

Confidential Filing

Hampden Park Football Ground, Scotland,
Redevelopment Grant.

SPORT

JUNE 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
10-6-80							
20-6-80							
12-2-92							
18. 2. 92							

PREM 19/3953

cc PO

POLICY IN CONFIDENCE



NSM
BSH
20/2

Treasury Chambers, Parliament Street SW1P 3AG
071-270 3000
Fax 071-270 5456

The Rt Hon Ian Lang MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
London
SW1A 2AU

18 February 1992

I.L.

HAMPDEN PARK

at flat

Your letter of 12 February sought my approval for a £5 million grant (from within existing provision for the Scottish Block), from 1992 to 1995, to the Scottish Sports Council, to assist with the modernisation of Hampden Park.

2. We discussed this issue on the telephone last Wednesday. Since then our officials have discussed the options further and identified a possible way forward. This approach involves setting on one side the £5 million pledged by the Football Trust, then dividing the remaining £7 million equally between Government and other sources of funding. The £3.5 million of Government finance would be phased over 3 years, with say, up to £1.25 million as the first tranche in 1992-93.

3. You have assured me that all the Government finance would be found from within your existing provision. This means that you will not seek to bid for funds either for this purpose or for the programmes from which the off-setting savings are to be found, either in 1992-93, or in future Surveys.

4. We agreed that the management of Hampden Park should become more entrepreneurial. I appreciate that, during the 1980s, Queen's Park have attempted to develop the ground, but as you acknowledge, their attempts have not been very successful. I would expect your offer of support to be accompanied by strong exhortations that the

SPORT: Hampden PK
June 80

management team increase their fund-raising efforts, and conditional on their seeking advice from Scottish Enterprise on how to do better in future.

5. I hope also that others will now come forward to match the finance you want to provide. Private sector interests, who will profit from the proposed further development of Hampden, are obvious candidates, as is the Glasgow District Council whose residents will benefit both from the initial safety improvements and the subsequent commercial development.

6. If you are prepared to proceed on this basis, then I would be willing to agree to your going ahead. Before any further money is handed over however, you will, of course, wish to satisfy yourself that a complete funding package has been assembled; and in any one year, no more funds should be advanced by the Scottish Office than can be matched in that year from other sources.

7. I am copying this letter to the Prime Minister.



DAVID MELLOR





SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

es

POLICY - IN CONFIDENCE
Rt Hon David Mellor QC MP
Chief Secretary to the Treasury
Parliament Street
LONDON
SW1P 3AG

ccpg

nbp
see CBT replies
BHP
17/2

12 February 1992

Dear David,

HAMPDEN PARK

I am writing to seek your approval for a £5 million grant which I propose to offer to the Scottish football authorities through the Scottish Sports Council over the years 1992-95 towards a £12 million modernisation of Hampden Park, Glasgow, Scotland's national football stadium.

As background, Hampden Park has been the national stadium since the present ground was opened in 1903. Before the Second World War, it was the world's largest football stadium, reflecting the huge importance of football in Scotland's popular culture. But despite various upgradings over the years to reflect developing spectator safety and comfort demands, the ground has in recent years fallen far below the standard expected of a national stadium.

In 1978, following advice from the Scottish Sports Council, the then Labour Government agreed to provide up to £5.5 million towards an £11.3 million redevelopment. In November 1979, we offered a grant of £5.5 million or 50% of actual costs, whichever was the smaller, towards revised development proposals still costed at £11.3 million. However, this scheme collapsed shortly thereafter due to the withdrawal of Glasgow District Council from the funding arrangements because of fears about then prevailing inflation. Quite unfairly, the Government was blamed for this collapse since we refused to cover Glasgow's share of the costs.

Since 1980, Queen's Park FC, as owners of the stadium made repeated and largely unsuccessful efforts to raise the necessary funds for a major refurbishment of Hampden Park, including efforts to sell off for commercial development land immediately adjacent to the stadium itself. Since 1980, some £6 million has been spent by Queen's Park FC on necessary safety works and reconstruction of terracing areas in preparation for the installation of seats and roofing. That work has been financed with the help of the Football Trust and the football authorities. Over this period, the football authorities have pressed hard for the Government to provide a significant contribution to a major refurbishment. We have consistently said that we would be willing to consider new proposals for Hampden involving a Government contribution at the margin, in recognition of our previous participation in the 1980 aborted

POLICY - IN CONFIDENCE

development. Our acceptance of Lord Justice Taylor's report on the Hillsborough disaster requires that as a national stadium, Hampden should be all-seated by August 1994. This requirement has of course added new urgency to the football authorities' concerns about their national stadium.

In April 1991, I received a Prospectus for a new national stadium at Hampden Park prepared by a National Stadium Committee established by the Scottish Football Association, the Scottish Football League and Queen's Park FC. That Prospectus costed the conversion of Hampden Park to an all-seated stadium at £34.5 million. The National Stadium Committee's funding proposals for that scheme envisaged a £15.5 million contribution from the Government. I advised the National Stadium Committee that their expectation of Government support was unrealistically high, and that while I remained willing to consider a marginal contribution for Hampden Park, I wished to see revised proposals for Hampden, including a more modest expectation of Government support, tested by means of an appraisal of other options. Briefly, other options are a new stadium on a greenfield site, sharing an existing stadium, or peripatetic use of existing and future all-seated stadia in Scotland.

In November 1991, I received from the National Stadium Committee an Impact Study, which concluded that Hampden Park was the only viable option which had any hope of meeting the August 1994 deadline. The National Stadium Committee considered that they could not contrast their Hampden proposals with any of the recent speculative proposals for a new stadium in the Central Belt. None of these proposals was adequately costed and they were so tentative that no single new stadium proposal seemed likely to be deliverable to the required Taylor timetable. The Committee felt that an existing football stadium, for example Rangers FC's ground (undoubtedly the best football stadium in Scotland), would not represent a credible permanent solution. Their concerns are that a national stadium for football is an integral part of Scottish football and the lack of a dedicated national stadium would militate against Scotland hosting major international tournaments in the future. Likewise, the Committee rejected the use of Murrayfield, Edinburgh (Scotland's national rugby stadium) on the basis that this would present unacceptable problems and in particular would imply match revenues going outside the football industry to the benefit of another sport. Peripatetic use of existing and future stadia, would in the Committee's view, be just as unacceptable as the sharing of a single stadium.

I agree with the National Stadium Committee's assessment of their options. A new stadium would be likely to require massive public sector input. I share the view that a dedicated national stadium is essential to the long term development of Scottish football. And I must stress that in Scotland, football ranks high in popular culture. But the Committee's Impact Study falls well short of an option appraisal of the kind which we would normally expect in order to test the case for our participation in such a major capital project. Indeed, my officials advise me that they doubt whether a credible appraisal could be presented, as there is no discernible economic or indeed environmental gain from the project. In normal circumstances, there would be no justification for Government involvement in such a project. I remain convinced, however, that a dedicated national football stadium is needed, that Hampden is the only credible option to meet the Taylor Report timetable which we have set, and that recognising our previous involvement in the 1980 scheme the Government should contribute to Hampden costs.

POLICY - IN CONFIDENCE

The Impact Study contained four different options for the refurbishment of Hampden, from the most limited scheme to satisfy Taylor Report requirements, costed at £11 million, to a major rebuilding costed at £28 million. In practice, I am not minded to support anything other than the most basic work at Hampden to satisfy Taylor Report requirements ie the £11 million option set out in the Impact Study. Recent discussions at official level with the National Stadium Committee suggest that the outturn cost for this option may be nearer £12 million. We have been assured that the Football Trust has agreed to provide £5 million and the Scottish Football Association and the Scottish Football League are together to provide a further £1.5 million. This leaves a funding gap of £5.5 million.

All these figures exclude VAT as I understand that VAT is recoverable. I have no basis to challenge the total cost estimate which appears to be reasonably sound and based on professional advice. The Committee is now looking to the Government to meet the £5.5 million gap. This is by no means a marginal contribution even if the expenditure of £6 million on previous developments at Hampden since 1980 is included as I think it reasonably can when looking at total costs of the project. I recognise that, if the project is to go ahead, I must be as helpful as possible.

I am prepared to find up to £5 million. In offering such a sum, I would propose to make it clear that the Government would not consider any assistance to Hampden at a future date, for example on building works which went beyond the present basic work to comply with the Taylor Report; that the £5 million was a cash-limited contribution on behalf of all of my direct interests, including the Glasgow Development Agency; and that no money would be paid until I am satisfied that a complete funding package is in place.

The National Stadium Committee is pressing me to clarify my position by 13 February on the basis of the need to complete the project to meet the Taylor deadline. As you can imagine, the question of Government support for the redevelopment of Hampden has become a highly charged national issue in recent months and at present there is intense media and public interest in the football authorities' latest request for Government assistance. In the months ahead, this interest will increase further and there is already considerable criticism about delays in reaching a decision on Government support. I am not prepared to risk further criticism about delays on this sensitive issue.

I am satisfied that we would be justified in supporting Scotland's national football stadium, because of its important place in the life of Scotland and our earlier willingness to contribute to its development.

I propose to raise the required provision from within existing Scottish block resources over 1992-95. In practice, I would propose to make payments via the Scottish Sports Council as a funding vehicle. I would welcome your approval to do so. I have already advised the National Stadium Committee that I may not be in a position to reply substantively before their next meeting on 13 February. However I would welcome your urgent response, if at all possible by that date.

I am copying this letter to the Prime Minister in view of the sensitivity of this matter in Scotland and since correspondence about this matter has been addressed to No 10.

Yours ever,
IAN LANG *lan*

~~SPON~~
MR LINGHAM

To Sanders



Discussed NEW ST. ANDREWS HOUSE
and resolved ST. JAMES CENTRE
with Sanders EDINBURGH EH1 3SX

X is for you
MS
20/6

2

Life Office

3/2

PRIME MINISTER

Nick Sanders Esq
Private Secretary
No 10 Downing Street
LONDON

You should, I think, be aware
of the tone of Scottish press

20 June 1980

coverage of the Hampden
decision.

MS 23/6

Dear Nick,

I gather the opportunity did not arise during the
Prime Minister's questions yesterday for her to rebut
the allegations that, in resiling on the Hampden
commitment, the Secretary of State was acting under her
instructions.

I said that I would let you see some newspaper cutting
to show the extent to which this explanation had gained
currency in Scotland - ~~that~~ the cost, I think, of great
damage to the Secretary of State's image. These I now
attach. No doubt you will continue to brief the Prime
Minister to take any further opportunity that arises to
confirm that the Secretary of State is his own man and
responsible for his own decisions.

X | Can Bernard
with the Scottish
press?

Yours sincerely,

Godfrey Robson

GODFREY ROBSON
Private Secretary

ms

THE Government's handling of the Hampden affair displays an ineptitude exceeding even Scotland's dismal performance in Argentina two years ago. We should be grateful that Mr Alec Fletcher, the Minister most involved with the project, is not in charge of the Scottish football team. Its performance is bad enough already.

The whole business speaks volumes on the standing of Mr George Younger and his Scottish Office colleagues in the eyes of Mrs Thatcher and her senior Ministers. Clearly their embarrassment in having to announce this U-turn only two weeks after they had publicly reiterated their commitment to the project counts for naught with Mrs Thatcher. Yet she obviously allowed them, only weeks after the election last year, to say of the Labour Government's commitment to the Hampden project: "We as a new Government stand by that undertaking." Doubtless in those heady days of victory the Tories were anxious to establish their Scottish credentials. In spite of public expenditure cuts they did not want to be seen as denying the people their pleasures. Yet that surely was the time to start raising doubts. The Glasgow Herald certainly did so when it argued in an editorial that the case for pressing ahead had been weakened. It took Mr Younger and Mr Fletcher a full year to come to

this realisation and as a result the numerous groups involved in the scheme wasted considerable effort and public money was needlessly spent. So we believe that the Government has taken the correct decision but has done so 12 months too late. Of course Ministers will argue that the change of heart by some of the football clubs and Glasgow District Council represented the fundamental change which justified the about-turn. But careful examination of the timetable of events does not excuse the lateness of the decision.

For Scottish football it is, of course, sad, Hampden has a special place in the hearts of all Scottish fans. But even football cannot be forever protected against reality and the fact is that the sport's financial decline is reflected in the disgraceful state of the national stadium. Even the spending of £18m would have done little more than improve safety and marginally increase the facilities. It would have been a long way from a luxury stadium. The answer now is to use Ibrox, which has been greatly improved, and to use other grounds such as Pittodrie in Aberdeen for internationals. There is nothing to stop discussion of a multi-purpose stadium which could be used for sport and conferences, but in the present economic climate it would be naive to imagine that this can come quickly.

The Glasgow Herald
18/6/80

There will be NO government cash for a new Hampden super stadium.

The shock decision is expected to be announced tomorrow Scotland's Sports Minister Alex Fletcher.

Ironically, that's the day work is due to start on the £17 million project.

Last night, as news of the bombshell decision spread through sports and local government circles, a massive backlash was building up.

Celtic chairman Desmond White said: "This is a disaster for Scottish football and a letdown for hundreds of thousands of fans. Promises have been made. It would appear these promises are about to be broken."

And Councillor Charles

By LACHIE KENNEDY, ARTHUR GRAHAM and BRIAN SWANSON

O'Halloran, chairman of Strathclyde Regional Council—who have already voted cash backing for the scheme—said angrily:

Blow

"We got a verbal assurance from Alex Fletcher that the project would be going ahead. If he goes back on that it would be a very serious matter indeed."

Glasgow District Council

have already pulled out of the project and withdrawn their £1.3 million contribution.

Last night Lord Provost Michael Kelly said: "We had to withdraw because of the effect of Government spending cuts on essential services."

"It will be a tremendous disappointment if the Government have decided



It is a disaster for Scottish football and a let-down for thousands of fans.

MR DESMOND WHITE, CELTIC CHAIRMAN

to cut even more money from the city."

Mr Peter Heatly, chairman of the Hampden Park Project, was not available for comment last night.

SFA secretary Ernie Walker said: "As far as I know a government announcement is due very soon. Apart from that I can make no comment."

Last week the Record held a poll of Scotland's football clubs on the super Hampden scheme.

The result—30 in favour, four against, three non committed.

Only days before the poll Mr Fletcher had said the £10 million government aid would be forthcoming when they had proof that Scottish clubs were behind the project.

After being told the result of the poll, he said: "It is important there is no doubt in anyone's mind about the

support of the clubs for the project."

Last night there was mounting speculation that the decision to withdraw government support might have been influenced by the personal intervention of Premier Margaret Thatcher and Chancellor Sir Geoffrey Howe in line with Government policy over public spending.

Question

The first hint of the Hampden bombshell came at the recent Jim Watt fight at Ibrox Stadium when Rangers chairman Rae Simpson handed a letter to Mr Fletcher.

This gave the club's detailed objections to any cash aid for Scotland's national sports stadium. Rangers were immediately slammed.

Mr Simpson, at present in Canada with his club, said last week: "The Government would be wrong to give the go-ahead at this stage. There are too many unanswered questions."

Now one huge question predominates. Can there be a new Hampden without government money?

The Daily Record

16/6/80

THE HAMPDEN AXEMAN

THE EXECUTIONER of the Hampden dream was taking a victory lap yesterday.

Mr. Ian Sproat, MP for South Aberdeen, proudly admits to hacking away until he brought down the plan for an £18 million super-stadium for Scotland.

"It's a considerable victory he exulted at Westminster after the Scottish office announcement.

It may be a victory for Mr. Sproat and his tightwad colleagues—but it also a sorry, sordid affair which has soured relations between sport and government in Scotland.

And it is made worse by the attempts of Scottish Office ministers to sweeten their broken promises with the artificial being of jobs and schemes that were coming to Scotland in any case.

It calls into question promises made by Scottish Office ministers and raises the questions of who holds the purse-strings in Scotland—Scottish Secretary, George Younger or the present tenants of Nos. 10 and 11 Downing Street.

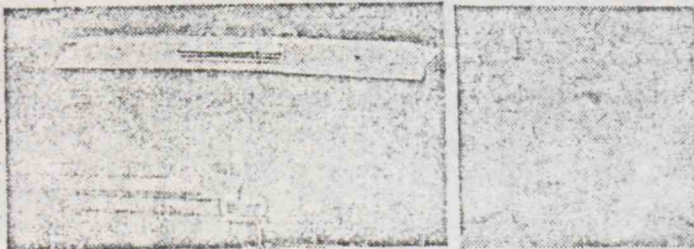
EXCUSE

It smacks of a put-up job, involving commercial football interests and Tory MPs in giving the Government an excuse to wench on firm financial commitments which were repeated only two weeks ago.

There can be no doubt that Mr. Younger—luckily for him out of the country this week—and his Scottish sports minister Alex Fletcher have been rapped over the knuckles by Mrs. Thatcher.

I asked Mr. Sproat how he justified going over the heads of his party and Scottish Office colleagues and taking his anti-Hampden complaint to No. Ten.

"Because the buck stops with the Prime Minister" he said. "She has the ultimate



While historic Hampden rots . . . Sproat chops

By TOM BROWN

responsibility. So I went direct to her and said:

"Look—we're all in this together. It's a bad show to be telling the nurses and teachers they can have no more money at the same time as doling out ten million pounds for a football ground."

The unrepentant Mr. Sproat can make a strong case against the Hampden plan: "This Government was elected on a policy of cutting public spending, which is quite incompatible with spending at least £5.5 million, and probably nearer £10 million on a football ground, even if it is Hampden. "If I wanted to spend more money in Scotland, then housing, schools and hospitals are much more deserving of public help."

"The chairman of Rangers football club was speaking for all those clubs who don't

want to know about improving Hampden, or keeping it up for years to come.

"It would be a very good thing for the game if the internationals and Cup finals were spread about Scotland and Aberdeen, Edinburgh and Dundee got their chance.

"Stopping this grotesque waste of public money on Hampden is good for the economy—and good for football."

But the case for the Hampden scheme was even stronger.

SLUM

By killing the Hampden scheme, the Government is writing off a national tradition and a landmark in Scotland's sporting life.

For historic Hampden is now a run-down sporting slum and—unless the football authorities can stage even a limited rescue operation—it seems almost certain that it will fade away.

The original scheme for the super-Hampden included a sports complex and commercial centre, which could have been adapted to provide just the kind of conference facility

© WHAT'S YOUR VIEW? Do you think a new Hampden should have been built or is it money well saved? Write to Scottish Daily Express, Park House, Park Circus Place, Glasgow G3 6AF.

the Scottish Office is now talking about.

And it could have been achieved, not by massive outlay of public money alone—but with the help of £19 million raised from soccer authorities and local government, plus lottery revenue for the upkeep.

The Government's commitment to the Hampden scheme was made by Mr. Younger's Labour predecessor as Scottish Secretary, Mr. Bruce Millan—but it was re-affirmed by Mr. Fletcher.

The Hampden project, on Government promises, was allowed to go to the point of no return. Cancellation now means bills for at least £1½ million for which the Government will be held responsible—though Mr. Fletcher says they are prepared to meet "an appropriate share."

Even after the Government had decided to back out, the promoters and contractors were allowed to go ahead in the belief that all was well.

It was the Scottish Daily Express that rang the alarm bells on Monday with the news of the Government's about-turn giving those concerned 48 hours warning of the blow. Otherwise, the bulldozers would have been tearing Hampden apart as the announcement was made.

The death of Hampden has been a death by many cuts.

Now, the Scottish Office ministers—Messrs. Younger and Fletcher—have administered the coup de grace by "leaks" and back-door procedures—a written answer in Parliament.

They did not dare deliver the death-blow on the floor of the House of Commons, where they could have been questioned about promises made and broken. And that is the unkindest cut of all.

Daily Express 18/6/80.

Press on, regardless

That the Government has decided not to honour its commitment to help create a modern national stadium for Scottish football should not deter those concerned from attempting to reach their objective. Bitter though they are sure to feel, they must set about securing alternatives to replace the Government's £8 million share. If they do not, they will be confessing that the idea is not such a good one after all, that it does not have the support of the football authorities and that it does not enjoy the blessing of the Scottish public. The directors of the Hampden Development Company know that such a confession is unnecessary; they have been assiduous in assuring anyone who asked that their plans were necessary, realistic and welcomed by all those concerned with the game. Sure of their cause, they need not fear to approach commercial sources for financial support. Small change from banks and oil companies enjoying enormous windfall profits would be all that was necessary; and, in going after it, the developers might find they would be dealing with more honourable men than either George Younger, the Scottish Secretary, or his junior Minister, Alex Fletcher.

Both men have behaved disgracefully in this matter. Within a fortnight of taking the offices which their decision yesterday tarnished, Mr Fletcher confirmed that they would honour the commitment made by the previous administration to the redevelopment of Hampden Park. On June 2 their officials reaffirmed that statement only to find 14 days later, their Ministers reneging. The pusillanimous pair have damaged more than their own reputation which, being lightweight already, is of little consequence. They have undermined the administration of government in Scotland. From now on, who can trust the word of Scottish Office officials? Who can believe their assessment of Ministers' views? That is their day-to-day business and, for government to function, they have to be trusted by all those who deal with them. To damage that vital link so cavalierly is irresponsible.

It will be of little solace to the two Ministers to hear their colleague, Iain Sproat, take credit for reversing the Government's intention. His grasp of the Scottish consciousness is likely to strangle, not sustain, it. Neither can they draw comfort from the reports that they have been influenced unduly by Rangers FC who voiced apprehension about the Hampden Plan to Mr Fletcher when he attended Jim Watt's fight with Howard Davis at Ibrox Park. Rangers, fortunately, are not Scottish football and should be no more than one voice in the game's councils. Nor can the Ministers be rejoicing at the suggestion that they are only doing the bidding of Mrs Thatcher. A reputation for weakness and deference to Downing Street goes ill with a Scottish Secretary's need to be master in his own house. If the plans for the stadium are shelved permanently then most people in Scotland might consider that the sporting slum Hampden has become will be a fitting tribute to those whose decision kept it so.

The Scotsman

18/6/80

THE GOVERNMENT is set to scupper plans for Scotland's new super-stadium at Hampden Park.

Under-Secretary Alex Fletcher is expected to announce this afternoon that Government funding of almost £9m is to be withheld. The move will outrage supporters of a national stadium.

They consider the Labour Government's commitment to pay half the cost to be binding on the present Government.

Mrs Thatcher and Chancellor Sir Geoffrey Howe apparently do not see things that way.

It is understood that both were shocked when they discovered the size of the Government's cash commitment at a time of stringent cutbacks.

VIOLENT

The project, beset by escalating costs, has been in doubt for months.

Violent scenes at Hampden when Old Firm supporters rioted put the reputation of Scottish football in the eyes of Ministers at an all-time low.

And the final excuse the Government seems to have been looking for was provided by Rangers.

Chairman Rae Simpson wrote to Mr Fletcher, the Minister responsible for Scottish sport, saying that the £18m total cost was a vast sum to be spending for what would amount to only a handful of matches a year.

Mr Fletcher responded by asking the SFA and the Scottish League to make their own views clear urgently.

The initial decision to fund the project was made by former Scottish Secretary Bruce Millan, and Labour's Front Bench stand has been to support the plan.

But the scheme has been hit by a well orchestrated campaign by opponents on the Tory back benches.

Aberdeen MP Iain Sproat, one of the fiercest in the anti-super stadium lobby, said Government funding would make a "mockery" of Mrs Thatcher's economic plan.

And at least one Labour MP, Garscadden's Donald Dewar, conceded: "If it came to a choice between a football stadium and a school or a hospital I know which I would pick."

Rae Simpson, Rangers chairman who stepped in with a plea to stop the Hampden plan only days ago, today denied his club had helped kill off the project.

On tour of Canada with the Ibrox club, Mr Simpson said in Toronto: "Our argument is that internationals should be spread around clubs throughout Scotland."

"The money to be spent on this new stadium is a lot for the place to stand empty for most of the year."

The Evening Times

14/6/80

The Government yesterday unexpectedly pulled out of an £18 million project to redevelop Scotland's national football stadium at Hampden Park only hours before contractors were due to begin demolition.

With bulldozers standing ready to pull down part of the terraces in preparation for a new stand, the Secretary of State for Scotland, Mr George Younger, said that he could no longer justify contributing about £8 million to the scheme.

Only two weeks ago, his officials had assured the redevelopers that a grant would be made available.

The Scottish Football Association, the Opposition and a consortium — Hampden Park Ltd — handling the project immediately accused Mr Younger and his Ministers of betrayal, and hinted broadly that the Government could face a legal battle in the Scottish courts.

Mr Younger defended his about-turn by reminding supporters of the venture that the Government's overriding priority was to contain public spending. But he promised that the Government would meet an "appropriate share" of any abortive expenditure incurred by Hampden Park Ltd.

The bill could be large. The consortium, which includes re-

presentatives of the Scottish Sports Council, local authorities and football administrators, said last night that it would be looking for at least £1½ million from the Government to cover the cost of "colossal design fees" and contracts which have already been signed, such as that with the demolition company.

But there is little doubt that the Prime Minister herself was personally responsible for terminating the Government's commitment. She is said to have ordered the Scottish Office to withdraw after being told of the involvement by the Tory MP for Aberdeen South, Mr Ian Sproat, who wrote to her only one day after

Hampden Park Ltd. received the letter of intent pledging Government support.

A delighted Mr Sproat last night rejected criticism that the consortium had been let down. He claimed that it "should have had the sense to know" that money would not necessarily be made available in these difficult times for such a project, regardless of any Scottish Office commitments.

But Mr Ken Hutchison, secretary of the consortium, responded angrily. "There is no question that they have broken their word quite and apart from the legality of their decision, they have acted quite immorally," he said.

"I am bewildered to know

mooted in the early 1970s. In 1977, proposals were finally made for a modest redevelopment project, instead of building a new stadium on the site. Plans were finally completed last year, after much discussion, and architects' models of the new Hampden were frequently displayed.

But recently, Glasgow District Council, one of the partners in the consortium, pulled out claiming that costs were becoming prohibitive, and two weeks ago, the chairman of Glasgow Rangers football club urged Mr Fletcher in a letter to abandon the project, although most other Scottish clubs appear to support the venture.

how any Government can turn round suddenly and say there is no money having given an undertaking in writing only two weeks ago."

Mr Ernie Walker, secretary of the SFA, was equally bitter. "It is evident that we have made a serious error of judgment in assuming that because we were dealing with representatives of the Government we could expect to be treated honourably," he said.

And Mr Bruce Millan, the chief Opposition spokesman on Scottish affairs, accused the Government of an "absolute betrayal of Scotland." He said that he had given a firm undertaking to the consortium that Government money would be

available when Labour was in power.

But Mr Alec Fletcher, the Scottish Minister responsible for sport, defended the Government decision by reminding critics that no other part of Britain had received Government support for a football ground.

And he claimed that the Government now had several projects in mind for using the money which would have been spent on Hampden — notably an exhibition and conference centre, which would include sports facilities, somewhere in Scotland. He declined to be more specific.

Redevelopment of Hampden Park, now approaching a serious state of disrepair, was first

The Guardian

18/6/80



cc Mr Gow

Spmt

na
MMA

Treasury Chambers, Parliament Street, SW1P 3AG

M A Pattison Esq
No. 10 Downing Street
London SW1

10 June 1980

Dear Mike

HAMPDEN PARK

I have seen a copy of Godfrey Robson's letter of 9 June about the Hampden Park redevelopment proposal.

I think I should add to the background the enclosed copy of a note of a meeting Mr Fletcher had with the Chief Secretary on Thursday 5 June. As you will see, it was agreed at that meeting that a grant fixed in cash terms would accord more with the Government's general stance on indexing.

Since the meeting, the Treasury has told the Scottish Education Department that a fixed cash grant of £8.5 million would be acceptable. That would be a little more than the present value of the previous Government's £5.5 million commitment at April 1978 prices. It would allow very little for any future inflation - on the other hand the Departments' proposal is to put the whole of the Government money in first, rather than £ for £ with the other contributors. The original 50% limitation could thus be exceeded if the remaining partners (of whom there were five but are now four) failed to raise their full intended shares.

I am sending a copy of this letter to Godfrey Robson.

Yours sincerely

Roger Watts

R J T WATTS
Private Secretary

Note of a Meeting held in the Chief Secretary's Room, H.M. Treasury
at 2.45 pm. on Thursday 5th June 1980

HAMPDEN PARK

Present:

Chief Secretary	Mr Alex Fletcher MP
Sir A Rawlinson	(Minister for Industry and Education at the Scottish Office)
Mr C Judd	Mr A Mitchell (Scottish Office)
Mr R J T Watts	

Mr Fletcher said that he was very conscious of the need for the Government to protect itself against the possibility of continuously escalating calls for funds to complete the stadium. He had indeed already made plain that the Government would only support clearly identified parts of the project. He felt however that the suggestion in the Chief Secretary's letter of 4th June that a firm cash figure should now be offered not open to further revaluation would provoke charges that the Government had gone back on previous commitments. Was the imposition of a cash figure for more than a single year a principle the Treasury was proposing for adoption generally or just in this single instance?

2. Sir Anthony Rawlinson said that grants in aid were commonly set as fixed cash amounts. The best recent analogy was perhaps the Covent Garden Appeal Fund where the Government's contribution was fixed in cash terms. The move against indexation was of course a general one.

3. The Chief Secretary said that he was firmly persuaded that the Government's commitment should be fixed in cash terms. He hoped however that any possible criticism might be tempered if the Government was to offer a cash amount which could be regarded as fair in the new circumstances. He suggested that officials consider further what cash amount could be seen as consistent with the Government's commitments.

4. Mr Fletcher accepted the Chief Secretary's proposal and confirmed that no undertakings had been given to provide Government assistance with maintenance or other running costs.

RW

H.M. Treasury

5 June 1980

Distribution:

Those present and
Chancellor of the Exchequer
Financial Secretary
Minister of State (L)
Minister of State (C)
Mr Bailey
Miss Forsyth
Mr Cardona



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

PRIME MINISTER

cc Mr Gow 2.
Ian Gow showed you Iain Sproat's letter
objecting to Scottish Office support for
Hampden Park re-development. Scottish
Office explain here that the Govt is
9 June 1980
very firmly committed.

Mike Pattison Esq
Private Secretary
No 10 Downing Street
LONDON SW1

mr.
Dear Mike,

We spoke on Thursday about my Secretary of State's intention to grant-aid the re-development and improvement of Hampden Park. I undertook to write, giving some more of the background.

The Park is at present owned by an individual football club. But it provides the venue for the more important football matches played in Scotland: it is, in effect the National Ground. Its facilities and general standards are quite inadequate, and if it is to remain in use complete reconstruction is necessary.

There is nothing new, either about the intention to provide Government aid for the necessary work, or about the Conservative Party's attitude. A Working Party was set up in September 1973 at the initiative of the then Government. Its remit was to examine the position of Hampden Park as the National Football Stadium, and to decide what action might be taken. It reported in May 1975. In May 1978 the then Labour Government announced it was prepared to pay up to half the cost of development work, then estimated at April 1978 prices to be £11m. Strathclyde Regional Council and Glasgow District Council each agreed to pay 10% of the cost, though Glasgow has since withdrawn its commitment. The responsibility for finding the balance of the cost lies with the football bodies themselves, through Hampden Park Limited (a company set up to manage the project).

Thus the present Government inherited a commitment, and design work on the re-development had already started. In addition, however, Party spokesmen in Scotland have set on record their support for the re-development, ever since their October 1974 Manifesto. In any case, after considering the nature and scale of the commitment in relation to other public expenditure projects within the programmes for which he is responsible, the Secretary of State concluded that the Government's support

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should not be withdrawn. This has been made known on a number of occasions. In response to a Parliamentary Question on 18 July 1979 Alex Fletcher said "The Government's offer still stands, to provide 50%, or £5.5m, whichever is the smaller, of the total cost of the agreed improvement scheme, estimated at £11m at April 1978 prices".

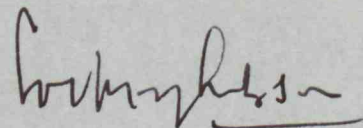
In substance that is still the position, although there have been some developments. Hampden Park Limited asked for an increase in the Government grant in order to finance improvements to the design which they thought were desirable, partly on safety grounds, but Ministers insisted that there was absolutely no prospect of increasing the maximum commitment of £5.5m. Also, as I mentioned above, Glasgow District Council withdrew their support; but the shortfall arising will be made up by the other bodies concerned.

We are still discussing with the Treasury how our grant should be paid to Hampden Park Limited; and, in the light of the general financial constraints under which we are working, the Secretary of State is seeking, before proceeding, confirmation of the continuing support for the project of the Scottish League and the Scottish Football Association.

Finally, I confirm that all this is fully provided for in Scottish Office expenditure programmes. We will of course liaise with your Press Office in the normal way, about any announcement.

I am sending a copy of this letter to Alastair Pirie at the Treasury.

Yours sincerely,



GODFREY ROBSON
Private Secretary

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