

February 1990

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Confidential Filing

Prime Minister's meeting with
John Broome Esq.

PRIME
MINISTER

February 1990

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7-2-90							
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subject cc MASTER



File
ECL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

7 February 1990

Dear Ma,

PRIME MINISTER'S MEETING WITH MR. JOHN BROOME

Mr. John Broome came to see the Prime Minister this morning to update her on the progress of his proposed development at Battersea Power Station.

Mr. Browne handed to the Prime Minister a copy of his latest development proposals. He said that a year ago it had been discovered that the foundations on the site were not strong enough to take the development initially envisaged, and this had led to the need for additional repair costs of £107 million. This has put the financing of the development in doubt. But he had now put forward revised proposals involving additional development on the surplus land which, if accepted, would enable him also to proceed with the original leisure proposals. A key requirement would however be for Wandsworth Council to give planning permission to the revised proposals.

The Prime Minister said she was sorry to hear of the difficulties Mr. Broome had encountered over the foundations on the site. It was clear that he would have some difficult decisions to face. The issue of planning permission was of course one for Wandsworth Council to consider, and not one in which she would have any role. She would however be interested to glance at the details of the revised proposals which Mr. Broome had kindly given to her.

I am copying this letter to Clive Norris (Department of Employment).

Yan,
Paul

Paul Gray

Alan Ring, Esq.,
Department of the Environment.

CC Group

THE BATTERSEA PROJECT

1. John Broome's original plan was to develop the Battersea Power Station into a large theme park and leisure complex, including restaurants, shops, shows, exhibition and conference facilities. The project was estimated to cost some £230 - £240 million. This plan was extant when the Prime Minister visited the site on 8 June 1988.

2. The project encountered financial problems which, it is understood, largely arose from the unforeseen costs of curing defects in the structure and foundations of the building. A revised funding package was devised, which involved John Broome going into partnership with financier John Bloomfield. As a result, "Alton International Limited" was set up. This gave Mr Bloomfield a 50% share of the company, which also controls Mr Broome's highly successful Alton Towers Theme Park. Alton Towers itself continues to be the country's most popular theme park. Visitor numbers have increased from 1,915,000 in 1985 to 2,509,736 in 1989. The new company plans to continue to invest heavily at Alton Towers.

3. Alton International at first intended to proceed with the original Battersea Project. However, they have now drawn up revised proposals which reduce the scale of the leisure facilities, although two 600-bedroom hotels and a conference centre are still included. Competing proposals for the site have been drawn up by the CIL Group. These include offices and a museum of building and architecture. Planning applications for both schemes are currently before Wandsworth Council who are undertaking public consultation.

4. The view of the English Tourist Board is that, although the revised project would not result in a major theme park in London as first hoped, the additional hotel rooms would be welcome since there is a shortage of hotels in the Capital.

5. No financial assistance has been offered by the English Tourist Board towards the costs of this project.

6. The Prime Minister should be aware that Mr Broome was a member of the English Tourist Board between 1982 and 1987. Since 1987, he has been a member of the British Tourist Authority.

PRIME MANUFACTURED: melted with
your bones
as 90



Eden Grove
Bond

BATTERSEA POWER STATION

Mr John Broome, the developer of the leisure centre at Alton Towers, has asked to see the Prime Minister to update her on the progress of his proposed development at Battersea.

BACKGROUND

Battersea Power Station is a Grade II listed building, so that any proposal to demolish (wholly or partially), alter or extend it needs listed building consent (planning permission alone is not sufficient). There is a general presumption against demolition of listed buildings without very strong justification and the control system also aims to ensure that any alterations to listed buildings are sympathetic to the character of the building.

John Broome was granted consent in 1986 to transform the Power Station into a leisure centre, which involved a limited amount of demolition. Work started; more demolition took place than originally envisaged, although this was authorised retrospectively. Conservationist groups became concerned when work stopped in the spring of 1989, apparently because of soaring costs, leaving the building stripped of one wall and a roof.

CURRENT POSITION

In September 1989 Mr Broome's group submitted a new planning application for a major commercial development on land adjacent to the Power Station site, with the leisure centre still proposed in the Power Station itself. There is some confusion as to whether he owns the adjacent land; and Mr Broome is said to have suggested that unless the commercial development goes ahead, he cannot afford to proceed with the leisure centre. The planning application is currently before Wandsworth Borough Council, who are undertaking extensive consultation before deciding it.

The Building Design Centre has also recently submitted an application for another alternative scheme which involved converting the Power Station into a trade centre for the building industry. In addition, the owners of part of the adjacent site, at Battersea Wharf, have submitted a separate application for their own site.

In view of some concern expressed recently in the conservation world about the current condition of the building DOE asked English Heritage (as the Secretary of State's statutory advisers on listed buildings) for a report. They confirmed in January that the building still deserved its listed status, despite the works already carried out, and that the important interiors are unaltered and protected. They are monitoring the condition of the building monthly, but are concerned that water is still coming through the roof of one turbine hall, related control room and over the main (directors') staircase. English Heritage are pursuing these matters with John Broome's agents.

LINE TO TAKE

In listening sympathetically to Mr Broome the Prime Minister might make the following points:

- make clear that she cannot intervene in or prejudice the planning process. That must go through its statutory procedures;
- probe Mr Broome's current proposals: if he gains planning permission, can he implement it? If not, what are the implications for the Power Station, given that there are now alternative proposals both for the Power Station itself and for the adjacent land?
- reflect concern about the state of the the building during the current period of uncertainty: this is a dominant landmark, and it is important to ensure that it stays weatherproof.

- emphasise importance of preserving listed buildings; and that any further proposals to alter/demolish the Power Station would need listed building consent which, again, she cannot prejudge, or influence. It is evident however that any proposals for demolition would be highly controversial.

THE DEPARTMENT OF THE ENVIRONMENT
6 FEBRUARY 1990

PRIME MINISTER

MEETING WITH MR. JOHN BROOME

You felt you should go ahead with the meeting with John Broome which takes place tomorrow morning.

I enclose briefing material prepared by the Department of the Environment and Department of Employment. The Department of the Environment briefing is the more important, and includes at the end a line to take.

The key point to stress is that there can be no question of your getting involved in the planning process. You will also note from the briefing that there are now competing planning proposals for the site, and you will want to avoid getting drawn into expressing views as between the different competitors.

Recb.

PG

6 February 1990

ecl c:broome



R6/12
ccBup

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Secretary of State

Paul Gray Esq
Private Secretary
10 Downing Street
LONDON
SW1A 2AA

6 February 1990

MA

Dear Paul
at Paul

You wrote to Alan Ring at DoE on 5 February requesting briefing on John Broome's Battersea Project.

This Department provided briefing for the Prime Minister when she visited the site on 8 June 1988 and you might wish to include in the briefing an update on the tourism aspects of the revised project. This is attached.

A copy of this goes to Alan Ring.

Yours sincerely

Liz Smith

LIZ SMITH
Private Secretary





2 MARSHAM STREET
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01-276 3000

My ref:

Your ref:

Paul Gray Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON
SW1A 2AA

6 February 1990

Dear Paul

Thank you for your letter of 5 February. As requested I attach briefing for the Prime Minister's meeting with Mr John Broome tomorrow about Battersea Power Station. I am also copying this to Clive Norris at the Department of Employment.

Yours

A D RING
Private Secretary

Spaul

BATTERSEA POWER STATION

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THE DEPARTMENT OF THE ENVIRONMENT
6 FEBRUARY 1990





File to
c: Broome

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

5 February 1990

The Prime Minister has agreed to see Mr. John Broome this coming Wednesday, 7 February, who wishes to update her on the progress of his proposed Battersea Development.

I should be grateful if you could provide some short briefing for the Prime Minister. She intends to make clear to Mr. Broome that there can be no question of her intervening over planning matters, but it would be helpful if the briefing could cover this aspect. With apologies for the short notice, could I please have the briefing by 1700 tomorrow, 6 February.

I am sending a copy of this letter to Clive Norris (Department of Employment).

PAUL GRAY

Alan Ring, Esq.,
Department of the Environment.

RA

PRIME MINISTER ¹

PROPOSED MEETING WITH JOHN BROOME

I gather from Caroline that when you saw John Broome at the Tidy Britain Group he asked to come to see you about his Battersea project. We now have a provisional diary slot for next Wednesday.

I asked him how it was going as I had heard that the fundations were inadequate for his scheme

I think you should however think carefully whether it is sensible for you to see Mr. Broome. You did of course go to Battersea in June 1988 as part of the launch of the project. But since then things have not gone well. Mr. Broome's original financial projections for the project seem to have been vastly optimistic. And there is a considerable question-mark over whether he is in a position to proceed.

I understand from DOE that the latest position is that Mr. Broome has prepared a new package, involving less emphasis on the leisure aspects and much more office and commercial development. He has submitted this to Wandsworth for planning approval. Presumably if he gets that approval he will be in a position financially to proceed.

Quite what Mr. Broome wants to tell you I obviously don't know. But I would guess it will be one of two main things:

- i) some reference to the planning position;
- ii) a plea for Government financial aid. No

There would be no particular difficulty for you in dealing with a request for money, although you would have to tell him there was no prospect of it.

But I am concerned about the possibility of Mr. Broome talking about the planning aspect. You would of course deal with it by saying it was entirely a matter for the planning authorities, ultimately the Secretary of State for the Environment. But if it

became known that Mr. Broome had been to see you at a time when his revised planning application is before Wandsworth that could cause problems for you.

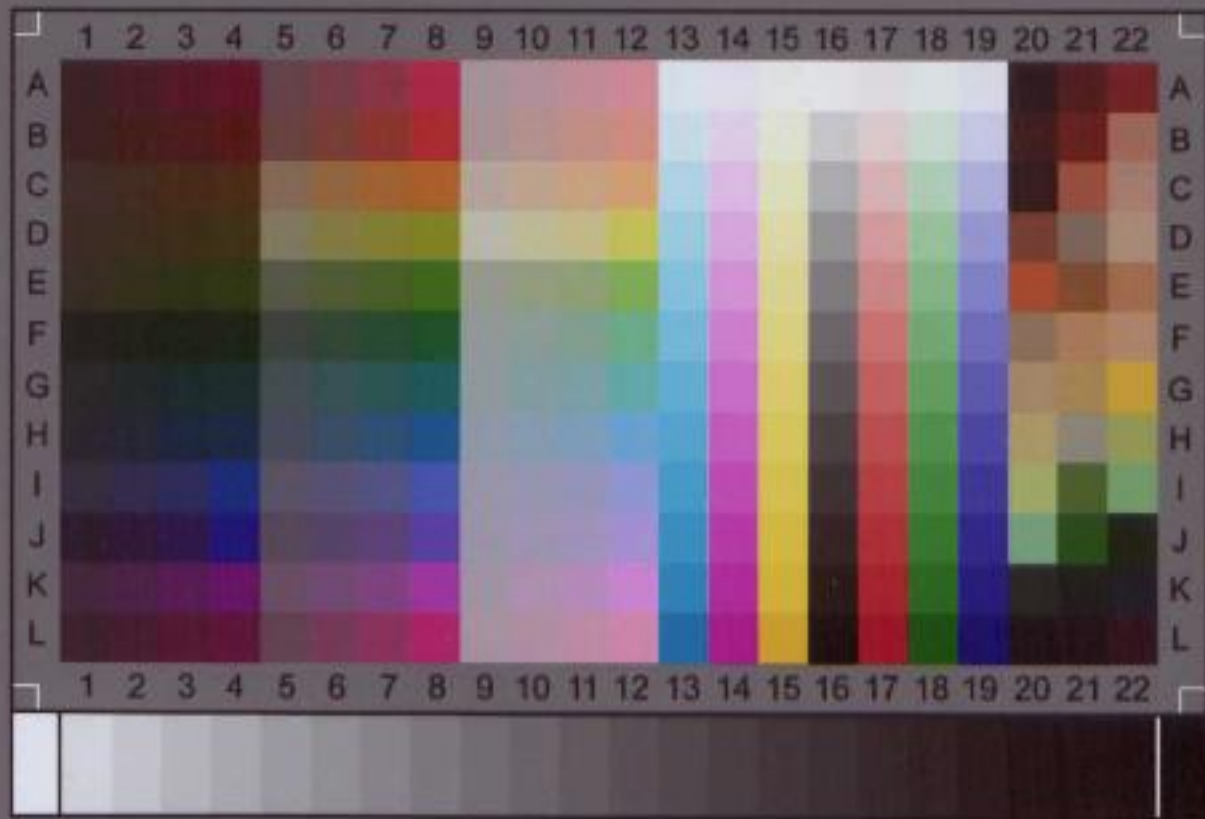
I feel bound to advise therefore that it would be prudent for you not to see Mr. Broome to talk about Battersea. Content for us to cancel the meeting, explaining to Mr. Broome that after further thought you feel it would not be appropriate to see him about this subject at this stage?

PRG.
(PAUL GRAY)

2 February 1990

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*I don't think we
can cancel - because I asked
him how it was going.
We can make it until then
that I cannot intervene over
planning matters. not*



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