



1.
(for week-end)

10 DOWNING STREET

PRIME MINISTER

22/5/80

Here is a report from Derek Rayner about follow-up to the study of the use of Ministry of Defence accommodation in the Bath area. He asks that you simply note with approval the action so far taken both by MOD and PSA.

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MA

- ① Note with approval action by MOD & being taken by PSA. Please let me know when the assets are disposed of and for how much.
- ② Note with approval the well-known

29 May 1980

7 Dr. Smith throughout
Please record on the
relevant file + and let him
know. orb

PRIME MINISTER

See MAP's note
to PM 29.5.80

BATH MAINTENANCE ECONOMY REVIEW

1. I am sorry that I have not let you have an earlier note on progress with the implementation of the recommendations made by Mr Turtle and his team in the Bath Maintenance Economy Review. The delay is due entirely to the pressure of work on my office and me, not to the Ministry of Defence (MOD) and the Property Services Agency (PSA).

2. I am glad to report that follow-up action is well in hand. Moreover it has been decided to mount a further 20-30 Maintenance Economy Reviews this year (two-thirds of which will be on the Defence Estate) and 10 are already under way. The general question of the under-use of defence property is being reviewed by the MOD.

Action by the Ministry of Defence

3. Most of the Review's major recommendations, and identified savings, related to the under-use of land and property at the three military establishments Hullavington, Keevil and Colerne. Many depended on a single, large deployment decision, the future of Hullavington. Since the responsibility for control of these assets whilst in operational use lies with MOD it has been for them not PSA to take the necessary decisions on usage. These decisions have now been taken and Lord Strathcona, who has visited the establishments concerned, has said that he is satisfied with the response that his Department has made.

4. Much of the under-use of assets arose from a delay in deciding what to do with RAF Hullavington following its nomination for closure in the 1974 Defence Review. Mr Turtle referred to the "the bureaucratic complexities of the internal MOD machine" having prevented a definitive decision. Lord Strathcona has commented to me that he would not wish to defend for one moment the Department's unconscionable delay in deciding Hullavington's future but that he does not regard

the result as representative of MOD's ordinary stewardship of its resources. I am glad to report that the station's long term use has now been decided. Moreover, and importantly, Ministers are looking at Headquarters decision making to avoid such wasteful delays in the future.

5. As a consequence of the clarification of Hullavington's future use, MOD are now able to dispose of a number of hangars and associated land (reducing the site by 20%) and 350 married quarters in the Bath area. Also, the previously "considerably under-used" barrack space will be fully used as will the Officer's Mess whose under-use was described in the Review as "particular scandalous". When a new plan of establishment has been worked out, and a review of parachute training requirements has been completed, it is thought that it may be possible to dispose of yet more of the Hullavington estate. Lord Strathcona has asked for a further report on Hullavington on 1 September.

6. At RAF Colerne, occupied by the Junior Leaders Regiment (Royal Corps of Transport) since 1976, the main recommendations related to the ineffective use of hangars, sub-standard barrack block accommodation and the questionable need for the airfield lighting system and stand-by facilities. A review of the use of hangars is now in hand, taking into consideration the planned expansion next year of the Junior Leaders Regiment. However one hangar is being made available immediately for disposal or alternative use. It is agreed that the sub-standard barrack accommodation should be demolished and a planning brief will be with the PSA in 6 months. The need for the airfield and its lighting is being considered in a review of all potential war satellite airfields. This will be completed within the next 6 months. Lord Strathcona has called for a general progress report on Colerne on 1 September.

7. The Maintenance Economy Review Team questioned the need to retain RAF Keevil which covers a site of 495 acres. Lord Strathcona has concluded that Keevil cannot be disposed of entirely, it being a necessary Dropping Zone for heavy drop parachute exercises, but 140 acres of the site have

been identified as surplus to needs and will be disposed of.

Recn 1

8. On the basis described above receipts from the disposal of property will be in the region of £6m and the remaining Defence estate property will be effectively used. I recommend therefore that you note with approval the action to date; the decision to review the Headquarters' decision making processes; and the decision of Lord Strathcona to call for further reports in September. I am writing to Lord Strathcona asking to be kept in touch with progress.

Action by the Property Services Agency

9. The Property Services Agency is responsible for disposing of assets declared surplus by MOD and for the provision of construction and maintenance services on the Defence estate. The PSA will follow up with the MOD, and take the necessary action, the decisions described above and some lesser recommendations, mainly of a construction and maintenance kind, on which action is jointly for the MOD and the PSA. Progress is being made with the firm intention to move forward quickly. PSA South West Regional HQ have invited the MOD clients to meetings to take things forward. Regular progress reports will be made to the relevant Deputy Chief Executive of PSA.


10. The Bath Review also made a number of detailed recommendations which bore directly on the construction and maintenance responsibilities of the PSA on the Bath civil and defence estate. For example grounds maintenance; fuel consumption; water consumption; building deterioration; contract methods; stores; and the use of Directly Employed Labour. I am pleased to report that action to rectify deficiencies in these areas is well in hand. The 27 recommendations relating to the use of Directly Employed Labour (DEL) are in the process of implementation as part of the wider policy on the contraction of the DEL force; and of the other 46 recommendations within the responsibility of PSA, 34 have been implemented and action has begun on the remainder, though some are being held up through lack of resources. Monthly progress reports are being submitted to the relevant Deputy Chief Executive of PSA.

Recn 2

11. I recommend that you note with approval the action to date by PSA; that progress is under way following on MOD decisions; and that there is regular monitoring by PSA Headquarters of the follow-up action being taken. I am writing to Mr Finsberg asking to be kept in touch with progress.

12. May I, in conclusion, bring to your notice the fact that Mr Turtle, who led this important exercise carried out on behalf of the Secretary of State for the Environment and as part of last year's "Rayner project", was the most junior of the "Rayner project" leaders? He is a Senior Executive Officer. The quality of his work casts an interesting light at one and the same time on the talent available within the Service and on what it can achieve if given the scope of which you spoke in your Statement on the Civil Service last week.

13. I am copying this minute to the Secretaries of State for Defence and the Environment, the Lord President of the Council, Lord Strathcona, Mr Finsberg and Mr Turtle. I also enclose for your information, copies of letters to Lord Strathcona and Mr Finsberg


Derek Rayner
22 May 1980

Encs: Copy letters to Lord Strathcona and Mr Finsberg