



file

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

GOVERNMENT ACCOMMODATION: MACHINERY

Thank you for your minute of today about the machinery for taking decisions on accommodation in the public service.

I am confident that the Prime Minister would be content with the arrangements which you propose and I suggest that you now proceed accordingly.

N.L. Wicks

4 August 1986

016

NBN

Robert Armstrong

Ref. A086/2256

MR WICKS

Government Accommodation: Machinery

Your ^{WITH NEW?} minute of 31 July, suggesting machinery for taking decisions on accommodation in the public service, crossed with mine of the same date proposing such machinery.

2. The only variation I would propose in the light of your minute is that, in the case of the Ministerial Sub-Committee proposed in paragraph 8 of my minute, it should be made clear that the Lord President would chair when it was not necessary or possible for the Prime Minister to do so.
3. I should also correct one point in paragraph 9: on the Official Committee the Department of the Environment would be represented by the Director, Property Services Agency, not by the Permanent Secretary of the Department.
4. I assume that this Committee would deal only with accommodation of Government Departments in the Westminster and Whitehall - or at least Inner London - area: it is not intended to deal with the civil (or defence) estate outside London.
4. As you say, special arrangements may still be needed when the needs of the security and intelligence agencies are to be considered. They will be technically outside the terms of reference (as not being Government Departments), but we can still use the Committee machinery to consider their needs when there are no security considerations which make it difficult to do so.

RA

ROBERT ARMSTRONG

4 August 1986

Ref. A086/2203

MR WICKS

Richmond Yard

Your minute of 28 July asked about the future use of the old Home Office building.

2. The building was vacated by the Home Office in 1977. It was then given an extensive restoration and refurbishment as the first stage in a fifteen-year scheme for restoring and refurbishing the whole of the Old Public Offices. The rest of the building has been divided for this purpose into five sectors. Each sector is being done in turn; while a sector is done, the staff occupying it are housed in the old Home Office. The first phase is nearly complete. Early next year those working in the second sector - including the Foreign and Commonwealth Secretary - will be moving into the old Home Office for about two and a half years. The whole programme is scheduled to be completed by June 1996. At that point the old Home Office will become available to house Foreign and Commonwealth Office staff from other London buildings, or for whatever other use then seems to make sense.

3. I understand that the Prime Minister does not have much enthusiasm for the compromise^{*} suggested in paragraph 6 of my minute of 24 July (A086/2163). In that case, and assuming that the Overseas Development Administration (ODA) is not to go into Richmond Yard, I think that we had better go for one of two versions of Option 1 in Sir George Young's paper.

attended

* ODA move 600 staff to Richmond Yard + 80 somewhere else
DES Minutes + top policy advisers from Elizabeth House
to Richmond Yard

DISS to use Ergon House 1

Option 1a

About 700 Department of Education and Science (DES) staff now in Elizabeth House move to Richmond Yard.

ODA move to Elizabeth House.

PSA use best endeavours to find a suitable site north of the river for Department of Health and Social Security (DHSS) Ministers and senior management: Ergon House in Horseferry Road is one obvious possibility.

Option 1b

About 700 DHSS staff now in Alexander Fleming House move to Richmond Yard.

ODA move to Alexander Fleming House.

4. I think that we are more likely to succeed with Option 1a, because I think that the Foreign and Commonwealth Secretary might just be persuaded to accept that ODA should go to Elizabeth House but would not accept that they should go to Alexander Fleming House. In any case, if DHSS staff were to move out of Alexander Fleming House, it would make better sense to bring in other DHSS staff from another building than to bring in staff from a completely different Department. It therefore seems to me to make best sense to deal separately with the DHSS, finding some other building in Westminster to meet their requirement, and use Richmond Yard for the DES.

5. Securing this option will depend on finding a Department to bear the extra cost on its programme within existing baselines. There is no provision in existing PES totals. The Treasury will be very reluctant to provide for this from the Reserve or in additional bids. The choice appears to lie between the DES (or

DHSS) and the PSA. It should probably fall on the DES (or DHSS); but they will be very reluctant to take on this expenditure at the cost of something else in their programme.

6. I stand ready to see whether I can negotiate a solution on these lines with the Departments concerned, if the Prime Minister would like me to do so. But I cannot guarantee that the Foreign and Commonwealth Secretary will accept a decision that diverts the ODA from Richmond Yard to Elizabeth House, without seeking a meeting with the Prime Minister (which would now have to take place in September).

7. I feel duty bound to add that I am apprehensive about the possible Parliamentary consequences of the change of plan and the additional expenditure involved. On the Prime Minister's instructions I reopened the allocation of Richmond Terrace in November 1984. My correspondence with the PSA at that time, which was copied to your predecessor, had the purpose of finding room in Richmond Yard for overspill from 10 Downing Street and the Cabinet Office as a requirement of greater priority than the ODA. It became clear in that correspondence that the needs of the Cabinet Office and 10 Downing Street in Richmond Yard could be met without disturbing the plans for housing the ODA there. This was also made clear in a letter which the PSA sent to Mr Andrew Turnbull on 29 April 1985. There was no suggestion from No 10 at that time that the Prime Minister would not be content with such an outcome. If the plan is now changed and extra expenditure incurred as a result, it will not be possible to prevent the National Audit Office from discovering and inquiring into the additional expenditure and the reasons for incurring it, and reporting to the Public Accounts Committee. It would not be easy to find a convincing explanation of the lateness of the decision to change the plan.



PN.
 Not in
 all cases
 necessary.
 Let the
 hon. Secs
 do it.
 report
 difficult
 cases to you?
 N.L.W.

8. At the Prime Minister's meeting on 19 June it was suggested that the problems that have occurred in this matter could be avoided in the future by the creation of machinery for dealing with priorities in the allocation of space for Government Departments and agencies in the Whitehall and Westminster area. I assume that the Prime Minister would wish to chair the Ministerial component of this machinery. I therefore propose the establishment of a Sub-Committee on the Allocation of Accommodation in Westminster of the Ministerial Steering Committee on Economic Affairs, with the following composition and terms of reference:

- The Prime Minister (Chairman)
- The Lord President of the Council
- The Foreign and Commonwealth Secretary
- The Home Secretary
- The Chancellor of the Exchequer (or the Chief Secretary)
- The Secretary of State for Defence
- The Lord Privy Seal
- The Secretary of State for the Environment

Other Ministers would be invited to attend when their departmental interests were under discussion. The terms of reference might be:

"To keep under review the allocation of accommodation to Government Departments in the Whitehall and Westminster area."

9. I should also propose to set up an Official Committee under my own chairmanship consisting of the Permanent Secretaries to the Foreign and Commonwealth Office, the Treasury, the Home Office, the Ministry of Defence and the Department of the Environment, to advise the Ministerial Committee as necessary.



10. It was agreed that we should cancel the meeting arranged for 31 July to discuss the Richmond Yard problem, in view of the other pressures on the Prime Minister and the Foreign and Commonwealth Secretary at this time. If I can negotiate a solution on the lines proposed in paragraph 3 of this minute (including the financial consequences), it may not be necessary to reinstate the meeting of Ministers in September. If a meeting of Ministers is required, that could be the first meeting of the proposed Ministerial Sub-Committee on the Allocation of Accommodation in Westminster.

REA

ROBERT ARMSTRONG

31 July 1986

Westminster Area Restoration: -

(1995)

Govt. Buildings

Pt 2.