

PART 2

NEW FILE COVER

CONFIDENTIAL FILING

The building of an International Conference Centre on the Broad Sanctuary site and the possible foundation stone ceremony  
Restoration and renovation of the Westminster Area  
Richmond Yard

GOVERNMENT BUILDINGS

PT 1: OCTOBER 1979

PT 2: FEBRUARY 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>24.10.86</del>							
27.10.86							
<del>28.10.86</del>							
31.10.86							
PT 2							
ENOS							
<p>PREM 19/1767</p>							

**PART** 2 **ends:-**

NW to DOE 31/10

**PART** 3 **begins:-**

SS/DOE to fcs 7/11

FILE DCA



10 DOWNING STREET

From the Principal Private Secretary

31 October 1986

Dear Robin,

**RENTAL CHARGES FOR GOVERNMENT PROPERTY**

The Prime Minister has seen notes from the Efficiency Unit and from Mr. Manzie, about the rent for Richmond Yard and comparative rents in the Whitehall area.

The Prime Minister has noted from Mr. Manzie's minute that under the PRS procedures the £17.50 per square foot rent used for Richmond Yard planning and investment appraisal purposes will be reviewed in the light of market rents and a firm figure determined when ODA take occupation in autumn 1987. She attaches great importance to PSA's determining the Richmond Yard rent in the light of the market rents of nearby properties including any special premium chargeable for the building's central position in the Whitehall complex.

The Prime Minister has noted too that the 7 St. James Square building, with a rental of £30.00 per square foot, has been rented for the Royal Fine Art Commission and the Museums and Galleries Commission. She would like to know why these bodies are being allowed to occupy such an expensive building.

I should be grateful if you could let the Prime Minister have a note on this last point.

I am sending a copy of this letter to Tony Galsworthy (Foreign and Commonwealth Office), Kate Jenkins (Efficiency Unit) and Trevor Woolley (Cabinet Office).

*Yours sincerely*  
Nigel Wicks

(N.L. WICKS)

Robin Young, Esq.,  
Department of the Environment.

CAJ

PRIME MINISTER

RENTAL CHARGES FOR GOVERNMENT PROPERTY: RICHMOND YARD

The Efficiency Unit's note below at flag A responds to your question at the recent meeting with Sir Robin Ibbs about the appropriate rent to be charged to ODA for Richmond Yard.

The note says that ODA are to be charged £17.50 per square foot. This is not quite right as the note at flag B from Gordon Manzie, Chief Executive PSA, explains. The rent for Richmond Yard has not yet been determined. The £17.50 was used only for planning and investment appraisal purposes. This figure will be reviewed in the light of market rents at the time and a firm figure determined when ODA take occupation in autumn 1987.

The Efficiency Unit go on to say that on the basis of nearby commercial rents, Richmond Yard might be expected to command £19-20 per square foot, excluding any special premium for its central location within Whitehall. Though perhaps a bit on the high side, this does not look out of line with the market comparitors cited in paragraph 3 of Mr. Manzie's note. [The £30 for 7 St. James Square, referred to in paragraph 5, reflects, so I am told, that building's West End location, rather than its proximity to Whitehall. But this prompts the question why the Royal Fine Art Commission and Museums and Galleries Commission should be lodged in such a relatively expensive building.]

If you agree, I will minute PSA emphasising the importance which you attach to their determining the Richmond Yard rent in the light of the market rents of nearby properties, including any special premium chargeable for the building's central position in the Whitehall complex. Agree? *Yes Mr*

Though a small point, I would also enquire why the Royal Fine Art Commission etc are also occupying such an expensive building. Agree? *Yes Mr*

*N.L.W.*

N. L. WICKS

30 October 1986

CAJAJA

B  
B

COMMERCIAL - IN CONFIDENCE

MR WICKS

RENTS IN WHITEHALL

*file attached*

You asked me for some information on the rent for Richmond Yard and comparative rents in the Whitehall Area.

BACKGROUND - The Property Repayment Services (PRS) Arrangements

1. The PRS charge to Departments includes a figure for the open market rent for the buildings they occupy, assessed on a building by building basis. The Government itself is the market leader for offices in Whitehall and the attractions of the immediate area are less to a commercial concern than to a Government Department. Indeed, it is cheaper to house a Department in a like-for-like building in Whitehall than in a number of other parts of SW1, eg St James's or Buckingham Gate/Victoria, where there is real competition from commercial concerns.

Richmond Yard

2. The rent to be charged for Richmond Yard under PRS has not yet been determined. For planning and investment appraisal purposes we have been working on the basis of £17.50 per sq ft. Under the PRS procedures this figure will be reviewed in the light of the market rents at the time, and a firm figure determined, when ODA take occupation in autumn 1987. (ODA's existing rent for Eland House is £16.00 per sq ft).

Market Comparators

3. Examples of rents for buildings near Whitehall recently negotiated in the market:-

Standard House (Northumberland Avenue; well worn and approaching lease expiry)	£13.40 per sq ft
Cromwell House (Millbank; High standard, air-conditioned, newly refurbished)	£16.50 per sq ft
10-18 Victoria Street (formerly Monsanto House; now newly refurbished and recently occupied)	£14.50 per sq ft



Ashley House (Monck Street, adjacent to DOE's Marsham Street building; new, air-conditioned) £16.50 per sq ft

Trevelyan House (Great Peter Street, adjacent to DOE's Marsham Street building; new, air-conditioned, just being occupied by Lord Cancellor's Dept.) £16.90 per sq ft

Current PRS Rents in Whitehall

4. The main Whitehall buildings are, in commercial terms, mostly poor standard and largely in need of extensive refurbishment. The current PRS rents, which were assessed two years ago, are as follows:-

Nos. 10/11 Downing Street	£14.60 per sq ft
GOGGS	£7.90 " " "
MOD Main Building	£8.45 " " "
Old Admiralty Building	£7.90 " " "
Gwydyr House	£9.00 " " "
Dover House	£8.75 " " "

Comparators in Other Parts of SW1

*ie, rents charged by private landlords to PSA*

5. Recently negotiated rents for buildings in other areas of SW1 which are subject to stronger commercial competition than Whitehall are:-

Buckingham Court (redevelopment of the former BAA building facing Buckingham Gate by the Palace - to be occupied by the Dept of Energy) £18.00 per sq ft

7 St James's Square £30.00 per sq ft

(High quality, modernised Grade II listed building - occupied by Royal Fine Art Commission and Museums & Galleries Commission)

A G MANZIE

CHIEF EXECUTIVE, PSA

30 October 1986

cc Secretary of State  
Mr Chope



GOVT. BUILDINGS: Richmond Yard Pl. 2



SR14:RY28/10



MR WICKS

*WITH NW?*

Following up Kate Jenkins' minute of 24 October I attach a note on property rentals being charged to Government Departments located in and around Whitehall. This also covers charges for commercial office buildings.

*Richard Hirst*

RICHARD HIRST  
28 October 1986



SRL4:RY28/10

**RENTAL CHARGES FOR GOVERNMENT PROPERTY**

The PSA charge to the ODA for Richmond Yard is to be £17.50 per square foot. This compares with a selection of other rentals charged for Government properties as follows:

<u>Property</u>	<u>Tenant</u>	<u>Description</u>	<u>Rate per sq. ft.</u>
Eland House	ODA	Well worn, approaching lease expiry	£16
7 St James Sq.	Museums and Galleries Commission	Small, high quality modernised listed building	£30
Buckingham Gate	Department of Energy	Being redeveloped	£18-20
1 Victoria St.	DTI	Large but slightly older office block.	£16-18

Charges for commercial office buildings in Central London vary from £40-45 per square foot in the City, £30 in Mayfair and St James' to £17-20 for Trafalgar Square and Parliament Square. Based on ICI's experience Sir Robin Ibbs would expect Whitehall rents to range from £12 for unimproved buildings to £19 for refurbished properties. These figures do not include any special premium for the site.

On the basis of reflecting commercial rents nearby, Richmond Yard as a new development might be expected to command £19-20 per square foot. This excludes any special premium which might be charged for its central position within the Whitehall complex.



OVERSEAS DEVELOPMENT ADMINISTRATION  
ELAND HOUSE  
STAG PLACE LONDON SW1E 5DH

Telephone 01-213 4819

Sir Crispin Tickell KCVO  
*Permanent Secretary*

28 October 1986

All Members of Staff

**RICHMOND YARD**

I am happy to be able to tell you that the last minute problems about which I told you on 21 July have now been resolved. The ODA's London Headquarters will move from Eland House to Richmond Yard in the second half of 1987. We shall now press ahead with the necessary arrangements, and we shall resume the series of newsletters giving details.



Crispin Tickell



10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

RICHMOND YARD

I have shown the Prime Minister your note of 23 October in which you set out how you intend to carry out the work which was commissioned in my minute of 22 October. The Prime Minister is content with your proposals. She will decide nearer the time, when the papers are ready, whether she should chair a meeting of the new Ministerial Committee on the Allocation of Accommodation in Inner London.

The Prime Minister has also received a personal and confidential minute from the Secretary of State for Social Services which records his great concern about the treatment of DHSS regarding their accommodation. I attach a copy of his minute. (In view of its classification, it should not be shown to anyone outside the Cabinet Office).

The Prime Minister has studied the Secretary of State's minute with care, and has asked that the following action should be taken.

- (i) You should take DHSS's position fully into account in the review of the Whitehall estate underway;
- (ii) DHSS should be represented on the new Ministerial sub-committee on accommodation;
- (iii) The Department should also be represented on the Official Committee which supports the Ministerial sub-committee;
- (iv) On the Secretary of State's point about presentation of the decision on Richmond Yard, there will, so the Prime Minister understands, be no "presentation" of the decision as such. But the Prime Minister would want it to be made clear in any public statements about Whitehall accommodation that the needs of DHSS are being given full consideration.

I have written to the DHSS informing them about the Prime Minister's reaction to their Secretary of State's minute.

*N.L.W.*  
N. L. Wicks

27 October 1986



## 10 DOWNING STREET

From the Principal Private Secretary

27 October 1986

Dear Tony,

RICHMOND YARD

The Prime Minister has now studied with great care your Secretary of State's minute of 24 October which records his great concern about the treatment of DHSS regarding their accommodation. She has asked that I should make clear to the Head of the Civil Service the following:

- (i) he should take DHSS's position fully into account in the review of the Whitehall estate underway;
- (ii) DHSS should be represented on the new Ministerial sub-committee on accommodation;
- (iii) the Department should also be represented on the Official Committee which supports the Ministerial sub-committee;
- (iv) on the Secretary of State's point about presentation of the decision on Richmond Yard, there will, so the Prime Minister understands, be no "presentation" of the decision as such. But the Prime Minister would want it to be made clear in any public statements about Whitehall accommodation that the needs of DHSS are being given full consideration.

The Prime Minister has also noted your Secretary of State's point that he has to transact a vast amount of business in a small room on the Cabinet Committee corridor in the House of Commons. Your Secretary of State will be more aware than I of the difficulty of getting a slightly larger room, but I will see what can be done.

I am sending a copy of this letter to Sir Robert Armstrong.

*Nigel Wicks*

N. L. Wicks

Tony Laurance, Esq.,  
Department of Health and Social Security.

PRIME MINISTER

*MS*

RICHMOND YARD

I am sorry to bother you with two further papers on this subject!

At Flag A there is a minute from Sir Robert Armstrong responding to my minute of 22 October regarding the future of Richmond Yard, the old Home Office building and the need for a review of the Whitehall estate. Robert's response seems satisfactory.

Do you want:

to take the first meeting of the Ministerial sub-committee? or

wait until you see the papers?

At Flag B, Norman Fowler lodges an anguished cri de coeur for better accommodation for DHSS. The purpose of his minute is not, as he emphasises, to reopen the Richmond Yard decision. Rather it is to put in an early plea for better accommodation for his Ministerial team and senior officials. I have some sympathy with him here. On his points, I suggest:

- (i) I speak to the Chief Whip about the possibility of getting him a slightly larger room in the House of Commons. Very difficult, I know, but worth some exploration.
- (ii) Sir Robert Armstrong is instructed to take DHSS's position fully into account in the review of the Whitehall estate now underway.
- (iii) DHSS should be represented on the Ministerial sub-committee.

*What about that of the F.C.S.?*

*Yes*

*Yes*

- (iv) Although Norman Fowler does not ask for this, they should also be represented on the Official Committee which supports the Ministerial sub-committee.
- (v) On Mr. Fowler's points about presentation of the decision on Richmond Yard, there will in fact be no "presentation" in those terms. But it should be made clear in any public statements about Whitehall accommodation that the needs of DHSS are being given full consideration.

(The Efficiency Unit are following up the points which you raised with them today about the rental charged to ODA for Richmond Terrace).

N.G.W.

N. L. Wicks

24 October 1986



B B

PRIME MINISTER

RICHMOND YARD

This issue has dragged on for long enough and I do not wish to reopen it.

I would however like you to be aware of the difficulties which my Ministerial team and senior officials work under - difficulties which I regret have been totally ignored by those responsible for thinking about the provision of accommodation.

First, as you know, Alexander Fleming House is not on the division bell. The result is that when there is a running whip, Ministerial meetings have to be transferred to the House of Commons. (I pay tribute to the efforts of the Whip to minimise disturbance but they cannot be expected permanently to carry five Ministers). I enclose a programme of some of the meetings which I myself have had in the House over the last few months - to these should be added the meetings held by my other Ministers.

Second, my Department is probably more in action in the House of Commons than any other Government Department. Yet my Department has no accommodation in Whitehall, the Headquarters is situated furthest from Whitehall, and my headquarters staff are scattered over more than 20 buildings. The result is that Ministers and officials waste a lot of time travelling, especially to and fro from Whitehall and Westminster;

E.P.

PERSONAL AND CONFIDENTIAL

and our decision - making and communications suffer from the central core of the Department being so disjoined from the rest of the core of Government. I regard it frankly as an absurd priority that the Overseas Development Administration which probably has least to do in Westminster is now to be given an office which is closest to the House of Commons.

Third, the area in which we are situated poses particular security difficulties late at night, which obviously most affects the staff of Ministers' private offices. Six staff have been mugged in the past 18 months and there are problems with the recruitment and retention of secretarial and clerical staff.

Fourth, the vast amount of business which I personally transact in the House takes place in a small room on the Cabinet Committee corridor. I have not even the advantage of one of the slightly larger rooms where a conference table could be put.

Frankly, I believe that the way that the allocation of Richmond Yard has been handled without consultation is little short of a disgrace. It adds to the impression of total indifference to our needs and our case.

I do not wish to reopen the decision on Richmond Yard. I have no quarrel with Geoffrey Howe. But I think you personally should be aware of the position and that it should be taken fully into account in the review of the Whitehall estate which you have asked to be conducted by the end of the year. I think also that this Department should be represented on your Ministerial sub-Committee on the allocation of accommodation in inner London. I would also ask that in the



**E.P.**

PERSONAL AND CONFIDENTIAL

presentation of the decision on Richmond Yard mention is made of the fact that the accommodation needs of the DHSS are being given full consideration.

*N.F.*

N. F.

24 October 1986

DEPARTMENTAL MEETINGS HELD IN THE HOUSE OF COMMONS  
FROM MONDAY 7 APRIL TO FRIDAY 25 JULY

## TUESDAY 8 APRIL

4.30 pm	Primary Care 3 Officials	Rm 20
5.00 pm	Residential Accommodation 4 Officials	Rm 20
5.30 pm	Riverside HA 3 Officials	Rm 20

## WEDNESDAY 9 APRIL

3.00 pm	NHS Pay 1 Minister, 2 Perm Secs, 2 Officials	Rm 20
4.00 pm	Dietary Survey of Schoolchildren 1 Minister + 5 Officials	Rm 20
4.30 pm	Briefing 1 Minister + 4 Officials	Rm 20
5.30 pm	NHS Residential Accommodation 2 Perm Secs + 2 Officials	SMCR
6.15 pm	RHA Chairmens Appointments 1 Minister + 2 Perm Secs	Rm 20

## MONDAY 14 APRIL

6.15	Primary Care 3 Officials	Rm 20
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## THURSDAY 17 APRIL

4.15 pm	Briefing 1 Minister + 4 Officials	Rm 20
4.30 pm	Dennis Walters, R Sims, V Bottomley 1 Minister + 3 Officials	Rm 20

## MONDAY 21 APRIL

5.30 pm	Briefing 1 Minister + 5 Officials	Rm 20
followed by	Meeting TUC	Cttee Rm 5

## WEDNESDAY 23 APRIL

9.00 am	Briefing (Chief Sec - PPRS) 1 Minister + 3 Officials	Rm 20
10.45 am	Dennis Walters 1 Perm Sec + 3 Officials	Rm 20
3.30 pm	1 Minister + 4 Officials	Rm 20
4.00 pm	Pensioners Voice Outside Organisation	SMCR

## THURSDAY 24 APRIL

9.00 am	Dennis Walters Briefing 1 Minister, 1 Perm Sec, 2 Officials	Rm 20
2.45 pm	Briefing - Sir K Joseph 2 Ministers + 5 Officials	Rm 20
4.30 pm	GM's Pay 1 Minister, 2 Perm Secs, 1 Official	Rm 20
5.30 pm	Regional Chairmen 1 Minister, 2 Perm Secs	Rm 20
6.00 pm	Sir K Joseph 1 Minister, 4 Officials	Rm 20
6.30 pm	Residential Accommodation 1 Minister + 2 Officials	Rm 20

## THURSDAY 8 MAY

3.00 pm	NHS Residential Accommodation 1 Perm Sec + 3 Officials	Rm 20
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## TUESDAY 10 MAY

2.45 pm	Review Bodies Briefing (Mtg No 10) 1 Minister, 1 Perm Sec + 2 Officials	Rm 20
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WEDNESDAY 14 MAY

6.00 pm Meeting FDA (Union) Rm 20

FRIDAY 16 MAY

9.30 am SocSec Bill Briefing  
3 Ministers + 3 Officials Rm 20

10.30 am Briefing (for meeting with Chief Sec)  
3 Officials Rm 20

TUESDAY 20 MAY

11.00 am Review Bodies Briefing  
2 Perm Secs + 3 Officials Rm 20

1.30 pm Mr True  
1 Official Rm 20

3.00 pm GM's Pay  
2 Perm Secs + 2 Officials Rm 20

WEDNESDAY 21 MAY

5.20 pm Briefing  
2 Ministers and 4 Officials Rm 20

6.00 pm Advisory Group on Pensions  
2 Ministers, 4 Officials  
+ 4 Outside Consultants SMCR

7.30 pm London Presentation  
1 Minister, 2 Perm Secs, 5 Officials SMCR

THURSDAY 22 MAY

9.30 am Briefing (Review Bodies)  
1 Minister, 3 Perm Secs  
+ 3 Officials Rm 20

12 noon Briefing (BMA + BDA)  
2 Perm Secs + 5 Officials Rm 20

WEDNESDAY 4 JUNE

5.15 pm Students and Boarders  
1 Minister + 3 Officials Rm 20

5.40 pm Briefing  
1 Official Rm 20

5.45 pm Women's National Commission  
1 Minister + 2 Officials SMCR

THURSDAY 5 JUNE

12 noon	Primary Care 1 Minister + 4 Officials	Rm 20
2.15 pm	Pay 1 Minister, 1 Perm Sec, 2 Officials	Rm 20
3.15 pm	NHS Seminar Brief 3 Officials	Rm 20
4.00 pm	Briefing (Lord Young) 2 Ministers + 4 Officials	Rm 20

THURSDAY 12 JUNE

3.15 pm	Briefing 1 Minister + 2 Officials	
4.00 pm	Association of British Pharmaceutical Industries 1 Minister, 2 Officials + several Outside Organisation Representatives	LMCR
5.45 pm	Community Charge 2 Ministers + 6 Officials	Rm 20

MONDAY 16 JUNE

2.30 pm	Single Payments 1 Minister + 6 Officials	Rm 20
4.30 pm	ACARD Brief 1 Official	Rm 20
4.45 pm	NEXT 1 Minister + 3 Officials	Rm 20
6.15 pm	Community Charge 2 Officials + 2 Ministers	Rm 20

TUESDAY 17 JUNE

2.30 pm	FPC Chairmen 1 Minister + 3 Officials	Rm 20
3.00 pm	NHS Leaflet 2 Officials	Rm 20
3.30 pm	Students 2 Ministers + 3 Officials	Rm 20
4.30 pm	NEXT 2 Ministers + 3 Officials	Rm 20

WEDNESDAY 18 JUNE

5.45 pm	Briefing 2 Officials	Rm 20
6.00 pm	Sir P Baldwin	Rm 20

THURSDAY 19 JUNE

2.45 pm	Sheep Meat 4 Officials	Rm 20
3.30 pm	Briefing 1 Minister + 4 Officials	Rm 20
4.00 pm	Esther Rantzen - Childwatch 1 Minister + 3 Officials	LMCR
5.00 pm	ICA Briefing 1 Minister + 4 Officials	Rm 20

FRIDAY 20 JUNE

9.30 am	Environmental Health Problems 4 Officials	Rm 20
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WEDNESDAY 25 JUNE

2.30 pm	Briefing 1 Minister + 3 Officials	Rm 20
3.00 pm	RCN - Trevor Clay 1 Minister + 2 Officials	Rm 20
4.30 pm	Channel 4 News 7 Officials	Rm 20

FRIDAY 27 JUNE

10.30 am	Briefing - TV AM 6 Officials	Rm 20
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TUESDAY 1 JULY

3.30 pm	Primary Care 2 Ministers + 2 Officials	Rm 20
5.15 pm	McColl 2 Ministers, 1 Perm Sec + 2 Officials	Rm 20

WEDNESDAY 2 JULY

9.30 am	Social Fund 2 Ministers + 7 Officials	LMCR
3.00 pm	NHS Presentation 3 Officials	Rm 20
3.45 pm	Waiting Lists 1 Perm Sec, 2 Officials	Rm 20
4.30 pm	Briefing 5 Officials	Rm 20
5.00 pm	Advisory Group of Pensions 2 Ministers + 5 Officials	SMCR

FRIDAY 4 JULY

11.30 am	NHS Presentation 4 Officials	Rm 20
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WEDNESDAY 9 JULY

11.15 am	NHS Presentation 1 Minister + 5 Officials	Rm 20
5.30 pm	Primary Health Care 3 Ministers + 8 Officials	SMCR

THURSDAY 10 JULY

9.30 am	Social Fund 2 Ministers + 10 Officials	LMCR
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THURSDAY 17 JULY

2.45 pm	Primary Care 3 Ministers + 5 Officials	LMCR
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MONDAY 21 JULY

6.00 pm	Social Security Bill 3 Ministers + 5 Officials	Rm 20
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TUESDAY 22 JULY

4.00 pm	Briefing 3 Officials + 1 Perm Sec	Rm 20
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THURSDAY 24 JULY

4.30 pm	Briefing 2 Ministers + 5 Officials	Rm 20
5.00 pm	Advisry Group on Pensions 2 Ministers, 5 Officials + 5 Outside Consultants	SMCR



Ref. A086/3014

MR WICKS

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Richmond Yard

Thank you for your minute of <sup>WITH NLW</sup> 22 October.

2. I have asked the Property Services Agency, in consultation with the Foreign and Commonwealth Office, to prepare a full assessment of the plans for the old Home Office building together with evidence justifying them on cost and other grounds.
3. As to the information about prospective changes in the disposition of Government Departments in Whitehall, the Prime Minister has, as you will remember approved the setting up of a Sub-Committee on the allocation of accommodation in inner London, which would meet under her chairmanship or that of the Lord President. This Sub-Committee will keep under review the allocation of accommodation to Government Departments in the Whitehall and Westminster area. As a first step in this process the PSA have produced a situation report, which describes the present disposition of Government Departments in the area, the likely changes in the availability of buildings, and the requirements which they have under consideration. I shall be discussing this with official colleagues shortly, and the review will then be reported to the Ministerial Sub-Committee by the end of the year. This will enable Ministers to consider whether present planning is on the right lines, and in particular whether the PSA has got its priorities right for the movement into buildings in this area of headquarters Departments (like DHSS) which are at present outside it.
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4. The other wider point raised during the course of the discussions about Richmond Yard is the question of dispersal. The Minister of State, Privy Council Office, has been invited to reconsider the question whether there should be a further programme of dispersals from central Government Departments in London to the regions, in order to contribute to the relief of regional unemployment. An initial response from Mr Luce is expected to reach the Prime Minister by the end of this month.

5. I am sending copies of this minute to the Private Secretaries to the Lord President, Foreign and Commonwealth Secretary, Chief Secretary, Treasury, Secretary of State for the Environment, Secretary of State for Education and Science, Secretary of State for Social Services, Chancellor of the Duchy of Lancaster and the Chief Whip.

RA

ROBERT ARMSTRONG

23 October 1986



C. file L6 C

10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

RICHMOND YARD

The Prime Minister has considered further the future occupancy of Richmond Yard. She has agreed that ODA should move into the building. But she remains unconvinced that the present plans for the renovation and future occupancy of the old Home Office represent the most appropriate and economic use of the building. She would, therefore, like a full assessment of the plans for this building together with evidence that they are justified on cost and other grounds. More generally, she would like to know, together with their justification, of prospective changes in the disposition of Government Departments among the Whitehall estate in the foreseeable future.

BS

The Prime Minister would like this material to be produced soon, certainly by no later than early in the New Year, and before any further irrevocable decisions or actions are taken concerning the Whitehall estate.

I am sending copies of this minute to the Private Secretaries to the Lord President, Foreign and Commonwealth Secretary, Chief Secretary, H.M. Treasury, Secretary of State for the Environment, Secretary of State for Education and Science, Secretary of State for Social Services, Chancellor of the Duchy of Lancaster and the Chief Whip.

N. L. WICKS

22 October 1986

L6



Foreign and Commonwealth Office

London SW1A 2AH

2 October 1986

LCRG  
CDP  
2/x.

Dear Mr. Young,

The Foreign Secretary's minute of 29 September concerning the operating strategy of the Queen Elizabeth II Conference Centre contains a misprint. In paragraph 3, April 1992 is put forward as the most likely date for the next European Council. This should be taken as December 1992.

I am copying this letter to the Private Secretaries of the recipients of the minute.

Yours sincerely,  
J C Line.

(J C Line)  
Private Office

Robin Young Esq  
PS/Secretary of State for the Environment

GOVT BUILDINGS  
WESTMINSTER AREA

PT 2



CEBG  
✓FCS/86/226

1. CDP to see (note X)
2. NBPM.

SECRETARY OF STATE FOR THE ENVIRONMENT

The Queen Elizabeth II Conference Centre:  
Review of Operating Strategy

1. Thank you for your letter of 27 August setting out the options identified by Peat Marwick in their recent management consultant survey of the QE II Conference Centre. I have now seen a copy of John MacGregor's letter of 9 September.

2. I believe it is important to keep the QE II Conference Centre operating successfully as a Conference Centre which can accommodate major Government events; I accept also the need to reduce to the minimum the operating losses. I therefore support the recommendations put forward for the future marketing strategy as set out in sub-paragraphs (i), (ii) and (iii) of your letter, subject to our being consulted before any bookings are taken for the periods of particular interest to us.

X | 3. The extension of the booking period could inhibit flexibility over dates, eg for a European Council for the next Presidency; these are jointly agreed in the Community only about a year before the event. We are most likely to want to hold our next European Council in the first fortnight of April 1992. We would want to be consulted by the Centre both before any firm bookings are made during that period and over other dates in our next Presidency. Similarly, we would wish to ensure that full use of the Conference Centre

/is



is retained when we come to host the Commonwealth Finance Ministers Meeting (very possibly September 1988), Commonwealth Heads of Government Meeting (likely in Autumn 1991) and the Economic Summit (probably June 1991).

4. As for the conversion of part of the 4th floor to allow for greater catering facilities, we were concerned that this might reduce the Centre's suitability for future European Councils and possibly other major events. This of course is one of the major purposes for which the Centre was designed and we could be open to public criticism on that score. However, we have been assured that adequate flexibility will be retained to enable the area to accommodate a future European Council. We are therefore prepared to accept the proposed change, if that is the general consensus in the light of the feasibility study.

5. I am copying this minute to those to whom you sent copies of your letter.

A handwritten signature in black ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

29 September 1986

GOVT. BUILDINGS  
CONFERENCE  
CENTRE



PRIME MINISTER

RICHMOND YARD

I understand that you want to discuss the future of Richmond Yard at a meeting. Shall we confine the meeting to the Foreign Secretary and the Environment Secretary? Or do you want the issue to go to the new Ministerial Committee of the Lord President, Foreign Secretary, Home Secretary, Chancellor or Chief Secretary, Defence Secretary, Lord Privy Seal and the Environment Secretary?

I hope that you can agree that this should go to the smaller group.

Agree?

N.L.W.

N. L. Wicks

26 September 1986

No - more people  
than this are involved  
Ed - for Dennis  
and also  
Chancellor - the  
we must open  
up wider issues  
not



Foreign and Commonwealth Office

London SW1A 2AH

Sir Patrick Wright KCMG  
Permanent Under-Secretary of State

19 September 1986

Sir Robert Armstrong GCB CVO

CABINET OFFICE

*De Rour.*

RICHMOND YARD

1. When we last discussed Richmond Yard, you mentioned that there had been some suggestion that the FCO had been guilty of extravagance and delay in refurbishing parts of the Old Public Offices, and that we might be asked to pay rent for the whole of the Old Public Offices.

2. If, as you suggested to me on 18 September, there is to be another Ministerial meeting to discuss Richmond Yard, I suppose that alleged FCO misuse of the Old Public Offices may be mentioned again. In that case, the Foreign Secretary and I thought it might be helpful for you to have a private copy of the attached note by the Chief Clerk. It will of course form part of the Foreign Secretary's briefing for the meeting.

3. May I leave it to you to consider whether and how the points in John Whitehead's minute might be drawn to the attention of the Prime Minister in advance of any such Ministerial meeting?

*Patrick Wright*

Patrick Wright

From: John Whitehead

PERSONAL -

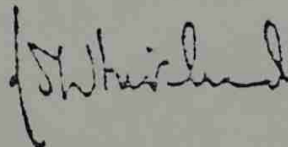
Date: 12 September 1986

PUS

cc: Private Secretary  
Sir C Tickell

RICHMOND TERRACE - ALLEGED FCO MISUSE OF WHITEHALL ACCOMMODATION

1. In paragraph 3 of your minute of 9 September to the Private Secretary you asked for comments about possible extravagance and delay in refurbishing the Old Home Office Building and the possibility of the FCO paying PSA "rent" for the whole of the Main Building, including the vacant sector being refurbished.
2. Responsibility for this building rests entirely with the PSA. I am not aware of the background to the refurbishment of the former Home Office area on Whitehall but it was handed over to the FCO in the winter of 1982/83.
3. Refurbishment of the "Red Sector" in King Charles Street West then began with most of the occupants decanted into the former Home Office. The whole refurbishment plan has been of a minimalist nature with nothing that can fairly be described as extravagant. It is the first time the building has ever been thoroughly gone over since it was constructed in 1868. The plan is basically to modernise it by replacing wiring, plumbing, lifts, toilets etc plus a small amount of structural alteration to provide additional offices mainly on the fourth floor. The PSA are taking the opportunity to restore fine areas such as the Durbar Court, the Secretary of State's and PUS's rooms, Grand Staircases, Locarno Rooms and Ministerial Offices in accordance with their legal responsibility as the custodian of a Grade 1 listed building and within financial constraints.
3. Any delay is also entirely the PSA's responsibility. The fire in the Red Sector of October 1985 in effect postponed its completion by one year from end-1985 to end-1986.
4. It is PSA's universal practice to impose an "accommodation charge" (ie "rent" plus an element for maintenance and rates) only for offices which are occupied. It would thus be most unusual (and possibly unprecedented) for them to penalise the FCO by imposing an accommodation charge for the one-sixth of our Main Building which is vacant because of refurbishment. This would have the effect of increasing the accommodation charge for the Main Building from £4.452 million to £5.194 million. As soon as the refurbishment programme is complete in late 1986 we will of course be vacating space elsewhere (Matthew Parker Street) to occupy the last sector refurbished. It would be unreasonable to expect us to pay a surcharge of £0.75 million per annum for at least 10 years for vacant space held by the PSA.



J S Whitehead

MANAGEMENT IN CONFIDENCE

PRIME MINISTER

RICHMOND YARD

RTA reports below that Mr. Baker is not interested in a suite of rooms in Richmond Yard. I hope that you can now agree that the ODA should be moved into Richmond Yard on the basis that the new Committees will review the whole Whitehall accommodation scene, including the FCO's refurbishment operation and the long-term future of the old Home Office.

Agree?

N. L. W.

N. L. WICKS

15 September 1986

Ref. A086/2523

MR WICKS

---

Richmond Yard

As I reported to you yesterday evening, I went to see the Secretary of State for Education and Science, as instructed by the Prime Minister, to find out whether he would be interested in having a suite of rooms in Richmond Yard for himself and his fellow Ministers in the Department of Education and Science.

2. He asked me to tell the Prime Minister that he was grateful to her for the offer, but that he would not wish to take advantage of it. He would have welcomed the other proposal, to move over, say, 600 or so of the staff of the Department of Education and Science; but he would not want to be a general so far removed from his troops as would be implied by the more restricted proposal.

3. I have to add that the Secretary of State made it clear to me that he shared the Prime Minister's view of the proposal that the Overseas Development Administration should move into Richmond Yard; but he understood why that was a difficult decision to undo in the circumstances.

4. I should add that we have now set up Ministerial and official committees to review the allocation of office accommodation to Government Departments in inner London. The official committee will start its work by reviewing the whole scene: the buildings now available or expected to become available, the demands for accommodation in the area and the present plans and dispositions for movement - including the Foreign and Commonwealth Office refurbishment operation and the

MANAGEMENT IN CONFIDENCE

long-term future of the old Home Office. I hope that as a result of that review it will be possible to report to the Ministerial committee with options and recommendations.

RA

ROBERT ARMSTRONG

11 September 1986



*CSG*

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref: R/PSO/17562/86

Your ref:

The Rt Hon John MacGregor OBE MP  
Chief Secretary  
Treasury

15 September 1986

*Dear John*

QUEEN ELIZABETH II CONFERENCE CENTRE  
REVIEW OF OPERATING STRATEGY

Thank you for your letter of 9<sup>at trap</sup> September.

I am glad you were able to go along with my proposals and, for my part, I am content to accept your conditions. The question of provision to cover the operating loss is a matter I shall want to pursue in our forthcoming discussion on my PES bid.

I am copying this letter to the Prime Minister, Geoffrey Howe, Paul Channon, Douglas Hurd, George Younger, John Moore and Sir Robert Armstrong.

*Yours sincerely*

*N Ridley*

NICHOLAS RIDLEY

*N Ridley*

GOVT BUILDINGS Westminster Area PT2





4

PRIME MINISTER

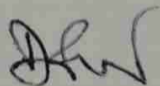
THE QUEEN ELIZABETH II CONFERENCE CENTRE

You may like to know that Peat Marwick have completed a review of the prospects for the Conference Centre and its future operating strategy.

They conclude that far the most attractive option financially would be to turn the Conference Centre over to office use if planning permission would be obtained. The next best option would be to demolish the centre and sell the site.

Mr. Ridley, understandably, has found neither of these options attractive and proposes that the Centre should continue broadly as now, though with some changes in pricing policy and with a substantial increase in the catering facilities at the Centre. The Treasury agree. With these changes the predicted operating loss in 1990/91 is put at £1.8 million.

There seems no need for you to intervene.



DAVID NORGROVE  
9 September 1986



## MANAGEMENT IN CONFIDENCE

DN.

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nicholas Ridley AMICE MP  
Secretary of State for the Environment  
Department of the Environment  
2 Marsham Street  
London SW1P 3EB

NBRM

9 September 1986

*Dear Nicholas,***THE QUEEN ELIZABETH II CONFERENCE CENTRE:  
REVIEW OF OPERATING STRATEGY**

Thank you for your letter of 27 August about the future operating strategy for the Conference Centre. It is disappointing that the consultants were unable to identify possible uses which would have eliminated the operating loss while retaining the essential conference facilities.

I agree that we could hardly demolish the building and sell the site. The choice, therefore, rests between option 7 (i.e. leasing for office use) and your preferred solution on the lines of option 3 (i.e. continuing to use the centre for conferences but maximising its commercial use).

Even if the consultants have seriously underestimated the capital costs of conversion option 7 would still continue to show a considerable cost advantage. I am reluctant to see further consideration of it totally dropped, though I see the difficulties of changing tack at such a very early stage.

I am prepared, therefore, to go along with your proposals subject to the following:

- (a) that there should be a formal review of the future of the Centre at the end of 1989 in the light of the first three years operations - if things went badly we really would have to consider the difficult decisions that a change in use would give rise to;

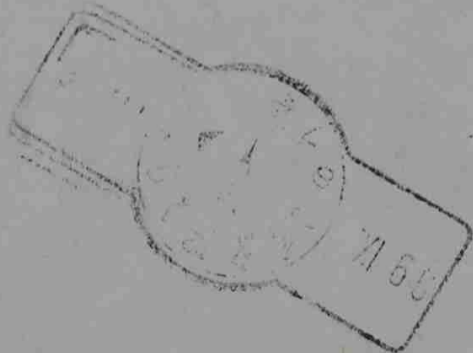
## MANAGEMENT IN CONFIDENCE

- (b) that users of the entire Centre for high security events should as a general rule be required to pay the full costs. This is consistent with good financial management. I have noted your comments about flexible market pricing, but it seems to me that given the absence of alternative suitable venues for such events, the market price is normally unlikely to be lower than the full operating cost. I can see no good reason, therefore, for rejecting the consultants' recommendations that the full costs should be passed on to the users;
- (c) that this implies no commitment to acceptance of your additional PES bid to cover the operating loss. You should, therefore, plan on meeting the costs from within existing allocations.

I am copying this letter to the Prime Minister, Geoffrey Howe, Paul Channon, Douglas Hurd, George Younger, John Moore and Sir Robert Armstrong.

Yours ever,  
JH

JOHN MacGREGOR



## Prime Minister

● RTA's minute explains the £3-4m extra costs if DES, rather than ODA, get Richmond Yard. He does not say whether DES would be ready to bear these costs on their budget or depend on expenditure before the PA (on which see my minute also below).

So

- i. let ODA have it ; or
- ii ASK DES whether they will pay the costs from their budget ; or
- iii If not ii, then i ?

N.L.W.

6.9



10 DOWNING STREET

To be kept together  
for Agel

Ref. A086/2455

MR WICKS

Richmond Yard

*I'm afraid we shall  
have to let ODA go where  
the alterations ~~otherwise~~  
would be for  
convenience  
M*

*attached*

Your minute of 4 August recorded that the Prime Minister would like an explanation of the extra costs which would be incurred if the Department of Education and Science, rather than the Overseas Development Administration, were to occupy Richmond Yard.

2. As presently being constructed (and much of the work is already complete), Richmond Yard is laid out for occupation by 670 ODA staff, predominantly in junior grades but including one Ministerial and one Permanent Secretary Private Office. The requirements of the DES would be different because they have four Ministers, and some 21 more officers than ODA at Grade 5 and above, to provide for.

3. The DES Assistant Secretary responsible for accommodation has been round the Richmond Yard site with the PSA Estates Surveyor and has reported to the Permanent Secretary and the Secretary of State. The Secretary of State is satisfied that the DES could not take on the building exactly as presently planned; some alterations would be necessary to accommodate the DES's greater number of Ministers and the senior staff in policy branches with which Ministers regularly deal.

4. The PSA estimate that the contractors would need to remain on site at Richmond Yard for a further six months, to October 1987, in order to make the necessary changes. On this basis DES could move in by the end of 1987, and work could then begin on preparing Elizabeth House for ODA occupation. The standard PSA basis for estimating full occupational costs for a departmental



move is £20 per square foot, but in the case of an ODA move to Elizabeth House it is expected that much of the accommodation should prove suitable as it stands, and that therefore occupational works could be kept to a minimum: the estimate for this item is therefore based on £10 per square foot. Assuming that these occupational works can be completed in three months, the lease of Eland House could be determined with effect from March 1988, ie one quarter later than on current plans. The rent for that period, which falls after the rent review to which the landlord is entitled in December 1987, would probably be around double the current rate.

5. On those assumptions, the additional costs, which are set out in more detail in the enclosed supplementary investment appraisal prepared by the PSA, would be as follows:

	1987/88
	£ m
a. replanning costs (design fees etc)	0.1
b. contractor's extra time on site	<u>0.85</u>
c. DES move to Richmond Yard	<u>0.03</u>
d. ODA occupational costs at Elizabeth House	<u>1.4</u>
e. Rent, rates and running costs at Eland House December 1987-March 1988	<u>0.9</u>
	<u>3.28</u>
in today's prices	3.28
discounted at 5 %	3.05

MANAGEMENT IN CONFIDENCE

These figures are designed to give an order of costs rather than a firm estimate, and the PSA have therefore preferred to band the total additional costs as £3-4 million.

RA

ROBERT ARMSTRONG

4 September 1986



SUPPLEMENTARY INVESTMENT APPRAISAL FOR RICHMOND YARD  
INCREASED COSTS ASSOCIATED WITH A CHANGE OF OCCUPANT

	NATURE OF COST	JUNE 1987	SEPT 1987	DEC 1987	MARCH 1988
1	ADDITIONAL COST TO DCA TO KEEP CONTRACTOR ON SITE FOR EXTRA SIX MONTHS (APRIL-OCT 1987)	£ 850,000	-	-	-
2	CONTINGENCY ELEMENT - FOR FEES, DESIGN TIME RE: OCCUPATIONAL WORKS (12½%)	£ 106,250	-	-	-
3	DES MOVE (BASED ON EQUIVALENT NO OF ODA STAFF) ie 700 @ £50 PER PERSON	-	£ 35,000	-	-
4	ODA OCCUPATIONAL COSTS @ ELIZABETH HOUSE SAY 140,000 sf (THIS REFLECTS SIZE OF ELAND HOUSE) @ £10.00 PER SQUARE FOOT	-	£ 700,000	£ 700,000	-
5	ADDITIONAL RENT, RUNNING COSTS & RATES @ ELAND HOUSE (DEC 1987 TO MARCH 1988) *		RENT RATES RUNNING COSTS	£ 480,000 £ 345,500 -	- - £80,000
	SUB TOTALS	£ 956,250	£ 735,000	£1,525,500	£80,000
	DISCOUNT FACTOR 5%	0.94	0.929	0.918	0.907
		£ 898,875	£ 682,815	£1,400,409	£72,560
	<u>TOTAL EXTRA COST</u>		<u>£3,054,659</u>		
*	SEE APPENDIX FOR DETAILS				

- Item 1: This figure of £850,000 represents the cost of disruption and delay to the construction programme. It has been provided by DCA's project manager as the cost of a 6 month delay.
- Item 2: A contingency element, £106,250, is necessary as different occupying departments would have different requirements, and replanning of the whole or part of the offices will be necessary.
- Item 3: It is assumed that ODA staff will be required to move to Elizabeth House. Additional costs will be incurred in respect of the DES move from Elizabeth House to Richmond Yard. The actual costs for the move of ODA to Richmond Yard are currently estimated by Crown Suppliers at between £50,000 and £60,000.
- Item 4: The occupational costs for ODA at Elizabeth House are estimated at £1.4m, spread equally, for discounting purposes, between September and December 1987. They are based on the cost of £10 per sq ft, which envisages that a large proportion of the offices in Elizabeth House will suit ODA's requirement. This figure may well be conservative. Full occupational services normally cost in excess of £20 per sq ft.
- Item 5: The figure for additional rent, rates and running costs at Eland House envisages that the tenancy of the building could not be surrendered until March 1988. This will mean that an additional quarter's rent, rate and running costs will be payable as we would otherwise have given up the lease on Eland House at the end of 1987. The landlord has a right to exercise a rent review at Eland House in December 1987, and allowance has been made for the rent to be increased at that date from the present £2.1m (fixed in 1982) to £2.4m p.a.



The Rt Hon Sir Geoffrey Howe QC MP  
 Foreign and Commonwealth Office  
 Downing Street  
 LONDON  
 SW1

2 MARSHAM STREET  
 LONDON SW1P 3EB  
 01-212 3434

My ref:

Your ref:

27 August 1986

*Dear George*

THE QUEEN ELIZABETH II CONFERENCE CENTRE; REVIEW OF OPERATING STRATEGY

In October last year, Ministers endorsed an interim business strategy for marketing the Queen Elizabeth II Conference Centre on the lines proposed by my predecessor in his letter to you of 8 October 1985. At the same time, it was agreed that there should be a thorough review of the possibilities for increasing income from the Centre.

Following discussions at official level with Treasury, FCO, MOD and MPO, Peat Marwick Management Consultations were appointed to examine a wide range of business options for the Centre, including non-conference related activities, with the objective of improving the financial results to the maximum extent possible. Meanwhile, the Centre's management have been vigorously marketing the facilities on the basis of the 1985 strategy, and substantial business is being won. The recent one-day EUREKA Conference fully proved the Centre's capabilities for staging major top-level inter-government events, with interpretation and full international media coverage; and you have of course already had your own direct experience of hosting EC Presidency meetings held there. The Royal Wedding provided a unique opportunity for showing off the building to a selected commercial clientele; it was well (and profitably) used on that occasion and the interest aroused should generate future business. With the diary now almost fully booked into the New Year (including, in addition to Presidency meetings, the 2nd International Vascular Symposium, the International Small Business Conference and a new-model car launch) the Centre looks well on course to meet the target of £1.15m revenue in 1986/87.

The report of the Peat Marwick study thus comes when we know from practical operating experience that there is indeed a role for the new Centre in the London conference and related exhibitions market. The main conclusions from the study are:-

- (i) the high security facilities - the raison d'etre for the building - impose a high financial penalty;
- (ii) in common with virtually all such venues around the world, the Centre will not be able to operate at anything but a substantial nett deficit. This confirms the findings of the 1983 Horwath & Horwath report that no private sector

organisation would be prepared to run the Centre, except for a fee;

(iii) of the options considered for conference-based operations, two will reduce the forecast deficit significantly, namely increasing the confirmed booking period from 2 to 5 years, and increasing the catering activities, including conversion of parts of the fourth floor for catering purposes;

(iv) two of the radical options (leasing for office use; and demolition and sale of the site for redevelopment) produce a positive financial effect. But these may not be realistic in practice, partly because the design of the building makes it inherently unsuitable (and very costly) for conversion; and partly because there would be planning difficulties with such changes of use.

(v) a reduction in the rating assessment would have a significant effect on cash flow.

/ A summary of the options which the consultants examined, and the associated cost figures, is annexed.

The prime conclusions I draw from this report are that we have no practical option but to accept that the building should remain as a conference centre managed, as we agreed last autumn, by Government as a mixed Government/commercial enterprise with the aim of maximising income and reducing the nett operating loss as far as possible. Although the figures suggest, prima facie, that the two radical options of leasing the building for office use and of demolition and sale of the site for redevelopment would be financially attractive, either course would raise formidable political problems, even if the propositions were in practice viable in themselves, which is doubtful. The design of the building itself makes it inherently unsuitable for conversion to offices, and there would also be severe planning difficulties with such a change of use. Moreover, my officials in PSA are of the opinion that the consultants' broad estimate of the cost of conversion considerably understate the position. I do not consider that we should proceed further with either of those two options. There is the further practical point that, should it become known that our minds were turning in that way, as it surely would, then private sector bookings would cease, increasing the operating loss during the period of the assessment. Once market confidence had been lost in this way, it would be a long and very difficult task to re-establish it. Either option would also confront us with the problems we faced six years ago - the absence of a suitable and secure venue for major government conferences.

The report examines a number of possible changes to the current marketing and operating strategy, each of which would enhance income and reduce the nett operating costs. The most immediately attractive and practicable of these are the extension of the period for confirming forward bookings from 2 years to 5 years;

the introduction of "standby" pricing for short-term bookings by Government for facilities that would otherwise be unused; active marketing of the facilities specifically for catered functions; and selective letting of the secure suite for private events, subject to sponsorship by or through a Minister. We should, in my view, introduce these changes forthwith.

A policy of allowing general letting of the secure suite to all and sundry would, the security authorities advise, seriously prejudice their ability to guarantee security of top-level Government events of the kind for which the Centre was originally designed and built. I do not think that we can justify any compromise on security for such events, and I accept that advice.

The level of the potential financial return from extending the present catering facilities in the building is certainly attractive, and well worth looking at further. Making full use of existing facilities, and also converting the present reprographic room on the fourth floor to a kitchen, using the open-plan secretariat area on that floor for dining purposes, almost doubles the potential income from catering. For a capital cost of perhaps £100,000, the nett operating cost in 1990/91 could be reduced in this way by nearly £300,000. I intend to ask the Centre's management to undertake a detailed feasibility and cost study of the proposed conversion early next year, in the light of the operating experience gained during the current EC Presidency. If we decided to proceed I would have to bid for the funds for the conversion.

The report emphasises the extent to which the design of the building as a high security Government conference facility is an inherent constraint on its financial performance. It suggests reflecting this opportunity cost in a higher price to be charged - principally to Government Departments - for high security events. Doubling (to £30,000 a day) the charge for letting the entire Centre for high security events could, the report suggests, reduce the annual operating loss in 1990/91 by £100,000 (from £2.8m to £2.7m). These are relatively small improvements by comparison with those to be gained from changing to a 5 year forward booking period, which could yield some £0.5m extra a year in 1990/91. Whilst it would, in principle, be right to recoup the costs of security in this way, in practice it simply means one Government Department charging the other ones more. In view of the relatively small amounts involved, my preference would, on balance, be against imposing any rigid requirement and to stick to flexible market-pricing as we agreed at the outset.

In summary, I propose that we should accept that the building should continue in use as a conference centre for mixed Government/commercial use; and that the following changes should be made to the marketing strategy we agreed on last autumn with the aim of increasing income and minimising the nett operating loss:-

MANAGEMENT IN CONFIDENCE

(i) increase the period for confirmed forward booking from 2 years to 5 years;

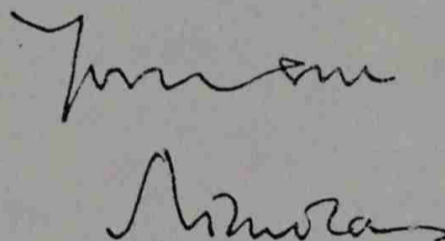
(ii) extend the business to include catered functions not related to particular conferences, making fullest possible use of the existing catering facilities; and mount a feasibility study early in 1987 with a view to the conversion of the fourth floor for catering purposes in the light of operating experience, particularly during the EC Presidency;

(iii) allow limited marketing of the security suite for private events, subject to sponsorship by or through a Departmental Minister.

The nett effect of these changes would be to reduce the predicted nett annual operating loss in 1990/91 from £2.8m on the present marketing policy to £1.6m.

I would be glad of your agreement, and of those to whom this letter is copied, to these proposals. As they will affect my PES bid, I should be grateful for an early response.

/ I am copying this letter to the Prime Minister, Paul Channon, Douglas Hurd, George Younger, John Moore and John MacGregor; and to Sir Robert Armstrong.



NICHOLAS RIDLEY

MANAGEMENT - IN CONFIDENCE

QUEEN ELIZABETH II CONFERENCE CENTRE  
REVIEW OF THE BUSINESS OPTIONS

Introduction

1. In October 1985, Ministers endorsed an interim business strategy for marketing the new Conference Centre to both the public and private sector. In his letter of 8 October 1985 to the Foreign and Commonwealth Secretary (Annex B) the then Secretary of State made it clear that the prospective recurring operating loss, forecast at some £3-4m p.a., was unacceptable unless a thorough review of possible alternatives showed it to be unavoidable. A review was accordingly set in hand, by Peat Marwick Management Consultants, in January 1986. This submission outlines the main findings of the study; and, in the light of the report, recommends a number of changes to the interim marketing strategy, which should reduce the operating loss to some £1.8m by 1990/91.

Background

2. The central elements of the business strategy endorsed by Ministers in October 1985 were:-

- (a) Secure facilities should be reserved at all times exclusively for Government use; and these rooms apart
- (b) conference bookings should be contractually confirmed up to a maximum of 2 years ahead of requirements;
- (c) the existing secure conference facilities in Lancaster House should be retained against the possible need for use by Government when the Centre's facilities are already booked for private use;
- (d) charges should be set at competitive market rates, with flexibility to respond to seasonal and other variations in demand.

3. Following discussions at official level with Treasury, FCO, MOD and MPO, Peat Marwick Management Consultants were asked to examine a wide range of business options for the Centre,

MANAGEMENT - IN CONFIDENCE

including non-conference related activities, with the objective of improving the financial results to the maximum extent possible. Meanwhile marketing of the Centre's facilities has continued on the basis of the 1985 strategy, and substantial business is being won.

The Options

4. The Peat Marwick report considers 12 possible changes to the present business strategy, including radical options involving completely different uses. These are set out in Annex A, which shows the costs compared with the present strategy; figures are shown for the predicted nett annual operating costs in 1990/91, by when the Centre will have fully established itself in the market, and also for the nett present cost of the different options discounted over the whole life of the building (50 years).

5. Some of the measures listed in the Annex can be conveniently grouped together, giving eight possible alternatives to the present strategy, as follows:-

<u>Options</u>	<u>Description</u>	<u>Predicted nett operating costs in 1990/91</u> fm	<u>Nett present cost over 50 yrs</u> fm
Present strategy	Continue with present strategy	2.8	64
Option 1	Pricing changes and limited extension of catering functions (Annex A, items (i)-(iv))	1.9	48
Option 2	As in option 2 but with major extension of catering facilities (Annex A, items (ii)-(vi))	1.8	46
Option 3	As in option 2 but with changes in security policy (Annex A, items (ii)-(vii))	1.6	43
Option 4	Unconstrained commercial utilisation. All security constraints removed; no high security conferences; restaurant open to public; open foyer policy	1.6	49



MANAGEMENT - IN CONFIDENCE

<u>Radical Options</u>	<u>Description</u>	<u>Predicted nett operating costs in 1990/91</u> £m	<u>Nett present cost over 50 yrs</u> £m
Option 5	Intermittent high security use, otherwise mothballed	4.8	112
Option 6	Complete mothballing	3.0	77
Option 7	Leasing for office use	+1.5 <u>(profit)</u>	2
Option 8	Demolition, site cleared and sold	-	22

The Review

6. The central conclusion of Peat Marwick's review is that there is no way in which the Centre can be made to operate in the conference and related fields of business other than at a substantial nett loss. This confirms the findings of a previous study by consultants Horwath & Horwath in 1983, and is a common feature of all such centres in this country and overseas. If the Government is to continue to run its own secure Conference Centre, the issue is how to minimise the loss.

7. The report brings out very clearly the high inherent cost of the security features which have been designed and built into the Centre, reflecting its original raison d'etre. The high security floors account for 47% of the total deficit although they account for only 27% of the lettable area of the building. Whilst there is not much that can be done about that as long as the Centre remains the Government's high security conference venue, the report points out a number of ways in which income could be enhanced and the nett operating costs reduced without jeopardising security. Two of these stand out as having a major impact on the revenue earning potential of the Centre: first, the extension of the contractually binding booking period from the present 2 years to 5 years; and secondly, expanding into the lucrative catered-functions market, including the conversion for catering purposes of parts of the 4th floor, currently designated for secretariat and other conference

back-up services. These two changes, together with others proposed in the pricing policies, could reduce the nett annual operating loss by around £1m (from £2.8m on present policies to £1.8m by 1990/91), and the nett present cost over the whole life of the building by some £18m.

8. The report draws attention to the relatively high proportion of fixed costs represented by the rates payable on the building. A reduction in the present rating assessment, which at £1.7m Peat Marwick believe is unreasonably high, would have a significant effect on the expenditure side of the balance sheet. The rating assessment is a matter for negotiation between the Rating of Government Property Department (part of the Treasury) and Westminster City Council. We are aware from the experience of the Barbican and Wembley that rating conference centres is not an easy matter, and it could take some years to resolve this issue satisfactorily.

9. A number of radical options have also been considered, including intermittent mothballing of the building when not required for Government use; complete mothballing; leasing the building for office use; and total demolition and sale of the site. The absence of income with continued high fixed costs mean that the two mothballing options would be more costly than operating under the current strategy. The figures in paragraph 5 above show that the best financial return would be gained by conversion of the building and leasing it for office use: indeed, this is the only option to show a positive operating gain in 1990/91. This result, however, needs to be treated with caution. The report itself expresses strong reservations about whether the conversion could in fact be achieved in practice, partly because of the inherent unsuitability of the internal layout of the building and its services, and partly because a change to office use would be likely to run into grave difficulties with the local planning authority. Moreover, the consultants were unable to make more than the very broadest estimates of the costs of conversion and, in PSA's view, the

figures in the report considerably understate the true position.

The same goes for the costs of providing elsewhere for secure Government conferences. The facilities provided in the Centre do not currently exist in toto elsewhere and provision would have to be made if the Centre were to be abandoned.

Conclusions of Officials in Departments mainly concerned

10. The report has been discussed with officials in Treasury, FCO, MOD and MPO, and the following are the main conclusions that have been reached:-

- (i) The two radical options of getting rid of the building as a conference centre and either leasing it for office use, or demolishing it and selling the empty site for development are, prima facie, the most attractive on economic grounds and, indeed, offer the only possibility of a positive cash flow. These figures should, however, be treated with caution. The report certainly understates the likely cost of conversion, even if this were practicable which, because of the inherent unsuitability of the building's design, is doubtful. There would also be serious planning difficulties.

Either course would, moreover, imply a complete change of mind by the Government regarding its needs for secure conference facilities, and going back on the decision taken only 4 years ago to build the Centre at public expense. The need for conference facilities for hosting such regular events as the EC Presidency and the Economic Summit has not changed, and the security requirements have, if anything, increased.

Officials, on balance, recommended against further consideration of the radical options, on practical grounds alone.

(ii) Of the possible changes to the operating strategy, the same considerations rule out unconstrained commercial use of the Centre (Option 4). This option does not give a better financial return than Option 3, primarily because of the cost to Government of finding an alternative venue for its high-security conferences (which, as indicated in paragraph 9 above, appear to be understated in the report).

Proposed Measures to Reduce Operating Loss

11. Officials are agreed that the following measures to reduce the operating loss would be generally acceptable and practicable:-

- increasing the period for confirmed forward bookings from the present 2 years to 5 years. This extension should not inconvenience the FCO and other user Departments much more than the present 2-year period. The number of additional events likely to be attracted by this change is predicted to be 10 per year by 1990/91, so the diary would not be booked solid;
- extension of the business to include catered functions not related to particular conferences, making fullest possible use of the existing catering facilities; and a feasibility study to be mounted early in 1987 into the conversion of the 4th floor for catering purposes in the light of operating experience, particularly during the UK Presidency;
- whilst opening up the use of the secure suite for general marketing would not be acceptable, limited marketing for private events sponsored by or through a Departmental Minister should be permitted.

12. The nett effect of these changes would be to reduce the predicted nett annual operating loss in 1990/91 from £2.8m on the present marketing policy to £1.6m; and the lifetime nett present cost from £64m to £43m.

Recommendations

13. Ministers are invited:-

- (i) to note the principal conclusion of Peat Marwick's review that, although the Centre can achieve a successful position in the London conference, and conference-related market, a substantial recurring operating loss is inescapable;
- (ii) to agree that the radical options of conversion to offices, or demolition and sale of the site should not be pursued; and
- (iii) to endorse the changes in the present business strategy outlined in paragraph 11 above with the aim of reducing the predicted operating loss by over £1m a year by 1990/91; and the nett present cost over the life of the building (50 years) from £64m to £43m.

14. If these changes are acceptable the Secretary of State will wish to seek the agreement of the other Ministers most closely concerned. A draft letter for this purpose is below which, following earlier practice, could be addressed to the Foreign and Commonwealth Secretary, and copied to the others.

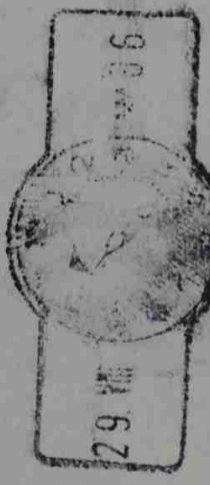
G HOPKINSON  
Director  
PSA London Region  
21 July 1986

GOVT BUILDINGS

WESTMINSTER AREA

P T 2

198-16



MANAGEMENT - IN CONFIDENCETHE QUEEN ELIZABETH II CONFERENCE CENTRE  
REVIEW OF BUSINESS STRATEGY - THE OPTIONS

The changes to the current operational/marketing policy which are examined in the report, and their effects on the costs that are predicted on the basis of the present strategy, are as follows:-

<u>Item</u>	<u>Description of proposed change</u>	<u>Effect on costs relative to present strategy</u> (-reduction; +increase)	
		<u>Nett Operating Cost 1990/91</u> £m	<u>Nett Present Cost (Over 50 Years)</u> £m
(i)	Confirmed booking period extended to 5 years	-0.47	-8
(ii)	Reduced charges for short-term bookings from Government for rooms which would otherwise be un-let	-0.09	-2
(iii)	Doubling the cost of hiring the entire Centre for high security events	-0.15	-3
(iv)	Holding non-conference related catered functions in areas already equipped for the purpose	-0.16	-3
(v)	Conversion of 4th floor open plan area and reprographic room for catering purposes	-0.13	-2
(vi)	Letting secure suite for selected private sector high-security events	-0.04	-1

MANAGEMENT - IN CONFIDENCE

<u>Item</u>	<u>Description of proposed change</u>	<u>Effect on costs relative to present strategy</u> (-reduction; +increase)	
		<u>Nett Operating Cost 1990/91</u> fm	<u>Nett Present Cost (Over 50 Years)</u> fm
(vii)	Letting secure suite to private sector for general conference business	-0.10	-2
(viii)	Unconstrained commercial utilisation of the Centre, including concerts and free public access to foyer, shops and restaurant; all security constraints removed	-1.24	-15
<u>Radical Changes</u>			
(ix)	Intermittent use of the Centre for high security Government events only	+0.97	+48
(x)	Complete mothballing	+0.18	+13
(xi)	Conversion of the building for offices and subsequent leasing	-1.29	-62
(xii)	Demolition and sale of site. Actual operating loss would be zero in 1990/91.	-2.84	-42

21 July 1986





file

10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

GOVERNMENT ACCOMMODATION: MACHINERY

Thank you for your minute of today about the machinery for taking decisions on accommodation in the public service.

I am confident that the Prime Minister would be content with the arrangements which you propose and I suggest that you now proceed accordingly.

N.L. Wicks

4 August 1986

016

NBN

*Robert Armstrong*

Ref. A086/2256

MR WICKS

Government Accommodation: Machinery

Your <sup>WITH NEW?</sup> minute of 31 July, suggesting machinery for taking decisions on accommodation in the public service, crossed with mine of the same date proposing such machinery.

2. The only variation I would propose in the light of your minute is that, in the case of the Ministerial Sub-Committee proposed in paragraph 8 of my minute, it should be made clear that the Lord President would chair when it was not necessary or possible for the Prime Minister to do so.
3. I should also correct one point in paragraph 9: on the Official Committee the Department of the Environment would be represented by the Director, Property Services Agency, not by the Permanent Secretary of the Department.
4. I assume that this Committee would deal only with accommodation of Government Departments in the Westminster and Whitehall - or at least Inner London - area: it is not intended to deal with the civil (or defence) estate outside London.
4. As you say, special arrangements may still be needed when the needs of the security and intelligence agencies are to be considered. They will be technically outside the terms of reference (as not being Government Departments), but we can still use the Committee machinery to consider their needs when there are no security considerations which make it difficult to do so.

*RA*

ROBERT ARMSTRONG

4 August 1986



10 DOWNING STREET

*From the Principal Private Secretary*

Sir Robert Armstrong

RICHMOND YARD

I have shown the Prime Minister your minute of 31 July about the future use of Richmond Yard.

BE || The Prime Minister has noted that departure from the existing plans will add to costs. Your minute does not indicate the precise amounts, but Sir George Young's paper of 25 July suggests that these might run to at least £3-4 million in net present value terms (presumably more in actual money). Before deciding whether you should explore the Option 1(a) described in your minute, the Prime Minister would like a full explanation of why these extra costs need to be incurred if a tenant other than ODA occupies Richmond Yard. She also would like DES to look at the building to see whether they could accept the present arrangements (and thus minimise, or avoid, any additional costs).

NLW

4 August, 1986.

PERSONAL

PRIME MINISTER

RICHMOND YARD

Sir Robert Armstrong's minute, below, is yet another instalment in the Richmond yard saga.

You are right in thinking that this matter has not been handled well. My minute of 12 June, covering the sheaf of papers, covers the salient documents. In brief:

- early on you made clear your dissatisfaction with the FCO use of Richmond Terrace. But this was taken, rightly or wrongly, as a wish to find extra accommodation for the Cabinet Office and not to keep ODA out of Richmond Yard.
- You were not shown all the documents which led up to the conclusion in January 1985 that the Cabinet Office accommodation requirements could be met without too much disturbance to ODA planning.
- But you did see a DOE progress report of 29 April 1985 which said:

"PSA expects the development to be completed in the first half of 1987; the Cabinet Office and ODA will then be able to move into the renovated and to the new building before the lease on the ODA present accommodation in Eland House expires at the end of 1987."

It is this sentence which Robert relies on in paragraph 7 of his minute below that there was no suggestion that you would not be content with the plans for housing ODA in Richmond Yard.

I entirely agree Richmond Yard is wasted on ODA. It is a handsome building; and should house a premier Department of

PERSONAL

State. The wrong decision was made way back.

Robert suggests two options for unscrambling that decision. I agree that his option 1A - moving 700 DES staff to Richmond Yard and ODA to Elizabeth House - is the better one. Yet there is the question of costs. Robert's minute provides no figures here, but other papers suggest tht the cost might be in net present value terms at least £3-4 million (and *— why* presumably more in actual money). Robert says that these extra costs could be queried by the National Audit Office and taken up by the PAC. I do not think he is bluffing. The PAC are perennially interested in government accommodation (viz the Paris Embassy affair). I would be very sorry if they got hold of this one. There would be no good reason to adduce for changing the tenant and so incurring these costs. There would be criticism of wasted money and inefficiency. This would be bound to damage the reputation built up over the years of your Administration for sound financial management in Whitehall, through your sponsorship of Rayner scrutinies, value for money, etc. I would not want that to happen.

*I want to see why the other Gov. Let DES look*  
For these reasons, I have to advise you, as strongly as I can, *it is* that unsatisfactory as it is, the existing plan for the use of *self* Richmond Terrace should stand. I hope you can agree. *they can accept the present arrangements*

If you do not, would you wish Robert to see whether he can negotiate a solution on the lines of option 1A and persuade the relevant Department to bear the costs?

So, keep the existing plans or option 1A?

Finally, the Cabinet machinery proposed in paragraphs 8 and 9 of Robert's minute is fine, but I do not think that you need Chair the Ministerial committee except in the more difficult cases. Agree?

N.L.W.

N. L. WICKS

1 August 1986

PERSONAL

CAJAHH

Ref. A086/2203

MR WICKS

Richmond Yard

Your minute of 28 July asked about the future use of the old Home Office building.

2. The building was vacated by the Home Office in 1977. It was then given an extensive restoration and refurbishment as the first stage in a fifteen-year scheme for restoring and refurbishing the whole of the Old Public Offices. The rest of the building has been divided for this purpose into five sectors. Each sector is being done in turn; while a sector is done, the staff occupying it are housed in the old Home Office. The first phase is nearly complete. Early next year those working in the second sector - including the Foreign and Commonwealth Secretary - will be moving into the old Home Office for about two and a half years. The whole programme is scheduled to be completed by June 1996. At that point the old Home Office will become available to house Foreign and Commonwealth Office staff from other London buildings, or for whatever other use then seems to make sense.

3. I understand that the Prime Minister does not have much enthusiasm for the compromise<sup>\*</sup> suggested in paragraph 6 of my minute of 24 July (A086/2163). In that case, and assuming that the Overseas Development Administration (ODA) is not to go into Richmond Yard, I think that we had better go for one of two versions of Option 1 in Sir George Young's paper.

*attended*

\* ODA move 600 staff to Richmond Yard + 80 somewhere else  
DES Minutes + top policy advisers from Elizabeth House  
to Richmond Yard

DISS to use Ergon House 1

Option 1a

About 700 Department of Education and Science (DES) staff now in Elizabeth House move to Richmond Yard.

ODA move to Elizabeth House.

PSA use best endeavours to find a suitable site north of the river for Department of Health and Social Security (DHSS) Ministers and senior management: Ergon House in Horseferry Road is one obvious possibility.

Option 1b

About 700 DHSS staff now in Alexander Fleming House move to Richmond Yard.

ODA move to Alexander Fleming House.

4. I think that we are more likely to succeed with Option 1a, because I think that the Foreign and Commonwealth Secretary might just be persuaded to accept that ODA should go to Elizabeth House but would not accept that they should go to Alexander Fleming House. In any case, if DHSS staff were to move out of Alexander Fleming House, it would make better sense to bring in other DHSS staff from another building than to bring in staff from a completely different Department. It therefore seems to me to make best sense to deal separately with the DHSS, finding some other building in Westminster to meet their requirement, and use Richmond Yard for the DES.

5. Securing this option will depend on finding a Department to bear the extra cost on its programme within existing baselines. There is no provision in existing PES totals. The Treasury will be very reluctant to provide for this from the Reserve or in additional bids. The choice appears to lie between the DES (or

DHSS) and the PSA. It should probably fall on the DES (or DHSS); but they will be very reluctant to take on this expenditure at the cost of something else in their programme.

6. I stand ready to see whether I can negotiate a solution on these lines with the Departments concerned, if the Prime Minister would like me to do so. But I cannot guarantee that the Foreign and Commonwealth Secretary will accept a decision that diverts the ODA from Richmond Yard to Elizabeth House, without seeking a meeting with the Prime Minister (which would now have to take place in September).

7. I feel duty bound to add that I am apprehensive about the possible Parliamentary consequences of the change of plan and the additional expenditure involved. On the Prime Minister's instructions I reopened the allocation of Richmond Terrace in November 1984. My correspondence with the PSA at that time, which was copied to your predecessor, had the purpose of finding room in Richmond Yard for overspill from 10 Downing Street and the Cabinet Office as a requirement of greater priority than the ODA. It became clear in that correspondence that the needs of the Cabinet Office and 10 Downing Street in Richmond Yard could be met without disturbing the plans for housing the ODA there. This was also made clear in a letter which the PSA sent to Mr Andrew Turnbull on 29 April 1985. There was no suggestion from No 10 at that time that the Prime Minister would not be content with such an outcome. If the plan is now changed and extra expenditure incurred as a result, it will not be possible to prevent the National Audit Office from discovering and inquiring into the additional expenditure and the reasons for incurring it, and reporting to the Public Accounts Committee. It would not be easy to find a convincing explanation of the lateness of the decision to change the plan.





PN.  
Not in  
all cases  
necessary.  
Let the  
holders  
do it.  
Report  
difficult  
cases to you?  
N.L.W.

8. At the Prime Minister's meeting on 19 June it was suggested that the problems that have occurred in this matter could be avoided in the future by the creation of machinery for dealing with priorities in the allocation of space for Government Departments and agencies in the Whitehall and Westminster area. I assume that the Prime Minister would wish to chair the Ministerial component of this machinery. I therefore propose the establishment of a Sub-Committee on the Allocation of Accommodation in Westminster of the Ministerial Steering Committee on Economic Affairs, with the following composition and terms of reference:

- The Prime Minister (Chairman)
- The Lord President of the Council
- The Foreign and Commonwealth Secretary
- The Home Secretary
- The Chancellor of the Exchequer (or the Chief Secretary)
- The Secretary of State for Defence
- The Lord Privy Seal
- The Secretary of State for the Environment

Other Ministers would be invited to attend when their departmental interests were under discussion. The terms of reference might be:

"To keep under review the allocation of accommodation to Government Departments in the Whitehall and Westminster area."

9. I should also propose to set up an Official Committee under my own chairmanship consisting of the Permanent Secretaries to the Foreign and Commonwealth Office, the Treasury, the Home Office, the Ministry of Defence and the Department of the Environment, to advise the Ministerial Committee as necessary.



10. It was agreed that we should cancel the meeting arranged for 31 July to discuss the Richmond Yard problem, in view of the other pressures on the Prime Minister and the Foreign and Commonwealth Secretary at this time. If I can negotiate a solution on the lines proposed in paragraph 3 of this minute (including the financial consequences), it may not be necessary to reinstate the meeting of Ministers in September. If a meeting of Ministers is required, that could be the first meeting of the proposed Ministerial Sub-Committee on the Allocation of Accommodation in Westminster.

REA

ROBERT ARMSTRONG

31 July 1986

Westminster Area Restoration: -

(1995)

Govt. Buildings

Pt 2.



Fue

CAJ(40)

10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG, G.C.B., C.V.O

CABINET OFFICE

RICHMOND YARD

The Prime Minister saw over the weekend your minute of 24 July, together with the paper prepared by the Department of the Environment, for the meeting on Thursday 31 July. You may wish to have the Prime Minister's preliminary reactions to these papers.

She has reiterated that she believes it absurd to move ODA into a prime Whitehall position when DES and DHSS are treated so badly for accommodation. She has emphasised that she never intended ODA to move into Richmond Yard. It makes no overall sense except on the grounds of a search for prestige.

The Prime Minister has asked about the future use of the old Home Office. She believes that the modernisation of the Foreign Office is proving most extravagant in the amount of Central London office space which is being sterilized.

B.F. / I am not copying this minute to the other Departments concerned, but I should be grateful if you could let the Prime Minister have a note before Thursday's meeting answering her question about the use of the old Home Office building and the cost of modernising the FCO building.

N. L. WICKS  
28 July 1986

DS

Covering MANAGEMENT IN CONFIDENCE



DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

PRIME MINISTER

25 July 1986

RICHMOND YARD

Following your meeting on 19 June officials have had further discussions about the options and costs for the use of the Richmond Yard building and I attach a paper for your meeting on 31 July with the Ministers concerned.

I am sending copies of the paper to Geoffrey Howe, Norman Fowler, Kenneth Baker, John MacGregor, Robert Armstrong and Gordon Manzie.

G. Y.

GEORGE YOUNG

Covering MANAGEMENT IN CONFIDENCE

RICHMOND YARD: FUTURE OCCUPANCY

Note by the Parliamentary Under Secretary of State, Department of the Environment.

1. The Prime Minister discussed the future occupancy of this new development in Whitehall at a meeting on 19 June. Mr Wicks' minute of this discussion records that she said that "she had never been asked to confirm that ODA should occupy the Richmond Yard building and there was a strong case for moving other Departments into that prime site"; for example, DES could move there and ODA move to DES's Elizabeth House. The Prime Minister asked for a paper to be prepared quickly, setting out the full options and costs of the Richmond Yard building for further discussion with Ministers.

2. There are two separate issues arising from this discussion. For the future, the Prime Minister has already referred to the need for taking decisions on the allocation of prime sites on the Government estate within the proper Ministerial Committee. Sir Robert Armstrong will look at the need for machinery for dealing with priorities in the allocation of space in Whitehall. Meanwhile there is an immediate requirement for a final decision, as quickly as possible, on the occupancy of the new buildings which are now nearing completion in Richmond Yard and the adjacent Parliament Street/Whitehall frontage. This note considers the present plan and three possible alternatives.

Present Plan

3. The present plan envisages ODA moving to Richmond Yard from Eland House, the lease of which would then be relinquished at the earliest break-point, which is now 18 months from the service of notice on the landlord, yielding immediate

savings to the Exchequer of some £4m pa in rent payments to the landlord, and rates and running costs on this building. Under the PRS arrangements ODA would continue to pay PSA the assessed market rent, and accommodation charges, on Richmond Yard. From their point of view there would thus be no perceived savings from relinquishing Eland House, the charges amounting to broadly the same totals.

Property  
Repayment  
System

4. Other minor holdings are planned in the parts of the building fronting onto Richmond Terrace and Parliament Street, giving an overall occupation as follows:-

	<u>Sq Ft</u>	<u>Numbers of Staff</u>
ODA	141,500	670
Cabinet Office/Downing St	14,000	44
Welsh Office	3,000	10
2 Retail Shops	1,500	-

5. Different layouts in a building are required to meet the operational needs of different kinds of staff. For example, Ministers and Permanent Secretaries, with their supporting Private Offices and immediate back-up services call for a different configuration of rooms from the supporting Civil Service policy groups; and executive and clerical units, and computer units again have different requirements. Partitioning, power supplies and other services for Richmond Yard have been designed to suit the particular requirements of the above occupants, and are included in the construction programme which envisages the building being ready for occupation by mid-1987. The present plans for ODA include provision for their Minister of State and his Private Office. Any change of occupancy at this stage, with a requirement to house a larger number of Ministers, would give rise to delay whilst replanning to accommodate the occupants' different requirements; and there would be extra costs. The precise delay and additional cost would depend on the option chosen and the time taken for the new occupants

to detail their requirements. With the development already largely designed and constructed only minor alterations can be catered for without serious cost consequences.

The alternatives

6. The cheapest alternative option, taking a longer term view of the costs, would be one that enabled the lease on Eland House to be relinquished as soon as possible after the break clause in the lease comes into operation. Any solution requiring the continued retention of the Eland House lease beyond December 1987 in addition to the new freehold facility in Richmond Yard will inevitably be costly, reflecting the continued commitment to rent, rates and other charges of some £4m pa on Eland House. The additional costs of the alternative options, over and above the present plan, are indicated below.

Option 1

DES Ministers and most policy staff (about half the total currently housed in Elizabeth House) move to Richmond Yard; and ODA move to fill the vacant space in Elizabeth House. The lease on Eland House is relinquished, enabling the main savings from the present plan to be retained. The total additional costs over and above the present plan, including liability for rent and rates from extended occupation of Eland House whilst refitting Richmond Yard and Elizabeth House was being carried out, could have a nett present value of some £3 - 4m.

Option 2

DES and DHSS Ministers and core staffs to share occupancy of Richmond Yard, taking (say) equal shares of 70,000 sq ft. There would be insufficient space left in either Elizabeth House or Alexander Fleming House to accommodate ODA's staff from Eland House. ODA would stay in Eland House until final lease expiry in 1992, then moving to a new hiring.



The additional cost of this option, which reflects the recurring rent payments to the landlords on Eland House and a subsequent new hiring, would have a nett present value (discounted over 25 years at 5%) of some £25 - 30m. The n.p.v. would be broadly the same if ODA's Minister and core staff were also to be included in Richmond Yard.

Option 3

DHSS to be the main occupant of Richmond Yard, the space vacated in Alexander Fleming House being filled in by other DHSS HQ staff currently outhoused elsewhere in central London. ODA to stay in Eland House and a subsequent new hiring, as in Option 2. DES remains in Elizabeth House. Additional costs: nett present value £25 - 30m.

Separate accommodation for DHSS North of the River

7. The above options relate solely to the Richmond Yard development. One current possibility for providing accommodation for DHSS north of the river independently of Richmond Yard would be Ergon House in Horseferry Road. This building forms part of the complex currently being developed by ICI adjacent to their own HQ in Imperial Chemical House on Millbank. ICI had earlier proposed selling their entire freeholding in this area (comprising IC House, Thames House North and South) to the Government. The Prime Minister agreed on 26 August 1983 that officials should open talks with ICI about the purchase, without any commitment on the Government's part.

8. Discussions proceeded with ICI on the basis that the Department of Energy would occupy Imperial Chemical House. The Secretary of State for Social Services expressed at the time a strong interest in the provision of space for Ministerial offices and a core staff in one of these buildings.

In the event ICI decided not to proceed with the sale. Instead, they are retaining IC House for their own HQ, and marketing the other part, together with the development of the adjacent former LEB generating station in Ergon House, part of which will be available as offices. Negotiations with ICI are currently in train with a view to taking a lease on these two linked buildings for MAFF staff on termination of the lease on Great Westminster House. Space could be provided for DHSS in Ergon House, available mid-1988, requiring a block of MAFF staff to be housed elsewhere.

9. The costs of this solution for DHSS would be quite independent of Richmond Yard. The nett amount would depend partly on the consequential chain of moves within DHSS to fill the space left vacant in Alexander Fleming House, and what accommodation might eventually be relinquished from the estate, and where; and partly on whether and where the displaced MAFF staff could be housed elsewhere on the existing Government estate, or if a new hiring was necessary. There would be some short term costs for ingoing services which might in total amount to £2.5 - 3.5m. The longer term costs would depend largely on whether a new hiring was eventually necessary and where - the nett present value could thus be within a wide range of perhaps £2.5 - 12m.

#### Summary of Costs

10. The present plan, which is provided for in the current financial provision, is favoured by Treasury and FCO/ODA. The additional costs over and above the present plan of the other options are summarised over the page.

MANAGEMENT IN CONFIDENCE

<u>Option</u>	<u>Additional Costs Over Present Plan</u>		<u>Long-Term Costs</u> <u>n.p.v.</u> <u>(discounted at</u> <u>5% over 25 yrs)</u>
	<u>Short-Term</u> <u>Cash Expenditure</u>		
	<u>1987/8</u>	<u>1988/9</u>	
<u>Present Plan</u> ODA to Richmond Yard. Eland House relinquished December 1987.	-	-	-
<u>Option 1</u> Half of DES to Richmond Yard. ODA to Elizabeth House. Eland House relinquished March 1988.	£3-4m	-	£3-4m
<u>Option 2</u> DES and DHSS Ministers and core staff to Richmond Yard.	£3-4m	£3-4m	£25-30m
<u>Option 3</u> Part of DHSS to Richmond Yard. Other DHSS staff consolidate to use vacant space in Alexander Fleming House. ODA remain in Eland House as in Option 2. DES remain in Elizabeth House	£3-4m	£4-5m	£25-30m.

11. There is currently financial provision only for the present plan. The Treasury take the view that additional funds for any alternative scheme should be provided from the existing budgets of the departments at whose request changes to the present plan had been made. Some changes in the planned layout will, of course, be essential for operational purposes, for example to accommodate different numbers of Ministers and their immediate back-up services. But any changes beyond the essential at this late stage in the construction contract could impose long and very costly delays.

PRIME MINISTER

RICHMOND YARD

The meeting on the future of Richmond Yard has had to be delayed until the Foreign Secretary returns from South Africa. It will now be held after Cabinet on Thursday. Ministers attending are the Foreign Secretary, the Secretaries of State for Health and Social Services and Education, and the Chief Secretary. Sir Robert Armstrong and the Permanent Secretary, PSA (Mr. Manzie) will also attend.

Sir Robert's minute below (Flag A), which summarises Sir George Young's paper, (Flag B) suggests, in paragraph 6, a sort of 'compromise' for the future of Richmond Yard. This would:

- move 600 ODA staff into Richmond Yard;
- send about 80 somewhere else (perhaps Elizabeth House or East Kilbride);
- move DES Ministers and top policy advisers into Richmond Yard;
- allow DHSS to use Ergon House (part of the ICI complex).

This of course does have an advantage of bringing DES and DHSS Ministers nearer to Whitehall, but it has the disadvantage of allowing at least some ODA staff to move into Richmond Yard and of separating the DES 'chiefs' from the 'indians' who will remain in Elizabeth House.

Would you like this option to be explored further with departments before the meeting, on a no-commitment basis?

N.L.W.

N L WICKS  
25 July 1986  
SLH/91

*I think it is absurd to move ODA into a Whitehall position. DHSS are better to move into the old Home Office. The modernisation when DHSS are better to move into the old Home Office. DHSS are better to move into the old Home Office. DHSS are better to move into the old Home Office.*

*What is going to happen to the old Home Office? The modernisation when DHSS are better to move into the old Home Office. DHSS are better to move into the old Home Office. DHSS are better to move into the old Home Office.*

*of sending other people out*

Ref. A086/2163

MR WICKS

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Richmond Yard

The Prime Minister will be receiving a minute from the Parliamentary Under Secretary of State, Department of the Environment, in pursuance of the request in the last paragraph but one of your minute of 19 June.

2. Briefly, it will say:

a. Anything other than going ahead with the present plan will cost more money, for which there is no provision in present public expenditure totals.

b. The cheapest option is to move the Department of Education and Science (DES) Ministers and most policy staff to Richmond Yard and the Overseas Development Administration (ODA) to fill the space thus vacated in Elizabeth House. Cost: net present value of some £3-4 million.

c. Other options are to make the Department of Health and Social Security (DHSS) the main occupant of Richmond Yard or for DES and DHSS core staff to share occupancy of Richmond Yard. On either of these options Eland House (where ODA is at present situated) would have to be retained. Cost: net present value £25-30 million.

d. Other accommodation north of the river for the DHSS is likely to become available in mid-1988 in Ergon House in Horseferry Road (part of the ICI complex).

3. I understand that the Chief Secretary would be advised to take the line that the extra funding costs should be borne by Departments wishing to press for the change within their existing PES baselines; he would not be disposed to allow additional money either from the Reserve or, in subsequent years, in additional Survey bids.

4. The PSA want to move the ODA out of Eland House into Richmond Yard because Eland House is leased and Richmond Yard is Government freehold. They will save the rent of Eland House. ODA will of course in any case have to pay a rent to PSA, whether they are at Eland House or Richmond Yard, and I am told that the rent would be the same in either place.

5. There is a short-term advantage in terms of efficiency in getting the ODA closer to the Foreign and Commonwealth Office (FCO). It becomes easier for the Foreign and Commonwealth Secretary to keep a close eye on the ODA's policies and activities. There would be some economies in that the ODA would be able to share most of the FCO's common facilities, especially information handling. In the longer terms getting the ODA closer to the FCO could well lead to integration of ODA policy divisions with FCO policy divisions: the part of ODA that would be separate would then be reduced to something like the old Department of Technical Co-operation.

6. I think that there is a compromise which would enable the ODA to get out of Eland House, and would still put the "top hamper" of the DES into Richmond Yard, leaving the DHSS to move into Ergon House in due course. This would be for the ODA to move only about 600 staff into Richmond Yard, sending about 80 somewhere else (Elizabeth House, or possibly East Kilbride); to move Ministers and top policy advisers in the DES from Elizabeth House to Richmond Yard (about 60 people); and to allow the DHSS to use Ergon House when it becomes available (which is likely to be not very much later than Richmond Yard). If this were

possible, the cost might well be no more than £1-2 million, because the rent of Eland House would be saved and the alterations to Richmond Yard would be minimal. But I think that the DES would be less than happy with it: it would separate Deputy Secretaries from their Under Secretaries and the Senior Chief Inspector from his Chief Inspectors, and add hugely to expenditure, time and energy transferring people and papers between Richmond Yard and Elizabeth House.

RA

ROBERT ARMSTRONG

24 July 1986

RTAAAK



file MJ  
SUBJECT.  
CE MASTER

## 10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

RICHMOND YARD

The Prime Minister held a meeting this morning with the Foreign and Commonwealth Secretary, the Parliamentary Under Secretary, Department of the Environment (Sir George Young) and the Chief Executive of the Property Services Agency (Mr. Manzie), and yourself.

The Foreign and Commonwealth Secretary recalled that the original proposal to move ODA from Eland House came from the recommendation of a Rayner report in 1979. This had been followed by a decision in 1982 to allocate Richmond Yard provisionally to ODA and this decision had been confirmed in 1983. The accommodation in Richmond Yard was being specially adapted for ODA requirements and extra costs, amounting to £3-4 million would be incurred if ODA were now at this late stage to be put elsewhere. A review last year had established that it was not practicable to move more ODA staff to East Kilbride. Nor was it practicable to house ODA in the old Home Office which was gradually being refurbished.

The Prime Minister said that she had never been asked to confirm that ODA should occupy the Richmond Yard building and there was a strong case for moving other departments into that prime site; for example DES could move there and ODA move to DES's Elizabeth House. Whichever Department occupied Richmond Yard, PSA should charge them a top rental rate to reflect the prime site position with the Department concerned finding the rent without any increase in their budget provision. For the future it would be important that allocation of prime sites on the Government estate should be taken by the proper ministerial committee and reported to her.

After further discussion, the Prime Minister said that a paper should be quickly prepared setting out the full options and costs for the use of the Richmond Yard building. She would discuss this with Ministers present, the Secretaries of State for Social Services and Education and a Treasury Minister.

I am sending copies of this letter to the Private Secretaries to the Foreign and Commonwealth Secretary, Parliamentary Under Secretary, Department of the Environment and to Mr A G Manzie.

N.L.W.

N L WICKS  
19 June 1986

SP



PRIME MINISTER

RICHMOND YARD

Those attending tomorrow's meeting are:

Foreign Secretary

Sir George Young (Minister in charge of PSA matters  
at the DOE)

Sir Robert Armstrong

The two Ministers have Robert's memorandum attached to his  
minute at Flag C (but none of the other papers).

Mr. Fowler has now minuted to register DHSS's claim on Richmond  
Yard. He could not come to the meeting since he is at ELF.  
In any event, the first matter to decide is whether or not  
ODA move into Richmond Yard.

N.L.W.

N. L. WICKS  
18 June 1986

CAJ34

CCB  
STUPPRIME MINISTERRICHMOND YARD

I have seen the memorandum on Richmond Yard circulated by Sir Robert Armstrong. As you know at the moment Sir Kenneth Stowe is away from the office and I would therefore like to emphasise my view of the importance of this decision.

There is no question over the five years that I have headed the DHSS that our position at the Elephant & Castle has been a grave drawback. The essential point is really this: the DHSS is the busiest of all Departments in parliamentary terms. It is very rare for a week to go by without the Department being involved in a parliamentary debate or statement. This week for example we have one debate and three Ministerial statements. This places considerable additional travelling pressures on Ministers and officials and involves them in constant to-ing and fro-ing between the Elephant and Castle and the House of Commons.

In addition, a running whip in the House of Commons means that business has to be transferred lock stock and barrel to the House. The whips have always been extremely understanding but it is obviously difficult to have all five Commons Ministers absent at the Elephant & Castle at the same time. The only way round this is to hold meetings at the House which means them taking place either in my room on the Cabinet floor or in a spare committee room. This can be difficult and indeed is not very secure. Frankly it is no way to seek to transact important Government business.

However the DHSS is organised, there is clearly going to have to be movement by the civil servants working for it from one office to another. There is no way they can be housed in one office. However, it would be possible to have a Ministerial and Headquarters unit based at Richmond Yard with easy access to Westminster and working on the bell.

I do hope that these views can be taken into account.

I am copying this minute to Sir Robert Armstrong.

17th June 1986



N.F.

---

GOVT. BIDS: Renovation of Westminster: A2

11.11



MR. WICKS ✓

CR ✓  
Tel yr

NLW

FUTURE OF RICHMOND TERRACE MEETING

BF || I have arranged this for Thursday 19 June  
at 0930. Those attending will be the Foreign  
Secretary, Sir George Young and Sir Robert  
Armstrong.

CR ✓

CAROLINE RYDER

17 June 1986

ceB/UP™  
A

Ref. A086/1704

MR WICKS  
\_\_\_\_\_Richmond Yard

You asked me to look back at the earlier papers, to see how and when the decision to allocate this accommodation was taken, and when No 10 would first have become aware of the issue.

2. The story begins with the Prime Minister's approval of the Secretary of State for the Environment's proposal of 22 July 1982 to proceed with the development. At that stage the concentration was on the Parliamentary accommodation, but there is a reference to a minute from Mr Heseltine to Mr Pym dated September 1982, not on our files and not I think copied to you, provisionally allocating to the Foreign and Commonwealth Office the space which was to be used for Government offices.

NOT  
ATTACHEDNOT  
ATTACHEDDOC 1  
I think  
it was ✓

3. On 9 September 1983 the new Secretary of State for the Environment (Mr Jenkin) minuted the Foreign and Commonwealth Secretary proposing that the FCO diplomatic wing should relinquish its claim in favour of the ODA whose needs were greater and more urgent. In the light of this Sir Robert Armstrong minuted to Mr Butler on 15 September<sup>1983</sup>; it is possible that this was the first notification to No 10 that the building had been provisionally allocated to the ODA. Mr Butler's<sup>DOC 2</sup> minute in response dated 23 September did not take up that point but dealt rather with the possible bids by the central Departments.

NOT COPIED  
HERE

On 3 October the Foreign and Commonwealth Secretary agreed to the allocation of the bulk of Richmond Yard to the ODA. On 7 October Sir Robert Armstrong noted the possible bid for some space for future expansion of the central Departments. On 16 November the Secretary of State for the Environment minuted the Foreign and Commonwealth Secretary that he had noted this marker, but since

the possibilities were uncertain and decisions on Richmond Yard could not be held up any longer he was asking the PSA to proceed with detailed planning of Richmond Yard to meet ODA's requirements. Subsequent action was based on this decision.

→ See DOCS 3+4

5. The matter was reopened on the Prime Minister's instructions in 1984. In Sir Robert Armstrong's letter of 26 November 1984 to Mr Manzie, copied to Mr Butler, he recorded that she took the view that the requirements of the central Departments should take priority over those of ODA; and he put in a firm bid for 10,000 sq ft for the central Departments. In his reply of 29 November (also copied to Mr Butler) Mr Manzie pointed out that space in the Richmond Terrace building, which was part of the Richmond Yard project but had not been allocated to ODA, could be made available without prejudice to ODA's requirements. It was agreed (Sir Robert Armstrong's letter of 28 January 1985) that the accommodation divisions of the Departments concerned should work up detailed plans on this basis.

6. In April 1985 the Prime Minister asked for a note on progress with the Richmond Yard project, which was furnished in the form of a letter on 29 April 1985 to Andrew Turnbull from the Private Secretary to the Secretary of State for the Environment. This document does confirm the plan that ODA and (if necessary) parts of the Cabinet Office should move to Richmond Yard as soon as the project was completed.

Carl Bowden

PP M C STARK

13 June 1986

NOT  
(COPIED)  
HERE

NOT

cc B/W

PRIME MINISTER

RICHMOND YARD

You asked for chapter and verse on the decision that ODA should move into Richmond Yard.

The Cabinet Office note at Flag A describes the chronology. The plain fact is that you have never explicitly agreed that ODA should move into this building: indeed, on one occasion you questioned this move. But you did see a DOE letter on 29 April 1985 (Doc 8) which said

"PSA expects the development to be completed in the first half of 1987; the Cabinet Office and ODA will then be able to move into the renovated and the new buildings before the lease on the ODA present accommodation in Eland House expires at the end of 1987."

The salient papers are as follows:

Doc 1: A minute of 15 September 1983 from Sir Robert Armstrong asking Robin Butler's views on registering a bid for Richmond Terrace for the central departments (Cabinet Office and PM's office).

Doc 2: Robin's reply of 23 September 1983 encouraging Robert to speak up in the Prime Minister's interest, but not referring to the ODA angle.

Strangely, we cannot find the No.10 copies of this correspondence.

Doc 3: A minute by Robin to Robert recording your view that the needs of Cabinet Office and No.10 had a higher priority for the use of Richmond Terrace than the FCO.



MANAGEMENT IN CONFIDENCE

- 2 -

Doc 4: Another minute from Robin to Robert reinforcing your views on this issue.

Doc 5: A letter of 26 November 1984 from Robert to the Permanent Secretary, PSA, recording your view that the requirements of the central departments should have priority over the ODA for accommodation in Richmond Terrace.

Doc 6: A reply of 29 November 1984 from the Permanent Secretary to Robert opening up discussions on Cabinet Office accommodation.

Doc 7: A letter of 28 January 1985 from Robert to the PSA Permanent Secretary which tacitly accepts that the Cabinet Office requirements could be met "without too much disturbance to the ODA planning".

You were not shown Docs 5, 6 and 7 because, I suppose, your wish that Cabinet Office requirements should be met appeared to have been satisfied.

Doc 8: A DOE progress report of 29 April 1985 to Andrew Turnbull which contained the statement quoted above.

Perhaps I am too charitable, but I do not think that this is all evidence of a fiendish plot à la Sir Humphrey Appleby to pull the wool over your eyes. It seems that the juggernaut simply rolled on on the assumption that the building would house ODA. Your intervention in 1984 seems to have been interpreted as a wish to find extra accommodation for the Cabinet Office - which was certainly the reason why Robert originally raised the issue (Doc 1) - and not to keep ODA out of Richmond Yard. The matter was eventually settled without, I think, further reference to you because it seemed that the Cabinet Office was satisfied (Doc 2) that its needs

MANAGEMENT IN CONFIDENCE

could be met without disturbance to the ODA plans.

So we have arrived at the present unsatisfactory situation. The worrying feature of the whole story is that there is not much evidence of anyone taking an overall look at the best deployment of this new accommodation. (Note the Cabinet Office chronology at Flag A does not cite any collective Ministerial decision on the use of the building.) The option of bringing DHSS Ministers into Whitehall does not appear to have been canvassed.

What to do?

There are still the three options set out in my minute of yesterday at Flag B covering Sir Robert Armstrong's original submission at Flag C, i.e.

1. Allow ODA to move in.
2. Move in 680 of the 1160 DES staff now housed at Elizabeth House, with ODA staff going to the Elizabeth House complex.
3. Move in "core groups" (Private Offices and key officials) from both DES and DHSS.

Note that options 2 and 3 have the costs summarised in my minute at Flag B.

Whatever you decide, I recommend that you should give firm instructions that such important decisions on Whitehall accommodation are taken in a proper collective Ministerial forum and the outcome reported to you.

N.L.W.

(N.L. WICKS)

13 June 1986

PRIME MINISTER

RICHMOND YARD

Sir Robert Armstrong suggests 3 uses for Richmond Yard:

1. Allow ODA to move in as has been long planned.
2. Move in 680 of the 1160 DES staff now housed at Elizabeth House, with ODA staff going to the Elizabeth House complex.
3. Move in "core groups" (Private Offices and key officials) from both DES and DHSS.

Sir Robert's minute says that changing from the original plan of moving ODA into Richmond Yard would require additional costs provisionally estimated at £3-4 million, for which there is no PES provision. You may feel that these extra costs and Mr. Baker's new and vigorous management at DES reduces the need for changing the plan of moving ODA into Richmond Yard.

A decision is required no later than 30 June 1986 if the lease of Eland House (ODA) is not to be surrendered in December 1987.

Which option do you prefer?

N.L.W.

N. L. WICKS  
12 June 1986

I have never approved  
a plan for ODA to go  
to Richmond Yard  
Who has?  
There are at present  
NO PLANS  
mb

C

cc BLP

Ref. A086/1660

PRIME MINISTER

*Whose plan?*

*Decided when?*

*Check House please  
MB*

Richmond Yard

Under the present plan the Overseas Development Administration (ODA) would move into Richmond Yard when the refurbishment is complete next year. You asked me to look into the possibility of leaving the ODA where they are at Eland House or finding other less central accommodation for them, and bringing into Richmond Yard either part of the Department of Education and Science (DES) or part of the Department of Health and Social Security (DHSS) or both.

*at Hesp*

--- 2. I attach a memorandum which gives an account of the various factors involved.

*Whose  
off. due  
when  
what  
other things  
were considered?  
By whom?*

3. The plan to move the ODA into Richmond Yard is in pursuit of the objective of concentrating the Foreign and Commonwealth Office (FCO) in the Whitehall area. This would have the advantage of bringing the ODA more closely under the eye and wing of the Foreign and Commonwealth Secretary, and would help to strengthen the process of ensuring that foreign and trade policy considerations are given their due weight in taking decisions on aid policy and related matters. It would also have certain practical advantages, including a reduction in the ODA's overheads through better use of common services, and in particular of the FCO's new office automation project FOLIOS.

4. The simplest switch would be to bring to Richmond Yard 680 or so DES staff from the 1,160 DES staff housed at Elizabeth House. That would leave about 480 DES staff, including the print room and library which could not easily move, in part of the low block of Elizabeth House: the ODA could then move from

Eland House (which has to be vacated not later than when the lease expires in 1992) to the tower block and the rest of the low block of Elizabeth House. The ODA staff would thus be divided (like the DES staff at present) between two contiguous blocks. This would enable the Secretary of State for Education and Science, his Ministers and his senior management to be housed in Richmond Yard: whether the remainder (to bring the figure up to 680) who also moved there should consist of some entire branches of the DES or a horizontal slice across the middle of the Department would be for detailed study.

5. The former Secretary of State for Education and Science was disposed to welcome the idea of a move closer to Whitehall, principally for presentational reasons, but did not feel very strongly. DES Ministers are in fact within relatively easy reach of Parliament and Whitehall by car; and a move by what could only be a part of the DES to Richmond Yard would increase problems of communication within the Department, since many communications which now take place inside Elizabeth House would require transmission of documents and people across the river between Elizabeth House and Richmond Yard.

6. The Secretary of State for Social Services, however, regards the remoteness of Alexander Fleming House at Elephant and Castle as a serious impediment to the conduct of the DHSS's Parliamentary and interdepartmental business. He would like to move into the Whitehall area a "core group" consisting of the six DHSS Ministers and their Private Offices, the Parliamentary Unit, and a number of key officials. There is at present no suitable accommodation for this purpose on the Government estate other than Richmond Yard; possibilities in the Victoria area are likely to come onto the commercial market within the next year at a rental of the order of £1 million per annum plus a similar sum for occupational services. There would be some loss of convenience and additional cost in communications between the Whitehall area and Elephant and Castle, but the disadvantages

would be less than in the case of the DES, since the DHSS being so much larger is already used to operating from a number of separate buildings. The DHSS therefore have a considerable interest in moving a core group to Richmond Yard. It would no doubt be possible to devise a move which enabled the DHSS to take up the whole of the accommodation in Richmond Yard now earmarked for the ODA.

7. A third possibility would be to move core groups both from the DES and from the DHSS to Richmond Yard. There would have to be further detailed study of what these core groups could consist of, within the accommodation available at Richmond Yard. The DES and the DHSS are the only two Departments with no Ministerial base north of the Thames (though the DHSS is much more seriously disadvantaged than the DES, because it is so much further off).

8. The chief objection to a change in plan at this stage is the disruption, and additional cost and delay, that would be incurred. The FCO and the ODA have built their planning round the move. The interior design of the accommodation in Richmond Yard has been planned, and is being constructed, round the ODA's requirements. The requirements of the DES or DHSS would be different. As you will see, a change would mean that the occupation of Richmond Yard would be delayed by six months to a year - probably into 1988 - and would mean net additional costs provisionally estimated at £3 million to £4 million, for which there is no PES provision. If the ODA do not move to Richmond Yard, the Government would either have to continue to pay rent for Eland House (currently £2.1 million a year and likely to rise to perhaps £2.5 million from December 1987 until 1992 when the lease expires), or find a new permanent home now for the ODA. Ideally that new home should be under one roof, as at present; Elizabeth House is not an ideal location (since the staff would be divided between the two blocks), and the part-building which DHSS would vacate would not be large enough

for this purpose. But to accommodate the whole of the ODA under one roof in a new hiring in the Whitehall/Victoria area would be substantially more expensive than a new hiring in this area for a core group from the DHSS. I think that the difficult question is whether the advantages of a change in the plans are sufficient to justify these additional costs and delays.

9. If the plans are to be changed, and the lease of Eland House is not to be surrendered in December 1987, a decision needs to be taken in time to give notice to the landlord of Eland House not later than 30 June 1986.

10. I have discussed this matter with the Permanent Secretaries concerned, but not with Ministers. Mr Baker might feel more strongly than Sir Keith Joseph did; Mr Fowler would certainly favour a move, and would want to press for an alternative base near Whitehall if he did not get one in Richmond Yard. The Foreign and Commonwealth Secretary would strenuously resist a change of plan for Richmond Yard; and he would presumably be supported by the Chief Secretary, Treasury.

MS  
for ROBERT ARMSTRONG

11 June 1986

## MEMORANDUM

Richmond Yard

1. The Richmond Yard development, including the Whitehall/Parliament Street frontage, provides a total of 160,000 sq ft currently allocated to:

	sq ft
ODA	141,500
*Cabinet Office/Downing Street	14,000
*Welsh Office	3,000
2 retail shops	1,500

Partitioning to suit the occupants' requirements is included in the construction programme. The building is currently expected to be ready for occupation by mid-1987.

2. The arguments in favour of retaining the bulk of the new development for the ODA are:

a. Efficiency

The space available at Richmond Yard is exactly the amount ODA require. Careful planning has gone into the arrangements for ODA's move; a number of internal works have been carried out to their specific requirements. Co-location across Whitehall from the diplomatic wing of the FCO would make possible closer working relationships

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\*Overflows from existing Whitehall occupations, made necessary by the demolition of Palace Chambers and by the loss of Standard House on lease expiry in 1988, and subsequent redevelopment.



between the two wings, leading to better integration of aid and foreign policy; some staff savings; and more effective use of common services. In particular, use of the FCO's major new office automation project FOLIOS, the ODA is investigating the possible operation from 1987.

b. Morale

It would be demoralising to ODA staff, who had worked hard for this move and set great store by it, if ODA were not to move to Richmond Yard. The plan has been prepared in close consultation with staff at all levels; the building has been designed to facilitate managerial improvements such as integration of registry and secretarial services which the layout of Eland House prevented. The latter is in any case not available in the longer term (see c. below), and office services there have been deliberately allowed to run down prior to the proposed move to Richmond Yard.

c. Cost

On present plans Eland House would be relinquished on ODA's move to Richmond yard. The lease expires in June 1992, but PSA can determine it earlier on 18 months notice to expire at any time on or after December 1987. The landlord has indicated that he will not renew the lease. The rent saving from giving up Eland House (current rent £2,110,000 per annum but subject to review in December 1987 if we retain the building) was a key factor in the original economic justification of the Richmond Yard development. Any change of occupation at this late stage of the Richmond Yard development will carry additional costs and impose some delay. It is extremely difficult to quantify these at this stage, without knowing the exact requirements of whoever was to occupy the building and where ODA would eventually go. But it would be unrealistic to assume that

we could effect the change in the occupation of Richmond Yard in less than six months to a year, probably nearer the latter, and at a further cost of some £3-4 million, taking account of the need to rehouse ODA elsewhere. This additional cost would have to come from new resources beyond what has already been allocated for accommodation projects; the money could not be found within existing PES provisions.

3. The arguments for allocating part or all of the building to the DHSS are:

a. Efficiency

At present the six Ministers in the Department need to travel some 20 minutes to Parliament and to meetings in Whitehall or Westminster. It is the Secretary of State's strongly held view that this is a serious impediment to the conduct of their Parliamentary and Government business. The same problem (indeed worse since they are normally dependent on public transport) affects officials required to attend meetings in Whitehall/Westminster. The DHSS and the DES are the only major Departments with no base in the Whitehall area. Richmond Yard would not, of course, be large enough for the whole DHSS staff: what would be envisaged would be the occupation by a core staff consisting of the six Ministers' offices, the Parliamentary unit and perhaps a small number of other key officials.

b. Cost

There would be additional costs involved in such a move, as outlined in paragraph 2c above. There would be a balance of additional costs for travel etc between DHSS buildings

more distant from one another than at present, against savings from greater efficiency of operation for Ministers etc.

4. The argument for allocating some or all of Richmond Yard to the DES is that, like the DHSS, the DES has no Ministerial base north of the river. But Elizabeth House is very close to Westminster Bridge and DES Ministers can get to the House of Commons to vote if they leave their offices as soon as the division bell rings.

5. The Richmond Yard development is however too small for the whole of the DES. Since the policy staff of DES are now all in the same building, taking half of them north of the river would create inefficiencies which do not exist now. It takes 20 minutes to walk from an office in Elizabeth House to an office in Richmond Yard. At present all DES staff in Elizabeth House can get to a meeting in five minutes.

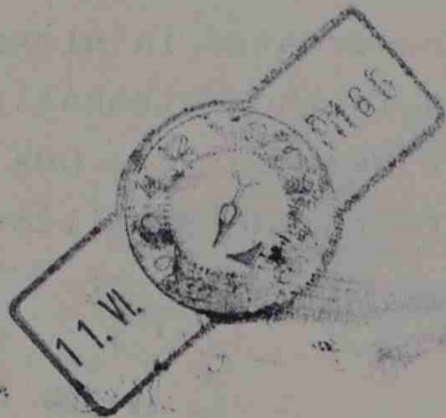
6. If it were proposed that a core staff consisting of Ministers from both DHSS and DES should share Richmond Yard, plans would have to be adjusted to provide suitable accommodation for ten Ministerial Private Offices, as well as for whatever officials from the two Departments would accompany.

7. If the ODA occupy Richmond Yard, the DHSS will wish to acquire alternative accommodation north of the river for a core staff as outlined above, and as quickly as can be arranged. At present there is no suitable accommodation to meet this requirement readily available on the estate. A new hiring would be necessary at a rental cost of around £1 million per annum, with perhaps a similar sum needed for the occupational services.

8. If the ODA do not occupy Richmond Yard, they will need alternative accommodation at some point between December 1987 and the expiry of the Eland House lease in 1992. The most

suitable way of meeting this need would depend on the arrangements for Richmond Yard. If DES were to move there, ODA could fill in behind them in Elizabeth House (the tower block plus part of the low block). The cost of such a move has been included in the £3-4 million figure quoted at the end of paragraph 2c. above. If, on the other hand, DHSS were to go to Richmond Yard, they would presumably want to bring in their own staff from elsewhere to fill the space created in Alexander Fleming House. A suitable new hiring in the Whitehall/Victoria area, to provide a one-roof permanent home for the ODA might cost around £3 million per annum in rent and £3 million for ingoing services.

GOVT. BUILDINGS - Westminster Area Pt 2





FCS/86/117

PARLIAMENTARY UNDER SECRETARY OF STATE FOR THE ENVIRONMENT

Queen Elizabeth II Conference Centre

1. Thank you for your letter of 15 April in which you outlined the booking policy you propose for the new Conference Centre.
2. I agree that steps should be taken to ensure that as full use as possible should be made of the Centre. It is clearly important that the private sector should be encouraged to look to it as a major new facility in the capital. I also agree that it will be necessary, for security and other reasons, to exclude certain groups should they apply to use the Conference Centre. I have no suggestions for additions to the categories you mention.
3. There could, of course, be some officially organised conferences which might attract demonstrations or breaches of the peace. I do not think that it would be right to rule out a priori such conferences on these grounds.
4. I am sending copies of this minute to the Prime Minister, the Lord President of the Council, the Home Secretary, the Chancellor of the Duchy of Lancaster, the Secretary of State for Defence, the Chief Secretary and Sir Robert Armstrong.

  
(GEOFFREY HOWE)

Foreign and Commonwealth Office

1 May 1986

CCPS  
1. CDP - to see.  
2. CF to p.c.

GOVT BUILDINGS : Conference Centre PT2



NOTE FOR THE FILE

I confirmed with Robert Culshaw that FCO were indeed reviewing the guidelines for the use of Lancaster House, and were aware of the need to keep us informed.

MUGY

MARK ADDISON

1 May 1986



cc/PA



Treasury Chambers, Parliament Street, SW1P 3AG

Sir George Young Bt MP  
 Parliamentary Under Secretary of State  
 Department of the Environment  
 2 Marsham Street  
 London  
 SW1P 3EB

ODP  
 22/4

22 April 1986

Dear George,

**NEW CONFERENCE CENTRE BOOKINGS**

Thank you for sending me a copy of your letter of 15 April to Geoffrey Howe about the new Conference Centre. <sup>at trap</sup>

As you will know from my letter of 23 October 1985 to Kenneth Baker, I am most anxious to see all reasonable steps taken to maximise the Centre's income and to prevent its being a continuing drain on the Exchequer. I am sure it is right, therefore, that exclusions are kept to an absolute minimum. I agree that sometimes a line will have to be drawn. But I hope that in interpreting category (a) the test of dignity will not be applied too restrictively.

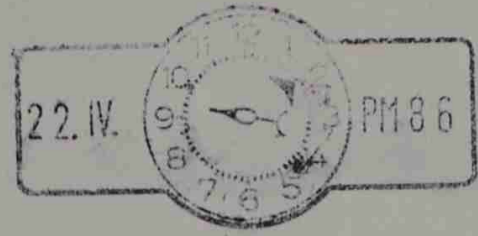
I am copying this letter to the Prime Minister, Willie Whitelaw, Geoffrey Howe, Douglas Hurd, Norman Tebbit, George Younger and to Sir Robert Armstrong.

Yours ever,

JM

JOHN MacGREGOR

GOVT BUILDING : Int. Conference Centre PT2



FILE

(60)

DA



CP

10 DOWNING STREET

*From the Private Secretary*

17 April 1986

The Prime Minister has seen a copy of Sir George Young's letter to the Foreign Secretary setting out some guidelines for categories of bodies to whom it would not be appropriate to make available the new Conference Centre.

The Prime Minister agrees with the categories proposed (points a, b and c of the letter). She notes that Sir George Young would consider each decision himself.

I am copying this letter to the Private Secretaries to the Lord President, Foreign and Commonwealth Secretary, Home Secretary, Chancellor of the Duchy of Lancaster, Secretary of State for Defence, Chief Secretary and Sir Robert Armstrong.

(Charles Powell)

Neil Mitchell, Esq.,  
Department of the Environment.

CS



DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

①  
a/b  
BT

Prime Minister

Agree with proposed categories of organizations which would be refused permission to hire the new Conference Centre?

Yes

15 April 1986

Staff

CDP 16/i

I think George Young should suspend a PQ to give the Home Office guidelines which officials will use in dealing with applications - makes it easier to deal with controversial applications.

You will know that we are now receiving applications for bookings for the new Conference Centre which will open in June. The purpose of this letter is to set out the policy which, subject to your agreement and that of other colleagues, I propose to instruct officials to follow in accepting bookings.

We are all agreed that, subject to the requirement of Government use, the Conference Centre should be used to generate as much income from the private sector as possible by its use for Conferences, etc. I am anxious, therefore, that we should set as few barriers as possible to letting it to those organisations who wish to use it. In particular, I don't think we should refuse to let it for purposes associated with the mainline political parties, or widely accepted political and other pressure groups, even though we might not agree with the opinions or the parties who would occupy the building.

For example, the Conservative Local Government Conference has asked for a booking - they are attracted, not least, by the level of security which the conference centre can offer - and I would propose to accept them; I would do exactly the same if it were the Labour Local Government Conference. Equally, if a major and responsible trade union wished to hold a Conference there, I think we should accept the booking, just as we would for the CBI or a major industrial group.

There are, however, certain organisations to whom I do not think a booking should be given because it could cause the Government embarrassment. I think the categories of bodies falling under this head should be strictly limited, and should be confined to the following:-

- a) Sales and publicity conferences organised on behalf of some very undignified event or goods

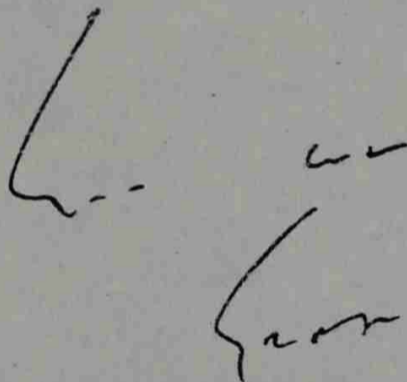
N.C.W  
18.  
↓  
Difficult to define

b) Functions which might lead to possible demonstrations or breaches of the peace

c) <sup>Chair</sup> The organisers are associated with a group which the Government has explicitly condemned as being either against national interests (eg the IRA) or incompatible with democratic Government (eg Militant and the National Front)

Before refusing any booking on the grounds that fell within these categories, I would want to consider the decision myself. We would not, of course, have to give any reason for our decisions to the organisers, but I would expect, in any controversial case, to have to answer questions in the House.

I would be grateful if you would let me know if you are content with these arrangements. I am copying this letter to the Prime Minister, the Lord President of the Council, The Home Secretary, the Chancellor of the Duchy of Lancaster, the Secretary of State for Defence, the Chief Secretary and Sir Robert Armstrong.



SIR GEORGE YOUNG

RT Hon Sir Geoffrey Howe QC MP



*File*

10 DOWNING STREET

*From the Principal Private Secretary*

**SIR ROBERT ARMSTRONG**

**TENANTS FOR RICHMOND YARD**

At your meeting with the Prime Minister this morning you explained that Richmond Yard did not contain sufficient accommodation to house all the DES staff now at Elizabeth House. It would, however, be possible to house in Richmond Yard some of DES (Ministers and Schools Branch) and DHSS Ministers. The Prime Minister said that she would be content for this to be explored further. She could see no reason why the FCO, through the ODA, should be allowed yet further presence in Whitehall.

*N.L.W.*

**N L WICKS**

21 March 1986

*Lo*

1. MR. POWELL <sup>CDP 12/13</sup>  
2. PRIME MINISTER

RF || CF.  
PL of it a merit.  
MEA 14/3

You asked how the Lord Mayor of Westminster could have been intending to use Lancaster House for a reception to mark, among other things, his leaving office.

FCO confirm that Lancaster House is normally used by Ministers for entertaining foreign visitors. But PSA hold the lease. Though the guidelines governing use of the building are applied in the first instance by the Foreign Office, the PSA/DOE in the end have the right to take the final decision. In this case, the Lord Mayor approached the FCO who referred it to DOE. DOE said they would be content.

FCO have a strong interest in maintaining the prestige and availability of Lancaster House. On the other hand, the PSA have to try to maximise the income they receive from it. FCO tell me that they are looking at the pattern of use of Lancaster House at present. They have taken note of our interest and will keep us informed.

MEA

ms

(Mark Addison)

12 March 1986



ccok  
DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref: PSO/18368

Your ref:

27 November 1985

NBM

Dear Sir

QUEEN ELIZABETH II CONFERENCE CENTRE

I am replying to your letter of 23 October to Kenneth Baker about the financial outlook for the Centre.

Kenneth and I entirely share your views on the need to make the Centre financially viable as quickly as possible. The immediate priority is, of course, to ensure that everything is ready and working in time for the Presidency next July. There is a great deal of detailed work still to be done and the new management team are concentrating their efforts on that. An experienced consultant from the private sector, Mr Barry Newman, of Barry Newman Associates, has joined the team to handle the marketing and he will be rapidly raising the Centre's profile in the marketplace. His initial assessment of the commercial outlook is encouraging, and your clear endorsement of a policy of flexible pricing with the objective of maximising revenue will be a great help in building up the business.

That being said, I must sound a cautionary note about the speed at which we can realistically expect to build up the commercial side of the business. Although commercial bookings are already being taken and confirmed for 1986/87 and beyond, it would be unrealistic to assume that full capacity and maximum earnings could be achieved within the first eighteen months of operation, particularly with the long lead times required by many conference organisers when making bookings.

The Centre's management team have been concentrating all their available resources on the immediate task of preparation for the Presidency, and setting up a marketing operation. They will not have the spare capacity to tackle concurrently the wider and more radical review of the options to which Kenneth Baker referred in his letter of 8 October, and it will be necessary to bring in consultants. My officials will be in touch with yours and others very shortly with proposals for pressing forward with this exercise with the assistance of consultants.



/ I am copying this letter to the Prime Minister, Geoffrey Howe,  
Leon Brittan, Douglas Hurd, Michael Heseltine and Nicholas  
Ridley and to Sir Robert Armstrong.

*Yours  
Sincerely*

SIR GEORGE YOUNG

GOVT BUILDINGS  
FRUIT CONCENTRATOR  
PT 2





10 DOWNING STREET

*From the Private Secretary*

28 October 1985

**QUEEN ELIZABETH II CONFERENCE CENTRE**

The Prime Minister has seen your Secretary of State's letter of 8 October to the Foreign and Commonwealth Secretary and subsequent correspondence. She remains very concerned about the prospect that the International Conference Centre may become a continuous drain on the taxpayer. She agrees strongly with the Chief Secretary that a radical review of the options for the future of the Centre needs to be pursued with great vigour.

I am copying this letter to Stephen Boys Smith (Home Office), John Mogg (Department of Trade and Industry), Richard Mottram (Ministry of Defence), Richard Allan (Department of Transport), Richard Broadbent (Chief Secretary's Office) and Michael Stark (Cabinet Office).

(David Norgrove)

Miss Sue Vandervord,  
Department of the Environment

ppr please. <sup>Doc</sup>

PRIME MINISTER

25 October 1985

INTERNATIONAL CONFERENCE CENTRE

John MacGregor is absolutely right. A fundamental review is urgently needed, to prevent the Conference Centre becoming a continuous drain on the taxpayer.

We recommend that you should write to Kenneth Baker, wholeheartedly supporting the Treasury line.



OLIVER LETWIN

PRIME MINISTER

INTERNATIONAL CONFERENCE CENTRE

Mr. Baker's letter (Flag A) sets out his proposals for use of the Conference Centre. No need for you to read. (If you do, the second and third pages as marked give a summary.) The important point is that the business plan points to a net operating loss of £3½-4 million in 1986-87 reducing to £2¼-3 million by 1989-90.

The Foreign Secretary and others go along with this. The Treasury do too (Flag B), but on the understanding that a more radical review promised by Mr. Baker in his letter is pursued vigorously. The Policy Unit agree with the Treasury that a fundamental review is urgently needed to prevent the Conference Centre becoming a continuous drain on the taxpayer.

Agree to write to Kenneth Baker wholeheartedly supporting the need for a radical and thorough review?

DN

Yes not

(David Norgrove)

24 October 1985



*B. Cook*

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Baker MP  
 Secretary of State for the Environment  
 Department of the Environment  
 2 Marsham Street  
 London  
 SW1P 3EB

*W. S. M.*

23 October 1985

*Dear Kenneth,*

THE QUEEN ELIZABETH II CONFERENCE CENTRE

Thank you for sending me a copy of your letter of 8 October to Geoffrey Howe.

I am very concerned about the projected operating loss which the Centre is expected to make on present plans. It is essential that we attempt to make the Centre commercially viable as quickly as possible.

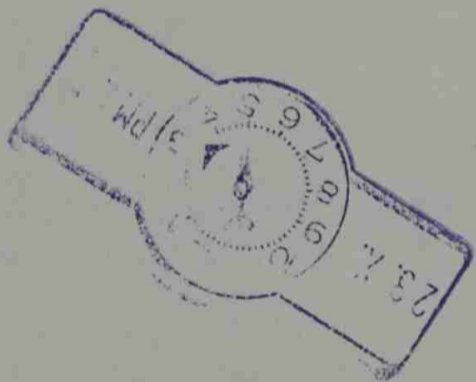
I am glad therefore that you are looking at alternative uses for the Centre. I hope the review can be completed by January 1986; I should like it to have a firm objective of eliminating the operating deficit for 1987-88 and subsequently. If the strength of subsidised competition means there is no way in which the Centre can meet its operating cost with conferences as its main activity, then the review should consider whether an alternative mix of activities, with less emphasis on conferences, would be more profitable; or, as Peter Rees suggested, whether we should dispose of it.

In the meantime I accept that you cannot afford to stand still and I agree that you should pursue a strategy aimed at bringing in private sector use to the maximum possible extent. I suggest that charges should be at a level to maximise revenue rather than necessarily a standard percentage above competitors' rates. My agreement is however on the understanding that the more radical review is pursued vigorously.

I am copying this letter to the Prime Minister, Leon Brittan, Douglas Hurd, Michael Heseltine, Nicholas Ridley, and Sir Robert Armstrong.

*Yours ever,*  
*J. MacGregor*  
 JOHN MacGREGOR

GOVT BUILDINGS  
CONFERENCE CENTRE  
PT 2





cc/OL  
QUEEN ANNE'S GATE LONDON SW1H 9AT

23 October 1985

Dear Kenneth,

THE QUEEN ELIZABETH II CONFERENCE CENTRE

Thank you for copying to me your letter of 8 October to Geoffrey Howe. I have also seen a copy of his reply to you of 15 October.

Like him, I agree generally with the approach you are proposing. I do not at this stage see a realistic alternative. Clearly you need to make the Centre as viable as possible, and that means bringing in private customers. We will have to accept the limitations on Government use that this might impose. It is useful that Lancaster House will be kept in reserve for the time being in case there are unforeseen requirements.

I am aware that the security authorities have been closely involved in the planning arrangements so far and I am sure that close contact should continue. Inevitably, if the Centre is opened up to private users there will be a risk of weakening the security arrangements and we must be careful to ensure that in seeking commercialisation the purpose for which the Centre was conceived is not defeated. It would therefore be right for the views of the security authorities to continue to be taken properly into account as commercial uses are explored.

I note that your officials will be in touch with officials in other Departments in the near future about alternative uses for the Centre and we will, of course, think hard about any potential uses that we might have.

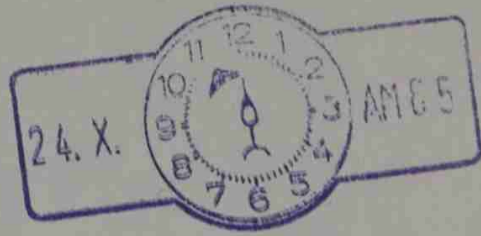
I am copying this letter to the recipients of yours.

The Rt Hon Kenneth Baker, M.P.

*Baker*  
*Douglas*



GOVT BUILDINGS : CONF. CENTRE PT 2





FCS/85/263

SECRETARY OF STATE FOR THE ENVIRONMENT

International Conference Centre

1. Thank you for your letter of 8 October.
2. I agree generally with the approach you are adopting. It seems to me right that your Business Plan should be based on the decisions which Ministers have already taken and that the aim should be to secure the highest possible revenue for the Centre from private sources. Certainly, we could not countenance an alternative approach which either jeopardised the Centre's plans for the UK Presidency or reduced the level of security which we have agreed.
3. We accept the constraints on our dealings with the Centre which you propose in order to maximise its income. I note that we can, if necessary, fall back on Lancaster House.
4. We are content to be charged the competitive London rates for our use of the Centre and note that we will not be asked to pay the premium for the major rooms.
5. I am copying this to the recipients of yours.

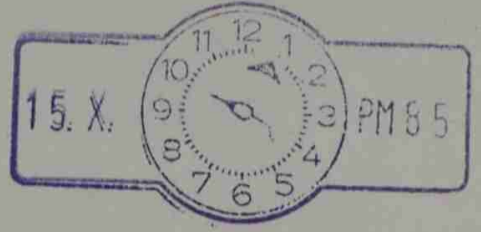
Foreign & Commonwealth Office  
15 October 1985

GEOFFREY HOWE

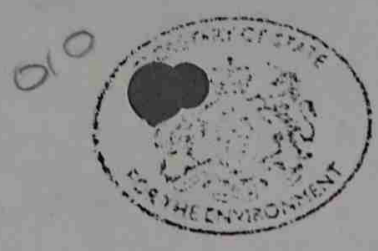
CCOK  
NSM

GOUT BUILDINGS  
CONFERENCE CENTRE

PT 2



3/F // Await DL comments ~~ccol~~  
A



2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

Prime Minister

See pp 293.

DHS  
24/10.

My ref:

Your ref:

8 October 1985

Dear Foreign Secretary

THE QUEEN ELIZABETH II CONFERENCE CENTRE

The new Conference Centre is now approaching completion and it will be fully operational in time for the EC Presidency in July 1986, which was the main requirement colleagues had in mind in taking their collective decision in 1982 to go ahead with construction using public funds.

There is already a strong and growing market interest in the Centre and a number of private bookings have been made in accordance with Patrick Jenkin's announced intention of bringing in private users. Buckingham Palace have been approached on the possibility of a royal opening by the Queen next Summer, and the publicity from such an occasion will undoubtedly stimulate further market interest. Meeting the requirements of the EC Presidency starting in July next year must, of course, be our prime concern for the present and nothing must be allowed to stand in the way of achieving operational readiness for that first major event. We must, clearly, also look beyond the Presidency to ensure that there is a continuing income, and this will necessitate active marketing now.

A Business Plan has been prepared, with the assistance of Mr Geoffrey Smith, an independent Conference Consultant who was formerly Director of the London Visitors and Convention Bureau and of the London Tourist Board. The starting point in preparing this Plan has been the Cabinet's decision, taken in 1982, that the Centre should be built primarily to meet the Government's needs for highly secure conference facilities, and my predecessor's subsequent decision to bring in private conferences to help maximise income. The first question is whether we should now accept this basis for the Business Plan or whether we should delay its implementation while we explore further options for maximum revenue.

I cannot accept a recurring loss of £3-4m a year without a very thorough examination of all possible alternatives - but we can't wait for the result of such studies, which could take until the Spring 1986 - before implementing on the present basis (which does not preclude any further change). In particular we cannot afford to let up on our current efforts to secure bookings to maintain the flow of conference income from all users. This means directing our marketing at Government Departments every bit as much as at private users, because they too will have freedom of choice under the FMI to make their bookings in private facilities if we cannot attract them to our Centre.

Commercial marketing will inevitably limit the availability of the Centre for Government use. The second question is whether we accept the constraints which maximising income from the private sector will entail. Private bookings, particularly for the large (and lucrative) professional and trade association conferences for which the Centre's facilities will be especially attractive tend to be made a long way ahead. If the Centre is to attract substantial private conference business, as I believe it must, then bookings will have to be contractually confirmed at least up to 2 years ahead of the event concerned, and protected against cancellation in favour of a subsequent Government requirement.

Our officials have recently discussed this point and I understand that it is not a major problem for you. The approximate dates of the major international events for which the Centre has been designed, and which cannot be readily catered for elsewhere - the EC Presidency, the Economic Summit, Commonwealth Heads of Government and Commonwealth Finance Ministers meetings - are normally known more than 2 years ahead. Other Government conferences tend to be relatively small and a careful analysis of the accommodation requirements for such conferences held in London over recent years has indicated that the Centre's Secure Suite (which would in any case have to be reserved solely for Government use for security reasons), together with the existing conference facilities in Lancaster House, should provide sufficient flexibility to cater for the Government's normal short-term conference requirements. The Plan accordingly proposes that the Lancaster House facility, and also some small meeting rooms in the Centre, should be retained as back-up accommodation for Government use when the Centre is fully booked.

These arrangements would not, however, cater for a major Government meeting called at less than 2 years' notice where security considerations required the clearance of the whole building, and for which the back-up facilities in Lancaster House were too small. Such events are, on past experience, likely to be very rare indeed. They would have to be dealt with in the light of circumstances at the time.

If you accept this I shall pursue a strategy aimed at bringing in private sector conference use to the maximum extent compatible with the building's status as a Government facility, and with the original requirement to provide permanent, highly secure conference facilities for Government use. This will require, in particular, that:-

- a. The Secure Suite, and certain small meeting rooms, should be reserved at all times exclusively for Government use; and, these rooms apart.
- b. Private conference bookings should be taken and contractually confirmed up to 2 years ahead of requirement; and, once confirmed, they should not be subject to cancellation in favour of a subsequent requirement for use by Government;
- c. The existing secure conference facilities in Lancaster House should be retained against the possible need for use by Government when the Centre's facilities are already booked. This requirement would need to be kept under close review as experience is gained of operating the Centre;

d. Charges for facilities in the Centre should be set at competitive London conference market rates, with flexibility to respond to seasonal and other variations in demand. For hirings to the private sector for major rooms a premium of 10-15% above those for the main London competitors is envisaged to avoid charges of unfair competition.

On this basis, and setting a target of 70% utilisation rates by 1989/90, the Plan points to a nett operating loss of £3.5m-£4m in 1986/7 reducing to £2.25m to £3m by 1989/90. These figures will not be easy to attain and I am bringing in a good marketing manager from the private sector whose remit will be to bring in as much business as practicable.

Meanwhile we will carry on with the work of looking at alternative uses for the Queen Elizabeth II Conference Centre. My officials will be in touch with yours and officials in other Departments and the Policy Unit.

I would be glad of your agreement, and of those to whom this letter is copied, to these proposals. Could I ask for responses to this letter by Monday 21 October; otherwise I will assume you are content.

I am copying this letter to the Prime Minister, Leon Brittan, Douglas Hurd, Michael Heseltine, Nicholas Ridley and John McGregor, and to Sir Robert Armstrong.

Yours sincerely

*SW Anderson*

*KB*

KENNETH BAKER

Approved by the Secretary of  
State and signed in his absence

MR FLESHER

19 August 1985

INTERNATIONAL CONFERENCE CENTRE

I shall be meeting PSA officials and others to discuss the new business plan on 2 September. That meeting should cast more light on the prospects for increased revenue.

In the meantime, I suggest that the Prime Minister should merely note the letter of 5 August from Patrick Jenkin's office.

*OL*

OLIVER LETWIN



Ree Muntz

The Policy Unit  
will be discussing with  
DoE in early September  
the prospects for increasing  
Revenue.

2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref: J/PSO/15949/85

Your ref:

S August 1985

Dear Andrew

OR  
25/8

QUEEN ELIZABETH 11 CONFERENCE CENTRE

Thank you for your letter of 22 July about the income figures forecast for the Centre, which have struck the Prime Minister as excessively low.

In preparing the Business Plan for the Centre, PSA have been greatly assisted throughout by Mr Geoffrey Smith, an independent conference consultant and former Director of the London Convention Bureau and of the London Tourist Board. His clear advice is that there is indeed a strong potential commercial demand for the Centre's facilities. They are likely to be attractive for the large professional and trade association conferences, both national and international. We already have a number of provisional bookings, including the Small Business congress next year, about which Sir Charles Villiers recently wrote to the Prime Minister. There is also a useful, though somewhat smaller, potential market for company meetings. The National Freight Consortium have, for example, recently pencilled in a provisional booking for their big shareholders' meeting in 1987.

It will inevitably take time to build up a steady private business of this kind, and vigorous marketing with a hard commercial edge will certainly be needed. To this end, PSA intend to enlist shortly an experienced marketing manager for the Centre from the private sector; and they also have it in mind to strengthen the commercial advice available to the Management Board which up to now has been relying solely on Geoffrey Smith.

Geoffrey Smith's advice is that it would be reasonable, though tough, to set a target for the Centre of a 70% utilisation rate, over the year as whole, by the fourth year of operation, ie 1989/90. That is what we shall be aiming for in our marketing. It implies building up to a steady gross annual income at this level of usage from commercial bookings and catering (which will be contracted out on the best commercial terms we can obtain) of over £2m at current prices, representing around 80% of the total income forecast in 1989/90 from both Government and private sources. The nett effect of this would be to reduce the bottom-line operating loss by around £1m.



In addition, there will be savings from relinquishing PSA's existing conference facilities in London, other than Lancaster House, which will no longer be needed when the Centre becomes operational. This rationalisation process has already started, and will be completed as quickly as the various lease conditions permit. These savings will eventually amount to some £1m a year at 1985/86 prices.

My Secretary of State's firm intention is to bring in private sector use to the maximum extent compatible with the Centre's status as a Government facility, and with the requirement to provide permanent secure conference facilities for Government use. He will be writing to his colleagues immediately after the August holiday with a strategy to achieve this aim.

Copies of this letter go to the recipients of yours.

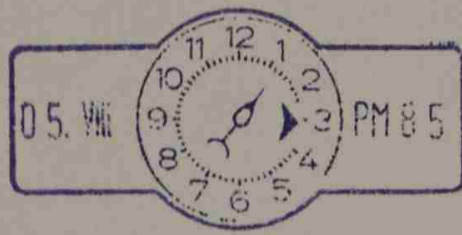
*Yours sincerely*

*Sue Vandervord*

MISS S VANDERVORD  
Private Secretary

Andrew Turnball Esq  
PS/Prime Minister

Govt Building, Internal Conf. Centre Pt 2





CONFIDENTIAL

WBPM

AT 31/7

CCNO

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

31 July 1985

Dear Peter,

INTERNATIONAL CONFERENCE CENTRE

Thank you for your letter of 18 July; I agree with you that we should look to the future rather than rake over past decisions.

I expect to be ready to circulate the summary of the Business Plan for operating the centre very shortly; it will contain revised calculations of the expected running costs and revenue. It would be premature to consider the long term future of the centre at this stage, before we have had any experience of operating it in response to both government needs and private sector opportunities. As you know, we have recently announced the Queen's agreement to the centre being named after her, and preparations are being made in anticipation of her agreement to open the centre next year.

I am very concerned at what you say about the funding of the potential operating loss. As I made clear in my letter of 2 July, it would be quite unacceptable to expect PSA to fund this without extra resources being provided. George Younger has already expressed his concern about the implications for the overall accommodation programme if PSA are forced to fund the deficit at the expense of their office and general construction programme. In the interests of colleagues, I am bound to press you strongly for additional funds in the forthcoming PES bilaterals. There is no logic in the view that, because PSA has the task of running the centre on behalf of Government, the operating loss should fall on its votes without an increase.

I am copying this letter to the Prime Minister, members of the Cabinet and to Sir Robert Armstrong.

*Yours ever*  
*Patrick*

PATRICK JENKIN

The Rt Hon Peter Rees QC MP

Cont. Buildings : Road Sanctuary #2

CONFIDENTIAL

SRW

File



bc: Nick Owen

10 DOWNING STREET

From the Private Secretary

22 July 1985

Dear John.

INTERNATIONAL CONFERENCE CENTRE

The Prime Minister has seen the exchange of correspondence on the International Conference Centre. She was struck by the estimates in the Chief Secretary's letter of 23 May that the running costs will be about £4 million while income is likely to amount to £0.3-£1.5 million. The income figures strike her as excessively low. She has asked whether the possibility of private sector management of the Centre has been investigated as a way of ensuring the maximum commercial income.

I am copying this letter to members of the Cabinet and Richard Hatfield (Cabinet Office).

Your sincerely

Andrew Turnbull

(ANDREW TURNBULL)

John Ballard, Esq.,  
Department of the Environment.

CONFIDENTIAL

889

PRIME MINISTER

① Agree privatization  
management be investigated  
19 July 1985  
AT 19/7

INTERNATIONAL CONFERENCE CENTRE

The saga of the International Conference Centre would be funny if it were not so catastrophic.

It transpires that consultants' fees amounting to 20% of the total cost, landscaping costs, and some of the equipment costs were all omitted from the estimates; and proper allowance was not made for inflation. As a result, the building will cost £66 million instead of £30 million.

This sum is being written off.

But we are told that - even with the capital costs written off - there will be a net cost of between £2.5 million and £3.7 million each year. The Treasury say that this is due to a combination of huge running costs and lower-than-expected private demand.

See  
CST's letter  
of 23 May

Ministers are now exchanging polite insults about the responsibility for this fiasco.

Next Steps

The Chief Secretary wants to "reconsider the long-term future of the Centre", on the basis of the "business plan"

now being prepared by DoE. But if the plan is anything like the original estimates, it will not help much; and the "long-term" is not soon enough. Something needs to be done in the next few weeks to put the situation right.

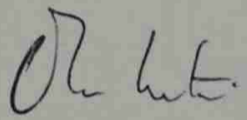
It is absolutely absurd to claim that a building of this size (equipped with a restaurant, huge auditorium, four big conference rooms, security suite, lounge, offices and press facilities) is capable of raising only £300,000 - £1,500,000 a year in gross receipts.

If a conference like the American Bar Association used the Centre for one week they would have to pay only £1,000 for each seat in the conference halls to produce the £1,500,000 that is claimed as the maximum take for the whole year. In practice, the price would be way below £1,000 per delegate, since the same people do not occupy all the conference rooms at once; and the restaurant and bar ought to make a huge profit. In other words, the Centre should, in a year, be able to rake in tens of millions of pounds.

We have no faith whatsoever in the capacity of the PSA or other public sector bodies to run on enterprise of this sort, and the absurd estimates now being presented merely confirm that view.

The only sensible solution is to contract the whole show to a private sector operator, who could make money out of it. Instead of footing an annual bill, the Government could begin to recoup part of its £66 million outlay on construction.

We recommend that you should press for immediate discussion of a private sector contract. This building is already an eyesore; it ought not to be a drain on taxpayers' resources as well.

  
OLIVER LETWIN



CONFIDENTIAL



NDM

CC/NO

ST

18/7

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Patrick Jenkin MP  
 Secretary of State for the Environment  
 Department of the Environment  
 2 Marsham Street  
 London  
 SW1P 3EB

18 July 1985

*Dear Secretary of State*

**INTERNATIONAL CONFERENCE CENTRE**

Thank you for your letter of 2 July about the International Conference Centre. Michael Heseltine, Geoffrey Howe and George Younger have also written to me about this.

I do not think we will gain much by raking over the minutiae of the collective decision to proceed. I am more concerned to ensure for the future that expenditure on capital and running costs alike is not to be committed unless it is clear that funds can be made available. As it is we now find ourselves faced with a net deficit of up to £3.7 million a year.

Had the running costs been identified at the outset, approval of the project could have been made conditional on its sponsors being responsible for them. They were not. And reluctantly, I do not think I can press Geoffrey Howe or Michael Heseltine any further. That means that PSA, which is responsible for managing the centre, must carry the deficit. Of course, we have yet to discuss PSA's overall position in the Survey, but I am bound to say that I will find it difficult to accept any additional bids.

I remain of the view that we should reconsider the long term future of the centre in the light of expected levels of usage. I hope the business plan your officials are preparing will be available soon as a basis for this reassessment.

CONFIDENTIAL

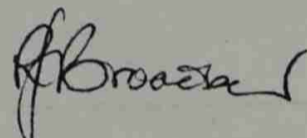
Govt Buildings, Renov. of Westminster A2

CONFIDENTIAL

In all this I take comfort only in the fact that we did not sign the agreement with the Pearl Assurance Company which would have added substantial extra financing costs to those we now face.

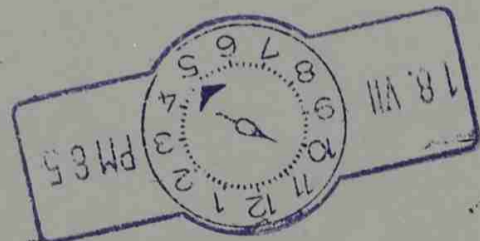
I am copying this letter to the Prime Minister, other members of the Cabinet and to Sir Robert Armstrong.

Yours sincerely



for PETER REES

[Approved by the Chief Secretary]



CONFIDENTIAL



NBPM

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

*From the Secretary of the Cabinet and Head of the Home Civil Service*

Sir Robert Armstrong GCB CVO

Ref. A085/1811

3 July 1985

*Dear Gordon,*

Richmond Terrace

Thank you for your letter of 6 February 1985.

I understand that the working up of an allocation plan to provide the additional accommodation which is needed in the Richmond Yard complex for No 10 staff and the Cabinet Office has now been completed to the satisfaction of all the parties concerned.

My Office Services people will now move on to the next stage of specifying any work required in the areas to be occupied by No 10 and the Cabinet Office.

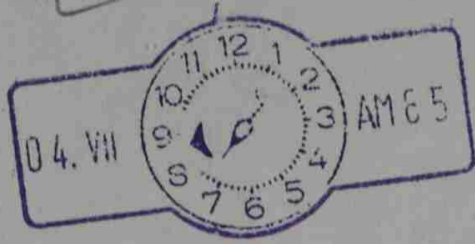
I am sending copies of this letter to Antony Acland, Crispin Tickell, Robin Butler and Len Appleyard.

*Yours ever  
Robert*

A G Manzie Esq CB

CAST BUILDINGS: Westminster renovation

Pl 2



CONFIDENTIAL



NBM

cc 1/0

AT

2 MARSHAM STREET  
LONDON SW1P 3EB

3/7

01-212 3434

My ref:

Your ref:

2 July 1985

Dear Peter,

INTERNATIONAL CONFERENCE CENTRE

I was very surprised by your letter of 23 May about the International Conference Centre which seems to overlook the four collective Ministerial discussions in 1980 to 1982. In his memorandum to the Cabinet in 1982, your predecessor accepted that the Conference Centre should be built in the timescale planned. This is being done, and I am confident the building will be ready in 1986, a target colleagues set in 1980, although the go ahead was not given until 1982.

Your criticisms of the capital costs are based upon a selection of figures which do not bear true comparison. A 1980 estimate for construction costs has been compared with a 1985 figure which includes both other and later costs. A point to remember is that when colleagues agreed in April 1982 to proceed with the project using public sector funding, most of the design costs and the sub-structure costs (which included the Parliamentary telephone exchange) had already been incurred. We were concerned therefore primarily with the future expenditure, and to cover this your predecessor agreed to provide an additional £40.65m in lieu of the alternative offer from the Pearl Insurance. Some extra features have been added since then to make the Centre a better commercial proposition; but the current construction cost figure of the superstructure (£46.4m) is - allowing for inflation and items such as security and landscaping not covered by the proposed deal with the Pearl - entirely in line with the 1982 figure.

I cannot understand either your comment that running costs were not brought into the Cabinet debate at an earlier stage. Our prime concern then - as a study of the papers shows - was whether a permanent conference centre was needed, and how to ensure it was ready by 1986. Temporary expedients, even if they were practicable, were seen to be very expensive. Colleagues therefore decided in favour of a permanent centre at Broad Sanctuary.

Michael Heseltine announced in 1981 that the Centre would be run as commercially as possible, and my aim is to minimise the operating costs by a sound marketing strategy, bringing in private sector use to the maximum extent compatible with the original objectives. But this will still leave an operating loss which the government will have to finance. Unless the two main users

are prepared to meet this - and I have now seen the responses of both Michael Heseltine and Geoffrey Howe on this point - I see no alternative to the Treasury providing extra finance. It would be quite unacceptable for the costs to fall on the PSA's Office Programme without extra resources being provided, since this would have to be at the expense of essential work to meet all Departments' accommodation requirements.

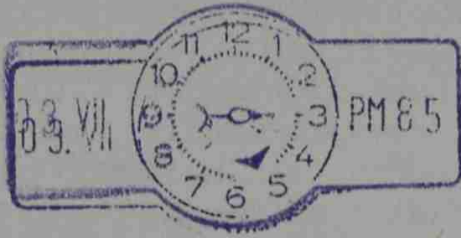
Finally, you suggest that we reconsider the Centre's future and perhaps sell it. If colleagues no longer believe that the Centre is wanted, then there would be grounds for getting rid of a loss-making asset. The need for the centre was however clearly accepted in successive Cabinet discussions and I am not aware that anything has occurred since then to invalidate the decisions. In my view, we would be ill advised to slacken our efforts at this stage to complete the project on time. It is needed for the EC Presidency in July 1986; the Queen has already agreed to the Centre being named after her, and I plan to make this public by an inspired PQ shortly; I would also hope that she would formally open the Centre next summer.

I am copying this letter to the Prime Minister, to Members of the Cabinet and to Sir Robert Armstrong.

*Your ever  
Patrick*

PATRICK JENKIN

Govt: Buildings : Int. Conf. A2





~~L.A.P.~~  
2. per.

FCS/85/183

CHIEF SECRETARY, TREASURY

International Conference Centre (ICC)

with MEA

1. Thank you for sending me a copy of your letter of 23 May to Patrick Jenkin. I have now seen Michael Heseltine's comments and agree with him that there is no reason why our two Departments should pay the difference between the cost of running the ICC and its commercial income. I note George Younger's views. Your proposal seems to me to ignore two important aspects of the problem.
  
2. The first is that the ICC is the product of a collective decision within the Government as a whole. Successive Governments were agreed on the necessity of having a well equipped and secure Government Conference Centre. In the context of the final decision-taking it was the FCO's duty to put forward the foreign policy arguments. Others put the arguments on other points. A wide range of considerations were taken into account, including the fact that conference visitors can be expected to be a useful source of foreign currency. The Centre will clearly be used by several Whitehall Departments, for example for meetings with their opposite numbers during the Community Presidency.
  
3. Secondly, your proposal would in my view lead to unnecessary confusion over where responsibility for the ICC lies. The

/Property





Property Services Agency has played a leading part in the planning, design and construction of the ICC. They now occupy it on behalf of the Government. It has been agreed that they will manage it. I do not see how they can fulfill these responsibilities without full control over the Centre's income and expenditure. I believe that they have the task of making as good a going-concern of it as they can. I cannot accept that the additional funding which PSA will need to meet this Government commitment should come from FCO. As with the capital costs, I would expect them to look to the Treasury for financial cover for any losses on running costs. I note that Patrick Jenkin has submitted an additional bid for this purpose in the present Public Expenditure Survey.

4. I am copying this minute to the Prime Minister, other members of the Cabinet and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office

17 June 1985

Govt. Buildings PTZ

Renovation in the Westminster  
Area



NEW ST. ANDREWS HOUSE  
EDINBURGH EH1 3SX

CCND

*J. AT to see  
2 pa.*

The Rt Hon Peter Rees QC MP  
Chief Secretary to the Treasury  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

11 June 1985

*Dear Peter,*

INTERNATIONAL CONFERENCE CENTRE

I was extremely concerned at the information contained in your letter of 23 May to Patrick Jenkin about the costs of the International Conference Centre.

I have no direct departmental interest in this project but I recall very vividly our discussions at the time and I am perturbed that we were apparently so seriously misled in relation to an issue which was the subject of strong differences of view. In view of the well developed practices for investment appraisal in relation to major projects, and the discipline which your officials rightly impose to ensure their application, I find it difficult to understand how such glaring omissions occurred and escaped detection. I fully support your view that we need to consider what lessons can be learned on the basis of a full explanation of what went wrong in this case.

My other concern is with the handling of the continuing losses generated by the Centre, on which you specifically invited views. It would be unacceptable to me if they were to be treated as a charge against provision which might otherwise be available for my own programme or for the extensive range of programmes for which colleagues are responsible but which determine provision for my programme through the block and formula arrangements. Consequently, I agree with your proposal for the allocation of responsibility for bearing the public expenditure consequences.

I am copying this letter to the Prime Minister, members of the Cabinet and Sir Robert Armstrong.

*Yours sincerely,  
Cunze.*

GOVT. BUILDINGS ;

1, C.C ; A 2.

12/6



cc 100  
NAPM  
AT  
10/6

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000  
DIRECT DIALLING 01-218 2111/3

MO 35

7th June 1985

*De Peter*

INTERNATIONAL CONFERENCE CENTRE

You sent me a copy of your letter of 23rd May to Patrick Jenkin.

It is now a long time since I have had to consider this matter, but it seems to me that only two possible candidates are liable for responsibility for what has happened.

If the original cost assessment for this building were factually wrong, then that must be a matter for the Property Services Agency. But the decision to proceed with the project, in the public sector, was taken by the Cabinet. There is no know method of weighing whose argument in Cabinet discussion was the most persuasive in support of this project going ahead within the public sector; there are certainly no grounds for singling out for responsibility for the cost overruns the budgets of just two of our colleagues in Cabinet who argued in favour of the project. I certainly cannot accept any liability against my own budget.

In logic, the most obvious responsibility for the cost over-run, other than that of the Property Services Agency, is that of the Treasury. It was the Treasury who argued for a public sector financial solution. You can be sure that the omissions in the original statement of cost would have been flushed out if the

The Rt Hon Peter Rees QC MP

CONFIDENTIAL



Property Services Agency had been allowed to proceed with its preferred solution and reached an agreement with the private sector for the financing of this project.

It seems to me, therefore, that, far from being a claim on the Contingency Reserve - which in this matter is innocent - the additional public funding requirement to bring this project to completion, and to run it, should be met by economies from within the Treasury itself.

I am sending copies of this letter to the Prime Minister, other members of the Cabinet and to Sir Robert Armstrong.

*Yes* *low*

A handwritten signature in dark ink, appearing to read "MH" followed by a flourish.

Michael Heseltine

Court Buildings · Broad Sanctuary

147

CONFIDENTIAL



NBPM at the stage.

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Patrick Jenkin MP  
 Secretary of State for the Environment  
 Department of the Environment  
 2 Marsham Street  
 London  
 SW1P 3EB

23 May 1985

Dear Secretary of State

#### INTERNATIONAL CONFERENCE CENTRE

It is clear that many of the worst fears expressed about the ICC are likely to be fulfilled. We must decide what its future should be and what lessons can be learnt from this sorry episode.

#### Capital Costs

I understand the capital costs of the Centre are now put at £65.6 million, more than double the £29.5 million reported to Cabinet in June 1980. Price increases account for a large part of the increase. But part is accounted for by the fact that consultants' fees (20 per cent of the total) were inexplicably excluded from the original estimate. Also excluded were landscaping costs and some of the technical equipment required.

The capital costs must, I suppose be regarded as irretrievable. I draw attention to these points so that such conspicuous omissions can be avoided in future.

#### Running Costs

The original investment appraisal also made no mention of running costs. The pressure from the Foreign Office and the Ministry of Defence about the overriding need to have a Conference Centre for the 1986 Summit simply overrode what should have been standard investment appraisal procedures. No matter how sophisticated our systems of appraisal, their effectiveness depends on our will to use them. When assertions are repeatedly employed in collective discussions, in this case for example that a Centre was essential for wider policy reasons, it will always be difficult, to say the least, to

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CONFIDENTIAL

avoid the argument degenerating into one about the immediate capital cost and who should bear it. The Conference Centre illustrates the result.

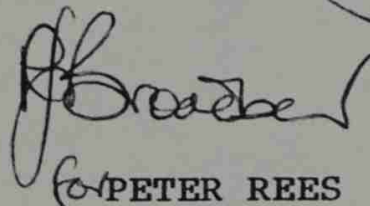
I understand the running costs of the Centre will be about £4.0 million. Income is likely to amount to £0.3 - £1.5 million (no market research into likely private demand was conducted in 1980.) There will therefore be a net annual loss of at least £2.5 million and perhaps £3.7 million indefinitely.

I think we are bound to reconsider the Centre's future. Perhaps we can sell it. I have asked my officials to consider the possibilities.

In the meantime we must decide who is going to meet these costs. It would be wrong to allow this as a charge on the Reserve. In my opinion, those departments (Defence and Foreign Office) who argued the overriding policy need for a Centre should meet the difference between its running costs and commercial income. I should be grateful for colleagues agreement to that course.

I am copying this letter to the Prime Minister, members of the Cabinet and to Sir Robert Armstrong.

Yours sincerely

  
PETER REES

[Approved by the Chief Secretary]

CONFIDENTIAL



Prime Minister <sup>②</sup>

AT  
1/5

8  
2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

29 April 1985

Dear Andrew

RICHMOND TERRACE

You asked for a note on progress with the restoration of Richmond Terrace, which the Prime Minister approved in August 1982.

As well as restoring the Terrace to one room depth, the Department is putting up a new building behind and connected to the terrace; and refurbishing the Whitehall/Parliament Street buildings from the Terrace to Derby Gate. Attached is a photograph of the architect's model and plan of the site.

To get the development underway quickly and to achieve early completion, the work was phased. Construction has been going on continuously since October 1982, when stabilising the facade of the Terrace began. The foundations and basements for the new building in the area behind the Terrace which was free of occupants were completed in February 1984; and work on the main contract for the rest of the development started in October 1983. The PSA is employing Taylor Woodrow as the Management Contractor for the main development.

The job has not been without its difficulties. Some design changes were needed in order to preserve more and make better use of the Parliament Street frontage. It took time to move out some of the occupants of the site, many of whom were associated with Parliament. Restrictions had to be placed on work near the Norman Shaw North building, to reduce the noise and inconvenience to members and their staff. The foundations of a Victorian Opera House formerly on the site had to be excavated. Nevertheless, despite the outward appearance of the site, significant progress is being made.

The stone and brickwork of the Terrace facade have been cleaned and new stonework is being fitted. The contractor will start removing the protective polythene in early Autumn from the end of the Terrace facing Whitehall. When the polythene has been removed from the rest of the Terrace, work on the interior will commence. Similar restoration work is in hand in the Whitehall/Parliament Street buildings, where the protective polythene will be removed early next year. The basements of the new building are virtually complete and work on the superstructure is well underway.

The 1982 submission envisaged completion 4 or 5 years from start in 1983-84, so no major delay.

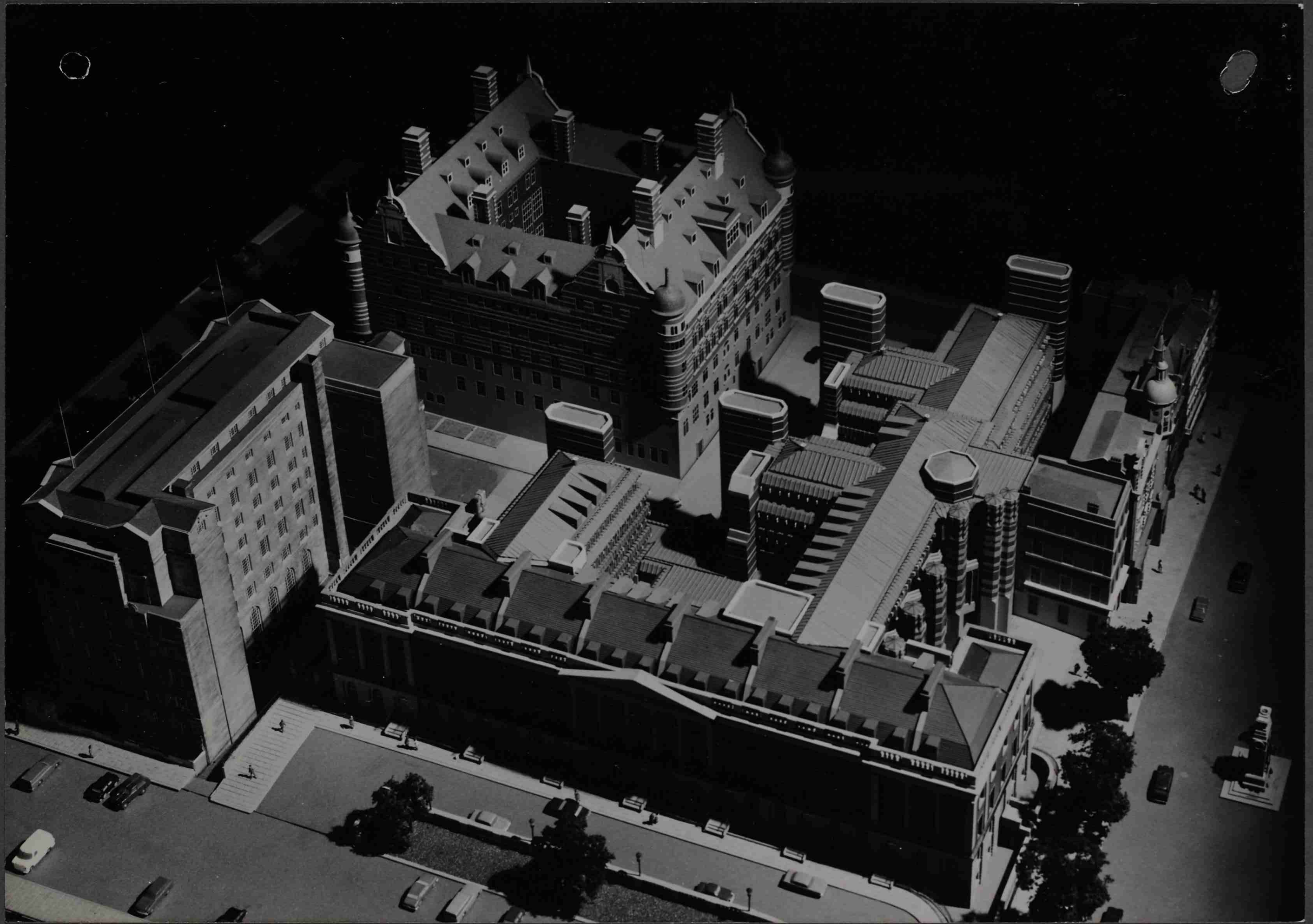
PSA expects the development to be completed in the first half of 1987; the Cabinet Office and ODA will then be able to move into the renovated and the new buildings before the least on the ODA present accommodation in Eland House expires at the end of 1987.

I am sending copies of this letter to the Private Secretaries to the Foreign and Commonwealth Secretary and to Sir Robert Armstrong.

Yours sincerely  
A H Davis

A H DAVIS  
Private Secretary

Andrew Turnbull Esq



PREM 19/1767

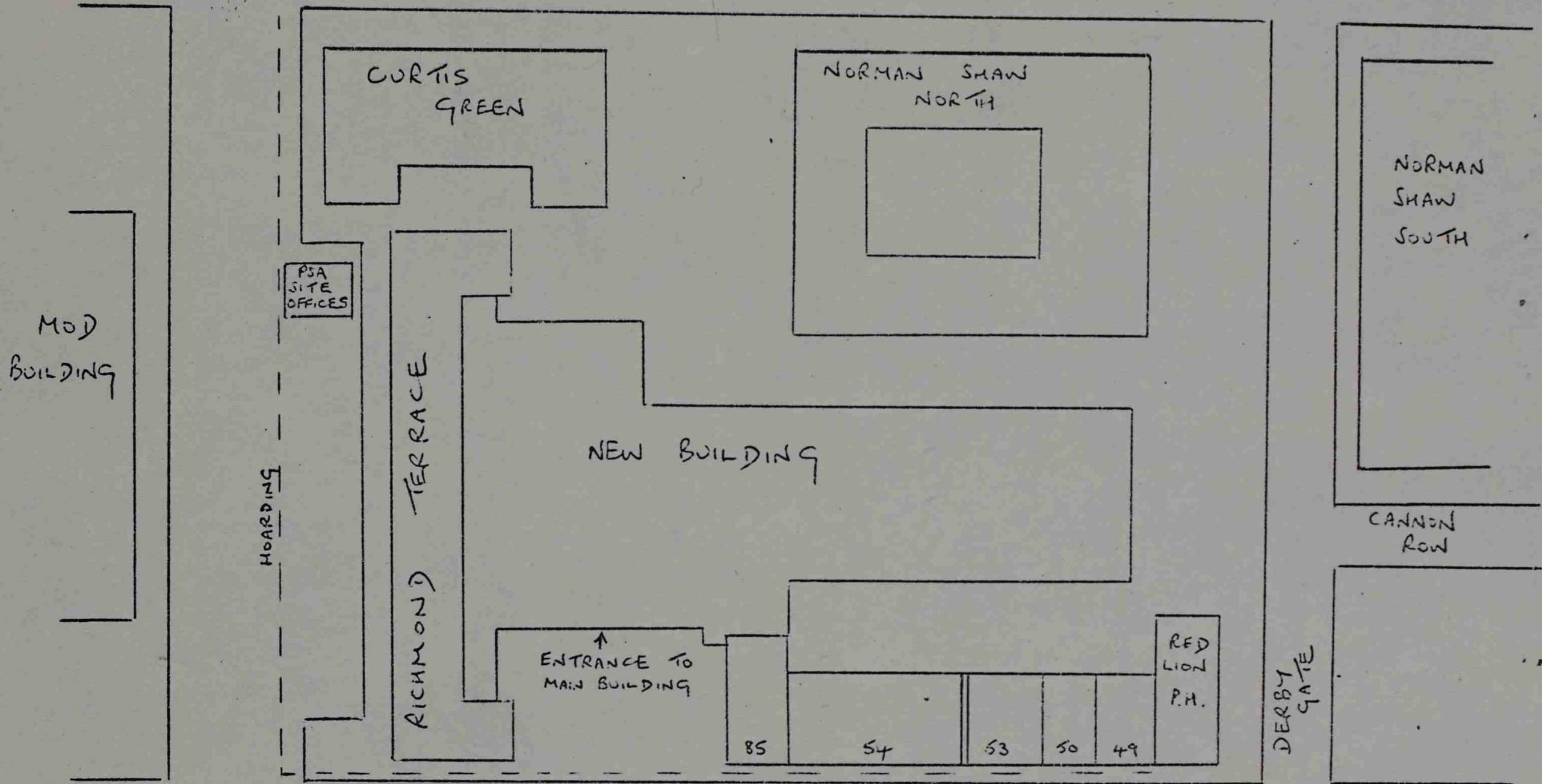
19/1767




# PLAN OF RICHMOND YARD DEVELOPMENT



VICTORIA EMBANKMENT



  
CENOTAPH

Court Building: Broad Sanctuary  
#1

Mr R B ~~Allen~~



NBRM

*Department of the Environment*

*With the Compliments*

*of the*

*Chief Executive*

*PROPERTY SERVICES AGENCY*

*2 Marsham Street London SW1P 2EB*

*Telephone 01-212 7651*





Department of the Environment

PSA

Property Services Agency

Chief Executive A. G. Manzie, CB

2 Marsham Street London SW1P 3EB

Telephone 01-212 7651

Telex 22221

6 February 1985

Sir Robert Armstrong GCB CVO  
Secretary of the Cabinet  
Cabinet Office  
70 Whitehall  
London SW1

*Sir Robert,*

RICHMOND TERRACE

Thank you for your letter of 28 January.

I agree that the various accommodation people concerned should now get together to work up a detailed plan. My London Region Estates people will be setting this in hand right away.

I am sending copies of this to Antony Acland, Crispin Tickell, Robin Butler and Len Appleyard.

*A G Manzie,*

*A G Manzie*

A G MANZIE

GOVT. BUILDINGS: Renovation of Westminster:

Part 2,

18 FEB 1985

12 12 13 4  
11 10 9 8 7 6 5

*[Faint, illegible handwritten text]*



1. Mr. *Bowen*  
2. File

7

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

*From the Secretary of the Cabinet and Head of the Home Civil Service*

Sir Robert Armstrong GCB CVO

Ref. A085/299

28 January 1985

*Dear Gordon,*

Richmond Terrace

Since your letter of 29 November 1984 about the allocation of space in Richmond Yard, the Cabinet Office has reviewed its own accommodation need with the aim of minimising the disturbance which will regrettably be caused by the temporary arrangements to meet immediate demands; and also to attempt a view on whether any of the 17,000 sq ft of accommodation, mentioned in your letter, which will become available in 1987 in buildings fronting onto Parliament Street, would be likely to meet our estimated requirements and those of No 10, which total some 10,000 sq ft.

As a temporary measure some rooms in Standard House have been made available to the Cabinet Office. In the longer term the primary requirement is for 10,000 sq ft at the Downing Street end of Whitehall. I understand that the 17,000 sq ft is in two of the buildings in the redevelopment of some 10,000 and 7,000 sq ft respectively. A preliminary look at some basic floor plans during informal discussion which John Stevens had with your people indicated that either of these buildings might be suitable for Cabinet Office needs, although the arrangement of the rooms - relatively few on each of several floors - would not necessarily make for the most efficient allocation between Branches. It is less clear that either of these two buildings would be suitable for the needs of No 10 staff, but it was thought that their needs could, if necessary, be met from within Richmond Terrace itself without too much disturbance to the ODA plans.

I suggest that the next step is for the accommodation people in the departments concerned to get together with your staff to work up a detailed plan, so that we can finalise the allocation of accommodation in the Richmond Terrace/Yard area.

I am sending copies of this to Antony Acland, Crispin Tickell, Robin Butler and Len Appleyard.

A G Manzie Esq CB

*Yours ever Robert*

A10/



Property Services Agency

Chief Executive A. G. Manzie, CB

2 Marsham Street London SW1P 3EB

Telephone 01-212 7651

Telex 22221



Department of the Environment

29 November 1984

Sir Robert Armstrong GCB CVO  
The Cabinet Office  
70 Whitehall  
London SW1

CABINET OFFICE	
A	9336
3 DEC 1984	
FILING INSTRUCTIONS	
FILE No.	.....

Dear Sir Robert

c - Mr. Stevens

My son M PWA

RICHMOND TERRACE

Thank you for your letter of 26 November about the allocation of space in Richmond Yard.

We are indeed already aware of the difficulties you are having in fitting all your staff into the existing accommodation in No 10 and elsewhere in Whitehall. My people are in touch with John Stevens and his accommodation people about your precise requirements and they have been able to agree on temporary arrangements to meet your immediate needs.

Looking further ahead there will be some 17,000 sq ft of accommodation becoming available in 1987 in buildings fronting onto Parliament Street which are currently being refurbished as part of the overall Richmond Yard scheme. John Silkin has already put in a strong bid for use by MPs. But following the marker you put up in your minute of 7 October 1983 to my Secretary of State we have been keeping our options open with the possibility of a Cabinet Office requirement very much in mind. In the light of what you now tell me I have instructed my people to open discussions with yours to see whether this accommodation would meet your requirements.

I should perhaps explain that this particular block, although a part of the Richmond Yard project, is in fact quite separate from the main new building. It does not form part of the accommodation which has been allocated to ODA, and so it may well prove possible to meet your needs without disturbing the plans for them.

I am sending copies of this letter to Antony Acland, Crispin Tickell, Robin Butler and Len Appleyard.

Yours sincerely  
J. Penlith

pp

A G MANZIE

(dictated by Mr. Manzie and signed in his absence)



Department of the Environment

PSA

Property Services Agency

Chief Executive A. G. Manzie, CB

2 Marsham Street London SW1P 3EB

Telephone 01-212 7651

Telex 22221

FILES ON  
6  
NBPM

29 November 1984

Sir Robert Armstrong GCB CVO  
The Cabinet Office  
70 Whitehall  
London SW1

Dear Sir Robert

RICHMOND TERRACE

Thank you for your letter of 26 November about the allocation of space in Richmond Yard.

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Yours sincerely  
J. Penketh

pp

A G MANZIE

(dictated by Mr. Manzie and signed in his absence)



MANAGEMENT IN CONFIDENCE



1. Mr. Powell - 5  
to be aware that  
the Procet has been fixed

2. Pl. file

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

*From the Secretary of the Cabinet and Head of the Home Civil Service*

Sir Robert Armstrong GCB CVO

Ref. A084/3130

26 November 1984

*Dear Gordon,*

Richmond Terrace

I am writing on the Prime Minister's instructions to re-open the question of the allocation of Richmond Terrace (alias Yard).

I know that this was reviewed as recently as a year ago. I then sent a minute to your Secretary of State (7 October 1983) about the possible need for 10 Downing Street and the Cabinet Office to house some overspill in Richmond Terrace. *was request if required*

That need now seems likely to be more pressing than seemed likely a year ago. No 10 Downing Street is even more bulging at the seams, and the conditions in which some staff there are working are not very good. We in the Cabinet Office do not have sufficient accommodation in 70 Whitehall and Great George Street to cover the Enterprise Unit under Lord Young and other approved expansions; and there are other potential demands for space coming along.

The Prime Minister considers that these requirements of the central Departments should have priority over the Overseas Development Administration for accommodation in Richmond Terrace. She recalls that the FCO Group have already taken over the old Home Office building. While accepting that bringing the ODA closer to the FCO would have administrative and managerial advantages she thinks that the FCO's need for accommodation in the central area is not established.

The needs of 10 Downing Street and the Cabinet Office for additional space can be estimated as of the order of 10,000 square feet. It may be that there is a way of accommodating this requirement as well as a sizeable part of the ODA requirement. But I am afraid I have now to put in a definite bid for this space in Richmond Terrace.

A G Manzie Esq CB

MANAGEMENT IN CONFIDENCE

MANAGEMENT IN CONFIDENCE

I am sending copies of this letter to Antony Acland and Crispin Tickell, and for information to Robin Butler and Len Appleyard.

*Yours ever*

*Robert Armstrong*

MANAGEMENT IN CONFIDENCE





10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

Richmond Terrace

When the Foreign Secretary was discussing Foreign Office expenditure during his bilateral with the Prime Minister this morning, the Prime Minister, after referring to the scope for the Foreign Office to close unnecessary posts added, "and you are not having Richmond Terrace either". The Foreign Secretary said that the reason why he wanted Richmond Terrace was to house the ODA there and thus save administrative expenditure. Charles Powell tells me that this appeared to shake the Prime Minister a little and she concluded by saying that he should not think that she had taken a final decision on the matter.

You should know that this matter has been opened up with the Foreign Office.

*Leib*

E.E.R. BUTLER

14 November 1984

Ref. A084/2967

MR BUTLER

---

Top copy returned to  
Sir Robert Armstrong with a  
comment <sup>to the effect</sup> that our requirements, if  
any, would be very small (say 3  
rooms) unless the PM decided to  
have a much expanded Policy Unit,  
Richmond Terrace of which there is no prospect at present.

Thank you very much for your minute of 26 October.

FEBB

7.11.

2. I shall be very happy to re-open the question of Richmond Terrace as you suggest. Before I do so, however, I should be grateful if you could let me know what you believe the demands of 10 Downing Street would be for space in Richmond Terrace, in terms of numbers of staff. The Prime Minister spoke of the possibility of moving certain parts of the office to Richmond Terrace but you will probably want to take a little time to think what would move out and how much space would be required.

RA

ROBERT ARMSTRONG

6 November 1984

GOVT MACH: Broad Sanctuary

A2

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document that is  
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of which there is no prospect of

1988

11.11



SUBJECT  
cc Master.



ew 3

10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

RICHMOND TERRACE

The Prime Minister said, during her Business Meeting with you this morning, that she was not prepared to agree that the FCO should have the use of Richmond Terrace in addition to the old Public Offices. She thought that the needs of the Cabinet Office and No.10 had a higher priority, and there was also a case for using the space for MOD staff who needed to be close to their main building. She left to your discretion the timing of breaking this bad news to the Foreign Secretary and Sir Antony Acland.

E. E. R. BUTLER

26 October, 1984

ew

MR. BARCLAY

*Ans  
21/9*

Viewing Furniture

I rang Sir George Young's office and 1730 next Tuesday for the Prime Minister to view the furniture for the International Conference Centre was perfectly convenient.

*CR*

21 September 1984

hi

Bob

DETECTIVES

DRIVERS

The Prime Minister is going to look at furniture for the new International Conference Centre on 25 September and I enclose a copy of the letter from the Department of the Environment with the relative details.

13 September 1984



DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

11th September 1984

*Dear Ms Ryder*

I am writing to confirm that arrangements have been made for a presentation of International Conference Centre furniture to the Prime Minister at 5.00pm on Tuesday 25 September in the Crown Suppliers Showroom, Southbridge House, Southwark Bridge Road, London SW1.

Please let me know if you require any further details.

*Yours sincerely*  
*A Bhinder*

MISS A BHINDER  
Private Secretary to  
Sir George Young

Ms Caroline Ryder - Private Secretary  
10 Downing Street  
London SW1

22 August 1984

The Prime Minister is away on holiday at the moment so I am writing to thank you for your letter of 21 August.

I will have a word with her next week and contact your office as soon as I have a decision.

Caroline Ryder

Sir George Young, Bt., M.P.



PRIME MINISTER

CR.  
arranged for  
Wednesday  
26 September  
at 15.00.

CR  
30/8

International Conference Centre

The attached letter from George Young asking you to view the next range of furniture is self-explanatory. But I didn't just want to put it into you without warning you that the period between your return from the Far East and the commencement of the Conference is looking bad. You return on Friday 28th from the Far East; you have the New Zealand Prime Minister to lunch at Chequers on Sunday 30th; a Foreign Affairs seminar at Chequers on Monday 1st; a visit to Liverpool on Tuesday 2nd; various Government meetings on Wednesday 3rd; Cabinet and seminar on Thursday 4th and Friday 5th has been kept free for your Conference speech.

Do you wish to view this furniture? If so I will have to squeeze it in on Wednesday 3rd.

CR  
Yes.

22 August 1984



DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

21 August 1984

*Dear Sir,*

INTERNATIONAL CONFERENCE CENTRE

When you came in June to see the proposals for the furniture and fittings of the International Conference Centre at Broad Sanctuary, you offered some helpful criticism of the chairs and tables on display.

Since then, the architects have been reviewing the range of furniture available and have also followed up your suggestion that they should contact Terence Conran. They expect to be ready to mount a further presentation in late September from which a final selection could be made.

It would be helpful to know whether you would like to attend this further presentation. To ensure that we keep to the programme, we need to make a final choice of furniture for the Conference Centre about mid-October. This would leave a period of about 3 weeks in which the presentation could be held.

*Yours sincerely,*

*George Young*

SIR GEORGE YOUNG

The Rt Hon Mrs Margaret Thatcher MP



JR

10 DOWNING STREET

*From the Private Secretary*

2 July 1984

MARLBOROUGH HOUSE

The Prime Minister was grateful for Sir George Young's letter of 28 June about Marlborough House, which she has noted with interest.

I am sending copies of this letter to Peter Ricketts (Foreign and Commonwealth Office) and to Sir Peter Marshall.

(DAVID BARCLAY)

Trevor Beattie, Esq.,  
Department of the Environment.

A handwritten signature in blue ink, appearing to be 'T. Beattie', located to the right of the recipient's name.



DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref:  
Your ref:

LP June 1984

*Dear Prime Minister, MP*

Prime Minister<sup>(2)</sup>

*To note.*

*JMB  
29/6*

MARLBOROUGH HOUSE

When you visited the Property Services Agency recently to look at the furniture and fittings proposed for the new International Conference Centre, you also asked about Marlborough House.

Because of the importance they attach to their links with Marlborough House, the Commonwealth Secretariat and the Commonwealth Foundation were initially reluctant to vacate the building totally. They have, however, now accepted that the nature and extent of the renovation work would make it neither practical nor desirable to remain in occupation whilst it is in progress. They have accordingly agreed to move out of Marlborough House when suitable alternative accommodation can be made available.

Two possibilities have been identified and a detailed survey of each building by representatives of the Commonwealth Secretariat, Commonwealth Foundation and PSA is currently in hand. The survey reports and relevant cost information are expected to be ready in July. Meanwhile, the Commonwealth Secretariat have been working out how their organisation could be made to fit into either of these buildings.

A Steering Committee of PSA, the Commonwealth Secretariat and the Commonwealth Foundation has been established to ensure that all arrangements are properly planned and co-ordinated. PSA are making ready for external work to start on Marlborough House just as soon as the building is vacated.

A copy of this letter goes to Sir Geoffrey Howe and Sir Peter Marshall.

*George Young*

*George Young*

SIR GEORGE YOUNG

The Rt Hon Margaret Thatcher MP



pa  
2ms  
19/6

2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

Prime Minister

Dear David

You will recall that  
Sir Philip Powell was  
made a CH in the  
Birthday Honours. <sup>2ms</sup>  
15/6

18 June 1984

INTERNATIONAL CONFERENCE CENTRE: PRIME MINISTER'S VISIT

I enclose a brief note about the presentation that the Prime Minister will be seeing on Monday. My Secretary of State is attending a meeting of H Committee on Monday evening, and therefore is unable to accompany the Prime Minister himself. He has asked Sir George Young to do so.

The exhibition is set up in the Eastern Block of St Christopher House - the block nearer to London Bridge station. Sir George Young will meet the Prime Minister at the main entrance at 6pm on Monday 18 June, and will be accompanied by Gordon Manzie, John Dole and Gordon Johnston from PSA. Sir Philip Powell - the Consultant Architect - will also be at the exhibition.

Yours etc

Ala

A H DAVIS  
Private Secretary

David Barclay Esq

## INTERNATIONAL CONFERENCE CENTRE

### BRIEF FOR THE PRIME MINISTER'S VISIT

#### INTRODUCTION

The International Conference Centre (ICC) is under construction at Broad Sanctuary. It is being built for the PSA under a Management Contract with Bovis, to the design of Powell Moya & Partners, consultant architects. Construction started in April 1982 and is on programme for completion early in 1986. Allowing for furnishing and fitting out, conferences could be held there in the latter part of 1986.

#### PURPOSE OF THE PRESENTATION

Powell Moya & Partners have prepared proposals for the treatment of internal surfaces, colour schemes, furnishings and works of art. They have taken into consideration the names approved by the Queen for the main rooms and suites. The furnishings will be purchased through the Crown Suppliers, who have been closely associated in the development of the furnishing plan.

The presentation and exhibition are to allow 2 groups to see the general decor before final commitments are made:

- (a) The PSA's Design Panel, which includes outside experts on design matters
- (b) Representatives of the main potential users of the Conference Centre - FCO, Ministry of Defence and others.

No specific decisions or choices are being offered - the architects seek general endorsement of their scheme.

#### THE CONFERENCE CENTRE

The Conference Centre has been planned to meet the needs of major government conferences. It provides:

an auditorium for up to 700

4 major conference rooms (for 480, 260, 80 and 80 respectively)

a specially protected security suite for 200 (for top secret meetings)

delegates lounge and restaurant

delegates and secretariat offices

Press facilities

The intention is to lease most of these facilities out for private sector use (subject to security safeguards) when not needed for government purposes. A General Manager has just been appointed.

A model of the building will be on display and the PSA Project Manager (Mr David Day) will be available to answer questions on the project and its progress.

DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>1767</i> ..... (one piece/item number)	Date and sign
Extract/Item details:  <i>Brittan to Young dated 19 April 1984</i>	
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Extract/Item details:  <i>Burday to Sibson dated 8 February 1984</i>	
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(ONE PIECE/ITEM NUMBER ONLY)	..... <i>49</i> .....

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DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>1767</i> ..... (one piece/item number)	Date and sign
Extract/Item details:  <i>Sibson to Barclay dated 7 February 1984</i>	
CLOSED FOR ..... YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>21/1/2015</i> <i>G. Gray</i>
MISSING AT TRANSFER	
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NUMBER NOT USED	

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DEPARTMENT/SERIES ..... <i>GRA 168</i> .....
PIECE/ITEM ..... <i>49</i> ..... (ONE PIECE/ITEM NUMBER ONLY)

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DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>1767</i> ..... (one piece/item number)	Date and sign
Extract/Item details:  <i>Barclay to Eustace dated 30 December 1983</i>	
CLOSED FOR ..... YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>21/1/2015</i> <i>S. Gray</i>
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**Instructions for completion of Dummy Card**

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	..... <i>GRA 168</i> .....
PIECE/ITEM	.....
(ONE PIECE/ITEM NUMBER ONLY)	..... <i>49</i> .....

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DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref: Y/PSO/46765/83

Your ref:

30 DEC 1983

*Dear Mr Barclay,*

BROAD SANCTUARY CONFERENCE CENTRE - NAMING

Thank you for your letter of 16 December informing me that the Prime Minister is content with the proposals for the naming of the Conference Centre and its main rooms.

The paper enclosed with Sir George Young's letter of 13 December represented the concensus views of the Ministers consulted. We do not, therefore, see a need to consult more widely.

We understand that the Home Secretary would approach the Palace about the use of the Royal Name. I attach a copy of Mr Hurd's letter of 11 November which explains this. If the Prime Minister is content with this arrangement we will get in touch with the Home Office.

Copies of this letter go to Private Secretaries to Lady Young (FCO), Peter Rees (Treasury), Lord Gowrie (MPO), Douglas Hurd (HO), Lord Trefgarne (MOD); and to R P Hatfield (Cabinet Office).

*Yours sincerely*  
*Janet Eustace*

MISS JANET EUSTACE  
Private Secretary

David Barclay Esq



10 DOWNING STREET

Prime Minister

Sorry to trouble you with  
this again.

Were you content with  
explanation about "variation  
of price" clauses?

JMB  
19/12

cc.  
FCO (Baroness Young)  
HMT (Chief Sec)  
Lord Gowrie  
HO (Mr. Hurd)  
MOD (Lord Trefgarne)  
CO



10 DOWNING STREET

*From the Private Secretary*

16 December, 1983.

Broad Sanctuary Conference Centre: Naming

The Prime Minister was grateful for your letter of 13 December with which you enclosed proposals for naming the Broad Sanctuary Conference Centre and the main rooms within it.

Bo. The Prime Minister is content with the recommendations in the paper, subject to the views of colleagues. In view of the lapse of time, however, the Prime Minister considers that it would be essential to consult Her Majesty The Queen again before the proposed title can be confirmed. If you could kindly let me know when you have received comments from all those involved, we will arrange for this to be done.

I am sending copies of this letter to the Private Secretaries to the recipients of yours.

David Barclay

Trevor Beattie, Esq.,  
Department of the Environment.

PRIME MINISTER

Broad Sanctuary Conference Centre

You will remember querying the latest cost estimates for the Broad Sanctuary Conference Centre and the provision in the contract for automatic price increases.

The original estimate of the cost of the main contract was £35.6 million at 1982 prices. The current estimate is £37.4 million, the same in real terms. In addition to the main contract, ancillary works such as telephones, security equipment and landscaping, are expected to cost £6.6 million at current prices. The grand total is thus £44 million.

I attach a response from DOE to your point about price escalation. The argument for having variation of price (VOP) clauses is that they prevent contractors from building into their tender prices an excessive margin for inflation. Current practice is to include VOP clauses in contracts extending beyond twelve months. The Chief Secretary and Mr. Jenkin are however agreed in principle that the qualifying period for the inclusion of VOP clauses should be extended to two years.

~~Content?~~

*Dmb*

15 December 1983

010



DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

PSO/45982

My ref: PSO/46026

Your ref: PSO/46146

Prime Minister

Agree highlighted proposals  
in the attached paper, subject  
to colleagues.

13 December 1983

Yes mb

Dear

Prime Minister  
The Queen was consulted in 1977, but we would need  
to ask again.

INTERNATIONAL CONFERENCE CENTRE, BROAD SANCTUARY: NAMING

DWB  
15/12

The International Conference Centre is due for completion in 1986 and it is expected that the first major conferences to be housed there will be in the first half of 1987.

We need shortly to make a decision about a name for the Centre. I am advised that it would be advantageous in attracting private sector business to the Centre if it had a Royal name and if the main individual rooms were similarly identifiable. I believe there would be merit in this. Decisions are required well before completion of construction because the names will need to be reflected in the interior design for the building.

I have recently consulted Janet Young (FCO), Peter Rees (Treasury), Grey Gowrie (MPO), Douglas Hurd (Home Office) and David Trefgarne (MOD) about this and I attach a paper which sets out our consensus views, with which Patrick Jenkin agrees.

I should be glad to know whether you are content with our proposals. I am copying this letter to those I have consulted and to Sir Robert Armstrong.

Yours sincerely  
George Young

SIR GEORGE YOUNG

## INTERNATIONAL CONFERENCE CENTRE: NAMING

## NAMING THE CENTRE

1. It would probably not be appropriate for the building simply to be called "International Conference Centre": a similar building in Berlin already uses the title ICC and it might imply that UK conferences are not welcome. The name given to the Centre needs to be one that does justice to the significance of the building and ensures that there is no ambiguity about its use or confusion with other organisations. The Queen indicated in 1977 that she would be willing to be associated with the Conference Centre. It is suggested that the Centre might appropriately be called the "Queen Elizabeth II Conference Centre". The "Queen Elizabeth Conference Centre" is shorter, but runs the risk of confusion with the Queen Mother.

## NAMING INDIVIDUAL ROOMS

2. The naming of individual rooms within the Centre should follow in general a particular theme. The names given to rooms would need to be recognised nationally and internationally, not be capable of misinterpretation and clearly should not be controversial. The FCO have suggested using the names of contemporary British figures who have made a significant contribution to modern society. This seems in general a sound suggestion. The Press Lounge might however be named after Caxton, whose press was in Broad Sanctuary; the VIP Dining Room after the Abbey which it overlooks and the Restaurant called the Refectory.

3. The full list of proposals for the rooms is:

Auditorium (for up to 700)	Churchill Auditorium (Sir Winston Churchill)
Conference Room 1 (for up to 480)	Fleming Room (Sir Alexander Fleming - Medicine)
Conference Room 2 (for up to 260)	Whittle Room (Sir Frank Whittle - Engineering)
Conference Room 3 (for up to 80)	Rutherford Room (Lord Rutherford of Nelson - Science)
Conference Room 4 (for up to 80)	/Henry/ Moore Room Henry Moore - the Arts)
Security Conference Suite (for up to 200)	Mountbatten Suite (Earl Mountbatten of Burma)

Delegates Lounge

/Benjamin/ Britten Lounge  
(Benjamin Britten - Music)  
/Lord Britten of Aldeburgh/

Delegates Restaurant

Refectory

VIP Dining Room

Abbey Room

Press Lounge

Caxton Room

4. Lord Trefgarne has pointed out that the use of the names Moore and Britten might lead to confusion with contemporary politicians, but this could be overcome by including forenames. He has also suggested that as a composer perhaps Elgar would rate higher with the general public than Britten - although it might be thought perhaps that Britten had a more international reputation and that Baird would be a further possibility from the scientific side.

5. Sir Philip Powell, the architect for the ICC, has suggested that the raised grassed triangle which will form the main feature of the landscaping in front of the Centre be named. It is unlikely that there will be any sign boards there but the area will need to be referred to in announcements. Sir Philip has proposed that it be called "Sanctuary Green". This seems a sound suggestion; the term "Green" is applied to a number of similar open spaces in the Westminster area.

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Gov Buildings

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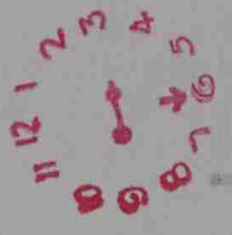
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DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref: PSO/46430/83  
Your ref:

12 December 1983

*Dear Mr Barclay,*

INTERNATIONAL CONFERENCE CENTRE: BROAD SANCTUARY

Thank you for your letter of 30 November.

The Prime Minister is correct in assuming that the overall cost of the construction of the Conference Centre, given as £44m, includes the £37.4m. The latter figure is the current (third quarter 1983 prices) value of the management contract, and the difference between it and £44m is attributable to the ancillary items.

Tender prices for major construction projects fell during the latter part of 1982 and in 1983. But these contracts all contained provision for the recovery by the contractor of a percentage of any agreed increase in the cost of materials and labour above the rates in force at the time of tender.

It has been normal practice for government construction contracts extending beyond a defined period to include a variation of price (VOP) clause, in order to prevent contractors over-insuring in their tender prices against possible inflation. The Chief Secretary has however recently suggested that the threshold for inclusion of such clauses should be raised from 12 months to 2 years. Mr Jenkin has accepted this in principle, subject to consultation with the industry and local government which he proposes to undertake in the New Year.

In the case of the Conference Centre, the difference of £1.8m between the original estimate (£35.6m) and the current value arose from the application of the VOP formula to sub contracts extending over 12 months, compared with the original figure quoted.

*Yours sincerely  
Janet Eustace.*

JANET EUSTACE  
Private Secretary

David Barclay Esq

Govt Buildings : Int. Cent. Centre  
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10 DOWNING STREET

From the Private Secretary

30 November 1983

INTERNATIONAL CONFERENCE CENTRE: BROAD SANCTUARY

The Prime Minister was grateful for Sir George Young's letter of 18 November, with which he enclosed a copy of his answer to a Parliamentary Question from Mr. David Sumberg.

BJA  
The Prime Minister would be grateful for some further information about the figures. First, she assumes that the overall cost of £44m at 1983 prices includes the £37.4m for the management contract, and that ancillary items such as telecommunications, security equipment and landscaping account for the difference of £6.6m. Perhaps you could confirm that this is so?

Secondly the Prime Minister has asked why the contract price is apparently adjusted automatically for inflation. She has commented that this policy, if pursued generally, would appear inconsistent with the Government's claim that at a time of falling tender prices it is possible to get more investment from a constant capital provision.

(David Barclay)

Trevor Beattie, Esq.,  
Sir George Young's Office,  
Department of the Environment

[Continuation from column 262]

## BUSINESS OF THE HOUSE

*Ordered,*

That, at this day's sitting, the Motion relating to New Parliamentary Building may be proceeded with, though opposed, until any hour.—[*Mr. Garel-Jones.*]

### Parliamentary Building

10.16 pm

**The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen):** I beg to move,

That this House agrees with the Select Committee on House of Commons (Services), in their Third Report in the last Session of Parliament, House of Commons Paper No. 269: New Parliamentary Building (Phase 1).

Tonight's debate provides an opportunity for the House to consider the recommendations made in the third report by last Session's Services Committee regarding the development for parliamentary purposes of what is generally known as the "Bridge street site", and, more particularly, that part of the site bounded by Parliament street, Derby gate, Cannon row and Bridge street.

I am well aware that parliamentary accommodation is a matter on which many hon. Members have strong feelings. I will, therefore, briefly set out the general background to the Committee's proposals. There is a long history of abortive suggestions for developing this key area for the use of Parliament. The present unhappy state of most of the buildings on the site speaks more eloquently than I can of those delays.

However, many hon. Members will recall that in the early 1970s much time, effort and expense was expended on plans, approved by the House, for an entirely new parliamentary building on the site. When that controversial scheme was eventually abandoned for lack of funds, attention then turned to a series of more modest ad hoc expedients and adaptations. Those included the use of the Norman Shaw buildings. In 1978, however, following approval of the fifth report from the Services Committee in the 1977-78 Session, the president of the Royal Academy, Sir Hugh Casson, and his firm, Casson Conder and Partners, were commissioned by the Department of the Environment on behalf of the House to undertake a further feasibility study of how the entire Bridge street site might be redeveloped. The objective was to retain and restore what was of quality, and to replace the rest to a coherent design. In his report Sir Hugh recommended that the most practical approach would be a phased development extending during several years. As a first stage, which has come to be known as phase 1, he proposed the early development of the area bounded by Parliament street, Derby gate, Cannon row and Bridge street.

The report by the Services Committee, which is now before the House, builds on Sir Hugh's proposals and makes recommendations for the use to which the phase 1 accommodation might be put. In accordance with Sir Hugh's feasibility study, the report endorses the importance of generally preserving whatever is of quality in the existing buildings. Hence, the existing Parliament street facades would be retained or restored to their

original design. The mid-Georgian houses 43 and 44 Parliament street, in which the 18th century Clerk's Department was accommodated, would, with their interiors, be restored and retained. Other features and rooms of value would also be renovated and adapted.

The Committee's view is that Members most require more individual offices; and that the priority should be to provide office accommodation for as many Members who want it as near to the Chamber as possible. As the House will know, less than one third of hon. Members other than Ministers, have an office to themselves; still fewer an office within the palace of Westminster. The report accordingly proposes that the predominant use of the phase 1 site, if the House decided tonight in favour of its redevelopment for parliamentary purposes, should be as individual offices. There would be potential scope for about 180 rooms.

The recommendation is that, at least initially, these rooms might be made available mainly to members, but that in the longer term certain supporting staff now housed in the Palace of Westminster should be transferred to the new rooms. In this way perhaps between 50 and 85 more hon. Members could be found office accommodation in the Palace. If it were decided to go ahead with this scheme, I judge that the House would favour making further accommodation in the Palace available for Members, and that this should be sought as rapidly as possible.

If these buildings were converted to parliamentary use, there would need to be communication between them and ready access to the House. Both these problems are covered in the report, and hon. Members will have noted the proposal for a tunnel to the Palace to run from the rear of No. 37 Parliament street. It is also proposed that some limited library and refreshment facilities might be provided, perhaps in No. 47 Parliament street. This is the building at the junction of Parliament street and Derby gate.

The remaining main recommendation in the report concerns the development of the rest of the Bridge street site if it were decided to go ahead with phase 1. It suggests that further consideration should be given to this and the possible involvement of private capital in such development. But no proposals are before us and I suggest that in this respect the House need only note the position.

The matter for decision by the House tonight is, therefore, whether to proceed with phase 1 on the basis proposed in this report.

**Mr. Andrew Faulds** (Warley, East): If we accept this motion, are we not presupposing a commercial involvement in this development?

**Mr. Biffen:** No, not in respect of phase 1.

The constant increase in the activities of the House and its Committees, and the growing numbers of supporting staff, have placed increasing pressures on our accommodation. We have now virtually reached the end of the scope for any further ad hoc developments of our existing buildings. Furthermore, there can be no doubt that constant uncertainty has for many years caused a blight on an extremely important central site.

**Mr. Jack Straw** (Blackburn): I accept that the scope for further ad hoc development in the House is limited. Does the Leader of the House share my surprise on discovering that there are 100 rooms within the House of Commons precinct and 44 rooms within the House of

[Mr. Jack Straw]

Lords precinct which are given over to residences and bedrooms? This compares with only 251 rooms used by Members in the House as a whole. Does he agree that the Lord Chancellor's Department occupies 22 rooms? While I hope that we shall all support this scheme, there is still scope to look carefully at the use of accommodation in the Palace to see whether more rooms now used as bedrooms and residences could be used as offices.

**Mr. Biffen:** I do not suggest that if the House accepts the motion it would be prevented from considering the matters raised by the hon. Gentleman. I suggest that, for the sake of clarity during this debate, we should concentrate our consideration on the proposals for phase 1.

Finance has been one of the principal causes of the uncertainty. Major schemes have been planned and debated and have then lapsed because of lack of funds. It would therefore, I suggest, be futile for the House to consider this report without a clear understanding of the Government's intentions in this respect.

It is the Government's firm intention that, should the House decide in favour of the proposals made in the report, the necessary public funds would be made available. At today's prices, the construction costs would be just over £15 million, exclusive of VAT, spread over four financial years. In addition, there would be expenditure on furnishing the completed building and on the fees for the various consultants concerned. That is likely to raise the cost to £23 million.

In making up their minds on the proposed expenditure, hon. Members will no doubt bear in mind that this must necessarily be a question of competing priorities and that this expenditure, if agreed, would in present or any circumstances necessarily reduce public funds available for other purposes.

If the House were to approve the report, the next step would, I suggest, be the establishment, as proposed in the report, of close liaison between the Services Committee, the Department of the Environment and the architects to ensure that the views and wishes of Members about the detailed nature and use of the facilities should be properly taken into account as the work proceeds. The Services Committee estimates that it will take about five years from the time when the detailed brief is given to the architects to completion of the work.

**Sir Kenneth Lewis** (Stamford and Spalding): So that people in the country will know, will my right hon. Friend make it clear that as the project will take five years to complete the cost will be spread over that period so that there will be very little public expenditure involved in each year?

**Mr. Biffen:** My hon. Friend makes a helpful interpretation of the facts, but I am sure that the House would not wish to conceal from itself the fact that the project will cost £15 million rising to £23 million, albeit spread over five years. We may also conclude, however, that for Parliament to work effectively it needs appropriate accommodation.

Finally I should like on behalf of the House to thank Sir Hugh Casson and his partners for their original feasibility study, which has not been debated before. I should also like to thank the members of last Session's Services

Committee whose report and recommendations we are invited to confirm in the context of the funds that are now available to convert the Bridge street project into a reality.

10.26 pm

**Mr. John McWilliam** (Blaydon): I thank the Leader of the House for his clear statements about the new parliamentary building. Members of Parliament, especially my predecessors on the Services Committee, have been here before on many occasions. It took 16 years to plan and construct the building in which we now sit and it is 25 years since the Services Committee first tried seriously to tackle the question of the shortage of accommodation for Members. I congratulate the Leader of the House on having brought this proposal before the House at this time. I am sure that it will be welcomed in all parts of the House.

There are three problems. First, there is the shortage of accommodation in the Palace and its vicinity. Secondly, the site open to us — the Bridge street site — is architecturally probably one of the most sensitive sites in Europe. Thirdly, since the third report of the Select Committee last Session, the Plowden report on Members' pay and allowances and the subsequent votes in the House, it is now generally agreed that being a Member of Parliament is a full-time job and requires the necessary level of supporting facilities.

The shortage of accommodation was alluded to in the fifth report of the Services Committee in 1978. Paragraph 34 states:

"The House has virtually exhausted all major possibilities for the provision of additional accommodation within the Palace."

Those hon. Members who have been around even for as short a time as I, will recognise readily the accuracy of that statement.

Paragraph 35 states:

"In general, the majority of the accommodation now being used by Members and other people who work in the Palace of Westminster is sub-standard, either because of the nature of the historic building which cannot be altered or because too many people are trying to work too closely together."

I suggest that not many grounds for dissent could be put forward about that statement.

We are dealing not just with the problem facing hon. Members, but the problem of accommodation faced by the staff who perform important and detailed tasks. If the boxful of civil servants here tonight had to tolerate the same conditions, we would hear their loud cries. I make no complaint about that. I have, in the past negotiated on behalf of my civil servant colleagues on accommodation matters. It is right that we should provide a better standard for the people who serve us so well, as well as a better standard for hon. Members. The implications within phase 1 are that, initially, accommodation for hon. Members will be provided as quickly as possible. That matter arises from the Casson report. As a result of the changes taking place in the House, the staff will have access to decent accommodation. That is no bad thing.

The quality of the accommodation is not our only worry. The site is architecturally extremely sensitive. We are privileged to hold the debate in what is probably the finest Victorian building in the world — certainly the best known. The building attracts people from all parts of the world just to look at the outside. Therefore, we must be sensitive about what will be put alongside this building. Thankfully, we are in an enlightened age that does not condemn that which our forefathers built as being

necessarily unacceptable. The new building must live happily with this building, which is probably the most magnificent example of Victorian architecture that any hon. Member has had the opportunity to see. I do not think that any hon. Member would willingly wish to put anything on the new site that would diminish the architectural value of this building, or of the buildings that we are seeking to replace.

I welcome the suggestion in phase 1 of the study that the facades will remain, that what has been added on and was not good will be taken down and replaced with what was originally in place, and that the building will be designed to act in harmony with the other buildings which are within the near vicinity. It may seem unimportant to some, but it is important to the many millions of people who come to see this building every year. In view of the statement on tourism made earlier today, it is also important for our balance of payments position because it attracts so many people.

There are other problems. The job of a Member of Parliament has changed even since I was elected. Decisions have been taken about new departmental Select Committees and the procedure to be adopted on finance, both of which have implications for staffing. That is reflected in the Plowden report on Members' salaries and allowances. The Select Committee report, when dealing with Members' secretaries and research assistants, states "each of which would be shared between two MPs", which contrast sharply with paragraph 119 of the Plowden report—which has largely been implemented already—and which states:

"We consider that increased provision should now be made to enable MPs to employ one member of staff on a full-time basis and one on a half-time basis."

We have changed the basis for the employment of staff in the House since the report was published, so the pressing problems of accommodation have been exacerbated by our own decisions. That is no bad thing, but it has implications for the number of hon. Members who can be accommodated in the new building, and also for bringing Members back to this building.

I thank the Leader of the House for his assurance that he has achieved funding from the Treasury. That is no small achievement. From reading the reports of previous debates and previous Select Committees, I suspect that previous proposals have foundered on the inability of Leaders of the House to achieve funding.

I have one or two caveats and one or two questions which I hope that the Minister will answer. Is it implicit in the funding that if we go ahead with phase 1, that includes the ability to make the changes in the present building to enable the objective of the Select Committee on House of Commons (Services) to be achieved—that being to transfer hon. Members back to this building and transfer staff out of it?

Secondly, the Committee's report refers to savings. A Mr. Coates, who I believe was the London officer for the Property Services Agency, said

"I think it is quite clear that well over half the current expenditure on the Palace of Westminster and the other Parliamentary buildings is irrevocably committed to things which are essential to the operation of the House and the House of Lords, and that of the uncommitted expenditure of about £4½ million, quite a lot is for items which there would be difficulties in deferring."

He talks about savings in this area offsetting the cost of the building. What is the implication of the idea of savings within this building? Will the Minister spell out what is at

present programmed to be done, and is therefore not to be done as a result of those savings? Will he also tell us what needs to be done and will now be delayed as a result of those savings? At least £2 million will be needed whether we proceed with the proposal or not, simply to stop the existing buildings from falling on our heads. Would the Minister please give us a little more information?

There is a reference in the report to residences as well. I make no complaints about Mr. Speaker's House. It is very well used, and serves a need. I am talking about the two residences within the site of phase 1. There is an overriding need for office accommodation. Is it the Minister's intention, if it is impossible to bring some of the accommodation up to office standard, to transfer some of the sleeping accommodation inside the House to the new building, and transfer Members' accommodation to the areas now occupied by sleeping accommodation?

This is merely another aspect of what we dealt with earlier this year, when we discussed Members' pay and allowances. One of the beauties of the House and the Parliament which we serve is that it is not static: it is always developing. I pay tribute to hon. Members on both sides of the House who have changed the rules and the way in which we operate, so that we bring democracy closer to the people and improve and increase the power of the Back Bencher. When we do so, we also increase the responsibility of the Back Benchers and their need for decent accommodation and decent back-up services. We now have an opportunity at least to make a start on the problem of accommodation. It will only be a start. We shall not solve the problem of the shortage of accommodation, but we will help Members to play their part in an active and questioning democracy. I suggest that any hon. Member who has misgivings about the proposals should think about his role in the House and within our democracy. There may be some hon. Members who are not prepared to vote the necessary moneys to enable us to have the facilities to do the job which Parliament has decided that we should do. They ought to think about their role in this place. I commend the project to the House.

10.43 pm

**Mr. Edward du Cann** (Taunton): I am happy to join the hon. Member for Blaydon (Mr. McWilliam) in expressing the hope that the House will give a very warm welcome to these proposals. They are modest, absolutely necessary and very long overdue. It seems remarkable that, in one way or another, the House has discussed five previous sets of proposals.

The history of this matter—the provision of necessary accommodation for Members of Parliament and those who assist them in their responsible tasks—is one of prevarication. It is never the right time to deal with the conditions under which Members work. However, tonight there is an opportunity for decision and I hope that that opportunity will be taken.

Like my right hon. Friend the Leader of the House and the hon. Member for Blaydon, I should like to pay my tribute to those who worked on this report. I thank my hon. Friends the Members for Norfolk, South-West (Sir P. Hawkins) and for Staffordshire, South (Mr. Cormack) who are in the Chamber, and my previous colleagues Mr. Ford, who was Chairman of the services Committee in the previous Parliament, and Sir Victor Goodhew, an old friend of many of us and one of the secretaries of the 1922 Committee.

[Mr. Edward du Cann]

There are others to whom tribute should be paid for bringing us to the stage that we have reached. When he was Secretary of State for the Environment, my right hon. Friend the Secretary of State for Defence did a great deal of practical pioneering work in this regard. Another old friend who worked hard and unobtrusively in this building to maintain the admirable standard of its construction—Sir Robin Cooke—deserves warm applause from us all for his work for this place, which he loves as we love it.

I hope that my right hon. Friend the Leader of the House will allow me to pay tribute to him for bringing the measure before us tonight and for giving us a clear undertaking on behalf of the Government that the funds will be available for its prosecution and completion.

It is incontrovertible that this Palace of Westminster is grossly overcrowded and sadly ill-used. Out of that comes considerable inconvenience to Members of Parliament who are elected to work here, and, by no means least, considerable security problems.

All that was put well, as the hon. Member for Blaydon said, in the fifth and ninth reports of the Select Committee on House of Commons (Services) in 1978. We need not go over all that ground again. Suffice it to say in a sentence, as my right hon. Friend did, there is almost no scope for further ad hoc improvements in accommodation in this building.

I regret much of the development of the work of Members of Parliament. Over the years we have become too much officebound, paperbound and some of us, let it be acknowledged, are in thrall to our own servants. Too many of us allow questions to be put down in our names which are a mere sop to the vanity of those who work for us as research assistants. [Interruption.] Any examination of the Order Paper will make the point.

We have not yet gone as far as the United States, where there are some 20,000 staffers on Capitol Hill, nor yet as far as the Romans, whose freed men were often seen to be more important and influential than the Roman citizens who employed them. Nonetheless, look at all that how one may, the pressure of work on Members of Parliament, and the increase in it, is a fact, though there are some of us, and I admit to being one of them, who would like to see certain aspects of it increased still further. For instance, if I could grind an old axe, I should like to see us continuing to do more work in exercising closer and more continuous control over the workings of the Executive.

However one regards any of these matters, the fact, as paragraph 16 of the report makes clear, is that Members of Parliament, to do their work properly and well, need adequate facilities in this building, and, as my right hon. Friend said, as near to the Chamber as possible.

There are other reasons for what I am about to allege, but the fact is that the intrusion of large numbers of non-parliamentarians into this building has meant that personal contacts, liaison and meetings between Members are very much more difficult than they ever were.

I endorse strongly the principle enunciated in the first paragraph of the report. We must set as an objective the need to move out of this building the proliferating staff that we have allowed to occupy it.

As the hon. Member for Blaydon said, it took Barry and those associated with him, Pugin and many others, some 16 years to create this masterpiece. The hon. Gentleman was wrong when he said that it had taken us 25 years to

come to a decision on this matter. I put it longer than that. I would say 35 years. I repeat what I said at the beginning, that we have vacillated about this matter for far too long.

It is our duty to give the people of this nation, whom we are privileged to serve, the best service we possibly can. To do that we need proper facilities and accommodation. I hope that the House will warmly endorse these modest proposals.

10.49 pm

**Mr. George Robertson** (Hamilton): The unanimity of the speeches that have been made so far show the depth of feeling about the physical circumstances in which we have to work. It is inevitable that some hon. Members will say that, in a time of public expenditure cuts, we should not spend such large sums of money on such a project. Their views have often been paramount in the past and they have delayed grander projects than that which we are discussing.

Some hon. Members will say, as they have in the past, that what is being proposed is much too lavish and inappropriate. They talk of a style of Member that died out many years ago. As the right hon. Member for Taunton (Mr. du-Cann) said, we have a job to do and we now have to do it in wholly inappropriate circumstances. He said that it has taken 35 years to reach this decision. That is correct. As the reports before us show, complaints began not long after the building was reopened after the second world war.

It is 23 years since the then Minister of Works announced that the Bridge street site had been acquired for the use of Parliament. Since then there have been debates, reports, committees, design competitions and delays. We are now considering the plan for the first stage in a project that will use a site that was bought specifically for the use of Parliament in 1960.

This is not, and never has been, a partisan issue. If there has been a conspiracy to prevent the development, it has been an all-party conspiracy. We are all to blame and must share responsibility for the lack of guts which has left us in this magnificent but overcrowded and inappropriate building.

The Leader of the House spoke of blight in the Bridge street site. Delays have undoubtedly created blight in the heart of the most historic part of London. If people see behind the scenes, as increasingly they are doing through the BBC programme on the Palace of Westminster, they will discover what internal planning blight is hidden by skilful use of architecture and adaptations.

We must strongly welcome the plan as a crucial first step towards providing what Members need to do their job. The rest of the site remains undeveloped, however, and I cannot help wondering whether a modern and up-to-date legislature can do its work even with the facilities that the completed project will provide. Before the general election campaign I had a conversation with Mr. Ben Ford, who was then the Chairman of the Accommodation and Administration Sub-Committee, about the glaring anomaly that at 1, Victoria street, which is within a stone's throw of this building, the then Department of Trade,—now the trade section of the Department of Trade and Industry—sits in magnificent splendour within easy access of the House of Commons. At the other end of Victoria street there stands the old British Overseas



Airways Corporation building, which is now empty of people and services. It lies vacant, on a market that probably does not exist.

Surely there is a possibility for transferring the Civil servants at No. 1 Victoria street to the vacant and essentially Government-owned building at Victoria, along Buckingham Palace road, and allowing the various services that at present have space in the Palace of Westminster to go to No. 1 Victoria street. It is within as easy walking distance as the Norman Shaw buildings. There is a possibility for considering whether in the longer term that is an answer to the general accommodation problem.

Each time in the past that we have chickened out on taking the decision to get proper and appropriate facilities for this one legislature in the United Kingdom, we have handicapped not just Members of Parliament but those whom we seek to serve. The continual delays have usually been the result of a fear of the costs involved and of the public hostility that it was thought would be engendered by spending on ourselves. That was a foolish reticence. We are judged much more harshly on what we do and how we do it. If we prevent ourselves from doing our best for our constituents, we shall come under much deeper and harsher criticism. I strongly support the plan.

10.56 pm

**Mr. Patrick Cormack** (Staffordshire, South): At the end of his speech, the hon. Member for Hamilton (Mr. Robertson) made an important point. Our debate comes down to deciding how we can best serve this place and our constituents. The role of a Member of Parliament has changed over the years, as my right hon. Friend the Member for Taunton (Mr. du Cann) said in an eloquent speech, which left little else to be said.

We are expected to do different things than our forebears did when this great building in which we are privileged to serve was first erected. Over the years, successive Services Committees have agonised over the problem. I have had the privilege of being on the Committee during the last Parliament, and serving again on the present one. I earnestly beg every hon. Member to support this most modest proposal. Although essentially modest, it has virtues.

I remember the debate—I initiated it, as I came out top of the ballot—on the Spence-Webster new building way back in 1971 or 1972. Many of us who felt that it was right that Members of Parliament should have better accommodation nevertheless felt that that building was totally out of scale and utterly unharmonious on this, the most sensitive site in the Commonwealth. We also felt that it provided accommodation that verged on the lavish and the grandiose.

**Mr. David Crouch** (Canterbury): Nonsense.

**Mr. Cormack:** My hon. Friend mutters "Nonsense." Perhaps it is appropriate to have sauna baths and so on. However, there was real and deep division in the Palace about that. The scheme did not proceed. There was opposition on aesthetic and many other grounds.

We now have a modest proposal. Sir Hugh Casson has done the House a great service. The symmetry and scale of this most sensitive of sites will be preserved, yet at the same time we shall have new rooms and accommodation for more Members of Parliament.

I do not believe that any Member of Parliament can effectively discharge the multitude of duties that fall upon him unless he has, at the least, a private room where he can telephone confidentially, see and talk to constituents and others. If we go along this road, accept the Casson proposals and endorse the Services Committee's report, within a parliamentary generation, most Members will enjoy that modest facility.

What is more, if we can carry through what the Services Committee urges us to carry through, we shall be able to move Members of Parliament over here, to the main building. That is important. I happen to believe that the Chamber is the key place in this Parliament. Despite the proliferation of Select Committees and other things, which I applaud, the Chamber should be the focus of every parliamentarian's attention. It will be conducive to that aim if more and more Members are able to have an office within the Palace itself.

I very much hope that the House will approve this proposal. I hope also that the Government, who have given a positive lead—it is the first time that a Leader of the House has endorsed a proposal in such unequivocal terms; my right hon. Friend deserves every praise and credit for that—will not become nervous or shy and that they will ensure that whatever is necessary will be done so that hon. Members can be moved over to this place. I know that my hon. Friend the Member for Norfolk, South-West (Sir P. Hawkins), who has served with me on the Services Committee, feels particularly strongly that hon. Members should be here.

There is no aesthetic objection to the plan. I do not think that there can be any objection on cost. If our constituents write to us to complain, it should be pointed out firmly—hon. Members should not be afraid to write firm letters to their constituents—that if they want us to do the job of super welfare officers, as so many of them appear to want us to do, we must have a modicum of privacy and a degree of accommodation to perform that task. If we are to scrutinise the Executive, which is the laudable ambition of my right hon. Friend the Member for Taunton, as it should be the ambition of every Member of Parliament, we need the facilities to study and read quietly in privacy and to be able to arm ourselves with the right questions and to have the proper ammunition.

This plan will set us on that road. It is modest and sensible and incorporates buildings that are much loved in this part of London. It will not disturb the harmony of the centre of the capital. The hon. Member for Blaydon (Mr. McWilliam) talked about the residential accommodation. I do not entirely agree with him that that should be discounted. Sir Hugh Casson made a good case to the Services Committee and I believe that there is probably a strong case for giving close to Parliament a residence for Mr. Deputy Speaker and one for the Leader of the Opposition. Neither has one at the moment, and that should be considered in the future.

The series of proposals that the Services Committee has put before the House are worthy of the House's enthusiastic endorsement. I hope that without undue delay this evening we can proceed to give that endorsement and that the plan can begin because we do not want the Government to have cold feet and we do not want my right hon. Friend's enthusiasm to be dampened. On the contrary, we want his vigour to be increased, we want the building here and we want our offices now.

11.4 pm

**Mr. Walter Harrison** (Wakefield): I thank you, Mr. Speaker, for the opportunity to discuss this subject, to which I have been a witness since 1965. I was told to make my first maiden speech short and sweet, but, having been in the House for 18 years, and having listened to quite a few speeches, I hope that I shall be given a little more opportunity in my second maiden to express myself a little more fully. I hope that, with your tolerance, Mr. Speaker, I shall be permitted to go back over the years.

Some Members have spoken about 25 years with the Services Committee. Twenty-five years ago the Services Committee was not in existence. I want to pay tribute to a man, long gone, who gave us a real opportunity to get things done. I am referring to Charles Pannel, from Leeds. In December 1965 he gave us the opportunity to put things right.

In 1830 there was a character who, I believe, got the sack on the Monday morning. He was the caretaker who put the tally sticks on the boiler and set fire to the place. Barry and Pugin then got their chance to put things right, but they got it wrong, because in 1850 one of the first things to be said was that the place was overcrowded. So the problem has not existed for only 25 years: it has been here since 1850.

The Leader of the House in 1977 got a majority of 64 on a Division on this subject at a time when the Government had a majority of three. We then had the opportunity to go forward, but we have been scared. My right hon. Friend the Member for Lewisham, Deptford (Mr. Silkin) said that we were concerned about the economy. There is never a right time. There has never been a right time to discuss our salaries, our fringe benefits, other things to which we are entitled, and our accommodation. However, it was not just that. We have not even fought for the people who work for us. We have not even had the guts to do that. That is terrible. It is worse than not fighting for ourselves.

We have talked about transferring accommodation, moving 60 here and 60 there. In 1968 my right hon. Friend the Member for Deptford, who was my Chief Whip, said to me, "Walter,"—he was the Member for Deptford at the time, and still is, and Walter was the Member for Wakefield, and still is, but only just—"we have a problem. I have just come down from the Services Committee. It is an accommodation problem, and I am putting it on your plate." I had it until 24 October of this year, so I am entitled to say a few words about it.

The first thing that I sought was some good advice—I had to seek advice in those days. I decided to go to the Serjeant at Arms office. That was no mistake. In 15 years I have had the full co-operation of that office. There are good people there. Not once have they misled me. On that occasion, in 1968, I took the problem there and I was told, "Yes, Mr. Harrison. We have one Member who has a room to himself, with three sub-tenancies, squatters' rights, and there is just enough room in the trade union room as well. He gets no payment from his sub-tenants, but he has control."

So we looked down the list, and it was true. We did an exercise. We took a piece of paper and wrote, "Please contact me urgently." We put the date on, put the paper in an envelope, and addressed it to the Member, who

should have been there. Fourteen days later I went back to collect the papers. It had been addressed to the wrong chap. So we were in chaos then.

I want to compliment the Services Committee and all those associated with the progress that has been made over the last 15 or 16 years. At least we sorted out that chaos. We got rid of the sub-tenancies and the squatters. We finished up with one hon. Member applying for a desk, possibly with nine others in the room, but at least everyone who wanted a desk was allocated one.

I pay tribute to people gone from this place such as Sir Robin Cooke, Ben Ford and about nine Leaders of the House of Commons. They were all in accord in that they wanted to do the job; they all wanted to get better accommodation; they all wanted to have single rooms; they all wanted to do what we are seeking to do in these proposals; but what happened? We chickened out.

When I was first on the Services Committee—and we had that majority of 64 in favour of going ahead with the proposals—the building was to cost, for 420 Members of Parliament and 420 secretaries, £11 million, but we fluffed it. In 1974, having "gone through" my third and fourth Minister, I put a question to the hon. Member for Birmingham, Hall Green (Mr. Eyre). I said, "It was £11 million when I started on this job. Now, five or six years later, how much will it be?" The Minister was not to blame, but the "boys in the Box" could not tell him. He asked, "Walter, will you be kind enough to accept the insertion in the report of the details of the meeting?" I said that I would. Five years had gone by and it cost us £53 million for hesitating, for not grasping the nettle and saying, "This is what we are entitled to have and this is what we should really have."—[*Interruption.*] I am being told to sit down despite my not having got to my feet in the Chamber for 18 years. It was £53 million.

We arrived at the stage of having another Leader of the House Commons—this was in 1979—but, in view of economies generally, he did not propose to get involved with this job. In about 11 years we had made marvellous progress: it was £11 million when I started, we had still not done the job and we had added a nought to the costing for it would then have cost about £100 million to carry out the full scheme that was proposed. These millions may be fictitious for me to present my case, but we just added a nought in all those years.

Gradually we progressed, infilling a bit here and there. When I think of the problems I have met in Parliament over the years, I could tell hon. Members a few tales. I have mentioned a few already, but let me mention one more. I have had hon. Members write to me saying, "Walter, we are willing to share a room," and when I have seen them in the Tea Room they have come up to me and repeated, "We are willing to share." But after that they have come to me individually and said, "Do not believe my letter, Walter, and do not believe what I said in the Tea Room. I want a single room to myself, and I am telling you that now, in private, because I do not want to fall out with him"—"him" being the hon. Member with whom he had previously said he would be prepared to share.

If the House does not get hold of the problem tonight we shall be called "chicken" yet again. This scheme probably will not be done in my time, but let us get cracking on it. Nobody should object to making a start, and to that end I have some advice for the Whips on both sides: if any hon. Member votes against the motion, check

p and find out whether he has a room. If he has, take it away from him. I do not believe in sanctions, but at times they are necessary. We must get cracking.

The Leader of the House has my support tonight. I shall keep a careful watch on any hon. Members who oppose him.

11.17 pm

**Mr. Colin Shepherd** (Hereford): How does one follow that? It is an enormous pleasure to complement the right hon. Member for Wakefield (Mr. Harrison)—deservedly right hon.—and while it would be wrong of me to say that I am sorry that the Conservatives did not win his seat at the last election, it was a great pleasure to listen to his remarkable comeback.

It is not often appreciated what a depth of knowledge the right hon. Member for Wakefield has in this place. I came to appreciate it in the last four or five years while serving on the Services Committee. His wisdom and guidance at all times have been of the first calibre, marvellously disinterested in the sense of not being partisan. I know that at the Whips level he has been as capable as any Whip, and the House is the poorer for the loss of his services as Labour Deputy Chief Whip on that Committee from 24 October last. That in no way casts aspersions on his successor; I was just sad to see him relinquish that post. Although it was a great burden to him, he discharged it marvellously.

I appreciated the clear way in which the Leader of the House set out the Government's position in accepting the Committee's proposal, a proposal that presents a great opportunity. It may not be as big as we would have liked, it may not cover as great a scope as we would have wanted, and it will cost more than the £11 million to which the right hon. Member for Wakefield referred. But it marks the first tangible step forward in breaking out of the log jam position in which we have been for so long.

When I first came to the House there was much activity in this Chamber. It may have been a hung or tight Parliament, with excitement on every division and at every speech, but I sometimes felt that it was the development of some of the ad hoc "outbuildings" that led to the desertion of this Chamber. The tensions stayed during the course of that Parliament, and it was not until the new Parliament started in 1979 that everybody decided that he could go back to their rooms and forget about the Chamber. That is why I am anxious that we should try to make it possible for people to come back to the Chamber. I back up the remarks that my hon. Friend the Member for Staffordshire, South (Mr. Cormack) made, and those made by my right hon. Friend the Member for Taunton (Mr. du Cann), in his wise and eloquent speech.

I shall use this opportunity to put out a marker on the future of the tool of the trade that we use in this place—the Library. I have the privilege to be the Chairman of the Library Sub-Committee. I find it a fascinating and challenging institution. It is taken for granted and is like a Gulag archipelago in that it spreads all over the place, with little puddles here and little puddles there, grottoes and pieces in the depths. It lives in the Norman Shaw north, and the Norman Shaw south. The report suggests that there should be a branch Library in the new development. That would mean four Library sites and about 25 little islands, a fragmented structure trying to provide us with a better service.

Every Parliament over the past six Parliaments has called upon the Library service more and more. The plateau of inquiries for the research services has started above the last Parliament each time and increased through the course of that Parliament. The Select Committees to which right hon. and hon. Members have referred have put another load on this system. The Library does a super job, and I take this opportunity to congratulate the Library staff on what it does. We are stacking the odds against its members.

I hope that the scheme will go ahead. We should expand the thinking set out in the report and the feasibility study to begin to consolidate the Library research and information services into one site, in the northern section of this development. That would free space in this building and make a more effective service possible, providing the better Library research service that we asked for back in 1945 when the House first accepted the report of the Services Committee on the duty of the Library. That is the opportunity in front of us. If we take it and develop it as part of the next phase of the feasibility study, we can have the finest Library research and information service of any Parliament of any Commonwealth country, and, outside Capitol hill in Washington, in the world.

The feasibility report talks in terms of a 68 month time scale. That is five years and eight months, which means that, if we say "Go" tonight, we might be in business by autumn 1989, but only if nothing goes wrong in the meantime. That is a long time. The right hon. Member for Wakefield said that it would not be in his time, although I should like to doubt that. There is a big risk that something will go wrong. We cannot afford to delay—we must progress. We must get on with the job as fast as we can and make certain that nothing is put in its way.

11.23 pm

**Mr. Dafydd Wigley** (Caernarfon): I am in a somewhat strange position in that my political objective is to depart from this place and move myself 150 miles westwards to Cardiff, as the hon. Member for Hamilton (Mr. Robertson) wants to move to Edinburgh. However, as the time scale of a move northwards or westwards is a little longer than we thought it would be a few years ago, I join in the welcome being given to the proposals, and I shall take up some of the points that have been made.

As the first Opposition Member to speak in the debate, may I congratulate the right hon. Member for Wakefield (Mr. Harrison) on his second maiden speech, as he called it. The House should recognise that for 18 years it has lost a speaker of great wit. I thank him for all his courtesy and assistance to Members of the minority parties during his time at a Whip. He was completely fair in his handling of the minority parties, and we deeply appreciate that.

Every hon. Member who has listened to the debate so far would find it difficult to stand in the way of the proposals. The danger is that they are too modest, and that once again we have been reticent in introducing proposals that meet the requirements of modern age Members of Parliament. Being a Member of Parliament is a full-time job, whereas a generation ago, or a little less, it was not. It is also a full-time job for those who work with and for Members. In facing our responsibilities, we must not forget our responsibilities to our secretaries and research assistants.

It is high time that we got on with this proposal, but my only caveat is about the time scale. Is there no way in

[Mr. Dafydd Wigley]

which the scheme can be speeded up, and will £23 million be enough? Can we be sure that, as time erodes the value of that sum, and we need a little more, it will not be used as an excuse to stop progress on the project?

The conditions of work here are appalling. In my previous job in industry, if I had expected people to work in the conditions that we experience in the Palace of Westminster, I should have been fired. There is no reason why we should be allowed to employ people to work in those conditions, when we expect people outside the Palace of Westminster not to do so. My one reservation about the report is the space standards referred to at page 48 in annex 3. Research assistants are allocated 100 sq ft each—that is 10 ft by 10 ft—and secretaries are allocated only 55 sq ft. It would appear that secretaries need less space than research assistants. Is 55 sq ft—or 7 ft by 7 ft—the standard applied to the secretaries of heads of departments in the Civil Service? Is it an acceptable standard?

Annex 3 also states that one secretary and one research assistant should be shared between two Members, but we are moving towards the time, with our present workload, where we need a secretary each. We should plan the facilities of the complex, both on this side and on the other side of the road, to accommodate at least one secretary and one research assistant for each Member of Parliament.

Hon. Members spoke of the need to move those hon. Members whose offices are across the road back to the main building. I have had an office in Norman Shaw building north for the past eight years, and I have experienced no difficulty. We must balance the advantages of being near the Chamber, and being able to pop in and out, with the advantages of being close to our secretaries and being able to work with them when necessary. We need space, whichever way we allocate it, but perhaps we should consider further the way we do so. At present we need a tunnel from Norman Shaw building, and we shall certainly need one from the proposed building.

The hon. Member for Hereford (Mr. Shepherd) made an interesting point about the Library. I have some reservations about the Library moving from this building, because of the advantages of its proximity to the Chamber—

**Mr. Colin Shepherd:** The hon. Gentleman misunderstood me. I had no intention of recommending that the main Library should move from this building, but that the research and information services should.

**Mr. Wigley:** I take the hon. Gentleman's point. We must consider not only the development of the Library, but the introduction of modern technological facilities for information transferal and retrieval not only in the Library but in hon. Members' rooms so that they can be linked to a basic information service. I foresee a time when this will be part of our infrastructure. We ought to keep that in the back of our minds when we examine the future location of services. Some hon. Members do not agree with that point.

If we are on the other side of the road, we may not be able to dash in and out of the Chamber to hear a particular hon. Member speaking because, by the time we arrive in the building, the next speaker may have been called. There

must be a case for having the enunciators carry a sound track system so that we can pick up hon. Members' contributions. That could easily be facilitated.

As our workload increases, so does the workload in the constituencies. Perhaps, we should put down a marker for future facilities in each constituency. There should be a Members' office—not a party office—where, although the incumbents change as parties lose and win seats, there is continuity, and the constituents know where to find the Member and his base. This would be similar to the office of a mayor or a town clerk. There is a strong argument for a Member having a base in a constituency. Although that point goes beyond our discussion, we should be examining it.

We should be looking at the possibility of having more and different meeting rooms. Our meeting rooms are limited in their scope, and we should bear that in mind when we redesign.

It is important that we progress rapidly. I should like to ensure that, in making progress on this proposal, we are not closing any options for even more radical development that may be necessary between now and the turn of the century.

11.32 pm

**Mr. David Crouch (Canterbury):** This debate is about providing more facilities for Members of Parliament, and I welcome that step. I have been pressing all the time that I have been a Member for better facilities to help us to do our job in serving our constituents and the Chamber. I welcome the idea of extra accommodation for Members of Parliament on the other side of Bridge street and the further proposal that in time, having established a building for more people, we can make space there for staff, so that we have more room in the Palace enabling Members to be close to the Chamber and the Committee rooms.

I am one of those Members who, in the past—there are a number of such Members in the Chamber—have served on the Advisory Committee on Works of Art in the House of Commons. There has been disagreement on the work of art aspect. Distinguished names are attached to the recommendations, including advisers in the Department of the Environment and parliamentarians who have already spoken about the need to get something done quickly. There are distinguished advisers from outside Parliament, including the president of the Royal Academy, Sir Hugh Casson. I am amazed that a man who is so distinguished in the world of architecture should recommend that we keep that impossible facade on Bridge street and Parliament street. He believes that in 1983 we, the successors of those parliamentarians who appointed Barry and Pugin, should say in this enlightened age of democracy when there is greater efficiency in serving our constituents that we will accept this facade because it exists. Barry and Pugin did not accept it, nor did Parliament, its leaders or leaders in art thought over 150 years ago.

I therefore suggest not that we should stop but that we should pause to think again and say to Sir Hugh Casson and to my right hon. Friends the Secretary of State for the Environment and the Leader of the House that we must consider what we are doing. We are embarking on a small expenditure. The right hon. Member for Wakefield (Mr. Harrison) spoke eloquently and passionately about the need to do something, and I support every syllable that he said. We must not delay, but when we make advances such

is this we must advance in the right direction and not stand marking time in the architectural past. I share many of the Victorian loves of Sir John Betjeman, but I do not love the facade from 47 to 31 Parliament street. The Services Committee has done a wonderful job, but the whole basis of its thinking about the preservation of that facade is wrong.

**Mr. A. J. Beith** (Berwick-upon-Tweed): Is it not possible that Sir Hugh Casson and some of us in Parliament recognise that the history of Whitehall involves a variety of types of building, including some on a quite domestic scale such as those in Parliament street, and that if Whitehall becomes solely a collection of large public buildings it will not be true to its history and we shall not understand that history?

**Mr. Crouch:** Of course there is great variety in Whitehall. I hope to explain in my short contribution why I am concerned about this one aspect of what we are doing.

**Mr. Cormack:** Does my hon. Friend realise that if the House accepts his advice we shall have to go back to the drawing board and it will be the year 2000 before anything is done? We have been down this road before. I urge him please not to tempt us down it again.

**Mr. Crouch:** My hon. Friend refers to the drawing board. I hold up for all to see the presentation prepared by Sir Hugh Casson. He is an artist and one of the best draughtsmen in the world of architecture. Nothing could be nicer than his illustrated diaries of London or of his tours around the world. They are the Edward Lear's of today. The best features of the presentation now before us are Sir Hugh Casson's drawings. He can make the facade change slightly and I agree with the slight changes. He can make them look artistic, but he cannot make them look right for today.

I do not wish to hold things up until the year 2000. I simply urge my right hon. Friend the Leader of the House and others to think about this aspect. This is a responsible Chamber and there is a great deal of thought in this place. This is not just a matter of getting something done efficiently for constituents but about doing something right in the latter part of the 20th century.

The Services Committee, in the terms of reference to which it worked, seemed to accept without demur the preservation of the facade in Parliament street.

Paragraph 7 of the introduction states:

"Much of PSA's expenditure arises from the correct desire to preserve in good order and enhance a highly important part of the national architectural heritage".

That is some of the nonsense spoken these days which nobody questions. Whoever said that this was part of our national heritage? It is not the Cenotaph which, in my opinion, was Lutyens' greatest achievement.

**Mr. Nicholas Fairbairn** (Perth and Kinross): Absolute rubbish.

**Mr. Crouch:** I do not share the opinion of my hon. and learned Friend from north of the border. We are not discussing Lutyens' but Sir Hugh Casson.

We start from a premise that is not argued against. I read the report, the evidence and interrogation of my colleagues of the witnesses before the Committee, and not once did they question the early premise that we had to preserve this national architectural heritage.

Paragraph 9 states:

"One is the emphasis on conservation, so that as far as possible existing facades on all fronts but Cannon Row will remain."

The last sentence of paragraph 13 is important. It appears in bold type, and states:

"We therefore recommend acceptance of the principle of conservation and its application as set out in the evidence."

When I examined the evidence, I found that in paragraph 74 a Mr. Ramsey—and not Sir Hugh Casson, who was not well on that occasion—was questioned by my hon. Friend the Member for Norfolk, South-West (Sir P. Hawkins). Mr. Ramsey said, when dealing with these buildings which are to be preserved for ever:

"We do not think the present building deserves its present position."

Anyone stopping and staring for a moment in Whitehall can see that those buildings do not deserve their prominence or the permanence that we are about to give them.

I wish to refer to the terms of reference taken up by Sir Hugh Casson and his partners who, we readily acknowledge, are leaders in the sphere of world architecture and thought.

Paragraph 1.02(a) states:

"the need to conserve, as far as possible, the existing facades to Derby Gate, Parliament street and Bridge street,"

Paragraph 3.02 refers to the civil and historical associations of Parliament square, Whitehall, the Palace of Westminster, the Abbey and so on. It states:

"The frontage of the site facing Parliament street and Bridge street, in particular, are an essential part of this setting."

I accept that they are an important part. One cannot deny that they exist. They cannot be disinvented.

I must part company with what Sir Hugh says on pages 10 and 11 of his study. I confess that I know Sir Hugh Casson and admire him greatly, and not just for his architecture. In paragraph 3.08, Sir Hugh states:

"The site is part of a Conservation Area and all the buildings are now listed as buildings of architectural or historical interest. Those buildings facing Parliament street in particular have formed the background to great occasions of state pageantry and national history. They"—

the buildings. I emphasise "They"—

"have witnessed Cenotaph Services, Coronation processions, the Jarrow March and Victory Parades. They have, therefore, achieved a significance which exceeds their intrinsic architectural value."

I say "Amen" to that. I agree that they vastly exceed their intrinsic and architectural value. We should, as a House, remember that. They are the words of a sound man. To suggest that buildings have witnessed certain scenes and events and, therefore, should be preserved is quite exceptional. Not even Sir John Betjeman does that.

We are missing an opportunity. I do not want to pour cold water on the proposal; I am simply raising a little flag to say that in 1983 we could have done better. As the right hon. Member for Wakefield said, we could have done it properly in 1968. I voted for it then. I did not very much like the designs put forward by Sir Basil Spence. They were modern and, perhaps, not quite the right setting to face the old Treasury building. But I confess that at that time I said we should get rid of the Treasury building and have a modern London and a modern Parliament. —[*Interruption.*] My hon. Friends are gasping in dismay at my suggestion of living in a modern world. We should be modern Members of Parliament, as the hon. Member for Caernarfon (Mr. Wigley) said. I do not mind looking across the river. Indeed, I rather like modern buildings and what society builds in its own time—

**Mr. Fairbairn:** To think that the hon. Gentleman represents Canterbury.

**Mr. Crouch:** There are some parts of me that are not entirely medieval.

I am beginning to weary my hon. Friends. For a few moments some hon. Members were listening to what I was saying. I hope that it will not be entirely forgotten.

11.46 pm

**Mr. Jack Dormand** (Easington): I shall be brief. It is significant that so many new Members are in the Chamber. One reason for that is that when they come to this place they are deeply shocked by the inadequate facilities. Many of them come from occupations where they have had the benefit of full office and secretarial facilities.

The tone of the debate suggests that the whole scheme is warmly welcomed, but that is not the case. I am sorry that the Leader of the House has left the Chamber. I do not have the slightest doubt that he is genuinely concerned about facilities and is doing his best in difficult circumstances. He knows that I have asked many questions during recent years. On 28 March, in answer to a question, the right hon. Gentleman said:

"I can promise the publication of the report and, I hope, a debate shortly thereafter."—[*Official Report*, 28 March 1983; Vol. 40, c. 18.]

Today is 22 November.

On an earlier occasion the hon. Member for Maidstone (Mr. Wells) asked:

"Is my right hon. Friend aware that every time there is an improvement in accommodation for hon. Members attendance in the Chamber declines? . . . Therefore, will my right hon. Friend think long and coolly before he further discourages hon. Members from coming to the Chamber?"

and the hon. Member for Halesowen and Stourbridge (Mr. Stokes) asked:

"Despite all that we have heard, does my right hon. Friend agree that it is a great privilege to be here and that our work cannot be compared with any other occupation? Is it not therefore somewhat unseemly to have these continual complaints from the Opposition?"—[*Official Report*, 13 December 1982; Vol. 34, c. 18-19.]

That is a train of thought in the House.

The main reason why I rise to speak tonight is that I have a deep cynicism about what will happen with the new building. The report states on page vi:

"To return to the comparative timescales with which we began, the present Palace of Westminster took sixteen years to plan and build in the middle of the last century; we have been nearly twice as long trying to agree on suitable office accommodation in the second half of the twentieth century. It is time progress was made."

The hon. Member for Caernarfon (Mr. Wigley) made a very constructive speech. He made the point that it will be five years before the first hon. Members move into their offices in these buildings. If I were to ask the Leader of the House for an assurance that these buildings would be renovated he would not be able to give me that assurance, because other members of his Government take a far more cynical view of the matter than the right hon. Gentleman. I know that his intention is honourable. We have corresponded on the matter, and I have had several letters from him. He has explained that over the years we have operated a system of patching up. In one letter the Leader of the House spoke of 14 additions to this building. Bits are added here and there to try to meet immediate needs.

It is time that we evolved a completely different concept of what hon. Members need to serve their constituents. My right hon. Friend the Member for

Wakefield (Mr. Harrison) to whom we all owe so much has made that point. I hope that the Leader of the House will make it plain to the Chancellor of the Exchequer—and to the Prime Minister who, I am sure, will have a finger in this pie at some time—that we simply will not tolerate the abandonment of this programme. We may well get the first phase. If we do I shall be delighted, but I shall still feel somewhat cynical about the next phase. I remember that a magnificent international exhibition was held a few years ago in Westminster Hall, and an award was made, but suddenly we were told in the Chamber, "Sorry, we do not have the money."

The new Members in this Parliament will not tolerate that situation. I hope that the Leader of the House will inform the rest of the Government of my cynical attitude. We will not stand it this time. We want this building, and phases 2 and 3 as well, and we shall make other demands as well.

11.53 pm

**Mr. Nicholas Fairbairn** (Perth and Kinross): I trust that someone who has not served on the Committee may make a brief speech. The right hon. Member for Wakefield (Mr. Harrison) has reminded us of the immense benefits of enforced silence. If the silence continues for another 18 years, I cannot imagine that a better pudding will come out of the oven. It was a masterful speech, and we all enjoyed it.

Probably the greatest works of art, the greatest thoughts and the greatest writings that Western European civilisation can display are those that were created by a monk in a cell who had silence and solitude and nothing else. When I came to the House, I was given an office in the newly glorified Norman Shaw South—beloved Scotland Yard. It had been turned from offices for the entire Metropolitan police into offices for 120 Members of Parliament and their secretaries at a higher cost per square yard than that of any newly built, fully furnished building in London of which the Royal Institute of British Architects had a record. I abominated that extravagance. I have abominated it ever since. Members of Parliament need solitude and silence. They do not need luxury at other people's expense.

My right hon. Friend the Member for Taunton (Mr. du Cann) was right. The reason why all the schemes have been delayed is that they were unnecessarily extravagant in providing what we need, which is solitude and silence without luxury. I believe that the scheme provides both the requirements and the economy, and I would like to suggest that there is no reason why it should take five years. In five years it will cost 100 times as much. Let us remember that the whole palace, fully furnished, cost £1.4 million, and let the wretched car park downstairs cost £14 million. Let us remember that today, more than at any other time, time is expense. Expense will cause delay and postponement, as the hon. Member for Easington (Mr. Dormand) said. Therefore, we must be fast and economical.

I say to my hon. Friend the Member for Canterbury (Mr. Crouch) that I do not want to invoke the name of the Lord Archbishop, but God help us. As I stand and look out of the windows of the Palace of Westminster, I can see that icebox which occupies part of the glorious site of the original Venetian folly of St. Thomas' hospital, the Ministry of Defence, the Festival hall by Sir Robert Matthews, and every frightful thing that the PSA has put up, bobbing along down the Thames. I cannot believe that

My hon. Friend the hon. Member for Canterbury could design a worse building than any of those, but let me be in Canterbury.

I have been a lifelong preservationist. The word "conservation" came in about 20 years after I formed the first preservation society. One of the delicacies of the scheme is that it preserves sensitive, simple, beautiful, buildings. I do not believe that they have been watching processions and marches and attending at the Cenotaph. They are lovely, human buildings. If anyone wishes to design a new one for any purpose, let him make his mirage in the desert at Brasilia, or Canterberia, if necessary.

Here we have the chance to restore the great gateway of Whitehall which was before and should be again. We would be doing two things—preserving, enhancing and recreating this country's heritage—as we are in cleaning this Palace and in restoring Westminster Abbey—and creating what we need—just the capacity for solitude and silence in which to do our work without luxury or extravagance. If we can do that fast, let us do it.

I have noticed that when a Government Department or the PSA, whose report I read this morning, involve themselves in something, it is always much more expensive and takes much longer. It amuses me that the PSA spends its time putting little lawns outside compulsive ruins so as to put notices on them saying "Do not walk on this lawn."

I hope that this matter will proceed with great dispatch; that the scheme will be continued, but not in the nervousness of phase 1 first and then, "Let us see."

I have lived through the Edinburgh opera house. [*Laughter.*] There is not one because people proceeded with such caution that the cost seemed so frightful when they were halfway through, that they did not dare to continue.

Let us be brave and take decision one tonight and go on to two and three. If we do not, we never will.

11.59 pm

**Mr. Roland Boyes** (Houghton and Washington): I shall not take long, as it appears that there is unanimity on this matter.

The hon. Member for Canterbury (Mr. Crouch) talked about facades and the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) talked about solitude and silence, but not necessarily luxury. Neither is in the same league as me, who tries to operate in a slum just around the corner. When I was first elected to Parliament I asked my right hon. Friend the Member for Wakefield (Mr. Harrison) if I could have an office. He said, "Hang on a bit lad, hang on for a month. I have to sort out Front Bench, them behind Front Bench, retreads, and then I will get down to lads like you, but you will be all right because there is an honest draw". After about a month I had got nowt, so I used a few expressions which Yorkshiremen can use to each other with understanding. I do not know how honest the draw was, but I ended up with one of the bad jobs down yonder and I do not suppose that I helped myself by using a few expletives.

My hon. Friend the Member for Easington (Mr. Dormand) says that new hon. Members are shocked. It is more than shock. What we get is an absolute disgrace. It is an insult, not to me, as I have a nice job, but to the constituents who elected me to come here to help them with some of their problems. I have had many constituents down from the north east. The Tories should not forget

that, thanks to the Government we have the highest unemployment and the worst social problems in the country. Members of Parliament need proper facilities with which to deal with them.

I have been put in a corridor. Does one get solitude and silence down there? There are about 20 of us. Our telephones are going all the time and we can hear each other talking. There is no solitude, no silence, no nowt down there. Many hon. Members think that it is all brass down there and that my constituents will not agree to giving hon. Members such as me proper facilities. The people who come and see me at work are more than shocked. They think it is ridiculous, because the opportunity to get something done lies not with people up there, but with us. The only reason why I do not have a proper office is that previous Members of Parliament have not voted for me to have one. I am speaking tonight because if I get back again and some young lad says, "I am down in that slum there, what did you do about it?", I want to be able to refer to after midnight on 23 November and say, "I stood up and supported the building of new and proper offices and facilities for Members."

It is impossible to work properly in those conditions. I do not know how often you go down there, Mr. Speaker, but every right hon. and hon. Member should occasionally have a look and see what it is like. They would then understand why people such as me get a bit annoyed when we have an opportunity to speak. What seems to happen here is that new Members get put in the slum. They are then promoted to one of my right hon. Friend's double offices and they forget what it is like down there. It is a public school thing—someone has to fag and suffer for five years, after which he gets his reward. That is no good. The problems with which I have to deal will not wait five years. The folk I see will not wait five years. They are here this week, next week and every day that I am here. If it takes expenditure to solve those problems, we should pay the price.

I have been lucky enough to be a Member of the European Parliament. In 1979 I went to Strasbourg. There was no office. Two years later every Member had his own office and there were cafes, restaurants, meeting rooms, the lot. I do not see why such building should take five years over here if the French can do it in two. Nobody complained about the expense over there. The French Government realised that the Members needed proper facilities. I believe that people over here realise that Members of Parliament deserve proper facilities.

I was pleased to hear what the Chairman of the Library Sub-Committee, the hon. Member for Hereford (Mr. Shepherd) said. I have been pretty angry this week about the treatment that is being given to a new research assistant whom I have just appointed to help me with all the problems with which I have to deal because of Conservative Members. I told her that I would get her an office. That was my first mistake. I wrote to the Sergeant at Arms Department. I am not complaining, because that Department cannot do any better than Members. If we do not give it the facilities to give to folk such as me, we cannot blame that Department. I asked where my assistant could have an office. The reply was, "As near as possible to you, Mr. Boyes, is down the Embankment." I think that she will get somewhere over there. That is not certain. I said, "Don't worry, Susan, because we have a Library here. You will be near me down in my little corridor, because you will be able to work in the Library." That was

[Mr. Roland Boyes]

my second basic wrong assumption. Susan said, "I cannot use the Library at the moment. I have a temporary card." I said, "We all have to suffer for a short time. How long is 'temporary'?" She replied, "At least until the next election."

Therefore, my new research assistant is out at St. Stephen's House, and the Library that she uses is somewhere altogether different. I am in one building, her office is in another. It is not an office, but a desk. When in opposition, unless one is on the Front Bench, one does not get offices. My assistant's desk is in another place, and the Library is in yet another. When she works for me in the morning, she will spend half the time walking from one office to the other, and each of us will not know where the other is. That is ridiculous.

I agree with the Chairman of the Library Sub-Committee. I am glad that we have that Committee. Very good people work in the Library. Each one of the 650 Members presumably uses the facilities to some extent. The speed at which one gets a reply is incredible. I do not criticise any of the staff in the Library, but I criticise what we have done as Members, to have Libraries scattered over different buildings. I hope that when the Committee meets it will take seriously the fact that researchers appointed by Members cannot use the main Library.

I should like to draw the attention of the Leader of the House to one matter. I hope that none of the young students from America who get placements is working in the Library and keeping my girl out. That would be unfair. She should have access to it, as it is near my office.

I feel better now that I have said a few words, and am grateful for the opportunity to do so. [Laughter.] Tory Members may laugh, but they have their own offices. I bet a pound to a penny that the hon. Member for Staffordshire, South (Mr. Cormack), who talked about silence and solitude, has an office.

**Mr. Fairbairn:** I must advise the hon. Gentleman on this matter. I share a cubicle, in a sort of suspended pre-fab, with my hon. Friend the Member for Banff and Buchan (Mr. McQuarrie). The notice on the door says, "Albert and the Lion".

**Mr. Boyes:** I might have said "a pound to a penny", but I now bet a pound to tuppence. It is better to have two folk in an office than 20 in a corridor. I bet that the hon. Member for Canterbury, who talked about facades, has an office as well. He would not be worrying about facades if he were down in my corridor. We must get our priorities right.

New Members, as well as established Members, must have proper working conditions and proper places where constituents, trade unionists and others can make representations to them. Two solicitors came to see me in the past week. I showed them around this spot. One has to keep moving. One of my constituents nearly sat on one of the Benches, and the policeman was quick to move him along. When one has shown them the Chamber and found Keir Hardie's statue, what else is there to do if one does not have an office? Constituents must stand at the side of the desk, with about 20 people shoving them out of the way.

We want proper offices where people can make proper representations, so that we can help to solve some of the social problems that have deliberately been created. We

must remember the money is not the important thing. Representing the people who sent us here and solving their problems is important, and one cannot do that in slums.

12.10 am

**Mr. Robert Banks** (Harrogate): I have been an elected Member of this House now for nearly 10 years. It is quite incredible to think back to 1974 and recall that then we did not have Norman Shaw north or Norman Shaw south. Listening to tonight's debate and to the hon. Member for Houghton and Washington (Mr. Boyes) makes one wonder how it was that we were able then to function.

I have tried Norman Shaw north, Norman Shaw south and Deans Yard and I have come to the conclusion that there is only one place that I want to work in—here in this building. It is the greatest privilege of all to work in such a building. In my estimation, it is certainly the greatest parliamentary building in the world.

Therefore, while I welcome this extending of accommodation and the site in Parliament street, I hope that it will reduce the staff in this place, so that we can be here closer to the Chamber. Whether there is or is not a tunnel, there is still a great distance to go and the essential thing is to be here in this place.

This site is one of the most important and impressive in this country. I sometimes wonder what tourists must think as they have looked year after year at buildings that have been falling into decay, that have been neglected, that are dirty and in a shameful condition. So I support the motion because I really do think that something must be done with those buildings.

Like my hon. Friend the Member for Canterbury (Mr. Crouch), I believe that if we were really brave enough, and if we really had the courage, we should in fact demolish that site and build a new building on a scale and with the care to match the buildings that exist in Whitehall. But I am a realist and I know that that would not go through, so I will support the motion. But we are of course doing the usual British thing and compromising. We are keeping the fronts and some of the structure, and then we are going to build some new bits at the back, so that the architects who build those bits at the back will not come under any criticism because it will not be seen.

Yes, there have been mistakes. The St. Thomas' hospital site is one of the most appalling mistakes that was ever made, and there have been others, but that is not a reason for saying that we should not go on trying, that we should not have the confidence to do it. But one of these days there will be a renaissance of British architecture and we will have the capability to produce a building that is worthy of our times.

But I will make one very important plea. Let us ensure that the inside of the revamped building is modelled with the craftsmanship that we have in this country, which needs employment if we are to have any craftsmanship in this country. Let us adorn the walls with contemporary paintings. We do not need to be reminded of the history of the Houses of Parliament—we have it all here. We are enveloped in it when we are in this place. Let us encourage the hanging of modern paintings and bring in sculpture, too. I was one of the ones who supported the sculptural fountain which we have in New Palace yard. We are in the 1980s. We cannot just submerge ourselves in history.

This whole venture will of course cost more money than the estimates we have before us tonight. So let us start by



...aying that we are going to be grossly extravagant but that we are going to ensure that it will be done supremely well and that we are going to encourage a whole lot of new people with craftsmanship, arts and skills, to put everything they have got into that building so that at least inside it will be worthy of a site so close to this place.

12.14 am

**Mr. Gary Waller** (Keighley): I, like the majority of right hon. and hon. Members who have spoken tonight, favour the proposals in the report. I shall not delay the House by repeating arguments that have already been advanced. I would have more sympathy with what my hon. Friend the Member for Canterbury (Mr. Crouch) said if we were just talking about a new building behind facades, but as the feasibility study points out, a large number of important and attractive rooms at the front of the building are to be retained. We are concerned only with rebuilding at the back of the building. About half the new site will be considered to be new building, rather than a restructuring of the old.

Although these proposals are imaginative and will certainly greatly improve the external appearance of the Bridge street site, there are still considerable issues to be decided. It is important to remember that this is only a feasibility study, and that before building can start we have to decide what facilities are to be included in the building. The requirement in the terms of reference in paragraph 1.02(b) of the feasibility study says that they should

"be capable of working efficiently and harmoniously together as a single group, without the implementation of any later phases of the redevelopment of the Bridge Street site".

That will inevitably be a great handicap on the architects. They do not know whether that will be a final stage or just the first part of something that is yet to come. So what facilities are to be incorporated?

Today we had a statement about tourism, which I think most hon. Members would agree is one of our country's important industries. Most of the contributions to this debate have centred on the facilities for Members. Those facilities are, of course, vital, but we must not forget that this palace is a magnet for enormous numbers of people who come from all over the world to see this magnificent building. Pugin wanted a permanent exhibition in Westminster Hall of Parliamentary history. Clearly, that will never happen, but is it perhaps possible for us to create something on the Bridge street site so that visitors to the palace could see more than what the hon. Member for Blaydon (Mr. McWilliam) called just the exterior of this building, if they do not know a Member who can arrange for them to see the magnificent interior as well? Should that be incorporated in phase 2? It would probably be more appropriate for it to be incorporated in phase 2, but if there is to be no phase 2, perhaps it should be included in phase 1. Perhaps instead of the shops on the ground floor, we could have an exhibition site close to the stopping point for coaches and the Underground station, where people could see a depiction of the history of this palace.

Another point of principle to consider is whether the separation of phase 1 from the rest of the site by Cannon row is essential. Cannon row is just a rat run for taxis from Whitehall to Bridge street. The separation will merely create problems of security and more noise, which might be avoided. We should therefore consider at this stage whether phase 1 should be carried out in such a way that

we could be linked to further stages of the Bridge street redevelopment. Unless we consider that at this stage, it will undoubtedly be too late.

It is intended that the subway under Bridge street will be solely for the use of Members of Parliament and those who serve them. I can see great attractions in this concept, but the visitor to Westminster will have difficulties crossing what must be one of the most dangerous thoroughfares in London unless consideration is given to providing a second tunnel. There is no reference to this in the documents, but I hope that road safety on that dangerous thoroughfare will not be forgotten.

These issues are to be determined, but they should not delay what is a very necessary building. I hope that my right hon. Friend the Leader of the House will do his utmost to see that hon. Members have that available as soon as possible.

12.15 am

**Mr. Jack Straw** (Blackburn): The debate has been of exceptionally high standard, with many good speeches.

I would like to pay my own tribute to my right hon. Friend the Member for Wakefield (Mr. Harrison) for the funniest speech I have ever heard during my period in the House and for his work for the House as a whole and that of all his hon. Friends. If I may be allowed a small digression, when the history of the last Labour Government comes to be written, that extraordinary political feat of survival without any visible means of support, the role of my right hon. Friend the Member for Wakefield will loom much larger than anyone can anticipate now. *[Interruption.]* The favours done for minority parties should remain locked as secrets in the heart of my right hon. Friend for at least for a short while.

There is widespread agreement in the House that the need for more accommodation for hon. Members is overwhelming. My hon. Friend the Member for Easington (Mr. Dormand) pointed out that the conditions hon. Members have to put up with in the House are appalling. I know from the four years I spent in the cloisters that the conditions that new Members have to put up with are the worst of all. It is a double burden for new Members who have to find their way round to find their feet and put up with conditions that no office workers, and rightly, would ever have to put up with in any circumstances.

The scheme the House is asked to approve is not the most perfect scheme, but I believe that after all these years of discussion it should not make the best the enemy of the good.

It is all very well the hon. Member for Canterbury (Mr. Crouch) talking about what the Victorians did, but the Victorians had great confidence, which was reflected in their architecture as well as in everything else. When this building came to be rebuilt, a committee which was described as the Committee of Taste arbitrated on the competing designs. That committee was able to make speedy decisions, to come to an agreement and to impose it on the public. That is not possible today. The diffidence and uncertainty that the country faces is reflected in our architecture. It is not possible to gain agreement about architectural designs, as we saw in the great row about the design for a new building that was to replace all the buildings on this site. Although money was one of the reasons that design ran into the ground, the fact that many

[Mr. Jack Straw]

people felt the scheme was unacceptable on aesthetic grounds was another reason—in my judgment an understandable reason.

There is no confidence or unanimity in what should replace buildings of the character of those along Parliament street. Although they are not the finest buildings in London, they form, as the Liberal Chief Whip has pointed out, a vital part of Whitehall and of the history of the City of Westminster, of London and of the country. They ought to be retained. I believe there is agreement on that and on nothing else, and because of that we ought to go forward with this project.

When the Minister comes to reply, I ask him to deal with the serious question of the financing of the scheme. The Leader of the House said that public funds will be found for the scheme. He went on to say, however, that spending would necessarily have to be reduced in other areas.

That does not necessarily follow because, while £15 million is not a small sum, in the total of Government spending—compared with £126.4 billion, the spending target for next year—it is a decimal point of a percentage. More worrying is the question whether the expenditure on the new building will be at the expense of necessary maintenance of the existing Palace of Westminster. The suspicion that it might be is raised by paragraph 7 of the main report of the committee, where it is said that it will be necessary for the House to “consider some restrictions on other expenditure . . . as a contribution to the cost of the scheme.”

Does that remain Government policy, or are they willing—for example from the contingency reserve or other funds—to find new cash to fund the project? As has been pointed out, as a year-by-year sum, it is very small indeed. I hope that the Minister will clarify the position on that.

The hon. Member for Hereford (Mr. Shepherd) mentioned access through the tunnel. As I now have an office in Norman Shaw north, I know that it is not that we have separate offices that keeps hon. Members away from the Chamber, but the fact that the offices are so distant. It is a long walk and in cold weather one must put on an overcoat; one is either here or there and it is not possible to dodge from one's office to the Chamber. A small advantage of working in the cloisters is that if something interesting comes up on the monitor, one can pop into the Chamber. I hope that when arrangements are made for phase 1 of Bridge street, consideration will be given at the same time to providing covered access all the way to the Norman Shaw building.

I was grateful to the hon. Member for Hereford for raising the question of the use of phase 1 and the fact that, within the scheme, it will not be completed—although the buildings will be completed—until the staff working in the main Palace of Westminster are decanted into the Parliament street offices, so that hon. Members can then take up the vacant accommodation here. There will be competing claims for those new offices, but I hope that the committees that will deal with that matter will take into account the important claim of the Library to centralise its services.

I pay tribute—as all hon. Members do—to the high standard of work that the Library staff perform in difficult circumstances. None of us should be worried lest the staff

of the Library—who, as it were, run the front of House operation—will be any more distant; they will still be in the Library, but benefit will arise in that the staff who are at present distributed in Norman Shaw north, Norman Shaw south and in odd rooms in the bowels of this building, will at last be centralised, most of them near to the main Palace.

The Leader of the House touched briefly—I was glad it was briefly—on recommendation 25(ii) of the main report, where it is said:

“further and separate consideration should be given to the possibility of developing the rest of the site in association with private capital.”

This is not the time or the occasion to have a discussion about the role of private capital, but the Leader of the House will take note of the view of the Opposition that we think it neither acceptable nor necessary that private capital should be used in the development of any phase of what is essentially a public building. Whatever views we may hold about the use of private capital in the development of trunk roads and railway electrification, this building, which is pre-eminently a public building for the public service of public legislation, should attract public money and public development. I have no objection to anybody considering the use of private capital, but I hope that that consideration will lead to the conclusion that this is not an acceptable way to proceed.

I raised one matter in an intervention in the speech of the Leader of the House. While I passionately believe that we should press ahead with phase 1 I also believe that we should look closely at the accommodation in the Palace that is not used for Members. It came as something of a shock to me to discover, from an answer to a parliamentary question on 16 July 1980, that there are 1,128 rooms in the Palace of Westminster, and that of those only 22 per cent. are used by Members of Parliament. Well under a quarter of the rooms in the Palace are used by Members of Parliament—about 250.

Many of the rooms are used for residences and bedrooms. I am not suggesting that it is not necessary that some of the accommodation should be used as residences and bedrooms, but it seems, looking down the list, that questions must be asked. The second office keeper has a six-room accommodation on the second floor of the House, but does he need to be accommodated, and if so, can he not be accommodated elsewhere within a quarter mile or so of the Palace? Should the manager of the Refreshment Department have a five-room flat on the third floor of a house in Old Palace yard for his occasional use? If it is for his occasional use, could not the accommodation be used for the regular use of hon. Members?

Altogether, 100 rooms are used for residences and bedrooms in the House of Commons and another 44 in the other part of the Palace. This is a substantial proportion of the available accommodation, and, roughly speaking, about 40 per cent. of the accommodation available is used by Members. The matter related to this, which I hope that the Services Committee will look at, is the use of the Palace by Departments of State. The Lord Chancellor's Department occupies 22 rooms in the other place, and if those rooms were not used by that Department they would become available for the Lords. Over time, we have used accommodation in the other place, and there may be benefits for us if consideration were given to the problem

whether some of the members of the Lord Chancellor's staff could not be better housed elsewhere, outside the House.

The provision of phase 1 is for 180 rooms altogether — about 90 rooms for Members and 90 for their secretaries. We should recognise that while this will be a popular addition to the available accommodation, even when the renovations have been completed, we shall still be a long way off decent accommodation for all hon. Members. Even when we reach the sunlit uplands of a single room for every Member of Parliament, and a facility nearby for his or her secretary, our standard of facilities will still be behind that enjoyed by legislatures in almost every other nation in the western world. Tonight, we are taking a small step towards acceptable standards of provision, and I hope that the House will give it its support.

12.33 am

**The Under-Secretary of State for the Environment (Sir George Young):** I agree with the hon. Member for Blackburn (Mr. Straw) that this has been a debate of unusually high quality, from which a high degree of consensus has emerged. It is a sign of your personal interest in this matter, Mr. Speaker, that you have sat throughout the debate in your Chair. I wonder how quickly the hon. Member for Blackburn will be served tomorrow at lunch time when he takes his place in the Members' Dining Room after what he said about the Refreshment Department.

I shall deal with the points made in the debate, and I begin with those made by the hon. Member for Blaydon (Mr. McWilliam). Both he and his colleague, the hon. Member for Blackburn, asked about the funding of the project. The Lord Privy Seal explained that the total cost would be about £23 million. Of that sum, some £16 million is new money either from the Treasury or the Department of the Environment. Some £7 million is from the Palace Vote, spread over about six years. At present the Palace Vote is about £10 million a year. The ability to respond to new demands will be fairly restricted while Bridge street is being developed, but happily there is no backlog of serious work in the Palace. Some schemes may have to be slowed down, and others postponed, but we can cope with the essential requirements of the Palace while the site is being developed.

**Mr. McWilliam:** The Select Committee report stated that the effect of the proposal would be noticeable to hon. Members. What will be noticeable to hon. Members?

**Sir George Young:** I do not know at this stage. Some of the expenditure about which the hon. Gentleman was worried will be consequential expenditure when some offices have moved out. That will happen towards the end of the period, and we have taken no public expenditure decisions on it. I hope that we can cope with any demands.

**Mr. Cormack:** Can my hon. Friend confirm that this scheme will not interfere with the necessary restoration of the Palace, because there has been some disquiet about that?

**Sir George Young:** If my hon. Friend is talking about the restoration of the stone, I am determined that that programme should proceed, so far as it is within my power, at the present pace. It is a good investment of resources.

I am grateful for what my right hon. Friend the Member for Taunton (Mr. du Cann) said in support of the scheme, and for the generous tributes that he paid to all those associated with the report. I join him in those tributes. My hon. Friend the Member for Staffordshire, South (Mr. Cormack), as one would expect, put the proposals in a historic context. The right hon. Member for Wakefield (Mr. Harrison) reminded us of how much we have lost during the past 18 years because of his enforced silence. My hon. Friend the Member for Hereford (Mr. Shepherd), who does such sterling work on the Library Sub-Committee, added a Library dimension to the debate.

We heard an important note of dissent from my hon. Friend the Member for Canterbury (Mr. Crouch). There is scope for differences of taste, but the Services Committee considered the suggestion that we started from scratch and decided unanimously that we should build on what was there. When my hon. Friend has seen the buildings after they have been restored, rather than as they are now, I hope he will share my view that the Services Committee made the right decision.

**Mr. Crouch:** Does my hon. Friend recollect from the evidence to the Select Committee that Sir Hugh Casson spoke of using a Flymo on the buildings in Parliament street? Admittedly, he was talking about the backs of the buildings, which he thought were horrible, and he wanted to use a vertical Flymo to flatten them. What a chance we have missed for a great architect, Sir Hugh Casson, to start on a virgin site, with all the buildings flattened by his Flymo, and it would have cost no more.

**Sir George Young:** Sir Hugh can use his Flymo for part of the scheme, because the backs of the buildings will be demolished.

Many hon. Members introduced a note of urgency and asked us to make even greater progress than has been planned. Almost every square foot in the existing parliamentary estate that could economically be used has already been taken up, and, given the restraints of the Division Bell, additional accommodation can be found realistically only in the area between Derby gate and Bridge street. This area has been earmarked for parliamentary use for about 20 years. All the buildings on the phase 1 site are now listed and are within a conservation area. They give a human scale to Parliament street in contrast to the dominant Government buildings on the other side of the road. Those factors led Casson Conder to propose that the facades of Parliament street should be retained, with such accommodation behind them as can reasonably be adapted for modern use. Much of the ill-lit and sub-standard accommodation on the Cannon row side would be demolished and replaced by rooms designed for parliamentary use.

The hon. Member for Blaydon asked me about residences. No. 43 and No. 44 Parliament street are two small 18th century houses. Due to their structural limitations it is suggested that they be used as residences for officers of the House. This might enable existing residential space, about which the hon. Member for Blackburn spoke, in the Palace of Westminster to be converted to office use by Members. The Select Committee has asked for confirmation that No. 43 and No. 44 could not be used as offices, and a detailed structural survey will shortly be carried out so that a report can be made on this point.

[Sir George Young]

The specific use of the new building will take account of views expressed in this debate. My hon. Friend the Member for Harrogate (Mr. Banks) drew attention to the need for detail on the work inside. However, the configuration of the site generally, and specific buildings in particular, will influence its use. The site would provide some 180 rooms for office accommodation, which could in turn form 90 Members' sets. My Department was advised, however, in a note from the then chairman of the Accommodation and Administration Sub-Committee last November, that the Sub-Committee's first priority was to provide the maximum possible accommodation for Members as close to the Chamber as possible. That view has been echoed during the debate.

This led the Sub-Committee to examine the position of all those, other than Members, who now occupy space in this House's part of the Palace. But the Sub-Committee did not expect to have any success in removing persons and services from the Palace unless they could be accessibly housed elsewhere. Therefore, access to Parliament street for persons, materials and data will need to be first-class.

The Sub-Committee said that my Department should not assume that all it was looking for in Parliament street was 100 sets for Members. Although it would, of course, be looking for some more Members' accommodation outside the Palace, the provision of more accommodation within the Palace was an even greater priority. The House has endorsed those views.

The next step would be the formation of a working party to translate the views of the House into a clear brief for the design team, the working party comprising representatives of the Services Committee and my Department.

This new block of buildings would be the first purpose-built accommodation for the House since Barry and Pugin

designed this Palace. Bearing in mind the greatly increased pressure of parliamentary business over the last century, the increase in space that this scheme would provide is modest. Its design would provide accommodation up-to-date in its regard for Members' wishes, and the Services Committee will, no doubt, keep in touch with opinion in the House on this point.

We must put this site in the context of a crucial part of the capital city, as one or two hon. Members did. The construction of the international conference centre on the Broad Sanctuary site is bringing into good use a site that has been derelict for far too long. The reconstruction of the Richmond Yard building off Whitehall is now under way. We are refurbishing the old public offices in Whitehall. The restoration work in this Palace constitutes a significant programme of work. The additional scheme that is now proposed would go a long way towards completing improvement in this highly sensitive part of the capital.

I do not believe that hon. Members find the cost of the latest proposals excessive. We would have had to spend some money on these buildings simply to keep them upright during the next few years. Taking all these factors into account, I believe that the proposed scheme offers good value for money and meets the House's needs in the cheapest way.

The hon. Member for Hamilton (Mr. Robertson) said that we are all responsible for having done nothing for so long. I hope that we can at least take the credit for starting to do something to put the problem right.

*Question put and agreed to.*

*Resolved,*

That this House agrees with the Select Committee on House of Commons (Services), in their Third Report in the last Session of Parliament, House of Commons Paper No. 269: New Parliamentary Building (Phase 1).



DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

My ref:  
Your ref:

*Pine Murtis*

18 November 1983

*To note*

*Dear Sir  
A 21/11  
Rising*

*at the Bridge St  
Exhibition in  
Westminster Hall*

INTERNATIONAL CONFERENCE CENTRE: BROAD SANCTUARY

You asked me on 15 November about the accuracy of press reports that the cost of the Conference Centre was rising steeply, and was in excess of approval. In particular, you were concerned about the provision for inflation.

The allegations in the press are unfounded, as the attached reply to David Sumberg's question on 17 November makes clear.

I think that the reply is comprehensive enough to cover the points you raised with me when we met. If, however, there are other points on which you would like clarification, please let me know and I will do my best to respond to them.

*Yours sincerely*

*I think this is  
most disappointing  
comments to say the  
least*

SIR GEORGE YOUNG

*Please let me have a  
look at Cabinet papers about it.  
I don't remember the L.Y. or  
any suggestion that prices should  
be automatically indexed for  
inflation.*

I have said to the PM  
that if my reading of para: 1 is correct  
the £44m. includes the £37.4m. — i.e.  
the "extras" cost £6.6m. But an answer is  
still necessary to the first question.

FEB

30.11

HOUSE OF COMMONS

Mr David Sumberg (Con - Bury South):

To ask the Secretary of State for the Environment, what is the estimated cost of building the International Conference Centre at Broad Sanctuary; and if he will make a statement.

SIR GEORGE YOUNG

*Why are the prices automatically updated for inflation at a time when we were boasting that because sterling prices had fallen we were able to get more from the Capital Provision*

I told the House on 30 March 1983 (Hansard column 172) that the agreed value of the management contract for the Centre at 1st quarter 1982 prices was £35.6m. In real terms, the current estimate for this work, at £37.4m, remains unchanged. The overall estimated cost of all work including telecommunications, security equipment and landscaping, which did not form part of the above contract, is £44m at 3rd quarter 1983 prices. This sum remains within agreed estimates and, as normal includes contingencies, but excludes furnishings.

*Did this ever appear in technical papers? It is astonishing that it cost more than the building.*

As announced by my right honourable Friend the then Secretary of State for the Environment on 7 April 1982 (Hansard column 367), the Government decided not to proceed with the offer of funding received from the Pearl Assurance Company and instead to use public sector funds to construct the Centre. There has been no change in this position. Bovis Construction Limited were appointed in April 1982 as management contractors for the construction of the superstructure. The form of contract was specifically devised by the Property Services Agency and was not a standard Bovis management fee contract. The earlier contracts for the substructure of the Centre - which includes the parliamentary telephone exchange - were completed as a separate project before Bovis began work.

Despite an early problem when Willment Brothers Limited, who held two of the sub-contracts, went into liquidation; I am satisfied that the project is on programme and is under effective control.

Thursday 17 November 1983 for  
Wednesday 16 November 1983 (N<sup>o</sup> 122)  
Department of the Environment

859/83/84  
(36)

## Pensions

The Parliamentary Contributory Pension Fund and the European Assembly (United Kingdom representatives) Pension Scheme provide exactly the same benefits. The basic benefit is a pension equal to one sixtieth times the number of years service (up to a maximum of 40) times pensionable salary in the last year of service. All serving members are required to contribute 6 per cent. of salary. There are also provisions for dependants benefits, the purchase of additional years of reckonable service and the transfer of pension rights.

MEPs receive the same pensions as members of the national parliaments. For Luxembourg, France and Italy, the European Parliament pays a pension equivalent to one third of a Commissioner's salary, subject to national weighting.

## ENVIRONMENT

## Cyclists

**Mr. Stuart Holland** asked the Secretary of State for the Environment where cyclists are (a) allowed to push their cycles and (b) allowed to cycle, on pedestrian routes under his control.

**Mr. Macfarlane:** The information can be supplied only at disproportionate cost.

## Stockport (Ministerial Visit)

**Mr. Arnold** asked the Secretary of State for the Environment if he will make a statement about his visit to Stockport on 17 March.

**Mr. King:** I had a full discussion with councillors and senior officers about the various initiatives which the council is taking to encourage private sector activity in its area and to improve the local environment. I was impressed by the council's vigorous and imaginative approach.

## Non-tradition Dwellings

**Mr. Frank Allaun** asked the Secretary of State for the Environment how many types of non-tradition dwellings approved by the Minister of Works up to and including 1950 are still lived in.

**Sir George Young:** My Department does not have this information.

## Building Materials Industry

**Mr. Frank Allaun** asked the Secretary of State for the Environment if he will estimate the approximate number of jobs in the British building materials industry which have been lost through the use of timber frames, steel frames, in situ concrete, reinforced concrete and other categories, respectively, of non-traditional materials.

**Sir George Young:** No; it is not possible to estimate reliably what the level of employment in the building materials industry would have been had such widely used materials not been introduced.

## Conference Centre, Storeys Gate

**Mr. Banks** asked the Secretary of State for the Environment if he will set out the original building contract price and completion date for the construction of the conference centre on the Storeys Gate site, Westminster; and whether he anticipates that any variations will occur in either figure.

**Sir George Young:** The agreed value of the management contract for the ICC superstructure at first quarter 1982 prices, including the building costs, the contractor's fee and the fitting out of the parliamentary telephone exchange extension, was £35,604,000. This has not changed in real terms and the completion date for the contract remains 21 January 1986. The contract period will be followed by fitting out and commissioning which is planned to be completed by April 1986. The estimated cost, again at first quarter 1982 prices, of the completed substructure, which includes the parliamentary telephone exchange extension and the foundation and basement for the conference centre, is £5,086,000.

## Elderly Persons (Home Repairs Exhibition)

**Mr. Squire** asked the Secretary of State for the Environment if he will arrange for an exhibition relating to repairs for elderly home-owners, organised by Shelter, to be displayed in the Upper Waiting Hall from Monday 16 to Friday 20 May.

**Sir George Young:** I understand that Shelter is sending to the Department details of the proposed exhibition. I shall write to my hon. Friend as soon as I have considered its proposals.

## Residential Houseboats

**Mr. Sims** asked the Secretary of State for the Environment if he will seek to amend the law so as to make residential houseboats liable to domestic rates rather than commercial rates.

**Mr. Giles Shaw:** It is for individual rating authorities to determine—within the terms of the General Rate Act 1967—whether a property should be liable for domestic or non-domestic rates. There is nothing in that Act which would preclude a houseboat from being treated as a dwelling house and hence eligible for domestic rate relief.

## Assured Tenancies Scheme

**Mr. Heddle** asked the Secretary of State for the Environment what information his Department has published about the assured tenancies scheme introduced by the Housing Act 1980.

**Mr. Stanley:** We have today published a new booklet in the Department's housing booklet series called "Assured Tenancies—a guide for landlords and tenants"—housing booklet No 17. The booklet explains the rights and obligations of landlords and tenants under assured tenancies. It also describes how bodies can become approved to let recently built residential property on assured tenancies and how they may be able to claim

Westminster Renovation

CONFIDENTIAL

ALL MINISTERS

ms

TUESDAY, 22ND NOVEMBER

In accordance with the usual practice there will be a free vote on the Motion on a new Parliamentary building. Nevertheless it will be very unsatisfactory if this Motion is not agreed to, and I hope that all Ministers and Parliamentary Private Secretaries will remain after ten o'clock for this business to vote for the Motion. If you are unable to remain please let Alastair Goodlad know.

JOHN WAKEHAM

17th November, 1983.



AMA

PRIME MINISTER

BRIDGE STREET SITE

You are to view the exhibition of the proposed redevelopment of Bridge Street tomorrow at 1630. This note is to remind you about the background.

In 1982 Michael Heseltine announced proposals to redevelop the area bounded by Cannon Row, Bridge Street, Parliament Street and Derby Gate with public funds and to explore the possibility of redeveloping the remainder of the site with private capital. The Casson Condor partnership was commissioned to produce a feasibility study which will be reflected in the exhibition. The estimated cost of phase one is about £23 million (construction £19½ million; furniture and equipment £1 million; and consultants' fees £2½ million), on the assumption that the work is done over the period 1984/5 to 1988/9. Phase one will provide some 180 offices to accommodate 90 Members and their support staff, or fewer Members but a number of officers of the House to free accommodation in the House itself. The proposals are due to be debated in the week beginning 21 November on the Report of the Services Committee. Sir Hugh Casson and Mr. Jenkin have been considering the design and Sir Hugh has agreed that it should be possible to make some amendments to the Parliament Street facade in order to avoid the "toothless" effect that it now presents.

14 November 1983

DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>1767</i> ..... (one piece/item number)	Date and sign
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CF: for tomorrow's meeting folder.

14/11

LPS / C. HC / PJ / S. GY

? 1630 on Tue 15 Nov

~~Delayed~~

Have you told MA

D

PRIME MINISTER

BRIDGE STREET SITE

This is to bring you up to date with events following your meeting with Mr. Jenkin, Mr. Biffen and Mr. Rees.

i) The Treasury and Environment have come to an agreement on finance for the redevelopment of the site.

ii) Mr. Jenkin has met Sir Hugh Casson and the latter has agreed to make a number of amendments to the design of the Parliament Street facade (subject to the need to press on)

iii) There is likely to be a debate in the House in the week beginning 21 November.

iv) There will be an exhibition of the proposals from 14 - 25 November. If you would like to look in Sir Hugh Casson or one of his partners would be delighted to be on hand to talk about the design.

Would you like us to find a time for you to look in?

Yes please no

D

9 November 1983

~~Time~~: Fixed for 1630 on Tues 15<sup>th</sup>.  
Sir Hugh Casson, the Lord Privy Seal  
and either Mr Jenkin or Sir George  
Young will be there.

D  
11/11

200 Buildings Prime Minister: WBPM. 2 PPS



It seems that amendments can be made to the design for the Parliament Street facade of the Bridge Street site. Redesign of the whole plans, would, of course, put back the redevelopment by an unacceptable period. Would you like us to find time to look at the exhibition to which the letter refers?

2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

Dear Tim

9 November 1983

DB 9/11

My Secretary of State was grateful for your letter of 24 October recording the meeting which the Prime Minister took to consider the redevelopment of the Bridge Street site. Subsequently Treasury officials confirmed that the additional bid for funds had been accepted.

She will wish to know that the Leader of the House has provisionally suggested a debate in the House some time during the week beginning 21 November. An exhibition of the proposals is planned to start on Monday 14 November and last until Friday 25 November. This will be announced by an arranged PQ this week as well as a note on the Whip. Should the Prime Minister wish to have a look at this exhibition, which will be manned at key hours for Members on three days only, I would be grateful for warning of the expected time so that Sir Hugh Casson or one of his partners could be on hand to answer any questions the Prime Minister might have.

My Secretary of State has had a briefing session with Sir Hugh Casson and PSA officials. Sir Hugh explained why it had been decided to prepare plans based on retaining the facades (and parts of the buildings behind them) fronting onto Parliament Street and Bridge Street, and Mr Jenkin understands that the Prime Minister is content to proceed on that basis. Sir Hugh agreed however that it should be possible to make minor amendments to the design of the Parliament Street facade in order to avoid the somewhat "toothless" effect it now presents. On this basis my Secretary of State is of the view that, subject to the approval of the House, the proposals we now have should proceed as quickly as possible so that this valuable opportunity for progress is not lost.

Copies of this letter go to Charles Marshall (Lord Privy Seal's Office), John Gieve (Chief Secretary's Office) and Murdo Maclean (Chief Whip's Office).

Yours sincerely

L. Robinson

LUCY ROBINSON  
Private Secretary

Timothy Flesher Esq



2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref: JK

Your ref:

Dear Charles

9 November 1983

Thank you for your letter of 2 November about the redevelopment of the Bridge Street site. You subsequently telephoned to say that the timing of a debate had slipped to the week beginning 21 November. My Secretary of State is grateful that Parliamentary time seems likely to be made available so quickly now that the additional bid for funds has been accepted by the Treasury.

Approval is being sought for an exhibition to be held about the scheme in Westminster Hall. This would open on Monday 14 November and last for two weeks, thus giving Members an opportunity to inform themselves about what is proposed before the debate. My Secretary of State is also arranging for copies of Casson Conder's up-to-date Feasibility Study (dated October 1983) to be available in the Vote Office before the debate. In order to explain why the exhibition is being held, and to inform Members about the Feasibility Study, my Secretary of State suggests that a Written Question be put down for answer this week. I attach a suggested Question and Answer. It would seem appropriate for the Lord Privy Seal to handle this, and you will no doubt make the necessary arrangement with a Member. I understand that Sir Paul Hawkins might wish to put the Question. We would also ask the Serjeant at Arms to include a note on the Whip.

/ Copies of this letter go to the recipients of yours.

Yours sincerely

L. Robinson

LUCY ROBINSON  
Private Secretary

C M J Marshall Esq

DRAFT QUESTION

To ask the Lord Privy Seal: if he will make a statement about the Government's response to the recommendations of the Third Report from the Select Committee on House of Commons (Services) in Session 1982-83.

DRAFT ANSWER

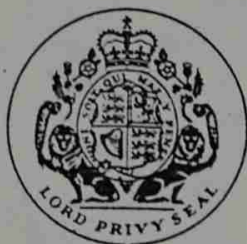
I hope it will be possible for the House to debate the recommendations of this Report in the near future. I have therefore asked my Rt Hon Friend, the Secretary of State for the Environment, to arrange an exhibition of the proposals put forward for Phase 1 of the site by the Casson Conder Partnership, and to ensure that copies of an up-to-date version of Casson Conder's Feasibility Study are available in the Vote Office before the debate. The exhibition will be held in Westminster Hall and will last for two weeks starting on Monday 14 November. The Government will decide what further action to take on these proposals in the light of the views expressed by the House.



With the Compliments  
of the  
Private Secretary  
to the  
Lord Privy Seal



CONFIDENTIAL



PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

2 November 1983

Dear Lucy,

BRIDGE STREET DEVELOPMENT

H  
3/11

Following the Prime Minister's meeting on this subject on 24 October, we spoke about the possibility of holding an early debate.

I understand from the Chief Secretary's Office that the question of how Phase 1 should be funded has now been resolved, and we have it in mind that the proposed debate might take place after 10 pm sometime during the week commencing 14 November. As I explained, the Lord Privy Seal, as Leader of the House, intends to open for the Government with a short speech of about 12-15 minutes, and believes it would be appropriate for an Environment Minister, perhaps Sir George Young, to wind up. You indicated that you were content with this arrangement; but no doubt you will let me know if you foresee any difficulty.

I shall be in touch about the precise timing of the debate in due course.

I am copying this letter to Tim Flesher, John Gieve and Murdo Maclean.

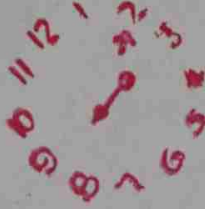
Yours,  
Charles

C M J MARSHALL  
Private Secretary

Ms Lucy Robinson  
Assistant Private Secretary to  
the Secretary of State for the Environment  
2 Marsham Street  
London  
SW1

Govt Bldgs  
Westminster  
Area  
pt 2

3 NOV 1983



cc MASTER SET



## 10 DOWNING STREET

From the Private Secretary

24 October 1983

The Prime Minister took a meeting today to discuss the re-development of the Bridge Street site. Your Secretary of State, the Lord Privy Seal, the Chief Secretary and the Chief Whip were present.

Opening the meeting, the Prime Minister said that she found the present state of the Bridge Street site intolerable. The Lord Privy Seal agreed with this view. Phase 1 of the re-development of the site would provide 180 offices for Members and their support staff. Moreover, it would enable more room to be provided in the House itself by enabling a number of officers of the House to be accommodated elsewhere. The report of the Services Committee which had favoured such a re-development was due to be debated in the reasonably near future; it was likely that a substantial majority of the House would favour the Committee's proposals. If this was so it would constitute a clear mandate for the Government to press ahead with Phase 1. Not to do so would be unpopular in the House as well as leaving the buildings on the site in their present deplorable condition.

The Chief Secretary agreed in principle that re-development of the Bridge Street site was desirable not simply on Parliamentary accommodation grounds but also on aesthetic grounds. The problem was however not simply the cost but the likely pressure for additional accommodation from other Parliamentary and Government offices. For example, the Exchequer and Audit Department had a very good case for re-location from their current offices at Blackfriars and might also have a claim on Bridge Street. The Prime Minister commented that she recognised that a number of such claims could be made; in this case however Parliamentary needs had to have priority.

/The meeting noted

CONFIDENTIAL

LB

CONFIDENTIAL

- 2 -

The meeting noted that the estimated cost of Phase 1 was some £23 million, most of which would be spread over the three years 1985/6-1987/8. The Department of the Environment could find some £7 million towards this by reducing other work in the Houses of Parliament programme. The difference constituted a bid for additional resources. Nevertheless the Prime Minister said that such was the urgent need for work on Phase 1 to press ahead that she was prepared to accept the bid. The current proposals were not ideal in that they involved the retention of the existing Whitehall facade which, in her view, had no architectural merit. Nevertheless, it would be impossible to go back to the drawing board. She invited therefore the Chief Secretary and the Secretary of State for the Environment to consider how the cost of the project might best be met with a view to making rapid progress following the anticipated approval of the report of the Services Committee in the forthcoming House of Commons debate.

I am sending copies of this letter to David Heyhoe (Lord Privy Seal's Office), John Gieve (Chief Secretary's Office, H.M. Treasury) and Murdo Maclean (Chief Whip's Office).

TIMOTHY FLESHER

Roger Bright, Esq.,  
Department of the Environment.

CONFIDENTIAL



M

PRIME MINISTER

We are to discuss the proposed redevelopment of the Bridge Street site on Monday. It may be helpful if I set out the main points for consideration.

In August 1982, Michael Heseltine announced proposals to redevelop for Parliamentary purposes the area bounded by Cannon Row, Bridge Street, Parliament Street and Derby Gate with public funds (Phase 1); and to explore the possibility of redeveloping the remainder of the site with private capital (Phase 2). These are two of the most important sites in the heart of the capital and their continuing neglect is a lost opportunity attracting growing criticism.

The Casson Conder Partnership was commissioned to produce a feasibility study for Phase 1, and the Services Committee's 3rd Report in Session 1982/83 was based on their initial thinking. That Report also contained proposals from Edward Erdman & Co indicating ways in which private capital might be found for Phase 2. My immediate concern is the way forward for Phase 1.

Casson Conder have now completed their feasibility study. The next stage would be to work this up to a detailed design. Before this can be done, they will require a clear brief which will need to reflect the views of the House of Commons. It has always been envisaged that the House's views would be obtained by means of a debate on the Services Committee's Report.

The estimated total cost of Phase 1 is some £23m (construction £19½m, furniture and equipment £1m, and consultants' fees £2½m) at cash prices, on the assumption that the work is done over the period 1984/85 - 1988/89, the main expenditure, on the construction, being spread over the three years 1985/6 -



1987/88. By paring other work in our Houses of Parliament programme back to the bare minimum requirement over the three peak years, we might find from this programme some £7m (or £9m if we maintained the cut-back for a fourth year). That however is the most we can find in this way, and we had to ask for the balance to be covered by an additional bid in this year's Public Expenditure Survey. The Treasury have not however as yet been able to offer us extra money.

We thus need to decide whether it would be right to authorise the Casson Conder Partnership to go forward with the detailed design at this stage, at a cost of perhaps £1½m over two years, so that we would be ready to start construction quickly whenever the circumstances might permit.

In our discussion we will need to bear in mind that, having been blighted for some 20 years by the prospect of redevelopment for Parliamentary purposes, many of the buildings on the site are now in a deplorable condition. Significant sums would be required to rehabilitate these buildings for long-term use if we decide not to go ahead with redevelopment. Furthermore, we have now reached the point at which the existing Parliamentary estate is virtually fully utilised, and yet the needs for more Parliamentary accommodation are becoming increasingly pressing.

In a broader context, the redevelopment of this site, combined with the plans for Richmond Terrace, the construction of the Conference Centre at Broad Sanctuary, and the stone cleaning at the Palace of Westminster will round off the restoration and renovation of this part of Westminster.

We will need to consider the desirability and timing of any debate on the services Committee's Report, or any other action



we might need to take to inform the House of our conclusions.

Copies of this go to John Biffen, Peter Rees, the Chief Whip and Sir Robert Armstrong.

PJ

PJ

20 October 1983

PRIME MINISTER

Meeting arranged  
1430 ~ 24/10.

The Bridge Street Site

I understand you asked what plans there were for the redevelopment of this site.

The long answer is set out in the attached letter from John Biffen's Office which describes the conclusions of the report of the Services Committee on the subject.

The short answer is that the Committee recommends that the redevelopment should be split into two phases. The plan at Flag A shows the areas covered by Phase I and Phase II. Phase I would involve the restoration and conversion of the buildings facing onto Parliament Street to provide 180 offices to accommodate 90 MPs and their support staff. The cost of this work would be £15 m at 1982 prices, spread over 5 years. If it started immediately the development might be finished by 1986/87.

The Services Committee reached no conclusion on Phase II. It simply published without comment a study by surveyors of the prospects for a mixed development of this part of the site. The surveyors concluded that private sector organisations would be interested in undertaking a construction for a mixed Parliamentary/commercial complex which might provide accommodation for 200 or so MPs and their staff without cost to public funds. The Services Committee said that they would consider the options for Phase II further in the light of the House's reaction to their report. The surveyors' report at Flag B sets out their Phase II proposals in more detail.

Since the Services Committee reported, the Department of the Environment and the Treasury have been arguing about how the cost of Phase I of the redevelopment should be met. Essentially, the Department of the Environment have said that they cannot meet the total cost of Phase I from their existing PES provision.

/ They



They sought Treasury agreement to additional sums of £5 m being made available in 1985/86 and 1986/87. The Treasury refused to agree to this in advance of the 1983 public expenditure round. The Treasury also put down a marker saying that there could be no presumption that any public funds would be made available for the development of Phase II. (The Chief Secretary's letter of 9 May at Flag C ).

The Department of the Environment will shortly be making a bid for the additional expenditure described above as part of this year's expenditure round. They have been delaying the debate on the Services Committee report until the Government's position has been agreed. They will be pressing for a debate in November. I have told them to copy all further correspondence to us.

CPSR

We must meet to discuss this. The buildings on the site are a disgrace in the heart of the capital.

mb

27 September, 1983.

Willie Rickett

While we are in the States, could you please see if DOE can provide a sketch map

PARLIAMENT STREET AND BRIDGE STREET REDEVELOPMENT

showing the areas covered by Phase 1 and Phase 2

This development is taking part in two phases. Phase 1. This is the development of new Parliamentary accommodation and the Department of the Environment are now trying to obtain funds from PES. They are hoping for a November date. Phase 2 will aim to attract private investment but as yet this is only an idea with no firm plans or timetable.

respectively, and let us know whether there are any plans for the ultimate use of the development created by Phase 2.

Work on Richmond Terrace is already underway and should be completed by mid-1986.

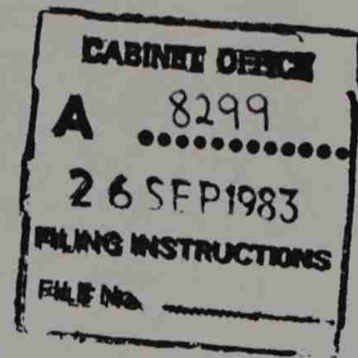
FERS

23.9.



10 DOWNING STREET

*From the Principal Private Secretary*



Sir Robert Armstrong



We spoke about your minute of 15 September A083/2607 on the future occupancy of the redeveloped Richmond Terrace.

I do not see it as likely that the whole of the Prime Minister's office would be moved out of 10 Downing Street in the foreseeable future. As you say, it is bulging at the seams, and we might require room to take some overflow. But this would be unlikely to require special facilities which need be taken into account in planning the design of Richmond Terrace at present. In practice, I would expect that, if more accommodation had to be found for the Prime Minister's office, we would first ask you if you could find such room in the Cabinet Office, and that might displace staff from the Cabinet Office who would have to be accommodated in Richmond Terrace.

The Prime Minister's main interest in the current redevelopment of central London offices is, as you know, to find an alternative home for those now occupying Somerset House, so that Somerset House could be released for Kings College. I suggest that you and I will have to speak up for the Prime Minister's interest in this matter, since there is no reason to suppose that the Inland Revenue or Lord Chancellor's Department will do so! But I do not know whether Richmond Terrace itself would or could play any part in providing new accommodation for those in Somerset House.

F.R.B.

23 September, 1983.

Susan so done  
M and over  
to Monica  
asap. M



10 DOWNING STREET

Michael,

The Parliament Street  
+ Bridge Street redevelopment  
is taking part in two  
phases:

Phase I - This is the  
development of new  
Parliamentary accommodation,  
and Environment are now  
trying to obtain funds  
from PES - they are hoping  
for a November debate.

Phase II will aim to  
attract private investment,  
but as yet this is  
only an idea, with no  
firm plans or timetable.

Work on Richmond  
Terrace is already

under way, and  
should be completed  
by mid-1986.

Susan

19.9.82.

CABINET OFFICE  
Ref. A083/2607  
A .....  
MR BUTLER

c-~~H~~ Stevens

FILING INSTR

FILE No There is correspondence going on among Ministers, not inherently important enough to be copied to the Prime Minister, about the future occupancy of the redeveloped Richmond Terrace.

2. It has been provisionally allocated to the Overseas Development Administration, which has to leave Eland House not later than 1992. The Foreign and Commonwealth Office are considering whether they would prefer to use it for other FCO purposes than the ODA; but the Department of the Environment is encouraging the FCO to stick to the allocation to the ODA.

3. I think that we ought just to consider whether we want to register a bid for Richmond Terrace (or at any rate some part of it) to be available for the central Departments. I am not suggesting that the Prime Minister's office or the Cabinet Office should move from their present buildings, and the management and personnel side of the Cabinet Office is in the course of moving into the New Public Offices, where it will be alongside the Treasury - and that makes good operational sense. The Office of Arts and Libraries will also go into the New Public Offices shortly.

4. But both 10 Downing Street and the Cabinet Office are bulging. We have no rooms for ad hoc Committees of Inquiry or anything of that kind. If there was any idea that the Prime Minister's office was likely to grow at all significantly over the next few years, we certainly ought to consider registering a bid.

5. Perhaps we could have a word.

**ROBERT ARMSTRONG**

ROBERT ARMSTRONG

15 September 1983

Tom agree 12/5  
Can we take it that  
there no need to w/b  
the attached any longer.

The discussion and  
correspondence between  
S/S Environment and CST  
continues and officials  
are becoming involved.

Is there anything to be  
gained by ~~continuing~~ nagging  
~~staying~~ away when we  
are copied the correspondence  
as a matter of course.

Mark  
12/5



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Tom King MP  
Secretary of State  
Department of the Environment  
2 Marsham Street  
London SW1P 3EB

10/5  
9 May 1983

2 Tom,  
BRIDGE STREET

Thank you for your letter of 27 April seeking my agreement to additional sums of £5 million being made available in 1985-86 and 1986-87 for Phase 1 of the Bridge Street project. I have also seen John Biffen's letter of 27 April.

Michael Heseltine's minute of 22 July 1982 to the Prime Minister said that he hoped to find most of the project's estimated cost of £15 million from within existing PES totals. In my letter to him of 11 August 1982 I made it clear that I agreed to the announcement of the appointment of the architects only on the understanding that costs would be found from within existing provisions within the PESC period.

I was, therefore, disturbed to hear that you consider that additions of £10 million will now be required, partly because the estimate has, apparently, risen by over £2 million. If you are to sustain a case for this additional finance I shall require to be satisfied on the reasons. In any case I certainly could only consider such a bid at the appropriate stage of the 1983 Public Expenditure Survey. I note your desire, and John's, to be able to indicate the Government's position when the Services Committee's report is debated. But I see no way in which I can avoid considering this call on funds, desirable as it may be, alongside all others. Only in that way can we ensure that proper account is taken of priorities, and of the full possibilities of offsetting savings.

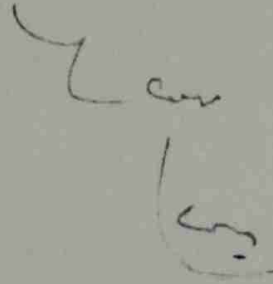
I am sure that it would be premature to reach a decision now. I am afraid, therefore, that I am unable to agree to your proposal that the programme totals for 1985-86 and 1986-87 should be increased at this stage.

John Biffen also drew attention to the conclusion in the report produced for the PSA by Edward Erdman and Sons that private sector organisations would be interested in undertaking the construction of a mixed Parliamentary building complex on the remainder of the Bridge Street site (known as Phase 2). As I said in my minute of 29 July to the Prime Minister, our officials must discuss the



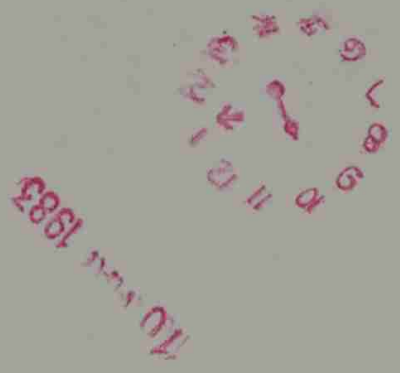
issues further before any approach is made to private sector developers. This is likely to be a difficult area and we need to explore thoroughly all the costs and benefits of the alternatives. I hope that this will be made clear to the Select Committee when they approach the PSA in taking evidence for a further Report. In the meantime I have asked my officials to get in touch with yours to consider further the options for Phase 2. I would also add that there can be no presumption that any public funds will be made available for the development.

I am copying this to the Prime Minister, John Biffen, and the Chief Whip.

A handwritten signature in dark ink, appearing to read 'Leon Brittan', written in a cursive style.

LEON BRITTAN

GOV. BUILDINGS : Restoration and renovation of the  
Westminster Area : Pt 2



Privy Council Office,

Whitehall,

London, SW1A 2AT

*With the Compliments*

*of the*

*Lord President of the Council*

WM  
27/4



PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

27 April 1983

*Dear Leon,*

BRIDGE STREET DEVELOPMENT

Tom King is writing to you today about the implementation of Phase 1 of the Bridge Street development as recommended in the recent Report of the Services Committee. Tom takes the view that this project should now proceed and I entirely share this view. We will need to hold a debate on the Services Committee's Report before long and I think it important that I should be able to say in the course of the debate not only that the Government accepts the Report but that the necessary funding will also be made available. I hope therefore that you will be able to agree to Tom King's proposals.

I should like to add one further observation concerning the longer-term development of the remainder of the Bridge Street site (known as Phase 2). The Services Committee include in their Report as an appendix a study by the surveyors, Edward Erdman and Sons. Their remit was to assess the prospects for private sector participation in the development of the remainder of the site in such a way as to provide for a measure of Parliamentary accommodation without cost to public funds in compensation for the waiver of ground rent for a substantial period. Despite the many complications inherent in such an approach, Edward Erdman conclude that private sector organisations would be interested in undertaking the construction of a mixed Parliamentary building complex which might provide sufficient accommodation for 200/210 MPs together with their support staff. The Services Committee propose to consider further the options for phase 2 in the light of decisions taken and views expressed by the House on their Report. I believe that this approach toward the development of the rest of the Bridge Street site is a promising one and will encourage the Services Committee to make speedy progress on a further Report on Phase 2.

I am copying this letter to the Prime Minister and the Chief Whip.

JOHN BIFFEN

The Rt Hon Leon Brittan QC MP  
Chief Secretary to the Treasury

Govt Bldgs,  
Restoration and  
Renovation, Pt 2

27 APR 1963

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4  
3  
2  
1



1) Mr Ricketts  
2) pa

27/4

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

27 April 1983

*Don Lee PH1*

On 22 July last year, Michael Heseltine circulated a minute to colleagues about the proposed redevelopment of the Richmond Yard and Bridge Street sites. Following the Prime Minister's agreement to those proposals, Michael wrote to you on 9 August seeking agreement to a draft public announcement. As far as the Bridge Street scheme was concerned, Michael thought that the costs of Phase I would be comparatively modest, and suggested that they could be most appropriately discussed as part of the 1983 Public Expenditure Survey. You were content with this way of proceeding, and Michael made an announcement about the scheme on 12 August.

Steady pressure from the Chairman of both the 1922 Committee and the PLP has been maintained. Since August 1982 the A and A Sub Committee has taken evidence about how best the Parliament Street part of the Bridge Street site might be used for Parliamentary purposes. The Services Committee have now published their unanimous report.

A new approach is now proposed. The Committee wishes to revert to the cautious stage by stage development which Sir Hugh Casson suggested in his 1979 feasibility study but with even greater emphasis on Conservation. All the exteriors on Parliament Street (Whitehall) will be retained or restored to their original design. All the historic interiors will be retained or restored. This approach has been widely welcomed and conservation circles.

The £2m which it would in any case cost to put the existing building into working order will be put to far more fruitful use as part of a comprehensive scheme. Purpose-built accommodation for Parliament can be fitted into and around the historic buildings.

The Parliament Street block is to be used so as to make a major impact upon life in the Palace of Westminster. By moving a substantial number of ill-housed and overcrowded staff from the Palace to Parliament Street it will be possible to house an increasing number of members close to the chamber.

It is proposed to seek the approval of the House by means of a debate as soon as possible, before the Summer recess.

During the debate, it will certainly be necessary for the Government to answer questions about the funding of the scheme. The Property Services Agency has no authority to spend anything on the scheme apart from the necessary consultant's fees in 1983/84. Last year's announcement said (at your request) that progress beyond the policy stage will be subject to the acceptability of the detailed plans and their cost. We must now be prepared to go further than that. We are therefore writing to set the financial implications before you now, rather than wait for the normal PES discussions later in the year.

The existing provision for the Department of the Environment's programme for the Houses of Parliament is set out at Annex A, together with the funding requirement for Phase I assuming construction starts as quickly as possible. While the total cost of the Parliament Street scheme, at £17.9 million, is likely to be a realistic figure, the cost could well be spread differently from the figures shown in Annex A. Assuming, however, that its cost does fall as shown, we think the Department can absorb the extra in 1984/85 and (assuming the PES provision is projected forward at the 1985/86 level) in 1987/8. This would be done by making savings on the existing new works and maintenance provision, though keeping going the stonework restoration scheme. Although separate contracts are let for each main elevation, we would not want to slow down this work. It is being very well received by Members and the public alike. It is also essential conservation work. The problem will arise in 1985/86 and 1986/87 when we shall be about £10 million adrift in total, even after making the maximum practicable reductions in other expenditure on the Houses of Parliament.

You will see from Annex A that some £5 million per annum is required to keep the Parliamentary buildings going as they stand. This excludes all new work, however minor, and major maintenance schemes. If we excluded all such work, other than the stone restoration, for 2 years and confined expenditure to day-to-day maintenance heating and lighting, a contribution of £3 million could be made towards the Bridge Street scheme in 1985/86, and again in 1986/87. In practice, we do not believe such a strict regime would be practicable or acceptable to Members. The Services Committee's Report touches on this point, and also points out that the Department would have to spend some £2 million on the existing buildings on the Phase I site if they were to be brought back into full use for Government offices. In our judgement, therefore, a contribution of £2 million per annum is the maximum that can be made in the two peak years, leaving a requirement for additional public expenditure of £5 million in 85/86 and 86/87.

Michael Heseltine's minute of 22 July indicated that he would look to you for the balance, but in your letter of 11 August you suggested that this would have to be found from the Departments existing provision. It does not seem that this can be done as far as PSA expenditure is concerned. As you will appreciate, under the Property Repayment Services system, most of the spending on accommodation is now funded by

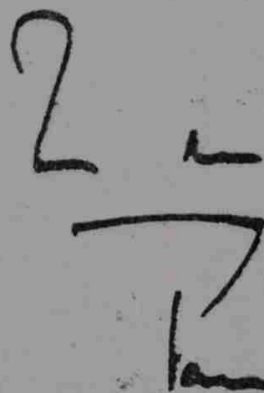
Departments and not by PSA; there is very little scope for reducing PSA's spending. In fact, as the agreement for funding a special office improvement programme in 1982 showed, the need now is to spend more on the office estate, not less. So we shall need to pursue the funding of Bridge Street set on the basis of an additional bid in the 1983 Survey without being able to offer more than the offsetting savings mentioned above.

As, however, the size of extra funds needed is relatively small (£5 million a year) we would hope that you could see your way to our telling the House that we can expect them to be available, in advance of the usual discussions on public expenditure which will be held later this year.

The latest proposals by the Services Committee would achieve a significant increase in the amount of parliamentary accommodation and would be consistent with a policy of bringing Members nearer the Chamber. The details of the scheme are much less open than previously to criticism on financial grounds. Architecturally they could be attacked only by some who would favour a demonstrative new building on this most sensitive site.

In our view we now have an opportunity which should not be missed.

I am copying this to the Prime Minister, and to the Chief Whip.

A handwritten signature in black ink, consisting of a large '2' followed by a horizontal line, a vertical line, and a horizontal line, resembling a stylized 'TK'.

TOM KING



## THE LIKELY FUNDING REQUIREMENT

Year	Day	Works	Fees £m	Furniture & Equipment	Totals
1	1984/85	1.9	0.5		2.4
2	1985/86	6.2	0.7		6.9
3	1986/87	6.4	0.7		7.1
4	1987/88	0.5	0.3	0.7	1.5

BREAKDOWN OF THE LIKELY PES PROVISION FOR THE HOUSES OF PARLIAMENT PROGRAMME  
(DOE VOTE 14.1 PROGRAMME 13.1) FROM 1984/85 ONWARDS

	£m
<u>Committed Expenditure</u>	
Fuel and Rents	1.2
Administration	1.0
Operating Costs	2.8
Sub-Total	5.0
<u>Uncommitted Expenditure</u>	
New Works	1.1
Maintenance schemes (including stone restoration)	3.3
Sub-Total	4.4
TOTAL	9.4



10 DOWNING STREET

*From the Private Secretary*

18 April, 1983

Thank you for your letter of 12 April about the Report of the House of Commons Services Committee on the Development of the Bridge Street Site.

The letter that was sent to you by Tim Flesher on 2 August, 1982 recorded the Prime Minister's agreement that your Secretary of State should discuss with the Chief Secretary the implications of redeveloping the Phase 1 Site along the lines proposed. It did not give the Prime Minister's approval to the redevelopment of the site regardless of the public expenditure implications. The Prime Minister has noted that your Secretary of State will be holding these discussions with the Chief Secretary and the Lord President shortly.

I am copying this to John Gieve (Chief Secretary's Office), Murdo Maclean (Chief Whip's Office) and Richard Hatfield (Cabinet Office).

W. F. S. RICKETT

Mrs. Helen Ghosh,  
Department of the Environment



10 DOWNING STREET

Note for file

I have asked the  
Chief Secretary's  
Office for their comments.  
By ~~on~~ 19/4 ~~1944~~.

WM

13/4



2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref: K/PSO/11801/83

Your ref:

12<sup>th</sup> April 1983

Dear Walter,

On 23 March Nick Huxtable wrote to you about the report of the House of Commons Services Committee which was published on 30 March. This report is the outcome of an investigation made by the Committee since last August when Michael Heseltine announced that the Casson Conder Partnership had been commissioned to prepare plans for the restoration of the buildings on the Phase 1 part of the Bridge Street site.

You will recall that the previous Secretary of State for the Environment minuted the Prime Minister on this subject on 22 July 1982. In a letter of 2 August I was told that the Prime Minister agreed to the redevelopment of the Phase 1 site along the lines proposed.

My Secretary of State and the Lord President will be discussing the public expenditure implications with the Chief Secretary shortly.

As far as Phase 2 is concerned, the Department will await the outcome of the further deliberations by the Services Committee before taking any further action.

Copies of this letter go to the recipients of Nick Huxtable's letter of 23 March.

Yours sincerely  
Helen Ghosh

MRS HF GHOSH  
Private Secretary

W F S Rickett Esq

put away  
WM  
28/3

PRIME MINISTER

This letter from the Lord President's Office is simply to let you know that the Services Committee will be publishing a report on a new Parliamentary building next Wednesday.

The Committee recommend that the restoration and conversion of the buildings facing on to Parliament Street should start as soon as possible. This would provide some 180 offices to accommodate about 90 MPs and their support staff (this is the area circled in red on the plan at Flag A).

The cost of this work would be £15 million at 1982 prices, spread over five years. The development could be finished by 1986/87. Since the buildings facing Parliament Street are already in a poor state of repair they will in any case require at least £2 million worth of repairs in the near future unless they are developed.

The cost would fall on the PSA Vote. There is no provision for this as yet, and the Lord President will be writing to the Chancellor and the Environment Secretary shortly.

The Services Committee also published without comment a study by surveyors of the prospects for a mixed development of the remainder of the Bridge Street site. The surveyors conclude that private sector organisations would be interested in undertaking construction of a mixed Parliamentary/commercial complex which might provide accommodation for 200 or so MPs and their staff without cost to public funds. The Services Committee say they will consider further the options for the second phase of the Bridge Street redevelopment in the light of the House's views on their report.

The Lord President feels that it would be desirable to arrange a Debate on this report before Whitsun.

WM

24 March 1983



PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

23 March 1983

Dear Willie

PARLIAMENTARY ACCOMMODATION:  
BRIDGE STREET SITE REDEVELOPMENT

---

You may like to be aware that the Services Committee of the House of Commons agreed at a meeting last week to approve a Report on a new Parliamentary building. It is proposed that the Report should be published on Wednesday, 30 March at 11.00 am. I enclose a proof copy. No special arrangements are planned to draw attention to its publication.

This is the second Report approved by the Select Committee on House of Commons (Services) during this Parliament which deals with the question of Parliamentary accommodation. The first Report was concerned with the study carried out by Casson Conder and Partners in 1979 which contained proposals for a comprehensive redevelopment of the whole of the Bridge Street site. It was intended to serve as the basis for a wide discussion of the accommodation needs of Members of Parliament and staff of the House of Commons. Despite an appreciative reception, however, the Casson Conder package was widely thought to be over-elaborate, with an estimated cost of £63 - £67.5 m. in Q1 1979 prices, and the Service Committee's Report was not debated in the House.

The Committee's latest Report adopts a fresh approach to the subject of Parliamentary accommodation and deals with the available options in two phases. The Committee recommend that the first element of the original Casson Conder proposal, which was the restoration and conversion of the buildings facing on to Parliament Street, should commence as soon as possible in order to provide some 180 offices which would be sufficient to accommodate 90 MPs

.../...

W F S Rickett Esq  
Private Secretary  
10 Downing Street  
London SW1

.. and their support staff. I attach a plan of the whole of the Bridge Street site which clearly shows the buildings which it is now proposed to convert to Parliamentary accommodation.

This work would cost £15m at 1982 prices, spread over five years, and could be finished by 1986/87. The buildings facing Parliament Street are in a very poor state of repair and will in any case shortly require at least £2m worth of remedial work to keep them in a safe condition if restoration is not commenced in the near future. Despite their poor condition, which is largely a result of 'planning blight' as they have now been designated for future conversion to Parliamentary accommodation for some 20 years, the buildings are of considerable architectural merit and the Services Committee recommend that conversion work should include a measure of restoration in order to enhance the appearance of the entrance to Whitehall. The Committee further recommend that the new accommodation should in the first place be made over to MPs and their personal staff but that, in the longer term, the objective should be for MPs to move into the Palace as suitable accommodation becomes available and that officers and staff of the House of Commons should occupy satellite buildings.

The cost of the work recommended by the Services Committee would fall to the PSA Vote. As yet no provision has been made in the public expenditure survey. The Lord President will be in touch shortly with the Chancellor of the Exchequer and the Secretary of State for the Environment on this point.

.. For the longer term (phase 2) the Services Committee publish without comment at annex II to their report the study recently completed by the surveyors Edward Erdman. Their remit was to assess the prospects for private sector participation in the development of the remainder of the Bridge Street site in such a way as to provide for a measure of Parliamentary accommodation without cost to public funds in compensation for the waiving of ground rent for a substantial period. I enclose also a copy of this study. Despite the complications inherent in such an approach, Edward Erdman conclude that the private sector organisations would be interested in undertaking construction of a mixed Parliamentary/commercial building complex which might provide sufficient accommodation for 200 - 210 MPs together with their support staff. A summary of Edward Erdman's conclusions is contained in section 2 of their study. The Services Committee state that they intend to consider further the options for phase 2 of the Bridge Street redevelopment in the light of decisions taken and views expressed by the House on their Report.

.../.

The broad thrust of the Select Committee's recommendations concerning the phase 1 development work seems likely to be welcomed by the House as representing a relatively modest set of proposals capable of producing tangible benefits within five years. This is in contrast to the more ambitious but more expensive ideas canvassed in the Casson Conder study. Once the Services Committee Report is published, the Lord President will consider the timing of a debate on the subject of Parliamentary accommodation. In view of the interest which Members are likely to show in the Select Committee's recommendations it might be desirable to arrange for this debate to take place before Whitsun.

I am copying this letter, without enclosures, to John Kerr (HM Treasury), David Edmonds (Department of the Environment), Murdo Maclean (Chief Whip's Office), Bernard Ingham (No 10 Press Office) and Michael Townley (Cabinet Office).

*Yours ever*

*Nick Huxtable*

N P M Huxtable  
Private Secretary

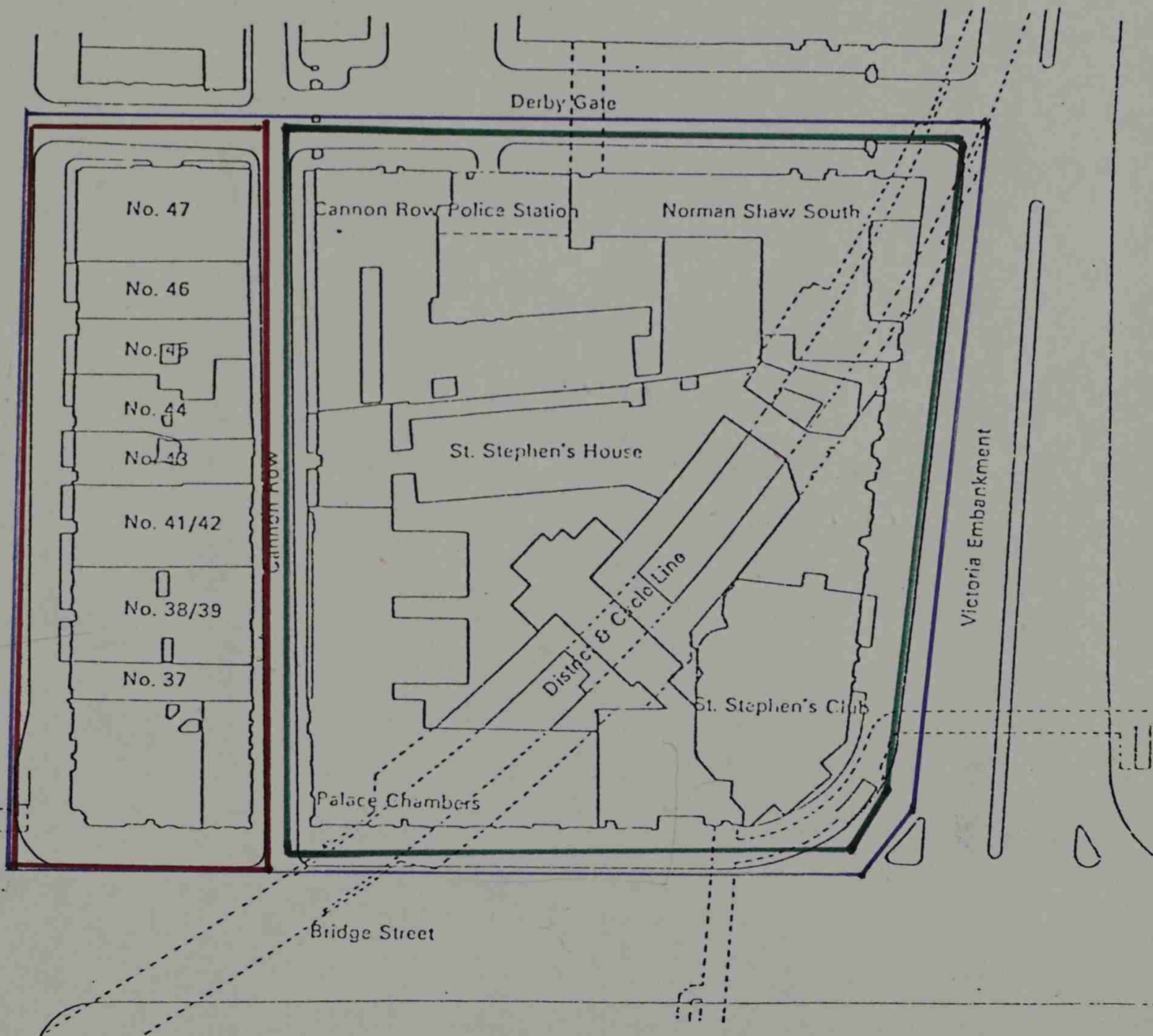


A.

WHITE HALL

Parliament Street

Derby Gate



Bridge Street

Victoria Embankment

- Limits of the Bridge Street site
- Buildings to be restored and converted in Phase 1
- Limits of the site to which the Phase 2 proposals relate

Parliament Square

New Parliamentary Building: Bridge Street May 1979  
 by Casson Conway & Partners

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**THIRD REPORT**  
FROM THE  
**SELECT COMMITTEE ON**  
**HOUSE OF COMMONS**  
**(SERVICES)**

TOGETHER WITH THE MINUTES OF EVIDENCE  
TAKEN BEFORE THE ACCOMMODATION AND  
ADMINISTRATION SUB-COMMITTEE ON  
23 NOVEMBER AND 8 FEBRUARY  
AND APPENDICES

---

**NEW PARLIAMENTARY BUILDING**  
**(PHASE 1)**

**Session 1982-83**

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*Ordered by The House of Commons to be printed*  
16 March 1983

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*LONDON*  
HER MAJESTY'S STATIONERY OFFICE  
£0.00 net

HC269

11008  
11009

ii

THIRD REPORT FROM

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12027

*Friday 15 June 1979*

12029

*Ordered,* That a Select Committee be appointed to advise Mr Speaker on the control of the accommodation and services in that part of the Palace of Westminster and its precincts occupied by or on behalf of the House of Commons, and to report thereon to this House.

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*Ordered,* That the Committee do consist of Nineteen Members.

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*Ordered,* That Five be the quorum of the Committee.

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*Ordered,* That the Committee have power to send for persons, papers and records, to sit notwithstanding any Adjournment of the House, and to report from time to time.

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*Ordered,* That the Committee have power to invite any specially qualified person, whom they may select, to attend any of their meetings in an advisory capacity on any architectural or related matters.

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12046

*Ordered,* That the Committee have power to appoint Sub-Committees and to refer to such Sub-Committees any of the matters referred to the Committee.

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12048

*Ordered,* That Two be the quorum of every such Sub-Committee.

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*Ordered,* That every such Sub-Committee do have power to send for persons, papers and records, to sit notwithstanding any Adjournment of the House and to report to the Committee from time to time.

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*Ordered,* That the Committee have power to report from time to time the Minutes of the Evidence taken before Sub-Committees and Memoranda submitted to them, and reported by them to the Committee.

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*Ordered,* That any Sub-Committee which may be appointed to deal with the organisation of, and the provision of services in, the Library do have the assistance of the Librarian.

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*Ordered,* That any Sub-Committee which may be appointed to control the arrangements for the kitchen and refreshment rooms do have power to appoint persons with expert knowledge for the purpose of particular inquiries, either to supply information which is not readily available or to elucidate matters of complexity within the Sub-Committee's Order of Reference.

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*Ordered,* That any Sub-Committee on computers that may be appointed shall have power to join with any Sub-Committee thereon that may be appointed by the Select Committee of the House of Lords on House of Lords Offices, to appoint persons with technical knowledge either to supply information which is not readily available or to elucidate matters of complexity relating to the matter referred to them, and to adjourn from place to place within the United Kingdom.

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The cost of preparing for publication the Shorthand Minutes of Evidence taken before the Committee and published with this Report was £215.10.

The cost of printing and publishing this Volume is estimated by Her Majesty's Stationery Office at £2,376.

2081 *Ordered*, That these Orders be Standing Orders of the House until the end  
of this Parliament.

2082  
2083 *Ordered*, That the following Members be Members of the Committee—

2084	Mr Patrick Cormack	Mr Charles Irving
2085	Mr Paul Dean	Mr Fergus Montgomery
2086	Mr Ioan Evans	Mr Eric Ogden
2087	Mr Andrew Faulds	Mr Norman St. John-Stevas
2088	Mr Ben Ford	Mr Colin Shepherd
2089	Mr Victor Goodhew	Mr John Stradling Thomas
2090	Mr Walter Harrison	Mr Phillip Whitehead
2091	Mr Paul Hawkins	

2092  
2093 *Ordered*, That the Members of the Committee nominated this day shall  
2094 continue to be Members of the Committee for the remainder of this Parliament.

2095  
2096 *Ordered*, That this Order be a Standing Order of the House.

2097  
*Tuesday 19 June 1979*

2098 *Ordered*, That the Standing Order of 15 June relating to the Select Committee  
2099 on House of Commons (Services) be amended, by adding Mr Ernest Armstrong  
2100 and Mr Cyril Smith.

2101  
2102 Notwithstanding the Orders of the House of 15 and 19 June 1979 relating to  
2103 nomination of Members of the Select Committee on House of Commons (Ser-  
2104 vices) the following changes were made for the remainder of the Parliament:

2105 *discharged*

*added*

2106 *Wednesday 14 January 1981*

2107 Mr Norman St. John-Stevas  
2108 Mr Phillip Whitehead

Mr Francis Pym  
Mr John Silkin

2109  
2110 *Friday 27 March 1981*

2111 Mr Andrew Faulds  
2112 Mr Ernest Armstrong

Mr Lawrence Cunliffe  
Mr Don Dixon

2113  
2114 *Tuesday 4 March 1982*

2115 Mr Ioan Evans

Mr Charles Morris

2116  
2117 *Thursday 22 April 1982*

2118 Mr Francis Pym

Mr John Biffen

2119  
2120 *Tuesday 25 November 1982*

2121 Mr Paul Dean

Mr Graham Bright

2122  
2123 *Tuesday 22 February 1983*

2124 Mr John Stradling Thomas

Mr Anthony Berry

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## THIRD REPORT

12126 The Select Committee appointed to advise Mr Speaker on the control of the  
12127 accommodation and services in that part of the Palace of Westminster and its  
12128 precincts occupied by or on behalf of the House of Commons and to report  
12129 thereon to this House, have made further progress in the matter to them referred  
12130 and have agreed to the following Report:

### 11009 *Introduction*

11010 1. This report comes to a number of conclusions (see page 00) about the first  
11011 phase of development for parliamentary purposes on the Bridge Street site. It  
11012 recognises that Members' need for offices is acute and accordingly recommends  
11013 that work costing £15m (at autumn 1982 prices) be put in hand to provide about  
11014 180 offices and related facilities on a portion of the site—that part of Parliament  
11015 Street facing on to the bottom of Whitehall. The facades of existing buildings  
11016 would be retained. The aim is that the House should take up occupation of the  
11017 new accommodation in 1987–88. Initially most of the occupants would be  
11018 Members, but the real priority is to provide Members with office accommodation  
11019 near the Chamber. When work on Phase 1 is complete, therefore, suitable parts  
11020 of the Palace itself should be converted or re-converted for the use of Members,  
11021 so that in time staff transferred from the Palace would predominate in the new  
11022 accommodation. We are indebted to our predecessors who put in hand the  
11023 feasibility survey covering the site by Casson Conder and Partners published in  
11024 May 1979, which has provided much useful detail. We hope very much that this  
11025 time the attempt to solve a long-standing problem will succeed.

11026  
11027 2. Nine years and five months after the night in 1941 when the Chamber and  
11028 adjacent parts of the Palace were gutted by enemy incendiary bombs, the House  
11029 moved into a new Chamber. Despite an undeniable growth in the needs and  
11030 expectations of successive generations of Members, and the immediate prospect  
11031 of an increase in the number of Members, securing adequate office accommoda-  
11032 tion has taken much longer. A few years after the occupation of the new Chamber,  
11033 a select committee came to the conclusion that only extensive building operations  
11034 would meet Members' accommodation needs. Over the next thirty years, there  
11035 have been some limited accommodation developments. Parts of Barry's Palace  
11036 have been converted at considerable expense, much of it sub-standard accommo-  
11037 dation. There has been *ad hoc* expansion into outbuildings, sometimes bringing  
11038 with it acute problems of communication. What has not happened in those thirty  
11039 years is identifiable progress with the "extensive building operations." We do  
11040 not propose to disinter the relics of schemes which are by now very dead. The  
11041 Fifth Report of 1977–78<sup>1</sup> contains a convenient and detailed summary of a long  
11042 series of attempts to gather both general approval and the necessary funds for  
11043 at least five different proposals, none of which made any real progress.

11044  
11045 3. For our immediate purposes, the story begins with the Report quoted which  
11046 in May 1978 recommended that Sir Hugh Casson PRA draw up a comprehensive

22080

<sup>1</sup> HC (1977–78) 483.

21047 scheme for redevelopment of the entire Bridge Street site,<sup>2</sup> retaining and restor-  
21048 ing what was of quality, and replacing the rest to a coherent design. The House  
21049 approved the suggestion,<sup>3</sup> and Messrs. Casson Conder and Partners were com-  
21050 missioned by the Department of the Environment to produce a feasibility study  
21051 of how best to provide more accommodation in a phased programme. Early in  
21052 the present Parliament, in May 1979, the feasibility study was presented to the  
21053 responsible Sub-Committee. It went into details of design approach (including  
21054 conservation), access, accommodation levels, costs and phasing. The details are  
21055 not immediately relevant here, but three points are important. The works cost  
21056 was to be £63 m–£67.5 m, at first quarter 1979 prices; the work was to be carried  
21057 out in a number of phases—originally seven and later four, which would take  
21058 nine years in all, but in which there were two possible stop-points; and the  
21059 proposals covered the site in its entirety. The First Report of the Committee in  
21060 1979–81<sup>1</sup> and the feasibility study itself<sup>2</sup> were intended to form a basis for  
21061 parliamentary and public discussion, leading up to a decision by the House on  
21062 whether or not the scheme outlined in the study should go ahead.

21063  
21064 4. No such debate took place. The present report relies in part on the work  
21065 done for the feasibility study, but proposes a rather different route towards  
21066 implementation. In July 1982, the Committee resolved that the Parliament Street  
21067 part of the site should be restored for parliamentary use “without further delay”.  
21068 Means of developing the remainder of the site in a manner such as to safeguard  
21069 the interests of Parliament were to be urgently explored.<sup>3</sup> In effect, the Commit-  
21070 tee’s decision meant finding out whether or not co-operation with private capital  
21071 was a possible way of resolving longer term and larger scale financial difficulties,  
21072 while hoping to rely exclusively on public funds for limited but more immediate  
21073 progress. The Accommodation and Administration Sub-Committee then took  
21074 evidence from the Property Services Agency (PSA) and the Casson Conder  
21075 Partnership (to both of whom our thanks are due) on the prospect of development  
21076 of the first Phase, that part of the site between Parliament Street and Cannon  
21077 Row.<sup>1</sup> The evidence is annexed and most of this report deals with the issues it  
21078 raises. As regards private capital and the remainder of the site, PSA com-  
21079 missioned a study by a firm of consultants and part of their report is annexed.<sup>2</sup>  
21080 There was insufficient time to embark on consideration of its conclusions, and  
21081 we publish the result of the study only for Members’ information in the context  
21082 of the more limited proposals. At the moment, a decision is required only on  
21083 the latter. The Committee will be giving further consideration to the consultants’  
21084 report, in the light of any decision taken by the House on Phase 1.

21085  
21086 5. To return to the comparative timescales with which we began, the present  
21087 Palace of Westminster took sixteen years to plan and build in the middle of last  
21088 century; we have been nearly twice as long trying to agree on suitable office

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<sup>2</sup> The Bridge St. site may be defined as the area bounded by Whitehall (Parliament St.), Derby Gate and Bridge St. (see p. 000).

<sup>3</sup> HC Deb (1977–78) 954, cc 2121–33.

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22089  
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<sup>1</sup> HC (1979–80) 287.

<sup>2</sup> New Parliamentary Building: Bridge Street. Feasibility Study, May, 1979. Casson Conder & Partners.

<sup>3</sup> HC (1981–82) 102–iv.

22093  
22094  
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<sup>1</sup> The Phase 1 site is the area bounded by Whitehall (Parliament St.), Derby Gate, Cannon Row and Bridge St.

<sup>2</sup> Appendix 2, p 000.

17054  
17055

1089 accommodation in the second half of the twentieth century. It is time progress  
1090 was made.

2007 *Costs and timing*

2008 6. Phase 1 of the 1979 feasibility study covered exactly the same site as is  
2009 now envisaged for development, and if proceeded with would have provided  
2010 roughly the same amount of office accommodation. At current prices, the earlier  
2011 scheme would have cost £17.9 m or £15 m excluding fees and furniture etc  
2012 (Evidence, page 3). The present project differs in putting even greater emphasis  
2013 on conservation and involving less new building, but the estimate—still  
2014 necessarily a very broad one—remains at £15 m at autumn 1982 prices.<sup>1</sup> As  
2015 things stand, the architects see no reason why that figure should be exceeded  
2016 (Q 69) in real terms. Even in these days, £15 m of taxpayers' money is not a  
2017 sum to be disposed of lightly; but at the same time, it is rather less than one  
2018 year's cost of the administration of the House. Furthermore, part of the total  
2019 of £15 m, should be offset by the £2 m at September 1982 prices which needs  
2020 to be spent on the site—Phase 1 development or not—to avoid endangering the  
2021 passing public, to keep in use those buildings which are occupied, and to bring  
2022 into use those currently unused (Appendix, pp 32–33; Q 76–81).

2023  
2024 7. The sums required will not of course fall on the House Administration  
2025 vote, but on PSA. In consequence, the government will consider progress beyond  
2026 the policy stage only when they are satisfied of the acceptability of more detailed  
2027 plans and their cost. We naturally hope this report and subsequent action taken  
2028 on it by the House will provide an adequate basis for future progress. There is  
2029 one specific consequence of PSA involvement which it is right to mention at this  
2030 stage. If the funding of Phase 1 goes ahead, the government evidently intend to  
2031 ask both Houses—not only this House, though it is to this House that nearly all  
2032 the benefit will accrue—to “consider some restrictions on other expenditure . . . as  
2033 a contribution to the cost of the scheme.” What is expected is that an unspecified  
2034 portion of uncommitted expenditure in the Palace itself (which might be some  
2035 £4.5 m from 1984–85 onwards) should be set off against the cost of the new  
2036 scheme in Parliament Street. (Evidence, pages 3–4; Q 40). A witness observed  
2037 that if PSA were trying to meet half the cost in the peak years of the development,  
2038 “the House would notice it. It would eat into the present programme to a fairly  
2039 considerable extent.” (Q 42). We do not claim that all PSA expenditure on the  
2040 Palace should be exempt from being raided in the interests of the new building,  
2041 but PSA's proposals raise difficulties. In the first place, the level of expenditure  
2042 on the Palace is not entirely attributable to never-ending, ever-increasing par-  
2043 liamentary demands. Much of PSA's expenditure arises from the correct desire  
2044 to preserve in good order and enhance a highly important part of the national  
2045 architectural heritage. The long programme of stone restoration is a good  
2046 example. Other items of expenditure are part of continuing programmes, some  
2047 already long delayed, such as renewal of lifts or the annunciators, or modernisa-  
2048 tion of the heating system. The element of expenditure accounted for by projects  
2049 which amount to improvements of a character similar to Phase 1, in some sense

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<sup>1</sup> This figure excludes provision for certain types of communication to the Palace (see para 22). Also excluded is new sub-basement space along that part of the site abutting the central section of Cannon Row (Evidence, p 6, Q 69). This is subject to further detailed studies of structural and cost implications.

22050 in competition with it, and most liable to diminution or deferment in its shadow,  
22051 seems to us likely to be small. We doubt whether it is even as large as the £1 m  
22052 or so suggested by PSA. Nevertheless we are perfectly prepared to contemplate  
22053 the slowing down of work in the Palace which would be undertaken during the  
22054 years of Phase 1's construction, where such work is intended to provide accommo-  
22055 dation effectively in competition with Phase 1. We do not however believe this  
22056 arrangement should apply to the years after 1987-88 when (as we mention in  
22057 para 16) works in the Palace will be needed to implement the full accommodation  
22058 policy associated with Phase 1 and bring Members nearer the Chamber.  
22059

22060 8. The funding requirement is likely to extend from 1984-85 to 1987-88,  
22061 with the bulk of the expenditure being incurred in the two middle years (Evidence,  
22062 page 3). Assuming that the House approves, and the government study of the  
22063 cost of the proposals is completed by July (Q 29) the major works would begin  
22064 in 1984, and the House could take possession of the new accommodation in  
22065 1987-88 (Q 34). Matters could not realistically proceed much faster, but we  
22066 express a firm hope that this time the timetable will be adhered to.  
22067

#### *Development policy*

22068 9. We consider next the buildings on the Phase 1 site and the work which it  
22069 is proposed to undertake on them. They are diverse in character and, as later  
22070 paragraphs will show, the uses to which they may most naturally be put are  
22071 equally varied. The architects have, however, suggested certain broad principles  
22072 of action which will be common to all. One is the emphasis on conservation, so  
22073 that as far as possible existing facades on all fronts but Cannon Row will remain.  
22074 Another is that the buildings in Phase 1 should work efficiently and harmoniously  
22075 together, even should there be no implementation of the proposals for further  
22076 development on the remainder of the site. Equally, if those developments are  
22077 embarked on, the Phase 1 project should be capable of relating satisfactorily to  
22078 them. *We accept that these guiding principles are the right ones.*

31007 10. Behind the preserved facades and the usable accommodation which would  
31008 remain, some of it in need of restoration, demolition is proposed for the ill-lit  
31009 or substandard interiors at the back of the site, what Sir Hugh Casson described  
31010 as taking a vertical fly-mow to the buildings. Most (though not all) of what was  
31011 demolished would be rebuilt to create purpose-designed space for parliamentary  
31012 use. (Evidence, page 5; Q 2-3).  
31013

31014 11. Certain other general features of the site deserve mention. Although at  
31015 basement floor level there is intended to be an unbroken horizontal circulation  
31016 area to service the site as a whole, above ground the buildings would fall into  
31017 three groups. The North section would comprise Nos 45, 46 and 47 Parliament  
31018 Street. The Central section is Nos. 43 and 44, two small eighteenth century  
31019 houses; and the largest section is the most southerly, Nos 34-42 inclusive,  
31020 together with St. Stephen's Tavern. Within both the North and South sections,  
31021 there would be horizontal circulation on each floor level (Q 8). To the develop-  
31022 ment as a whole there would be three main access points. One would be at  
31023 basement level, connected to the Palace (see para 21). The other two, at street  
31024 level, would be connected to vertical circulation and lift areas, one serving the  
31025 North section, the other the South. For reasons which will appear, Nos. 43 and



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11026 44 are intended to be self contained from the ground floor upwards (Evidence  
11027 pp 6-7; Q 2, 8, 112).

11028  
11029 12. Particular attention would need to be paid to the use of the ground floor  
11030 premises. Problems of security, privacy and noise would be likely (Q 4, 75). The  
11031 architects have proposed providing double glazing to the vulnerable sections of  
11032 the site (Evidence, p 6): we are completely in agreement with this suggestion.  
11033 So much accommodation is at issue on the ground floor that, whoever uses it,  
11034 we believe it is worth giving a relatively high priority, financial and otherwise,  
11035 to solving the associated problems. The ground floor of Nos 37 and 42, which  
11036 are at present shops, would be reconverted for office use (Q 17, 75). Otherwise,  
11037 the shops would remain. We accept the proposal, though where appropriate *we*  
11038 *should like the liaison machinery proposed for future developments to be involved*  
11039 *in determining letting policy for the shops.*

11040  
11041 13. As we have mentioned, the current approach emphasises conservation,  
11042 and it seems to us important that the right balance is struck between use and  
11043 appearance. The Sub-Committee inquired about the extent and proportion of  
11044 cost attributable to what might be termed the aesthetic element. As well as  
11045 preserving the facades, it is suggested that the fine Victorian interiors of No. 47  
11046 Parliament Street—large rooms with moulded plaster ceilings and tall windows—  
11047 should be retained, and that fittings, materials and finishes should be in keeping  
11048 with the quality of the original design. (Evidence, p 7). The restoration of Nos 42  
11049 and 44 would be undertaken in the spirit of the original mid-eighteenth century  
11050 buildings, which still house a dilapidated Chippendale chinoiserie staircase,  
11051 carved and moulded ceilings, and marble fireplace friezes typical of the era of  
11052 their construction. (Evidence, pp 7-8). Finally, the top two floors of the building  
11053 at the south end of Parliament Street, on the corner with Bridge Street, would  
11054 be removed. They are 1930's additions and visually unsatisfactory. The former  
11055 aspect of the corner would be restored by reconstruction of the original dome  
11056 (see below), providing a strong architectural marker at a sensitive point, and  
11057 forming, with the corner tower of the Treasury building opposite, a "gateway"  
11058 marking the entrance to Whitehall. (Evidence, pp 8-9). The Sub-Committee  
11059 were told that, though absolute precision was impossible because all elements  
11060 in the plan have a certain amount of aesthetic judgment imposed upon them by  
11061 the retention of the facades, in total the cost of the aesthetic considerations in  
11062 the approach would not exceed 10 per cent of the whole (Q 71). Those costs  
11063 are not however unproductive even in practical terms—the dome would provide  
11064 a very fine room, for example, and the gain of accommodation made by dividing  
11065 other handsome areas would be small. *We therefore recommend acceptance of*  
11066 *the principle of conservation and its application as set out in the evidence.*

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11068 14. As regard the predominant use to be made of the new accommodation,  
11069 *we are in no doubt that what Members most require is more individual offices,*  
11070 *improving the overall quality of office provision and reducing sharing. As para.*  
11071 *16 makes clear, however, we prefer in the longer term to use the offices on the*  
11072 *Phase 1 site to meet that need indirectly rather than directly. The original*  
11073 *feasibility plan envisaged about 100 Members' "sets" or pairs of rooms on the*  
11074 *site, each accommodating a Member and his secretary or other personal staff.*  
11075 *In the present proposals, we understand that some 90 "sets" could be obtained:*  
11076 *the rooms would not be uniform in size, because of the varied character of the*  
11077 *premises being retained, and if used by Members the rooms in the "sets" would*

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THIRD REPORT FROM

31078 not in every case be adjacent (Q 9-10, 20-22). Nevertheless, we firmly believe  
31079 that, when realised, *the Phase 1 building should be capable of providing as near*  
31080 *180 rooms suitable for offices as may be, whoever is to use them.* Apart from the  
31081 special facilities mentioned in para. 20, there will have to be a certain number  
31082 of conference rooms, and in some cases, notably No 47 and Nos 34-36, those  
31083 who use the building may be invited to share larger rooms. It may be the case  
31084 that some smaller rooms at the top of the buildings, unsuitable for offices, could  
31085 be used as bedrooms for staff on late duty (Q 93). A little temporarily vacant  
31086 space will be required to allow the accommodation policy in para. 16, to proceed.  
31087 In the main, however, we are in favour of the provision of individual office  
31088 accommodation at every reasonable opportunity. As we understand it, general  
31089 office use would not give rise to structural or loading difficulties (Q 23-26).

32005 15. On the understanding that overall priority will be given to the creation  
32006 of office space, we turn now to consider the individual buildings, beginning with  
32007 No 47, at the furthest northerly point of the site.<sup>1</sup> Apart from accommodation  
32008 to be retained which can quite readily be turned into offices, No. 47 boasts two  
32009 very large and fine rooms not suitable for conversion, some medium sized rooms,  
32010 and a galleried area. The fine rooms, or one of them, would make excellent  
32011 Committee rooms, readily accessible to the public by way of No 47's separate  
32012 entrance. An alternative proposal is however made at para 20. Similarly, if the  
32013 medium sized rooms are not to be shared offices, there might be another use  
32014 for them in providing certain ancillary facilities. The galleried area seems unlikely  
32015 in any event to be readily adaptable to office use (see para 20). If maximum use  
32016 were made of potential office space, however, up to 24 Members and their  
32017 personal staff or nearly 50 House staff could be accommodated (Q 82-84). From  
32018 No 47, a new lobby space on each floor would link to the adjoining building,  
32019 Nos 45 and 46.<sup>1</sup> (Evidence, page 7), where also substantial office accommodation  
32020 could be created. If the large rooms in No 47 were to be Committee rooms,  
32021 then certain of the offices in Nos 45 and 46 could be used in association with  
32022 them (*ibid*). Passing by Nos 43 and 44, which will be considered separately, we  
32023 come to Nos 34-42, where the bulk of the offices would be situated. (Evidence,  
32024 pp 8-9). At this point, the newly built accommodation at the back of the site  
32025 could without difficulty be designed as offices. An additional floor could be added  
32026 to Nos 38-42. The rooms at the front could be used as offices or, in the case of  
32027 those which are larger or "fine-ish" (Q 6), as shared office accommodation or  
32028 conference rooms. This is particularly true of those parts of Nos 34-36 where  
32029 there are likely to be preserved large rooms of some formality with magnificent  
32030 views (Q 4), and of course the new dome. Finally, it has been suggested that St.  
32031 Stephen's Tavern should be retained at basement and ground levels. A choice  
32032 is offered for decision so far as concerns the 1st floor (the Restaurant) and the  
32033 three floors above that. They could be incorporated in the circulation pattern  
32034 of the parliamentary offices. Retention of part of the rear structure of adjacent  
32035 buildings will depend on this decision (Evidence, page 9). If all floors above the  
32036 ground floor were taken over in this way, the gain would be some 2,500 sq ft  
32037 (Q 96). We prefer on balance to recommend the incorporation of only the second  
32038 and higher floors, accepting lesser gains of space, but (we hope) retaining the  
32039 restaurant in commercial hands, since it is a facility which we understand many  
32040 Members welcome.

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<sup>1</sup> See New Parliamentary Building: Feasibility Study, pp 80-85.

<sup>1</sup> See New Parliamentary Building, pp. 86-91.

*Accommodation policy*

32042 16. Though we have argued that the major use of the new buildings should  
32043 be offices, we do not propose that in the long run, all the accommodation should  
32044 be occupied by Members. As we see it, *the real priority is to provide office*  
32045 *accommodation for as many Members as want it as near to the Chamber as*  
32046 *possible*. The implementation of this policy depends not only on the new building  
32047 but also on work in the Palace. For that reason, the occupants of the new building  
32048 will necessarily change as the policy is worked out. To begin with, the offices  
32049 on the Phase 1 site will house principally Members, though there will probably  
32050 also be an initial staff presence either on the ground floor or transferred from  
32051 such premises in the main Palace as are immediately capable of occupation by  
32052 Members. As the requisite conversion is done on the Palace, staff of House  
32053 departments formerly in the Palace will gradually come to predominate in  
32054 Phase 1, to the extent that Members take up the opportunity to leave and move  
32055 nearer the Chamber. We are assured that no particular problems arise in the  
32056 design and construction of offices which, to begin with, will be Members' sets  
32057 occupied in pairs by Members and their staffs, and subsequently by House  
32058 departments (Q 23-4, 85, 94). This policy will take some time to implement,  
32059 since it will involve further consideration of the amount of space in the Palace  
32060 which can be turned to Members' use by changing the function from occupation  
32061 by non-Members, by bringing into play space not at present occupied, or by  
32062 additional construction. Some changes of this character may in fact improve the  
32063 amenity of the Palace for all concerned or make more committee rooms available,  
32064 without actually freeing any office space for Members' use. We are particularly  
32065 pleased to note that preliminary work has already been undertaken to identify  
32066 the possibilities of this character in the Palace, mostly in the categories of transfer  
32067 of staff accommodation and conversion of such unused space as still remains.  
32068 These matters were discussed in some detail with the witnesses (Q 49-68) and,  
32069 while we accept that in the long run the cost effectiveness of some of the proposals  
32070 may not turn out to be very attractive, *we were impressed by the fact that at least*  
32071 *50 and at most 85 Members could be found office space in the Palace by these*  
32072 *means.* (Q 67-68).

41009 17. While planning for the Phase 1 development is proceeding, we think PSA  
41010 in conjunction with the liaison machinery proposed in para 22 should survey  
41011 and cost the areas in the Palace which might be converted for or newly brought  
41012 into Members' use. We are assured that "given that each year there is a certain  
41013 amount of new work within the programme" something should be possible  
41014 (Q 90). As indicated in para 7, after 1987-88 an agreed programme of conversion  
41015 and alterations in the Palace should proceed with a view to increasing the  
41016 accommodation suitable for Members' use there, and effecting transfers to and  
41017 from Phase 1. *In other words, the policy for the development of Phase 1 does not*  
41018 *end when the buildings are complete; it continues until the accommodation policy*  
41019 *ends have been achieved.*

41022 18. The use of Nos 43 and 44 presents particular problems. Among their  
41023 many previous occupants was the Department of the Clerk of the House (before  
41024 the fire of 1834) but for many years the houses have been deteriorating.<sup>1</sup> Fairly  
41025 extensive interior restoration is proposed, together with the removal of the shop  
41026 window and replacement of the facade in its original form, and demolition of  
41027 building at the rear in order to improve the natural lighting of what remains.

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41028 What gives us some hesitation is the suggested use of the accommodation—  
41029 “roomy but manageable houses . . . more appropriate for residences.” (Evidence,  
41030 pp 7–8). Each would in addition have a self-contained basement flat. Sir Hugh  
41031 Casson described Nos 43 and 44 as “good London terraced house stuff that you  
41032 might find in Chelsea or Fulham.” (Q 18). It seemed to us a rather slender  
41033 argument on which to found a decision to make over part of much needed space  
41034 to a use other than offices for Members. On the other hand, the structural state  
41035 of the buildings is very material. Sir Hugh told the Sub-Committee that Nos 43  
41036 and 44 “probably would not lend themselves to offices, because they are very  
41037 frail and vulnerable, and they certainly would not take 100 lbs of loading.”  
41038 (Q 26). They could be used as office suites, “but they do not lend themselves  
41039 terribly well for that”. (Q 91). What work is proposed would be making good  
41040 and reinstating, and not making new. Many of the slopes, shakes and bulges  
41041 which age has bestowed will still be evident. Our proposal for Nos 43 and 44  
41042 is twofold. First, PSA should look again at the structural capacity of the premises,  
41043 to be certain that general office use would be impossible, given the works likely  
41044 to be undertaken within the budget. Second, if their original view is confirmed,  
41045 and Nos 43 and 44 are considered best suited for residential purposes (including  
41046 sleeping accommodation for those not resident) a survey should be carried out  
41047 of the residences and bedrooms in the Palace whose present occupants might  
41048 be transferred to Nos 43 and 44. When agreement in detail is reached on the  
41049 transfers, and without waiting for the programme mentioned in the preceding  
41050 paragraph, *PSA should budget to complete the conversion for Members’ use of*  
41051 *the residential and sleeping accommodation in the Palace which is being vacated,*  
41052 *so that it is available for Members as soon as may be after Nos 43 and 44 come*  
41053 *into use.*

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#### *Facilities*

41055 19. Having indicated the likely pattern of occupation of the new building, we  
41056 turn now to the associated facilities. Several proposals were put to us for  
41057 consideration which we take this opportunity of mentioning. It has been suggested  
41058 that further parking facilities should form part of the new building. We draw  
41059 attention to the fact that the new premises by themselves will give rise to no  
41060 net increase in the number of those with a claim on a parking space. Moreover,  
41061 the inclusion of parking spaces in the Phase 1 project, accessible at basement  
41062 level from Cannon Row, could be achieved only at the sacrifice of more useful  
41063 accommodation, and would occupy prime day-lit space (Q 70). We cannot  
41064 recommend the inclusion of parking space on that basis. Other possibilities have  
41065 been canvassed. We consider the demand for office space for Members is  
41066 sufficiently important to defer such ancillary suggestions to Phase 2, to be  
41067 considered against competing priorities then.

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41069 20. There are however two kinds of facilities which we believe that a complex  
41070 which will house 90 Members and their staffs or House staff (or some balance  
41071 of the two) should provide. Despite the fact that at present we are unable to be  
41072 precise about location, we would expect any reasonable associated cost to be  
41073 capable of being fitted into the £15m budget. The first is Library facilities,  
41074 perhaps analogous to those in the Branch Library in Norman Shaw North,  
41075 principally a reading room and reference service both to Members and their  
41076 staffs. It may be that the sunken/galleried accommodation on the principal floor  
41077 of No 47 will be appropriate for this purpose. Secondly, bearing in mind the

1078 complete absence of refreshment facilities serving the outbuildings north of the  
1079 Palace, and the intense pressure on those refreshment rooms in the Palace open  
1080 to Members' staff and staff of the House, we believe that some refreshment  
1081 facilities in the new building are eminently desirable. Our first thoughts, subject  
1082 to more detailed examination, are that the need is for a coffee shop open more  
1083 or less office hours, rather than for a full dress restaurant. It might be possible  
1084 to locate this too in No 47, using either one of the fine rooms—which indeed  
1085 were used for just this purpose when the building was a club—or else some of  
1086 the medium sized rooms at the back of the site which otherwise would become  
1087 Members' shared offices.  
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### Communications

1089 21. Adequate links between the Palace and the Phase 1 development are  
1090 important, and provision ought to be made for three separate types of communi-  
1091 cations. The first is Members' physical access to and from the Palace. Members'  
1092 offices ought not be isolated from many of the House's proceedings nor (so far  
1093 as possible) ought these proceedings—such as divisions—to be further slowed  
1094 down. It is clear that there ought to be some sort of tunnel between the new  
1095 accommodation and the Palace. We understand that from the lift core at the  
1096 rear of No 37 it is thought feasible to lead a passageway at basement level to  
1097 the back of the site, from which a tunnel might be constructed by way of existing  
1098 basements, to issue within the precincts of the Palace (Evidence, pp 9–10;  
1099 Q 14–15). It is in our view axiomatic that this access should be private to the  
1100 House (Q 111). Since the longest journey will not exceed that of the Member  
1101 who at present comes to the Chamber above ground from Norman Shaw North,  
1102 no pedestrian powered walkway is required. *We recommend that such a tunnel*  
1103 *be constructed, to be available as soon as the new building is occupied.* We note  
1104 that such a proposal is feasible (Q 111) and within the overall cost limit (Q 115).

1105 22. If the new accommodation is to be occupied by staff, the effectiveness of  
1106 their operations and in particular those of any Library outstation which is from  
1107 the beginning sited in Phase 1, may need to be supported by arrangements for  
1108 the physical transportation of documents and materials, and the electronic  
1109 transfer of data. We understand that the first of these would be likely to add  
1110 £1–1½m to the overall cost. What is suggested is a system up to 1,150 metres  
1111 long with a capacity to move up to 100 small containers (each of 10 kilos) at a  
1112 speed of 10 mph (Q 110–4). In the same way, electronic data transfer may make  
1113 possible the removal to Phase 1 of certain procedural and similar functions at  
1114 present carried out in the Palace without loss of speed or accuracy. We recom-  
1115 mend that as part of the refinement of the process of staff transfer to which we  
1116 refer below, account should be taken in some detail of the need (a) to transport  
1117 equipment and supplies; and (b) to transfer data electronically, to and from the  
1118 Palace. Once that assessment is complete, a view can be taken on the need for  
1119 the machinery and the associated expenditure; but we consider that there should  
1120 be a presumption, as part of that assessment, that all reasonable steps should  
1121 be taken to ensure achievement of the principal policy aim of moving Members  
1122 into the Palace and staff out wherever consonant with efficient service of the  
1123 House.  
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*Liaison Machinery*

42006 23. Our aim in this report has been to draw out guidelines only. It is too early  
42007 to be absolutely precise about the use of every square foot, within a given budget,  
42008 and the choice of which staff functions can, without damage to the House, be  
42009 transferred to the Phase 1 building is something on which the advice of House  
42010 departments themselves will be required. Moreover, we are aware that PSA are  
42011 looking for a standing body to which they can turn for authoritative advice on  
42012 matters of detail. (Q 106-7). We therefore propose to appoint a Sub-Committee,  
42013 which will take up its duties if and when the House agrees to this Report. The  
42014 Sub-Committee's task will be:—

- 42015 (a) to liaise with PSA and the architects on the decisions on Phase 1 which  
42016 may be required from time to time within the development and  
42017 accommodation policy guidelines laid down here, and to report as  
42018 necessary;
- 42019 (b) to consider future use by Members of accommodation in the Palace  
42020 presently occupied by staff of House departments, and the resultant  
42021 transfer of staff to Phase 1 in conjunction with the responsible authorities  
42022 of these departments; and
- 42023 (c) to review the need for systems to assure the transportation of equipment  
42024 and supplies and the electronic transmission of data between the Phase  
42025 1 building and the Palace.

42026 It will be for consideration whether the best way to arrange for the advice of  
42027 House Departments to be available to the Sub-Committee might be by the  
42028 constitution of an informal inter-departmental working party.  
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*Exhibition*

42030 24. If, before the House debates this report, PSA could arrange a small and  
42031 preferably simple exhibition of what the proposals would look like, and what  
42032 area they would affect in what way, (Q 116) we believe Members would find it  
42033 very helpful.  
42034

*Recommendations*

42035 25. Our recommendations are as follows:

- 42036 (i) work would be put in hand to renew for parliamentary use the buildings  
42037 on that part of the Bridge Street site bounded by Parliament Street,  
42038 Derby Gate, Cannon Row and Bridge Street (the Phase 1 site). In  
42039 development, the emphasis should be on conservation. The facades  
42040 and, for the most part, the rooms immediately behind them would  
42041 remain. Certain particularly handsome rooms would be restored, as  
42042 would two mid-eighteenth century houses; and a dome would be  
42043 replaced on the top of the corner building in accordance with the  
42044 original design. For the most part, however, the rear sections of the  
42045 buildings would be demolished, and replaced by purpose-designed  
42046 offices. The cost limit would be £15m at September 1982 prices over  
42047 four years, with completion expected in 1987-88;
- 42048 (ii) further and separate consideration should be given to the possibility  
42049 of developing the rest of the site in association with private capital;

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- (iii) the predominant use of the new site should be as individual offices. The buildings should be capable of providing as nearly as may be 90 "sets" for Members and their personal staffs or (alternatively) roughly 180 offices for staff of House departments, whatever the final mix of occupation may be. Certain of the fine rooms might be retained as Committee rooms. Conference or interview rooms and probably a few shared offices would also be provided. If certain accommodation is found to be structurally unsuitable for use as offices, it should be given over to residences and sleeping accommodation, on the condition that those premises in the Palace thereby vacated are converted to Members' use as soon as Phase 1 construction is complete;
- (iv) in accommodation terms, the real priority is to provide offices for as many Members as want it as near the Chamber as possible. Since this will naturally involve work within the Palace which is likely to be undertaken for the most part after the completion of Phase 1, offices on the Phase 1 site should on their completion be occupied principally by Members. As the work on the Palace proceeds, and after consultation, with the most efficient pattern of service to the House in mind, the appropriate numbers of staff should be transferred from the Palace, leaving space for Members. In other words, the policy for the development of Phase 1 does not end when the buildings are complete; it continues until the accommodation policy ends have been achieved;
- (v) in principle, Library and refreshment facilities should be provided in Phase 1, their exact nature and location subject to subsequent consideration;
- (vi) a tunnel giving private access on foot between Phase 1 and the Palace should be provided, and the need for systems to transfer documents, materials and data investigated; and
- (vii) to represent the House interest in detailed matters of the development and use of Phase 1, and to liaise with PSA and the architects, a New Building Sub-Committee of the Services Committee will be set up, possibly to be assisted by an official working party of House Departments.

16 March 1983

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PART 1 ends:-

s/s Env to LPC 30/9/82

PART 2 begins:-

E. Erdmaa Report Feb '83



