

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;
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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.