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## 10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

RICHMOND YARD

The Prime Minister held a meeting this morning with the Foreign and Commonwealth Secretary, the Parliamentary Under Secretary, Department of the Environment (Sir George Young) and the Chief Executive of the Property Services Agency (Mr. Manzie), and yourself.

The Foreign and Commonwealth Secretary recalled that the original proposal to move ODA from Eland House came from the recommendation of a Rayner report in 1979. This had been followed by a decision in 1982 to allocate Richmond Yard provisionally to ODA and this decision had been confirmed in 1983. The accommodation in Richmond Yard was being specially adapted for ODA requirements and extra costs, amounting to £3-4 million would be incurred if ODA were now at this late stage to be put elsewhere. A review last year had established that it was not practicable to move more ODA staff to East Kilbride. Nor was it practicable to house ODA in the old Home Office which was gradually being refurbished.

The Prime Minister said that she had never been asked to confirm that ODA should occupy the Richmond Yard building and there was a strong case for moving other departments into that prime site; for example DES could move there and ODA move to DES's Elizabeth House. Whichever Department occupied Richmond Yard, PSA should charge them a top rental rate to reflect the prime site position with the Department concerned finding the rent without any increase in their budget provision. For the future it would be important that allocation of prime sites on the Government estate should be taken by the proper ministerial committee and reported to her.

After further discussion, the Prime Minister said that a paper should be quickly prepared setting out the full options and costs for the use of the Richmond Yard building. She would discuss this with Ministers present, the Secretaries of State for Social Services and Education and a Treasury Minister.

I am sending copies of this letter to the Private Secretaries to the Foreign and Commonwealth Secretary, Parliamentary Under Secretary, Department of the Environment and to Mr A G Manzie.

N.L.W.

N L WICKS  
19 June 1986

SP