

PRIME MINISTER

RICHMOND YARD

Sir Robert Armstrong suggests 3 uses for Richmond Yard:

1. Allow ODA to move in as has been long planned.
2. Move in 680 of the 1160 DES staff now housed at Elizabeth House, with ODA staff going to the Elizabeth House complex.
3. Move in "core groups" (Private Offices and key officials) from both DES and DHSS.

Sir Robert's minute says that changing from the original plan of moving ODA into Richmond Yard would require additional costs provisionally estimated at £3-4 million, for which there is no PES provision. You may feel that these extra costs and Mr. Baker's new and vigorous management at DES reduces the need for changing the plan of moving ODA into Richmond Yard.

A decision is required no later than 30 June 1986 if the lease of Eland House (ODA) is not to be surrendered in December 1987.

Which option do you prefer?

N.L.W.

N. L. WICKS
12 June 1986

I have never approved
a plan for ODA to go
to Richmond Yard
Who has?
There are at present
NO PLANS
mb

C

cc BLP

Ref. A086/1660

PRIME MINISTER

Whose plan?

Decided when?

*Check House please
ms*

Richmond Yard

Under the present plan the Overseas Development Administration (ODA) would move into Richmond Yard when the refurbishment is complete next year. You asked me to look into the possibility of leaving the ODA where they are at Eland House or finding other less central accommodation for them, and bringing into Richmond Yard either part of the Department of Education and Science (DES) or part of the Department of Health and Social Security (DHSS) or both.

at Hesp

--- 2. I attach a memorandum which gives an account of the various factors involved.

*Whose
off. due
when
what
other things
were considered?
By whom?*

3. The plan to move the ODA into Richmond Yard is in pursuit of the objective of concentrating the Foreign and Commonwealth Office (FCO) in the Whitehall area. This would have the advantage of bringing the ODA more closely under the eye and wing of the Foreign and Commonwealth Secretary, and would help to strengthen the process of ensuring that foreign and trade policy considerations are given their due weight in taking decisions on aid policy and related matters. It would also have certain practical advantages, including a reduction in the ODA's overheads through better use of common services, and in particular of the FCO's new office automation project FOLIOS.

4. The simplest switch would be to bring to Richmond Yard 680 or so DES staff from the 1,160 DES staff housed at Elizabeth House. That would leave about 480 DES staff, including the print room and library which could not easily move, in part of the low block of Elizabeth House: the ODA could then move from

Eland House (which has to be vacated not later than when the lease expires in 1992) to the tower block and the rest of the low block of Elizabeth House. The ODA staff would thus be divided (like the DES staff at present) between two contiguous blocks. This would enable the Secretary of State for Education and Science, his Ministers and his senior management to be housed in Richmond Yard: whether the remainder (to bring the figure up to 680) who also moved there should consist of some entire branches of the DES or a horizontal slice across the middle of the Department would be for detailed study.

5. The former Secretary of State for Education and Science was disposed to welcome the idea of a move closer to Whitehall, principally for presentational reasons, but did not feel very strongly. DES Ministers are in fact within relatively easy reach of Parliament and Whitehall by car; and a move by what could only be a part of the DES to Richmond Yard would increase problems of communication within the Department, since many communications which now take place inside Elizabeth House would require transmission of documents and people across the river between Elizabeth House and Richmond Yard.

6. The Secretary of State for Social Services, however, regards the remoteness of Alexander Fleming House at Elephant and Castle as a serious impediment to the conduct of the DHSS's Parliamentary and interdepartmental business. He would like to move into the Whitehall area a "core group" consisting of the six DHSS Ministers and their Private Offices, the Parliamentary Unit, and a number of key officials. There is at present no suitable accommodation for this purpose on the Government estate other than Richmond Yard; possibilities in the Victoria area are likely to come onto the commercial market within the next year at a rental of the order of £1 million per annum plus a similar sum for occupational services. There would be some loss of convenience and additional cost in communications between the Whitehall area and Elephant and Castle, but the disadvantages

would be less than in the case of the DES, since the DHSS being so much larger is already used to operating from a number of separate buildings. The DHSS therefore have a considerable interest in moving a core group to Richmond Yard. It would no doubt be possible to devise a move which enabled the DHSS to take up the whole of the accommodation in Richmond Yard now earmarked for the ODA.

7. A third possibility would be to move core groups both from the DES and from the DHSS to Richmond Yard. There would have to be further detailed study of what these core groups could consist of, within the accommodation available at Richmond Yard. The DES and the DHSS are the only two Departments with no Ministerial base north of the Thames (though the DHSS is much more seriously disadvantaged than the DES, because it is so much further off).

8. The chief objection to a change in plan at this stage is the disruption, and additional cost and delay, that would be incurred. The FCO and the ODA have built their planning round the move. The interior design of the accommodation in Richmond Yard has been planned, and is being constructed, round the ODA's requirements. The requirements of the DES or DHSS would be different. As you will see, a change would mean that the occupation of Richmond Yard would be delayed by six months to a year - probably into 1988 - and would mean net additional costs provisionally estimated at £3 million to £4 million, for which there is no PES provision. If the ODA do not move to Richmond Yard, the Government would either have to continue to pay rent for Eland House (currently £2.1 million a year and likely to rise to perhaps £2.5 million from December 1987 until 1992 when the lease expires), or find a new permanent home now for the ODA. Ideally that new home should be under one roof, as at present; Elizabeth House is not an ideal location (since the staff would be divided between the two blocks), and the part-building which DHSS would vacate would not be large enough

for this purpose. But to accommodate the whole of the ODA under one roof in a new hiring in the Whitehall/Victoria area would be substantially more expensive than a new hiring in this area for a core group from the DHSS. I think that the difficult question is whether the advantages of a change in the plans are sufficient to justify these additional costs and delays.

9. If the plans are to be changed, and the lease of Eland House is not to be surrendered in December 1987, a decision needs to be taken in time to give notice to the landlord of Eland House not later than 30 June 1986.

10. I have discussed this matter with the Permanent Secretaries concerned, but not with Ministers. Mr Baker might feel more strongly than Sir Keith Joseph did; Mr Fowler would certainly favour a move, and would want to press for an alternative base near Whitehall if he did not get one in Richmond Yard. The Foreign and Commonwealth Secretary would strenuously resist a change of plan for Richmond Yard; and he would presumably be supported by the Chief Secretary, Treasury.

MS
for ROBERT ARMSTRONG

11 June 1986

MEMORANDUM

Richmond Yard

1. The Richmond Yard development, including the Whitehall/Parliament Street frontage, provides a total of 160,000 sq ft currently allocated to:

	sq ft
ODA	141,500
*Cabinet Office/Downing Street	14,000
*Welsh Office	3,000
2 retail shops	1,500

Partitioning to suit the occupants' requirements is included in the construction programme. The building is currently expected to be ready for occupation by mid-1987.

2. The arguments in favour of retaining the bulk of the new development for the ODA are:

a. Efficiency

The space available at Richmond Yard is exactly the amount ODA require. Careful planning has gone into the arrangements for ODA's move; a number of internal works have been carried out to their specific requirements. Co-location across Whitehall from the diplomatic wing of the FCO would make possible closer working relationships

*Overflows from existing Whitehall occupations, made necessary by the demolition of Palace Chambers and by the loss of Standard House on lease expiry in 1988, and subsequent redevelopment.

between the two wings, leading to better integration of aid and foreign policy; some staff savings; and more effective use of common services. In particular, use of the FCO's major new office automation project FOLIOS, the ODA is investigating the possible operation from 1987.

b. Morale

It would be demoralising to ODA staff, who had worked hard for this move and set great store by it, if ODA were not to move to Richmond Yard. The plan has been prepared in close consultation with staff at all levels; the building has been designed to facilitate managerial improvements such as integration of registry and secretarial services which the layout of Eland House prevented. The latter is in any case not available in the longer term (see c. below), and office services there have been deliberately allowed to run down prior to the proposed move to Richmond Yard.

c. Cost

On present plans Eland House would be relinquished on ODA's move to Richmond yard. The lease expires in June 1992, but PSA can determine it earlier on 18 months notice to expire at any time on or after December 1987. The landlord has indicated that he will not renew the lease. The rent saving from giving up Eland House (current rent £2,110,000 per annum but subject to review in December 1987 if we retain the building) was a key factor in the original economic justification of the Richmond Yard development. Any change of occupation at this late stage of the Richmond Yard development will carry additional costs and impose some delay. It is extremely difficult to quantify these at this stage, without knowing the exact requirements of whoever was to occupy the building and where ODA would eventually go. But it would be unrealistic to assume that

we could effect the change in the occupation of Richmond Yard in less than six months to a year, probably nearer the latter, and at a further cost of some £3-4 million, taking account of the need to rehouse ODA elsewhere. This additional cost would have to come from new resources beyond what has already been allocated for accommodation projects; the money could not be found within existing PES provisions.

3. The arguments for allocating part or all of the building to the DHSS are:

a. Efficiency

At present the six Ministers in the Department need to travel some 20 minutes to Parliament and to meetings in Whitehall or Westminster. It is the Secretary of State's strongly held view that this is a serious impediment to the conduct of their Parliamentary and Government business. The same problem (indeed worse since they are normally dependent on public transport) affects officials required to attend meetings in Whitehall/Westminster. The DHSS and the DES are the only major Departments with no base in the Whitehall area. Richmond Yard would not, of course, be large enough for the whole DHSS staff: what would be envisaged would be the occupation by a core staff consisting of the six Ministers' offices, the Parliamentary unit and perhaps a small number of other key officials.

b. Cost

There would be additional costs involved in such a move, as outlined in paragraph 2c above. There would be a balance of additional costs for travel etc between DHSS buildings

more distant from one another than at present, against savings from greater efficiency of operation for Ministers etc.

4. The argument for allocating some or all of Richmond Yard to the DES is that, like the DHSS, the DES has no Ministerial base north of the river. But Elizabeth House is very close to Westminster Bridge and DES Ministers can get to the House of Commons to vote if they leave their offices as soon as the division bell rings.

5. The Richmond Yard development is however too small for the whole of the DES. Since the policy staff of DES are now all in the same building, taking half of them north of the river would create inefficiencies which do not exist now. It takes 20 minutes to walk from an office in Elizabeth House to an office in Richmond Yard. At present all DES staff in Elizabeth House can get to a meeting in five minutes.

6. If it were proposed that a core staff consisting of Ministers from both DHSS and DES should share Richmond Yard, plans would have to be adjusted to provide suitable accommodation for ten Ministerial Private Offices, as well as for whatever officials from the two Departments would accompany.

7. If the ODA occupy Richmond Yard, the DHSS will wish to acquire alternative accommodation north of the river for a core staff as outlined above, and as quickly as can be arranged. At present there is no suitable accommodation to meet this requirement readily available on the estate. A new hiring would be necessary at a rental cost of around £1 million per annum, with perhaps a similar sum needed for the occupational services.

8. If the ODA do not occupy Richmond Yard, they will need alternative accommodation at some point between December 1987 and the expiry of the Eland House lease in 1992. The most

suitable way of meeting this need would depend on the arrangements for Richmond Yard. If DES were to move there, ODA could fill in behind them in Elizabeth House (the tower block plus part of the low block). The cost of such a move has been included in the £3-4 million figure quoted at the end of paragraph 2c. above. If, on the other hand, DHSS were to go to Richmond Yard, they would presumably want to bring in their own staff from elsewhere to fill the space created in Alexander Fleming House. A suitable new hiring in the Whitehall/Victoria area, to provide a one-roof permanent home for the ODA might cost around £3 million per annum in rent and £3 million for ingoing services.

GOVT. BUILDINGS - Westminster Area Pt 2

