

Prime Minister:

Prime Minister (2)

2
9/9/82

Dave Wolfson agreed
that we should simply
note Mr Heselhurst's
minute and await his
proposals



Refer to David Wolfson
M 9

September 1982

Prime Minister

PROPERTY DIVISION IN PSA

22/9.
P411

I have now received responses to my minute to you of 22 July from most Ministers and I am grateful to you for the reply from your office of 31 August. (You will see that I have replied on some detailed points to individual Ministers.)

There has been general agreement that it would be useful for us to go ahead with the detailed studies necessary to see whether or not the concept of a Property Division is viable and I am arranging to have that done. I would hope to come back to you and colleagues with further proposals towards the end of the year.

Let me reassure you and others on one point - even if we do approve the idea of a Property Division there will be some time before it can be implemented so Departments would be able to absorb PRS before getting involved in a new system of managing their accommodation.

I entirely accept what you and some colleagues have stressed - that setting up a Property Division on a Trading Fund basis in a Governmental body is a radical and difficult operation. We will only decide to do it if the necessary investigation shows that any cost or effort would be amply rewarded. Nevertheless, I believe the gains that would accrue throughout Whitehall of a system which (a) would give individual Departments a real influence over their property matters (b) would require Departments to think much more seriously about the costs of their accommodation and services than they will ever have to do under PRS and (c) will more readily lead to effective development of the Government estate are so great that we must be sure that we have fully examined all aspects of the proposal.

I am copying this to recipients of your letter.

M

Murphy

MH

Civil Service, Long Term,
P411

