



MS

PRIME MINISTER

We are to discuss the proposed redevelopment of the Bridge Street site on Monday. It may be helpful if I set out the main points for consideration.

In August 1982, Michael Heseltine announced proposals to redevelop for Parliamentary purposes the area bounded by Cannon Row, Bridge Street, Parliament Street and Derby Gate with public funds (Phase 1); and to explore the possibility of redeveloping the remainder of the site with private capital (Phase 2). These are two of the most important sites in the heart of the capital and their continuing neglect is a lost opportunity attracting growing criticism.

The Casson Conder Partnership was commissioned to produce a feasibility study for Phase 1, and the Services Committee's 3rd Report in Session 1982/83 was based on their initial thinking. That Report also contained proposals from Edward Erdman & Co indicating ways in which private capital might be found for Phase 2. My immediate concern is the way forward for Phase 1.

Casson Conder have now completed their feasibility study. The next stage would be to work this up to a detailed design. Before this can be done, they will require a clear brief which will need to reflect the views of the House of Commons. It has always been envisaged that the House's views would be obtained by means of a debate on the Services Committee's Report.

The estimated total cost of Phase 1 is some £23m (construction £19½m, furniture and equipment £1m, and consultants' fees £2½m) at cash prices, on the assumption that the work is done over the period 1984/85 - 1988/89, the main expenditure, on the construction, being spread over the three years 1985/6 -



1987/88. By paring other work in our Houses of Parliament programme back to the bare minimum requirement over the three peak years, we might find from this programme some £7m (or £9m if we maintained the cut-back for a fourth year). That however is the most we can find in this way, and we had to ask for the balance to be covered by an additional bid in this year's Public Expenditure Survey. The Treasury have not however as yet been able to offer us extra money.

We thus need to decide whether it would be right to authorise the Casson Conder Partnership to go forward with the detailed design at this stage, at a cost of perhaps £1½m over two years, so that we would be ready to start construction quickly whenever the circumstances might permit.

In our discussion we will need to bear in mind that, having been blighted for some 20 years by the prospect of redevelopment for Parliamentary purposes, many of the buildings on the site are now in a deplorable condition. Significant sums would be required to rehabilitate these buildings for long-term use if we decide not to go ahead with redevelopment. Furthermore, we have now reached the point at which the existing Parliamentary estate is virtually fully utilised, and yet the needs for more Parliamentary accommodation are becoming increasingly pressing.

In a broader context, the redevelopment of this site, combined with the plans for Richmond Terrace, the construction of the Conference Centre at Broad Sanctuary, and the stone cleaning at the Palace of Westminster will round off the restoration and renovation of this part of Westminster.

We will need to consider the desirability and timing of any debate on the services Committee's Report, or any other action



we might need to take to inform the House of our conclusions.

Copies of this go to John Biffen, Peter Rees, the Chief Whip and Sir Robert Armstrong.

PJ

PJ

20 October 1983