

EC NO



Prime Minister

PRIME MINISTER

SEVERN BARRAGE

I have always found  
this proposal exciting  
and am pleased with the  
proposal.

Subject to colleagues

views, agree to this  
study?

MCJ 16/3

I have to make a statement shortly on the Government's policy on the Severn  
Barrage.

The Severn Tidal Power Group (STPG), a consortium comprising Sir Robert  
McAlpine & Sons, GEC Power Engineering Industries, Taylor Woodrow Construction,  
Northern Engineering Industries and Balfour Beatty, have offered to put up  
£250,000 of their own money over two years, provided that the Government  
contributes a matching sum, for a study to assess the technical and financial  
viability of a barrage built and operated by the private sector. I propose to  
match the STPG's contribution, up to a maximum of £250,000 over the two years,  
on the clear understanding that there will be no Government commitment to  
them, or to the project, beyond that period. The money will be found from  
within my Department's existing non-nuclear R&D budget and will result in no  
increase in public expenditure.

You may recall the background to the STPG's proposal. The report of the  
Severn Barrage Committee, published in July 1981, established the technical  
feasibility of the project. It did however point to the need for further  
studies of its economic, environmental, industrial and social effects. A  
majority of the representations made in the subsequent period of public  
consultation, including those from the local authorities affected, have  
supported the need for further studies. The barrage project has the support  
of MPs of both parties, particularly those with a constituency interest and,  
by and large, of the environmentalists.



The scale of the proposed STPG study is much smaller than the £45 million over 4 years envisaged in the Committee's report. It is also smaller than STPG's original proposal for a fuller study which would have been wholly Government funded, and absorbed £7 million in its initial two years. I do not believe that anything more substantial would be justified at the present time, and these more modest proposals offer an attractive route by which the project can be kept in being.

The alternative to the latest STPG proposal would be to kill the project.

✓ This, I believe, would be wrong in view of the fact that the barrage is the only so-called alternative energy source which could contribute significantly to our electricity needs. It could produce around 5% of present electricity output, and save the supply industry 5 million tonnes of coal per year. At a time when we are justifying to the Sizewell inquiry our need to invest in nuclear power as a means of diversifying the fuel used in electricity generation, it would be wrong as well as politically damaging to be seen to turn our backs on a possible non-nuclear alternative.

Nor am I attracted to the idea of rejecting out of hand this imaginative private sector initiative.

Subject to your views, and those of colleagues to whom I am copying this minute, I propose to announce my intention in a written answer on the lines of the attached draft.



I am copying this minute to the Minister for Agriculture, Fisheries and Food, the Secretaries of State for Wales and Industry, the Lord President of the Council, the Secretary of State for Transport, the Chief Secretary, the Lord Privy Seal, the Secretaries of State for Employment, Trade and the Environment, Sir Robert Armstrong and Mr Sparrow.

*MR*

Secretary of State for Energy

*16th* March 1983

CONQUEROR



DRAFT WRITTEN ANSWER

To ask what representations have been made following the publication of the Severn Barrage Committee's report in July 1981, and if he will make a statement.

Many comments were received on the report from local authorities, organisations and individuals. Most of these supported the Committee's recommendation of further studies to establish the viability of a barrage from Brean Down to Lavernock Point and to look at the wider implications. I have given careful consideration to all the views expressed.

I have also received detailed proposals for a jointly funded study from the Severn Tidal Power Group. This group comprises Sir Robert McAlpine & Sons, GEC Power Engineering, Taylor Woodrow Construction, Northern Engineering Industries and Balfour Beatty. The study would be directed towards the assessment of the technical and financial viability of a barrage built and operated by the private sector.

I have decided that this is the right way to proceed. Subject to agreement on the terms and conditions of contract, matching funds will be provided for this study from my Department's non-nuclear R&D budget, up to a total of £250,000 over two years. This support will be given on the explicit understanding that no Government commitment to the STPG will exist after the two year study is complete.

The initiative taken by the STPG in this matter is most welcome. The Severn Barrage could make a significant contribution to our future electricity needs, and offer a valuable complement to coal-fired and nuclear power stations.

Private sector involvement at this early stage will ensure that the commercial implications of the project are realistically evaluated.

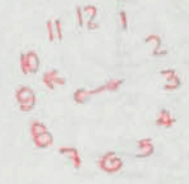
Details of the proposed study will be worked out over the next few months. Local Authorities and other interested parties will be consulted.

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JL

10 DOWNING STREET

*From the Private Secretary*

17 March 1983

SEVERN BARRAGE

The Prime Minister has seen your Secretary of State's minute of 16 March about the Government's policy on the Severn Barrage.

She has minuted that she has always found this an exciting prospect, and that she is pleased with the proposal.

I am copying this letter to the Private Secretaries to the Minister of Agriculture, the Secretaries of State for Wales and Industry, the Lord President of the Council, the Secretary of State for Transport, the Chief Secretary, the Lord Privy Seal, the Secretaries of State for Employment, Trade and the Environment, and to Sir Robert Armstrong and Mr. Sparrow.

M. C. SCHOLAR

Julian West, Esq.,  
Department of Energy.

NR



TPT

CC NO 2

Prime Minister

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PRIME MINISTER

SEVERN BARRAGE

*mt*

I have seen a copy of the Secretary of State for Energy's minute to you dated 16 March on the Severn Barrage.

2. I myself have not made a detailed assessment of the scientific and technical appraisal produced by Sir Hermann Bondi's Group but the comments on it that have been made to me all suggest that it was a thorough and competent study of a complex issue. The proposal to carry out a feasibility study to define more clearly the problems raised by the Bondi Report seems a sensible one.

3. If at some stage you feel that you require a critique of the Bondi Report, I would of course be happy to do this.

*RBN*

ROBIN B NICHOLSON  
Chief Scientist, CPRS

Cabinet Office  
25 March 1983

cc: Sir Robert Armstrong  
Mr Sparrow  
Mr Gregson

Energy April 81

Severn Barrage

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