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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

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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.



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25 OCT 1979