

Aerospace
Minister of BA

SE Mr Ingham
Aerospace 2.



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~331 7022~~ 218 6169

D/S of S/4576C

22nd March 1982

MS

Prime Minister

Dear Mike,

MP 23/3

British Aerospace are announcing today a rundown in the work-force at three of their sites with a view to closure over a period of approximately 12 months. The sites in question, the constituencies where they are situated and the numbers to be made redundant are as follows:-

- (1) Bitteswell, Blaby (The Rt Hon Nigel Lawson MP) About 1000
near Coventry
- (2) Bracebridge Heath, Grantham (The Hon Douglas Hogg MP) About 150
near Lincoln
- (3) Holme on Spalding Moor, near York Haltemprice (Sir Patrick Wall MP) About 100

British Aerospace say that the sites can no longer be maintained on a commercial basis and that the closures should lead to greater efficiency and lower costs.

British Aerospace seem likely to blame the closures on a reducing defence workload for their Aircraft Group. There is substance in this claim as far as the aircraft servicing, repair and modification work which constitutes a substantial part of the workload of these three sites is concerned, but the Aircraft Group's total workload has increased substantially since 1979 and should remain at or near the present level for the next two or three years.

/ British Aerospace have told us that they will be informing local MPs in advance of any public announcement. I attach a line-to-take, in case this is raised during Questions tomorrow.

Yours ever
Alfred Piper

(D T PIPER)

M A Pattison Esq

The organisation of British Aerospace's facilities is a matter for the company themselves. The amount of airframe servicing, repair and modification work required by the Services will decline over the next few years with the phasing out of older types of aircraft. This must, however, be seen in the context of the totality of Ministry of Defence expenditure with BAe's Aircraft Group, which has risen substantially in real terms since 1979/80 and, with the Tornado production programme close to its peak, is expected to continue close to this new level for the next two or three years.