

RESTRICTED



10 DOWNING STREET

31 May 1985

From the Private Secretary

bc

The Prime Minister has seen your Secretary of State's letter of 20 May to the Chief Secretary. She has expressed concern about the very limited extent of private sector involvement in this project and at the fact that a continuing operating deficit, even before debt charges, is projected. She has also commented that putting such a substantial degree of public sector money into this project will imply that a number of other projects must be foregone. In addition, a project with such a substantial degree of public sector assistance will make it difficult for other convention centres in which the private sector may play a greater part, to compete. The Prime Minister has asked, therefore, whether the project could be recast to produce more private sector involvement.

I am copying this letter to John Mogg (Department of Trade and Industry), David Normington (Department of Employment), Richard Broadbent (Chief Secretary's Office), Leigh Lewis (Minister without Portfolio's Office), Geoff Dart (Department of Energy), and Steve Godber (Department of Health and Social Security).

ANDREW TURNBULL

John Ballard, Esq.,
Department of the Environment

RESTRICTED

JK



10 DOWNING STREET

Prime Minister ⁽¹⁾

Birmingham Conference Centre.

What is supposed to be a joint private (public sector) project is costing £106 million but will be public sector, including the Community, putting up £90 million. How can a centre financed in this way, requiring permanent subsidy represent fair competition against the conference ventures.

Agree Mr Jenkin be asked to look again at the balance of funding?

Yes.

AT

30/5

What other projects will be forgone if the public money is put into Birmingham? not