

From: Iain Sproat, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

3rd June 1980

*Please put through
to the Scottish Office
urgently
ms*

Dear Ian,

You may remember that last night I mentioned to you what I regard as a massive and grotesque waste of public funds. This is the proposal by the Scottish Office to spend some £8 million on helping to develop Hampden Park Football Ground, in conjunction with a consortium called Hampden Park Limited. I will not rehearse here all the arguments against this except to say that of all things to spend money on this seems one of the most trivial.

I enclose a cutting from today's Glasgow Herald, which is fairly self-explanatory, but I put it to you most strongly that it is going to be quite exceptionally difficult to persuade people that this Government is serious about cutting public expenditure in Scotland if some £8 million is to be given by the Government to re-developing a football ground. It seems to me to show no grip whatsoever on either the genuine need to cut expenditure or the deplorable effect it will have on public opinion.

I understand that unless you act almost immediately it will be too late, as it is intended to announce the go-ahead later this week.

Yours ever,

I.R.E. Gow, Esq., M.P.

Hampden decision expected this week

By JIM FREEMAN

A Government announcement on whether or not the Hampden Park redevelopment goes ahead is likely to be made this week.

Shortly after the board of Hampden Park Ltd. — the company behind the rebuilding project — met yesterday and asked for an end to official delays Mr Iain Sproat, MP for Aberdeen South, tabled a Parliamentary question which would give the Scottish Office Minister with responsibility for sport, Mr Alex Fletcher, a chance to end the uncertainties one way or the other.

Mr Sproat made his position clear — that he would be fighting tooth and nail to stop the Government spending public money on Hampden.

The figure of £17m — the updated cost of the renovation — given by Mr Peter Heatley, chairman of Hampden Park Ltd., was unrealistic, Mr Sproat said, as this did not include the work required on the south stand.

In any case, Mr Heatley had been wrong to suggest the Government's commitment should be any greater than the £5.5m top limit originally suggested in 1978.

"To suggest that the Government should now give 50% of £17m is monstrous when there are so many other things on which money could be spent in Scotland," said Mr Sproat.

Mr Heatley said that the bulldozers were poised to begin demolition of Hampden's north stand in 14 days. If this work did not begin on time, rebuilding scheduled for October would be interrupted.

The Scottish Office would only say that the announcement would come "shortly."

Mr Heatley refused to be critical, saying the Government had had a new situation to consider with the withdrawal of Glasgow District Council from the project.

"The company have everything ready for the redevelopment of Hampden Park and we are waiting to hear from the Government without whose support it would be impossible to proceed at all," he said adding that the Government were aware of the urgency.

6th June, 1980

Hampden Park Football Ground

Thank you very much for your letter of 3rd June, together with the newspaper cutting from the Glasgow Herald of the same date.

The Prime Minister has taken this up with the Scottish Office as a matter of urgency.

IAN GOW

Iain Sproat, Esq. M.P.
House of Commons,
Westminster, London SW1

MR. GOW

The Scottish Office tell me that an announcement about Scottish Office support for the development of Hampden Park Football Ground is not imminent. Alex Fletcher is having discussions with John Biffen this afternoon, and the Treasury are not falling over themselves to approve the idea.

I understand that this goes back to a Manifesto commitment. The Scottish Office say that the current issue is more one of whether they should not extract themselves from an existing commitment than one of whether to take on a new one.

We will have a note from the Secretary of State for the Prime Minister's box tomorrow night, which I shall copy to you. The Scottish Office understand that no announcement should be made without the Prime Minister's approval.

Would you now like to drop a line to Mr. Sproat saying that the Prime Minister is making enquiries, and that there will be no announcement until she has had a chance to consider what is proposed? (But we would not, of course, wish to give Mr. Sproat the impression that he has managed to play the Prime Ministerial card to overrule Mr. Younger.)

MAO

5 June 1980



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

PRIME MINISTER

Mike Pattison Esq
Private Secretary
No 10 Downing Street
LONDON SW1

cc Mr Gow

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

really firmly committed,

mf.

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".

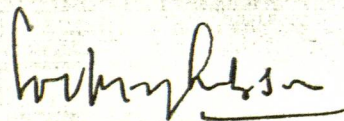
In substance that is still the position, although there have been some developments. Hampden Park Limited asked for an increase in the Government grant in order to finance improvements to the design which they thought were desirable, partly on safety grounds, but Ministers insisted that there was absolutely 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

cc Mr Gow SPROAT, P.P.

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MM



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

Notes 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
Sir A Rawlinson
Mr C Judd
Mr R J T Watts

Mr Alex Fletcher MP
(Minister for Industry and Education
at the Scottish Office)
Mr A Mitchell (Scottish Office)

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

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