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THE PRIME MINISTER

Dispersal

1. I was interested to see your Private Secretary's letter of 26 January to the Private Secretary at the Department of Industry. I have also seen the minute of the meeting of E(EA) on 19 January.
2. I agree with you that it is important, when considering dispersal plans, to take account of the effects of subsequent reductions in Civil Service numbers and of the need to maximise management efficiency.
3. As you know, my Department has been able to identify between 610 and 620 out of the target of 650 posts to be dispersed to East Kilbride. Four hundred and thirty have already moved to East Kilbride and the rest will follow in August this year.
4. The only way of finding the balance without a totally unacceptable loss of efficiency is to disperse the Records Unit of the Passport Office from Hayes. This is not to say that even that would be an easy or sensible course in terms of efficiency. The Records Unit is staffed mainly by non-mobile clerical staff who would not move to East Kilbride or even want to accept the offer of clerical jobs in Central London. Consequently we would, in effect, be dismissing them and, as we argued at the meeting of E(EA), this would be a shabby reward for their exceptional loyalty during the Civil Service industrial action last year. Furthermore, we are now committed to the introduction of a machine-readable British passport. This and forthcoming improvement of methods in the Passport Office will require the introduction of computerisation which will mean that much of the work of the Records Unit will eventually disappear.

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5. As you know, the organisation, financing and operation of the Passport Office are to be the subject of one of our Rayner scrutinies this year. In addition, the Foreign Affairs Committee are making the Passport Office the main subject of their investigation into my Department in 1982. One of the main thrusts of the Rayner Scrutiny will be the application of new technology, bearing in mind the need to issue machine-readable passports conforming to EC standards. It would be reasonable not to pre-empt any conclusions or recommendations of these surveys and I am consequently reluctant to take a final decision on the Records Unit at this stage.
6. The target of 650 posts for dispersal from the FCO was fixed some years ago and the obligation was originally laid on the ODA. It was confirmed after the last election as a target which I had to meet. But it does not take into account more recent decisions on reductions in the Civil Service. The 1984 target for the FCO (including the ODA, the Passport Office and Communications Division but excluding GCHQ) is 9,340. This is a reduction of 10.4 per cent over the numbers of 1979. In percentage terms, therefore, we are already over-fulfilling our obligations.
7. I am sending a copy of this minute to all members of E(EA).

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(CARRINGTON)

Foreign and Commonwealth Office

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