

A02510

WB This item was reached
 @ Cabinet 3/7/80



Government Building

PRIME MINISTER

International Conference Centre
 C(80) 36

BACKGROUND

The proposal to build an international conference centre on the Broad Sanctuary Site was discussed by E on 11 June. E were not persuaded by the case and the Secretary of State for the Environment was asked to put a memorandum to Cabinet discussing the alternatives to building on this site, including that of converting the site to a park. He was also to consider further whether there was any possibility for private sector involvement.

2. In his present paper he concludes that the Broad Sanctuary site offers the only practicable solution, if it is accepted that we need a conference centre to meet our obligations towards the Commonwealth and the EC in the middle 1980s and beyond. He finds that adapting Somerset House and Richmond Terrace would cost more and take longer. He has found no other possibilities within a three mile radius of Whitehall. He points out, in paragraph 4(b), that turning Broad Sanctuary into a park would carry its own costs and would leave open the need to provide for a Parliamentary telephone exchange costing £2½ million.

3. In favour of going ahead with the centre, he claims that sums are available within his public expenditure provision; that the design has been generally accepted; and that the traffic problems would probably be little worse than elsewhere.

4. In the meantime both the Chancellor of the Duchy, in his minute of 12 June, and the Chief Secretary, in his minute of 19 June, have objected to the proposal. They think that MPs would object to spending money on this rather than on facilities for themselves at Bridge Street. The Chief Secretary points out that, even if this particular item could be accommodated within PES provision, it would leave precious little for anything else; and, in his view does not merit priority anyway. The Foreign Secretary in his minute of 30 June argues that without the centre we shall look shabby and makeshift and will not save any money because it will have to be spent on alternatives.



HANDLING

5. After the Environment Secretary has introduced his paper you will wish to ask the Chief Secretary, the Foreign Secretary and the Chancellor of the Duchy to speak. The Home Secretary may wish to comment on the security and traffic aspects.

6. In the discussion you will wish to establish:-

(i) whether colleagues accept that, notwithstanding the pressures on public expenditure, there is a case for starting a conference centre now;

(ii) if so whether it should be on the Broad Sanctuary site;

(iii) and whether there is any scope for involving the private sector;

(iv) if Broad Sanctuary is not to be used for this purpose whether plans now be drawn up for converting it to a public park.

CONCLUSIONS

7. In the light of discussion you will wish to record conclusions on:-

(i) whether an international conference centre is to be built;

(ii) if so, whether it should be at Broad Sanctuary and whether there is any scope for involving private sector capital;

(iii) if not, to invite the Environment Secretary to consider alternative uses of the Broad Sanctuary site and the problems of the Parliamentary telephone exchange.

POSTSCRIPT

8. Could I add a purely personal view? The Broad Sanctuary site has been an unsightly hole in the ground throughout the whole of my career in the Civil Service - as it has been for the whole of your political career, I suppose. It would be nice to think that we could now decide to use



it in a seemly and sightly way. A green space would be one such way; but we do not actually need more green space in that part of Westminster, with Parliament Square, Millbank Gardens and above all St James's Park all very close. I think that it would be a real expression of reviving national confidence in ourselves to use this central site for an international conference centre worthy of a great country and a great city.

REA

ROBERT ARMSTRONG

2 July 1980

CONQUEROR

✓ MAP



FCS/80/108

CHIEF SECRETARY TO THE TREASURY

International Conference Centre

1. We shall be discussing the International Conference Centre at Cabinet on 3 July but in the meantime there are some points in your minute to the Prime Minister of 19 June which I feel require comment now.
2. First, I do not understand your assertion that the Bridge Street scheme would cost less than the ICC; my information is that the former would cost a minimum of £120 million, Phase I alone costing £24 million, compared to £29.5 million for the ICC.
3. Secondly, you refer to a prestige building of doubtful priority. Of course the ICC on Broad Sanctuary must be a building appropriate to that location but the purposes for which it is required are essentially practical. The present system of ad hoc arrangements for international conferences at all levels is increasingly inefficient, unsatisfactory and expensive. We look shabby and makeshift, without in fact saving money.
4. I also see no need for us to be so defeatist about ourselves as to refuse to proceed now with the ICC because we take it for granted that it will run into trouble before completion in 1986/87. Is that really the view this Government should take of Britain's capabilities?
5. Incidentally we now know that the third UK Presidency of the European Community will begin in January or July 1987, depending on the date of Spanish accession.
6. As far as the 1987 Presidency requirements are concerned, you are mistaken in your assertion that the building would only be used on two or three occasions for major Government meetings. Apart from a European Council meeting at Heads of

/State



State/Government level, there will be two meetings of Foreign Ministers, other meetings of Ministers (eg Justice and Interior), colloquies with the Political Affairs Committee of the European Parliament, and a variety of meetings at official level including about fifty meetings of Working Groups; all these are foreseeable, but we also have to take account of the unknown meetings we can expect to have to host in the light of events in 1986, for instance full-scale meetings in connection with the Euro/Arab dialogue, either at Ministerial or official level. Other Ministers may foresee meetings with which their Departments will be concerned, in the same way that the Home Office had to arrange a series of meetings at Ministerial and official level in 1977 in connection with terrorism.

7. It has long been accepted by all recent Administrations that a Government conference centre in London is essential; the longer we prevaricate the greater the cost to the tax payer.

8. Copies of this minute go to other members of the Cabinet, Norman Fowler and to Sir Robert Armstrong.

(CARRINGTON)

Foreign and Commonwealth Office
30 June 1980

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11 - JUL 1980



✓ *MM*
2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

25 June 1980

Hon Chief Secretary

INTERNATIONAL CONFERENCE CENTRE

You sent me a copy of your minute to the Prime Minister, dated 19 June, about the International Conference Centre. I hope, as you know, to bring the matter before Cabinet on 3 July and I am not sure there is much advantage in anticipating their discussion in correspondence.

Whether or not we go ahead with the Broad Sanctuary scheme, the Parliamentary telephone exchange will require an extra £1 m in subsequent years. This requirement is for Parliament, the costs are properly charged to the Parliamentary Vote and it would be wrong to charge it to the PSA allocation.

Secondly, it is a counsel of despair to suggest that we ought not to start a project because industrial action may delay its completion. If colleagues decided to go ahead with the Board Sanctuary scheme, I will take all steps open to me to ensure that the job is ready on time. We have made some allowance for unforeseeable difficulties, but the longer we delay reaching a decision, the more difficult it will be to achieve the 1986/87 completion date.

The frequency of use and the justification of the requirements have been gone into very closely with the Foreign Office as Peter Carrington will no doubt explain further.

My Cabinet paper will cover the other points you make.

I am sending a copy of this to the Prime Minister, members of the Cabinet, the Minister of Transport, and to Sir Robert Armstrong.

Yours sincerely
MM

for MICHAEL HESELTINE
(approved by the Secretary of State
and signed in his absence)

Rt Hon John Biffen MP
Chief Secretary to the Treasury

25 JUN 1980

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PRIME MINISTER

INTERNATIONAL CONFERENCE CENTRE

I have seen the Chancellor of the Duchy of Lancaster's minute to you of 12 June.

2. I agree with Norman's views. MPs would understandably object to expenditure of larger sums of money than were at issue on the Bridge Street site on a project which in their eyes had lower priority.
3. More broadly, we are committed as a Government to reducing public expenditure. We have taken some painful decisions to that end. It would appear perverse to many people if we decide to erect an expensive prestige building on a prominent site for a purpose which arguably should not be at the top of our priorities. It would make it more difficult to contain expenditure elsewhere.
4. The E Committee Memorandum suggested that PSA could find the money to build the Conference Centre from within its programme. This does not cover the full cost of the Parliamentary telephone exchange; the shortfall is £1 million. If Cabinet were to decide to go ahead with the Conference Centre, I should expect Michael Heseltine to find this money also from within his total PSA allocation.
5. Apart from that, the cost of the Conference Centre must put pressure on PSA's resources. Colleagues already know how tight is the allocation for new works. Some have contributed from their own programmes to allow schemes to start in 1980-81. Others have had to accept delays. Later years may be just as tight.

6. There is no money in the programme to cover any other claims that may emerge later in the Survey period. A Decision not to start the Conference Centre would leave a little room in the PSA programme.

7. There is also the question of the completion date. The case for urgency relates to the UK's Presidency of the EEC in 1986 or 1987. To meet that deadline, the building of the Conference Centre would have to be relatively trouble-free. That is scarcely realistic. Experience suggests that a large construction project of this kind on a central site with a deadline would be a prime target for industrial action. If the completion date were missed we should have to incur the expense of temporary accommodation anyway.

8. Each Presidency lasts six months and, even if we meet the 1986-87 deadline, the occasion will not be repeated for another 5-6 years. During the six months of the Presidency the building will be used perhaps two or three times for major Government meetings. A Centre could be used for other international meetings or be hired out for non-Government use. But such uses do not support the argument that the building is so essential as to justify public expenditure at this time. The Memorandum which Michael Heseltine has been asked to bring before Cabinet is to cover the possibility of private development for these other uses. This is well worth exploring, and should not prevent us from deciding now that we will not commit Government funds to a Conference Centre for at least the next few years.

9. I am sending copies of this minute to other Members of the Cabinet and Sir Robert Armstrong.

W J B

JOHN BIFFEN
19 June 1980

19 JUN 1960



eg Cabinet
RTA
Transport

Govt Bldgs. 2.

PRIME MINISTER



The Chancellor of the Duchy sees
Parliamentary problems if ICC
gets the go-ahead - He will no
doubt raise this when the
issue comes to Cabinet.

PRIME MINISTER

INTERNATIONAL CONFERENCE CENTRE (E(80)51)

MA 1/2/VI

I understand that it was decided at the meeting of the Committee on Economic Strategy on 11 June to refer the question of the proposed International Conference Centre to Cabinet.

I have no comments to make on the merits of the proposal in principle, but I remain worried about the siting. I was entirely in agreement with your opposition earlier on to the use of Somerset House for the scheme, and I am equally worried now - this time from a Parliamentary point of view - about the proposal to use the Broad Sanctuary site. My objection here is quite simply to the proximity of the site to the House.

To go ahead with this scheme right now would undoubtedly make it considerably more difficult for me to defend the decision to defer indefinitely any start on the Casson proposals for development of the Bridge Street site to provide improved accommodation for Members. I am already under great pressure from Members on all sides of the House over accommodation in general and the Casson scheme in particular. The only reason we have for not going ahead with Casson - which everyone I think is agreed is desirable in principle - is the inappropriateness of spending such sums in present financial circumstances. A prestige development like the Conference Centre, within yards of the Palace of Westminster, would, I fear, just take the lid off these feelings.

It is true that the extension of the Parliamentary telephone exchange, which is an integral part of the proposed Conference Centre, would be welcome from a Parliamentary point of view. But this will not be enough to soften the criticism: the need for further capacity is unlikely to become critical for five years or so, and there are alternative ways which could be explored for providing more capacity if necessary.

MS

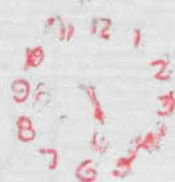
NJS

N St J S

12 June 1980



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10 DOWNING STREET

P.M.

Re INTERNATIONAL CONFERENCE
CENTRE.

IT APPEARS THAT THE MAIN
REASON FOR THIS CENTRE IS
TO ENABLE US TO HOST OUR
EUROPEAN PRESIDENCY IN 1986/7.

AT THE PRESENT MOMENT,
WITH A COMBINATION OF ANTI-
EEC AND CUTS ELSEWHERE,
THE P.R. SIDE OF THIS
PROPOSAL LOOKS AWFUL.

SUGGEST PAYMASTER-GENERAL
BE ASKED TO ATTEND &

D. Wolfson