

ACRO 2079

THE GROSVENOR ESTATE

TRUSTEES

THE DUKE OF WESTMINSTER
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The Rt. Hon. Mrs. Margaret Thatcher, MP,
10 Downing Street,
London, S.W.1.

1) Mr Butler
2) Prime Minister
I will ask DHSS for a report
and a draft reply.

Dictated: 14th September, 1984

DWB
19/9

My Dear Prime Minister,

RE: ST. GEORGE'S HOSPITAL

I write to you concerning the above as you were kind enough to show an interest in this important project when I called upon you some time ago.

It is with a great sense of sadness that I have to inform you that we have decided to break off all negotiations with the DHSS concerning the purchase of their freehold interest. We have tried hard to come to terms within the context of an economically viable scheme but, frankly, the intransigence and lack of realism shown by the Department and their advisers over many months leaves us with no alternative. Against the background of our detailed negotiation and agreement with the District Valuer, acting on behalf of the Department, coupled with the valuation advice we have received from three firms of chartered surveyors, we find the 'second opinion' from Richard Ellis to be out of touch with reality. Equally, we were disappointed at the Department's summary rejection of our suggestion that in an endeavour to reach a settlement fair to both parties, the matter should be referred to the Lands Tribunal.

We, for our part, over two years have lived up to our obligations and it is sad to see an exciting and original scheme die because of the attitude of the Department and their advisers.

As I leave on Exercise Lionheart in the morning, I am asking Jimmy James to sign this letter on my behalf.

Yours sincerely,

Westminster

pp
JNC

THE DUKE OF WESTMINSTER

I have spoken to DHSS, who are shattered. They thought that they were just about to reach a deal with Grosvenor.

The account I have been given suggests that DHSS had put a reasonable proposition to Grosvenor

F.R.B. 19.9.

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10, D. JONES

100

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CONFIDENTIAL



I have spoken to DHS

who are shocked. They thought

that they were just about to

make a deal with Grosvenor.

The account I have been

given suggests that DHS had put a

terrible proposition to Grosvenor

and

Duke of WESTMINSTER

25/9



V82.

10 DOWNING STREET

From the Private Secretary

20 September 1984

I enclose a copy of a letter to the Prime Minister from the Duke of Westminster about St. George's Hospital.

I should be grateful if you could provide as soon as possible a background note on the course of the negotiations between the Grosvenor Estate and your Department since this matter last came to the Prime Minister's attention, together with a draft reply for the Prime Minister's signature.

(David Barclay)

S.A. Godber, Esq.,
Department of Health and Social Security.

JR