

Mr Harley

BPL - SHORT TERM UPGRADING

1. I saw MS(H) this morning to ascertain whether he would be willing for us to authorise expenditure up to £100,000 on additional cold storage in advance of the general submission on short term upgrading. He agreed to this subject to our being satisfied that the facility would be re-usable as part of the long term development/rebuilding of the laboratory. He accepted that there was a risk that the siting might turn out to be wrong, but the site should be selected to give us the best chance of avoiding later relocation.
2. Please go ahead, but noting that the authority is for up to £100,000, ie we need to be satisfied that all the space is immediately required. If it is not we should consider whether to provide only a first tranche now.
3. It should be made clear to Dr Lane that this installation will have to be completed before any further contract can be let; and that we are not contemplating any sort of run-on contract for other parts of the short term improvements.
4. Other points from my discussion with the Minister are:
 - (i) he does want to be consulted before any expenditure at BPL is authorised;
 - (ii) he did not react with horror to a total short term capital investment of £1.3 million, but will expect a submission justifying it in terms of essential qualitative improvements and increased output; I said the sums were taking a little time to do;
 - (iii) he was opposed to funding the improvements by any sort of 'levy' on RHAs; I said the money could come out of the existing central financial allocation for 1980/81; I did not go into the funding problems in later years, which will need to be covered in the submission; I did say that an increase in the central fund might be needed if we (rather than industry) had to finance redevelopment;
 - (iv) for the longer term he is prima facie attracted to development and extension of the existing laboratory rather than complete new building; he may want to know how much of the £1.3 million would be reusable.
5. Dr Lane should know (i) above, if he does not already. On (ii), I see no objection to telling him that the figure has been mentioned to the Minister and not ruled out of court - but emphasising that we have to justify it and no conclusions should be jumped to.
6. I shall want to let the Minister know what we have authorised.

GRO-C

P J WORMALD
HS2

24 June 1980

cc: Mr Nodder Mr Brown
 Dr Harris Mr Brechin
 Dr Oliver Mr Connor
 Dr Walford