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QUEEN ANNE'S GATE LONDON SW1H 9AT

16 May 1980

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Dear Michael

P.S.A. EXPENDITURE ON NEW WORKS IN 1980/81

I am responding to your copy letter of 16 April to Paul Channon. I would have done so sooner but my officials have only very recently heard from yours in the Property Services Agency that there is now doubt as to whether funds can be made available for the construction of a headquarters building for the United Kingdom Warning and Monitoring Organisation (UKWMO), the latest estimated cost of which is £579,000 (including £331,000 due to fall in 1980/81 and £30,000 spent on preliminaries in 1979/80). The contract was due to be let last March.

This is disturbing, and puts this project on a par with those which were the subject of your letter of 16 April. I do not see how this expenditure can be accommodated within Home Office PESC allocations - I am already trying to live within the White Paper figures - but I feel bound to urge that, in the national interest, the project should not be deferred.

The UKWMO is a vital part of home defence arrangements. It is the one part of the civil defence programme which was exempted from the cuts of 1968, because of its key importance in giving warning of impending attack. It works through a network of posts and controls throughout the country, and provides the framework for the wartime function of the Royal Observer Corps (ROC). It has a small headquarters with about 40 people who provide the training and technical backup for the field staff - mainly ROC volunteers. This headquarters is at present in rented accommodation in Banbury (the lease of which expires next year), and in 1972 it

The Rt. Hon. Michael Heseltine, M.P.

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was agreed that they should be housed in a new building at Cowley Barracks, Oxford. The site is adjacent to a war-time operational unit (HQ No. 3 Group, ROC), with access to the UKWMO communications network and improved facilities for operational research, for the preparation of national and NATO exercises, and for training.

With the increasing Parliamentary pressure on civil defence, and in the light of the discussion in OD on 15 May at which you were present, it would make no sense to defer the building of UKWMO headquarters and to put their staff into makeshift accommodation. But even stronger than the political case for not deferring this project is the case on grounds of national security: the building is needed to enable the UKWMO to operate at a high pitch of efficiency.

I am sending a copy of this letter to the Prime Minister, other members of the Cabinet and Paul Channon, and to Sir Robert Armstrong.

Agnew
Walter

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