



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

// February 1983

Dear Michael,

*DS
11/2*

CHATHAM HISTORIC DOCKYARD

I have now had an opportunity to consider the report you received last Autumn from the consultants commissioned jointly by PSA and the Kent County Council on the future environmental and economic opportunities in the historic dockyard. I have also seen the note of the meeting you held with a group of individuals with experience of running heritage museums here and in America or with other associated knowledge. As a result I have come to the conclusion that we should proceed broadly on the lines advocated by the consultants. I understand you formed a similar view, and in the light of the limited amount of time before the Navy vacate the historic area I would like to proceed with some urgency.

Consultants general concept

I enclose a copy of the consultants' report and you will recollect that they recommend that a Trust should be set up to direct and finance the operation of a 'living dockyard' through a mixture of complementary uses - housing, offices, light industry, leisure activities and most importantly tourism. I understand this view was strongly endorsed at your meeting. How the mixture turns out will be a matter for the Trust to settle as they go along but whilst there are some buildings of great historical significance such as the Ropery, and Mold Loft which will have to be retained for their original purpose, there are others such as Medway House or the Anchor Wharf Store which could be adapted to modern usage. In addition there are areas of unused land on which new buildings could be erected. Altogether there is I feel a rich collection of opportunities for the future.

Type of Museum

Varying advice has been offered about the form of museum that would provide the biggest tourist attraction. Some have advocated that the theme should be that of the only Georgian dockyard in the World. Others have argued that a more diversified approach including examples of ships of more recent periods would be more successful. In view of the unique collection of buildings it has been suggested that Chatham should concentrate on the historic land aspects of the Navy in contrast to Portsmouth which, with

the Victory and the other old ships it has, is dealing with the sea going aspects. These again would be matters for the Trust to develop a policy on as a result of further detailed deliberations.

Co-ordination of Maritime Museums

However this leads on to the matter of overall co-ordination on which I wrote to you recently. A great deal of excellent effort is now being put into creating Maritime Museums at a series of centres. In addition to the major activities at Portsmouth and Chatham there are initiatives at Bristol (in relation to merchant ships) and Ellesmere Port (Narrow Boats), and the National Maritime Museum at Greenwich is seeking some means of satisfying several additional requirements. I hope you agree that the officials of our two Departments should urgently advise us on what needs to be done. I understand the Prince of Wales mentioned to you on several occasions that he is very interested in such issues. I agree His Royal Highness would be an excellent person to lead such an overall effort and I am very willing to follow the matter up with him.

The Trust

The membership of the Trust will require careful thought and will need to represent a wide diversity of interests. In addition to the living museum, maritime and building conservation aspects there should be someone from the estate management and development field if the Trust is to successfully attract private investment, the local interests will need to be represented through such a body as the County Council and the tourist industry both nationally and locally should be involved. The choice of the Chairman will be a particularly critical issue, and one to which I am now giving thought, since a great deal of the success of the Trust is likely to depend on the amount of time and energy he is able to devote to its promotion.

Finance

In their report the Consultants do not envisage that it will be possible to find uses for all the scheduled buildings but where a property is leased from the Trust the intention is that the occupant will be responsible for its subsequent care. This approach should reduce the need for public funds but even so the consultants estimate that the Trust will need support to the extent of about £7m over the first five years and thereafter around £0.5m per annum. Prudence suggests however that these figures might rise to over £9.0m and £1.0m respectively if the Trust runs into unforeseen difficulties. Equally if the development of the dockyard catches the public's imagination the cost could be less than the consultants figures.

On page 44 of the Report these costs are set out as a cash flow arrangement for the first five years. From these figures it is possible to see what sort of annual deficit may have to be met. I am sure this is the right basis on which to assess the problem but it will be for consideration how that deficit will be met and by whom. The Trust may be able to obtain assistance from the National Heritage Fund and we shall need to examine whether regional aid or grants for tourism might assist, but it seems probable that Central Government will have to contribute a major share of the deficit at least in the early years. The responsible Department or Departments will have to be determined but yours or mine seem to be the primary candidates. The dockyard is of course part of the Defence estate and it would be helpful for me to know your views on this question of ownership in the future.

Kent County Council

As the County Council collaborated with us in the preparation of the Consultants Report I shall be meeting the leader, Councillor Neame to discuss the report with him. He will no doubt seek an assurance that the Government will provide financial support to the Trust but at the same time I hope to persuade him that the County Council should also contribute.

Implementation

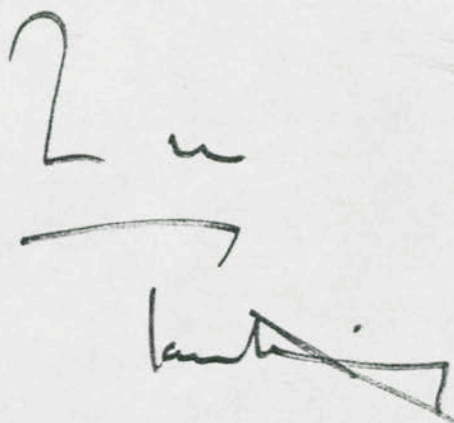
I commend the recommendations to you and other colleagues as offering an imaginative and viable way forward. I am satisfied that they will enable us to preserve the major features and character of this significant part of our National Heritage and to give the area a good environmental character and a liveliness that many people will find attractive to either visit, live or work in.

There is not a great deal of time in which to resolve the details if the Trust is to be set up and be capable of taking over as the Navy pulls out (I understand the Historic Dockyard will be largely vacated before the end of this year). I am therefore asking my officials to work up outline proposals for the Trust and to consider further on an inter-departmental basis the means of providing financial support.

I should be grateful to know that you, Patrick Jenkin, Arthur Cockfield and Leon Brittan to whom I am sending copies

of this letter (and a copy of the Consultants' report) are content with these initial proposals and are able to authorise officials to participate in the necessary discussions. I am copying this letter to the Prime Minister for information.

I hope these can be concluded in time for me to circulate firm proposals before Easter.

A handwritten signature in dark ink, appearing to read 'Tom King'. The signature is written in a cursive style with a large initial 'T' and a long horizontal stroke extending to the right.

TOM KING

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2 MARSHAM STREET
LONDON SW1P 3EB

01-212 3434

My ref/PSO/11516/83

Your ref:

// April 1983

Leon

CHATHAM HISTORIC DOCKYARD

Thank you for your helpful letter of 10 March.

I agree that the options identified by the consultants need to be costed against the base case of disposing of the assets at Chatham Historic Dockyard for the best price. I have doubts whether the analysis needs to be done in the same depth as that for the option recommended by the consultants but we do need to identify what price we would be putting on the preservations of the heritage should we decide to follow that course. DOE officials are in touch with yours about this to get it resolved as soon as possible.

I will come back to you with my recommendations once I have studied the work which is now in hand.

I agree that no firm decision should be taken about the setting up of the Trust before we have considered the financial issues again. We shall, however, continue with preliminary planning on the assumption that the Trust idea goes ahead, as it is obviously important that we reach early decisions on the future of the Dockyard in view of the relinquishment date of MOD.

I am copying this letter as previously.

Tom King

TOM KING

12 APR. 1983

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Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Tom King MP
Secretary of State
Department of the Environment
2 Marsham Street
London SW1P 3EB

10 March 1983

2 Tom,

CHATHAM HISTORIC DOCKYARD

In your letter of 11 February to Michael Heseltine about the future of Chatham Historic Dockyard you asked if I was content with your initial proposals and able to authorise officials to participate in the necessary discussions.

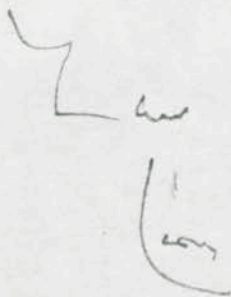
I agree that the proposed scheme would appear to enable the Dockyard to be put to good use while securing the preservation of a number of buildings of historic and architectural importance. However, the financial aspects will require further consideration.

The consultants' report identifies three possibilities for future use but has only assessed the costs of the "living Dockyard" option. I believe that all options need to be costed against the base case of doing nothing, ie. disposing of the assets for the best price. Whilst therefore I can see the attraction of the imaginative scheme recommended by the consultants, I shall need to know the costs of the alternatives before I can endorse that course. Only in this way can the full costs of preserving this part of our heritage be identified and set against the benefits of that preservation.

I should also like to know more about how your proposals are to be financed. You refer in your letter to the possibility of funding by organisations outside central government. I agree that this avenue should be fully explored. The project will have a national importance but it will be of especial benefit to the local community. I should find it difficult to agree that central government should be expected to carry the financial burden alone. And any contribution by central government would of course have to come from existing allocations whilst, as you pointed out in your letter of 26 January to Michael Heseltine, we may need to consider at the same time the case for allowing Portsmouth a share in whatever public funds can be allocated for this sort of project.

I note that you are asking your officials to work up outline proposals for the Trust and to consider further on an inter-departmental basis the means of providing financial support. Given the short time available before the MOD leaves the Dockyard, I accept that it is sensible that these discussions should proceed. I should welcome Treasury officials being kept fully in the picture and participating in consideration of the financing options. Clarification of all the financial implications is essential before any firm decisions are taken about setting up the Trust.

I am copying this letter to recipients of yours.

Handwritten signature of Leon Brittan, consisting of a stylized 'L' followed by 'Brittan' and a flourish below.

LEON BRITTAN

Regy Pd,
Inner Cities
M3

11 MAR 1983

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