

Confidential Filing

Prime Minister's meeting with
Toby Jessel, MP about the
proposed closure of the Defence
School of Music, Kneller Hall.

PRIME

MINISTER.

January 1986

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
21.1.86							
30.1.86							
11.2.86							
20.3.81							
PREM 19/24/26							



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~3307122~~ 218 2111/3

MO 24E

20th March 1987

Rine Minister

*Its a long long
road to Kneller Hall -
but we got there!
CDP 2075*

*Excellent
me*

De Charles,

DEFENCE SCHOOL OF MUSIC

I enclose for your information a copy of a written answer that Mr Freeman is to give to Toby Jessel MP on Monday, recording Defence Ministers' decision not to form a combined Defence School of Music at Deal.

I am sending copies of this letter to Steven Wood (Lord Privy Seal's Office), Andrew Lansley (Office of the Chancellor of the Duchy of Lancaster), Jill Rutter (HM Treasury), Murdo MacLean (Chief Whip's Office) and to Trevor Woolley (Cabinet Office).

*Yrs sincerely,
John Howe*

(J F HOWE)
Private Secretary

Charles Powell Esq
No 10 Downing Street



PARLIAMENTARY UNDER-SECRETARY OF STATE
FOR THE ARMED FORCES

FRIDAY 22 MARCH 1987

TOBY JESSEL (CONSERVATIVE) (TWICKENHAM):

Mr Jessel

-

To ask the Secretary of State for Defence, if he is yet in a situation to make a statement on the future of military schools of music.

A N S W E R

(Mr Freeman)

My rt hon Friend the Member for Henley announced in July 1984 that a Defence School of Music (DSM) would be formed at Deal, combining there the present separate music schools of the Royal Marines, the Army and the Royal Air Force. Subsequently, however, a number of uncertainties arose, not least in relation to the cost of creating a DSM, and following the publication of the Eleventh Report from the Committee of Public Accounts Session 1985-86, my noble Friend the then Minister for Defence Support announced on 12 February 1986 in another place that the Ministry of Defence was setting in hand, with the assistance of consultants, a thorough review of all the options for training

Ministry of Defence

Monday 23 March 1987

Service musicians, including retention of the present arrangements. Arthur Young were awarded the contract for this study in March 1986.

Arthur Young submitted their report in July 1986. In addition valuation of the relevant sites were obtained from independent firms of surveyors, who consulted officers of the planning authorities concerned. In the light of this information consideration has since been given to how Service musicians should be trained in future.

The consultants' report shows that the estimated cost, on a discounted cash flow basis, of keeping the existing three separate schools of music - at Deal for the Royal Marines, at Kneller Hall for the Army and at Uxbridge for the RAF - is £56.85M, over a 15-year period and that, on the same basis, the estimated cost of a DSM at Deal is £51.25M. A DSM at Deal thus offers a saving of a net present value of £5.6M over 15 years compared with the status quo. None of the other options considered, such as a DSM at Eastney Barracks in Portsmouth or at Redford Barracks in Edinburgh or rebuilding a school at Deal for the Royal Marines, offers any worthwhile saving over the cost of the status quo.

The above figures do not include provision for the optional additional facilities of a drill shed, bandstand and concert hall, although some of these facilities are at the existing schools of music. The total estimated cost of these facilities

at a combined school is £0.5M-£1.5M depending on whether a concert hall is provided by converting an existing building or constructing a new one. The consultants considered that a DSM at Deal was the cheapest way of providing these facilities.

The consultants also reviewed the social factors such as employment issues which Ministers took into account when they made the original decision in 1984. They reported that these were not of major significance but marginally favoured a DSM at Deal.

Borne in mind in all our consideration of this complex issue has been the effect on Service morale of abandoning proven and respected schools of music in favour of creating a joint establishment which might not in the end show itself to be responsible to particular single Service needs. This factor is not a new one: of its nature it is intangible and unquantifiable but however indefinable we recognise it is of much significance and has to be considered against the opportunity of financial advantage in a single school of music offered by the prospect of savings both from the disposal of land no longer needed and in operating costs. The financial benefits, however, would arise in the longer term and to secure these savings a capital investment of nearly £10M would be needed. If the scheme went ahead straight away, these costs would be likely to fall in 1990/91 and 1991/92, and while this DSM at Deal would offer the

prospect of long term savings, over the first five years it would involve additional expenditure of nearly £8M at net present value over the status quo. Moreover, in any project of this kind there is bound to be some uncertainty about the final outcome in respect of both expenditure and savings.

The background against which the short term impact of investment in the DSM at Deal has had to be considered is that, as was indicated in the 1987 Public Expenditure White Paper, the defence budget is declining in real terms. The overall budgetary position now is therefore significantly different from that which existed at the time of the original decision in 1984. There are now many more competing demands within the defence programme for the available resources. To accommodate the early capital expenditure which would be needed at Deal, high priority items already in the defence programme would have to be postponed or forgone.

Whether in these circumstances to proceed with the DSM at Deal is a finely balanced judgement, but we have concluded that the savings would eventually produce are not so large as to justify setting aside the effect on Service morale and the measures that would have to be taken in order to find the necessary short term capital at a time of general budgetary constraint. My rt hon Friend the Secretary of State has decided therefore not to form a Defence School of Music at Deal and that the training of

Service musicians should accordingly continue to be carried out where it is undertaken now. This decision will enable us to proceed with the disposal of the sites at Eastney and Redford Barracks, Edinburgh and to consider how best to make effective use of the MOD land and buildings at Deal for the continued use of the Royal Marines.

MANAGEMENT IN CONFIDENCE



File 16
cc Sir R Craddock

10 DOWNING STREET

From the Private Secretary

11 February 1986

DEFENCE SCHOOL OF MUSIC

Thank you for your letter of 10 February about the Defence School of Music and in particular the line which Lord Trefgarne will take in the House of Lords on 12 February.

The Prime Minister is content with this line while commenting that the burden of proof rests on those who want to change the present system of training Service musicians, not on those who wish to continue as now.

CHARLES POWELL

Richard Mottram, Esq.,
Ministry of Defence.

MANAGEMENT IN CONFIDENCE

16



MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-930 7022

MO 24

10th February 1986

*Yes - but please note
the burden of proof is
on those who want to
change - not on those
who wish to continue
as now*

*Prime Minister
Agree the proposed
line? Mr. Trefgarne should
be well content.
CDP
1072*

Dear Charles,

DEFENCE SCHOOL OF MUSIC

You wrote to Denis Brennan on 21st January about the Defence School of Music. The report of the Public Accounts Committee was published on the 6th February and as expected is strongly critical of the Government's decision to establish a Defence School of Music at Deal. The Defence Secretary and Lord Trefgarne have considered the way forward in the light of the PAC report and the line Lord Trefgarne should take in the House of Lords on 12th February.

Further work has yet to be completed on refining the training requirement for Service musicians and on the cost of establishing a Defence School of Music. Until the costings have been validated, it would be premature to reach a final view to proceed with a Defence School of Music and on its location. Equally there is not the financial evidence to justify retaining the status quo of individual Service schools. Since the decision to adopt a defence-wide approach reflects our wider policy on the rationalisation of Service Training and was announced in the White Paper on the Central Organisation for Defence, the Defence Secretary believes it cannot be lightly abandoned. The right course is therefore in his view to proceed as quickly as possible with a full review of all of the options, that is retaining the status quo, or proceeding with a Defence School of Music at one of three realistic sites identified earlier. Outside consultants will be involved in this further assessment which is consistent with the PAC's recommendations.

In the light of this approach, Lord Trefgarne would intend to take the following line in the House of Lords on Wednesday. Towards the end of last year he had set in hand a rigorous review of costs which is still underway. The Government has just received the PAC Report and will wish to study this very carefully. We will reply in the usual way by means of a

C D Powell Esq
10 Downing Street



Treasury Minute. But the PAC's criticisms are being taken very seriously indeed. Lord Trefgarne is therefore widening the review of costs already in hand into a full re-examination of all the options, to ensure that we attain our objective of securing the best value for money. This will include the option of retaining separate Service schools of music. Independent consultants will be invited to assist with this review, which will inevitably take several months to complete. This re-examination will include a full investment appraisal in the light of which Ministers will take a final decision on the project. This further examination will inevitably mean, however, that the planned date of 1988 for establishing a DSM will not be met, and that accordingly the closure of Kneller Hall and the RAF School of Music at Uxbridge could not take place in any event before 1989.

Yours etc,

Richard Mottram

(R C MOTTRAM)



OA
41

10 DOWNING STREET

From the Private Secretary

30 January 1986

DEFENCE SCHOOL OF MUSIC

Thank you for your letter of 29 January enclosing a line to take in the Army Debate today if the issue of the Defence School of Music is raised.

The Prime Minister is content with the line proposed provided the passage in square brackets is volunteered rather than used only if pressed.

(CHARLES POWELL)

AS

D. J. Woodhead,
Ministry of Defence.



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 01-~~938 7072~~ 218 6169

①

MO 24V

29th January 1986

Gen Charles

DEFENCE SCHOOL OF MUSIC

*Prime Minister
Agree to this
holding line for
tomorrow's Army Debate?
It would help Mr.
Tennet if the passage in*

/ Ministers here have agreed that they will take the attached line in tomorrow's Army Debate if, as expected, the issue of the proposals for a Defence School of Music/the closure of Kneller Hall is raised. I have, however, been asked to clear this line with you and I should be grateful if, during the course of tomorrow morning, you could let me know that you are content.

*brackets
could be
volunteered.
Agree!*

You sincerely

D. Woodhead

*CDD
24/1*

(D J WOODHEAD)

*We should include
the passage in square brackets*

Charles Powell Esq
No 10 Downing Street

mp

DEFENCE SCHOOL OF MUSIC

I should like to turn for a minute to the points raised by my hon friend the member for Twickenham about the creation of a unified Defence School of Music. As my hon friend knows, the decision to combine the existing separate Service schools of music into a Defence School of Music was taken in the context of the Government's efforts to reduce defence support costs. The estimates of capital cost have risen since then and the Ministry of Defence is looking at ways of bringing them down to the original figure.

IF PRESSED

[If further work shows that it is not particularly cost-effective to establish a DSM at Deal then of course we will look again at the situation. Naturally we will take account of the views of the Public Accounts Committee in our consideration of this matter].

SUBJECT
cc Master

RESTRICTED



He re.
c/r. Cf papers?

10 DOWNING STREET

From the Private Secretary

21 January 1986

THE DEFENCE SCHOOL OF MUSIC

The Prime Minister saw Mr. Toby Jessel, MP, today about the proposed closure of Kneller Hall. Lord Trefgarne was present and will be able to give the Defence Secretary a full account of the Prime Minister's views.

After Mr. Jessel had presented his case, the Prime Minister said that the Government were currently reviewing the costs of various options. It would also take into account the conclusions of the Public Accounts Committee when published, as Mr. Jessel requested. If it seemed that the savings from the establishment of a Defence School of Music in Deal would not be as great as originally expected, the decision would be reviewed. Mr. Jessel seemed content with this.

I am copying this letter to Lord Trefgarne's Private Secretary.

C.D. POWELL

Denis Brennan, Esq.,
Ministry of Defence.

RESTRICTED

A handwritten signature in the bottom right corner of the page.

PRIME MINISTER

DEFENCE SCHOOL OF MUSIC

Mr. Toby Jessel MP is to see you tomorrow about the proposed closure of Kneller Hall (which is in his constituency). He has presented two petitions, with over 18,000 signatories, against closure.

I attach a brief prepared by the MOD. Estimates of the capital cost of establishing a new Defence School of Music in Deal have risen considerably since the original decision in 1984. You can say that "if further work shows that it is not cost-effective to establish a DSM at Deal then of course the Government will review the decision."

Lord Trefgarne will attend the meeting.

CDP
CONQUEROR
CHARLES POWELL

20 January 1986

mt



MINISTRY OF DEFENCE

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MO 28

20th January 1986

John Arches

CD

I understand that you have spoken with Lord Trefgarne since I sent you the brief on the Defence School of Music for tomorrow's meeting with Mr Toby Jessel MP. I now enclose a revised brief; you already hold copies of the documents referred to in this.

Yours sincerely
D. Woodhead
(D J WOODHEAD)

C D Powell Esq
10 Downing Street



BRIEF FOR THE PRIME MINISTER'S MEETING WITH MR TOBY JESSEL MP

ON 21 JANUARY 1986

THE DEFENCE SCHOOL OF MUSIC

MJ

LINE TO TAKE

The decision to combine the existing separate Service schools of music into a Defence School of Music was taken in the context of the Government's efforts to reduce defence support costs. The estimates of the capital cost have risen since then and the MOD is looking at ways of bringing them down to the original figure. If further work shows that it is not cost-effective to establish a DSM at Deal, then of course the Government will review the decision. Naturally the Government will take account of the views of the Public Accounts Committee.

BACKGROUND

1. In July 1984 the decision was announced to bring together musicians training for the three Services into a unified Defence School of Music (DSM) and to locate this at the existing Royal Marine Barracks at Deal. The Royal Military School of Music at Kneller Hall, in Mr Jessel's constituency, and the RAF School of Music at Uxbridge would be closed. This decision aroused a good deal of criticism: it was alleged that the choice of Deal was a direct result of the intervention of Mr Peter Rees, MP for Dover who was then Chief Secretary to the Treasury.



2. At the request of the Public Accounts Committee, the DSM proposals were examined last year by the Comptroller and Auditor General. The C&AG indicated in his report that the financial advantages of establishing a DSM were considerably less than originally envisaged, principally because of an increase in the estimated capital cost from £5.8m to £10.6m. In evidence to the PAC on 4 December 1985, the Permanent Under Secretary of State, Sir Clive Whitmore, conceded that, on the basis of the latest estimates, there was not much difference between the cost of continuing with the present 3 separate schools of music and the cost of establishing a DSM at Deal. He emphasised, however, that Ministers had reaffirmed their commitment to a DSM at Deal but had called for a reappraisal of the costs. The main reason for the rise in estimated costs was an increase in the training requirement. A copy of the C&AG's report and of Sir Clive Whitmore's evidence is at Annex A; the Public Accounts Committee has not yet reported.

3. Mr Jessel met Mr Heseltine and Lord Trefgarne on 19 December to discuss the DSM. He repeated his objections to the closure of Kneller Hall and drew on the figures in the C&AG's report to argue that the DSM savings were now negligible and were not worth pursuing. He plans to present a petition to the Prime Minister against the closure of Kneller Hall.



It is too early to say whether the reappraisal of costs will show that it is no longer cost-effective to have a DSM at Deal. There are many uncertainties, including the disposal value of some of the sites which would be given up when the DSM opened. Consultants have within the past 48 hours given advice on the disposal of Eastney. If it were decided not to proceed with a DSM, substantial capital expenditure (at least £2m) would be required at Kneller Hall. Kneller Hall is too small to accommodate the DSM.

PRIME MINISTER

Your papers for your meeting with
Toby Jessel MP (Tuesday, 21st at 3.45pm).

Mr Jessel has presented two petitions
(with over 18,000 signatures in total).

Shana

SHANA

20.1.86

From: Toby Jessel, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

16 January 1986

Dear Michael

Royal Military School of Music
Kneller Hall, Whitton, Twickenham

I am most grateful to the Prime Minister for kindly agreeing to see me this Tuesday 21 January.

The Public Accounts Committee of the House of Commons is to report soon.

Please, as we discussed last night, could you lay these papers before the Prime Minister:-

1. My question number 19 on 14 January, which the Prime Minister heard.
2. This letter from Barney Hayhoe (to Michael Heseltine on 5 January).
3. This letter from the Twickenham Conservative Association Chairman, Mr. Alastair Mackechnie.
4. Cutting from the Observer.
5. Cutting from The Times.

Yours ever
Toby Jessel

Michael Alison Esq., M.P.,
Parliamentary Private Secretary to
The Prime Minister,
10 Downing Street,
London S.W.1.

Mr. Lee: While I understand my hon. Friend's point, the fact is that, because of our expansion of the Territorial Army and of the cadet forces, together with the development of longer-range weaponry, we are looking to add to the training land for the Army. Obviously, however, when suitable opportunities arise — *[Interruption.]*—we shall continue to dispose of land.

Mr. Speaker: Order. These are important questions.

RAF Brampton (Fire)

17. **Mr. Hanley** asked the Secretary of State for Defence what were the costs, probable causes and consequences of the fire at Royal Air Force Brampton on Wednesday 23 October.

Mr. Lee: The fire at Royal Air Force Brampton destroyed the main part of the headquarters building of Royal Air Force support command. This will be replaced at an estimated cost of £1.2 million for temporary accommodation, followed by approximately £4 million more for permanent accommodation. The inquiry into the cause of the fire is not yet complete but there is no evidence that it was other than accidental. Operational capabilities are unaffected, although some minor administrative difficulties may be experienced until the headquarters organisation can be fully reconstituted in the new accommodation.

Mr. Hanley: Would my hon. Friend not agree that, after two serious fires in the past three years, costing millions of pounds, the security system ought to be more appropriate to the modern age?

Mr. Lee: We are always endeavouring to improve our security.

School Visits

18. **Mr. Greenway** asked the Secretary of State for Defence how many service personnel are currently involved in information visits to schools; and if he will make a statement.

Mr. Lee: Some 155 service personnel are employed either in presentation teams, which can be made available to visit educational establishments, or as school or college liaison officers. In addition, members of the careers information field force staff of all three services make visits to schools from time to time as part of their more general responsibilities.

Mr. Greenway: Bearing in mind the fact that there are 30,000 schools in this country, not to mention a large number of colleges and universities, does my hon. Friend not think that that is an inadequate number to go round schools and other institutions to inform pupils what careers are available to them in the services and the role that our service personnel can play in the defence of our country?

Mr. Lee: Our service personnel do an excellent job. While one would like to have more people allocated to the task, there are manpower pressures.

Mr. Skinner: In view of the fact that the Secretary of State for Defence and his colleagues are up to their necks in business of one kind or another, if the Government find that they cannot allocate sufficient people to carry out a tour of all these areas, may I ask whether the Minister has

approached the ex-Secretary of State for Defence, who, seemingly, will have more time on his hands in future, to do the job for them?

Mr. Lee: We are always grateful for contributions from the hon. Gentleman.

Military schools of Music

19. **Mr. Jessel** asked the Secretary of State for Defence if, pending the report of the Public Accounts Committee, he will make a statement on the new figures for the costing of military schools of music given in his evidence to the Committee on 4 December by the permanent secretary, Sir Clive Whitmore.

Mr. Lee: The group set up to implement the decision to establish the defence school of music at Deal reported in March 1985 that the estimated construction cost had risen from £5.8 million to £10.6 million. We are now examining the requirement for instruction and buildings in order to bring the cost down to the earlier estimate.

Mr. Jessel: As there is not now much difference between the cost of continuing with the present system and that of setting up a joint services' music school on the coast, will the Government examine carefully the report of the Public Accounts Committee when it is published, and reconsider the view of the previous Secretary of State for Defence, as the high standards of British Army bands, which are the envy of the world—*[HON. MEMBERS: "Hear, hear."]*—are linked inextricably with the first-class training they receive at Kneller hall, Twickenham?

Mr. Lee: My hon. Friend has obviously struck a welcome note. He has waged a tireless campaign for Kneller hall, and all credit to him. However, there is no change in our fundamental decision to go on a tri-service basis to Deal.

PRIME MINISTER

Engagements

Q1. **Mr. Pike** asked the Prime Minister if she will list her official engagements for Tuesday 14 January.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Mr. Pike: Will the Prime Minister say why she remained silent about the letter from British Aerospace while the Secretary of State for Trade and Industry misled the House yesterday afternoon?

The Prime Minister: I do not accept that my right hon. and learned Friend misled the House. Indeed, he gave a clear explanation. As the hon. Gentleman is aware from answers that have been given many times by me, it is my practice not to publish exchanges with third parties, nor to reveal them if they are marked "Private and strictly confidential." I hope that if anyone writes a letter to right hon. and hon. Gentlemen which is marked "Private and strictly confidential", it will not be our practice to flaunt either its existence or contents on the Floor of the House.

Q2. **Mr. Squire** asked the Prime Minister if she will list her official engagements for Tuesday 14 January.



THE RT. HON. BARNEY HAYHOE M.P.

HOUSE OF COMMONS
LONDON SW1A 0AA
TEL: 01-219 4529

5th January, 1986

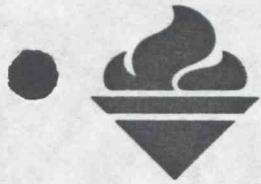
Dear Michael,

Joby Jessel has kept me fully briefed about the representations he has been making about Kneller Hall and I know he has told you of my constituency interest.

Kneller Hall is just outside my boundaries and the representations being made by Toby are fully supported by large numbers of my constituents. Now that there appears to be considerable doubt about the financial savings involved in the move to Deal I find that local opinion in favour of retaining Kneller Hall has grown and strengthened.

This really has become a local issue of great significance and I hope that as a result of Toby's efforts the position will be reviewed and Kneller Hall retained.

Rt. Hon. Michael Heseltine M.P.
Secretary of State for Defence



Twickenham
Conservative
Association

MEMBER OF PARLIAMENT: TOBY JESSEL

CHURCHILL HOUSE
3 STANLEY ROAD
TEDDINGTON
MIDDLESEX
TW11 8TP
Tel: 01-977 2147

AGENT: MICHAEL LOVE

19th December 1985

The Prime Minister,
10 Downing Street,
London.

Dear Mrs. Thatcher,

Royal Military School of Music
Kneller Hall

At a recent meeting of our Executive Council, Whitton ward asked for the Association's support in their fight to save Kneller Hall from closure. We write at this time knowing that Toby Jessel will shortly be presenting to you a very large petition collected in Whitton. The Twickenham Conservative Association wishes to add its weight to the very great efforts being made by Toby, the local Conservative Councillors and the Kneller Hall Action Group to save this building for its present use. We were most unhappy at the decision to close Kneller Hall having regard to its long historical association with the Whitton area, the Borough of Richmond upon Thames and the high regard in which the building is held by local residents. We feel that there can now be little justification for the closure following the Public Accounts Committee enquiry, which revealed that any savings are likely to be negligible. Claims that there would be a technical improvement in military music occasioned by combining the present three schools have also been refuted. We believe that to press on now with the closure would bring discredit to the Government. We seek your support in retaining Kneller Hall as the home of the Royal Military School of Music.

With our good wishes and continued support.

*Yours sincerely,
Alistair MacKechnie.*

A.J. Mackechnie
Chairman

Heseltine in £2m music favour row

Observed 23/12/84

by DAVID LEIGH and PAUL LASHMAR

DEFENCE SECRETARY Michael Heseltine, already under fire over the appointment of a £95,000-a-year procurement chief, has used his influence to move a centre for military music training into the constituency of a Cabinet colleague.

The decision has struck a discordant note among his civil servants since the new scheme, originally drawn up to make a profit for the taxpayer, will now cost public funds more than an estimated £2 million.

The project—to concentrate a new combined defence school of music in one centre rather than at a number of redundant sites—will be built at Deal, Kent, the constituency of Mr Peter Rees, Chief Secretary at the Treasury.

The original plan had envisaged a cheaper centre near Portsmouth.

Ironically, both Mr Heseltine and Mr Rees are advocates of ruthless cost-cutting in government.

Another Conservative MP, Mr Toby Jessel, who represents a constituency with a rival site has asked for an inquiry into

the affair from the independent Comptroller and Auditor-General, Mr Gordon Downie.

The project was disclosed in Mr Heseltine's White Paper last July, in part of a section headed 'The search for economies.'

What the White Paper did not reveal, however, was that until the intervention of Mr Rees, there were no plans for a site at Deal at all.

Mr Heseltine's decision to overturn his civil servants' studies is distinctly out of tune in Whitehall, where senior civil servants are understood to have argued that they might not be able to defend the project on purely financial grounds before the Public Accounts Committee.

Inquiries by *The Observer* show that Mr Rees sent for Lord Trefgarne, the junior defence minister responsible for the music-school plan, on 12 March 1984. Mr Rees was told that schemes had been drawn up to amalgamate the three military musicians' schools, for the Army, Royal Marines and the Air Force, on a single new site.

Selling off the other sites

Exclusive

would make a large capital 'profit' for the MoD, as well as cut running costs.

The existing Royal Marine school at Deal was to be closed under the plan, as was the RAF school at Uxbridge and the Army school at Kneller Hall, Twickenham.

The next day, instructions were issued to save Deal. Mr Rees said last week: 'When I heard one of the possible candidates for the defence school of music was Deal, I talked to ministers about it, including Lord Trefgarne. I may have mentioned it to Michael Heseltine.'

The Observer has seen internal Whitehall costing estimating that refurbishing the decrepit Deal barracks and putting up buildings will result in a net loss to public funds on the whole scheme of £2.15 million.

Since the White Paper was published, the MoD no longer makes any attempt to claim the scheme will make a capital 'profit.' Asked the following week by Mr Jessel to break down capital savings for each

possible site, a junior minister, Mr John Lee, was briefed to reply:

'It is not our practice to disclose such details which may be commercially or militarily sensitive, and are prepared for internal use only.'

Last week, the MoD claimed that there might still be some saving on annual costs, though not any longer on capital costs, by combining the three schools of music at Deal. They refused to say how much. They also refused to disclose whether Deal was more expensive than other options.

At the National Audit Office, which the Comptroller and Auditor-General heads, the Assistant Auditor, Mr David Dewar, confirmed that he had called for MoD papers on costings, after discussions two months ago with Mr Jessel who was protesting that information was being withheld.

Audit office sources said recent MoD appraisals maintained the decision was not purely on economic grounds, but on a 'balance of financial and other considerations.'

Mr Rees himself says he mentioned unemployment in his constituency as a factor during his lobbying of fellow-



MICHAEL HESELTINE :
Overruled his staff.

Ministers, as well as the 'historic connection' with Deal.

Mr Heseltine did not disclose to Parliament in his July paper that he was concerned about historical sentiment or unemployment in Mr Rees's constituency.

What he said was: 'The Government is concerned to achieve the best possible value in defence terms from the resources devoted to defence.' He attacked 'unnecessary overheads' and called for 'better value for money for the taxpayer.'

Mr Heseltine was at the centre of another row last week when Opposition leaders attacked his decision to hire a private defence contractor, Mr Peter Levene, to advise the Ministry for £95,000 a year, while the former permanent secretary, Sir Frank Cooper, moved in to chair Mr Levene's armoured car company, United Scientific Holdings.

THE TIMES 5:12:85

Military school of music costs soar

By Richard Evans, Lobby Reporter

The cost of setting up a new military school of music in the constituency of a recent Cabinet minister has soared from £5.8 million to £10.6 million, the Ministry of Defence admitted to MPs last night.

Mr Michael Heseltine, Secretary of State for Defence, decided last year that the new school should be established in Deal, represented by Mr Peter Rees, then Chief Secretary to the Treasury, in spite of being presented with cheaper options.

Under the scheme, three military schools of music will be merged at the Kent site with the Royal Military School of Music at Kneller Hall, Twickenham, and the Royal Air Force School of Music, at Uxbridge, to be closed.

Cutting waste and getting better value for money is the reason for the plan, but Sir

Clive Whitmore, Permanent Secretary at the Ministry of Defence, told the public accounts committee last night that there was little difference between the cost of continuing with the existing schools and going to Deal.

Under highly critical cross examination from angry Conservative and Labour MPs, he indicated standards at the new school could drop.

MPs urged Sir Clive to tell Mr Heseltine that he should drop his plan for the new music school, due to be completed in 1988.

Mr Heseltine and his colleagues have ordered an urgent reappraisal of the costs and ordered their officials to reduce the bill to nearer the original target. The results of the reappraisal are due in the new year.

JEREMY HANLEY, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

16th January, 1986

Dear Prime Minister, (1/17/86)

I believe that Toby Jessel will be coming to see you early next week about the Royal Military School of Music, Kneller Hall.

Kneller Hall is just outside my constituency and is in fact in Toby's and therefore, he has coordinated representations to the Ministry of Defence concerning its survival. Toby feels passionately about the retention of Kneller Hall and this is shared by, quite genuinely, hundreds of my constituents, and myself. It seems that the financial savings in moving the School of Music to Deal do not, by any means, outweigh the disadvantages, both musically and politically, in Kneller Hall's closure.

I hope you will accept this letter as a representation from the people of Richmond and Barnes who fully support Toby Jessel's delegation to you.

Kind regards.

Yours ever,

A handwritten signature in cursive script, appearing to read 'Jeremy Hanley', with a long horizontal stroke extending to the right.

Rt Hon Mrs Margaret Thatcher, FRS, MP,



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 01-~~8307022~~ 218 6169

MO 24V

16th January 1986

Jan. 16/86

Thank you for your letter of 10th January, to Denis Brennan, asking for a brief for the Prime Minister's use when she sees Mr Toby Jessel MP next Thursday. The brief, which has been approved by Lord Trefgarne, is attached. I also enclose a copy of the Hansard extract covering the exchange between Mr Jessel and Mr Lee on 14th January.

Jan. 16/86
D. Woodhead
(DAVID WOODHEAD)

Charles Powell Esq
No 10 Downing Street

BRIEF FOR THE PRIME MINISTER'S MEETING WITH MR TOBY JESSEL MP
ON 21 JANUARY 1986

THE DEFENCE SCHOOL OF MUSIC

LINE TO TAKE

Defence Ministers have called for a reappraisal of the Defence School of Music proposals to satisfy themselves about costs. The views of Mr Jessel and of the Public Accounts Committee will be taken into account by the Government.

BACKGROUND

1. The then Secretary of State for Defence decided in 1984 to bring together musicians training for the three Services into a unified Defence School of Music (DSM) and to locate this at the existing Royal Marine Barracks at Deal. The Royal Military School of Music at Kneller Hall, in Mr Jessel's constituency, and the RAF School of Music at Uxbridge would be closed. This decision aroused a good deal of criticism.
2. At the request of the Public Accounts Committee, the DSM proposals were examined last year by the Comptroller and Auditor General. The C & AG indicated in his report that the financial advantages of establishing a DSM were considerably less than originally envisaged, principally because of an increase in the estimated capital cost from £5.8m to £10.6m. In evidence to the PAC on 4 December 1985, the Permanent Under Secretary of State, Sir Clive Whitmore, conceded that, on the basis of the latest estimates, there was now not much

difference between the cost of continuing with the present 3 separate schools of music and the cost of establishing a DSM at Deal. He emphasised, however, that Ministers had called for a reappraisal of the DSM proposals to satisfy themselves that the most economical systems were being adopted. This reappraisal will take some months to complete. A copy of the C & AG's report and of Sir Clive Whitmore's evidence is at Annex A; we await the report from the Public Accounts Committee.

3. Mr Jessel met Mr Heseltine and Lord Trefgarne on 19 December to discuss the DSM. He repeated his objections to the closure of Kneller Hall and drew on the figures in the C & AG's report to argue that the DSM savings were now negligible and were not worth pursuing. He plans to present a petition to the Prime Minister against the closure of Kneller Hall.

HOUSE OF COMMONS
COMMITTEE OF PUBLIC
ACCOUNTS

Session 1984-85

DEFENCE SCHOOL OF MUSIC

MINUTES OF EVIDENCE

Wednesday 4 December 1985

Ministry of Defence

Sir Clive Whitmore, KCB / CVO

*Ordered by The House of Commons to be printed
4 December 1985*

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HER MAJESTY'S STATIONERY OFFICE
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MINUTES OF EVIDENCE TAKEN BEFORE THE COMMITTEE OF PUBLIC ACCOUNTS

WEDNESDAY, 4 DECEMBER, 1985

Members present;

Mr R Sheldon, in the Chair

Mr D Campbell-Savours
Mr M Latham

Sir Michael Shaw
Mr M Shersby

SIR GORDON DOWNEY, KCB, Comptroller and Auditor General, called in and further examined.

NOTE BY THE COMPTROLLER AND AUDITOR GENERAL 15 NOVEMBER 1985 PAC 17

ESTABLISHMENT OF A DEFENCE SCHOOL OF MUSIC

1. At present there are about 80 bands in the three Armed Services employing some 2,600 personnel. For many years each Service has undertaken its own musician training:

- (a) *Royal Marines*: the training of junior entrants and advanced training carried out at the Royal Marines School of Music, Deal; MOD have been planning to move the School to Eastney in 1987-88;
- (b) *Army*: the Army has recently formed the Army Junior School of Music to concentrate the initial training of junior entrants; the new system will be fully operational by September 1986; junior and adult entrants receive advanced training at the Royal Military School of Music, Kneller Hall, Twickenham; and
- (c) *RAF*: adult musicians are trained at the RAF Music Centre, Uxbridge, where advanced training is also carried out.

In 1984-85 the cost of running the three Service Schools of Music was about £2.9 million. This expenditure was borne mainly on Class I, Vote 1.

2. In view of the considerable cost of musician training, MOD launched an investigation of the Service Music Schools in December 1981 as one of a series of Studies into discrete areas of training. The main objective of these studies was to establish whether value for money was being achieved and to examine the scope for further economies through rationalisation and privatisation.

3. The study group on musician training reported in March 1982. It noted that all the accommodation and associated facilities currently being used at Deal and Kneller Hall were substantially under utilised, and that planned reductions in band numbers would mean that, by the mid-1980s, both Deal and Kneller Hall would be working at no more than half capacity. The study group proposed that the three schools should be replaced by a single Defence School of Music (DSM) and identified Deal and Kneller Hall as possible locations.

4. In June 1982 MOD commissioned the study group to examine the options in greater detail and to establish the most suitable site for a DSM; in addition an independent consultant was appointed to assess musician training and the facilities required. Taking note of the consultant's recommendations, the study group examined three potential sites—Deal, Kneller Hall and Eastney, a Royal Marine site near Portsmouth. The study group concluded that Eastney was the best choice on grounds of cost and availability of accommodation. The continuation of the separate Service Schools of Music would be the most expensive option.

5. In March 1983 MOD agreed to the establishment of a DSM in principle and asked the study group to prepare plans for the building structure, the courses to be provided and to cost three options for its location—Eastney, Kneller Hall and the Royal Artillery Barracks at Woolwich. Deal was omitted because there were likely to be insufficient married quarters in the area. Eastney was found to be the only suitable site; Kneller Hall would be too small to provide all the facilities required for a DSM, costs would be high and there was a shortage of married quarters in the area. Woolwich, which would also be more costly than Eastney, would not be available until 1993 and there would be difficulty adapting the site for use by a DSM. Accordingly the study group recommended that the DSM should be established at Eastney.

6. In December 1983 the Secretary of State endorsed the establishment of a DSM. But he did not favour any of the locations studied since he believed that too many training establishments were concentrated in South East England. He asked MOD to examine the possibility of locating a DSM north of Birmingham. A survey of alternative locations revealed Redford Infantry Barracks, in Edinburgh as a possible site and this was included in subsequent costings. Later, Deal was included as a possible location following representations by the MP for Dover Mr Peter Rees.

7. A report of the cost comparisons between Deal, Eastney and Redford in May 1984 showed Eastney still to be the cheapest option with Redford the most expensive. The net capital savings from establishing a DSM at each of these locations were put at £0.9 million for Redford, £1.85 million for Deal and £2.9 million for Eastney. However, many of the figures used were subject to various degrees of uncertainty. For example, construction costs might vary by 20 per cent either way; the disposal values of the three sites were uncertain; and other items, such as the cost of re-housing at Eastney and of building married quarters at Deal, were based on very broad estimates.

8. Subsequent work showed that the cost of providing additional married quarters for the DSM, and consequentially for the RAF, could make the building of a DSM at Deal significantly the most expensive option. As against the existing arrangements there would be an estimated extra capital cost to the Defence Budget of some £2.15 million compared to savings of £2.9 million and £0.9 million at Eastney and Redford respectively.

9. Because of a number of uncertainties which remained unquantified in the DSM costings, for example receipts from disposal of listed barrack blocks and married quarters at Redford and Eastney, as against the requirement for extra married quarters in Kent, which was itself dependent on RAF deployment decisions, Ministers concluded that the cost comparisons could be regarded only as indicative of the order of ranking rather than reliable guides to precise costs. They considered that wider issues had also to be taken into account, including the levels of unemployment in the three areas. Taking account of all such factors the Secretary of State decided to locate the DSM at Deal, whose rate of unemployment (16.1 per cent) was higher than Eastney (12.1 per cent) or Redford (11.2 per cent). This decision was announced in the White Paper on the "Central Organisation of Defence" (Cmnd 9315) published on 18 July 1984, which referred to a period of consultation on MOD's plans to establish the new DSM at Deal, with an intended completion date of about 1988.

10. Subsequent to this decision, as a result of concern expressed by the Accounting Officer and in the light of criticism from Mr Toby Jessel MP and others, MOD carried out an investment appraisal of the Deal and Eastney options. This was completed in December 1984. It showed that, while Eastney was still the cheaper option, the gap between the two had narrowed to the point where, taking account of the continued uncertainty about the disposal value of Eastney and the married quarter provision at Deal, which MOD now considered could not justifiably be charged to the DSM at Deal, it was probably less than the margin of error between the two sets of cost figures:

Table 1

NUMBER OF YEARS	TOTAL COSTS				
	Present System	Excluding Receipts from the Sale of Married Quarters		Including Receipts from the Sale of Married Quarters	
		Deal	Eastney	Deal	Eastney
	£m	£m	£m	£m	£m
Ten years (1985/86-1994/95)	33.96	32.57	30.24	26.77	24.92
15 years (1985/86-1999/2000)	44.13	41.88	39.55	36.08	34.23

NOTE: In Tables 1 and 2, the present system includes current operating costs, the estimated cost of a planned move of the RM School of Music from Deal to Eastney and modernisation of Kneller Hall, and capital savings from the sale of Deal. The DSM options include estimated operating costs, capital costs of new buildings and capital savings from the sale of Kneller Hall and either Eastney or Deal. Separate appraisals were carried out to assess the effect of including and excluding the sale of surplus married quarters.

11. As a result of separate work in connection with a review of the Naval estate in the Portsmouth area, the estimate available to the MOD of the disposal value of Eastney increased at the end of 1984 from £0.8 million to £5.5 million, reflecting the possibility of Portsmouth City Council taking a more favourable view of how the site could be developed. The investment appraisal was therefore revised to take account of the new figures (see Table 2). This revision made Deal appear the slightly cheaper option and, although the uncertainties in the figures continued to be as significant as the apparent balance of costs, a greater saving over continuation of the existing system was indicated.

Table 2

NUMBER OF YEARS	TOTAL COSTS				
	Present System	Excluding Receipts from the Sale of Married Quarters		Including Receipts from the Sale of Married Quarters	
		Deal	Eastney	Deal	Eastney
	£m	£m	£m	£m	£m
10 years (1985/86-1994/95)	33.96	28.70	30.24	22.90	24.92
15 years (1985/86-1999/2000)	44.13	38.01	39.55	32.21	34.23

12. In March 1985, the steering group set up to implement the decision reported that the estimated cost of building work at Deal had increased from £5.8 million to £10.6 million. The increase was mainly accounted for by the provision of extra facilities and complements judged to be necessary following a more detailed examination of the training requirement. These would, if approved, have to be provided at whichever site might have been chosen. The MOD set up a working party to carry out a further scrutiny of the justification for the increased requirement, to compare the revised DSM estimates with the cost of continuing with the present three single-Service schools, and to offer possible alternative ways of meeting the DSM requirement at less expense. The MOD considered whether to widen this study by comparing again the costs at Deal and Eastney. It decided not to do so because the reasons for the cost increases applied to Eastney as well and the conclusions of the recent investment appraisal that Eastney was the more expensive option would not have been altered.

13. In July 1985, the working party reported that the financial advantages of establishing a DSM were now considerably less than originally expected although a modest saving was still indicated.

Table 3

Number of Years	Total Costs	
	Present System	Deal Excluding Receipts from the Sale of Married Quarters
	£m	£m
10 years (1985/86-1994/95)	25.373	23.510
15 years (1985/86-1999/2000)	32.782	31.845

The relatively lower costs shown in Table 3 stem from MOD's refinement of the figures shown in Tables 1 and 2.

Running costs were estimated to be slightly higher than under the present system but more students would be trained and training standards would be higher. Gross capital costs had increased by £4.8 million but, when receipts from disposals were taken into account, there would be capital savings of £4.7 million compared with the present system. The Working Party drew attention, however, to major uncertainties in the figures. Capital savings from not keeping on the three schools could be greater as the forecast capital

expenditure of £6.4 million over the next 10 years needed for the existing schools was believed to be under-estimated. On the other hand, the capital savings assumed that the relevant part of the Eastney site would be sold for its full development value, then revised to £4.9 million. If Portsmouth City Council were to refuse the necessary planning consent for a major re-development, its value would drop, to perhaps only £0.8 million. This would have a marked effect on the relative merits of Deal and Eastney, although still leaving the cost balance within the probable margin of error in the figures. Against this background Ministers have endorsed the concept of a DSM but have asked for further advice on the facilities needed to keep the cost as close to the original figures as possible. A re-appraisal of the extra facilities and complements recommended in March 1985 is now being carried out with a view to reducing the costs of the DSM.

Conclusions

14. It is clear that, throughout the various MOD studies, the costs of establishing a DSM were subject to a degree of uncertainty and that the decision to site the DSM at Deal took into account factors other than cost, for example social considerations. MOD eventually carried out an acceptable investment appraisal but it is clearly unsatisfactory that they should have done this only after having decided in principle to centralise at Deal. When this choice was made Deal appeared to be significantly the most expensive DSM option; and whilst the subsequent investment appraisal showed that the extra cost of using Deal rather than Eastney was probably less than the margin of error in the figures, it was only when a revised assessment of the disposal value of Eastney was taken into account that Deal appeared to be the cheapest option. I note also that unemployment considerations were not addressed in the appraisals made subsequent to the Secretary of State's announcement. It is therefore important that MOD should in future conform to their standard practice of using investment appraisals to inform decisions.

Examination of Witnesses

SIR CLIVE WHITMORE, KCB / Permanent Under-Secretary of State, Ministry of Defence, called in and examined. CVO/

MR C H A JUDD, Treasury Officer of Accounts, called in and examined.

Chairman

502. Sir Clive, the Committee are grateful to you for coming at fairly short notice to look at the question of the establishment of a Defence School of Music and the C&AG's memorandum on it, which has been produced for the Committee under title PAC 17. This is a subject in which this Committee and other Members of the House take a particular interest. May I deal first with paragraph 10 of the C&AG's memorandum which states that you were concerned at the decision to establish a Defence School of Music at Deal. Would you like to elaborate on the reasons for your concern?

(Sir Clive Whitmore) Paragraph 10 refers to the examination of this question of the establishment of a Defence School of Music that was going on at that moment, in the summer of last year. As the earlier paragraphs of the C&AG's memorandum bring out, a great deal of work had preceded this particular period. A number of costings of the options for a site for the Defence School of Music had been undertaken and undertaken with some difficulty because of the quite substantial uncertainty about some of the key factors, for example, the value to be placed on sites that might be disposed of if the scheme proceeded. There were also uncertainties about construction costs at both sites. Another factor difficult to evaluate was the requirement for married quarters at Deal, which was one of the options under consideration. Making the best job we could of all those uncertainties, our conclusion at official level was, as the report brings out, that Eastney, a site in the Portsmouth area, was probably from the financial point of view the one to go for. When this was put to the Secretary of State, however, he decided that he ought to take into account not only the purely financial factors but also wider social considerations such as levels of unemployment at the different sites being considered. In the light of his wider appraisal of the options he decided that the DSM should be located at Deal rather than at Eastney which appeared to be the cheapest option. A major factor in

pushing the financial costings in the direction of Eastney was that at that time the best judgment officials could make was that if we went to Deal we would have to spend something of the order of £4 million on the construction of new married quarters. However, there was a good deal of uncertainty over that particular question. So the Secretary of State arrived at his conclusion that Deal was the preferred site and in the light of the financial information then available I felt that as the Accounting Officer I had to say to him that on the financial evidence available to me at that time, making the best judgment that I could about these uncertain factors that I have mentioned, it seemed to me that at that stage we should not be settling on Deal. I pointed out that we had not at that point conducted a full investment appraisal. >> L

503. Why did you only carry out that investment appraisal after the decision had been announced?

(Sir Clive Whitmore) I accept the criticism made by the C&AG in his report that the Department should have conducted that investment appraisal a good deal earlier than it did and certainly in time to inform the decision which the Secretary of State took. I do not make any bones about that. All I would say is that the way all the costings had gone up to that point, although they did not amount to a full investment appraisal, did seem fairly clear that Eastney was the cheapest option. Nonetheless we ought to have carried out that full investment appraisal sometime in late 1983 or early 1984.

504. As a result the gap between the different schemes started to narrow and it appears from paragraph 11 that Deal started to look more attractive only when the estimated disposal value of Eastney rose from £0.8 million to £5.5. Did this mean you then had a firm indication by Portsmouth City Council of their planning intentions? Did that play a part in raising the disposal value by such a large amount?

Note: . . . in the text indicates that further information is awaited; it may be found by reference to a list in the published Report Volume.

4 December 1985]

SIR CLIVE WHITMORE, KCB

[Continued

CVO

[Chairman Contd.]

(Sir Clive Whitmore) There were in fact two developments that began to narrow the gap between the cost of the Deal option and the Eastney option. The first, as paragraph 10 indicates, was when we decided that the question of providing married quarters in the Deal area ceased to be a factor in the equation. If the Committee want me to subsequently I can explain why we came to that conclusion; it is the result of a fairly careful and rather complicated look at the availability of quarters in East Kent generally. Coming to that conclusion, that in the costing we did not have to provide for a new build of married quarters in the Deal area, meant that we took £4 million out of the reckoning against Deal. Then, subsequently, just after we had completed our investment appraisal on that sort of basis there was the further development mentioned in paragraph 11 when our professional advisers in the PSA, on whom we have to rely for this kind of assistance, told us that on the basis of informal indications from Portsmouth City Council's planning officers, there was now more of a likelihood than they had thought previously that we would get something like £5 million from disposing of Eastney rather than the much smaller sum of under one million which was the figure we had been given earlier.

505. Do you think that figure is the applicable one today?

(Sir Clive Whitmore) I still cannot be certain. I have to say that the most recent information that has come to us from the PSA is that Portsmouth's planning officials may be moving back to the original assessment they gave us of the disposal value of the site. We have ourselves employed consultants now to advise us on the disposal of Eastney and we hope to have their report in a few weeks time. I am afraid that there is still very much of a questionmark over the disposal value of that site.

506. As there is presumably over the cost of the new building?

(Sir Clive Whitmore) Yes, there is. A further development earlier this year was that the group we set up to implement the decision to site the school at ~~Eastney~~ came forward with a report that in their estimation the cost of the building had gone up from £5.8 million to £10.6 million. So that is something which is now being examined in great detail in order to reduce the capital costs to something like the original estimates of £5.8 million.

Deal

507. Are the various options of Deal, Eastney and leaving things as they are now well within the margin of error?

(Sir Clive Whitmore) As the latest costings are reported in the C&AG's memorandum the answer to that must be yes. Table 3 brings out quite clearly that there is not really very much difference between the costs of continuing with the present system and the cost of going to Deal. The running costs are virtually the same and there would only be a small saving of about £4.7 million on the capital side if we went to Deal rather than staying where we are now. As I said just now, Ministers have instructed officials to examine the requirement both for instruction itself, the type of training to be given, and for the buildings—the instructional accommodation and domestic accommodation required at the school—with the utmost rigour in order to try to get these figures back to where they were. If we do that, then the balance in favour of siting a DSM at Deal swings towards the course we are at present embarked on.

508. You mentioned social considerations earlier. Were the ones that you mentioned exhaustive and how were they all assessed?

(Sir Clive Whitmore) We took account of the levels of unemployment in the various areas and the figures are quoted in paragraph 9 of the C&AG's report. Ministers also took into account the number of redundancies that would arise under the various options. For example, if we went to Deal we calculated that there might be a maximum of 140 redundancies at other sites. If ~~on the other hand~~ we had gone to Redford, the site in Edinburgh, we estimated that there would have been a similar number of redundancies. If we put the DSM at Deal, on the other hand, the number of redundancies was estimated to be as low as 40 as a maximum. So that too was a factor in Ministers' minds, that there appeared to be a difference of about 100 in the number of redundancies that would arise as between Deal on the one hand and Eastney and Redford on the other.

509. Was the assessment quantified in financial terms at all?

(Sir Clive Whitmore) It was not quantified in financial terms. That is a point made by the C&AG in his concluding paragraph. I have to say that we found some difficulty in knowing quite how one could quantify these wider social considerations in a way

Eastney
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4 December 1985]

SIR CLIVE WHITMORE, KCB

[Continued

CVO

[Chairman Contd.]

in which you could put those figures into an investment appraisal. This meant, I am afraid, that Ministers had to look at the social considerations essentially in non-financial terms.

510. Would you accept that your Department should in future conform to the standard practice of using investment appraisals to inform decisions?

(Sir Clive Whitmore) Most certainly, yes.

Sir Michael Shaw

511. Reading this document one gets the clear impression, which has been borne out by your answers so far, that the decisions were not made on financial grounds and that after the decisions had been made, then financial investigation was carried out in the hope that perhaps the decision already taken could be justified. Is that an unfair way of describing it?

(Sir Clive Whitmore) It is not totally fair. As paragraph 7 of the report brings out, the difference in the savings offered by Deal and Eastney was at that stage relatively small; about £1 million on capital costs. What appeared, certainly to me, to tip the balance against Deal financially at that stage/was the question of the provision of married quarters costing something like £4 million. If you put that into the balance it gives you the run of figures in paragraph 8 of the report and then shows up a difference between Deal and Eastney in Eastney's favour of something like £5 million. But there was throughout this period great uncertainty about the need for married quarters to be provided for the DSM at Deal. This uncertainty arose because we were at the same time deciding where and how to provide married quarters for an RAF support unit that was located in the same area. At that point in the process it looked as though if the DSM had gone to Eastney sufficient married quarters would have been released to meet the needs of the RAF. Eventually the RAF decided that they wanted their married quarters somewhere quite different, a place called Manston. We were able to reckon for costing purposes that the cost of providing those quarters at Manston would be met by the disposal of some surplus married quarters elsewhere in Kent in the Dover/Shorncliffe area. So we concluded in the course of the investment appraisal that was done in the latter half of last year that the married quarter issue became a neutral one in our costings. That is why, by the end of the year, we were able to say that the difference between

the cost of the Deal option and the Eastney option was within the margin of estimating. Because different people in the Department made different judgments about the significance of the married quarter factor at the time the decision was taken, there were some who felt that the costings pointed as firmly towards Deal as they did towards Eastney. Others, including me at that stage, took a rather more pessimistic view about the married quarter question and felt that we had to take account of it.

512. I want to get quite clear the stages involved. Was this decision not to have married quarters taken before or after the decision had been made to go to Deal?

(Sir Clive Whitmore) The decision was effectively taken once and for all after the decision to go to Deal. Ministers felt, when they tried to assess the significance of the married quarter question at the time they were taking the decision that it was something that could be discounted. It was a difference of judgment frankly between me as the Accounting Officer and Ministers.

513. So they left it on one side. But at the end of the day the decision had been taken. Was it taken deliberately putting that on one side or was a decision taken within the Department and then before the announcement the question of the £4 million for married quarters was brought into the equation?

(Sir Clive Whitmore) In reaching his decision the Secretary of State did not simply set aside the question of the married quarters provision; he just formed a view that it was not something which needed to affect the decision one way or the other. He essentially made his decision in the light of the best costing information we could provide, including what we had to say about the married quarters problem, and the wider social considerations that I was describing in answer to your Chairman just now.

514. Yes, but the report says that they considered that wider issues had also to be taken into account. Listening to your reply earlier, you only mentioned two considerations: one was the unemployment situation and the other was redundancies. Is that the complete list of the wider issues?

(Sir Clive Whitmore) The reverse of the redundancy coin is of course the fact that at whichever site was chosen there was a small number of new jobs to be created both of a professional kind and in the support area.

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4 December 1985]

SIR CLIVE WHITMORE, KCB

[Continued

CVO/

[Sir Michael Shaw Contd.]

515. Why the abrupt change? Why did the overall look for possible sites above Birmingham suddenly come to an end and a firm decision was made on Deal?

(Sir Clive Whitmore) It perhaps appears more abrupt from the C&AG's necessarily compressed account than was the reality. When all this was put to the Defence Secretary in December 1983 with then a recommendation to go for Eastney, he said there were too many Defence establishments in the South East and he now wanted to try quite positively to locate more establishments in the northern part of the country. He said this was a case in point and we should go away to see if we could find a site where we could sensibly put this school in the North of England or in Scotland. We then initially looked at the main musical centres in the North—Birmingham itself, Leeds, Liverpool, Manchester—but in none of them could we find a site that was readily available. So we then looked at other sites we already owned in the North. In fact we extended the geographical area somewhat and included the Prince of Wales Depot at Crickhowell as a possibility. We looked at two sites in Edinburgh: the Infantry Barracks at Redford and the Cavalry Barracks at the same place. We looked at an RAF site: RAF Bawtry near Doncaster. For various reasons—availability, difficulty of conversion, cost and so on—the northern sites narrowed themselves down quite quickly to Redford Infantry Barracks. That was included in the work that was then done in the first half of 1984. We were comparing Redford then with Eastney and Deal. What emerged from that was that Redford was the most expensive of all the options; for that reason it was discarded. There obviously came a point in time when we said we will think of that no further but it gradually ruled itself out.

516. You mentioned, and all the evidence points towards it, that in fact the decision was taken for non-financial reasons—I think that was your phrase. I have been trying to think what those might be. Has there been an element of inter-service rivalry in this matter?

(Sir Clive Whitmore) I should not like to say that at no time in the rather long consideration we have given to this question of establishing a suitable School of Music there has been no inter-service rivalry. Clearly, the services with their long traditions of single service training in the musical field have been at great pains to ensure that

what they regard as the essence of their musical traditions will be preserved in any new arrangement. But I think it wholly fair to say that inter-service rivalry had not really played a part in deciding which site to choose. The Army of course were very sad to give up the idea that the DSM might be sited at Kneller Hall but they accepted that there were very good objective reasons why Kneller Hall would not do for a tri-service establishment: questions of size and cost and so on. No. If I may, I should just like to correct the impression, if I left it with you, that Ministers paid no regard at all to the financial evidence: that is very far from true—they spent a lot of time thinking about it and considering it before they made a judgment about what weight to put on the various factors within the costs. In addition to that there were these other social factors which they took into account.

Mr Latham

517. I must say I think this is the least convincing paper I have seen in all my time on the Committee of Public Accounts. My feeling all along has been that the figures have just been made up as you went along. I should like to ask you one simple question: since you have admitted today that the costs of doing nothing are not marginal as against the costs of proceeding with the Deal option, how much work has so far been done at Deal? Are you in a position, for example, to stop it and to review the matter and to say, "Let us carry on as we are at the present time"? Might that not save some public money at the end of the day?

(Sir Clive Whitmore) There is absolutely no problem about stopping work at Deal because none has actually started and no money has been committed in this project at all. I tried to explain earlier that with the revised requirement which the implementation group has submitted, the difference between carrying on as we are now and establishing a DSM at Deal would be, I accept, marginal. But that is not what we are now about. Ministers have given clear instructions that we are to get the capital costs of going to Deal back to where they were at the figure of £5.8 million before we go ahead. Ministers will have to be told precisely what that is going to involve and whether the penalties in terms of training are worth accepting for the savings.

518. Perhaps we can ask a few questions about that. Paragraph 12 talks about the tremendous increase in the cost from £5.8 to

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4 December 1985]

SIR CLIVE WHITMORE, KCB

[Continued

CVO

[Mr Latham Contd.]

£10.6 million. What is this £10.6 million relating to precisely? Is it going to be for new purpose-built training facilities or for patching up old Victorian buildings? To which year does it relate? What are the figures going to be in 1987-88 and 1988-89?

(Sir Clive Whitmore) The figures are our current estimates at today's prices of going ahead with this project. I have to emphasise that these are orders of costs which the PSA have provided for us. Because of all the stopping and starting in the history of this project so far we have not reached a point where the PSA have drawn up anything like detailed plans. What the figures would be in future years is impossible to say until we have completed the exercise which is now in hand to get the costs back somewhere approaching the original figures.

519. I am sorry to press this point but the PSA must surely know whether they intend a new building or the patching of an old building? Surely they must have done that much desk work?

(Sir Clive Whitmore) I am not sure what the precise balance would be and I do not suppose they are until they have done some detailed planning. Certainly they have not yet got, for example, permission for the local planning authorities for changes on the site. There will be, I would expect, a measure of new building and modernisation of existing buildings.

520. That would be at £10.6 million but you now say that Ministers want to get back to the original £5.8 million. How then are we going to carry out the undertaking which Mr Lee gave to the House of Commons on 25 October 1983 in answer to Mr Jessel who has fought so very hard on this matter? He said that the new facilities would provide for better training facilities. It seems to me that you are going to end up with cut training facilities if you try to get back to the original estimate?

(Sir Clive Whitmore) We shall not be cutting on the standards of training that exist today. Let me give you one example. The reasons why the implementation group came up with a more expensive requirement is that it was thought at the start of this exercise that there were good reasons for the Army moving over to what had always been the Royal Marines practice of training their musicians on two different instruments. That was to have been one of the improvements which initially we thought would be well worth having. What has

become clear, the more the experts have explored that particular requirement, is that it manifestly brings with it extra needs for accommodation for staff and so on. So one of the options which Ministers have now instructed us to look at is a DSM which provides only for training on one instrument rather than two.

521. As Accounting Officer you have already once felt it necessary to warn Ministers that they might be embarking upon a course which would get into trouble with this Committee and they subsequently took a decision and the figures then satisfied you that was not so. You have said this afternoon, and your answers have carried it further, that there may not be any savings at all; we are now told that there may not even be any improvement in standards. The best you could say a moment ago was that you do not think there will be any cut in the facilities. Do you not think it is your duty as Accounting Officer to go back to the Secretary of State and tell him that you cannot sell this to the Committee of Public Accounts and that you should carry on as you are now because there is no saving at all?

(Sir Clive Whitmore) Of course I am always ready to carry back to the Secretary of State the conclusions of your Committee. What I have been endeavouring to explain is that Ministers have set us the very clear target of increasing our estimate of the savings that would result from moving to Deal. They are not satisfied with the present position where the savings are only marginal. They want to see something more on the scale that we all believed, including Ministers, would have been on offer originally. I do not think that I and the Accounting Officer will be able to take a very clear view on the future of this project until that further reappraisal which is going on now in an attempt to cut costs has been completed and we can see what it offers.

522. This is only my view as it is not for me to express the view of the Committee but will you go back to the Department and advise your Secretary of State that no irrevocable decision should be taken at least until this Committee has reported?

(Sir Clive Whitmore) Knowing how swiftly your Committee reports I think I can give that undertaking without any difficulty. Let me make it quite clear that Ministers have considered as recently as last month the whole concept of a Defence

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4 December 1985]

SIR CLIVE WHITMORE, KCB

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[Mr Latham Contd.]

School of Music and its site and they have reaffirmed that they want to go ahead with the establishment of a Defence School of Music and that it is to be at Deal. But the reappraisal of the costs which is underway now is going to take us some weeks more to complete. I am quite certain that Your Committee will have given us its views formally before we have finished that process. So of course your views will be taken into account, as always.

Chairman: That is a very useful undertaking, which is no less than I had expected. Of course there will be an opportunity for anybody to submit written evidence between now and the preparation of the report. I would urge anybody with this in mind to act with some dispatch because, as you rightly say, we do move fairly quickly.

Mr Campbell-Savours

523. I have seen you on a few occasions but can I say that I have never seen you look as uncomfortable as you do today.

(Sir Clive Whitmore) You could not have been at the session we had in March of this year.

524. Paragraph 12 refers to the difference between £5.8 million and £10.6 million—that is £4.8 million—and says, "The increase was mainly accounted for by the provision of extra facilities and complements judged to be necessary following a more detailed examination of the training requirement". Then it goes on to say that this would have happened whichever site had been chosen. Talking now about Eastney, is not Portsmouth an area with many Defence establishments? Is it not true that in the case of this particular location there were within the area buildings which could have been used and that it was unfair to add to each of the sites this same additional £4.8 million? In the case of Eastney it would have been substantially less because of the availability of other military and Defence establishment-sites?

(Sir Clive Whitmore) That was not the conclusion we came to when we looked at what these additional requirements were. Of course it is true that there are buildings at Eastney already in use: the Royal Marines are there now. When we did our costings in 1984 for example, when we were doing the comparison between Eastney and Deal, and indeed Redford, at that stage it looked very much as though the buildings we would require for a Defence School of Music would cost actually slightly more—

only a small amount more; about £0.2 million—if they were at Eastney rather than at Deal. So when we came on to this further review of costs which was occasioned by the implementation group coming up with these extra requirements, our expert advisers were pretty clear in their own minds that those extra needs would be the same at both establishments, at Deal and at Eastney. They are things like additional teaching rooms, a large concert hall.

525. Without going into detail which takes time, could I simply put it to you that I am informed that those facilities are available elsewhere at that particular location and that they need not have been added in the way that they have been. I only put it to you in case there is a further appraisal. Can I ask you about the £5.5 million planning value calculation placed on that land? Is it not true that you could have sold that land and yet still retained the new school because it would have only taken a small proportion of the land. Therefore, again it was incorrect to use that figure. We could still sell the land and build at Eastney because the school would only use a small part of the site?

(Sir Clive Whitmore) We might have been able to sell some of the land.

526. Some of the land, yes.

(Sir Clive Whitmore) One of the problems at Eastney is that a number of the buildings are listed buildings and it is this that has given rise to a lot of our uncertainty about the value to be placed on the site if we disposed of it. As must have been clear from one of my earlier answers, we have had differing views from our professional advisers about what use that site might be allowed to be put to if it was put on the market.

527. Do you accept that there is a difference between the land that is needed as against the total amount of land that is available for sale and that that too should enter into the calculation? Would you accept that? Unless we are going to hold the land for reasons that the Government would not wish us to do so?

(Sir Clive Whitmore) We have got consultants looking now at the question of how we might dispose of Eastney in the most favourable way. I would prefer to wait for their report before I offered any judgment on what land might be available in certain circumstances.

4 December 1985]

SIR CLIVE WHITMORE, KCB

[Continued

CVO/

[Mr Campbell-Savours Contd.]

528. Did you cringe when the Secretary of State answered my question about a year ago and told me that the decision had been taken for financial and commercial reasons? Did you not at that stage recognise that this decision had clearly been taken for political reasons and only political reasons? It is not fair to say that this paper is only an exercise in creative accountancy to try to justify a decision which has been taken for thoroughly political reasons?

(Sir Clive Whitmore) I cannot accept that. Political considerations—

529. I am not saying political considerations are wrong. If the Secretary of State had come clean originally and said this was a political decision, for reasons of unemployment in the Dover area, I am sure we might not have been sitting here today because we would have had to accept it on that basis—it might be that other members of the Committee would not see it like that. But it was not, it was submitted as a commercial decision based on financial criteria. In fact there are clearly political overtones to the whole paper.

(Sir Clive Whitmore) There never was any question in my mind but that the Secretary of State was taking into account what you have described as political considerations—earlier I was talking about them as social factors but we are talking about the same things. Those were always there. He certainly put some weight in taking his decision on the unemployment rates and the redundancies which would arise from whatever decision he took. He did also look very closely at the financial factors.

530. You will know that the Secretary of State recently made a statement that he might wish to transfer Defence establishments to other parts of the United Kingdom and away from the traditional Defence orientated areas. In the event that that happens would you make sure, as a Department official briefing the Minister, that he does come clean, that it may well be there are decisions that have to be taken in the future for political reasons, for employment reasons, and that in the event they try to sell them on a commercial basis and we realise that argument does not stand we may well find ourselves here at some stage in the future again doing precisely this. I am only saying that I hope the Department have learnt a lesson that there is a need to come clean at all stages on questions of this nature?

(Sir Clive Whitmore) If Ministers decide to move a Defence establishment from the South East to somewhere in the North of England or to Scotland for social or employment reasons they will undoubtedly say so. What will be essential though for the Department is to expose to Ministers as best we can in those circumstances what are the financial factors—this is where I come back to the assurance I gave the Chairman a few moments ago—I can give an undertaking that we will now see that an investment appraisal is done before any such decisions are taken rather than after.

Mr Shersby

531. Would you agree with the words used by Mr Hamilton in his adjournment debate on 29 March 1985 when he said that the main purpose was to cut out waste and get value for money?

(Sir Clive Whitmore) The main purpose of the original proposal to create a Defence School of Music?

532. Yes.

(Sir Clive Whitmore) That was indeed the original purpose. It remains our intention to achieve it.

533. Paragraph 11 on the Eastney site. Can you tell me whether your consultations with the Portsmouth City Council have included discussions on the likelihood of planning permission being given by the Council and whether the discussions have taken place at both officer level and member level?

(Sir Clive Whitmore) I am afraid I do not know whether members of the City Council have been involved or not. The information we have has come from our professional advisers in the PSA who have been talking quite informally to the City Council's planning officials and trying to get from them some feel for what they think would be the Council's decision.

534. Would you agree with me that there are many instances where in fact views expressed by officials of local authorities on planning matters are subsequently overturned by members of the Council? Would it not therefore be a wise move to make absolutely certain, when you are looking at figures of this kind, that they are based on the near certainty of getting planning permission for what you propose to do?

(Sir Clive Whitmore) I certainly accept that in this field until the ink is dry on the final decision all sorts of things can change.

4 December 1985]

SIR CLIVE WHITMORE, KCB

[Continued

CVO

[Mr Shersby Contd.]

Indeed that degree of uncertainty is reflected in the figures which over the last two or three years we have put to the disposal value of Eastney. I quite accept that it would be desirable for us to get the firmest possible indication from the City Council of their attitude to a proposal to site the school at Eastney, if we would.

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535. In passing I ought to declare that as Member of Parliament for Uxbridge I have Royal Air Force Uxbridge in my constituency and I should like to ask some questions which arise from that fact. Although people in Uxbridge have loyally been willing to go along with the concept of saving money and getting better value for money there are a number of factors which have emerged as a result of this examination which cause me very grave concern. Can you tell me what account has been taken of the fact that the School of Music, were it to go to the DSM would lose the benefit of co-location and the benefit of bandmen going to their parent service?

(Sir Clive Whitmore) It is of course the case with the RAF that the new entrants into the musical area of the Royal Air Force have their instruction as it were under the wing of the Central Band of the Royal Air Force and it is fair to say that has been an economical way of providing instruction for RAF musicians. I am quite sure it has given the new entrants a feeling very early on of being part of the wider RAF musical organisation. The RAF are a rather separate case from the Army and the Royal Marines in this area, not least in that unlike the other two services they recruit to a very large extent people who are already trained musicians and nobody else. For example, they take no junior entrants, unlike the Royal Marines and the Army. What we hope to gain by putting all the instruction together in a DSM is commonality of courses. We estimate that the great bulk of those undergoing training will do so in a tri-service environment. There will have to be a certain amount of single-service training because there are different musical traditions in the services. We expect, by bringing the training together in this way, to provide better courses for these people than they get now in their single-service establishments.

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536. That may well be so, but surely the primary reason for this exercise is to save costs and the fact is that the building at Uxbridge is purpose-built and phase two of that development is due for completion during the next two years so there is an ongoing

expenditure at Uxbridge which also houses the Royal Air Force Central Band. Can you tell me whether there is really going to be any saving, bearing in mind you have these resources, you have further expenditure, you have the establishment at Kneller Hall to which Mr Jessel has drawn attention, and paragraph 13 says, "... the financial advantages of establishing a DSM were now considerably less than originally expected although a modest saving was still indicated"? We are talking about trying to achieve a financial saving—that was the original motive not social considerations and it was not primarily, I suggest, the training of bandmen that was uppermost in the minds of the Department it was finance. The report demonstrates pretty clearly to every member of the Committee that the financial savings are miniscule. So on the basis of that how can you justify continuing with this exercise, at no doubt considerable expense and disruption to your Department, when you are going to uproot RAF Uxbridge, you are going to uproot Kneller Hall, with all the social and other traditions that go with those two establishments which are of enormous benefit not only to the people who benefit from the training but to the public who are associated with them as well? How can you justify continuing with that in view of the fact that the figures we have been given, particularly with regard to the Eastney estate, really just do not stand up to examination?

(Sir Clive Whitmore) In the case of the RAF I do not believe that it is going to cause major disruption to RAF Uxbridge if the training of RAF bandmen is in future undertaken at Deal. The student throughput at Uxbridge is at the moment only 30 a year. It is a small number compared with the other two services. Making a move of this kind certainly will not lead to any under-utilisation of RAF Uxbridge. There are plans to make full use of the facilities and accommodation at that establishment. At Kneller Hall, if we were to stay, we would have to incur quite substantial expenditure on modernising the establishment. There is quite a lot of work that needs to be done there and we would probably be talking of the order of something over £2 million if we stayed at Kneller Hall just as we are now. There are other problems about Kneller Hall, not least that it is on the flight path for Heathrow and I gather that itself causes quite considerable problems. I come back to your central point: yes, one of the main objectives of this whole

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4 December 1985]

SIR CLIVE WHITMORE, KCB

[Continued

[Mr Shersby Contd.]

exercise when it was launched at the very end of 1981 and beginning of 1982 was to save money. We hoped that by rationalising the training in a single establishment we would be able to do it more cheaply than under the present system. We are at a point today, I accept, where it looks as though the financial gains of continuing down that road are going to be small, but Ministers have told us very clearly that we have got to get the capital cost of this project back to something like the original estimate of £5.8 million and that we have got to get the running costs of the establishment when it is set up at the same level as the running costs of the present system, if not substantially lower. Those are the targets we have been set and a reappraisal is going on now, the results of which will be reported to Ministers in the new year.

537. Instead of all this financial activity and all this creative accounting, this constant fudging of figures and reappraisals or lack of any appraisals at all, would it not really be better for you to advise Ministers that it would be sensible to spend £2 million on upgrading Kneller Hall and maintaining without disruption the very fine traditions which exist there and at other service establishments at Uxbridge and Deal, rather than going on with this exercise in a desperate search to find a set of figures which would justify the decision?

(Sir Clive Whitmore) I cannot accept that there has been any fudging of the figures. What I am quite clear about, however, is that it has proved enormously difficult for us to put firm figures on some of the most relevant factors such as the disposal values of the various sites. We are certainly not in the business of creating figures to justify *post facto* the decision which Ministers have taken. We have tried to do the costings as thoroughly and as objectively as we can and that process is being gone through yet again as part of this re-examination of the training requirement.

538. I come back to a point made by Sir Michael Shaw about inter-services rivalry and you gave a hint to the Committee that such rivalry was perhaps really absent from considerations of this kind. I do ask you to look very carefully at this factor because I cannot help concluding that the pressure for Deal must be coming from the Marines, or those who support them and really I cannot see any justification for this very protracted activity which must have cost a very con-

siderable amount of taxpayers' money in the work done by your Department and in the employment of consultants of one kind and another. Can you put a figure on that?

(Sir Clive Whitmore) I cannot put a figure on it here and now. Can I just say that there is no question of the Marines forcing a decision in favour of Deal on the Department. The alternative that we have considered most carefully other than Deal is of course Eastney which is another Marine site, although not one associated with the bands of the Royal Marines in the sense that no training goes on there, though the band of the ~~RAF~~ Naval Home Command is stationed there. No, the decision to move the Royal Marines from Deal to Eastney was taken as long ago as 1979 but it was put into suspension when this question of the creation of a Defence School of Music came up and Deal and Eastney both became possible sites. The Royal Marines are not particularly wedded to staying in Deal; they are living in buildings there which have not had a great deal of money spent on them in the way of maintenance. I am sure if you got a marine on his own he would say he was only too glad to get out of Deal.

Mr Latham

539. Mr Judd, you have read the papers, you have heard all the evidence. Are the Treasury really happy with all these figures?

(Mr Judd) No, I cannot say that we are happy with the figures that are shown in the paper. The proposition has never actually been put to us. It may need to be put to us if the expenditure remains as high as it appears to be now. At that stage we shall of course want to look at the figures which are then current as a result of the reappraisal that Sir Clive is telling you about.

540. That is a very important answer. Could I ask a last question of Sir Clive and he may wish to write to the Committee in confidence with his answer rather than give it in public session; that is up to him. It is obviously relevant to our considerations to know two things: firstly, what is your estimate of the disposal value of Kneller Hall; secondly, how will it affect the disposal value if apparently it needs £2 million spent on it?

.. (Sir Clive Whitmore) Perhaps I could take up your suggestion and write to you very quickly indeed to give you that information.

CVO

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4 December 1985]

SIR CLIVE WHITMORE, KCB /

[Continued

CVO /

Chairman: It would be very useful and there are a number of matters which you might care to reflect on and produce a note for this Committee which we can take into account when we come to prepare our

report. We are very grateful to you for coming along and giving us the benefit of your experience over these rather difficult few months.

Mr. Lee: While I understand my hon. Friend's point, the fact is that, because of our expansion of the Territorial Army and of the cadet forces, together with the development of longer-range weaponry, we are looking to add to the training land for the Army. Obviously, however, when suitable opportunities arise — *[Interruption.]*—we shall continue to dispose of land.

Mr. Speaker: Order. These are important questions.

RAF Brampton (Fire)

17. **Mr. Hanley** asked the Secretary of State for Defence what were the costs, probable causes and consequences of the fire at Royal Air Force Brampton on Wednesday 23 October.

Mr. Lee: The fire at Royal Air Force Brampton destroyed the main part of the headquarters building of Royal Air Force support command. This will be replaced at an estimated cost of £1.2 million for temporary accommodation, followed by approximately £4 million more for permanent accommodation. The inquiry into the cause of the fire is not yet complete but there is no evidence that it was other than accidental. Operational capabilities are unaffected, although some minor administrative difficulties may be experienced until the headquarters organisation can be fully reconstituted in the new accommodation.

Mr. Hanley: Would my hon. Friend not agree that, after two serious fires in the past three years, costing millions of pounds, the security system ought to be more appropriate to the modern age?

Mr. Lee: We are always endeavouring to improve our security.

School Visits

18. **Mr. Greenway** asked the Secretary of State for Defence how many service personnel are currently involved in information visits to schools: and if he will make a statement.

Mr. Lee: Some 155 service personnel are employed either in presentation teams, which can be made available to visit educational establishments, or as school or college liaison officers. In addition, members of the careers information field force staff of all three services make visits to schools from time to time as part of their more general responsibilities.

Mr. Greenway: Bearing in mind the fact that there are 30,000 schools in this country, not to mention a large number of colleges and universities, does my hon. Friend not think that that is an inadequate number to go round schools and other institutions to inform pupils what careers are available to them in the services and the role that our service personnel can play in the defence of our country?

Mr. Lee: Our service personnel do an excellent job. While one would like to have more people allocated to the task, there are manpower pressures.

Mr. Skinner: In view of the fact that the Secretary of State for Defence and his colleagues are up to their necks in business of one kind or another, if the Government find that they cannot allocate sufficient people to carry out a tour of all these areas, may I ask whether the Minister has

approached the ex-Secretary of State for Defence, who, seemingly, will have more time on his hands in future, to do the job for them?

Mr. Lee: We are always grateful for contributions from the hon. Gentleman.

Military schools of Music

19. **Mr. Jessel** asked the Secretary of State for Defence if, pending the report of the Public Accounts Committee, he will make a statement on the new figures for the costing of military schools of music given in his evidence to the Committee on 4 December by the permanent secretary, Sir Clive Whitmore.

Mr. Lee: The group set up to implement the decision to establish the defence school of music at Deal reported in March 1985 that the estimated construction cost had risen from £5.8 million to £10.6 million. We are now examining the requirement for instruction and buildings in order to bring the cost down to the earlier estimate.

Mr. Jessel: As there is not now much difference between the cost of continuing with the present system and that of setting up a joint services' music school on the coast, will the Government examine carefully the report of the Public Accounts Committee when it is published, and reconsider the view of the previous Secretary of State for Defence, as the high standards of British Army bands, which are the envy of the world—[HON. MEMBERS: "Hear, hear."]—are linked inextricably with the first-class training they receive at Kneller hall, Twickenham?

Mr. Lee: My hon. Friend has obviously struck a welcome note. He has waged a tireless campaign for Kneller hall, and all credit to him. However, there is no change in our fundamental decision to go on a tri-service basis to Deal.

PRIME MINISTER

Engagements

Q1. **Mr. Pike** asked the Prime Minister if she will list her official engagements for Tuesday 14 January.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Mr. Pike: Will the Prime Minister say why she remained silent about the letter from British Aerospace while the Secretary of State for Trade and Industry misled the House yesterday afternoon?

The Prime Minister: I do not accept that my right hon. and learned Friend misled the House. Indeed, he gave a clear explanation. As the hon. Gentleman is aware from answers that have been given many times by me, it is my practice not to publish exchanges with third parties, nor to reveal them if they are marked "Private and strictly confidential." I hope that if anyone writes a letter to right hon. and hon. Gentlemen which is marked "Private and strictly confidential", it will not be our practice to flaunt either its existence or contents on the Floor of the House.

Q2. **Mr. Squire** asked the Prime Minister if she will list her official engagements for Tuesday 14 January.

From: PATRICK GROUND QC MP
FELTHAM AND HESTON



HOUSE OF COMMONS
LONDON SW1A 0AA

17 January 1986

The Rt. Hon. Margaret Thatcher, MP,
10 Downing Street,
London, SW1.

Dear Prime Minister,

Kneller Hall

I understand that Toby Jessel is to see you on Tuesday afternoon, 21 January, to discuss the future of Kneller Hall.

I have received a substantial number of letters from constituents urging that Kneller Hall should be retained as an Army school of music. The concerts which are held there are greatly appreciated and Kneller Hall is regarded by many people in my constituency and by the local authority as an asset to the area which they would be very sorry to lose.

The idea that there are any savings to be derived from the creation of a single school of music for the armed services is one which is difficult to accept on the basis of the arguments which have been advanced in correspondence.

If you are able to bring about a cancellation of this plan, this would certainly be well regarded in my constituency.

Yours sincerely,

Patrick Ground



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10 DOWNING STREET

From the Private Secretary

10 January 1986

This is simply to confirm my telephone conversation with your office in which I said that Mr. Toby Jessel, MP, would be seeing the Prime Minister on 21 January to discuss the future of the Royal School of Music, Kneller Hall and that I should be grateful for a brief by 17 January.

(CHARLES POWELL)

Denis Brennan, Esq.,
Ministry of Defence.

DA



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