

PO-CH/NL/0275

PART A

Part A.

**CONFIDENTIAL**

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Begins: 29/4/87.

Ends: 2/7/87.

MANAGEMENT - IN - CONFIDENCE



PO -CH /NL/0275



PART A

Chancellor's (Lawson) Papers:

MOVING INLAND REVENUE  
WORK OUT OF LONDON

Disposal Directions: 25 Year

11/10/95.

PO -CH /NL/0275

PART A

PART A



*Many thanks.  
Mark helped.  
Will discuss further @  
our next meeting.*

From A M W BATTISHILL

THE BOARD ROOM  
INLAND REVENUE  
SOMERSET HOUSE

29 April 1987

**CHANCELLOR OF THE EXCHEQUER**

**INLAND REVENUE : MOVING WORK OUT OF LONDON**

Some weeks ago we had a brief word about this subject and you asked me to let you have a note describing what has already been done to move Revenue staff and work out of London, and what more might be done in the future. I attach such a note.

2. There is perhaps just one further point to make. Paragraph 31 refers to our plans to move more tax districts out of London over the next two or three years. We have just decided on the first move which will involve the work of three Central London Districts moving to Bristol, probably towards the end of this summer. We shall be letting the Financial Secretary have a full report on the proposed "Exit London" programme. And before the move to Bristol takes place we shall be telling the companies and accountants concerned of our detailed plans and what we propose to do to make the change as smooth as possible for them.

3. For the rest, we shall continue to consider provincial locations for new activities, and where discrete blocks of work have to be moved for other reasons. But, as the paper suggests, we could take another more fundamental look at the distribution of our staff if some wider dispersal programme was thought to be desirable.



(A M W BATTISHILL)

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

INLAND REVENUE: MOVING WORK OUT OF LONDON

This paper looks at the extent to which Inland Revenue work and staff have already been moved out of London and the South East and the prospects for further dispersal in the future.

The record so far

2. Problems of staffing tax districts in London in the late 1950s led to the movement of a large amount of PAYE work to new offices set up in other parts of the country, mainly in the North of England. Altogether, over 5000 jobs were moved from London to the provinces mostly in the period of 10 years to 1969. As a result, there are now only a handful of tax offices in the centre of London still doing PAYE work (though, see below, there are more doing other work).

3. The new offices in the Regions, known as London Provincial Districts, have considerably larger numbers of staff than conventional tax offices; anything up to 300 each. Experience with them was mixed; some were slow to mature and others have suffered much more from industrial action than small conventional tax offices. But in recent years the comparatively large size of these Districts has provided greater flexibility to cope with a reduced manpower and to weather the work state problems over the past three years or so.

4. There are now 28 London Provincial Districts, the first created in 1959 and the last in 1978, with a total staff number of nearly 5400. Some work has been moved to these offices from locations outside the London area, but the bulk of the work has come from Greater London. To assist taxpayers whose affairs were dealt with in offices some hundreds of miles away Inland Revenue Public Enquiry Offices were set up in and around London. These have proved quite successful; and taxpayers have become more accustomed to their tax affairs being dealt with some distance from their homes or places of work. There is still some complaint but less than there used to be.

5. There has not been the same dispersal of work from London in the case either of Collection Offices or Valuation Offices. In each case proximity to their local areas has been seen as an essential requirement. If tax is not paid, Collection staff must be able to visit local taxpayers and premises to obtain recovery. This has meant retaining the Collection presence in London and the South East despite staffing problems. However, when new collection and accounting systems were put on to computers in the late 1960s Shipley and Cumbernauld were selected as the sites for the two new Accounts Offices.

6. Similarly, Valuation Office staff must know the properties they are required to value in their locality; and local access is considered essential. Even so we are looking at the possibility of relocating some of the work undertaken in the London offices outside London. With the planned rundown of domestic rating, however, in the long run numbers required in London, as elsewhere, will diminish by around 300. And we are examining the feasibility of moving the work of around 30/40 staff in the Chief Valuer's office out of London.

7. Finally, over the last five years, we have substantially run down the number of our information technology staff in London and concentrated the work in two development centres at Telford and Worthing, where retention and recruitment are better. The Telford Centre was set up six years ago and now has over 1000 staff. In the process, some 150 technology posts have been transferred out of London.

### Present policy

8. We would not now normally contemplate putting new work into the London area unless there were exceptionally convincing reasons. In recent years almost all new developments have been administered from offices in the provinces. The Development Land Tax Office was put in Middlesbrough. Those dealing with MIRAS and composite rate tax were put in Bootle. The new foreign sportsmen and entertainers office is in Solihull. And, as you know, we have sited the new profit-related pay office in Cumbernauld. *(And Payroll Giving in Bootle)*

9. The main current initiative concerns fully trained Inspectors of Taxes. They have always had marketable skills of value to the private sector. And, over the years, we have learnt to cope with an annual loss of around 25 or so Inspectors into industry and the professions.

10. Between 1984 and 1986 the number of resignations quadruped, including people in the more senior grades which comprise District Inspectors and those dealing with the larger company accounts. In the year to 31 March 1986 we lost 100 fully trained Inspectors and 26 under training; this year, the number is rather better at 71 and 16 under training. But throughout the Department we are currently about 300 fully trained Inspectors short of our needs.

11. Most of the recent leavers have gone to the larger accountancy firms who find increasing difficulty themselves in staffing expanding tax departments and see Inspectors of Taxes as a ready source of experience, who can be attracted away from the Revenue by the substantially higher salaries on offer within the profession and the more flexible opportunities now available for partnership status.

12. In response to all this a Revenue Working Party was set up in late 1985 to examine the problem. The Roberts Committee reported last March. It made a number of recommendations to increase the number of recruits to the Inspectorate and to reorganise the work to make better use of fully trained Inspectors. The Committee also recommended moving more Inspector work out of London to try to reduce the incidence of resignations when our more promising Inspectors are faced with transfers to London to fill Head Office posts and posts in the City, West End and other important London tax districts - and, sometimes for the first time in their lives, the very high cost of housing in the South East.

13. The Board has accepted the recommendations on London work. We are now aiming to move 21 tax districts and selected parts of Head Office out of London to a number of places where the Revenue already have a substantial presence, such as Bristol, Manchester, Leeds, Birmingham and Glasgow. Around 180 fully trained Inspector posts will move, including 23 at Grade 5 level and the remainder at Grades 6 and 7 levels. In addition, between 25 and 30 non-fully trained Inspector posts would move, plus something like 100 clerical and secretarial support posts. Approaching 300 will be involved in all.



14. There will be a number of large companies and some of their accountants who will complain at their taxation affairs being dealt with far from London. Obviously it will not be so convenient but we face the choice of some possible inconvenience to those people and even greater shortage of Inspectors. We believe that the right choice is to move the work. However we are taking out the more complex work partly because it is likely that large companies and leading professional advisers will not be so inconvenienced as smaller businesses would be; we will be putting the work into provincial cities where there are good and convenient rail and road communications so that interviews, where necessary, can be undertaken in a day. Nonetheless we shall need to keep business and professional organisations closely in touch with what we have in mind, and see how we can smooth over any problems which may arise. We shall also need to consider how appeal meetings can best be organised: you may recall that one of our Finance Bill starters, which you decided not to pursue this year, related to the consequential changes.

15. The 21 Districts involved are drawn from the 54 Districts in London which are in the charge of Principal Inspectors (Grade 5) and deal with the largest industrial and commercial groups. The remaining 33 Districts include those concerned with specialist areas like banking, insurance, Lloyd's and the Stock Exchange. There are no present plans to move these away from London. The Head Office posts to move come partly from Management and partly from Technical Divisions and include staff working on training, penalties and enquiry work, and from the Special Offices.

16. Detailed planning has been going on for some months and a lot more needs to be done. The work behind all this is formidable but we believe that all the effort is worthwhile if it saves us resignations of Inspectors.

17. Moves are planned over about four years to provide time to find suitable accommodation and to deal with the personnel and organisational implications of moving large numbers of senior people to new locations.

### Other possibilities

18. There are currently 9700-odd Revenue staff in London (defined as the area for London Weighting) in grades of Executive Officer and below (and their Departmental equivalents). In the new fourth zone provisionally earmarked for geographical pay there are a further 2000, making a grand total of just under 11,800. Including more senior grades above EO level the total rises to 13,500. The area contains 18 headquarters buildings and 278 local offices in the Taxes, Collection and Valuation networks.

19. For the reasons given above, we do not believe that there is any realistic scope for moving either local Collection Offices or Valuation Offices away from the locality with which they have to deal.

20. For Tax Offices the position is less clearcut as the dispersal of PAYE work has shown. We have not so far moved entire tax offices away from London, or the work on business accounts, either of the self-employed or small companies - in the belief that local interviews and negotiations on profits are easier for both sides with local access. (The exception is the office dealing with Lloyd's underwriters which successfully moved to Leeds in 1974 because of London staffing problems and has since moved to Shipley.)

21. There are now around 200 tax offices in the London Weighting area and the fourth zone combined. Of these, only

79 are still doing the full range of work, including PAYE. The remainder have already lost their PAYE staff to provincial locations (see para 2). So, unless staff working on business accounts were to be dispersed, potential for further moves is about 2300 staff if all remaining PAYE were to be moved to the provinces.

22. The case for doing so rests partly on considerations of cost (avoiding London Weighting; reduced turnover and training costs; and a greater average level of experience) and partly on our inability to retain the numbers we need, particularly in the lower grades where wastage is currently as high as 20 per cent per annum. At the present time we are able to recruit staff in reasonable numbers but we are having increasing difficulty in keeping them. Geographical pay may help, but will put pressure on Departmental running costs. At the same time, moving work to the provinces involves quite substantial short-term costs. Any move would need to be considered most carefully, and involve the trade unions. The removal of the clerical base would exacerbate the shortage of Inspectors in London and we could not, in practice, move the clerical work before 1990 by which time we will have in place the computer facility for transferring large numbers of employees' records from one district to another. A full study of the possibilities, if that is what Ministers wanted, would take at least six months.

23. Different considerations apply to Head Office work. It has always been thought to be extremely difficult to locate staff engaged in tax policy work away from London because of the day-to-day contacts with Ministers and other parts of Whitehall needed for the Budget and Finance Bill. Similar considerations apply to the specialist technical, management and operational staff with whom Policy Division needs to be in close contact. The Roberts Report looked very closely

at the scope for dispersing some of this work; and the main options are already in train. It is not impossible to think of going beyond present plans if Ministers were to place a high priority on a new dispersal initiative; but there would be some cost and operational loss of efficiency in dispersing more of the Head Office structure, not least in the service which we provide to Ministers.

24. But for other London-based staff the considerations are different again. Currently we have some 5000 Administration Group staff, of whom 1400 work in Worthing and 3000 in the London area. Of the latter, some 800 work in the Head Office divisions already described. The remainder are to be found mainly in specialist singleton offices. For example, the Capital Taxes Office (CTO), located in Shepherd's Bush, employs some 700 staff; the Superannuation Funds Office (SFO) and the Inspector of Foreign Dividends (IFD), near Surbiton, another 600. The majority of the 250 staff working on stamp duties are already in provincial offices or in Worthing; there are 100 staff in the two London offices and the small Head Office unit.

25. In past dispersal exercises these London-based offices have been excluded for two main reasons. First, since most of our network offices are staffed by Departmental grades, it makes good organisational and personnel sense to keep the bulk of our Administration Group staff in one or two key locations so as to provide suitable career opportunities and operational flexibility without forcing people into frequent changes of residence. Second, as long as the Revenue Head Office is in London, the CTO, SFO and IFD provide a necessary supply of staff to fill the support posts in Somerset House. Particularly in the case of the CTO forced dispersal might also carry risks of losing experienced specialist staff

96 | who did not want to leave the London area. Nevertheless, any wide-ranging dispersal review would need to look at these offices again.

### Conclusion

26. To sum up:-

- (a) We have already moved over 5000 posts out of London and so far as possible we place new work in places outside London.
- (b) We are at present planning to move out a few hundred posts in the near future to different locations in the provinces. Although these are smaller numbers they do include a significant proportion of senior posts in the Inspectorate. And we are looking again at possibilities in the Valuation Office.
- (c) That leaves around 2,300 staff who work on PAYE in offices in the London pay area and the fourth zone. Some if not all of this work could be moved away from London if Ministers wanted to give a high priority to such a dispersal of work. But the lead time would be long and the cost of moving considerable.



D B Rogers CB  
Director General

THE BOARD ROOM  
INLAND REVENUE  
SOMERSET HOUSE

Telephone: 01-438 6789

17 June 1987

FINANCIAL SECRETARY

**MOVEMENT OF WORK OUT OF LONDON**

INTRODUCTION

1. This note invites Ministerial support for a proposed programme of moving a number of Tax Districts and parts of Head Office out of London to various cities outside; and approval of a draft PQ & A and a draft Press Release announcing our plans.

BACKGROUND

2. For some time we have been extremely concerned about the scale of resignations of Fully Trained Inspectors of Taxes. 108 resigned in the 3 years ended 31 March 1984, including 42 Trainees. But in the following 3 years to 31 March 1987 a total of 315 resigned, including 69 Trainees. Last year saw a drop in resignations at Inspector (SP) and (P) level (Grades 6 and 7) but SP losses are increasing again. And resignations of Inspectors in the period between passing Departmental examinations and promotion to Inspector (P) have risen every year since 1983 and amounted last year to 12% of the population. We are currently nearly 150 Fully Trained Inspectors short of complement.

Chancellor  
Chief Secretary  
Economic Secretary  
Sir P Middleton  
Mr F E R Butler  
Mr Scholar

Chairman  
Mr Isaac  
Mr Painter  
Mr Pollard  
Mr Jones  
Mr Crawley  
Mr Cherry  
Mr Roberts  
Mr Lawrance  
Mr Waters  
PSTAR

*1 Welcome this*  
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*minutes).*

3. In my note of 13 June 1986 to you I described the initiatives we were taking to try to stem our losses. I mentioned that an internal Working Party had recommended moving blocks of work from London to the provinces. The Working Party recognised that, because London recruitment and internal selections could not produce enough Fully Trained Inspectors to meet London needs, there was a continuing and substantial need to transfer Inspectors to London and that the threat or reality of such transfers was a significant factor in the resignation rate among young Inspectors. Many of our more promising Inspectors resigned when faced with the prospect of a transfer from lower cost housing areas to London.

4. There is another dimension, that is the cost of accommodation in London. In my note to you of 12 May I alerted you to our decision to move out of the centre of London to Basingstoke about 250 of our Information Technology staff and one of the major reasons was our inability to meet from our extremely tight running costs the escalating costs of new accommodation in Central London. The movement of some 310 posts out of London under these present proposals will also help to reduce our accommodation costs (or at least keep the increases to less than they would have been otherwise), will assist in the rationalisation of the Revenue estate in London, and will reduce the amount we pay in London Weighting.

5. We have now developed our plans for moving work out.

#### OUR PROPOSALS

6. We propose to move out of London 21 Tax Districts and parts of our Management and Technical Divisions. They would be relocated in a number of cities in which we already have a strong presence: Glasgow, Manchester, Liverpool, Leeds, Birmingham and Bristol.

7. Around 185 Fully Trained Inspector posts would move, including about 25 at Principal Inspector level (Grade 5) with the remainder at Inspector (SP) and (P) levels, ie Grades 6 and 7. In addition, about 20 non-Fully Trained Inspector and 105 Clerical and Secretarial support posts would move.

8. The 21 Districts in question are drawn from the 54 in London headed by Principal Inspectors (Grade 5). They are general Districts, dealing with some of the UK's largest industrial and commercial groups, as well as with a number of smaller concerns whose affairs are proper to Fully Trained Inspectors of Taxes. The remaining 33 Districts in London headed by a Grade 5 which would stay include those dealing with specialist areas such as Banking, Insurance, Lloyds and the Stock Exchange. There are no plans at present to move these Districts; the speed at which the financial sector is moving at present - and the volume of money changing hands - makes us think that we need to stay close to the scene of operations, which is mainly in the City and the West End of London. And Docklands?

9. The Head Office posts come partly from Operations Division and include our Taxes and Clerical Training Head Office Administration Unit which will be co-located with one of the several Training Centres we have around the country. In addition, one of our London Training Centres will be closed and the work done in Peterborough or at another London Training Centre by peripatetic tutors from other Centres. Also from Operations Division we will be moving out the Section which advises Districts on the conduct and settlement of Investigation cases and which on the Board's behalf reviews and accepts or rejects the larger offers made in settlement.

10. The other Head Office posts that will be moved come from our Technical Divisions. On the Investigation side,



half of London's operational Enquiry Branch and Special Office posts will be relocated. And we are also moving out a number of posts which advise Policy Divisions and Districts on technical matters.

11. The first moves under the dispersal programme would be of 3 Districts (Bryanston, St Marylebone and Soho 1) which would go to Bristol this Autumn. The whole of the dispersal programme would be completed in 1991. It will take 4 years because of the need to get suitable accommodation ready and to have regard to the personnel implications, particularly the effect on the people currently doing the work in London and the impact on Districts outside London of moving out so many posts which will compete with them for Inspector resources.

#### REACTIONS OF INTERESTED PARTIES

12. We believe our proposals will be welcomed by staff. The Association of Inspectors of Taxes supports the principle and has so far expressed itself satisfied with our plans, as has the Inland Revenue Staff Federation.

13. The groups of companies affected by District moves, and their advisers, could object to our plans on 2 grounds. First, between 1984 and 1986 we brought together in one District all the files for the companies in a particular group which previously were often spread among several Districts; the groups might oppose further change although we will stress that their affairs will remain centralised in one District when it changes location.

14. Second, the groups' Head Offices and advisers are often in London and they may prefer the District they deal with to stay there for ease of access to the Inspector. Not all the companies whose affairs would move out of London are big groups which are themselves spread across the UK:

many lesser companies dealt with by Fully Trained Inspectors of Taxes are also included in these Districts and they would move as well, even though they might be more obviously London based and orientated. Any inconvenience to all these companies and their advisers, while regrettable, is unavoidable.

15. We shall seek, in particular by investment in Information Technology, to minimise the effect on our service to Ministers of including in the moves a number of people responsible for giving technical advice and support to Policy Divisions.

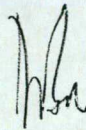
16. We will of course keep in touch with business and professional organisations and discuss with them how to deal with particular transitional problems. And Inspectors who deal with the work in the new locations will be willing, if necessary, to travel to London to discuss matters of substance where both parties feel it would be helpful to do so.

17. It may be that many groups and firms of accountants will be very understanding of our problems; some of them will have recruited the Fully Trained Inspectors we have lost. As the then Chief Secretary said in his note to you on 16 June 1986, commenting on the note I sent to you on 13 June 1986 about Inspectors' resignations - in particular in paragraph 7 of that note I mentioned possible grumbles that might come from companies etc involved in any moves of work out of London - the then Chief Secretary said that he felt the blame could quite rightly be put back on the private sector for causing the problem. Your support of our proposals both now and in the event of any later objections by companies and their advisers is, I think, vital.

PUBLICITY

18. Other reorganisation proposals in recent years have been announced by a PQ & A and by a Press Release; and I attach for your consideration drafts we could use on this occasion (Annex 1 and 2).

19. We propose also that the first Districts to move out should, simultaneously with publication of the PQ & A and Press Release, write to the groups and companies they deal with and to their advisers to inform them of our plans.



D B ROGERS

PARLIAMENTARY QUESTION AND ANSWER

"To ask the Chancellor of the Exchequer if he will make a statement about the Inland Revenue's plan to move work out of London."

"The Department has considered a number of proposals to reduce resignations of Inspectors of Taxes. One of the major reasons for resignations which it has identified is the generally unwelcome nature of a transfer to London. It has therefore decided to move from London to a number of cities elsewhere, over the period 1987-1991, 21 Tax Districts dealing with some of the largest commercial and industrial concerns; some Head Office Sections responsible for training and technical and investigation work including half of the London Special Office and Enquiry Branch posts. A total of about 185 posts at higher levels and about 125 at lower levels will be involved. Suitable accommodation is being sought in Glasgow, Manchester, Liverpool, Leeds, Birmingham and Bristol. The Department will ensure that any inconvenience to companies and their advisers will be kept to a minimum. I recognise and accept the reasons underlying these proposals and I support the plans and hope that they will succeed in their aim."

DRAFT PRESS RELEASE

INLAND REVENUE OFFICES TO MOVE FROM LONDON

In reply to a Parliamentary Question

"To ask the Chancellor of the Exchequer if he will make a statement about the Inland Revenue's plans to move work out of London."

The Financial Secretary to the Treasury, Mr Norman Lamont MP, gave the following Written Answer today

"The Department has considered a number of proposals to reduce resignations of Inspectors of Taxes. One of the major reasons for resignations which it has identified is the generally unwelcome nature of a transfer to London. It has therefore decided to move from London to a number of cities elsewhere, over the period 1987-1991, 21 Tax Districts dealing with some of the largest commercial and industrial concerns; some Head Office Sections responsible for training and technical and investigation work including half of the London Special Office and Enquiry Branch posts. A total of about 185 posts at higher levels and about 125 at lower levels will be involved. Suitable accommodation is being sought in Glasgow, Manchester, Liverpool, Leeds, Birmingham and Bristol. The Department will ensure that any inconvenience to companies and their advisers will be kept to a minimum. I recognise and accept the reasons underlying these proposals and I support the plans and hope that they will succeed in their aim."

The Inland Revenue Chairman, Tony Battishill, said that "the moves are designed to help stem the recent loss of Inspectors of Taxes by increasing the number and variety of posts available outside London and reducing the numbers of Inspectors who will have to move to London in the future."

Offices to be dispersed are:

- i. 21 Tax Districts dealing with some of the largest commercial and industrial concerns;
- ii. Some Head Office Sections responsible for aspects of training and technical and investigation work;
- iii. London Enquiry Branch and Special Office (about half the existing posts will move).

The programme will start with the movement of Bryanston, St Marylebone and Soho 1 Districts to Bristol later this year and is designed to be completed in 1991.

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#### NOTES FOR EDITORS

1. A total of 315 Inspectors at higher grades (including 69 trainees) resigned from the Revenue in the 3 years ended 31 March 1987.
2. About 185 Inspector posts at higher grades will be moved out of London, together with about 125 other posts at lower grades in the same work areas.
3. Locations under consideration include Glasgow, Manchester, Liverpool, Leeds, Birmingham and Bristol.

4. The Tax Districts to be moved and an approximate timetable are:

- |    |               |   |                             |
|----|---------------|---|-----------------------------|
| 1. | Bryanston     | ) | To Bristol later this year. |
|    | St Marylebone | ) |                             |
|    | Soho 1        | ) |                             |
| 2. | Victoria      | ) | To Manchester late 1987/    |
|    | Millbank      | ) | early 1988                  |
|    | Westminster   | ) |                             |
| 3. | Aldwych       | ) |                             |
|    | Belgravia     | ) |                             |
|    | Brook         | ) |                             |
|    | Cavendish 2   | ) |                             |
|    | Charing Cross | ) |                             |
|    | City 15       | ) | Destinations                |
|    | Curzon        | ) | to be decided               |
|    | Euston 2      | ) | 1988-1991                   |
|    | Grosvenor     | ) |                             |
|    | Knightsbridge | ) |                             |
|    | Mayfair       | ) |                             |
|    | Pall Mall     | ) |                             |
|    | St George     | ) |                             |
|    | St James      | ) |                             |
|    | Strand        | ) |                             |

5. All self-employed individuals and partnerships and some companies presently dealt with in the Districts shown will continue to be dealt with in London and will not have their papers transferred elsewhere.
6. While the new offices will not be as accessible as now to London based companies and their advisers, Inspectors will be expected, if necessary, to travel to London to discuss matters of substance where both parties feel it would be helpful to do so. We will tell companies and their advisers of the locations for the Districts as soon as they are known.
7. The London Enquiry Branch and Special Office posts to be dispersed will move over a period starting in 1988. Again, Inspectors will be prepared to travel to London for discussions with taxpayers and their advisers where necessary.

*Pps (A)*



**D B Rogers CB**  
Director General

THE BOARD ROOM  
INLAND REVENUE  
SOMERSET HOUSE

Telephone: 01-438 6789

25 June 1987

CHANCELLOR OF THE EXCHEQUER

**MOVEMENT OF WORK OUT OF LONDON**

I am attaching a draft for the Prime Minister which your Private Secretary asked for in his note of 22 June.

*DR*

D B ROGERS

*Ch*  
Although CST held meetings on this in April, the only PM meeting I cd find a reference to was E(A) in January, so the minute refers to that. Minute to issue?

*AWK*  
*25/6*

*Thanks. Minute OK as*

Financial Secretary  
Chief Secretary  
Economic Secretary  
Sir P Middleton  
Mr F E R Butler  
Mr Scholar

Chairman  
Mr Isaac  
Mr Painter  
Mr Pollard  
Mr Jones  
Mr Crawley  
Mr Cherry  
Mr Roberts  
Mr Lawrance  
Mr Waters



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PRIME MINISTER

**MOVEMENT OF WORK OUT OF LONDON**

At the ~~first~~ meeting of E(A) ~~87~~ <sup>this year,</sup> which you chaired on 29 January, we recognised that it was important that Departments should keep in Central London only those functions which needed to be there. We decided that Departments should bear the full equivalent commercial rent of London office space on their running costs budget.

I thought you might like to know that the Inland Revenue ~~have already decided~~ <sup>plan</sup> to move a substantial number of ~~posts~~ <sup>them</sup> out of London.

First, the work of 21 tax districts and part of the work of their Head Office Management and Technical Divisions, all located in Central London, will be moved to a number of ~~cities in the regions~~ <sup>other</sup> (Glasgow, Manchester, Liverpool, Leeds, Birmingham and Bristol) over a period of 4 years beginning ~~in the~~ <sup>this</sup> Autumn. A little over 300 posts are involved. The object of the move is two-fold: to reduce the worrying number of resignations of Tax Inspectors, many of which stem from the prospect of a move from lower-cost housing

areas to London; and to save on escalating accommodation costs. ~~We shall~~ <sup>Norman Lamont will</sup> be announcing this shortly by way of a Written Answer.

Second, about 250 people in the Revenue's Information Technology Division located in Central London will move to Basingstoke at the beginning of next year, on the termination of the lease of the building which they ~~presently~~ <sup>at present</sup> occupy. The staff involved need to be fairly close to London because much of their work is on computer projects which are being implemented in Central London. The accommodation in Basingstoke is already part of the Crown estate, is empty, and the accommodation charge will be very much less than anything <sup>available</sup> in London.

The Revenue ~~is~~ <sup>are</sup> now looking to locate any new work ~~it can~~ <sup>for example, have</sup> outside London and ~~has~~ <sup>which is</sup> set up the office to deal with the new Profit-Related Pay Scheme in Cumbernauld. ~~This will bring an extra 60 jobs to an area of high unemployment in Scotland.~~

In addition to the savings on accommodation, there are, of course, useful savings on pay in not having to pay London Weighting.

I am copying this minute to Norman Foster  
and David Young.



18

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

2 July 1987

Dear Alex

MOVEMENT OF WORK OUT OF LONDON

The Prime Minister has seen, and noted, the Chancellor's minute of 29 June.

I am copying this letter to Peter Baldwinson (Department of Employment) and Paul Steeples (Department of Trade and Industry).

CH/EXCHEQUER	
REC.	02 JUL 1987 ✓ 2/1
ACTION	CST FST EST SIR P MIDDLETON
COPIES TO	MR FER GUYER MR SCHOLAR SIR MR ROGERS -LR

Louis in AM

P A BEARPARK

A. C. S. Allan, Esq.  
H. M. Treasury