

CONFIDENTIAL

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.

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 M/M 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



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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.



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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



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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

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COMMONWEALTH OF MASSACHUSETTS



25 OCT 1979

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Lord Levine

PRIME MINISTER

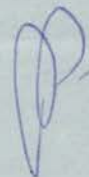
DISPERSAL

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

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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.

SECRETARY OF STATE FOR ENERGY

23 OCTOBER 1979



23 OCT 1979

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

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*wait for
C.O. admin
Monday
R.*

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.

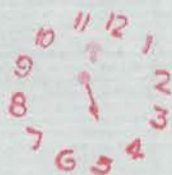
I am copying this to Jim Prior and to the other members of Cabinet, including the Minister of Transport, and to Sir John Hunt.

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

SOAMES
19 October 1979

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19 OCT 1979



COMMUNICATIONS