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From the Private Secretary

6 August 1984

Mount Pleasant Airfield: Falkland
Islands Third Progress Report

The Secretary of State for the Environment
minuted the Prime Minister on 2 August about
progress on the new Mount Pleasant Airfield.

The Prime Minister has noted the possibility
of some slippage in the completion date as a
result of the dock strike. She hopes that this
can be held to a minimum. She also notes
Mr Jenkin's judgement that the final cost should
be within the range approved when the work
started.

I am copying this minute to the Private
Secretaries to the Members of OD(FAF) and
Richard Hatfield (Cabinet Office)

C D Powell

John Ballard Esq
Department of the Environment
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PRIME MINISTER

MOUNT PLEASANT AIRFIELD: FALKLAND ISLANDS

THIRD PROGRESS REPORT

This third report on the new Mount Pleasant airfield comes 9 months after the start of construction and 3 months before the contractor for the main Army works is expected to begin on site. This is a useful time to review progress as the airfield work is well under way and the contractor's effort is building to a peak. However, it is now the middle of the Falklands winter and working conditions are at their most difficult: progress should therefore accelerate over the next 9 months. At Annex A is a selection of recent photographs of the project which graphically illustrate some of the problems and achievements.

ACHIEVEMENTS

The contractor, the Laing-Mowlem-Amey Roadstone Construction Joint Venture (LMA) now has some 1300 men at Mount Pleasant. Because of the isolated and harsh surroundings LMA's first priority was to complete the main accommodation camp before the onset of winter. This was done in June and the camp now provides warm, twin-bedded rooms and good dining facilities for everybody working on the airfield. The main recreation hall is already in partial use and should be completed next month. These facilities will in due course be taken over and refurbished to meet MOD's requirements. Despite comments to the contrary in the British press, the morale and discipline of the workforce is excellent. Their determination to maintain progress during the winter has been particularly impressive; for example work on the key projects is going ahead on a shift basis by night and day. Although there has been one fatal accident on site LMA's overall safety record has been very good. They had had only 13 reportable accidents during the

(Photo 1)

(Photo 2)

Prime Minister
CDP
2/8.

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first 6 months of this year as a result of which 6 people spent one day in hospital, one man spent 6 days in hospital and the rest were treated as out-patients.

(photos 3 and 4) Construction of the main runway and apron is going well. 75% of the excavation and 10% of the sub-base have now been completed. The foundations for the main hangar have been finished together with over 25% of the structural steelwork. Work on the main power house is even more advanced with the foundations and structural steelwork complete and work in progress on the roof and cladding. Unfortunately the 5 electrical generators, which are on the critical path for this project, have been held up by the dock strike and their installation is likely to be delayed. Some 5km of the new road from Mount Pleasant to Stanley has been completed against 50km in total.

QUARRYING

You and colleagues will know of the questions and comment in Parliament and the Press about LMA's quarrying problems. The most serious was their difficulty in extracting sufficient amounts of quartzite, a hard rock, to meet the programme's demands for high quality concrete. You will be pleased to know that these problems have now largely been overcome, principally by opening up a second quarry face. The attached photograph shows the depth of overburden contaminated with clay which had to be stripped before the contractor could get down to good quality rock.

PROGRAMME

The programme initially established for the airfield was to provide an operational main runway in April 1985 with overall completion in February 1986. The position before the dock strike was that the combination of the quarrying problems mentioned above and very cold wet weather in May and June



had delayed LMA's progress by about 6 weeks. LMA therefore took steps to re-programme the work and had arranged to ship out additional men and plant in time for the start of the summer construction period in September. They were confident this would enable them to recover lost time and meet the initial deadlines. The dock strike then came as a particular blow because all LMA's plant, equipment and supplies are shipped out through Avonmouth. A proper appraisal of the effects of the strike will not be possible until the backlog of supplies has been cleared and a new shipping programme established. At the moment it looks as if the 2 weeks interruption of shipping will result in slippage of a similar order for the completion date for the main runway and the project as a whole. However, LMA and PSA are considering what steps can be taken to accelerate work further and I will report on this next time.

COSTS

In February I reported a cost estimate of £245m - £280m. The current estimate is £252m - £280m. The £7m increase comprises £2.4m for necessary increases in the scope of the work; £1.4m of additional costs arising from the liquidation of Capper Neill (the sub-contractors for the bulk fuel installations) and £3.2m as a result of developments in design leading to a need for additional electrical power and cabling. PSA and MOD are considering the scope for making some off-setting savings by trimming back those facilities which are not yet committed.

ENVIRONMENT

There has been considerable Press interest about the environmental impact of the airfield; the local colony of Gentoo penguins has had a particular mention. PSA commissioned consultants to carry out a study of the likely effects of the project on the local flora and fauna and this was published in June



with a note setting out the various actions taken or agreed to minimise these effects. The report, which was well received, concluded that given the actions proposed, the impact of the project should be minimal. This work dovetails with MOD's wider and very successful conservation efforts in the Falklands.

CONCLUSIONS

The project is probably now at its most difficult stage. LMA's achievements so far have been impressive. Equally important, they have shown a willingness and determination to overcome a number of serious problems which have occurred. The objective is still to meet the April 1985 date for the main runway; but whether the delay to the revised programme caused by the dock strike can be overcome remains to be seen. Although costs have increased, financial control procedures are working well and there is good control; the final outturn should be within the range approved when work started.

ARMY WORKS

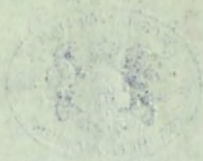
Tenders for the bulk of the Army works at Mount Pleasant were returned at the end of July. When these have been examined I will report the results to Michael Heseltine. He will then seek your, and OD(FAF)'s agreement, to letting the contracts. This is likely to be in September.

I am copying this minute to the other members of OD(FAF) and to Sir Robert Armstrong.

PJ

P J

2 August 1984



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COMPANIES

LONDON

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