

**Wars, fires and pandemics:**  
**how events have shaped 350 Years of Treasury buildings**

Mario Pisani  
Strand Group Lecture  
Delivered at HM Treasury London  
13 May 2025

Thank you.

Can I start by saying a huge thank you to you James and to the Strand Group for your support in helping this event take place. Also a huge thanks to all of you for coming along to listen to me – it's a real privilege.

Now I speak tonight primarily in my role as co-chair of the Treasury History Network. We're a staff network, which encourages colleagues to get interested in the history of the Treasury.

But – the question is – what is the Treasury?

Let us picture the answer in our heads.

You could say the Treasury is its leadership: the Chancellor of the Exchequer or the Permanent Secretary. You could say it's an abstract set of ideas, like objectives, targets and rules.

But I bet the image many of you had in your heads was, in fact, a building. Weird but true – often when we think of institutions, we think of the buildings they occupy: Parliament, the Monarchy, the Courts, and so on.

And there's a good reason for this: building matter. The way institutions emerge and develop has lots to do with their physical location. For the Treasury, this is a story about proximity to the centre of government, about open plan offices promoting better policymaking, about a wider national footprint helping us engage with the society we serve.

The story of the Treasury's buildings is rarely-told and not well-known – there is no single text for example. It is also a fascinating story, because of the impact of unexpected events – the fires, wars and pandemics that have transformed the Treasury's buildings over the past 350 years. And this part of the story is even more relevant this year, when we mark 80 years since the end of the Second World War.

My lecture is organised chronologically in five parts. We start in the 1660s, when the Treasury moves into Whitehall Palace. Second, I look at the Treasury's first purpose-built premises – William Kent's Treasury of 1736 – and the expansion into nearby buildings. Then I discuss the move into Government Offices Great George Street in 1940. I look at the move into 1 Horse Guards Road in 2002. And fifth, the expansion to Darlington in 2021.

## **Whitehall Palace**

Let us begin with Whitehall Palace. But before Whitehall, there was already the Treasury. Because, believe it or not, the history of the Treasury can be traced back for almost 1,000 years, starting with the reference to "Henry the Treasurer" – the official who administered the royal treasure – in the Domesday book of 1086.

It was around this time, in the 11<sup>th</sup> Century, that Westminster started to become the political and spiritual capital of England, following the decision to build a royal palace and a new church – Westminster Abbey – in the area. A township developed around these two centres of power.

Not long after that, in the 12<sup>th</sup> Century, we see the emergence of the Exchequer. The regular audits with the checkered cloth became the key financial occasions of the year. During this time, the Exchequer and the Treasurer are located together in the Exchequer Receipt Office by Westminster Hall.

So it's all going on in Westminster. That's why, in the 13<sup>th</sup> Century, the Archbishop of York, bought a property on the road linking modern-day Parliament Square and Trafalgar Square. It is known as York Place, over time it became an impressive building, described as "the smartest house in London".

Fast forward to 1530, and Henry VIII's chambers at the Palace of Westminster have been destroyed by a fire – he needs a new place in the area, so he seizes York Place.

Henry VIII expanded the property, which eventually became known as Whitehall Palace. The name "Whitehall" first appeared around this time – perhaps a reference to the off-white stone buildings. One such building, built under Henry's direction, was the Privy Gallery. On the ground floor it had accommodation for key members of the court, including the secretaries of state, the Lord Chancellor, and the Privy Council.

Henry also expanded the Palace towards the West, setting up large recreation grounds. These included a tiltyard for jousting, tennis courts, and a cockpit. The recreation grounds were reached via a two-story gallery corridor known then, and now, as Cockpit Passage. We will come back to the Privy Gallery and the Cockpit.

So Whitehall is now a place. And in 1536 Parliament passed an Act which made Whitehall Palace the official seat of the monarchy. Here we see the first example of how the built environment changed the way government administration is organised. The transfer of the royal residence to Whitehall under Henry VIII, reinforced the executive role of the King and the Council, and weakened the role of Parliament and the Exchequer. About a century later this tension resulted in the English Civil War.

The expansion of the Palace continued under Henry's successors. In the 1630s the great architect Inigo Jones was commissioned to design a replacement scheme for the whole of the Palace, but his ambitious plan was never put into action.

In the 17<sup>th</sup> Century there are also important changes to the Treasury. The Lord Treasurer is replaced with a commission of individuals, and the Treasury becomes "an independent department with most of its legal powers extending over policy, revenue and granting of funds". Expanded responsibilities required more space. And so in the 1660s, the work of the Treasury finally moved from the Exchequer Receipt Office in Westminster to Whitehall Palace.

The Treasury Chambers were on the ground floor of the Privy Gallery building I mentioned earlier. We even know exactly which rooms were used – thanks to the famous 1670 survey. Treasury occupied five or six rooms, surrounded by the offices of the Lord Keeper, the Lord Chamberlain and the Privy Council. This is significant, as these are the first rooms ever used by the Treasury as distinct from the Exchequer.

However, these Treasury Chambers only lasted for about 30 years. On the evening of 4 January 1698, a maid was drying sheets too close to a brazier, they set alight and a huge fire spread quickly across the palace. Contemporary accounts describe how "before midnight the King's apartments, the Queen's apartments ... the Treasury, the office of the Privy Council ... had been destroyed". The fire burned until the next day. Great effort was dedicated to saving the Banqueting House - and this in turn prevented the fire spreading further West along the Palace buildings.

So fire had made the Treasury homeless. A few weeks later, the King gave permission for Treasury business to move into one of the buildings in the recreation grounds: the Cockpit.

For the avoidance of doubt, the Cockpit was a circular arena where the audience could bet on fights between cockerels.

You could say that a venue which over the centuries had seen furious duels and bloody carnage would suit the Treasury well - after all, that sounds pretty tame compared to the average comprehensive spending review.

Cockfighting was a popular pastime in Tudor times, and this was one of several venues – there was another one by the Two Chairmen pub. Over time the Palace cockpit became a theatre, and by the time of the fire it has been converted into residential lodgings.

The Cockpit buildings were home, at various times, to Oliver Cromwell and Princess Anne. In fact, during the Glorious Revolution King James II put Anne, and her friend Sarah Churchill, under house arrest in the Cockpit. But they managed to escape via a back staircase – and eventually Anne became Queen.

The Treasury made itself at home, in fact papers from these time were often addressed “from the Cockpit”. But by 1732 the building was in a terrible state. The following year architect William Kent was commissioned to design a new building for the Treasury on the same site.

The Treasury’s time in Whitehall Palace had lasted about 70 years. Not much remains of the Palace today – the Banqueting House is the only complete structure. Thanks to sensitive archaeological efforts, also the wine cellars under the MoD and parts of 70 Whitehall.

There’s been excellent efforts to map the Palace onto present day Whitehall.

It also allowed me to seek out the exact ground once occupied by the first Treasury Chambers – I went there, it’s between the MoD and RUSI.

## **The Treasury Buildings**

Moving on – in this second section I will describe the Treasury’s buildings between the 1730s and 1940s. During this time Treasury used various buildings in a tightly packed area to the West of Whitehall, they are:

- William Kent’s Treasury of the 1730s - shown here as A;
- John Soane’s New Public Offices, built in the 1820s - shown as B;
- Charles Barry’s New Treasury Offices, which rebuilt and extended Soane’s work in the 1840s - shown as parts B and C;
- All these, plus parts of Dorset House (shown as D) were eventually connected and today we know them as 70 Whitehall.

I will take each in turn.

Starting with William Kent’s building – completed in 1736, these are the first purpose-built offices for the Treasury.

The original budget was £8,000 but actual costs reached £18,000 – not the last overspend on Treasury buildings. Some of the fabric of previous buildings was re-used in Kent's design – this includes the Princess Anne escape staircase mentioned earlier. The attic at the top of the staircase still contains a small stone basin, its purpose still a mystery, but informally known as "Queen Anne's Bath".

Kent's building is in the classical style. The main elevation is oriented North onto Horse Guards Parade. It has three stories and seven bays, the three central bays project forward with two bays receded on either side. The facade has rustication all over. The second floor has a handsome four-column portico and a large Venetian window. The overall feel has been described as "a rather wintry classicism, full of strength but a little heavy-handed".

Kent's Treasury building is still there today: behind Downing Street, in the southeastern corner of Horse Guards Parade. That's me next to it.

The central archway on the ground floor leads to the "Treasury passage" which stretches underneath the building. This passage is now used as a staff bicycle entrance.

An anecdote. In the Passage you can find on display a bicycle which belonged to Robin Butler, the former Cabinet Secretary. Butler used the bike to get around Westminster. Prime Minister Margaret Thatcher did not like the thought of her Cabinet Secretary on a rickety old bike, and made it clear that he should use a more appropriate form of transport. I guess Thatcher meant for Butler to use his official car, but instead he bought a new bike.

Kent was also responsible for joining up No10 Downing Street to the larger house behind it. This is another example of how buildings have shaped institutions. The work linked the residence of the first Lord of the Treasury – that is, the Prime Minister – who in the 18th Century directly controlled Treasury business – to the Treasury building itself.

The interiors of Kent's Treasury are impressive too. The finest and most important room is the Treasury Board Room. This was the room where the Treasury Board of Commissioners would meet, later on it became the office of the Chancellor of the Exchequer. The room has striking proportions, arranged as a square measuring 30 feet across and 25 feet high. It has an impressive coved ceiling, lavish doorcases and an ornate chimneypiece.

Among the furnishing is the Chair of State used by monarch when attending meetings of the Treasury Board. George III was the last monarch to do this in the early 19<sup>th</sup> Century. Also a large mahogany table with a carving of a rose, thistle and shamrock.

Some of the famous "Treasury Silver" is displayed here – this is a set of antique silverware dating from the Treasury Chambers in Whitehall Palace in the 1680s. Much of the rest of the silver is in the waiting room in No10.

There is a story that when David Lloyd George was Chancellor (1908-1915) he found the room too gloomy and asked for it to be brightened up, so the walls and many fittings were painted in white.

Let's move on.

In the 1820s Sir John Soane - the celebrated architect - was commissioned to design offices for the Board of Trade and the Privy Council, next to the Treasury building.

Throughout the work, Soane had to put up with interference from the Treasury.

Finished in 1827, the building was in Soane's characteristic rich classical style, with two stories below the cornice, one story above. It stood along Whitehall up to the Cockpit Passage. The first five bays at the southern end (left) included a projecting pavilion with a colonnade, which stretched around the corner to Downing Street. But the problem was that the building looked odd as it was not symmetrical.

To fix this, Soane suggested replicating the pavilion at the North end of the building. But that would have encroached on the pavement, as the road bends slightly at that point. Soane proposed another solution. He suggested building a mirror version of the whole building on the South side of Whitehall. This would be complemented with a triumphal arch connecting the two buildings over the entrance to Downing Street.

But by 1828 costs had been spiralling, in part due to all the interference. The building was "derided by many observers as being too low, asymmetrical and insufficiently grand relative to its function." Soane's various proposals were never carried out, and his employment was terminated in 1832.

It did not take long until more office space was required. So fewer than 20 years after Soane's work was completed, in 1844, the brief was awarded to Sir Charles Barry to rebuild.

Barry extended the building northwards from the Cockpit passage –section C in the plan we saw earlier.

To fix the symmetry problem, Barry dismantled the freestanding columns on the South end of the building to create a narrower pavilion which could be replicated at the North end without encroaching the pavement. Barry enriched the frieze and added an additional storey. This is the Whitehall façade that still survives today. The project was completed in 1847 and cost around £43,000 – again this was over budget. This compares the Soane and Barry buildings.

After Barry's extension these offices became known as the "New Treasury Offices". The building had four entrances along Whitehall. It is said these were needed for the four departments occupying the building: the Privy Council, the Board of Trade, the Home Office, and the Treasury. These days civil servants from different departments *are* able to use the same entrance! The Treasury occupied the central portion and Kent's building behind that.

Today we call these buildings 70 Whitehall, the home of the Cabinet Office.

A major refurbishment in the early 1960s unearthed Roman, Saxon, and Tudor architectural remains. Several elements of the interior refurbishment were designed to showcase preserved parts of the Tudor Whitehall Palace. This includes some of the fabric of the Tennis Court built in 1532 and a great stone window.

But a more complete structure is the gallery level of the Cockpit Passage. This is the 16<sup>th</sup> Century gallery which looked down on the smaller tennis courts. The passage is still in use today and civil servants and ministers walk through it every day. It is said that until 2018 a small painting of a cockerel hung near the Passage, as a sort of homage to the history of the site, but the painting is not currently located there.

One legacy of the renovation work is the new drainpipes outside the South-facing wall of the Cockpit Passage, inscribed with the renovation year 1963.

## Government Offices Great George Street

Here is our map of Whitehall with the new locations added in. For 200 years, the Treasury occupied Kent's building and those around it. But, just like fire made the Treasury move out of Whitehall Palace, in the 1940s it was war that forced a relocation. During the Blitz, bombs fell on Treasury Green and Whitehall, and the damage made it necessary to find new accommodation. The Treasury moved into the building we now call Government Offices Great George Street. GOGGS covers the whole block between Parliament Street and St James's Park.

Let's look at the origins of this huge building. Like 70 Whitehall, it was not originally built for the Treasury. But it does over time become its home.

In the 1860s, following the completion of the Foreign Office, a Government Commission recommended building another major government office block next door. The proposed building required clearing out a busy part of London. It took 32 years and four acts of Parliament to purchase the land. The commission went to architect John Brydon, and building work started in 1898.

Unlike the Foreign Office building, with its grand interiors, the design for GOGGS was meant to be economical and practical. Brydon believed in open plan offices and natural light. This is why the building has so many lightwells, most with reflective tiles on the walls.

Brydon also included in the design for GOGGS a large circular courtyard – it used to be called the Circle but we now call it the Drum. This was inspired by the Inigo Jones designs for a new Whitehall Palace in the 1630s which, as we saw earlier, was never built.

The 160-foot Drum is the most iconic architectural feature of GOGGS. These days, the Drum gets rented out for films – including at least one James Bond movie. Another claim to fame, and quite topical, was in 2010, when Pope Benedict XVI visited the UK, and the Pope-mobile was parked in the Drum.

GOGGS architect John Brydon died three years into the project. Henry Tanner from the Government Office of Works took over. Some of the original vision was lost, as Tanner was less keen on larger open offices and preferred smaller boxed-off rooms. However, he also introduced innovations which allowed for the use of heavier building materials like steel and concrete.

A Times article from June 1908 praises the then half-complete building. A controversy about the heating system had already reached the press. The culprit - unsurprisingly - is "cutting down demands of the Treasury".

GOGGS was completed in 1917. Architecturally, the finished building is well-regarded. Particular praise is given to the South elevation with its super-Wren towers, the three-arch bridge connecting to the Foreign Office, and the curved corners on the West façade.

The first departments to move in were the Local Government Board, the Education Board, the Ministry of Health and the Home Office. They were followed later by the Board of Trade and the Ministry of Works.

Back to **the war**. Over the centuries, the Treasury's policies have often been shaped by war. One example would be the introduction of a "temporary" income tax after the Napoleonic Wars, another the de facto abandonment of

the gold standard at the outbreak of the First World War. Just like its policies, the Treasury's buildings have also been shaped by war, and none more than this one.

There's lots to say about the remarkable role of GOGGS during the Second World War, particularly this month when we commemorate the 80th anniversary of Victory in Europe Day.

In 1938 the Committee on Imperial Defence chose the under-ground stories of GOGGS as the preferred location for an emergency war room. Because architect Henry Tanner made extensive use of steel structures for this side of the building, it was deemed safer than many other buildings on Whitehall.

It was then decided to prepare the building for war. This involved all sorts of alterations as set out in this slide.

The War Room was opened in late August 1939. And it was to be the nerve centre of the war effort. A few days later the PM formed the War Cabinet, and shortly after declared war on Germany.

Winston Churchill became Prime Minister in May 1940. While his predecessor Chamberlain had hardly used the War Rooms, he seemed much keener to do so. In one of his first visits to the underground facilities in GOGGS after becoming PM, Churchill looked around the War Cabinet meeting room and declared that "this is the room from which I'll direct the war". Churchill sat on a large wooden chair, at the western end of the room, with a map of the world behind him. Around the room were other members of the War Cabinet, the chiefs of staff and private secretaries. It is said that fire buckets filled with sand were helpfully placed near Churchill's chair to capture his cigar ends.

The truth is that both Chamberlain and Churchill preferred to avoid using the underground facilities if they could. The War Cabinet only met in the basement rooms for about 10% of its meetings during the war. The War Rooms were mostly used during air raids, so during the Blitz in 1940-1941, and again during the V-rocket attacks in the final year of the war.

As it happens, Churchill's instinct during air raids was to get onto the roof of GOGGS with his staff to observe the action, "wearing his steel helmet, siren suit and RAF greatcoat... smoking a cigar and watching intently as explosions and fires lit up the battered city". There's a story that one evening, while on the roof, Churchill sat on a chimney to keep warm, "until an officer came up to ask him politely to move – smoke was backing up into the rooms below".

During the day generally Churchill preferred to operate in rooms above ground. During his first few months as PM, he worked and lived in No10 Downing Street, but also stayed the night in Parliament, at Chequers, and a handful of times in the war rooms, where he was given rooms for his personal use in emergencies.

Churchill was a real pioneer of multisite working – effectively operating from any one of multiple central London locations. He also had an intense daily routine. His day began before 8am, when he read the newspapers and bulletins while having a large breakfast in bed. Then he would start working while sat up in bed, smoking cigars, reading, dictating, taking calls and occasionally the odd meeting (while still in bed). At 1pm he would raise and go for a hot bath. Then he would dress, have a generous lunch and then a one-hour nap – sometimes followed by a second hot bath. He then carried on working, he had dinner around 8pm, and then more work, finishing around 3am.



All of this made working for him particularly challenging – as one of his private secretaries made clear in this amusing mock minute. I like the references to Nelson the cat and the hammering noise.

In September 1940 a bomb narrowly missed GOGGS, falling just by the Clive Steps on the park side of the building. Churchill requested improvements to the structural protection of the underground complex. A concrete apron was added to the western facade, which can still be seen today. They also installed a three-foot thick concrete slab, supported with steel girders, into the lower ground floor to protect the basement. Churchill took a close interest in this work, often giving advice to the workers about bricklaying. On one occasion he “leapt of a girder into a pool of liquid cement and his feet became embedded”.

In October 1940 air raid bombs hit Whitehall. One bomb fell in Treasury Green – between No10 Downing Street and the back of the Treasury Buildings. At the time Churchill was hosting a lively dinner with other ministers in the basement shelter of Downing Street. The blast destroyed the kitchens - luckily at the last minute Churchill had asked his butler, his cook and other staff to come into the sheltered area too, so no-one was killed.

The damage to the buildings meant relocating. For a few weeks Churchill and his wife spent the evenings in an adapted disused underground station. But in December 1940 they moved into a set of rooms in GOGGS repurposed for the Prime Minister’s use. They were right here – on the ground floor just the other side of that wall – facing St James’s Park. These rooms are now known as G/14 to G/20. But in 1940s they were known as the “No10 Annexe”.

They included bedrooms for the Prime Minister and Mrs Churchill, a dining room, a sitting room, and an office. Opposite these rooms – so that means inside what is now this auditorium – there was a bathroom, staff rooms and a kitchen.

The location of the No10 Annexe was mutually convenient, for Churchill and his staff. From that corridor it was possible to reach the War Rooms in the basement within seconds.

Nelson the No10 cat stayed behind. But in the Annexe a different cat was in charge – Smoky, a fluffy Persian. Churchill was as fond of Smoky as he was of Nelson, often letting the cat sit on the bed with him in the mornings while he worked.

This image shows the entrance to the Downing Street Annex during the War – you will recognise it as it’s just by the main reception today. The guard is stood on a mat, so as to not disturb the Churchills when standing to attention in the middle of the night.

Actually, Churchill was really not very keen on noise – he would regularly send his private secretary to go and find the source of any hammering noise and get him to stop it – this happened quite often early on in the war as GOGGS was updating its defences.

The same October 1940 air raids which forced Churchill to move also affected the Treasury. A direct hit to the Treasury Building on Whitehall killed four civil servants doing Home Guard duty.

There was extensive damage to the building, and the majority of Treasury staff had to relocate to GOGGS. It was already a busy building at this time so Treasury had to jostle with many other government departments for space.

The Air Ministry – the largest occupant – had use of some of the nicest conference rooms in GOGGS. The Air Council used the large room on the second floor on the North side of the building – as we will see later this room eventually became the office of the Chancellor of the Exchequer.

The Churchills lived in the No10 Annexe, in GOGGS, until the end of the War – just over four and a half years. On 8 May 1945, Victory in Europe day, 80 years ago this month, Churchill addressed the crowds in Parliament Street from the audience room on the second floor to announce the end of the war.

After the war the building returned to full civilian use. One of the things that I find most extraordinary is that the very existence of the War Rooms was kept secret, not only during the war years but until 1948 when it was announced in Parliament that they would be preserved. That is now the Churchill War Rooms downstairs - run by the Imperial War Museum – well worth a visit.

Churchill was not the only celebrated occupant of GOGGS during the War. It was around this time that one of the most famous economists of all times - John Maynard Keynes - worked at the Treasury - for the second time.

His first spell at the Treasury came in 1915, where he served as an official in Home and Overseas Finance divisions. He eventually resigned in 1919 in disagreement with the government's policy on war reparations. He returned to Cambridge and wrote *The Economic Consequences of the Peace*.

As an aside, Keynes and Churchill have some shared history too, even before the Second World War. 100 years ago this year, in 1925, Churchill was Chancellor and he held a dinner party at No11 to discuss whether Britain should rejoin the gold standard. Keynes was the main voice arguing against rejoining, but he was up against the Bank of England, the Treasury, the City and all major political parties. The UK did rejoin the gold standard, Churchill in time regretted it, and Keynes wrote *The Economic Consequences of Mr Churchill*.

But no hard feelings. When Churchill became PM, Keynes served again at the Treasury, between 1940 and 1946. By this stage, Keynes had become a renowned intellectual and a key figure in the UK political establishment. As such, he was able to work as an unpaid advisor to the various war-time Chancellors.

In this second stint at the Treasury, Keynes was involved in all the important policy debates of the time. This covered everything from war finance to macroeconomic policy and production planning.

Keynes had an office at the Treasury. In the 20 years that I have worked here, I have been asked about Keynes's room many times, but its location is now considered a mystery lost to the passage of time. Not any more – as tonight I will reveal the location of Keynes's office, which I have discovered hidden in the National Archives.

In my journey to find Keynes's room, I first decided to consult others with more expertise. I am grateful to George Peden and Robert Skidelsky. They explained that Keynes, as one of only two or three "Advisors to the Chancellor of the Exchequer", so like modern-day SpAds, would have been given his own office and secretary.

I was told that their offices were located not far from the office of the Chancellor. With this helpful tip, I focused my attention on the area around the Chancellor's Office on the second floor. But here I made an interesting secondary discovery. The modern-day received wisdom is that the office used by the Chancellor in GOGGS was the room we now call 2/39 on the North side of the building. This is the same room that I described earlier as being

used by the Air Ministry high command during the war period. But surely it could not have been used by both occupants at the same time?

In my research I discovered that 2/39 only became the Chancellor's Office *after* the War, likely in the 1950s, after the Air Ministry had left GOGGS. In the 1940s the room used by the Chancellor was the room we nowadays called 2/75 which is on the *opposite* side of GOGGS, on the South side. I am grateful to Kevin Wheelan, the Chancellor's messenger, who still remembered the old GOGGS room numbers and helped me locate the right room.

As an aside, I discovered this thanks to Archive records requesting a quick redecoration of the Chancellor's rooms while Stafford Cripps was away for meetings in Washington DC in 1949. Back then, the trip took around two weeks, these days the Chancellor can do this sort of trip in about three days

I had identified the correct floor and the correct side of the building, but I was still missing the exact room location.

Luckily, I also came across many files on office space negotiations in what was then a cramped building. Some included floor plans, colour-coded to denote different departments. I was getting closer. Finally I discovered a floor plan which named the occupant of each room. I had struck gold. This image shows a floor plan of the second floor of GOGGS – clearly showing the Chancellor's Office (room 47), and Lord Keynes's room (room 111). Today this room is known as 2E/4, and it is an open plan office space used by HMRC colleagues.

Now that we know the exact location of his office in GOGGS, I hope that one day we may be able to more explicitly commemorate Keynes's war-time service at HM Treasury. Next year will mark 80 years since his death.

In my research I came across the following tributes to Keynes written by colleagues after his death. I like the bits about the long hours, unexpectedly asking major questions, and how he was "not incapable of inventing what he asserted to be a fact".

By 1948, as some war-time tenants like the Air Ministry moved out, and Treasury became one of the largest occupants of GOGGS, alongside other departments like the Ministry of Defence and the Central Statistical Office.

Curiously, the Treasury's move into GOGGS was always intended to be temporary. Historian Jack Brown has documented the story of why Treasury didn't move back to its former building.

During the Premiership of Harold MacMillan (1957-63), there was a big effort to reconstruct the Old Treasury Building and parts of Downing Street.

In July 1958 Macmillan informed the Chancellor that it made more sense to temporarily allow the Cabinet Office to move into the Treasury Building. This was because there would not be enough space for the whole Treasury staff, unless nearby buildings were also taken over and renovated, which could take a number of years. The Chancellor did not disagree, but indicated that he hoped eventually the Treasury could move back into its building. But the official record of the meeting made it clear that while "the Treasury may hope this ... the Prime Minister [does not hope] anything of the kind". And so it was that the temporary became permanent – and the Cabinet Office is still there now.

In return for giving up the Old Treasury Building, enough space would be made available in GOGGS for the large majority of Treasury staff to come together in one place – as some divisions were still housed elsewhere. This is an

example of a working practice that we would still recognise today: Treasury management's instinct to try to encourage collaboration between different parts of the department, in this case through physical collocation.

There was a process to decide which departments would occupy GOGGS, which concluded that Treasury should concentrate around the Drum and the centre of the building (shown on left here), with the Treasury entrance on Great George Street.

And so with this, the Treasury had a new home.

Despite all the remarkable events during the war - there is a general sense that in the decades that followed the building fell into disrepair. In the post-war national reconstruction effort, maintenance budgets were tight, particularly for government office buildings.

By the 1960s, GOGGS was crumbling. A plan was put together in 1964 to tear it down. Architect Lesley Martin proposed the demolition of GOGGS, the Foreign Office Building, and all buildings to the east of Parliament Street up to the Ministry of Defence. The plans were dropped following public outcry.

There is no shortage of commentary on how dreary and decrepit GOGGS becomes in the period between the 1960s and the 1990s. Here is a selection of comments highlighting the grim state of the building.

Clearly not the nicest working environment, but some of this was about more than the building itself, it is also about working life at the Treasury in those decades. Again there is no shortage of stories from colleagues. Three of my favourite:

- One about the catering offer. The restaurant – and the bar – were on the 4th floor – colleagues do not speak very highly of the food, but apparently some Chancellors were big fans. Even Nigel Lawson had lunch up there sometimes - a special table had to be set up for him with a white tablecloth, a bottle of Perrier water, and a specially-big knife and fork;
- Food was also available from the tuck shops – a colleague ordered a Chelsea bun and found a piece of wood inside. He wrote to the catering staff the following day that “While I realise that a high fibre diet is meant to be healthy, with this extreme form of roughage one runs the risk of breaking a tooth or choking. I would be grateful, therefore, if you would refund my money.”
- A story about the facilities. The toilets were notoriously unreliable - particularly ones in odd corners. The plumbing problem was compounded by the use of hard toilet paper marked “government property”. Many staff brought in their own softer toilet paper.

Despite the dreariness of the place, many of the most important moments in post-war British economic history took place from GOGGS:

- The 1967 sterling devaluation, the 1976 IMF crisis, and the 1997 surprise announcement on central bank independence – they all feature a role for the building.
- But my favourite story is about the UK's exit from the Exchange Rate Mechanism in 1992 – Black Wednesday. To increase the dramatic effect, Chancellor Norman Lamont made the announcement from the drum;

- In this famous photo you can see Lamont's Special Advisor David Cameron (later PM) in the background.
- But also in the background there is something you *cannot* see. A former press office colleague told the story of how he was tasked with setting up the impromptu press conference. Only after he had let in the cameras did he noticed that Lamont would be standing next to a drain. Not the best location given that down the drain was precisely where sterling was going that day. But some quick thinking and a piece of tarpaulin saved the day.

### **Horse Guards Road**

Moving on to the next section, about Horse Guards Road. By the mid-1990s, the Conservative government had convinced itself that GOGGS could not continue in such a poor state of repair. A number of schemes were dreamt up.

Conservative Chancellor Ken Clarke saw attractions in the idea of leasing half the building as a tourist hotel - and using the proceeds to renovate the other side.

There was another plan to use a public-private scheme to temporarily move staff to a building in Vauxhall – so that GOGGS could be refurbished. However, the plan was ditched when a minister realised they wouldn't be able to make it back to Parliament in time for a vote.

No proposal could be agreed before the 1997 general election.

It was the incoming Labour government, in the years that followed, who overcome the constraints and undertake a major refurbishment, which transformed GOGGS. How did they manage it?

Two factors helped.

First, while Gordon Brown's immediate post-election focus was on spending restraint, particularly for the Treasury itself, by 1999 the pressure was ebbing away. As things loosened up, non-critical projects like GOGGS started to get the go-ahead.

Second, by using PFI financing, instead of meeting the whole cost of the refurbishment from the capital budget in one go, the Treasury initially only had to pay the much lower annual unitary fee.

This was a major refurbishment project. It required agreement from English Heritage and Westminster Council. The side of GOGGS facing the Park was newer. It was therefore considered more able to withstand intervention. This is why, when refurbishment started in 1999, staff first vacated the western end of the building.

The majority of Treasury staff moved into the eastern side of GOGGS. But not all of them could fit, so some teams had to move to a temporary office near Victoria Station called Allington Towers. At first no-one wanted to go there. So in the end the Permanent Secretary had to decide randomly who should go.

But over time, as colleagues visited Allington Towers, many realised that they had missed out. The open plan, air-conditioned, comfortable facilities were much better than those at GOGGS.

Foster and Partners were chosen as the lead architects. The brief was to create a modern office space suited to team working, and at the same time give the building a new feel and better infrastructure. The refurbishment was a major building project as this slide shows.

Work was finished in 2002. The Treasury then moved into the newly refurbished section of GOGGS - now known as 1 Horse Guards Road. The refurbishment of the eastern side of the building then followed and was completed in 2004. That side is now known as 100 Parliament Street.

Great effort went into restoring the Portland stone exteriors, with repairs using materials from the same quarry originally used almost 100 years earlier.

The lightwells were covered with lightweight roofing to make them into usable office space. In the inside of the drum, a fourth storey was added in, facing inwards.

The two larger courtyards on either side of GOGGS have been transformed with the use of trees, hedges and water features.

The refurbishment of GOGGS was not only about bricks and mortar. It was about creating a distinctly new working environment. John Brydon's original vision for GOGGS foresaw a more open office structure – unusually forward-thinking in the Victorian age – but much of that vision was lost when Tanner took over as chief architect. The Exchequer Partnerships concept has created a modern open plan office space, described as “an excellent example of an historic building that has been given a new lease of life through sensitive and imaginative redevelopment”.

The refurbishment also meant that the Treasury could no longer use the decrepit state of the building as a negotiating ploy during spending reviews. In fact, it is the opposite now. After the refurbishment, the heating is now supplied by the Whitehall heating scheme, which is under the Ministry of Defence. It is rumoured that during previous Spending Reviews the Treasury's heating has been mysteriously turned off around the peak days of negotiation!

### **Darlington Economic Campus**

So far, my history of Treasury buildings has been exclusively about London – here are all the locations together. But for some time there has also been a small presence outside the capital. The department has a longstanding link with Norwich, dating back to its responsibility for the Central Computer and Telecommunications Agency and then the Office for Government Commerce, which in 2000 became part of the Treasury Group. Even now, after these agencies have disappeared, there are still about 80 Treasury operational delivery staff in Norwich. They work on finance, sanctions implementation and human resources, co-located with similar functions for other departments. Since 2013 Treasury has also had a small office in Edinburgh.

The idea of a Treasury office in the North of England was first floated by the Labour Party in the run up to the 2019 general election. The following year, Chancellor Sunak announced the intention to create a Treasury outpost in the North, as part of his March 2020 budget, which announced that “the government will establish a significant new campus in the north of England focused on economic decision making, which will include teams from HM Treasury, DIT, BEIS and MHCLG” with over 750 staff.

But another much bigger change happened in March 2020.

The Covid-19 pandemic led to widespread lockdowns and new requirements for employees to work remotely. Across the UK economy a new way of working emerged which only a few years earlier would have seemed totally unimaginable. This affected the Treasury too, and in the process made multi-site working a lot more effective.

Once more events shaped the way Treasury organised itself. The then Permanent Secretary Tom Scholar told me that: "it was of course entirely coincidental that the pandemic happened just as the Treasury was starting to plan the new office outside London. But in retrospect the experience of working remotely through the lockdown was critical in helping the department make a success of the new office."

In Spring 2021 the Chancellor announced in the Budget speech that the chosen location for the northern campus was going to be Darlington, a market town in County Durham. The Treasury initially moved into a building called Bishopsgate House, sharing accommodation used by some other government departments already located there. In 2022, the now newly rebranded Darlington Economic Campus moved into a nearby building called Feethams House. This building is wholly occupied by government departments which make up the Campus.

The building houses over 1,000 officials from across departments, of which over 300 are from HMT. In 2026 the Campus will move to new purpose-built offices in Brunswick Street – and grow further.

Top members of the Treasury's leadership team are based in Darlington, including two members of the Executive Management Board.

One of the core benefits of the Campus is that it can act as a gateway to better policy innovation, diversity of thought, and new stakeholders. For example, staff in the Campus have an active engagement programme to exchange views and perspectives with businesses in the region.

The Campus leadership has also embraced the opportunities created by the much more diverse employment backgrounds in the local labour market. The Campus works with schools, colleges and universities in the wider region to promote the work of the Campus and attract future applicants.

But you do not need to take it from me – external evaluation of the Campus has also been positive. The Institute for Government published a report into the Campus two years ago, which found that officials liked the multi-department arrangements and that a strong cultural identity had already emerged. The Treasury's latest expansion outside of the South-East is proving a success already.

## **Conclusion**

I have covered a lot of ground tonight. So let me conclude.

From Westminster to Whitehall and from Norwich to Darlington, the history of the Treasury's buildings has been shaped by events.

It is a surprising and seldom-told story, because, as I have set out:

- Since the 17th Century, the Treasury has moved around repeatedly, but has never gone very far;

- Despite being one of the oldest institutions in the country, the Treasury most of the time has not had its own purpose-built premises;
- And it is only now – in the last few years – that the Treasury is finally expanding its footprint beyond Whitehall and across the rest of the country it serves. And that is very good news.

This month we commemorate 80 years since Prime Minister Winston Churchill declared victory in Europe at the end of the Second World War.

So I will finish with something he said, after the House of Commons was destroyed in the Blitz in 1941.

He said that “we shape our buildings, and afterwards our buildings shape us”.

I hope that one thing we can all take from my talk tonight is that the modern Treasury has been shaped by the history of its buildings.

Thank you very much.