

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

CONFIDENTIAL

PRIME MINISTER

REVIEW OF DISPERSAL PROGRAMME

- 1. Since I shall be in Brussels on Tuesday for the Council, I shall not be able to attend the meeting at which the Lord President's paper on this subject is due to be discussed. I am therefore sending you my comments in writing.
- 2. The high Exchequer costs over the next few years from continuing with any major dispersal programme are evident and certain to arise. But the longer term resource gains and the continuing savings to the Exchequer in the late 1980s seem to me more speculative as are the benefits in employment terms to the dispersal locations. This is particularly so where the posts to be dispersed, as in my Department, include a relatively large number of senior and professional staff. Nor do I think that the official report gives sufficient emphasis to the immediate and long term damage to departmental efficiency which will arise from the dispersal of blocks of policy work.
- 3. I agree with the Lord President's conclusion in paragraph 10 of his paper in favour of Option 1.
- 4. In case there is, however, any disposition to favour Option 2 in the paper, I should like to make the following comments on it. The Report states (paragraph 45) that "under the existing programme the balance of 1,900 posts / to Bootle / would be drawn from MAFF, HSE, FCO and Home Office." MAFF, however, is not scheduled to go into the building at Bootle under the present programme and I would expect my Staff Side to want to be consulted fully before any such decision was taken. Nor is it clear to me why only the Departments due to go to Merseyside under the present programme should apparently be regarded as candidates for Bootle. If this

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option should be favoured, I would hope, therefore, that before any public commitment is entered into we would have an opportunity of considering further advice from officials on the Departments that might make up the package of posts. In my view this advice should include a more detailed assessment of the likely damage to efficiency from dispersing the blocks of work involved. This approach would imply only an interim announcement before the Recess along the lines proposed for Option 3 in paragraph 9 of the Lord President's paper.

5. I am sending copies of this minute to the other members of the Economic Strategy Committee and to Sir John Hunt.

PETER WALKER
23 July 1979