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14 February 1980

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*Geoffrey*  
PSA: BATH MAINTENANCE ECONOMY REVIEW

1. Thank you for your letter of 1 February and for the action document enclosed with it. I certainly agree that action is necessary and am glad that it is in train. If I may say so, the action document was, once again, a well set out and very easily usable paper, even if (as indicated in the attached commentary) I cannot help thinking that there should be more urgency about some of the action! I have also had a letter from Sir Arthur Hockaday of MOD, in which he says that his Ministry is urgently examining the implications of the report.

2. I have set out in the attachment comments on the team's report, but should make it clear that I have not read it all cover to cover. Mr Turtle and his colleagues are to be congratulated on producing what was, to a large degree, a clear and readable document in the time available to them; I have not of course taken all the technical details on board and I do wonder whether management needs it all; for that reason, the abridged report was a helpful way in, although I have read much of the main report. The cost of their work (£12,000) seems very modest compared with the estimates they make of capital savings (£6.1m) and savings in current expenditure to PSA of £231,000 and to client departments of £162,500.

3. The enclosed commentary covers most of the report and its 98 recommendations. In this letter I concentrate on what appear to me to be the main issues. I am bound to say that, although the report contained some things that gave me pleasure, it is the only report in the "Rayner project" series which I have read with disbelief and, I am afraid, some anger. If I may, I will now deal with what struck me as the points which need airing.

Staff factors

4. Bath is no doubt a very good place to live and work in and I doubt whether the staff have anything like the disagreeable surroundings of their colleagues I visited last year in Hoxton,

Southwark and Stepney. Nonetheless, I am all for things which promote good morale and pride in work, so I should like to draw your attention to minor works to improve the appearance of Red Bridge and Kingsmead Houses, Bath (commentary, paras. 21 and 25).

Do things change?

5. The report refers to earlier work - an MER in 1971 (commentary, para. 61), on fuel consumption at Colerne (para. 52), on DEL in 1978 (para. 78a) and on stores in 1972 (para. 79) - some of which appears to have been abortive. Given that it is 10 years or so since Mr Chapman made his name with the MER, I cannot help wondering why it is that some of the wastage so carefully recorded in the report can still come about. As one cannot rely on a continuous process of MER but has to rely on good management by PSA and the client, I wonder what lessons you draw out of the Bath report in this respect?

6. Examples of waste (eg space or heating) which lie behind this question are:

Waste space in office accommodation, paras. 18 - 20.

Under-used messes at Colerne and Hullavington, paras. 46 - 66.

Unused, under-used or misappropriated hangers at Colerne, para. 62.

Wasted land, notably Keevil airfield, para. 72.

Unused (and even semi-derelict) married quarters, para. 74.

Under-used Directly Employed Labour, para. 78.

7. I acknowledge that the last of these (DEL) is now the subject of a general policy initiated by the Secretary of State, which I hope will bear the sort of fruit indicated by the team's report on Bath, but if the Bath District is in any important sense typical or representative of the other 159 Districts, I think that there is much to worry about.

The "ownership" of assets: allied service and repayment; cost data

8. You will not be surprised to hear that one of the main lessons I derive from the report is that confusion about possession of responsibility and lack of a sense of asset value lead to the sorts of excess which the team itself described as "scandalous" in the case of the officers' mess at Hullavington (commentary, para. 66).

9. As I understand it, the MOD is an allied service client of the PSA. This explains why, as already noted in the Kingston report by Mr Donaldson, the client "demands" services and the PSA "responds", each moderating its action according to circumstances and the budget. But I am unclear, after reading the Bath report, about the ownership of assets. Who, to take two examples, owns the Officers' Mess, Hullavington and Keevil Airfield?

10. I suspect that the concept of ownership and responsibility for assets is somewhat obscure in the Government. I do not here and now want to enter into a discussion of it, but I should draw your attention to what seem to be products of or questions about that obscurity:

What is the nature of the responsibility by PSA and a client with regard to (a) care of and (b) development of assets? (This question arises from the question I raise in para. 40 on Army/PSA liaison at Colerne.)

Continuing Army/PSA misunderstandings about their respective roles, para. 41.

Misappropriation of land and buildings, para. 49.

Damage by Army to airfield lighting, Colerne, para. 53.

Continuing indecision, since the 1960s, over the future of Hullavington, para. 60.

Abuse of officers' mess, Hullavington, para. 66.

Lack of decision on empty MQs, para. 75.

11. Keevil Airfield is perhaps the clearest and simplest case (para. 72). This comprises 495 acres in good country. I would guess that the team's "alienation" value of £0.9m is very much under-stated. Who owns and is responsible for Keevil as an asset temporarily in the State's keeping?

12. There is no need to labour here my views that the management of such assets would be greatly promoted if the information available to Ministers on the costs of their departments included asset valuation and notional rentals for land property or that obscurity about where possession and responsibility lie are bound to obstruct good management or that repayment is likely to be infinitely more effective in bringing home to the client the nature and extent of his responsibilities. Can one doubt that if the RAF were bearing the full cost of housing a handful of officers in a mess built for 82 at Hullavington, namely £9,000 per head (para. 66), they would think again?

13. A related point is, of course, that one cannot get very far into the build and lease issue quite properly raised by the team without a valuation of the sites in one's possession or an analysis of the notional rent attributable to them. In my view, a comparison of the data in Appendix C on Crown-owned and Appendix E on leasehold is not possible because the former includes no idea of land/property value. The general issue is particularly interesting in the case of Bath. On the face of it, and greatly simplifying the issues, the Crown has enough assets in its possession in the Bath District to plan several different development schemes, based on the disposal of land and buildings and on the concentration of staffs. I quite accept that policy changes import uncertainty, but a period of indecision as long as that on Hullavington and the continuing neutralisation of Keevil suggest to me that lack of consciousness of asset value seriously impedes good asset management.

14. A further related point, which I was very glad to see, was that it is possible (see paras. 31 and 32 of the commentary) to provide much of the information needed for the good management of the estate. This is very encouraging, given my letter to the Secretary of State of 8 February on departmental costs.

#### Contracting

15. The report enables me to give another of my hobby horses a run. I comment in para. 85 on the wisdom of going for the most reliable rather than the cheapest contractors. Forgive me if here I stray into teaching egg-sucking to those who know how already!

#### Bureaucracy and paperwork

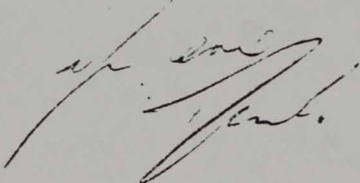
16. There are several references to these, for example, see para. 88 on my commentary. It goes without saying that I am at one with the team in my resistance to them.

#### Next steps

17. I think that the general issues raised by the report are of sufficient importance to justify me in copying this letter to the Secretaries of State for the Environment and Defence (copy letters to them are enclosed), as well as to John Stanley, the Chief Executive and Deputy Chief Executive I, PSA. As the Prime Minister will be very interested, I shall show her some of the papers before she meets you and Mr Turtle (to whom a copy goes also) next Monday. This is to contribute to and help forward the discussion of repayment which I mentioned to Michael Heseltine in my letter of 8 February.

*Wrong: in fact,  
Mr. Tom King is  
attending the  
reception on 18.ii.80*

18. On the particular details of the Bath report, I suggest that it would be helpful to the Prime Minister if I prepared a report for her to see in the next few weeks indicating what was to be done as a result of the urgent examination mentioned by Sir Arthur Hockaday. You will see that I deal with this in my letter to Francis Pym and Michael Heseltine.



Derek Rayner

Enc: Commentary

Copy letter to Mr Pym and Mr Heseltine

MAINTENANCE ECONOMY REVIEW OF THE BATH DISTRICT WORKS OFFICE:

COMMENTARY BY SIR DEREK RAYNER

Responsibilities of Bath City Office (Section A.1)

1. I am glad to see that MOD (Navy) is not accused of "pulling rank" on the PSA, although I note that, simply because of numbers, there is pressure on PSA to respond promptly to its "demands" (A.1.3)

2. A lot of this section once again raises in my mind the issues of balance of responsibility as between the client and the PSA and, therefore, of "repayment". Not all the evidence in the Report points towards repayment as clarifying the issue of respective responsibilities. For example, some of the smaller properties like Red Bridge House (Section A.12) and Strahan House (Section A.13) are occupied by more than one department; but the discussion of the MOD (Navy)'s requirements in Section A.1 and elsewhere and of the MOD (Air)'s requirements at Hullavington (Section C1) and elsewhere raises very sharply and unavoidably the question whether there would be better management of resources in departments' keeping if they were having to pay for them rather than getting both goods and services free.

3. Apart from that issue of principle, the Section appears to show that a large client is (as I would expect) equipped to deal with its side of the client/PSA partnership as it is at present organised, witness the general message to be had from paras. A.1.8 - A.1.15 on MOD (Navy)'s Office Services Organisation.

4. I agree with Recommendations 1 - 4 and have no comments on the treatment of these in the Action Document.

Electrical services and mains distribution - MOD (Navy) Main Sites  
(Section A.2); Heating and Controls - MOD (Navy) Main Sites  
(Section A.1)

5. I have not read these sections and have no comments on them or on Recommendations 5 and 6.

Grounds maintenance - MOD (Navy) Main Sites (Section A.4)

6. I agree with Recommendations 7 and 8 on grass cutting and land reinstatement. I am distressed to see that "there is an overgrown gangmower on the front lawn at Ensleigh" (A.1.3) and should like to know what has happened to it.

7. I also agree with Recommendation 9 on landscaping, but do not understand why the action document allows as long as 9 months for implementation.

Foxhill Development (Section A.5)

8. I agree with Recommendation 10 (for a feasibility study to examine the possibility of building a first floor on one or more of the Temporary Office Buildings), but Foxhill raises a more general issue with which I deal in the covering letter.

Additional Office Accommodation - MOD (Navy) Main Sites (Section A.6)

9. What conclusions if any, should be drawn from the poor condition of Block J Foxhill only two years after repair and repainting (A.6.5)? The team's appear to be in para. 1.6.10 and, on the face of it, very sound: the initial dearer buy is often justified by usage.

10. I agree with Recommendation 11, but am somewhat surprised by the time apparently to be taken over it in the action document.

Office Uplift - MOD (Navy) Main Sites (Section A.7)

11. I very much agree with the team's Recommendation 12 (reviewing the programme and brief). I do not see why, in the action document, it is necessary to "obtain agreement to the change of scope with client". If, as the team indicates, there is a saving of £100,000 to be had on the PSA's Works and Staff Votes, surely the PSA - as the expert - is, under the existing distribution of responsibility between it and its clients, entitled to have its own way?

12. The reference to a local "myth" in A.7.7 is interesting. I can understand how such things come about. But it must be expensive and I am at one with the team in wanting to see it ended.

Electricity and Fuel Consumption - MOD (Navy) Main Sites  
(Section A.8)

13. I agree with Recommendations 13 (examine potential electricity savings at Ensleigh) and 14 (work on the consumption of fuel at Foxhill). Again, I think the time allowance (6 months) on the high side.

Carpenter House, Bath (Section A.9)

14. It is of course difficult for me to comment on the data given here, and in the following notes and other larger leasehold properties, because I cannot compare them with national or regional data. I see from Appendix E that the per capita unit cost in these properties varies from £233 in the Empire Hotel to £536 in StrahanHouse, a variation of £300, with an average of £400. In this good, bad or indifferent?

Empire Hotel, Bath (Section A.10)

15. I note that this occupies a prime site overlooking Bath Abbey (A.10.1), has been occupied by MOD (Navy) since 1939 (ibid,) is somewhat extravagant for office use (A.10.3), has been (not unnaturally) messed about (A.10.5 - A.10.7), and that the rent and rateable value are likely to go up on the impending review (A.10.4).

16. This appears a good case of conflicting priorities. On the one hand, the Empire Hotel, at its present rental, looks like a good buy. It is well below the current average price for the larger leaseholds in Bath. On the other hand, the use of such a resource in such a place looks like the near neutralisation of an asset which could be very much more productive. I wonder how it would fare if the site reverted to hotel or other commercial use. I should think it highly desirable for the Government to give up the site and to concentrate its staff elsewhere as A.10.4 suggests. The Hotel, of course, illustrates



the wider issue of buy versus lease on which I comment in my covering letter.

17. That said, I agree with Recommendation 15 (support for the main staircase, A.10.5) and have no comments on its treatment in the action document.

Northwick House, Bath (Section A.11)

18. I note that there is "a good deal of waste open areas" (A.11.2). This is presumably quite expensive at £25 per square metre (Agent's Letting Area). What can be done about it?

Red Bridge House, Bath (Section A.12)

19. I note that the Department of Employment have 27 staff in this building, including 9 in an Unemployment Benefit Office, but the Employment Services Division have a separate holding in Strahan House, part of which is not well used (A.13.2). Is it necessary or desirable for DE and ESD to be housed separately, especially if the latter is unable to make full use of what is the most expensive leasehold premises you have in Bath?

20. I see also that there is "significant" under-use of accommodation in Red Bridge House (A.12.4). Red Bridge is the second most expensive of your Bath leaseholds (£505 per capita). What, I wonder, is the cost of the unused accommodation and what can be done about it?

21. I am sorry to read that the front wall has holes (A.12.5) and that the rear is in bad condition (A.12.6). I agree with Recommendation 16 on the latter (and have no comment on the action document's treatment of this) but I also think that a little expenditure, in the interest of staff morale, would be justified to deal with the former.

Strahan House, Bath (Section A.13)

22. No further comments.

Trimbridge House, Bath (Section A.14)

23. This looks like a good leasehold.

Northgate House, Bath (Section A.15)

24. No comments, beyond agreeing with Recommendation 17 (A.15.3) and its treatment in the action document.

Crown Building, Kingsmead House, Bath (Section A.16)

25. I hope that the approach sign can be revised as indicated in A.16.4, as there is little to be gained by making both staffs' and users' first impression a shabby one.

26. I agree with Recommendation 18 (on the reduction of the dining area to provide extra office space, A.16.6), especially as it is obviously necessary to make full use of a Crown Building. I see from the action document that there are to be discussions, for which 9 months have been allotted. This seems rather lengthy.

27. I very much agree with Recommendation 19 (conversion of oil-fired boilers to gas-firing) and have no comments on the action document's treatment of this.

Building Services - Bath (Section A.17)

28. I agree with the two parts of Recommendation 20 (A.17.3 and A.17.4) on reducing water consumption and charging for water and would comment only that the action document's treatment of the second (basis of charging) looks a bit leisurely.

29. I agree with Recommendation 21 (foul drainage, Burnett) (A.17.6) and its treatment in the action document.

30. I also agree with Recommendations 22 - 24 (kitchen cleaning at the Empire Hotel, roadworks and printing) (A.17.9., A.17.11 and A.17.17) and with their treatment in the action document. As with the reference to Block J Foxhill (A.6.5), I wonder what conclusions should be drawn from the references to poor joinery in A.17.17 and incomplete painting in A.17.20.

The Government Estate in Bath (Section A.18)

31. I am encouraged to see that the data summarised in this Section and set out in more detail in Appendices B - E can be provided. They are of course relevant to my separate exercise on the provision to Ministers in charge of departments of information on their running costs. The particular relevance of this Section - accepting the reservation entered by the team in B.1.21 about the present difficulty of establishing the cost of particular aspects of work or buildings and facilities - is that it demonstrates that local managers can have presented to them management information on the state and movement of their costs.

32. Equally, I am struck by the team's reference to the absence of published "norms", which makes comparison difficult (A.18.4). They also mention "reseach": is this going to produce "norms" which PSA and direct management can use in monitoring costs?

33. This discussion is self-confessedly "somewhat superficial" (A.18.10) but this does not invalidate the importance of the Section as a whole. The Recommendation (25) is noted in the action document as "Further support for the case for more Crown-owned accommodation", which rests on the general disparity between Crown freehold and leasehold in Bath (the latter being 67% more expensive in running costs, A.18.9).

34. The team acknowledge that they did not have time to consider "land costs, building costs or capital value" (A.18.10). But the absence of these from the analysis is, of course, crushing in its effect. While the data in Appendix E obviously include the rent of leaseholds, those in Appendix C include no valuation of land and capital beyond that obscurely tucked away behind rates. So that the only information we have on asset value for the Crown estate in Bath, is a total rate bill of £220,000. The Temporary Office Buildings at Ensleigh and Warminster Road account for 71 areas of land (abridged report, para. 40) which has, no doubt, a very high value indeed.

35. This means that, in my judgment, the comparison given in Section A.18 is flawed because the data in A.18.6 (and supporting tables elsewhere) omit notional rent representative of site and asset values. I sympathise with the team's conclusion but I do not think that one could have a thorough plan of rationalisation in Bath without establishing asset values and what contributions might be made to meeting the cost of the plan by asset sales, either in the rest of the district or region or indeed country.

Other properties - Bath City Office (Section A.19)

36. I am sorry to read of the decline in its fortunes suffered by the PSA Supplies Workshop, Burnett (A.19.7 - A.19.22). Two points struck me on reading A.19.19:

a. Very strict budgetary control by Supplies Division is causing a "fall off in the standard [of] upkeep of the buildings". Of course, economies here may be attributable as much to doubts about the future of the establishment as to the fact that the Division now has a strict financial regime, but I wonder what is their actual effect on the buildings: acceptable or unacceptable?

b. Where are the former customers (local authorities etc) now getting their repair work done and at what cost compared with PSA?

37. I agree with Recommendation 26 (reconsider whether the operation is economic, A.19.21) and its treatment in the action document.

Azinghur Barracks, Colerne (Section B.1)

38. I note the reference to "feeling" over change of role (B.1.15). This is very human and understandable; it presents management with a challenge that should not go unanswered.

39. I see that the Barracks account for some 690 acres (B.22) in good country. Following on my remarks in paras. 34 and 35 above, it would have been helpful to know the value of this acreage and of the buildings on it. This is particularly relevant to under use of Messes (B.1.9) and Married Quarters (B.1.11), 30% of which I see are unused. I agree with the reference in B.1.16 to the need to re-appraise the use of space: it seems ironic that there is over-crowding of Junior Ranks accommodation (B.19) as this, presumably, represents Colerne's present raison d'etre.

40. I notice that Army/PSA works liaison is through the Regimental Quartermaster (B.1.20). Presumably he works on authority delegated by the Commanding Officer, who in turn works on authority delegated from Command or HQ: is it known how these responsibilities are specified and what they consist in?

#### Azinghur Barracks - Site details (Section B.2)

41. I note the reference to Army/PSA misunderstandings in B.2.2 and to creep in B.2.3. Things don't seem to have changed much since my Service days! How much have such misunderstandings to do with obscurity about respective responsibilities and the "free good" mentality engendered by allied service, I wonder?

42. I agree with Recommendation 27 (preparation of a maintenance programme, B.2.5) and its treatment in the action document.

43. I agree with the comment in P.2.7 on the use of the 13 aircraft hangers and with the various suggestions made under cover of Recommendation 28 (B.2.8). I am somewhat surprised to see that the action document provides as long as 12 months for the review of usage by PSA and the Army. Particular points which took my notice, on which you may care to comment, were:

Buildings 31 and 32: £230,000 spent on uplift; very little used - but stores expected to arrive "during 1980".

Building 37:       apparent heating wastage, due to defective doors and uninsulated partition; partly used for the parking of 35 private vehicles.

Building 447:      I agree that the Motor Cycle Wing should go into Building 37.

Building 39:       my impression is that there is scope for extra use and I therefore agree with the last sentence to the first paragraph on p.59, especially given the following paragraph.

44.       I agree with Recommendation 29 (provision of suitable drying facilities, B.2.12). Again, given the essential purpose of the Barracks, housing and training Junior Leaders. I am a little surprised that this is not tackled with more urgency (see for example the team's comment in the last line of B.3.15).

45.       I very much agree with the team's Recommendation 30 (demolition of SECO Barracks Blocks and bringing unused HQs into service, B.2.16). I think the time allowed for this in the action document (12 months) too long. As for the Army's objection to the isolation of Junior Ranks, I assume that the boys would be in the charge of NCOs living-in? The objection, I confess seems trivial compared with the potential savings listed in the Recommendations volume.

46.       I note that both the officers' Mess (B.2.19) and the Sergeants' Mess (B.2.20) are under-used. Would not the most economical course be to combine two Messes as one Mess?

47.       I agree with Recommendation 31 (bringing other existing buildings into use to enable sub-standard SECO huts to be abolished, B.2.26), but am again surprised that the Army need as long as 12 months to think about it.

48.       I am even more surprised to see that it is to take 3 months to examine and recommend emergency fire arrangements for the Main Hobbies Centre (Recommendation 32, B.2.28).

Leaving aside the heretical thought that boys could break the windows if there were a fire, I would have thought it comparatively simple to unseal the windows and unlock the main doors.

49. I note that land has been misappropriated for use by the Pony Club and the attendant circumstances (B.2.31). Who is accountable for this? What charge has been made for this and in respect of Buildings 511 and 446?

#### Building Services - Colerne (Section B.3)

50. I have no comments on this or on Recommendations 33 - 36, other than to ask whether it is reasonable for the Army to complain about variable standards in the swimming pool (B.3.9) if they use it for training including "personnel in full kit and canoes".

#### Electricity and Heating, Colerne (Sections B.4 and B.5)

51. No comments.

#### Fuel consumption, Colerne (Section B.6)

52. I note that despite recommendations made in April 1976 and the apparent availability of resources, there is inadequate control over heating (B.6.1.). This confirms my general view that the absence of a requirement to pay for services makes for irresponsibility in their use. I therefore agree with Recommendation 37 (reduce consumption), but am again surprised that as long as 12 months is allowed for this.

#### Colerne Airfield (Section B.7)

53. I note that there is an extensive lighting system, costing £1500 pa to maintain but that the Army has done much damage to it, the estimate to re-instate being £15,000 - £20,000. Who is responsible for the custody of the system and for the cost of re-instatement?

54. I see from the Recommendations volume that the actual cost of retaining the airfield and its lighting system is "not readily available". I agree with Recommendation 38, that the state of readiness and maintenance should be reviewed, but once again do not understand why the MOD needs six months to do this.

Colerne: Grounds Maintenance (Section B.8)

55. I note that the cost, in 1978-79, including MQs, was £45,000 (B.8.1 and B.8.8). This seems a lot. How about some judicious use of defaulters?

56. It follows from para. 54 above, that I agree with Recommendation 39 (eliminate need for cutting round airfield obstructions, B.8.2).

57. I agree with Recommendations 40 and 41 (contractor to fulfil all his obligations and review of letting of grassed areas, B.8.3) but I must say that if the Pony Club is worth its salt it might use its initiative and the unswept cut grass.

58. I agree with the references to and Recommendation 42 on the groundsman (B.8.6. and B.8.7.) and am glad to see that no more than one month has been allowed for the transfer of his equipment and facilities from building 10 to building 66.

RAF Hullaington (Section C.1)

59. Why can't the Parachute Support Unit be co-located with the Parachute Training School at Brize Norton (C.1.2 and c.1.3)?

60. I see that as the PSU has a total of 457 personnel (C.1.4) the DCDC 100 staff (C.1.5) and an acreage of 690 (C.2.1), each of the staff has nearly  $1\frac{1}{4}$  acres to himself. This seems a little generous. Of course, I do not know the rights and wrongs of the case and the team may be a little severe in attributing an under-use lasting since the mid-60s to the "bureaucratic complexities of the internal MOD machine"



(C.1.7), but there appears to be no doubt that there is wastage and creep (C.1.9). I note the human implications of this (C.1.11), but am astonished to see that the team estimate the cost of continuing indecision at £0.5m pa, although - given what has gone before - I am not surprised that the "true cost" may be out of present reach (C.1.11 and C.1.18). I therefore agree with Recommendation 43 (need for early decision) and am glad to learn from Sir Arthur Hockaday's letter of 7 February that MOD is urgently examining the implications of the report.

61. I note some of the consequences for PSA (C.1.19 et seq). I sympathise with the reference to deterioration (C.1.22), but note that some expenditure on maintenance and heating had to be borne willy-nilly (C.1.19). I note also that there was an earlier MER in 1971 (C.1.25 and C.2.2) but given the reference to under-use since the mid-60s (C.1.7) am a little puzzled to know what economies were then achieved and what was left over for the MER just completed.

#### RAF Hullavington - Site and Building Details (Section C.2)

62. I note varying usages of hangars in C.2.3, including 6 rentals, some good use, some very low use and two misappropriations. I agree with Recommendation 44 (review use), but do not understand why 9 months are required to agree on "more economic usage".

63. I agree with Recommendation 46 (C.2.5) in respect of barrack accommodation.

64. I agree that the housing of motor transport should be rationalised (Recommendation 45, C.2.6.)

65. I note the comments on the heating of buildings 45, 82, 38 and 23 (C.2.9.). Surely the first two of these can be heated only when needed? I am astonished to see that a request has been for £6000 to paint building 123, which houses private caravans (C.2.9).

66. I see that the team describe the use of the officers' Mess as "particularly scandalous" (C.1.14). The further details given in C.2.10 - C.2.15 do nothing to suggest that this judgment is in error; it is truly amazing that the per capita cost for each living-in officer is £9,000 pa (C.2.15) and I am bound to say that I think it impossible to justify this expenditure. I note that the repayment principle (in respect of fuel) does not appear to have made the RAF any more self-conscious about the cost (C.2.14), presumably because no-one attached the cost to the building and because responsibility for most costs is borne not by the client but by PSA. I agree with Recommendation 47A (consider alternatives to present use, C.2.13) and I am very surprised that another year (meaning another year's expenditure) is being allowed for discussion.

67. With regard to my comment on Messing at Colerne (para. 45 above), I am interested to see that Sergeants make some use of the Officers' Mess (C.2.13). Surely it would be good sense to develop joint usage here and elsewhere to make optimum use of facilities provided at public expense?

Building Services, Hullavington (Section C.3)

68. I agree with Recommendation 47B (investigate increased water consumption, C.3.4 and C.3.5) and have no comments on its treatment in the action document. Given my other comments, I am glad to see that roadworks and MQs have been subject to "Good, mean budgetary control all to a sound standard" (C.3.9).

Electrical services and air conditioning - Hullavington (Section C.4); Heating - Hullavington (Section C.5)

69. Not read, so no comments.

Fuel Consumption - Hullavington (Section C.6)

70. I agree with Recommendation 48 (energy consumption measures) and the qualification to it expressed in the action document.

Grounds maintenance - Hullavington (Section C.7)

71. I see that nature is re-asserting itself! I agree with Recommendation 93 (E.7.33), that the pyracantha creeper should be cut back, although I would have doubted whether 12 months need elapse before it happens.

Keevil Airfield (Section C.8)

72. This airfield accounts for some 495 acres in fine country. The only military use - frequency unstated - is for Heavy Drop Parachute exercises from Lyneham although these could be mounted over Salisbury Plain (C.8.1 and C.8.5). I wonder what the value of this site is? It must be very large indeed. But it brings a rent of only £12,000 (£2.50 an acre), totally offset by annual maintenance (C.8.1. and C.8.3.). With an agreeable insistence on economy, PSA has to drive 40 miles quarterly to read the water meter!

73. Against this background, I am astounded to find that two years are to be allowed to deal with Recommendation 49 (consider need for retention). Surely there can be little excuse for the continued neutralisation of this land?

Married Quarters (Section D)

74. I am no less upset by the data given in D.3 about the incidence of vacancy among MQs and its length; I see that in no case is it less than 26% and that it goes as high as 88%. Recommendation 52 (dispose of unwanted MQs, D.3 and D.6) is absolutely right and I hope that effective action can be taken in the time set (12 months). This should be especially possible for the MQs in Chippenham and Melksham (D.6) and on the Thickwood and Pinewood Estates (D.7); I agree that where it is not easy, there should be "re-appropriation" (D.9). (I note that the capital value is estimated at £4m and the annual savings at £66,000 pa in the Recommendation volume.)

75.. I agree with Recommendation 50 (civilian occupied MQs, D.4), 51 (site houses, Hullavington D.5) and 53 (minimum house-keeping, D.11). I was interested by the reference to the

"Housing Warden" in D.11. Presumably this is a Services official; where he does not do his job properly, is it because of indolence or obscurity about the respective responsibilities of himself and the PSA?

76. In connection with mixed responsibility, I was also interested by the team's view that the PSA "is providing a reasonable and economic standard of maintenance in all the [MQs], given a most unsatisfactory policy with regard to the retention of empty [MQs]" (D.17).

#### PSA Management and Organisation (Section E.1)

77. I have no comments on Recommendation 54 (PTO IV Vacancy, E.1.4), 55 (supervision of MQ work, Chippenham, E.15) or 56 (processing Part II work, E.1.9), apart from supporting the team in its opposition to the wasteful use of staff (E.15). On Recommendation 57 (role and staffing of the Area Management Team, E.1.11), I have read what is said in the Recommendation Volume (p.10) and in E.1.11 with sympathy; if you are to have these Teams, they should not be over-burdened with work not related to their direct function and District Works Offices should be encouraged to seek their help. (I am not sure why, in the action document, action on this is to be/has been initiated by Regional HQ.)

#### Directly Employed Labour, Planning and Control (Section E.2)

78. I have not worked through these in detail, as I see from Mr Donaldson's letter to Mr Priestley of 21 December that they are overlapped by the proposed reduction in DEL generally. I should therefore simply make the following points:

- a. The recommendations made earlier by the Regional DEL Planning Officer were similar to the team's "but few of these seem to have been accepted or implemented" and the cross-reference to the Area Management Team (E.2.6).

- b. The team believes DEL is under-loaded, but I am not sure that, as they suggest, this should be remedied by taking work back from contractors (E.2.8).
- c. Paragraphs E.2.9 and E.2.10 appear to indicate a misuse of labour which is occasionally gross.
- d. Recommendations 59 - 86 reflect this by proposing a substantial (18%) reduction in the work force (94 to 77) and I trust that the larger review will not, like the Regional 1978 review apparently, miss its target.

#### Stores arrangements (Section E.3)

79. Would you kindly tell me why the closure of 3 former Daily Issue stores agreed in 1972 has not (apparently) taken place (E.3.1) and why there is still uncertainty about the intended new arrangements (E.3.2)? The arrangements for large stores (in E.3.3. and E.3.4) look rather muddled.
80. I note that it is impossible to assess the value of stock in store (E.3.6), that stores paperwork is "vast" even for small value items (E.3.9) and that there is confusion about loan arrangements (E.3.10).
81. Against the background set out by the team, there appears to be a well-established case, and I agree with Recommendation 87, for a Central District Store (rationalisation/optimisation). The points made by the team at E.3.11 i. - vi. seem eminently sensible.

#### M&E Planned Maintenance (Section E.4)

82. I have no reason to dissent from the team's view that the system should be updated and that the frequency of maintenance should be reviewed (Recommendation 88). I see that the action document refers to "improved monitoring of job frequencies": this is not the same as E.4.3's reference to "increasing the maintenance periods with a consequent reduction in labour costs", for which I have a preference.

Building inspections (Section E.5)

83. What are the costs associated with reduced inspections (E.5.1 and 5.2), I wonder? The MER represents a fall-back position: I agree with the team that "regular planned inspections give us [an] opportunity to take in the whole picture" (E.5.5).

Transport (Section E.6)

84. I note that, Supplies Division being on repayment, vehicles are "on hire" (E.6.1). The team do not discuss how this works in practice, indeed, they suggest a further van (Recommendation 89, E.6.4). I assume that this field will be covered by the PSA's first scrutiny.

Contract methods and resources (Section E.7)

85. I note that contract work at Bath, Colerne and Hullavington totals £275,000 pa (E.7.1.). I note also PSA's difficulties over liquidated contractors (E.7.2 and E.7.3). Are these due to the "lowest tender" principle? If so, would it not be better to settle with a well-established and reliable even if more expensive contractor?

86. I have no comments on Recommendations 90 (priority for replacement action, E.7.3.), 91 ("pressure impregnated preservative", E.7.4), 92 (B&CE TC rates, E.7.4), 93 (pyracantha, already noted, E.7.33), 94 (grass cutting, E.7.34), 95 (daywork contract, E.7.41) or 96 (door maintenance, E.7.49). My other comments are:

a. Paragraph E.7.17 deals with an (apparently) indifferent contractor and an indifferent PSA response to him. The simple point here must be that you are entitled to hold your contractors firmly to account.

b. Was it necessary to rewire the Officers' Mess (E.7.21)?

c. Is one conclusion to be drawn from E.7.36 - E.7.41 that too much PSA effort is put into paper-work as compared to monitoring the quality of contract work?

PSA Accommodation (Section E.8)

87. The capacity for rationalisation and greater cleanliness (E.8.2) is a little ironic and I accordingly agree with Recommendation 97:

PSA Supplies (Section E.9)

88. The arrangement summarised in E.9.1 seems ludicrously bureaucratic and I agree with Recommendation 98 (revised order procedure for minor fixed items and minor floor repairs E.9.3). I cannot help wondering, however, whether it would not be simpler for the client to arrange and pay for such work direct.

Derek Rayner

14 February 1980