Michael; and also to Sir Robert Armstrong.

Yours

Francis Pym

Francis Pym

The Rt Hon George Younger TD DL MP

MANAGEMENT IN CONFIDENCE



Civil Service MAP(O/R)
hsc
ms
7/10
SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

R.7 2 October 1980

Dear Michael,

Thank you for your letter of 8 September replying to my own of 6 August about temporary accommodation to enable an early move of Ministry of Defence posts to Glasgow. I have also seen Francis Pym's response dealing with the numbers of staff whose early move he is prepared to sanction.

I am sorry that Francis is unable to authorise a larger measure of early dispersal. Nonetheless I appreciate his difficulties and your own and I should be grateful if the detailed planning necessary for a move of Army Pensions in 1982/83 could be set in hand. I understand that since a good deal of PSA's preparatory work can be undertaken without incurring expenditure until that financial year it should be possible for the accommodation to be ready for occupation in the course of 1982/83.

My officials will be in touch with yours about the form and timing of an announcement. Since, in view of the availability in Glasgow of Crown accommodation for 200 posts, the limiting factor for the size of this early move is, and is bound to be perceived as, Ministry of Defence's planning difficulties in relation to staff reductions, our announcement and defence of our decision will need to make clear that the commitment to move 1,400 posts to Glasgow by 1986 is undiminished.

I am copying this letter to the recipients of our earlier correspondence.

Yours ever,

George



7 OCT 1980



7 OCT 1980

Civil Service
mb

PRIME MINISTER

Dispersal of Civil Service jobs to Scotland

George Younger has been pressing for an early move of some posts to Glasgow, as the main dispersal will not begin to take effect until 1986. Francis Pym is predictably unenthusiastic, whilst Michael Heseltine argues that it would be financially inefficient to have to seek short lease premises for something between 100 and 200 staff, who could not move any earlier than 1982/83.

Discussions at official level still rumble on. But you might like to be aware of this proposal, which could get thrown up again in some future Cabinet or E discussion.

MP

18 September 1980



Civil Service ✓ *MA*

2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/16316/80

Your ref:

8 September 1980

De Luxe

You wrote to me on 6 August enclosing a report you had received on the practicability of moving more Ministry of Defence jobs to Glasgow in advance of the moves planned for 1986. I have also seen Francis Pym's letter to you dated 12 August.

I appreciate the political advantages of making an early move, but I see that Francis expects to send only about 120 staff and that the move may not be before 1982/83.

From my viewpoint, spending money on leased premises for this purpose for so short a stay would not make sense. As the joint report recognises (para 4b) it is most unlikely that such premises could be leased for only 5 years or so: we would have to take a much longer lease and we have no long-term need for that accommodation in Glasgow. Renovating the existing Crown buildings in Waterloo Road, which would be of more lasting benefit to the Government estate in Glasgow, would be a better course, but I am very short of money for works services. I cannot at present see scope for starting work this year or next, when there are so many other pressing operational requirements. But if colleagues agree that, on political grounds, this project should be given priority, I will see what can be done to plan for a start in 1982/83. I suggest that our officials get together to firm up the requirement.

I am copying this letter to recipients of yours.

Yours
Michael Heseltine

MICHAEL HESELTINE

Rt Hon George Younger MP
Secretary of State for Scotland

SEP 11 1980

SEP 1980



✓ MAP

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALLING 01-218 2111/3

MO 2/5

12th August 1980

Dear George,

In your letter of 6th August to Michael Heseltine about advancing the date of the move of some MOD posts to Glasgow, you invited me, as a first step, to give the approximate numbers of staff whose early move I am prepared to sanction.

Defence interests themselves are not served by any dispersal to Glasgow, and even less by a move to different accommodation and in an earlier timescale than we agreed in Cabinet last year. I see the strength of the political arguments you advance, and indeed feel personally the need to help as much as I can. It was for this reason that I went as far as I did last year when the main dispersal in 1986 was agreed.

A major difficulty about an earlier move is that the cut in MOD numbers by 1984 is on a massive scale; a loss of over 30,000 posts compared with when we took office. It would be pointless to move to Glasgow posts which may not exist in 1984. For example, I am having a radical look at Defence Codification, which is the largest single unit in the list attached to the paper by officials, and all the areas of work listed in the Annex to that paper are under study in some way or other to make staff reductions. By 1986 this would all have been sorted out and the dispersal moves made from a base of some stability.



The study by officials rules out, because of their special needs for accommodation, two of the more self-contained units in the list, the Defence Research Information Centre and the Air Technical Publications. The only other reasonably self-contained area of work on the list is the Army Pensions Office. We are looking at ways of reducing the size of this since it must make some contribution to our cuts, but it should survive in some form, and could form the basis for an earlier move to the extent of a hundred or so posts. If we are to avoid expensive double-running and concentrate on moving posts rather than people to Glasgow, staff will need to be trained to take over the pensions work, and I cannot see the move taking place before 1982/83. If the move of the Pensions Office in 1982/83 would be of real help, I am prepared to authorise detailed planning for it, but I do not think there are any other areas of work which I could at present prudently plan to send to Glasgow until the mid-80s, and certainly I see no possibility of moving posts early enough in such numbers as to warrant taking on leased accommodation.

I hope that this will give you and Michael something to go on.

I am sending copies of this to the Prime Minister, Michael Heseltine, John Biffen and Paul Charmon.

James Lee

Francis Pym

Francis Pym

17 9 AUG 1980





Chris Semple
81F 13-8-80
for responses

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Michael Heseltine Esq MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

6 August 1980

Dear Michael,

You will recollect that towards the end of last year I asked that an examination should be made of the feasibility of arranging temporary accommodation to facilitate a move before the St Enoch complex is ready in 1986, of at least some of the 1,400 Ministry of Defence posts to be dispersed to Glasgow.

Since then your officials in PSA, in consultation with Francis Pym's and my own, have been working out a paper giving details of the possibilities and their costs. I now attach a copy. The main conclusions arising from it are -

- (i) that a majority of the individual MOD units selected for dispersal do not have specialised accommodation requirements and could in principle be housed in temporary accommodation;
- (ii) that in principle sufficient accommodation could be found to cope with the units suitable in accommodation terms for a move, with up to 200 posts being placed in Crown buildings and the others in rented accommodation;
- (iii) that the accommodation costs to PSA of such an exercise would work out at approximately £1,000 per head for Crown buildings and £1,500 per head plus rent for rented space.

Having settled the factual position the question now is whether we should go forward with an early move, and if so, on what scale; and it is on that question that I wish now to canvass your views and those of colleagues.

As you are aware, there is considerable public interest in Scotland about our dispersal plans and the 1986 date for the St Enoch completion - which I accept as realistic - has led to disquiet amongst our friends in Scotland and in the House, as well as amongst our political opponents, as to our ultimate resolve to carry the programme through.

The assurances which we have given have not dampened this and I am increasingly of the view that credibility can only be given by the tangible evidence which a physical move of MOD posts would provide. For this presentational reason as well as for the significant employment benefits to the Glasgow area of an early move -- unemployment is now running at 12.1% and the area is hard hit by major redundancies. I would like to see the maximum possible size of move take place as quickly as possible.

I recognise of course that there are constraints which must limit the possibilities. The first is the cost of the exercise at a time when we are extremely concerned about public expenditure. The paper by officials points out that PSA cannot find the means to fund any advance move within their current budget. I am aware of their difficulties having recently agreed myself to assist in funding an ameliorative solution to the accommodation problems of the Scottish Office Computer Service, itself a vital operation. I would very much hope however that you would feel able to consider most carefully whether the necessary savings can be achieved elsewhere.

The costs of the move will of course be determined by the numbers involved and, as a first step, it would be necessary to know from Francis Pym the approximate numbers of staff whose early move he is prepared to sanction. I appreciate that there may be sound operational reasons for not moving early some of the units involved in the Glasgow dispersal, and I appreciate too that an early move would involve certain costs to MOD. Nonetheless an indication in principle from Francis of the number of posts which he feels would be suitable for a move would be most welcome, and I am sure that he will explore every avenue to ensure that the maximum number of posts is identified.

I very much hope that we can secure the earliest possible dispersal and one that is presentationally defensible. In my view, this means all of the posts which can be moved without undue operational difficulty.

I am copying this letter to the Prime Minister, [Francis Pym, Paul Channon and John Biffen; and for information to Peter Carrington.]

Yours ever,

Crowe.

MINISTRY OF DEFENCE DISPERSAL TO GLASGOW - TEMPORARY ACCOMMODATION

BACKGROUND

1. Following the statement by the Parliamentary Under-Secretary of State for Defence (Army) in the House of Commons on 27 November 1979 that the expected completion for the new St Enoch building for MOD is 1986, there has been pressure for an earlier move of at least some of the 1 400 posts involved in the dispersal. The MOD Units to be dispersed (see annex) were announced on 1 February 1980, and, at the request of Scottish Office Ministers, officials have now examined the feasibility of an advanced move into temporary accommodation in Glasgow.

UNITS SUITABLE FOR EARLY DISPERSAL

2. It was suggested that 2 of the Units included in the dispersal package - Defence Research Information Centre (DRIC) and Air Technical Publications (ATP) - might be particularly suitable for early dispersal. These Units will virtually have to be re-formed in Glasgow and will require a degree of double running to provide a continuous service. There would be Managerial advantages in setting this in hand as soon as possible. PSA have therefore examined the accommodation needs of these Units. The DRIC's requirements include a small computer facility with radiation screening and direct secure links with an MOD HQ building in London. The ATP accommodation includes a high security area, chemical store and reprographic and photographic areas: these last require floors that are level, vibration free and capable of taking high loading. For both Units there would be no serious practical difficulty in meeting the specialised accommodation requirements within normal office buildings. However, there would be substantial additional expenditure on the necessary specialised building and installation work, and the time needed to plan this and to bring the Units to an operational state would limit the extent to which they could be moved in advance of the main dispersal. It is therefore concluded that these Units should be ruled out as suitable candidates for a move to temporary accommodation.

3. For the remainder of the Units in the dispersal package, MOD see no operational benefits in an advanced move; those Units requiring fairly normal accommodation include Army Pensions (120 staff), Personnel Management (325 staff), Stores Management and Procurement (205 staff) and AD Contracts General (40 staff). There should be no serious practical difficulty or abnormal expense in housing these Units in normal office accommodation.

ACCOMMODATION LIKELY TO BE AVAILABLE

4. a. CROWN BUILDINGS

Space could be made available in 2 buildings already on the PSA Estate in Central Glasgow. 103-109 Waterloo Street could accommodate approximately 150 staff in sole MOD occupancy, and space in Montrose House, George Street, could be made available for approximately 50 staff, in a building shared with PSA and Inland Revenue staff.

b. LEASED BUILDINGS

PSA have identified a number of properties currently available for lease in Glasgow or likely to become so within the next year. It is not possible without detailed investigation of actual proposals to give precise capacities for these buildings, but they are likely to be able to accommodate Units of various sizes ranging from 40 to 500 staff. However, PSA see no prospect of being able to negotiate short-term leases for suitable buildings for periods of say, 3-4 years. Minimum terms of 25 to 30 years are likely to be required. Following the vacation of advance accommodation by MOD, PSA would therefore be obliged either to arrange a series of additional accommodative moves to make continuing use of it, or, if the state of the Glasgow property market permitted, to assign or surrender the lease. Neither of these courses would accord with PSA's long-term strategy for their Glasgow Estate, which assumes the permanent housing of the dispersed MOD posts in the new St Enoch building.

5. A short-term lease of part of the extensive surplus hatted accommodation at the National Savings Bank at Cowglen might be possible to arrange, but this accommodation is in very poor condition, would require substantial expenditure to suit MOD needs and is in an unattractive peripheral location which MOD would find extreme difficulty in accepting.

TIMING

6. Accommodation in 103-109 Waterloo Street and Montrose House could be made available by the Autumn of 1981 at earliest; more uncertainties are involved in the preparation of leased accommodation, but a similar time-table could probably be met for those buildings available now or in the near future. It is in any case unlikely that MOD could make arrangements to move the staff concerned before that time. With a 1986 completion date for the St Enoch building, the maximum life for temporary accommodation would therefore be in the region of 5 years.

COSTS

7. Most of the initial costs of any early move into temporary accommodation would fall to a PSA Vote. For moves into existing Crown buildings refurbishing and adaptation to MOD's needs would be required, and this would be likely to cost about £1,000 per head. Costs of preparing a leased building would probably be higher (perhaps £1,500 per head), since full ingoing services including partitioning would be involved. The net cost of furniture should be small, since an advance move would release existing furniture in London. For leased accommodation, rent payments of £5 per sq ft per annum should be added.

8. Accommodation costs of a move into the Waterloo Street Crown Building would therefore be in the region of £150,000 for the 150 staff involved. A move of 200 staff into a private development would cost over £300,000 with rents of perhaps £1 $\frac{1}{4}$ m over the 5 year period for which the accommodation might be required. Some offset to these costs might be obtained from savings in rents and maintenance in London, provided that there was no MOD requirement for double running, but such an

offset is likely to be small as PSA will probably not be able quickly to dispose of or make alternative use of the accommodation.. To the extent that there was double running, additional heating and lighting costs would be incurred.

9. In addition to these costs, the MOD Vote would have to meet the extra cost of PABX and other telephone and communication arrangements; this would significantly increase the accommodation costs, particularly if leasehold accommodation were involved.

10. Following the transfer of advance MOD Units to the permanent building, some benefit from the partitioning and refurbishment work would be obtained if the accommodation vacated were occupied by other PSA clients. But further work would almost certainly be required to meet their needs, and therefore the prospects of obtaining full value for the work carried out for MOD would be limited.

11. The accommodation costs of an advance move would be additional to those involved in the provision of MOD's permanent accommodation at St Enoch in a building currently estimated at £14-15,000,000.

FINANCIAL PROVISION

12. No provision for expenditure on advance accommodation is included in PSA's existing PESC allocation for dispersal. In view of the severely reduced funds available for PSA's General Office programme, of which the dispersal programme forms part, PSA see no possibility of funding an advance move from within existing financial allocations.

13. Similarly, MOD have made no financial provision either for the additional telecommunication costs or the extra staff costs (eg dispersal, inflation, double running, transfer costs) in support of an earlier move. Such costs would be significant and would be incurred some 4 years earlier than at present envisaged, although they would be partially offset by savings in London weightings.

ANNEX

UNITS IN THE MOD DISPERSAL PLAN

GLASGOW PACKAGE	NUMBERS	PRESENT LOCATION
Civilian Management Staff	125	Various in Central London
Service Personnel Staff	200	Various in London
Defence Codification Authority	240	Mottingham/Hullavington
Air Technical Publications	130	Chessington
Defence Research Information Centre	80	St Mary Cray
Army Pensions (Combined Office)	120	Guildford/Stanmore
Assistant Directorate of Contracts (General Stores)	40	Chessington
Directorate of Clothing and Textiles	45	Central London
Directorate of Victualling	80	Empress State Building
Directorate of Contracts (Stores and Logistics)	80	Central London
Directorate of Standardisation	100	Central London
Common Services	160	Various
Total	<u>1 400</u>	

-6 AUG 1980





Civil Service

CONFIDENTIAL

PRIME MINISTER

Dispersal of Civil Service Posts to Scotland
(C(80) 19 and 20)

BACKGROUND

The revised dispersal programme announced by the Government last July included at least 2,000 posts for Scotland, consisting of 650 Overseas Development Administration (ODA) posts to an office under construction at East Kilbride, and at least 1,350 (in practice, 1,400) Ministry of Defence posts to Glasgow.

2. The Foreign and Commonwealth Secretary minuted you on 22nd February, saying that the ODA units which are due for dispersal to East Kilbride have been reduced in size from 650 when the original decision was taken in 1974, to 436 today, with the prospect of further reductions to come. He had hinted at this in the Cabinet discussion in July: "staff cuts would make the target of 650 posts more difficult to achieve." (CC(79) 12th Conclusions, Minute 4). In his minute, he argues that he could not make up the short-fall from elsewhere in the FCO/ODA.

3. The Minister of State, Civil Service Department and the Secretary of State for Scotland minuted you on 25th and 27th February respectively, opposing any short-fall in the dispersal to Scotland. Your Private Secretary's letter of 4th March records your wish to reach a decision on the basis of a discussion with colleagues, which would need to be in Cabinet in order to include all Ministers with an interest in dispersal to Scotland.

4. There are two papers for discussion: C(80) 20 by the Minister of State, Civil Service Department, which reviews the options and recommends that the Foreign and Commonwealth Secretary should be asked to make good the short-fall; and C(80) 19 by the Foreign and Commonwealth Secretary about the possibility of moving the Directorate of Overseas Surveys, on which you specifically asked for advice.



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HANDLING

5. You will want the Minister of State, Civil Service Department, to introduce his paper. He offers three options:-

- (a) Reducing the dispersal to Scotland.
- (b) Making up the short-fall from elsewhere in the FCO/ODA.
- (c) Making up the short-fall from other Departments.

6. Option (a) is clearly possible, but unattractive. Option (c) hardly looks any better. The obvious candidate to find more posts would be the Ministry of Defence, since they are already moving some staff to Glasgow. But they say that any further staff would have to include some from outside London, a course which the Cabinet ruled out (for anything more than a handful of posts) last July. Other Departments will argue that dispersing a further 200 posts would be just as difficult for them as for the FCO/ODA. So it seems inevitable that the discussion will concentrate on Option (b), and the key point for decision will be whether the administrative problems for the FCO/ODA if they do disperse the full 650 posts outweigh the political problems if they do not.

7. You will want the Foreign and Commonwealth Secretary to state his case. You might then examine various specific possibilities, if he has not already covered them.

Dispersal of the Directorate of Overseas Surveys

8. The Foreign and Commonwealth Secretary argues against this in his memorandum (C(80) 19). He argues that the move would be very expensive and disruptive, because most of the present map-production staff would resign and find other jobs in London and the South East, and their successors at East Kilbride would have to be specially trained at considerable cost, and also because the building at East Kilbride would need considerable modification to provide the right conditions for the Directorate's machines. As the Directorate requires more than average space per head, this move would also mean that fewer than 650 staff could be fitted into the offices at East Kilbride. I think the presumption must be against moving the Directorate of Overseas Surveys.

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The London Passport Office (part)

9. This office employed 315 people at 1st April 1979, plus 59 people at the Records Office at Hayes. Under the previous Government's dispersal programme, 200 posts, including the Records Office, were to be dispersed to Merseyside. It must be possible to move the processing of postal applications (some 60 per cent of the total) out of London, and on the face of it I see no reason why the work should not be moved to East Kilbride. A South East location would be more obvious for this "regional office" function, but postal applications for vehicle licences in the London area have to be sent to Dundee, so there is at least one precedent. The move would undoubtedly cause a loss of efficiency, and the needs of the Metropolitan Police Special Branch and Security authorities for access to Passport Office documentation might reduce the number of posts which could be moved. At present, staff can be switched between postal applications and over-the-counter applications according to the state of business at the counters. This would not be possible if the postal applications were dealt with in a separate office. There might also be problems over the re-location of the Records Office, but I assume that this could be left at Hayes and that the Passport Office could still provide about 140 posts to move to East Kilbride. (See Note at end of Minute)

Common Services in the FCO/ODA

10. The ODA posts to be moved to East Kilbride are largely in "common service" functions, including accounts and establishments. Sir Derek Rayner minuted you on 6th March, proposing that these functions should be examined both in the "main wing" of the FCO and in the ODA. The work will not begin immediately, but is to be completed by 31st March 1981. A merger of the main wing and ODA functions in these common service areas is an obvious possibility. Could not the main wing functions go to East Kilbride just as readily as those of the ODA? The Foreign and Commonwealth Secretary may argue that the main wing is different because some of the jobs are done by diplomatic service staff, not home civil servants, and (to quote from the last Cabinet discussion of dispersal) "you can't post a man from Bogota to Bootle".

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But do these jobs have to be done by diplomats? Could not the Foreign and Commonwealth Secretary staff these functions entirely, or virtually entirely, with home civil servants?

CONCLUSIONS

11. The Cabinet will probably agree that the Foreign and Commonwealth Secretary ought to be invited to look again at the possibility of finding posts within the FCO/ODA/Passport Office to make up the short-fall which he has predicted in ODA posts for dispersal. If, on further examination, all the possible posts for dispersal turn out to be open to very severe objection, you may need to let the Foreign and Commonwealth Secretary reopen the issue. But you will want to discourage this.

(Robert Armstrong)

17th March 1980

NOTE: On the Passport Office, FCO officials said last summer that dispersal of 200 posts would require the creation of 60 additional posts, 24 temporary and 36 permanent. But it still seems worth enquiring whether some of the office's work could not be dispersed at an acceptable cost.

Civil Service.



(FCO)	SO	LCO
PGO	DEnv	HO
CS/HMT	MAFF	DTrans
DES	FCO	CSD
DEgy	DEmp	M/S-CSD
DTde	LPO	CO
CDL	MOD	
DHSS	DI	
NIO	HMT	
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10 DOWNING STREET

From the Private Secretary

4 March 1980

MANAGEMENT - IN CONFIDENCE

The Prime Minister has now considered your Secretary of State's minute of 22 February about dispersal. She has also seen minutes on the subject from the Minister of State at the Civil Service Department and the Secretary of State for Scotland.

In view of the complexity of these dispersal questions, the Prime Minister wishes to reach a decision on the basis of a discussion with colleagues. In order to include all those who have an interest in dispersal to Scotland, this will need to take place in Cabinet.

Your Secretary of State's minute, which has been circulated to all members of Cabinet, sets out his problem. The Prime Minister would be grateful if the Minister of State at the Civil Service Department could submit a paper covering the options which ought to be considered. For her part, she would hope to see the East Kilbride facilities fully occupied: in the absence of any suitable alternative suggestions, she would wish the paper for the meeting to reconsider the possibility of re-locating the Directorate of Overseas Surveys in East Kilbride.

I am sending copies of this letter to the Private Secretaries to members of the Cabinet including the Minister of Transport and to Geoffrey Green and David Laughrin (Civil Service Department) and to David Wright (Cabinet Office).

M. A. PATTISON

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

LB

1,
PRIME MINISTER

The Directorate of Overseas Surveys was scheduled for re-location near Glasgow, offering 350 posts in addition to 650 ODA Headquarter's posts. This, however, was one of the less attractive dispersal options dropped when Cabinet considered the possibilities last year. None of the papers and discussions made specific reference to DOS.

You could re-open the possibility of using DOS to fill the gap. It needs a particular type of clean air and vibration-free environment, but this should be possible to find in the new premises. The problem is that you would be transferring existing staff, not transferring jobs for Glaswegians to fill. The staff are mainly cartographers, trained from school-leaver stage. There was a great deal of controversy over the original dispersal proposal and members of staff left in anticipation. Several MPs took up the matter at the time. Given that the dropping of DOS dispersal has already been made known, there could be a great row if it was now re-instituted. If you were to insist on dispersal to Glasgow, this would hasten the slow process of run-down now in progress - you might regard that as a satisfactory outcome.

Yes
Shall I ask that the matter come back to E and that the papers include consideration of resurrecting DOS dispersal to fill the gap?

3 March 1980

unless they have a better suggestion - MP
they may have. We ought to fill the hole. non



C

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Prime Minister

DISPERSAL

I have seen the Foreign Secretary's minute to you of 22 February and Paul Channon's minute of 25 February, and I am minuting to support most strongly Paul Channon's approach.

It seems to me inconceivable that we could reduce our collectively agreed and publicly confirmed commitment to disperse at least 2,000 posts to Glasgow and East Kilbride without raising very considerable political difficulties. We received considerable criticism at the extent to which we reduced the previous administration's programme, but the local authorities and Scottish Members have, I think, accepted the logic of our reduced proposals, based as they are on genuine dispersal from London. Any further reductions would however seriously call into question the extent of our commitment to this reduced programme - I am already under pressure at the length of time which the MOD dispersal will take - and would be interpreted by the local authorities, the opposition and the media as evidence that the Government is prepared to breach its faith. Our Parliamentary colleagues in Scotland, as well as opposition members, have, as Paul Channon points out, strongly held views on dispersal, and Ian Sproat has recently sought assurances from me on it. To the Scottish public, moreover, dispersal represents a tangible measure of the Government's concern for Scotland, since it is one mechanism over which we have direct control. Hence I would urge most strongly that we should not reduce our commitment to disperse at least 2,000 posts.

I can appreciate that changes in the structure and functions of ODA since the previous Government decided to disperse 650 posts from it in 1974 will have affected the posts then identified. But we did consider last summer the number of posts to be dispersed from ODA and affirmed then that 650 posts should be dispersed. As Paul Channon points out, these are the only posts due to be dispersed

to West Central Scotland in the lifetime of the present Parliament and, in view of the political pressures, I hope that we can keep as closely to the present timetable as possible. I hope, therefore, that Peter Carrington can agree to look at the problem afresh in consultation with Paul Channon and either identify 650 posts from ODA despite the difficulties that that would entail or find further posts from FCO itself.

I am copying this minute to Members of the Cabinet, to Paul Channon and Norman Fowler and to Sir Ian Bancroft and Sir Robert Armstrong.

C. Y.

27 February 1980

8 7 6 5 4 3 2 1
" 12 "

27 FEB 1980

PRIME MINISTER

We have another awkward dispersal problem - remember Bootle!

Cabinet agreed in July that 650 ODA posts were to go to East Kilbride. This was confirmation of Hardman proposals.

Lord Carrington (A) says that he always maintained that staff cuts would make this difficult to achieve. The departments to be dispersed under Hardman have now shed staff, and now consist of only 436 posts. The recent aid programme cuts may reduce this further. He finds no scope for making up the numbers from other ODA functions or from the FCO. He points out that it would in any case be illogical to try to send more functions to Scotland just when ODA is being much more closely merged with FCO.

Mr. Channon (B) supported by Mr. Younger (C) say that the Government cannot now go back on its Glasgow/East Kilbride commitment without considerable political difficulty. Mr. Channon accepts that there has been a reduction in staff fulfilling the functions previously identified for dispersal, but argues that the full total of 650 should still be found from somewhere within the overall FCO.

Cabinet Office paper (D) adds the alternative of seeking more Defence dispersal to Scotland, even though this would probably have to be to Glasgow and not to the office space now being prepared in East Kilbride. Paragraph 4 of the Cabinet Office note offers the best approximation to the judgement of Solomon that they can devise. I doubt whether Defence will be all that keen to offer special favours in the dispersal field just now, but it might be worth a try.

There is a real political problem here. Figures for dispersal to Scotland have been announced. But most FCO political wing functions need to be based in London, and those ODA functions not already ear-marked for dispersal do belong in London, near the FCO, Embassies, etc., if they are to continue to be performed.

/The possible

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Survey, go? I understand why
Laboratories can't be moved to London
What doesn't only do mapping? Outstanding - long
initial? initial?

The possible exception is the scientific units, in which you have taken some interest. But as Lord Carrington points out, moving them would involve a much higher capital cost for building specialist facilities, and would not necessarily work: existing staff would disappear, and specialist replacement staff might not be available.

I do not think there is much chance of finding the missing 200 posts from a shrinking Department which is in the process of being more effectively merged with the FCO. But do you regard paragraph 4 of the Cabinet Office note as an acceptable compromise? Given the Bootle experience there is nobody other than Defence who could be persuaded to fill the gap.

MAP

27 February 1980



CONFIDENTIAL

Ref. A0154Z

MR. PATTISON

Dispersal

You asked for advice on Lord Carrington's minute to the Prime Minister of 22nd February and Mr. Channon's reply of 25th February.

2. The FCO warned last July that this problem might arise. (CC(79) 12th Conclusions, Minute 4 records that "staff cuts would make the target of 650 posts more difficult to achieve".)

3. I think there are three alternatives worth considering -

(i) Accept that the cut-back in staff means a cut-back in dispersal.

Mr. Channon argues against this line and no doubt Mr. Younger will do the same.

- (ii) Make the FCO find another 200 staff to disperse, either from the ODA or from the Diplomatic Service. But the possibility of dispersing more ODA staff has been thoroughly examined and rejected on operational grounds. Cabinet itself rejected the idea of dispersing Diplomatic Service staff, when considering how to make up the package for Bootle.
- (iii) Make the Ministry of Defence - the other Department which is dispersing to Scotland - find another 200 staff to disperse. In a Department the size of Defence, this must be a possibility. They would of course argue strongly against it but that in itself need not be an overriding objection. There is however another difficulty: the Ministry of Defence would argue that if they must provide the extra posts, they should send them to Glasgow, where the rest of the dispersed MOD staff will be situated, not to East Kilbride. So there will still be a problem of 200 empty office spaces at East Kilbride.

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4. A further possibility, somewhere between options (i) and (iii), would be to accept that there may have to be a reduction in total dispersal, but to ask the Secretary of State for Defence to see what he can do to bridge the gap, and to say that Scotland should have the first claim on whatever is the next area of Civil Service work designated for dispersal. This might be the best course.

(D.J. Wright)

27th February, 1980

CONFIDENTIAL



POSTAGE WILL BE PAID BY ADDRESSEE



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LONDON

27 FEB 1960



LONDON



PRIME MINISTER

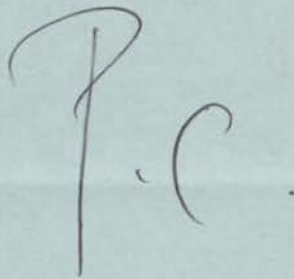
ODA DISPERSAL

1. I appreciate the problem the Foreign Secretary sets out in his minute to you of 22 February. However, I am certain that we must stick to the figure of 2,000 posts for Glasgow and East Kilbride, which we announced in Parliament last July. You will recall the strong feelings of our colleagues in Scotland about this. The Ministry of Defence dispersal is to take place to Glasgow, but not until the mid-80s. One of the difficulties is that the 650 ODA posts for East Kilbride are to be dispersed in 1981-82. They will therefore be the only evidence of our intentions on dispersal to Scotland during the life-time of this Parliament.
2. You will remember the great difficulties we had about deciding on the HSE dispersing to Bootle; I am sure it will be no easier at this stage to get Departments to go to the West of Scotland.
3. The news that the total of 650 posts is now not firm has already leaked to Scottish Members. I have had a letter from Maurice Miller. At least one of the Civil Service unions knows about this. Therefore the matter must be settled one way or the other quickly.
4. I accept the Foreign Secretary's view that to disperse one or more of the scientific units of ODA would be very costly and would not be achieved within the timetable. But even discounting the specialist units there is a total headquarters staff of 1,400 in ODA.
5. I believe there is no practical way of keeping to our timetable and fulfilling our commitments except to either (a) stick to the original figure of 650 posts from ODA despite all the difficulties or (b) to find further posts from FCO itself to cover the gap.

MANAGEMENT IN CONFIDENCE

6. Now that FCO and ODA are to be merged, I would have thought that the merged Departments could come to a sensible arrangement as to which groups should be dispersed.

7. I am copying this minute to members of the Cabinet, the Minister of Transport, Sir Ian Bancroft and Sir Robert Armstrong.

Handwritten initials 'P.C.' in a cursive script, positioned centrally on the page.

PAUL CHANNON

25 February 1980



25 FEB 1980

A civil
SERVICEPM/80/12PRIME MINISTERDispersal

1. I must bring to your attention and that of colleagues the serious problem that has arisen over the number of ODA posts to be dispersed to Scotland as part of the package of posts for East Kilbride and Glasgow. The background is set out in the attached memorandum.
2. The plain fact is that it is now impossible to find the 650 posts which were the then complement of those parts of ODA which the previous Government decided in 1974 should be dispersed to East Kilbride. Organisational and functional changes compounded by staff cuts have reduced the posts in the ODA departments due for dispersal to 436. The recent cuts in the Aid Programme are likely to reduce this number further. I have considered carefully whether there is any scope for making up the numbers from the rest of ODA Headquarters staff but I have concluded that there is not. Any further reduction in ODA Headquarters numbers would cause disproportionate disruption. Further, when we are working hard to make the merger of FCO and ODA an effective reality we ought not to add to the problems by a major physical separation.
3. I have also considered whether the numbers could be made good by dispersing one of the ODA's Scientific Units. There are three main reasons against this. To get anywhere near the proposed numbers would be a very expensive operation given the need to build specialised laboratories and move laboratory equipment. Secondly, any Unit(s) so selected could very well break up on dispersal because their professional staff would be likely to refuse to go to Scotland; and their range of experience and skills could not be replaced by local transfer or recruitment. Thirdly, the units have important links with institutions accessible from the sites where they have been long established. I do not, therefore, regard this as a viable alternative.

/4.



4. Finally, I have reconsidered whether there are any suitable blocks of work in the political wing of the FCO which could be sensibly transferred to East Kilbride. My conclusion is that we could not fill the gap in this way largely because of the fact that many of the staff working in areas which might be thought possible for dispersal are Diplomatic Service staff on home postings.

5. In the circumstances, therefore, the maximum number of posts the FCO/ODA could now contribute to the west of Scotland dispersal package is between 400 and 450. There is simply no way that I could increase that number without doing unacceptable damage either to the administration of the aid programme or to other FCO work. The only solutions I can see are either that we reduce the overall dispersal package - which would no doubt lead to protests from Scottish MPs - or that colleagues agree to meet the shortfall. I think we must ask Paul Channon to investigate the latter possibility.

6. I am copying this minute to Members of the Cabinet and to Paul Channon and Norman Fowler. I am also sending copies to Sir Ian Bancroft and Sir Robert Armstrong.

C

(CARRINGTON)

Foreign and Commonwealth Office

22 February 1980

DRAFT

DISPERSAL

Memorandum by the Overseas Development Administration

1. The Hardman Report of 1973 suggested that the parts of the ODA Headquarters which could be dispersed without intolerable loss of efficiency were the Overseas Manpower Division and Accounts Department and part of the Statistics Division. In July 1974, when the then Government decided to implement the Hardman report, the number of staff in those departments was 650.

2. With greater efficiencies in working and the shedding of some responsibilities, the number of posts in the relevant parts of ODA Headquarters has steadily dropped and is still dropping. In July 1979 when the present Administration considered the dispersal programme again the number was about 500. This was made clear in the ODA paper for the Dispersal Review but in the Economic Strategy Committee, which considered the matter, the discussion centred on whether the relevant part of ODA should be dispersed at all and the question of how many posts this represented was not in the forefront of the minds of Ministers considering the issue. The final decision in Cabinet as recorded on 26 July was that the ODM should disperse 650 posts. Since then the ODA has repeatedly reminded the CSD of the position. Staff cuts in the departments concerned have now reduced the number of officials concerned to 436 (details in Annex A). Of these nearly 400 will be new to the ODA since only some 40 existing staff have agreed to transfer.

3. It is impossible for the ODA to disperse more staff from Headquarters. The operational departments left - a breakdown is at Annex B - will be the geographical departments and the international and UN departments, which must be close to the Minister, Parliament and their colleagues in the political wing of the FCO, Treasury, DOT etc and which can no more be dispersed than the departments in other Ministries with which they work closely; the Advisers supporting these departments; the remaining functional and subject departments which are performing particular tasks which can only be carried out in London; and the common services which clearly cannot be separated from the departments which they are servicing.

4. The case for the dispersal of the Directorate of Overseas Surveys to the Glasgow area has already been considered and rejected by the present Government. There are three Scientific Units - the Centre for Overseas Pest Research (138 staff in post), the Tropical Products Institute (295) and the Land Resources Development Centre (62). They need to be reasonably close to professional colleagues at ODA Headquarters and the various institutions with which they have long-standing contacts. Great expense, for which new funds would need to be found, would be involved in building laboratories and moving laboratory equipment. But in any case the Units might well break up on dispersal because the staff would be unwilling to go and their range of skills and experience could not be replaced by local transfer or recruitment.

5. Furthermore, all parts of the ODA, including the Units, are likely to be affected by the outcome of the Management Review and the Rayner projects. The manpower implications of reductions in the aid programme and of a redirection of aid resources following the Aid Policy Review may lead to further staff cuts. A reduction in Technical Cooperation would have direct staffing implications for the departments of ODA concerned with overseas staff which constitute the bulk of the ODA dispersal package.

Overseas Development Administration
February 1980



Red rectangular stamp with Chinese characters, oriented diagonally.





PPS on
b/v fw
26.2.

With the compliments of

THE PRIVATE SECRETARY

Could you please attach these annexes to Lord Carrington's minute (PM 80 12) to the Prime Minister dated 22.2.80. With apologies for their omission.

25.2.80

**FOREIGN AND COMMONWEALTH OFFICE
SW1A 2AH**

COMPLEMENT OF THE ODA EAST KILBRIDE OFFICE

<u>Department</u>	<u>Staff</u>
OVERSEAS MANPOWER DIVISION	
Overseas Manpower and Consultancies Department	6
Recruitment Executive	57
Personnel Services Executive	83
Pensions Department	43
	<u>189</u>
ACCOUNTS DEPARTMENT	74
STATISTICS DIVISION	22
ESTABLISHMENT	23
COMMON SERVICES	128
	<u>436</u>
TOTAL	<u>436</u>

ANNEX B OVERLEAF

*
ODA HEADQUARTERS'S STAFF OTHER THAN DEPARTMENTS TO BE DISPERSED

<u>Department</u>	<u>Staff</u>
<u>Geographical Departments</u>	
Africa Division	55
Asia Division	56
Dependent Territories Division in the FCO	4
Western Hemisphere Division	28
	143
<u>Subject Departments</u>	
Education and Training Policy	18
Bilateral Aid and Rural Development	10
Finance and Internal Audit	16
Investment and Crown Agents	6
International Division - ie)	
Economic Relations and Commodities)	
Development Corporation)	
European Information)	40
United Nations Division	27
Science and Technology)	
Health and Natural Resources)	26
Estabs/Organisation	40
Recruitment Executive (remaining after dispersal)	10
Overseas Manpower & Consultancies (remaining after dispersal)	8
	201
<u>Common Services</u>	
Registry	71
Secretariat/Typists	122
Messengers etc	70
Others	47
	310
<u>Advisers</u>	
EPS	41
NRAG	24
Other advisers	21
Support staff	33
	119
TOTAL	773

* This represents the present structure which may be altered as a result of the Management Review and the Rayner exercise.



Civil Service

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

M Pattison Esq
10 Downing Street
LONDON SW1

21 February 1980

BF 27/2 MAP

Dear Mike

DISPERSAL

You will probably remember that the dispersal package announced to the House on 26 July 1979 by the Minister of State included sending the Laboratory of HMSO to Norwich, involving some 40 posts.

The Minister has now decided that, while HMSO should still disperse 40 posts to Norwich, on balance the interests of management, and the financial position of HMSO as a Trading Fund, would be better served if the Laboratory itself remained in London, at least for some time to come. Instead, he proposes that an equivalent number of posts in other areas of HMSO work should be dispersed to Norwich. The move involves no reduction in the size of the dispersal and will be carried out within the same time-scale as that originally planned. The change has attractions for the management of the PSA Estate since the staff now to be moved to Norwich will occupy existing office accommodation, thus producing a short-term capital saving of £½m, which would have been the cost of constructing a special Laboratory building in Norwich. The posts which it is now proposed to move are currently located in Atlantic House, Holborn Viaduct, and their transfer should help the Property Services Agency to relinquish the building the lease of which falls in 1984 and is not renewable. Its current annual cost is £1.15m. The Minister hopes, therefore, that his colleagues will agree to this small change in the composition of the HMSO dispersal package. Unless he hears to the contrary by March 1st he will assume that there is no objection.

in/

I am sending copies of this letter to the Private Secretaries of members of the Cabinet, and to Sir Robert Armstrong.

Yours sincerely

G E T Green

G E T GREEN
Private Secretary

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Mr. Speed: The sales supply department will be pleased to put organisations such as the Welsh Institute of Marine Archaeology and History in touch with the various public auctions and competitive tendering that we arrange. However, because of the loss of defence funds and the need to make arrangements for refurbishing the goods I regret that it is not possible to give surplus defence equipment to charitable organisations.

Blocks of work

<i>Blocks of work</i>	<i>Number of posts</i>
Service and civilian personnel management ...	325
Stores management and procurement ...	205
Defence equipment codification, Nottingham ...	240
Army pensions, Stanmore ...	120
Equipment standardisation ...	100
Assistant directorate of contracts (general stores), Cessington ...	40
Air technical publications, Chessington ...	130
Defence research information centre, St. Mary Cray ...	80
Common services staff ...	160
Total ...	1,400

The make-up of the 1,400 posts in the dispersal package will be kept under review to take account of any changes resulting from the continuing search for economy and efficiency in the functions of the Department.

BANKRUPTCY

Mr. Gordon Wilson asked the Solicitor-General for Scotland what progress has been made in implementing the proposals relating to bankruptcy made by the Scottish Law Commission in its 14th annual report; and if new legislation is being prepared.

The Solicitor-General for Scotland: I understand that the Scottish Law Commission are in the late stages of the revision of their proposed report and that they have commenced work on the draft Bill to be annexed to the report. This draft Bill will inevitably be complex and lengthy but the Commission is proceeding with it as quickly as their resources permit.

SCOTLAND

Rent Allowance

Mr. Robin F. Cook asked the Secretary of State for Scotland what are the assumptions on which he arrived at the estimate, contained in the financial memorandum to the Tenants Rights etc. (Scot-

Civil Service

Staff Dispersal (Glasgow)

Mr. McElhone asked the Secretary of State for Defence, when he expects to announce the selection of his Department posts to be dispersed to Glasgow.

Mr. Hayhoe: 1,400 MOD posts in the London area have now been identified for planning purposes for dispersal to the St. Enoch site. They are made up as follows:—

land) Bill, of an increase of £1 million in expenditure on rent allowance.

Mr. Rifkind: The figure cannot be estimated with any precision because the effect of the abolition of phasing of rent increases depends on the level of registered rents, which is not under any control, and on the annual limit to be determined under clause 36. On the best calculation I could make, it appeared that £0.8 million might be needed to provide for increased demand from existing claimants and £0.2 million for new applicants.

The figure of £1 million in the memorandum does not include extra expenditure which may be required in the form of supplementary benefits. I estimate that additional sum tentatively to be of the order of £1.5 million.

Health Education Unit

Mr. Bill Walker asked the Secretary of State for Scotland, if he will carry out a complete review of the expenditure incurred by the Scottish Home and Health Department in the making of such films as "Are we being Conned".

Mr. Fairgrieve: No. These films are commissioned by the Scottish health education unit and the responsibility for reviewing the unit's expenditure rests with the management committee of the Common Services Agency under the general oversight of my Department. If

am satisfied in any event that the unit's expenditure of about £140,000 over four years on production costs and teachers' support material for the eight films in the "Teenage Talk in" series is justified. All the films in the series, including "Are We Being Conned", have been awarded certificates of educational commendation by the British Life Assurance Trust for health education.

Clubs Falkirk

Mr. Harry Ewing asked the Secretary of State for Scotland how many warrants were exercised by the police under section 114 of the Licensing (Scotland) Act 1976 in respect of clubs registered with the sheriff clerk at Falkirk during the year ended 31 December 1979.

Mr. Rifkind : One.

ENVIRONMENT

Rent and Rate Rebates

Mr. Morgan asked the Secretary of State for the Environment whether he will now review the provision of the Housing Finance Act 1972, whereunder only the first £4 of a person's war pension can be discounted in determining that person's entitlement to a rent and rate rebate.

Mr. Stanley : Local authorities already have discretionary powers to give more generous assistance than is provided by the statutory schemes, but the case for uprating the mandatory war pension disregard will be kept under review.

Rent Allowance

Mr. Cook asked the Secretary of State for the Environment what are the assumptions on which he arrived at the estimate, contained in the financial memorandum to the Housing Bill, of an increase of £72 million in expenditure on rent allowance.

Mr. Stanley : The estimates in paragraph 25 of the memorandum can only be indicative of the broad order of magnitude of possible additional rent allowance payments when the relevant provisions may have come into full effect. The two main assumptions underlying these estimates were that there are some 200,000 controlled tenancies in existence and that fair rents will be increased on

re-registration by rent officers at roughly the current rate. The estimates include allowances paid indirectly via supplementary benefit.

Government Accommodation

Mr. Robert Taylor asked the Secretary of State for the Environment what is his present estimate of the likely proceeds of disposal of surplus Government accommodation by the Property Services Agency during 1980; and what is his estimate of the likely saving in public expenditure as the result of such disposals.

Mr. Geoffrey Finsberg : Proceeds from the sale of surplus Government accommodation, including land, on the civil and defence estates are expected to amount to about £50 million in the financial year 1979-80 and £60 million in 1980-81.

Information about the likely savings in public expenditure resulting from these disposals is not available centrally and could only be obtained at disproportionate cost.

Second Homes

Mr. Wigley asked the Secretary of State for the Environment if he will seek to ascertain the number of second homes in England, Scotland and Wales by placing a question to that effect in the next household survey.

Mr. Geoffrey Finsberg : Not for England, but I have to refer the hon. Member to my right hon. Friends the Secretaries of State for Scotland and Wales on those household surveys for which they are responsible in their respective counties.

Public Construction Projects

Mr. Guy Barnett asked the Secretary of State for the Environment if he will name the county councils, including the Greater London Council, which act on behalf of his Department in the construction of public construction projects; which of the county councils named employ direct labour in the fulfilment of Government contracts; which county councils employ contractors; and if he will name in each case the contractor employed.

Mr. Geoffrey Finsberg : County councils do not normally act on the Property Services Agency's behalf on construction projects. On occasions, however, where

PRIME MINISTER

The detailed composition of the Ministry of Defence dispersal to Glasgow will be announced in a Written Answer tomorrow.

You may recall that you supported Mr. Channon's querying of the move of posts from Hullavington. Mr. Channon has now satisfied himself that this change is more in the nature of a normal Service transfer than a distinct component of dispersal, and that the local staff whose jobs will leave Hullavington will almost certainly be found other MOD work in the area. On this basis, he has withdrawn his objection to the inclusion of these posts in the package.

MA

MI.

31 January 1980



with compliments

MINISTER OF STATE

✓
MAD

CIVIL SERVICE DEPARTMENT
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086

Civil Service



Minister of State

Civil Service Department

Whitehall London SW1A 2AZ

Telephone 01-273 3000

31 January 1980

The Lord Strathcona
Minister of State
Ministry of Defence
Main Building
Whitehall
LONDON SW1A 2HB

Dear Fran.

Thank you for your letter of 4 January about Hullavington posts and the dispersal of MOD work to Glasgow.

I am glad to learn that no posts will be moving directly from Hullavington to Glasgow and that you do not foresee major problems in finding suitable alternative posts for the local staff. I agree that an announcement about the MOD dispersal to Glasgow should be made in the House as soon as possible. I understand that your Office will let the Prime Minister's Private Secretary know of the outcome we have reached.

I am copying this to the Prime Minister, Michael Heseltine, George Younger, and Neil Marten.

PAUL CHANNON

✓
-
Paul



31 JAN 1980

MANAGEMENT IN CONFIDENCE

Civil Service



10 DOWNING STREET

From the Private Secretary

7 January, 1980.

The Prime Minister has seen Lord Strathcona's letter of 4 January to Mr. Channon about Glasgow dispersal.

She recognises that there is a case that can be made for the Hullavington dispersal, given the wider background now set out by Lord Strathcona.

She is content to leave the matter to be settled between Mr. Channon and Lord Strathcona, although she would like to be informed of the decisions reached before they are announced.

M. A. PATTISON

G.E.T. Green, Esq.,
Civil Service Department.

TCR

PRIME MINISTER

The MOD explanation for including non-London posts in Glasgow dispersal. This does make a case: leave negotiations to Channon now?

MINISTER OF STATE FOR DEFENCE
WHITEHALL LONDON SW1A 2HB
Telephone 01-2186621 (Direct Dialling)
01-218 9000 (Switchboard)



D/MIN/ES/22/4

MANAGEMENT IN CONFIDENCE

MANAGEMENT IN CONFIDENCE

Yes out.

4 January 1980

Dear Paul,

MAP 4/

Thank you for your letter of 20 December about the Glasgow dispersal.

The inclusion of Hullavington posts in our Glasgow dispersal is defensible in the light of the Cabinet decisions on dispersal and your statement in the House on 26 July 1979.

It has been MOD policy for some years to bring together the work of the Defence Codification Authority (DCA). This has been carried out at various separate locations:

- | | |
|---------------------------|---|
| Mottingham -
SE London | (DCA's technical division and RAF Codification Agency) |
| Hullavington | (the Defence Codification Data Centre) |
| Woolwich | (the printing task) |
| Central London | (the small policy and administration cell moved to Mottingham in 1978). |

It makes good sense to go ahead with these plans to improve efficiency and reduce staff numbers whether or not the DCA task is moved to Glasgow as part of the MOD's dispersal commitment. This was explained to MOD Staff Side representatives in January 1977. In May 1977 other Government departments concerned agreed to the MOD's proposals to bring together the work of the Defence Codification Authority including the transfer to Mottingham of the remaining Hullavington posts when the Bureau West computer at Devizes, Wilts, takes on the main computing task and the existing Hullavington installation comes to the end of its useful life in a year or two.

/ The move ...

Paul Channon Esq MP

MANAGEMENT IN CONFIDENCE

The move from Hullavington would be a normal service transfer. It would not be caused by plans for dispersal. But we do not foresee major problems in redeploying to other work either mobile or non-mobile grades at Hullavington given the length of time in which to plan the moves, the opportunities for employment elsewhere at RAF Hullavington and the fact that many of the staff at Hullavington are found from Service families who move into and out of the area.

Our officials can go into this more fully if you wish when they consider and report to us on the use of temporary accommodation in Glasgow. But I share George Younger's view that none of this need hold up an announcement which I now think could most advantageously be made by a statement in the House when Parliament re-assembles. George Younger would then be free to take the further action he proposes with the ad hoc Committee in Scotland.

I am sending copies of this letter to the Prime Minister, Michael Heseltine, George Younger and Neil Marten.

Yours
Ern
Lord Strathcona



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4 JAN 1980

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DSG

Civil Service

FUE



10 DOWNING STREET

From the Private Secretary

31 December 1979

The Prime Minister has seen Mr. Channon's correspondence with Lord Strathcona about the dispersal package for Glasgow.

She shares Mr. Channon's concern about the proposal to include posts from Hullavington in the package, and hopes that this can be reconsidered. I would be grateful if you could ensure that we are consulted about the final recommendations before any public statement is made.

I am sending copies of this letter to D. G. Jones (Lord Strathcona's Office, MOD), Godfrey Robson (Scottish Office), David Edmonds (Department of the Environment) and Sue Unsworth (ODA).

M. A. PATTISON

G. E. T. Green, Esq.,
Civil Service Department.

C

1.

PRIME MINISTER

There is another hitch in dispersal arrangements.

Cabinet agreed on 26 July that at least 1,350 Ministry of Defence posts would go to Glasgow. The Lord President of the Council reported to the meeting that the Secretary of State for Defence had undertaken to try to find all the necessary posts for dispersal from the London area.

The detailed proposals now put forward include 70 posts from Hullavington in Wiltshire. I attach letters from the Secretary of State for Scotland and from Mr. Channon, querying the inclusion of posts from Hullavington.

Although the Cabinet decision did not categorically rule out posts from outside London, I recall that you regarded transfers from one region to another as quite pointless.

Would you like me to indicate that you share Mr. Channon's reluctance to include posts from Hullavington in the package?

Amc via Mr. Channon.
PMB

MAP

21 December 1979

MANAGEMENT IN CONFIDENCE



Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

The Lord Strathcona
Minister of State
Ministry of Defence
Main Building
Whitehall
LONDON SW1

20 December 1979

Dear Frank,

Thank you for your letter and enclosure of 18 December about the composition of your dispersal package for Glasgow.

I am very glad to see that you can achieve a total of 1,400 posts. This, with the 650 posts from the Overseas Development Administration, enables us to honour our public commitment to send at least 2,000 posts to Glasgow and East Kilbride.

I am, however, concerned about the proposal to include 70 posts from Hullavington in the package. Our Statement of 26 July gave an explicit commitment that all posts in the revised programme would be moved from the London area. In the face of this, are you satisfied that, if challenged, you could defend including the Hullavington posts in the dispersal to Glasgow?

Another aspect of the proposal also worries me. We have, as you know, re-affirmed the undertaking given by our predecessors that there will be no redundancy as a result of dispersal. Some of the Hullavington staff no doubt have a mobility obligation and can in the last resort be required to move. But finding alternative work in that area for non-mobile staff who do not wish to move will surely be very difficult?

I hope you can reassure me on both these points, but meanwhile I think no public statement should be made.

I am sending copies of this letter to the recipients of yours and also to the Prime Minister.

PAUL CHANNON

Paul

MANAGEMENT IN CONFIDENCE



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Lord Strathcona
Minister of State
Ministry of Defence
Main Building
Whitehall
LONDON SW1

20 December 1979

Dear Evan,

We had a word this afternoon about your proposals for dispersal to Glasgow. I have already written to you today on this subject, but only subsequently noticed that 70 of the posts proposed for dispersal are at Hullavington, which is not in London but in Wiltshire.

I was anxious that this would be defensible in the light of the decisions we took at Cabinet, and in the light also of our subsequent public commitment that our modified dispersal programme would, unlike the previous Government's proposals, be a "genuine" dispersal of posts from London.

You were going to consider this urgently - and I hope we can still go ahead with the announcement this week.

I am copying this letter to the Prime Minister, Michael Heseltine, Paul Channon and Neil Marten.

Yours ever,

George



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

COPY ALSO TO:

PS/Mr Fletcher
PS/SEPD
PS/US of S
Mr Reynolds
Director, SIO
Mr Sutherland, SIO

The Lord Strathcona
Minister of State
Ministry of Defence
Main Building
Whitehall
LONDON SW1

20 December 1979

As Minister

Thank you for copying to me your letter of 18 December to Paul Channon about the Glasgow dispersal programme.

I very much welcome the Defence Council's decisions on the areas of MOD work to be dispersed and I am content that you should move towards an early announcement. My officials will be in touch with yours about mechanics: I should myself like to welcome your announcement publicly in Scotland and to write to Convener O'Halloran of Strathclyde Regional Council who is Chairman of the West of Scotland's ad hoc committee on dispersal which I met the other week. My officials will be in touch with yours about the possibility of an arranged PQ which, if you agree, would have to be tabled today.

Only one point in your letter causes me difficulty. I do not think that we should rule out at this stage the possibility of an earlier more general move to Glasgow. Both Paul Channon and I are on public record as saying that this will be considered and surely, therefore, a final decision would best be left over until our officials have considered whether in accommodation terms such a move would be feasible. Clearly we will need to consider this point further but it need not hold up the announcement.

I am copying this to Michael Heseltine, Paul Channon and Neil Marten.

Yours sincerely,

Robert Gordon

(Approved by the Secretary
of State and signed in
his absence.)



2701 DEC 1979

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✓ MAP
Civil Service

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400
Switchboard 01-213 3000

Paul Channon Esq MP
Minister of State
Civil Service Department
Whitehall
LONDON SW1

14 December 1979

Paul Channon

DISPERSAL OF CIVIL SERVICE POSTS TO BOOTLE

Thank you for your letter of 17 December with which you conveyed the text of an Answer which you propose to give on Thursday 20 December.

I am generally content with what is proposed.

The text of the first paragraph of the Answer might however refer to a decision to "disperse" to Bootle rather than to "send" and while I fully appreciate that the CBI/TUC/HSE plan we have approved provided for the dispersal of 860 posts, there are bound to be changes in the complement, some stemming from the cuts just announced, as the plan is implemented over the next few years. In any case to avoid false precision I think the public reference to the number of posts from the Health and Safety Executive should be to "about 850". Finally, the reference to the accommodation might better read "..... staff of the Inland Revenue will be moving to".

I am sending copies of this letter to Members of the Cabinet, Minister of Transport and to Sir Robert Armstrong.

[Handwritten signature]

19 DEC 1979





with compliments

MINISTER OF STATE

CIVIL SERVICE DEPARTMENT
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086



Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

The Rt Hon James Prior MP
Secretary of State
Department of Employment
Caxton House
Tothill Street
LONDON SW1H 9NA

*The letter is (of)
1) para 2 of the letter
on is view of in para 1
how best to answer?*

17 December 1979

MAP 1. a. 11/11 T...

Dear Jim,

*I was responsible for the
tone of that section - I hope it's
ok!*

DISPERSAL OF CIVIL SERVICE POSTS TO BOOTLE

You will have seen from the letter of 14 December from the Prime Minister's Private Secretary to mine that she wishes me to arrange for the revised Bootle package to be announced before the House rises by means of a Written Answer.

Nick

The text of the Answer I propose to give on Thursday, 20 December is attached. I shall assume that you and others to whom I am writing are content unless I hear to the contrary by 6.00pm on Wednesday, 19 December.

The Health and Safety Executive, the Home Office, the Property Services Agency, and the Inland Revenue wish to notify their Staff Sides a little before the Answer is given. Any such notification should not be before 4.00pm on Thursday, 20 December. Other departments may of course wish to act similarly. We shall notify the National Staff Side on Thursday afternoon.

I am sending copies of this letter and the enclosure to the Private Secretaries of members of the Cabinet, the Private Secretary of the Minister of Transport, and to Sir Robert Armstrong.

[Handwritten signature]
Paul

PAUL CHANNON

QUESTION FOR ORDINARY WRITTEN ANSWER ON THURSDAY, 20 NOVEMBER 1979

To ask the Minister for the Civil Service, if he can now announce the composition of the Civil Service posts to be located at Bootle referred to in his statement of 26 July.

DRAFT ANSWER: MR PAUL CHANNON

The Government have decided to send to Bootle 100 posts from the Property Services Agency (already announced), 300 posts from the Home Office Computer Centre (150 already announced), and 860 posts from the Health and Safety Executive. ^{The bulk of} These posts will be located in the accommodation at present occupied by staff of the Inland Revenue who will then move to St John's House.

There may be a requirement for a number of additional short-term posts in the Office of Population Censuses and Surveys in connection with the 1981 Census. The Government's intention is that, subject to the ^{sufficiently early} completion of the building, the majority of such posts would be located in Bootle.

DEC 1979

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17 DEC 1979

12 1 23
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10 DOWNING STREET

From the Private Secretary

*B/P 21-12-79
for Hansard.*

cc:-HO Soc. Sec.
 Lord Chancellor Duchy
 FCO DOT
 HM Treasury Energy
 Dept of Industry
 MOD Edu & Sci.
 Lord President Chief Sec.
 Dept of Employment
 14 December 1979 Paymaster
 Cab Office
 Lord Privy Seal
 MAFF Dept of
 Dept of Environment Trans
 Scottish Office
 Welsh Office
 NIO

The Prime Minister has seen the Lord President's letter of 7 December to the Secretary of State for Employment about dispersal to Bootle, and your Minister's response of 12 December.

Following the further study of HSE requirements, the Prime Minister agrees that a dispersal package of 1260 posts will now have to be accepted. She recognises that there may well be some criticism to face, and that in presentation of the decision, you may be able to draw some assistance from the possibility of short-term posts in Bootle to help deal with the census. The Prime Minister would be grateful if Mr. Channon would now arrange for the revised Bootle package to be announced before the House rises by means of a Written Answer.

I am sending copies of this letter to the Private Secretaries to Members of the Cabinet, the Minister of Transport and Martin Vile (Cabinet Office).

M. A. PATTISON

G.E.T. Green, Esq.,
 Civil Service Department.

B

PRIME MINISTER

You agreed to defer final decisions on dispersal to Bootle, pending a further study of the numbers to be devolved from the Health and Safety Executive.

Results of the study have been disappointing. HSE offer two options, one involving 420 posts in London, and the second involving 372 posts. These are much higher figures than John Methven had hoped to be able to offer as a viable alternative. We have the impression that the renewed study was not as closely supervised by Sir John as we would have wished.

Despite this, Mr. Prior and Mr. Channon are now agreed that the lower HSE London figure ought to be accepted. This would leave 860 HSE posts for dispersal. Messrs. Prior and Channon also accepted the review's proposals on the Nuclear Installations Inspectorate - dispersal to Bootle in 1985, a little later than the rest.

If you accept this package, Bootle will get 1,260 posts, compared with 1,600 originally agreed in Cabinet, and the apparent expectation in Bootle of about 2,000 posts. Messrs. Prior and Channon advise that the Government should be prepared to face out criticism in the House and on Merseyside, when a 1,260 figure is announced. The alternative, of trying yet again to find more jobs, really cannot be expected to work.

Public presentation could be eased by the possibility of about 1,000 additional short-term posts in Bootle to help deal with the census. (!)

The process of getting a workable decision on dispersal to Bootle has been depressing. The outcome is barely satisfactory. The chances of doing significantly better in a reasonable timescale are minimal.

/ Agree

Agree revised Bootle package of 1,260 posts, to be announced before the House rises through a Written Statement?

(Letters from Mr. Prior at Flag A and Mr. Channon at Flag B.)

Yes and

MAD

13 December 1979



MANAGEMENT IN CONFIDENCE

PRIME MINISTER

1. Jim Prior wrote to Christopher Soames on 7 December about the joint examination by the Health and Safety Commission, the CBI and the TUC of the number of Health and Safety Executive posts to be dispersed to Bootle. I agree with him that we should not challenge their conclusions. We favour their second solution which would provide 860 HSE posts for dispersal to Bootle from London.

2. You will want to decide whether the Nuclear Installations Inspectorate (involving about 100 posts) should be included in the Health and Safety Executive dispersal package. The report concludes that these posts should go to Bootle in 1985 - after the main dispersal. Jim Prior and I are content with this recommendation. It will have the advantage of bringing the London-based Nuclear Installations Inspectors alongside their colleagues who are already in Merseyside, and the other Inspectorates we will be moving there.

3. The revised HSE contribution of 860 posts means that the total dispersal to Bootle will now be only 1,260 posts. This compares with the 1,600 posts in the proposal agreed in Cabinet, and the expectation on Merseyside (related to the known capacity of St John's House, Bootle) that about 2,000 posts will be sent. When we announce a dispersal package of 1,260 posts there may well be criticism in the House and on Merseyside. Jim Prior and I think that we must be prepared to face this. The alternative is to delay a decision yet further by trying to get a higher figure, nearer our earlier proposal. There is no reason to believe that


MANAGEMENT IN CONFIDENCE

Colleagues would find it easier than they did earlier to contribute to an increased dispersal package.

4. If St John's House is ready in time the OPCS will be able to create about 1,000 additional short-term posts in Bootle (to be filled by local recruitment) to help deal with the census. This would be useful for the public presentation of our decision.

5. If you agree, I will arrange for the revised Bootle package, consisting of 860 posts from HSE, 300 from the Home Office and 100 from the Property Services Agency, to be announced before the House rises by means of a Written Answer to a Question.

6. I am sending copies of this minute to members of the Cabinet, the Minister of Transport and Sir Robert Armstrong.



PAUL CHANNON

12 December 1979

13 DEC 1979





I am particularly anxious that the HSC/E should be as closely in touch with industry as possible. Both bodies have a rather complex interface with the industrial world as well as with Government Departments and Ministers. Indeed the complaint from Departments has been that there is insufficient liaison with HSE. To move the HSE policy branches to Merseyside would inevitably make the task of maintaining and improving effective liaison harder. I am therefore sure that it is right that the central policy making function of HSE should remain in London. I think the position of the Chief Inspectors and their immediate support staff is more debatable. I have considerable sympathy with the Commission's case for keeping them in London, but it is not quite so strong as that for the central policy function for the nature of their work means that their lines of communication are very much to their out-stationed subordinates as well as across to the policy makers. Consequently I would be prepared to agree to the alternative solution which would leave about 372 posts in London, if you thought it important that the extra 50 or so posts should be included in the dispersal programme.

You will recall that the Prime Minister also said that she would wish to reach a final view on whether the Nuclear Installations Inspectorate should be included in the dispersal package when the results of the examination were available. The CBI and TUC accept that it may be necessary to retain those Nuclear Inspectorate headquarters staff now in London in the short run, but say that in the longer run account needs to be taken of the fact that a substantial number of headquarters nuclear inspectors are already in Merseyside, and that many of the bodies with whom the inspectors deal are outside London. This means that the CBI and TUC think that the NII should be dispersed in 1985 and work alongside the other inspectorates in Merseyside. I think this should give time for what might be awkward staffing problems to be overcome, and from the point of view of the HSC/E as a whole it makes sense to treat the various inspectorates in a uniform way. Moreover to retain the nuclear inspectorate headquarters in London would reduce by about 100 the number of posts which could be dispersed to Merseyside.

The Prime Minister asked you and me to consider urgently whether the result of the examination offset a worthwhile alternative package. For my part having asked the CBI and TUC to undertake this examination, I think we should be prepared to accept the outcome, which if the second option is taken would mean dispersing 860 posts to Merseyside. This is a very sizeable contribution and HSE would be prepared to add marginally to it by moving some small groups of staff to Merseyside now stationed outside London for which there would be justification on managerial grounds.

In order to keep others who have an interest in the picture, I am sending copies of this letter to members of the Cabinet, the Minister of Transport and to Sir Robert Armstrong.



**Health and
Safety
Commission**

Regina House
259 Old Marylebone Road
London NW1 5RR
Telephone 01-723 1262
Telex 25683

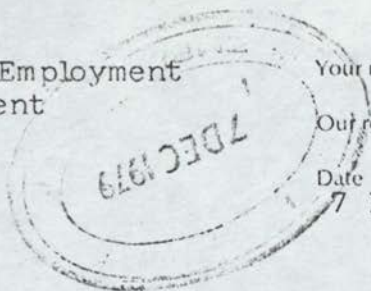
Mr J Prior
Secretary of State for Employment
Department of Employment
Caxton House
London SW1

Your reference

Our reference

Date

7 December 1979



Dear *Jim,*

PROPOSED DISPERSAL OF HSE TO MERSEYSIDE

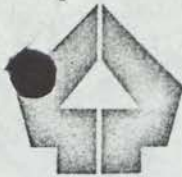
I forwarded on 21 November the proposals of the tripartite CBI/TUC/HSC Working Group set up, as you and your colleagues agreed, to review the number of HSE headquarters posts needed in London.

I can now let you know that Sir John Methven and Lionel Murray have seen the proposals and endorse them.

Yours sincerely

Bill

W J SIMPSON



Health and Safety Commission

Regina House
259 Old Marylebone Road
London NW1 5RR

Telephone 01-723 1262
Telex 25683

Rt Hon James Prior MP
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
London SW1H 9NA

Your reference

Our reference

Date

21 November 1979

Dear Jim.

Since receiving your letter of 2 November 1979 a tripartite CBI/TUC/HSC Working Group has completed a review of dispersal. A searching examination of the various blocks of work at Headquarters has been carried out, and we are now in a position to make proposals on the number of HSE headquarters posts needed in London.

The review was based on the Executive's manpower ceiling as at 1 April 1979, adjusted to take account of the 3 per cent imposed Government cut in staff expenditure, which produces some 1,370 headquarters posts, including directly related outstationed functions but excluding the Cricklewood laboratories. No account has, of course, been taken of any further diminution in overall numbers that may arise from "option cuts" decisions.

For the purpose of arriving at an optimum solution - that is, the solution which makes best sense to us - we applied precisely the same criteria as those used when the HSC considered this matter at the request of the last Government in 1978, when it was subsequently agreed that 435 staff might remain in London. The criteria applied are as follows:

- (a) that the function of policy-making should remain with the Commission and Executive in London. This consideration has always been of paramount importance to the TUC/CBI and HSC, because staff engaged on policy work have vital and frequent contact with the Commission, TUC, CBI, their affiliated organisations and many other bodies based in London. We have therefore concluded that most of Hazardous Substances and Safety Policy Divisions, 2 of the 4 Branches of the Resources and Planning Division, part of the Employment Medical Advisory Service, and the Solicitor's Office should remain in London. However, from amongst these blocks of work we have identified a number of posts, mostly operational in nature, which could be moved to Merseyside;
- (b) that the Chief Inspectors with some supporting staff should remain in London not only because of their important involvement in HSE policy work but also because of their representative role with important organisations which are, in the main, London-based.

The London office should also include a minimum level of supporting services for the Commission and Executive, including a Press Office and General Enquiry Point.

Since 1978 the headquarters' manpower baseline has altered and there have been changes in HSE organisation. Taking account of these factors, together with some other savings identified by the tripartite Working Group, our optimum solution would be for a London presence comprising 420 posts. The disposition of these posts, and the proposed distribution between Merseyside and London, is summarised in the Annex by Division and Inspectorate.

However, we have also paid special regard to your request to provide a solution involving a smaller number of London-based posts. The tripartite Working Group reluctantly came to the conclusion that the only way of making any further reduction would be to abandon the principle of retaining in London the central management and advisory role performed by the Chief Inspectors and their immediate support staff even though this will mean serious damage to their own contacts both with outside organisations and within the HSE. The minimum solution, also summarised in the Annex, therefore retains in London the main policy development posts which, together with necessary support staff, would produce a London presence of around 372 posts. This includes a small number of support staff for Chief Inspectors visiting London.

In your letter of 2 November to Sir John Methven and Mr Lionel Murray you asked particularly that the position of the Nuclear Installations Inspectorate should be considered as part of the review. Our primary concern, I need hardly say, is to ensure that the Nuclear Inspectorate remains capable of dealing effectively with its present and future workload. We are very conscious of the need to maintain an inspectorate of the right size and composition to ensure the safety of the nuclear programme. We accept therefore that it may be necessary to keep the existing staff in London in the short run. However, we are not convinced that this is the right long term solution. One quite major element of the Inspectorate is, as you know, already based in Liverpool. Many of the most important bodies with whom the Inspectorate has to deal are based outside London - for example, the Nuclear Power Company at Whetstone, Leicestershire and Riseley near Warrington. Although the CEGB HQ health and safety staff are based in London we nevertheless feel that adequate contact could be maintained from Merseyside. In the long run, too, it seems likely that recruitment of staff on Merseyside may well be easier than it is in London. One further factor which seems relevant to us is that an Inspectorate based on Merseyside will operate more efficiently alongside the other Inspectorates of the Executive than it would based on its own in London.

• In all the circumstances we have concluded that in the long run the NII headquarters should move to Merseyside though its dispersal will have to be scheduled over a somewhat longer time-scale. Apart from the organisational considerations mentioned above this would give the Executive time to resolve the very real personnel management difficulties. Over several years new inspectors could be recruited in Merseyside to replace natural wastage in the inspectorate as a

whole so that by the time dispersal takes place we shall have had the opportunity to build up the Merseyside element of the Inspectorate which will enable us gradually to transfer blocks of work there as capacity becomes available. The problem of re-deploying existing Nuclear Inspectors who are unwilling to move from London will also be eased. On this basis we hope that the dispersal of NII will be completed by about 1985.

We would also plan to take advantage of the opportunity to improve on efficiency by concentrating a substantial number of headquarters posts which are currently located elsewhere (e.g. in Basingstoke and Preston) to Merseyside. There are already some 60 HSE posts in the Area Office at Bootle so altogether either solution would provide ultimately for 1,000 or more HSE posts on Merseyside.

The Occupational Medicine and Hygiene Laboratories at Cricklewood will not be affected by any of these arrangements and will remain where they are. These laboratories are an integral part of the Research and Laboratory Services Division which is based at Sheffield, and does not act in direct support to the Commission in the same way as other headquarters posts. In due course, we shall wish to give proper consideration to the rationalisation of our laboratories and, in the longer term, hope that it will be possible to locate them all in the Sheffield area.

Yours sincerely

Bill

W J SIMPSON

HEALTH AND SAFETY COMMISSION AND THE SAFETY EXECUTIVE
SUMMARY BY COMPONENT OF THE PROPOSED RESTRUCTURING OF THE LOWER PEDESTAL LONDON AND MANCHESTER

MANPOWER CEILING	HEADQUARTERS COMPONENT	APPORTIONMENT OF MANPOWER					REMARKS
		LONDON		MANCHESTER		Already Outstationed	
		Policy	Admin & clerical support	Policy	Admin & clerical support		
7 3	Secretariat to the Health and Safety Commission. Support Staff for the Executive	7 3		-	-	-	
100	<u>Hazardous Substances Division</u> Branch A (Policy on conveyance, packaging and labelling of hazardous substances, explosives and oxidising substances) Branch B (Policy on fire precautions, manufacture storage etc of flammables, dust explosives and liaison with NIGs, IACs etc). Branch C (Policy on toxics and corrosives) Branch D (Policy on dust and noise) Branch E (Policy on radiological protection)	15 10 8 16 10	11 4 7 9 5	2 - - - -	3 - - - -	- - - - -	(The 5 posts proposed for dispersal are concerned with the Security of Explosives (HSD A5).
98	<u>Safety Policy Division</u> Branch A (Policy development on machinery, pressurized systems and electrical safety) Branch B (Policy development on Construction, lifting machines and lifts and marine, including offshore matters) Branch C (Development of health and safety policies for mining) Branch D (Agricultural health and safety and Inspectorate branch)	16 16 6 8	9 11 11 4	- - 2 6	- - 2 7	- - - -	(The 4 posts proposed for dispersal are concerned with the MSA (Qualification Board and BASEEFA Certification). (Branch to be divided so that policy development continues in London and technical advice and operational control is dispersed
78	<u>Employment Medical Advisory Service</u> Branch A (Administration and policy aspects of occupational health) Branch B (Operational) Branch C (Occupational Health Information, Data appraisal at Epidemiology). Branch D (Employment Nursing Advisory Service) (Pathology and Research)	7 - 14 -	6 - 8 -	7 7 2 1	10 5 7 2	- - - -	The 17 posts identified for dispersal are mainly concerned with the administrative aspects of operational work. The 9 posts proposed for dispersal comprises the Medical Statistics Survey Unit.
48	<u>Resources and Planning Division</u> Branch A (General policy on disclosure by employers, safety policy, safety training and guidance on enforcements) Branch B (Planning branch and EEC/International coordination)	14 15	8 8	- 2	- 1	- -	The 3 posts proposed for dispersal comprise unit giving legal guidance to inspectors.
15	Statistical Services	-	-	15	-	-	
24	Computer and Systems Unit	-	-	13	-	11 (Basingstoke)	
354	Directorate of Corporate Services	55	-	270	-	29 (Manchester)	(The 55 posts remaining in London comprise 5 to deal with administration of accommodation, local recruitment and cashier services. The other posts consists of custodians, postal and typing services, cleaners etc.
159	Directorate of Information & Advisory Service	18	-	95	-	46 (Sheffield)	(The 18 London posts comprise the Director, Press Office and library/information point. Of the 46 posts located at Sheffield (exhibition work etc) it is thought that 31 could be moved to Merseyside.
9	Solicitors Office	9	-	-	-	-	
19 233 43 146	HM Alkali and Clean Air Inspectorate HM Factory Inspectorate HM Inspectorate of Mines and Quarries HM Nuclear Installations Inspectorates Hazardous Installations Group		10 posts to provide clerical/typing support etc for visiting CIs	378	-	13 (Preston) 40 (Liverpool)	
14	HIPB	14	-	-	-	-	
20	MHAU	-	-	20	-	-	
370		372	-	859	-	139	
TOTAL		1370					

MANPOWER CEILING EXCLUDES ANY PROVISION FOR OMHL, BUT INCLUDES HEADQUARTERS STAFF ALREADY OUTSTATIONED.

Resolution
serve but with the disposition of the Inspectorates as follows:

Alkali and Clean Air Inspectorates	15	4	-
Factory Inspectorates	22	198	13
Inspectorates of Mines and Quarries	10	33	-
Nuclear Installation Inspectorates	12	94	40
Totals	421	810	139
1370			

This letter to be
Created as withdrawn
until further advice
received.

MMJ
28/



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400
Switchboard 01-213 3000

Rt Hon Lord Soames GCMG GCVO CBE
Lord President of the Council
Privy Council Office
Whitehall
LONDON SW1

Civil Service

27 November 1979

Dear Lord President,

The Prime Minister asked me (Pattison's letter to Buckley of 29 October) to invite the HSC, CBI and TUC to undertake a joint examination of the precise number of HSE posts which should remain in London on the basis of a thorough appraisal of the need for continuing policy liaison particularly with industry.

... This has now been done and I enclose a copy of the letter from the Chairman of the HSC which sets out the results of this review.

You will see that they have come up with two alternatives. The first is an optimum solution which is in fact governed by precisely the same criteria as the solution which was proposed to, and accepted by, the previous administration. It would now result in 420 posts remaining in London. It would mean that the function of policy making would remain in London and the CBI and TUC have emphasised again the importance they attach to this. You will see however that, in examining the blocks of work of the HSC which are concerned mainly with policy making, those responsible for the proposal have distinguished some posts, mainly of an operational nature, which could go to Merseyside eg, in the Employment Medical Advisory Service. Secondly, the optimum solution involves the retention of the Chief Inspectors in London because of their important involvement with policy work and also because of their representative role with other organisations.

I told the TUC and CBI that it was important that the examination should consider not only the optimum number of posts to remain in London, but also whether options for a smaller number of London based posts are viable. They have therefore put forward an alternative which would involve abandoning the principle of retaining in London the central management and advisory role performed by the Chief Inspectors and their immediate support staff. This would produce a London presence of around 372 posts.



I am particularly anxious that the HSC/E should be as closely in touch with industry as possible. Both bodies have a rather complex interface with the industrial world as well as with Government Departments and Ministers. Indeed the complaint from Departments has been that there is insufficient liaison with HSE. To move the HSE policy branches to Merseyside would inevitably make the task of maintaining and improving effective liaison harder. I am therefore sure that it is right that the central policy making function of HSE should remain in London. I think the position of the Chief Inspectors and their immediate support staff is more debatable. I have considerable sympathy with the Commission's case for keeping them in London, but it is not quite so strong as that for the central policy function for the nature of their work means that their lines of communication are very much to their out-stationed subordinates as well as across to the policy makers. Consequently I would be prepared to agree to the alternative solution which would leave about 372 posts in London, if you thought it important that the extra 50 or so posts should be included in the dispersal programme.

You will recall that the Prime Minister also said that she would wish to reach a final view on whether the Nuclear Installations Inspectorate should be included in the dispersal package when the results of the examination were available. The CBI and TUC accept that it may be necessary to retain those Nuclear Inspectorate headquarters staff now in London in the short run, but say that in the longer run account needs to be taken of the fact that a substantial number of headquarters nuclear inspectors are already in Merseyside, and that many of the bodies with whom the inspectors deal are outside London. This means that the CBI and TUC think that the NII should be dispersed in 1985 and work alongside the other inspectorates in Merseyside. I think this should give time for what might be awkward staffing problems to be overcome, and from the point of view of the HSC/E as a whole it makes sense to treat the various inspectorates in a uniform way. Moreover to retain the nuclear inspectorate headquarters in London would reduce by about 100 the number of posts which could be dispersed to Merseyside.

The Prime Minister asked you and me to consider urgently whether the result of the examination offered a worthwhile alternative package. For my part having asked the CBI and TUC to undertake this examination, I think we should be prepared to accept the outcome, which if the second option is taken would mean dispersing 860 posts to Merseyside. This is a very sizeable contribution and HSE would be prepared to add marginally to it by moving some small groups of staff to Merseyside now stationed outside London for which there would be justification on managerial grounds.

In order to keep others who have an interest in the picture, I am sending copies of this letter to members of the Cabinet, the Minister of Transport and to Sir Robert Armstrong.

Jim Lester

(Approved by the Secretary of State
and signed in his absence)

Health and Safety Commission

Regina House
259 Old Marylebone Road
London NW1 5RR

Telephone 01-723 1262
Telex 25683

*for report above please
see 24/11*

Ft Hon James Prier MP
Secretary of State for Employment
Department of Employment
Cannon House
Tottenham Street
London E20 9NA

Your reference

Our reference

Date

21 November 1979

Since receiving your letter of 2 November 1979 a tripartite CBI/TUC/HSE Working Group has completed a review of dispersal. A searching examination of the various blocks of work at Headquarters has been carried out, and we are now in a position to make proposals on the number of HSE headquarters posts needed in London.

The review was based on the Executive's manpower ceiling as at 1 April 1979, adjusted to take account of the 3 per cent imposed Government cut in many expenditures, which produces some 1,370 headquarters posts, including directly related outstationed functions but excluding the Cricklewood Laboratories. No account has, of course, been taken of any further diminution in overall numbers that may arise from "option cuts" decisions.

For the purpose of arriving at an optimum solution - that is, the solution which makes best sense to us - we applied precisely the same criteria as those used when the HSE considered this matter at the request of the last Government in 1978, when it was subsequently agreed that 435 staff might remain in London. The criteria applied are as follows:

- (a) that the function of policy-making should remain with the Commission and Executive in London. This consideration has always been of paramount importance to the TUC/CBI and HSE, because staff engaged on policy work have vital and frequent contact with the Commission, TUC, CBI, their affiliated organisations and many other bodies based in London. We have therefore concluded that most of Hazardous Substances and Safety Policy Divisions, 2 of the 4 Branches of the Resources and Planning Division, part of the Employment Medical Advisory Service, and the Solicitor's Office should remain in London. However, from amongst these blocks of work we have identified a number of posts, mostly operational in nature, which could be moved to Merseyside;
- (b) that the Chief Inspectors with some supporting staff should remain in London not only because of their important involvement in HSE policy work but also because of their representative role with important organisations which are, to the main, London-based.

The London office should also include a minimum level of supportive services for the Commission and Executive, including a Press Office and a Central Enquiry Unit.

Since 1978 the headquarters' manpower baseline has altered and there have been changes in HSE organisation. Taking account of these factors together with some other savings identified by the tripartite Working Group, our optimum solution would be for a London presence comprising 420 posts. The disposition of these posts, and the proposed distribution between Merseyside and London, is summarised in the Annex by Division and Inspectorate.

However, we have also paid special regard to your request to provide a solution involving a smaller number of London-based posts. The tripartite Working Group reluctantly came to the conclusion that the only way of making any further reduction would be to abandon the principle of retaining in London the central management and advisory role performed by the Chief Inspectors and their immediate support staff even though this will mean serious damage to their own contacts both with outside organisations and within the HSE. The minimum solution, also summarised in the Annex, therefore retains in London the main policy development posts which, together with necessary support staff, would produce a London presence of around 372 posts. This includes a small number of support staff for Chief Inspectors visiting London.

In your letter of 2 November to Sir John Methven and Mr Lionel Murray you asked particularly that the position of the Nuclear Installations Inspectorate should be considered as part of the review. Our primary concern, I need hardly say, is to ensure that the Nuclear Inspectorate remains capable of dealing effectively with its present and future workload. We are very conscious of the need to maintain an Inspectorate of the right size and composition to ensure the safety of the nuclear programme. We accept therefore that it may be necessary to keep the existing staff in London in the short run. However, we are not convinced that this is the right long term solution. One quite major element of the Inspectorate is, as you know, already based in Liverpool. Many of the most important bodies with whom the Inspectorate has to deal are based outside London - for example, the Nuclear Power Company at Whetstone, Leicestershire and Riseley near Warrington. Although the CEGB HQ health and safety staff are based in London we nevertheless feel that adequate contact could be maintained from Merseyside. In the long run, too, it seems likely that recruitment of staff on Merseyside may well be easier than it is in London. One further factor which seems relevant to us is that an Inspectorate based on Merseyside will operate more efficiently alongside the other Inspectorates of the Executive than it would based on its own in London.

In all the circumstances we have concluded that in the long run the NII headquarters should move to Merseyside though its dispersal will have to be scheduled over a somewhat longer time-scale. Apart from the organisational considerations mentioned above this would give the Executive time to resolve the very real personnel management difficulties. Over several years new inspectors could be recruited in Merseyside to replace natural wastage in the inspectorate as a

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We would also plan to take advantage of the opportunity to improve on efficiency by concentrating a substantial number of headquarters posts which are currently located elsewhere (e.g. in Basingstoke and Preston) to Merseyside. There are already some 50 HSE posts in the Area Office at Bootle so altogether either solution would provide ultimately for 1,000 or more HSE posts on Merseyside.

The Occupational Medicine and Hygiene Laboratories at Cricklewood will not be affected by any of these arrangements and will remain where they are. These laboratories are an integral part of the Research and Laboratory Services Division which is based at Sheffield, and does not act in direct support to the Commission in the same way as other headquarters posts. In due course, we shall wish to give proper consideration to the rationalisation of our laboratories and, in the longer term, hope that it will be possible to locate them all in the Sheffield area.

Yours sincerely

Bill

W. J. SIMPSON

27 NOV 1979



HEALTH AND SAFETY COMMISSION AND SAFETY EXECUTIVE
 DISSEMINATION BY COMPONENT OF THE PROPOSED RE-DISTRIBUTION OF MANPOWER BETWEEN LONDON AND MERSEYSIDE

MANPOWER CEILING	HEADQUARTERS COMPONENT	APPORTIONMENT OF MANPOWER				REMARKS	
		LONDON		MERSEYSIDE			Already Outstationed
		Policy	Admin & clerical support	Policy	Admin & clerical support		
7 3	Secretary to the Health and Safety Commission, Support Staff for the Executive	7 3		- -	- -		
100	<u>Hazardous Substances Division</u> Branch A (Policy on conveyance, packaging and labelling of hazardous substances, explosives and oxidising substances) Branch B (Policy on fire precautions, manufacture storage etc of flammables, dust explosives and liaison with NIGs, IACs etc). Branch C (Policy on toxics and corrosives) Branch D (Policy on dust and noise) Branch E (Policy on radiological protection)	15 10 8 16 10	11 4 7 9 5	2 - - - -	3 - - - -	(The 5 posts proposed for dispersal are concerned with the (Security of Explosives (HSD A5).	
99	<u>Safety Policy Division</u> Branch A (Policy development on machinery, pressurized systems and electrical safety) Branch B (Policy development on Construction, lifting machines and lifts and marine, including offshore matters) Branch C (Development of health and safety policies for mining) Branch D (Agricultural health and safety and Inspectorate Branch)	16 16 6 8	9 11 11 4	- - 2 6	- - 2 7	(The 4 posts proposed for dispersal are concerned with the (Qualification Board and BASEFA Certification). (Branch to be divided so that policy development continues in (London and technical advice and operational control is dispersed	
71	<u>Employment Medical Advisory Service</u> Branch A (Administration and policy aspects of occupational health) Branch B (Operational) Branch C (Occupational Health Information, Data appraisal at Epidemiology). Branch D (Employment Nursing Advisory Service) (Pathology and Research)	7 - 14 -	6 - 8 -	7 7 2 1	10 5 7 2	The 17 posts identified for dispersal are mainly concerned the administrative aspects of operational work. The 9 posts proposed for dispersal comprises the Medical Statistics Survey Unit.	
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354	Directorate of Corporate Services	55	-	270	29 (Runcorn)		
159	Directorate of Information & Advisory Service	18	-	95	46 (Sheffield)	(The 18 London posts comprise the Director, Press Office and library/information point. Of the 46 posts located at Sheffield (exhibition work etc) it is thought that 21 could be moved to Merseyside.	
9	Solicitors Office	9	-	-	-		
19 233 43 46	HM Alkali and Clean Air Inspectorate HM Factory Inspectorate HM Inspectorates of Mines and Quarries HM Nuclear Installations Inspectorates Hazardous Installations Group	10 posts to provide clerical/ typing support etc for visiting CIs	-	378	- 13 (Preston) 40 (Liverpool)		
14	HIPB	14	-	-	-		
20	MHAU	-	-	20	-		
370*		372	-	859	139		
	TOTAL		1370				

* MANPOWER CEILING EXCLUDES ANY PROVISION FOR OMHL, BUT INCLUDES HEADQUARTERS STAFF ALREADY OUTSTATIONED.

Alternative Solution

As above but with the disposition of the Inspectorates as follows:

HM Alkali and Clean Air Inspectorates
 HM Factory Inspectorates
 HM Inspectorates of Mines and Quarries
 HM Nuclear Installation Inspectorates

Totals

15	4	-
22	198	13
10	33	-
12	94	40
421	810	139
1370		

FILE

Com. 21.11.79 VLS

RESTRICTED

BF 21.11.79

to MAP

cc CO

19 November 1979

Thank you for your letter of 19 November, about the dispersal of Civil Service posts to Bootle.

I agree that no purpose will be served by heroic efforts to agree an interim reply this week if the outcome of the further review of HSE is likely to be available within a few days. Perhaps we can have a word in the second half of the week, by which time you should have some idea of the conclusions of the Health and Safety Commission.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

M. A. PATTISON

Jim Buckley, Esq.,
Civil Service Department.

RESTRICTED



Civil Service Department
Whitehall London SW1A 2AZ
01-273 4400

19 November 1979

Mr Mike Pattison
Private Secretary to the Prime Minister
10 Downing Street
LONDON SW1

Dear Mike,

THE DISPERSAL OF CIVIL SERVICE POSTS TO BOOTLE

In your letter of 29 October you reported the Prime Minister's decision that a dispersal package for Bootle should be announced, giving the composition (posts from the Property Services Agency, the Home Office and the Health and Safety Executive) but not setting a figure on the HSE element and making it clear that the size of this part of the package was under urgent review.

2. We planned to make this interim announcement by means of an arranged Parliamentary Question for written answer. It is, however, proving extremely difficult to find a form of words that is acceptable to all the departments who have a direct interest and I am afraid we have still not arrived at an agreed statement. Meanwhile, it is expected that the outcome of the joint examination of the Health and Safety Executive's contribution to the package will be approved by the Health and Safety Commission when they meet on 20 November. If this then proves acceptable to the Lord President and the Secretary of State for Employment it should be possible to make the definitive announcement about the Bootle dispersal very soon thereafter - possibly before the end of November. In the circumstances, therefore, the Lord President hopes that the Prime Minister will agree that there is now no point in making an interim announcement.

3. I am sending copies of this letter to Private Secretaries to the members of Cabinet, including the Minister of Transport, and to Martin Vile (Cabinet Office).

*Yours sincerely,
Jim Buckley.*

J BUCKLEY
Private Secretary

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11 NOV 69

11 NOV 69

CONFIDENTIAL



✓MAF
2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

19 November 1979

Dear Paul

DISPERSAL TO BOOTLE

I have seen a copy of your proposed reply to a Written PQ about Bootle, and the comments of Willie Whitelaw and Jim Prior.

I agree with Willie Whitelaw that the announcement should, as the Prime Minister envisaged, give firm figures for the Home Office and PSA (the latter's commitment is to provide 100 posts), leaving only the HSE figure to be settled later. We too need adequate advance notice to inform our Staff Side of this decision.

I also agree with Jim Prior that it would be unwise to refer to up to 3,000 posts when 1,300 of these are temporary jobs which will be phased out before all the permanent jobs can be transferred. At any one time there will be not more than about 2,000 jobs in Bootle.

Finally, I have to enter a word of caution about the temporary jobs on the 1981 Census. There is just a possibility that the accommodation for these staff in Bootle will not be completed by February 1981 when it is needed. If we have to accommodate them elsewhere it will almost certainly not be in Bootle. Until we are clearer about the prospects it would be advisable to avoid being too definite about this commitment - eg "In addition it is hoped to provide up to 1,300 temporary jobs in connection with the 1981 census...".

I am copying this to the Prime Minister, members of the Cabinet and to Sir Robert Armstrong.

Yours ever

MICHAEL HESELTINE

Paul Channon Esq MP
Minister of State in the Civil Service Department
Whitehall
London
SW1A 2AE

20 NOV 1979



4



✓ MAP
CIVIL
SERVICE

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400
Switchboard 01-213 3000

P Channon Esq MP
Minister of State
Civil Service Department
Whitehall
LONDON SW1A 2AZ

15 November 1979

THE DISPERSAL OF CIVIL SERVICE POSTS TO BOOTLE

Thank you for your letter of 9 November.

I agree that we should make an announcement as soon as possible, and that this can best be done by means of a written question and answer.

In the proposed draft answer, I notice that no reference is made to the CBL/US/HSE study that I have set in train following the Prime Minister's decisions. I would prefer this point to be covered as the Prime Minister intended, partly because I so informed John Moulven and Len Murray when I invited them to embark on the joint study, and partly because in its present form the statement could raise HSE Staff Side expectations unduly.

The point could be met if the third sentence of the answer were made to read:

'The exact number will be finally determined following the outcome of a study of the number of Health and Safety Executive posts needed to remain in London, and I will make a further statement in due course'.

Independently of this, it seems to me that it would be wiser to reveal in the announcement that up to 1,500 of the total of two to three thousand are temporary OPCS posts. Otherwise, when the figure is revealed, as it is bound to be some time soon, we are likely to be accused of wanting to hide the number of permanent posts being dispersed.

Finally, when I met HSE Staff Side on 15 October, I undertook to let them know the terms of any public announcement. Accordingly, I shall be obliged if you will let me know the final text and the date for reply in good time so that I may honour the undertaking.

I am sending copies of this to the Prime Minister, members of the Cabinet, and to Sir Robert Armstrong.

CONFIDENTIAL



QUEEN ANNE'S GATE LONDON SW1H 9AT

14 November 1979

Dear Paul,

THE DISPERSAL OF CIVIL SERVICE POSTS TO BOOTLE

Thank you for sending me a copy of your letter of 9 November to Jim Prior, with a draft announcement.

I quite agree that we should make an early announcement, this week if possible. It is equally essential that this announcement should state clearly the Cabinet's decision of 4 October that the Home Office contribution to the Bootle dispersal will be 300 computer posts. At the request of your Department, the Home Office Staff Side have not yet been told of this decision, pending an announcement. This has meant that many staff in my Department still do not know whether or how the Government's dispersal plans will affect them, and that the Department has been unable to get on with its dispersal planning, which has been at a virtual standstill since the Summer. This has created increasing problems, both now and for the future, and could put at risk the Department's ability to complete its dispersal commitment within the time scale to which we have been working.

For these reasons it is important that the announcement should be on the lines indicated in the second paragraph of the Prime Minister's Private Secretary's letter of 29 October, and should state that the dispersal package for Bootle will comprise elements from the Home Office, the PSA and the HSE, but only in the case of the HSE should no firm figure be set. The second sentence of your draft answer should accordingly say that the Home Office computer centre will comprise 300 of the posts concerned.

I am sending copies of this letter to the recipients of yours.

*Yours
Lottie*

Paul Channon Esq MP

CONFIDENTIAL

14 NOV 1979





✓ MAP

with compliments

MINISTER OF STATE

CIVIL SERVICE DEPARTMENT
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086

CONFIDENTIAL



Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

The Rt Hon James Prior MP
Secretary of State
Department of Employment
Caxton House
Tothill Street
LONDON SW1

9th November 1979

THE DISPERSAL OF CIVIL SERVICE POSTS TO BOOTLE

Following the Prime Minister's decisions regarding dispersal to Bootle I think it essential that we make an announcement as soon as possible.

... If you agree, I think we should arrange for a Written Question to be put down for next week. I attach a suggested Question and Answer.

I am sending copies of this letter and enclosure to the Prime Minister, to members of the Cabinet, and to Sir Robert Armstrong. I should be grateful if the Home Secretary, the Secretary of State for the Environment, and the Secretary of State for Social Services (for OPCS) would confirm that they also are content with the terms of the announcement.

PAUL CHANNON

CONFIDENTIAL

CIVIL SERVICE DEPARTMENT

Con

No : To ask the Minister for the Civil Service, what plans the Government has for locating further Civil Service work in Bootle.

DRAFT ANSWER: MR PAUL CHANNON

The Government has decided that between two and three thousand additional Civil Service posts will be located at Bootle. Some will be London posts drawn from the Home Office, the Property Services Agency and the Health and Safety Executive. The exact number of these is yet to be finally determined and I will make a further statement in due course. Others will be from the Office of Population Censuses and Surveys which proposes to create a substantial number of short-term posts in connection with the processing of the 1981 Census.

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Unit Series



BAZ/14/3A
N.B.U

10 DOWNING STREET

From the Private Secretary

29 October 1979

Dear Tim

The Prime Minister has now had an opportunity to give further thought to the dispersal proposals for the Health and Safety Executive. She has taken account of minutes of 15 and 25 October by the Secretary of State for Employment, 23 October by the Secretary of State for Energy, the Minister of Agriculture's letter to her of 24 October and the Lord President's minute of 19 October.

The Prime Minister does not wish to re-open the Cabinet decision that the dispersal package for Bootle should be made up by posts from PSA, the Home Office and HSE. She does not consider that decisions relating to any other Department would prove to be easier than the issues surrounding HSE. She has therefore concluded that a dispersal package for Bootle should be announced, comprising elements from the three offices. The announcement should not, however, set a firm figure on the HSE element, but should make it clear that the number of policy-level HSE posts to be dispersed is being urgently considered. The Prime Minister would like the Secretary of State for Employment to invite the HSC, CBI and TUC to undertake the joint examination they have offered, in as short a timescale as possible. This review should consider not only the optimum number of posts to remain as a headquarters base in London, but should also examine whether options for a smaller number of London-based posts are viable, given the factors which have led the Government to implement a dispersal programme.

As soon as the results of this further study are available, the Prime Minister will wish the Lord President and the Secretary of State for Employment to consider urgently whether the results offer a worth-while alternative package which can be implemented with the acquiescence, if not the full support, of the CBI and TUC. At this stage, the Prime Minister will also want to reach a final view on whether the Nuclear Installations Inspectorate should be included in the HSE dispersal package. The Prime Minister recognises that there is a strong case for leaving NII out of the dispersal package, but would not want to reach a decision on this until the results of the new study on HSE are available.

/I am sending

I am sending copies of this letter to the Private Secretaries to the Members of Cabinet, including the Minister of Transport, and to Martin Vile (Cabinet Office).

Yours sincerely

Mike Patterson

Jim Buckley, Esq.,
Lord President's Office.

Extract from Pms Meeting
with Welsh TUC. - 8 -

and the Wales CBI, The Wales CBI had argued the case for a Council for Wales; the TUC supported their general approach, whilst naturally disagreeing with some aspects of their case. The Government should give very serious consideration to this proposal. The Wales TUC had already told the Secretary of State that they were ready to work in partnership.

The Secretary of State for Wales said that there were always problems in institutionalising planning processes. Mr. Paul had spoken of a body to carry the confidence of the Welsh people, but responsibility for decisions must rest with the Government. He had decided to abolish the Welsh Council which had become quite ineffective. It could only have continued if completely revitalised. The Wales TUC and the Wales CBI had put in proposals, and he would bear in mind what had been said. He personally found exchanges such as the present meeting of great value - not only for the discussion which took place, but for the work of preparation which helped to focus Ministers' minds on the individual problems of Wales.

Dispersal

Mr. Paul said that, at a meeting in July, the Secretary of State had spoken of Ministry of Defence dispersal of 4,200 posts, leading eventually to 7,000 jobs in Wales. The Wales TUC had been shocked to learn, a few days later, that this programme had been suspended. They recognised the initial cost, but there were long-term benefits, and he firmly believed that there would be no problem of assimilating transferred staff in the Cardiff area. Recent work at the University of Strathclyde had demonstrated the long-term economic and social benefits of dispersal. He hoped the Government would look again at this, and reconsider their decision.

The Secretary of State for Wales said that, speaking personally, he would have liked to see a move to Cardiff go through. But the initial costs of the overall dispersal programme inherited from the previous Government would have been very high, with the economic returns a long time off. It would be misleading if he implied any

/likelihood

likelihood of review or reversal, given that a decision had been taken. He would, however, ensure that any future opportunities for moving jobs to Wales were thoroughly examined, and put into effect if at all possible.

The meeting finished at 1230.

29 October 1979

cc: Private Secretary to the Secretary of State for Wales
" " " " Chancellor of the Exchequer
" " " " Secretary of State for Employment
" " " " Secretary of State for Industry
" " " " Secretary of State for Energy
" " " Sir Robert Armstrong

1. MR. WOLFSON /has seen/
2. PRIME MINISTER

Bootle Dispersal

You asked us to consider this further. We mentioned yesterday the CBI's concern that the existing decision might push them into an alliance with the TUC in criticising an arbitrary choice.

I attach Sir John Hunt's advice, with the papers referred to. I have also added at Flag F a further comment from Mr. Prior.

Mr. Channon has already announced that there will be dispersal to Bootle with the full composition yet to be decided. You have said that you are reluctant to reopen the Cabinet decision on composition taken on 4 October (Flag E). This specifically refers to "some 1200 posts" from HSE. Sir John Hunt advises that any decision to substitute posts from another department would require further Cabinet discussion, but he believes that a small reduction in the numbers going to Bootle could be settled without going back to Cabinet. He advises that you could drop the Nuclear Installations Inspectorate component, about 100 posts, whilst going ahead with the remaining HSE posts.

There are good grounds for not now enforcing a dispersal decision in NII, but this is not the key to the current question. Whilst this would meet the lesser of Mr. Prior's concerns, it would do nothing to meet the CBI problem.

Mr. Prior has argued for remaining unspecific about Bootle numbers whilst CBI and TUC reconsider a viable dispersal arrangement. He has suggested that this might produce a further reduction of 35 posts in the headquarters requirement.

/ John

John Methven today told David Wolfson that he would do his best to see that the study produced options for the HSE remnant in London - say options of 75, 225, 400. A Government choice of the middle one would be shown as viable even if it were not the CBI/TUC preferred solution.

The Lord President presses ~~the~~ the figure of 1600 posts as a minimum viable dispersal to Bootle. He has also argued that a very early announcement is now required in view of rumours and speculation.

The Prior/CBI approach would allow an announcement that the bulk of HSE is to be dispersed, but that the final numbers are subject to further study. At this point, you would not need to be specific about NII. If the result of the study brought the total HSE dispersal package down by more than 100 posts or so, Lord Soames could insist on going back to Cabinet, but given the reluctance of any other Department to go to Bootle, he would probably find minimal support for the argument that a somewhat smaller package still involving the bulk of HSE, was not viable. The smaller package would be cheaper for government. Such an outcome would give CBI the opportunity to get off its hook (if it really wants to).

If you discard the option of seeking another Department to disperse, the three remaining choices are:-

1. To stand by the existing Cabinet decision; ✕
2. To vary the existing decision only by deducting NII from it for the present;
- 15
3. To announce HSE dispersal to Bootle, subject to further work on the minimum headquarters requirement in London, invite TUC/CBI to study this question

/ further

further with a requirement that they investigate whether a headquarters team considerably less than 435 is viable, and to press the Lord President to accept that his total figure for dispersal to Bootle is likely to come down to somewhere around 1400, as against his present minimum viable level of 1600. He is not likely to resist this in the last analysis.

MAD 1/ C.B. can
get down to about
200 or so headquarters
staff in London -
(which sounds enormous
to me) - the course?
I hope that does not
involve going back to
Colindale. Surely the T.M.C. would
want to oppose jobs going
to Bootle.
M.T.

26 October, 1979.

PRIME MINISTER

has been. Further submission today MAF 26/1

Mr. Prior wrote to you on 15 October seeking to re-open the earlier Cabinet decision about dispersal to Bootle.

I attach Sir John Hunt's advice, with the relevant papers.

David Wolfson has been in touch with the CBI about this. John Methven makes two points. First, the CBI and the TUC have major responsibility for HSE (between them they have six of the nine seats on the Health and Safety Commission). They are closely involved in the day to day work of the HSE, and would find it that much more difficult to keep this body - a powerful quango - under control if it is moved. Secondly, the original proposal to leave 435 policy posts in London was the result of a study done by TUC and CBI on what could be dispersed. If the Government now say that they are giving a ruling about the number of posts which may be maintained in London, without showing any concern with the efficiency arguments from the study, this will give the TUC an opportunity to make loud noises about irresponsible and inefficient Government decision making. The CBI might well feel obliged to support the TUC view in this particular case. Methven suggested to David Wolfson that a further study can be requested: this, he felt, might produce a smaller figure of posts required in London on efficiency grounds. (But the Department of Employment believe that any further study would trim the figure of 435 by only a few - figure of 400 now spelt out in Mr. Prior's further note at Flag E.)

Sir John Hunt's note does not stress the political difficulty for the CBI, although this is mentioned in paragraph 9. David Wolfson regards this as a serious problem.

Sir John offers three options and recommends enforcing the HSE dispersal but cancelling the Nuclear Installations Inspectorate dispersal. The NII point is hardly relevant to the HSE problem. Can I take it that you would favour the dropping of the NII dispersal, given the weight of advice in favour of that course?

/ There is

There is a political judgment to be made about the CBI position over HSE. If you are not prepared to run the risk of putting CBI and TUC into the same camp in criticizing the Government, and if you want to leave NII in London, you have a choice of finding another Department to fill the remaining Bootle space, or reducing the Bootle dispersal well below the Lord President's view of the minimum credible package. If you look for another Department, it is likely that every alternative candidate will find arguments just as persuasive as those wielded on behalf of HSE. A decision to go for another Department would require further Cabinet discussion.

Are you content to accept Sir John Hunt's advice despite the fears privately expressed by CBI?

MA

25 October 1979



CONFIDENTIAL

Ref. A0499

PRIME MINISTER

Dispersal of the Health and Safety Executive

A

The Secretary of State for Employment wrote to you on 15th October, seeking to reopen the Cabinet decision of 4th October to disperse 1,200 Health and Safety Executive (HSE) posts to Bootle. The Secretary of State was not present at the relevant discussion but was represented by Lord Gowrie. The

B

Lord President of the Council wrote to you on 19th October, pointing out the objections to the course which the Secretary of State for Employment had proposed. The Secretary of State for Energy and the Minister of Agriculture,

S.D.


Fisheries and Food have also written to you, on 23rd and 24th October respectively.

Background

2. Under the previous Government, the CBI and the TUC both made it clear that they would publicly oppose the total dispersal of the HSE, but they accepted a proposal to disperse 1,000 staff to Merseyside, consisting of some 840 Headquarters staff, to be dispersed to Bootle, and some 160 Laboratory staff to be dispersed from Cricklewood to Skelmersdale. This proposal left 435 Headquarters staff in London. The figure of 435 represented the staff necessary to keep policy-making work in London, which the Health and Safety Commission were very keen to do.

SE

3. The Lord President's proposal in C(79) 40, as endorsed by Cabinet on 4th October, was to move 1,200 HSE staff to Bootle. Although the paper does not spell this out, there was no question of proposing to move Laboratory staff this time because the purpose of the exercise was to fill existing office space in Bootle. So all 1,200 posts would be Headquarters posts, leaving a nucleus of only 60-100 Headquarters posts in London. (The paper confusingly says "less than 300".)



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4. It is quite clear that this decision will not please the Health and Safety Commission, since it takes the policy-making work out of London and leaves them with only a "front office" there, comparable in size to the London offices of the Scottish and Welsh Offices. The Secretary of State for Employment argues that the upset to the Commission will be enough to cause a major row not only with the TUC, which he can face, but also with the CBI, which he is particularly anxious to avoid. He therefore proposes in effect that we should go back to the previous solution of leaving some 435 Headquarters staff in London, though the precise figure would be decided in consultation with the Commission. As there is no question of moving the Laboratory staff to Bootle, the Secretary of State's proposal would reduce the total dispersal to Bootle by something like 350 staff.

5. In addition the Secretary of State for Employment raises a new point about the wisdom of dispersing the Nuclear Installations Inspectorate (NII) who have a complement of 140 posts, of which approximately 100 are now in London and 40 in Liverpool. The Secretary of State for Energy minuted you on 23rd October supporting him on this point. I have consulted Sir Kenneth Berrill, who confirms that the dispersal of the London posts involves a risk to the timetable of the PWR, though he points out that we simply do not know how great a risk it is.

6. The Lord President has 400 posts for Bootle in the bag (300 from the Home Office and 100 from the PSA). He argues that 1,600 is the minimum credible package, so that if the HSE contribution is to be reduced by, say, 400 he needs to find at least that number from other Departments - he suggests 100 from the PSA and 500 from the Ministry of Agriculture, Fisheries and Food. Such proposals (and any alternatives) will of course run into objections from the departmental Ministers concerned. (Mr. Walker's letter of 24th October demonstrates this). I understand that the Secretary of State for Employment feels that a shortfall of 350 - from 1,600 to 1,250 - would in fact be acceptable and that there is certainly no need to go beyond the total of 1,600 in the way suggested by the Lord President.



CONFIDENTIAL

Handling

7. There are two separate issues - the 100 or so NII posts now in London, and the 350 or so Headquarters posts connected with policy formation.

8. I am inclined to think that the NII posts could be dropped from the dispersal without replacement (thus reducing it from 1,600 to 1,500) without destroying its credibility. So you might feel able to agree to keep these posts in London and to reduce the total for dispersal accordingly. On the other hand, if virtually the whole of HSE Headquarters is in Bootle it may make more sense for the NII to be there as well, despite the possible difficulties of recruiting and retaining staff. One possibility which would avoid the short-term problem of delay to the PWR programme would be simply to postpone the NII's dispersal for, say, 4 years. At this stage, I think the arguments point to keeping the options open.

9. As to the 350 or so staff concerned with policy formation, I think this is too big a group to drop without replacement. The key question on whether or not they should go is the attitude of the CBI. The Secretary of State for Employment predicts a major row with them if the existing proposals go ahead. I think there are two reasons for this. Firstly, the CBI may not feel very strongly about health and safety at work, but the TUC do, and it probably suits the CBI's interests to go along with the TUC on this - it must make for better working relations all round if there is occasionally something that they can both agree about. Secondly, from the opposite corner, I think the CBI are worried about some of the HSE's activities, and feel that they can keep a better grip on them if the policy makers are in London. This is a serious point, but there are more ways than that of keeping the HSE under control and following yesterday's discussion in E Committee about a review of the implementation of health and safety policies, the Secretary of State for Employment may be able to give the CBI some private reassurances on this point.

10. If you agree with this analysis, there are three options:-

- (i) To uphold the Cabinet's decision of 4th October despite the concerns expressed by the Secretaries of State for Employment and for Energy.



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- (ii) To reduce the firm target for dispersal to Bootle from 1,600 to 1,500, so as to allow for the possibility of leaving the London branch of the Nuclear Installations Inspectorate behind - either permanently or for a few years - if that seems the right course to the parties most concerned. This would be going against the Lord President's advice on the minimum credible number for dispersal, but not by much. It would be a concession to the Secretary of State for Employment, but not on the point he was most concerned about.
- (iii) To accept the Secretary of State for Employment's arguments in his minute of 15th October and the Lord President's advice about the minimum number for dispersal. This would mean nominating some other Department, probably the Ministry of Agriculture, Fisheries and Food, to disperse say 350 posts to make up the shortfall resulting from the Secretary of State for Employment's proposals.

11. You could decide on one of the first two options now, but if you were inclined to Option (iii) I think it would be necessary to take the matter back to Cabinet to give the Minister of Agriculture, Fisheries and Food a chance to defend his corner.

Recommendation

12. On balance, I recommend the second option, and I attach a draft Private Secretary letter to that effect.

(John Hunt)

25th October, 1979



CONFIDENTIAL


DRAFT LETTER FROM MR. LANKESTER TO
IAN FAIR, ESQ., PS/SECRETARY OF STATE FOR
EMPLOYMENT

Dispersal of the Health and Safety Executive

The Prime Minister has seen your Secretary of State's minute of 15th October, the Lord President of the Council's minute of 19th October, the Secretary of State for Energy's minute of 23rd October and the Minister of Agriculture, Fisheries and Food's letter of 24th October.

2. The Prime Minister has noted that moving the London posts of the Nuclear Installations Inspectorate to Bootle would carry a risk of delay to our future nuclear programme. She understands that approximately 100 posts are involved. She would like to leave open the option of keeping these posts in London, and is therefore prepared to agree that the minimum dispersal package for Bootle should be reduced from 1,600, the figure proposed by the Lord President, to 1,500, with the HSE's contribution reduced from 1,200 to 1,100.

3. As to your Secretary of State's proposal to keep some 435 other Headquarters posts in London, the Prime Minister appreciates that to leave only some 60-100 such posts in London as implied by the Cabinet's decision on 4th October, is likely to lead to a row not only with the TUC but also with the CBI. However, she does not feel that a shortfall of as many as 350 posts could be accepted, and therefore if the HSE does not send them, another Department will have to. The Cabinet considered the possibilities for dispersals by other Departments on 26th July and on 4th October, and the Prime Minister has concluded that the objections to other



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dispersals are at least as valid as those advanced for these HSE posts. The dispersal of 1,100 HSE posts should therefore proceed. Following E Committee's discussion of strategy items on 23rd October, your Secretary of State may be able to remove some of the CBI's anxieties by telling them that the implementation of health and safety policies is under review.

4. I am copying this letter to the Private Secretaries to the other members of the Cabinet, the Minister of Transport and Sir John Hunt.



COMMONWEALTH OF MASSACHUSETTS

Faint, illegible text, likely bleed-through from the reverse side of the page.

COMMONWEALTH OF MASSACHUSETTS



25 OCT 1979

CONFIDENTIAL

Lord Levine

PRIME MINISTER

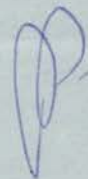
DISPERSAL

I have seen the minute of 24 October from the Minister of Agriculture, Fisheries, and Food, and I fully share his view that what is important is to ensure that the decision taken will do the least long term damage.

I, too, am not convinced that there are no other blocks of work in London that are better candidates than those closely concerned with policy and with EEC matters, as is the administrative core of the Health and Safety Executive.

Of course, although the Lord President spoke in his minute of 19 October of the need to find 600 posts for dispersal if my proposal about the HSE were accepted, the fact is that the sort of review jointly proposed by the CBI and TUC would be likely to recommend the retention in London of only about 400 posts (ie only 300-350 more than was considered by Cabinet). If that number of posts cannot be found from elsewhere, we ought perhaps also to consider whether that much smaller a dispersal is really unacceptable.

I am copying this to members of Cabinet, Norman Fowler, Paul Channon and Sir John Hunt.



J P

25 October 1979



From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

CONFIDENTIAL

The Prime Minister
10 Downing Street
London SW1

24 October 1979

DISPERSAL OF THE HEALTH AND SAFETY EXECUTIVE

I have seen a copy of the Lord President's minute to 19 October on this subject.

If this Department had to disperse 500 posts to Bootle as the Lord President suggests, I see no alternative to sending either our Lands Group or the Animal Health Group of Divisions. Both of these blocks of work are concerned with central policy issues which are sensitive politically, and from the viewpoint of Parliament and our relations with the Community. I have no doubt at all that it would be seriously damaging to the overall efficiency of the Ministry and to its links with other Whitehall Departments, as well as difficult for me and my Ministerial colleagues, to have the senior administrative and professional staff involved away from London.

If you decide that the Cabinet decision has to be reopened, I hope that we will be able to look again at the possible options. While I accept that the uncertainties need to be removed as soon as possible it seems to me more important to ensure that the decision taken will do the minimum long term damage. I am not convinced that there are no other blocks of work in London which are better candidates than the policy areas of this Ministry.

I am copying this minute to the Members of the Cabinet including the Minister of Transport and Sir John Hunt.

PETER WALKER

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
UNITED KINGDOM OF GREAT BRITAIN



24 OCT 1979



COMMUNICATIONS



PRIME MINISTER

DISPERSAL OF THE HEALTH AND SAFETY EXECUTIVE

I have seen Jim Prior's minute of 15 October to you about the Cabinet decision to disperse the Health and Safety Executive to Bootle.

He makes a point in his minute about the risk that one of the consequences of dispersal of the Nuclear Installations Inspectorate would be to introduce delay into our future nuclear programme.

I am, indeed, very concerned about the strength of the Nuclear Installations Inspectorate. I am told that out of its complement of 140 there are already 14 vacancies. The HSE and the Chief Nuclear Inspector have already advised me that their ability to under-take their safety responsibilities is being constrained by the present staff shortages.

In particular, the Inspectorate will have great difficulty in undertaking the safety assessment of the Pressurised Water Reactor as rapidly as it should be undertaken if we are to meet the CEGB's present programme requirements.

I hope, therefore, that some way can be found, perhaps as suggested by the TUC and the CBI, to make any announcement of the dispersal of the HSE to Bootle in such terms as to provide some flexibility. This will be vital if we are to minimise the risk to the nuclear programme.

I am copying this minute to Jim Prior, other members of Cabinet, Paul Channon, Norman Fowler and Sir John Hunt.

JG.
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SECRETARY OF STATE FOR ENERGY

23 OCTOBER 1979



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PRIME MINISTER

DISPERSAL OF THE HEALTH AND SAFETY EXECUTIVE

I have spoken to the Secretary of State about his minute to you of 15 October. He is adamant that moving all of HSE to Bootle means a major row - far worse than he had feared originally - with both the CBI and the TUC.

I do not underestimate the difficulties he faces but we are committed by our collective decision to move about 2000 posts to Bootle. 1600 must be the very minimum if we are to have any credibility and I only went as low as that to avoid splitting several departments. If the HSE contribution of 1200 posts now stands to be reduced by perhaps 400 or more following the proposed joint review we shall have to find the shortfall from elsewhere. From our earlier discussions with departments I know that the other real candidates for dispersal claim that it would cause them equal difficulties and damage.

As to the Nuclear Installations Inspectorate I am not of course in a position to offer professional advice. No doubt some of the staff would leave but it seems highly probable that they would have to move to the provinces to find work. I doubt it will be as bad as the unions have claimed; indeed threats by the staff to advertise their services in national newspapers have, I understand, now been dropped.

There have already been leaks since we reached our decision at Cabinet on 4 October and the delay in announcing what we are going to do inevitably creates unhealthy speculation and uncertainty amongst the staff, and in Bootle too. I think we must now make a final decision and announce it as soon as possible. If you find Jim Prior's arguments compelling we shall have to overturn the Cabinet decision. I then see little alternative to PSA being directed to send an extra 100 posts to Bootle and MAFF 500.

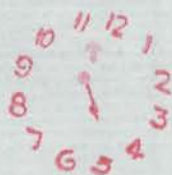
I am copying this to Jim Prior and to the other members of Cabinet, including the Minister of Transport, and to Sir John Hunt.

A large, stylized handwritten signature, likely 'S', written in dark ink.

SOAMES
19 October 1979

CONFIDENTIAL

19 OCT 1979



COPIES

PART 1 **ends:-**

S/S Emp to PM 15.10.79

PART 2 **begins:-**

LP to PM 19.10.79

