

Meeting with Roger Gale MP to discuss the employment problems of the Isle of Thanet

PRIME MINISTER

In attached folder: Various leaflets on Thanet

October 1986

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
13.1.87							
27.1.87							
2.2.87							
10.2.87							
23.2.87							
26.2.87							
2.3.87							
18.5.87							

PREM 19/24/20



DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215
GTN 215) ...5.1.8.6..
(Switchboard) 01-215 7877

From the Minister of State for Industry

GILES SHAW MP

The Rt Hon Margaret Thatcher MP
The Prime Minister
10 Downing Street
London
SW1

18 May 1987

Dear Prime Minister

2

PM 21/5

mt

THANET

You asked to be kept informed of developments following your meeting and correspondence with Roger Gale earlier in the year.

Two proposals were left with this Department to pursue. The first was that English Estates should be asked to commission a survey of the potential for industrial and commercial property development in the area and the role that this could play in attracting employment. This is now in hand. English Estates has commissioned Drivers Jonas to undertake a survey; a meeting with the local authorities concerned has been arranged for early June to agree terms of reference. The intention is that this study should be completed within about three months from the date of that meeting.

The second proposal was that a Business Improvement Services package of schemes should be introduced in the Thanet Travel to Work Area. Officials here have, as you requested, been taking confidential soundings of the European Commission. From the discussions that have taken place so far, it appears that the prospects for success when we make a formal notification are good. I have, therefore, instructed officials to prepare the case that will be needed to support the proposal so that we are in a position to go formally to the Commission shortly after the election. Since that approach will almost certainly become a matter of public

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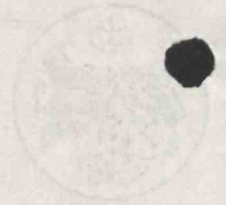
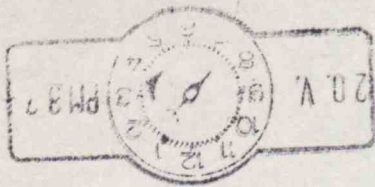


knowledge the Department of Transport will of course be consulted about the precise timing (and any associated announcement) in the context of the Channel Tunnel Impact Study. David Mitchell has indicated, however, that he no longer sees the need to delay our formal notification until after the publication of the study report and that there may indeed be advantage in dealing with the Thanet issue in advance.

I have given Roger Gale a progress report on both matters, underlining the confidentiality that still affects the proposal for a Business Improvement Services Scheme until we formally notify the Commission.

I am sending a copy of this minute to David Mitchell.

GILES SHAW



POST OFFICE

NEW YORK

Prime Minister (4)

cc DT1



Roger Gale, M.P.

House of Commons
London, SW1A 0AA
01-219 4343 (messages)
01-219 4021 (secretary)
Thanet 221233

2 March, 1987.

cf press mtg.

Rt. Hon. Mrs. Margaret Thatcher, MP
10 Downing Street,
London,
S.W.1.

23/3 1/5

J. in line Martin

Very many thanks for your letter of the 26th February.

I am most grateful to you for your continued interest in the problems of Thanet and shall, of course, keep in regular touch with Giles Shaw.

With my best wishes

Roger Gale

ms

ROGER GALE MP
NORTH THANET

PM: Riegel Gate Oct 86



COORDINATOR





file JD3AVP

CCMA
DTI

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

26 February 1987

Dear Roger

Thank you for your letter of 6 February. I am glad to have your reassurance on the point about confidentiality, and to note that you are keeping in touch with David Mitchell.

Your letter asked in particular about combining a simplified planning zone with a freeport at Manston. On the potential role of English Estates, it may help if I clarify precisely what we envisage asking them to do. We want them to look at the need for industrial and commercial property development in the area, with a view to stimulating jobs. Planning zones of course may stimulate economic activity and affect the market for property development, and this will certainly be taken into account in EE's survey.

Turning to freeports, when Barney Hayhoe announced the six sites to be designated in 1984, he mentioned that there were other applications which had also met the Treasury criteria for freeport status. However, he added that the Government had decided, for the purposes of the current five year experiment, to limit the number to six. To create a new freeport at Manston Airfield would therefore, I am afraid, run counter to our declared policy.

But there is of course no reason why Thanet Council should not consider the possibility of declaring a Simplified Planning Zone, possibly on the Manston Airfield site. As I said in my earlier letter, I am sure this would be very welcome to potential developers of Manston Airport. If the

Council wishes to pursue this idea they would need to approach the Department of the Environment.

You are, I know, aware of plans to develop the civil enclave at Manston. There are no current plans for development beyond this, but any other formal proposals made would, of course, be considered on their merits.

I hope you will continue to keep in touch with Giles Shaw, whom I have asked to keep me in the picture.

Yours

Rayant

CCBG



DEPARTMENT OF TRADE AND INDUSTRY
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LONDON SW1H 0ET

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GTN 215 5186...
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From the Minister of State for Industry

Private Secretary to
GILES SHAW MP

CB

Mark Addison Esq
Private Secretary to the
Prime Minister
10 Downing Street
London
SW1A 2AA

CR pl type

February 1987

Dear Mark

Thank you for your letter of 10 February enclosing correspondence from Mr Roger Gale MP about assistance to Thanet.

As requested, I enclose a draft reply for the Prime Minister's signature which takes account of contributions from the Treasury, MOD and DOE.

I am sending a copy of this letter to recipients of yours.

Yours sincerely
Malcolm McHardy
MALCOLM MCHARDY



AVP.

DRAFT REPLY TO ROGER GALE MP FOR SIGNATURE OF THE PRIME MINISTER

Dear Mr Gale

I am glad to

I was pleased to receive your letter of 6 February and note that you will continue as before to respect the confidentiality of the issues on which we are in touch. I would like in this letter to comment on your final paragraph. at Manston.

As regards the potential role of English Estates, it may help if I clarify precisely what we envisage asking them to do. We want them to look at the need for industrial and commercial property development in the area, with a view to stimulating jobs there. Planning zones of course may stimulate economic activity and affect the market for property development so they will be viewed in this context in EE's survey.

Turning to freeports, let me say that when Barney Hayhoe announced the six sites to be designated in 1984, he mentioned that there were other applications which had also met the Treasury criteria for freeport status. However he added that the Government had decided, for the purposes of the current five year experiment, to limit the number to six. To create a new freeport at Manston Airfield would thus run counter to our declared policy.



Because in defence no reason why

[Thanet Council might ^{should not} still like to consider the possibility of declaring a Simplified Planning Zone, possibly on the Manston Airfield site, ^{as I said in my 2012 letter.} As I said in my earlier letter this would provide for a relaxation of the planning regime along the lines of one aspect of an enterprise zone.

^{an} I feel sure ^{that} it would also be very welcome to potential developers of Manston Airport. If the Council wishes to pursue this line ^{idea they would need to get approval from the Department of Environment} it would be necessary for it to approach ~~the DoE.~~

Finally, ^{I know} you are aware of plans to develop the civil enclave at Manston. ^{at present} While there are no current plans for development ^{beyond this, but} over and above the civil enclave project any ^{other} formal proposals made would, of course, be considered on their merits.

~~You will wish to follow up as necessary with Giles Shaw (whom I have asked to keep me in the picture on developments).~~

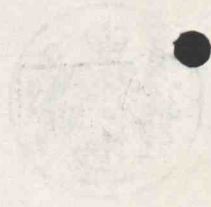
I hope you will continue to keep a hold with Giles Shaw, whom I have asked to keep me in the picture.

PM

MTRS WITH

R OULE MP

10/16



COMMERCIAL



Department of Employment
 Caxton House Tothill Street London SW1H 9NF
 Telephone Direct Line 01-213.....
 Switchboard 01-213 3000

Roger Gale Esq MP
 House of Commons
 LONDON
 SW1A 0AA

23 February 1987

D. Roger.

Thank you for your letter of 21 January about Thanet's employment difficulties. I am sorry not to have replied sooner but I was aware that the Prime Minister would be writing to you following your meeting on 13 January.

Neither of the possibilities you mention (an Enterprise Zone or a Freeport in Thanet) is directly in my area of responsibility but I will certainly seek to keep in touch with discussions on them within the Government. I see that the Prime Minister has referred to the difficulty of creating an Enterprise Zone in Thanet at the moment, but she has suggested consideration of a Simplified Planning Zone, which provides some of the same advantages.

I am fully aware of the current employment problems in Thanet, as you know. The purpose of my reference to Thanet in the debate on 20 January was to illustrate that the notion of a uniformly deprived North set against a wealthy South, was a distorted over-simplification of reality. The problems arising from industrial transformation know no broad regional boundaries, and the solutions must acknowledge this fact. As I commented when I last visited your constituency, however, I think it is possible to be more optimistic about the immediate outlook in Thanet than in some northern industrial cities because of Thanet's comparative proximity to the booming economy and the markets of London and the South East. Now that the economy is reviving so strongly nationally, the Government must help the people of Thanet to take advantage of that.

As the Prime Minister indicated, our South East Regional Director, Alan Yates, is considering, in conjunction with the Regional Directors of the Department of Environment and the Department of Trade and Industry, various responses to the specific problems of Thanet, including an Action for Jobs exhibition. Such an exhibition would publicise my Department's programme of employment, training and enterprise measures, which can be of great benefit to local people.



I hope you will take our proposals as an encouraging sign of the seriousness of our response to the problems of Thanet.

J. W. L.

KENNETH CLARKE



HOUSE OF COMMONS
LONDON SW1A 0AA



27th January 87.

Rt. Hon. Kenneth Clarke, QC. MP.,
Department of Employment.
Caxton House, Tothill Street.
London SW1.

Dear Ken -

I was particularly pleased that you felt able to place Thanet's particular difficulties on the record last night - many thanks.

As you know, I have long felt that if this corner of England is to compete on equal terms with these areas in receipt of Regional Aid and also with Northern France, then we must have, at the very least, an Enterprise Zone and Freeport established at Manston.

x |

I hope that, in light of your comments, you will feel able to lend your support to the inter-departmental working party that is looking at the possibilities.

Many Thanks,

Roger Gale, MP.
North Thanet.



PRESS RELEASE

MINISTERIAL RECOGNITION FOR THANET'S CASE.

Thanet's place in the priority order was recognized in the House of Commons this week by the Government's Paymaster General, Employment Minister Kenneth Clarke.

Concluding the economic debate for the Government the Minister said that there were areas of high employment in the North and -citing Thanet- areas of high unemployment in the South.

This recognition follows Kenneth Clarke's visit to Thanet last year at the request of North Thanet MP Roger Gale.

After the debate the MP commented: "Critics have said that the ministerial visits that I have arranged have been a waste of time and that Ministers do not understand our needs. Following Transport Minister David Mitchell's fact finding tour the Thanet Way Announcement was made and there is a fear of Civil Servants from the Department's of Trade & Industry, Employment, and Environment looking at proposals to meet Thanet's special case. The fact that Ken Clarke placed our situation so firmly on the record is very encouraging. In the face of French investment in Northern France it is vital that we create the right competitive climate in North East Kent and the Government can, of course, help with that. Ideally, I would like to see a business investment scheme -which attracts European money- Enterprise Zone and Freeport established adjacent to Manston Airport. We also need a stimulus to investment in all-weather tourist facilities and hotels. Given a shove in the right direction, I am certain that private enterprise can do the rest."





10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

10 February 1987

I attach a copy of a further letter which the Prime Minister has received from Mr. Roger Gale M.P.

I should be grateful if you could provide a draft reply for the Prime Minister's signature, to reach me by Tuesday 24 February.

I am sending a copy of this letter to Tim Walker (Department of Trade and Industry), John Turner (Department of Employment), Robin Young (Department of the Environment), Richard Allan (Department of Transport), John Howe (Ministry of Defence) and Alex Allan (HM Treasury).

(Mark Addison)

Malcolm McHardy, Esq.,
Office of the Minister of State,
Department of Trade and Industry.

R10pp.

Meeting: 13.1.87.

Roger Gale, M.P.

CFPPS

House of Commons
London, SW1A 0AA
01-219 4343 (messages)
01-219 4021 (secretary)
Thanet 21233 (a.m. only)



6 February, 1987.

The Rt. Hon. Mrs. Margaret Thatcher, MP,
10 Downing Street,
London,
S.W.1.

cc Bode
cc Davis
Bourne

John King Minter
2 feb.

Thank you for your letter and for the interest that you have been good enough to take in both the difficulties and the opportunities that face Thanet.

I am, not surprisingly, a little disappointed that it is not possible to take action on an Enterprise Zone immediately but I hope that it may be possible for this to be considered when the report is published in April. I also fully appreciate the need to take action in the light of the report of David Mitchell's Impact Study rather than to embark upon a precipitated scheme in advance of the publication of that report. I have had a word with David about this to ensure that we co-ordinate our efforts when the document is published in June/July.

I will, of course, regard your comments concerning a Business Improvement Service package as wholly confidential - as I have, indeed, regarded the rest of our discussions and correspondence.

I wonder if it would be possible to consider the scope of combining a Simplified Plan Zone with a Thanet Freeport at Manston? Perhaps the English Industrial Estates Corporation could contemplate this possibility as part of their over-view of the area?

With my best wishes.

ROGER GALE MP
NORTH THANET

PRIME MINISTER

MTG WITH

R GALE MP

18/16



10 DOWNING STREET

THE PRIME MINISTER

2 February 1987

Dear Roger,

When we met on 13 January to discuss the employment and other difficulties faced by the Isle of Thanet, I said that I fully understood your concern and was anxious to help if I could. I said we would consider very carefully what could be done.

As you know, action is already in hand on some points. Our firm intentions for the 1987/88 TSG settlement include acceptance for TSG of dualling Thanet Way, with work to start as soon as possible. Also accepted is the A253 Ramsgate Harbour Approach Road. On tourism, the English Tourist Board is responding positively to proposals from the District Council for a special showcase project to promote improvements in accommodation, and has recommended Thanet for special informal help with developing the area's tourism potential. I hope it will be possible to arrange an Action for Jobs exhibition to ensure that local businessmen and others are fully informed of Department of Employment measures available on employment, training and enterprise. As you know, I attended a presentation recently, and I am convinced these exhibitions can be of real practical benefit. These possibilities will be pursued in conjunction with the Working Party of Regional Directors which has already been established.

So a good deal is already happening. But we have, as you asked, considered a number of further ideas. One of the key points we have to bear in mind when considering new

Be VC

ADTI
R. Giles Shaw
Transport

Employment
DSE
RSD

measures is the work of David Mitchell's Joint Consultative Committee on the Channel Tunnel. As you know, he has commissioned a study of the Tunnel's economic impact on Kent. The report on this is expected in a few months time. Thanet is, of course, making a worthwhile contribution to this, and if you feel that it needs strengthening, I hope you will speak directly to David. Of course, not all of Thanet's problems are linked to the Tunnel project, but the action taken to capitalise on the opportunities for business which the Tunnel will create may well be relevant to solving those problems. This is very much the essence of the impact study and it might be counter-productive to introduce assistance measures for Thanet or other areas of Kent piecemeal in advance of the Report.

I have nevertheless asked the Department of Trade and Industry to explore further the possibility of introducing the Business Improvement Services package of schemes in the Thanet Travel-to-Work-Area, and to take confidential soundings of the EC Commission (whose approval would be required) about this in advance of a formal notification. I know that you too will not disclose the possibility at this stage. The DTI will also be considering with the English Industrial Estates Corporation whether it would be sensible for the corporation to give advice, or to commission a consultancy report, on the extent to which further development by the private sector of industrial and commercial properties would stimulate the local economy of Thanet. They will of course wish to link in with the Impact Study mentioned above.

At our meeting we also touched on Enterprise Zones. We have looked at this idea carefully, but I am afraid we have concluded that it would not be right to create one in Thanet at this stage. Although an informal approach for an EZ there has been made, proposals for new sites are not being considered until we have the results of a report by consultants on the success or otherwise of the EZ experiment nationally. This report is expected in April. However, one

option would be for Thanet to explore the scope for designation of a Simplified Plan Zone (SPZ). SPZs have a similar planning regime to EZs but without accompanying tax relief or rate holidays. You may wish to follow this up with the local Council.

I hope you find these suggestions helpful. I am sure your best course would be for you to keep in close touch with Giles Shaw about the points which his Department are following up, and I have asked him to keep me informed about the progress being made.

*Yours
Rayant*

Roger Gale, Esq., M.P.



10 DOWNING STREET

CR

DTI agree with Ark

M checked with DTI to see whom

Ark should be copied to.

I think it should go to everyone
I copied in on my record of
the meeting with Roger Gale.

	MEX
DT ✓	D/SA ✓
DOE ✓	D/trans ✓
MOD ✓	TSG ✓
Mr Shaw	
DTI	

PRIME MINISTER

THANET

The DTI, with other Departments, have looked into the possibilities of helping Thanet following your meeting with Roger Gale. The attached report shows that they have gone into the matter carefully, though the conclusions they reach will not, I am afraid, meet Mr. Gale's aspirations.

There are two main difficulties in going further:

- (i) David Mitchell fears that the work of his joint consultative committee on the impact of the Channel Tunnel would be gravely damaged if one of the Kent areas were allowed to go off on its own at this stage;
- (ii) some of the ideas put forward at the meeting (for instance the proposal for an enterprise zone) would preempt the conclusions of Government reviews now under way into the effectiveness of such schemes. Allowing Thanet to go ahead at this stage would be impossible to defend to the many other disappointed applicants.

However, the report nonetheless confirms that, in terms of a general index of unemployment and "deprivation", Thanet has a very good case for being the next area in line for help. (Though of course that argument of itself is not ~~and~~ could not be a decisive one.) The DTI, despite the difficulties, have, I think, come up with a number of useful - and one or two controversial - proposals to offer Mr. Gale.

A draft reply for your signature is below, setting out the conclusions Departments have reached. The folder also contains the full briefing provided by DTI. You certainly do

not need to look at all of this, though the 12 page analysis at the front gives a useful run-down of the pros and cons of each of the proposals this review looked at.

David Mitchell is content that you should reply in the terms suggested to Roger Gale.

M.E.A.

MARK ADDISON

30 January 1987

VC4AMN



DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 5186

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From the Minister of State for Industry

Private Secretary to
GILES SHAW MP

Mark Addison Esq
Private Secretary
Prime Minister
10 Downing Street
London
SW1

27 January 1987

Dear Mark

THANET

As requested in your letter of 13 January, I enclose a report co-ordinated by officials, and a draft letter for the Prime Minister to consider sending to Mr Gale.

The report makes a number of proposals, including several which were not covered at the meeting. It is unable to recommend the creation of an Enterprise Zone, but does draw attention to the Simplified Planning Zone procedure and offers a consultancy report, through English Industrial Estates, on the scope for further development by the private sector of commercial and industrial properties.

On the Business Improvement Services, the report sets out the cost and case for extending the schemes to Thanet. It assesses the chances of Commission approval for BIS investment aid in a non-assisted area. It also draws attention to the competing case for such treatment in other non-assisted Travel to Work Areas. If these considerations were not considered to be overriding then the next step would be to extend earlier informal discussion with the Commission to specific consideration of the Thanet case. This should also be on an informal and confidential basis.

The most difficult issue is that of timing. Mr Mitchell has written to Mr Shaw about the damage which special action for Thanet now could inflict on the Joint Consultative Committee and through that on parliamentary consideration of the Bill. This is a compelling point. The draft letter is written in terms which recognise this, whilst being as positive as possible. Although the draft does not suggest that Mr Gale should not give publicity to the correspondence you may wish to consider adding such a request.

Yours ever
Malcolm Mchardy
MALCOLM MCHARDY

1WECFS

Roger Gale Esq MP
House of Commons
London
SW1A 0AA

VC4AM0

~~FILE~~

January 1987

When we met on 13 January to discuss the employment and other difficulties faced by the Isle of Thanet, I said that we would consider further what could be done, to help.

I fully understand your concern and want to help if I could. My deputy

To deal first with points on which action is already under way, our firm intentions for the 1987/88 TSG settlement include acceptance for TSG of dualling Thanet Way, with work to start as soon as possible. Also accepted is the A253 Ramsgate Harbour Approach Road. On tourism, the English Tourist Board is responding positively to proposals from the District Council for a special showcase project to promote improvements in accommodation, and has recommended Thanet for special informal help with developing the area's tourism potential. The possibility exists of an Action for Jobs exhibition to ensure that local businessmen and others are fully informed of Department of Employment measures available to the unemployed. These possibilities will be pursued in conjunction with the Working Party of Regional Directors which has already been established.

// So a good deal. Myra knew I attended a presentation recently, and I am convinced this shows that much is already happening. These exhibitions can be of real practical benefit.

We have also considered further ideas. At our meeting we touched on Enterprise Zones. I do not believe that it would be right to create one in Thanet at this stage. Although an informal approach for an EZ there has been made, proposals for new sites are not being considered until we have the results of a report by consultants on the success or otherwise of the EZ experiment nationally. This report is expected in April. However, Thanet may wish to explore the scope for designation of a Simplified Plan Zone (SPZ). SPZs have a similar planning regime to EZs but without accompanying tax relief or rate holidays. You may wish to follow this up with the local Council.

Looking now at measures which have a public expenditure impact, we have to bear in mind the ongoing work of David Mitchell's Joint Consultative Committee on the Channel Tunnel, which, as you know, has commissioned a study of the Tunnel's economic impact on Kent. The report on this is expected in a few months time. Thanet is, I know, making a worthwhile input into this, but if you feel that it needs strengthening, do speak directly to David. Of course, not all of Thanet's problems are linked to the Tunnel project, but the action taken to capitalise on the

We have looked at the idea carefully, but I am afraid we have concluded

opportunities for business which the Tunnel will create may well be relevant to solving those problems. This is very much the essence of the impact study and ~~I am concerned~~ that it might be counter-productive to introduce assistance measures for Thanet or other areas of Kent piecemeal in advance of the report.

I have nevertheless asked the Department of Trade and Industry to explore further the possibility of introducing the Business Improvement Services package of schemes in the Thanet Travel-to-Work-Area, and to take confidential soundings of the EC Commission (whose approval would be required) about this in advance of a formal notification. I know that you too will not disclose the possibility at this stage. The DTI will ~~also~~ ^{will also be} consider with the English Industrial Estates Corporation whether it would be sensible for the corporation to give advice, or to commission a consultancy report, on the extent to which further development by the private sector of industrial and commercial properties would stimulate the local economy of Thanet. They will of course wish to link in with the Impact Study mentioned above.

~~I suggest that you keep in touch with Giles Shaw about these DTI possibilities.~~

I hope you find these suggestions helpful. I am sure you best course would be for you to keep in ^{close} touch with Giles Shaw about the points which his Deputies are following up, and I have asked him to keep me advised about the progress being made. ~~I think an idea it would give these suggestions the best chance of success if the convergence~~

PRIME MINISTER

THANET

The DTI, with other Departments, have looked into the possibilities of helping Thanet following your meeting with Roger Gale. The attached report shows that they have gone into the matter carefully, though the conclusions they reach will not, I am afraid, meet Mr. Gale's aspirations.

There are two main difficulties in going further:

- (i) David Mitchell fears that the work of his joint consultative committee on the impact of the Channel Tunnel would be gravely damaged if one of the Kent areas were allowed to go off on its own at this stage;
- (ii) some of the ideas put forward at the meeting (for instance the proposal for an enterprise zone) would preempt the conclusions of Government reviews now under way into the effectiveness of such schemes. Allowing Thanet to go ahead at this stage would be impossible to defend to the many other disappointed applicants.

However, the report nonetheless confirms that, in terms of a general index of unemployment and "deprivation", Thanet has a very good case for being the next area in line for help. (Though of course that argument of itself is not ~~or~~ could not be a decisive one.) The DTI, despite the difficulties, have, I think, come up with a number of useful - and one or two controversial - proposals to offer Mr. Gale.

A draft reply for your signature is below, setting out the conclusions Departments have reached. The folder also contains the full briefing provided by DTI. You certainly do

not need to look at all of this, though the 12 page analysis at the front gives a useful run-down of the pros and cons of each of the proposals this review looked at.

David Mitchell is content that you should reply in the terms suggested to Roger Gale.

MARK ADDISON

30 January 1987

VC4AMN

WHAT MIGHT BE DONE TO ASSIST THANET?INTRODUCTION

After the Prime Minister's meeting, on 13 January, with Mr Roger Gale MP officials were asked to set out proposals for what might be done. They were to include consideration of the possible measures discussed at the meeting.

TIMING

2 The Channel Tunnel Joint Consultative Committee bears on the timing of any special assistance for Thanet. This was noted at the 13 January meeting. The Prime Minister will wish to consider the attached letter of 21 January (Annex A) from Mr Mitchell to Mr Shaw which strongly emphasises the point. The Consultative Committee has had considerable success in persuading East Kent local authorities (including Thanet) to pursue their pleas for assistance through the Study rather than individually. If the Government were now to announce special assistance for one of the participating areas, the credibility of the Study would be destroyed. This would open the door to individual approaches including petitions on the Channel Tunnel Bill which will shortly be before the Select Committee in the House of Lords. It is hoped that the Committee will complete its work by Easter. The Consultative Committee should report in July.

3 A less acute issue is that in the spring we expect the employment base for TTWAs to be changed from the 1981 to the 1984 Census. It is conceivable that the ranking of certain TTWAs will change. This could affect the nature of the argument to be deployed on behalf of Thanet.

CONCLUSIONS

4 The following conclusions are submitted for approval:-

- (a) That an Enterprise Zone and Freeport could not be justified (paragraphs 5-8);
- (b) That English Estates should be invited to commission a consultants' report on the scope for private sector involvement in further development of industrial and commercial properties to stimulate the local economy in liaison with the Joint Consultative Committee on the Channel Tunnel (paragraphs 9-11);
- (c) That the option of a Simplified Planning Zone designation be drawn to Mr Gale's attention (paragraphs 12-13);
- (d) That a decision be taken in principle to extend the Business Improvement Services (BIS) to Thanet subject to Commission approval (paragraphs 14-20);

- (e) That officials should discuss in confidence the Thanet BIS case with the Commission (paragraphs 17-18);
- (f) That the strong reaction which (d) may provoke from other areas in England should be noted (paragraph 19);
- (g) That when the Commission's informal view has been obtained Ministers should consider further the timing of a BIS package for Thanet in relation to the Channel Tunnel Impact Study;
- (h) That the current status of Thanet Way be reaffirmed (paragraph 21);
- (i) That Regional Directors continue to develop local initiatives where possible, including those referred to at vii) and viii) below;
- (j) That the Prime Minister consider writing to Mr Gale the terms of the attached draft letter.

THE MEASURES

●) Enterprise Zone (EZ) (See Annex B for details)

5 Enterprise Zones were set up as an experiment which is now half-way through. Twenty-five Enterprise Zones were designated in 1980 with an exchequer cost of (150m and a further (172m in public investment in the Zones. Doubts have been expressed about the value for money of the experiment, notably by the PAC in summer 1986. A major research report evaluating the Zones is due in April. On the evidence meanwhile, officials consider them to have been reasonably effective in securing physical regeneration, particularly in derelict areas (which Thanet is not) and in attracting existing business activity. They do not appear to have been good generators of new jobs. Moreover, the success of Zones seems in large part related to the vigour and effectiveness of the Enterprise Zone authority, which in this case would be Thanet district council about which Mr Gale's Aide Memoire is unflattering. A note on RAF Manston is at Annex C.

RECOMMENDATION

6 That an Enterprise Zone would be inappropriate

ii) Freeport (See Annex D)

7 Mr Gale's Aide Memoire associates freeport status with a

possible Enterprise Zone. Officials nevertheless considered the Freeport possibility. Freeports have not in general been a success. Only 55 persons are employed in the three operational freeports and few of these jobs are additional. The Government's policy is not to consider further designations until the five year experimental period is completed in 1989.

RECOMMENDATION

8 That Freeport status would be inappropriate.

iii) English Industrial Estates Corporation

9 English Estates, a statutory body, undertakes and promotes industrial and commercial property development to create employment opportunities. It is Ministerial policy that they should do this only in the Assisted Areas; development work elsewhere would be at the expense of their Assisted Areas activity. (English Estates' exceptional involvement at Chatham (a non-assisted area) stems from the Government ownership of the ex-dockyard site where 7000 jobs previously existed. English Estates are required by Ministers to redevelop the Dockyard with the private sector).

10 There might, however, be scope for English Estates to commission a consultants' report to investigate whether the further development of industrial and commercial properties would stimulate the local economy; and report on the scope for private sector involvement. This should not imply that English Estates would themselves undertake such development. English Estates should be invited to undertake this, if agreed, in liaison with the Joint Consultative Committee on the Channel Tunnel.

RECOMMENDATION

11 That the offer should be made, through Mr Gale, of an English Estate's commissioned report.

iv) Simplified Planning Zone (SPZ) Designation

12 Thanet District Council might consider using the Simplified Planning Zone procedure. This would provide a relaxation of the planning regime (one characteristic of an Enterprise Zone). The relevant provision of the Housing and Town Planning Act 1986 will be in force before summer this year.

RECOMMENDATION

13 That the option of an SPZ be drawn to Mr Gale's attention.

v) Business Improvement Services (BIS)

14 BIS would no doubt be welcome in Thanet and appropriate to the local need for fostering small businesses. It would be very much a second best to Assisted Area status since it would not attract the "investment from European funds" which Mr Gale's Aide Memoire recognises is a benefit of the latter.

15 Officials have considered a BIS package for Thanet on the lines of that provided for West Cornwall when the mine ceased production. (See Annex E which gives details of BIS and the West Cornwall brochure is attached to it). There are three principal considerations:-

(a) Cost and Staffing

16 Cost is difficult to estimate and would depend on take-up. Experience elsewhere suggests that if the schemes were open for commitments to be made in each of three years then payments would be about £65,000, £185,000, £250,000, £185,000 and £65,000 in successive twelve month periods from the start of the scheme. Total cost £750,000. The Department of Trade and Industry PES and in particular the regional budget is under severe strain - hence the waiting period for RDGII payments. The schemes would require three people to operate them.

(b) EC Commission

17 Notification would be necessary. The sticking point for approval could well be the investment aid element in a non-Assisted Area. Removal of this element would reduce the cost of the package by about a quarter; it would also remove the element of the scheme most directly related to employment creation.

18 Informal discussion in general terms with Commission officials suggests that a case might conceivably be made. The next step would be to extend this discussion to the specific case for Thanet (on the lines set out in Annex F). It is unlikely that the existence of such a discussion would leak from the Commission and it would be unhelpful if there were publicity at that stage in the UK. The purpose of the discussions would be to establish how best to present a formal notification. An announcement might be made at the time of formal notification, but implementation would remain subject to Commission approval. The chances of success are not high and Ministerial pressure would probably be required.

(c) The Case for Thanet and for Similar Measures Elsewhere

19 The provision of BIS to Thanet could well be controversial:-

- (a) in those areas where the existing BIS is running out of funds. The answer - not easy - would be to point out that they have had their special scheme, and - in most cases - they have Assisted Area status;
- (b) in the Assisted Areas who do not have BIS and want it. The answer would be to point out that they have Assisted Area status; Thanet suffers an unemployment rate comparable to a Development Area;
- (c) Other non-assisted TTWAs in England who also have unemployment rates comparable to those in the Assisted Areas. This is the most difficult category. Annex G shows the ranking of the worst such TTWAs by various unemployment measures and the more comprehensive (and confidential) "synthetic index". The case for special treatment for Thanet can be made, but it is not overwhelming (Annex F). One option would be to include Skegness which in some respects has a better case. (The cost would be less than for Thanet). On the other hand, one exception may be easier to defend than two, and the

task of persuading the Commission to approve it could be more difficult.

RECOMMENDATION

- 20 (a) That Ministers should endorse BIS for Thanet on the basis set out above;
- (b) That they should confirm that they wish to do so for Thanet alone;
- (c) That officials should take further their confidential discussions with the Commission with a view to making a formal application if there is any prospect of success.

vi) Thanet Way Completion

21 The best means of ensuring at this stage that Thanet Way is completed on schedule would be to restate the position in the Prime Minister's reply. It is the Government's firm intention for the 1987/88 TSG settlement to include dualling for Thanet Way. Kent plan to start work as soon as possible early next year. Also accepted for the first time is the A253 Ramsgate Harbour Approach Road on which work is due to start later this year.

vii) Action for Jobs Exhibition

22 An exhibition could be arranged in Thanet to inform local businessmen and others of the full range of employment, enterprise and training measures available to the unemployed. The Department of Employment would need to consult with local bodies whose co-operation would be required.

RECOMMENDATION

23 That this possibility be pursued in consultation with the Regional Directors' Working Party.

viii) Tourism

24 Selective Financial Assistance for Tourism projects is available under Section 4 of the Development of Tourism Act 1969 (see Annex H). Only a handful of projects in Thanet have been supported in the last three years. Application procedures said to be too daunting for smaller projects; and the English Tourist Board/regional tourist board standards too high.

25 The English Tourist Board is responding positively to proposals from Thanet District Council for a special showcase project to promote accommodation improvements. A run-down guest house would be bought by the council and upgraded with ETB advice

and financial help to show hoteliers what can be achieved. The project is still under discussion between ETB and local interests.

26 Tourism Development Action Programmes (TDAPs) were introduced by ETB to encourage local authorities to develop Tourism potential. TDAPs take the form of the package of development, marketing and research initiatives funded from various sources. Twelve TDAPs are in operation. The Thanet bid for support was unsuccessful but was commended for special informal help.

RECOMMENDATION

27 That the foregoing possibilities for assisting tourism be pursued in conjunction with the Regional Directors' Working Party.

DEPARTMENT OF TRADE AND INDUSTRY
Investment & Development Division
26 January 1987

AS4AAI



MINISTER
FOR PUBLIC TRANSPORT

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

Giles Shaw Esq MP
Minister of State
Department of Trade and Industry
1 Victoria Street
LONDON
SW1H 0ET

21 January 1987

Dear Giles,

Your office has been asked by the Prime Minister's office to coordinate a report on what might be done to help the Isle of Thanet.

I see from Mark Addison's letter of 13th January to Malcolm McHardy that the existence of the Kent Impact Study was drawn to the Prime Minister's attention, but perhaps the aim and the nature of the Study were not fully explained. Under the auspices of the Channel Tunnel Joint Consultative Committee which I chair, the Study is examining the opportunities and assets of Kent, and the way in which they can be realised in the context of the Channel Tunnel. We have had considerable success in persuading East Kent local authorities (including Thanet) to pursue their pleas for assistance through this Study rather than individually. If the Government were now to announce special assistance for just one of the participating areas, the credibility of the Study would be destroyed, and we should open the door to individual approaches - including petitions on the Channel Tunnel Bill which will shortly be before Select Committee in the House of Lords.

I would therefore urge most strongly that any special assistance which the Government might be minded to offer to Thanet should be presented as part of our response to the Impact Study report. In the meanwhile, perhaps the Prime Minister could say that she was asking the Impact Study team to pay special attention to the needs of Thanet?

Yours ever
David
DAVID MITCHELL



ENTERPRISE ZONES/SIMPLIFIED PLANNING ZONES

1. An Enterprise Zone (EZ) for Thanet has been suggested.
2. Enterprise Zones are an experiment designed to test how far fiscal incentives and the relaxation of bureaucratic controls, notably planning control, can stimulate private sector activity. The first 11 zones in the UK were designated in 1981/82, a second tranche of 14 zones in 1983/84 and extensions to 3 of the first tranche during the period 1983 to 1985. Since then, with the exception of an extension to the North West Kent Zone to include part of the former naval dockyard at Chatham, which flowed from a commitment made when the zone was originally designated, no zones have been created or extended.
3. Doubts have been expressed about the value for money of the experiment, notably by PAC in summer 1986. A major research commission to evaluate the zones is due to report in April; meanwhile on the evidence available at present, officials believe them to have been reasonably effective in securing physical regeneration, particularly in derelict areas (which Thanet is not) and in attracting existing business activity. But they do not appear to have been good generators of new jobs. Success of zones seems in large part to be related to the vigour and effectiveness of the EZ authority, which would in this case be Thanet district council.
4. They are expensive. The Exchequer cost of direct zone measures in Great Britain to December 1985 is estimated at £150 million with a further £172 million in public investment in the zones.
5. Thanet, although they have made no formal application, is one of 15 requests for an EZ or for an extension to an existing EZ. All have been told that there are no plans at present to designate any new EZs.
6. It would be impossible to accede to Thanet's request without reactivating the other 14 requests, particularly those from Swale, Shepway, Dover and Canterbury which were made in response to the Channel Fixed Link proposals, and, probably, generating many more.
7. An alternative which Thanet might consider is to declare a Simplified Planning Zone under the Housing and Planning Act 1986. Such a zone could carry with it the planning freedom characteristic of EZs, though not the fiscal benefits.

Department of Employment

January 1987



RAF MANSTON

1 RAF Manston is a Master Emergency Diversion Airfield. It houses the following permanent RAF units:

No 22 Squadron - Search and Rescue Helicopters
No 1 Air Experience Flight (Chipmunks)
No 617 Gliding School
Air Force Fire Service Training School

2 Civil aviation has featured at RAF Manston since the Second World War, the main traffic being cargo and foreign registered aircraft. A civil enclave was established at Manston during the 1970s and was operated by Invicta Airlines until Invicta was taken into Receivership in 1982. Operation of the enclave was then taken over by Seabourne Aviation Limited (SAL). SAL is in discussion now with the Property Services Agency to develop and extend the facilities at the civil enclave. An element of the agreement to be drawn up will be the lease of land from the MOD at the airfield. SAL's target over the next 3-5 years is to invest some £3 million in the enclave project and to cater eventually for 100,000 tons of cargo and up to one million passengers.

3 There are no plans at Manston for development other than the civil enclave project. In drawing up a planning development brief in September 1985, Thanet District Council made clear that any development on the airfield site must be for aviation and aviation-related purposes. In practical terms there is little scope for building on the airfield without impinging upon flight safety issues and security for the RAF operation. However, any formal proposals for development over and above the civil enclave will be considered on their merits.

MOD

January 1987

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FREEPORTS

The designation of freeports was intended as an experiment to test their usefulness as a stimulus to economic development in the UK.

Viability Test

A Working Party which examined the freeport concept concluded that there were no tariff advantages available in freeports under EC legislation which were not available in the UK under existing customs procedures. It was, however, recognised that there could be possible marketing advantages in the concept and for that reason the Working Party recommended that some experimental sites be designated as freeports.

In 1983 the Treasury published the criteria used in judging applications for freeport status. These included

- a) evidence of sufficient financial backing to avoid any need for Government support
- b) evidence of substantial demand for freeport facilities from firms established or intending to establish within the proposed freeport zone.

In short there had to be proof of potential economic viability.

Some 45 applications were received. These included one from Sally UK Holdings Limited for a freeport at Manston airport. That application was turned down because there was no evidence of trader demand in the submission and because the MOD (which owns the airport and the proposed site) indicated at that time that it would not release the land for the freeport. To date the 6 freeports designated in 1984 have not been a resounding success: 2 (Belfast and Cardiff) have yet to open for business, 1 (Prestwick) opened in September 1985 but was forced to cease trading in October 1986 because of cash flow difficulties, 1 (Birmingham) opened on 28 November 1986 but so far has only two users; the remaining 2 (Southampton and Liverpool) have a number of users and, in the case of Liverpool, an annual "throughput" of £60m of goods, but even they are not yet viable operations in their own right.

Not Job Creation Initiative

The freeport experiment was not presented by the Government as a job creation or employment initiative. In fact only 55 persons are currently employed in the three operational freeports, and few, if any, of those jobs are additional.



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Government View on Creation of More Freeports

The Government has maintained the line that further designations will not be considered until the 5 year experimental period is completed (in 1989). This is because :

- a) to designate additional freeports would raise the question why those and not others (eg Aberdeen, Tilbury and Felixstowe which were recommended recently by the Adam Smith Institute)
- b) there has been considerable public criticism of the freeport regime (particularly by the freeport operators) and the poorer than expected performance of the present sites
- c) the support for the introduction of new freeports (notably the Adam

Smith Institute) has as a precondition that important changes be made to the freeport regime. Many of those changes are unacceptable to HM Customs and Excise because they would infringe EC rules and/or would create unfair advantages over traders outside freeports.

Newly designated freeports would hardly have time to get started before the experiment is reviewed.



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FRENCH FREE ZONES

The French do not have classic freeports of the UK type because they believe that the disadvantages of the freeport regime - closing off and policing an area and the accompanying bureaucracy - outweigh the benefits. Instead they have a customs warehousing scheme (the rules of which fall under a different EC directive to freeports) called 'magasin franc'.

The French 'magasins francs' do not have the incentives offered by the enterprise zone regime in the UK. To combine freeport and enterprise zone privileges in one place would inevitably lead to demands for combining the privileges in other freeport/enterprise zones. Apart from the additional cost to the Exchequer (see section on enterprise zones) it would complicate the present task of evaluating the two separate experiments.

HMT
Jan 87



Business Improvement Services (BIS) is a package of schemes to generate new economic activity through assistance to small businesses in certain areas of industrial decline.

There are eleven schemes, of which five offer grants directly to small firms (up to 200 employees). These five provide assistance for consultancy on management, market research, innovation, common services and aid to investment (the latter being limited to firms with 25 or fewer employees). The other six schemes offer grants to those providing services to small firms (common services, market research, risk capital appraisal, technology data bases etc).

The schemes are operated as part of a 5 year programme of specific European Community measures to help relevant areas, which in the case of the UK are steel, shipbuilding, textile and fisheries areas - almost exclusively within the Assisted Areas. Funds provided by the Commission for these schemes will be exhausted during the course of 1987 and the Regulation under which they were provided has lapsed.

BIS type schemes operate in West Cornwall, also an Assisted Area. These were introduced as a special measure to alleviate the problems following the cessation of production of Geevor Tin Mine. They are funded entirely by HMG and £1m was made available for commitments by 31 March 1990. The percentage rate of grant for the various scheme elements ranges from 15% to 50% in Cornwall. (See attached brochure).

BIS has been very well received by industry. It is premature for a full evaluation to be possible - and difficult in the case of consultancy - but preliminary indications are that it is a cost effective job creator.

There have been demands for the extension of BIS in those areas where funds are running out and for its extension elsewhere. Funds are not available to do this. Extension would require Commission approval; extension outside the assisted areas would present problems with the Commission if the package retained investment assistance. Thanet falls into the latter category.

DTI
Investment and Development Division

January 1987

RESTRICTED



THE CASE FOR THANET

Thanet's economic difficulties lie in the decline of its traditional longstay seaside holiday industry. The tourist facilities are run-down and lost business has not been compensated for, either by sufficient growth in the day trip or short break markets or by industrial and commercial development. The area is remote, with poor road and rail communications making it unattractive both for the industrialist and the potential tourist market. The workforce is poor in skills and lack of institutions for advanced skill training adds to its deficiencies in the eyes of potential employers.

The Thanet TTWA has a long history of high unemployment. The December 1986 figure was 20.5 per cent (just over 8,000 people) and whilst there is a slight seasonal effect this is not marked. (The lowest monthly figure in 1986 was July with 19.3 per cent). The area ranks high on the synthetic index of economic deprivation, and has high indices of social deprivation, too.

The position is one of steady decline with 9 major firms having closed in Thanet since 1980, with the loss of 1,250 jobs. A further 390 jobs are certain to be lost over the next nine months. In addition, one of the Kent coalfield pits is to close shortly with the loss of 450 jobs. The future of the remaining 900 jobs on the coalfield is uncertain. Channel Tunnel construction may provide some alleviation of the position over the next few years, but the site is some 20 to 30 miles from Thanet. Long term, the Tunnel is likely to worsen matters, since current and planned communication infrastructure points north west from the Tunnel mouth and away from Thanet, and existing employment in cross-channel services could be threatened.

In such circumstances, some form of positive help is required if any attempt is to be made to redress the decline and help recreate confidence in the area. Without better communications to the Tunnel entrance Thanet cannot be seen as likely to attract major manufacturing or service development (unless the latter were linked to a renewal of the tourist industry). The main possibility for industrial and commercial growth seems to be through the encouragement of existing small businesses.



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ANNEX G

EIGHT 'WORST' NON-ASSISTED AREAS IN ENGLAND* RANKED
ACCORDING TO AN INDEX OF OVERALL DISADVANTAGE (COL 5)

	U86(1)	U84(1)	LTU86(3)	LTU84(4)	INDEX86 (5)
Thanet	2	2	1	1	1
Skegness	1	1	5	8	2
Worksop	4	6	2	3	3
Bideford	3	4	3	5	4
Pendle	8	5	8	7	5
Wisbech	5	3	4	2	6
Wakefield & Dewsbury	7	7	6	6	7
Castleford & Pontefract	6	8	7	4	8

- (1) U86 average unemployment over 12 months to Nov 86
(2) U84 average unemployment over 12 months to Jul 84
(3) LTU86 Long term unemployment rate October 86
(4) LTU84 Long term unemployment rate July 84
(5) INDEX86 Synthetic index as at October 86 (comprises variables the most important of which are unemployment, long term unemployment, occupational structure and industrial structure)

* BIS applies only in England and Wales; a similar scheme is available in Scotland.



SECTION 4 ASSISTANCE TO TOURISM PROJECTS

General Background

1. The English Tourist Board runs, in conjunction with the non-statutory regional tourist boards, a scheme of selective financial assistance for tourism projects under Section 4 of the Development of Tourism Act 1969. Under this Section of the Act, the Board has powers to give financial assistance to any project which in its opinion provides or improves tourist amenities in England, in accordance with "arrangements" approved by the Department of Employment and Treasury.
2. The ETB scheme is open to capital tourism projects in all parts of England. Certain public sector organisations as well as private sector operators are eligible to apply. A wide range of tourism projects can be considered provided that they are mainly for the benefit of tourists (this can include day visitors as well as overnight stays) and meet the policy objectives and criteria of the scheme. Assistance is normally in the form of a grant (although loans, interest relief grants and equity purchases can be considered). Aid is discretionary and is set at the minimum level necessary to enable the project to go ahead as planned. The ETB will not usually offer assistance in excess of 20% of project cost - subject to a normal maximum public sector contribution of 50%. However, the average rate of assistance has been lower, currently in the region of 13-14%. The ETB approves some 500-600 applications a year. Expenditure under the scheme is cash limited and the provision for the ETB Section 4 scheme in 1986/7 totals £9.4m, compared with £7.9m in 1985/6. Future levels of funding have yet to be agreed with the ETB.
3. Within the overall scheme, the ETB has simplified "streamlined aid" procedures for projects costing up to £100,000. There are seven categories of project particularly favoured under these arrangements, including serviced accommodation, self-catering and visitor attractions. The Regional Tourist Boards are responsible for appraising such cases and they can take account of local tourism priorities in considering cases although the ETB is ultimately responsible for deciding whether or not assistance is justified.

Section 4 in Thanet

4. Despite the pressing need for modernisation and upgrading tourist accommodation and facilities in the coastal resorts of Margate, Ramsgate and Broadstairs, only a handful of projects in Thanet have been supported under the Section 4 scheme in the last three years. A number of reasons have been put forward for this: that the application procedures, even under streamlined aid, are too daunting for small projects and that the standards required by the regional tourist board and ETB are too high.



Whilst not necessarily accepting these criticisms, the ETB is conscious of the problems facing small businesses in Thanet and similar traditional seaside resorts. It is therefore responding positively to proposals from Thanet District Council for a special initiative to promote accommodation improvements. Under this, the Council is to purchase a small, run-down guest house and upgrade it, with ETB advice and financial help, to demonstrate to hoteliers what can be achieved and at what cost. Although the property would eventually be sold for tourist use, it would be used for a period as a showcase project linked with management training courses and advisory services designed to encourage small hoteliers to consider modernising their property. Where appropriate they would be advised on how to apply for Section 4 aid. The scheme is, at present, still under discussion between ETB, the Council and other local agencies.



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TOURISM DEVELOPMENT ACTION PROGRAMME

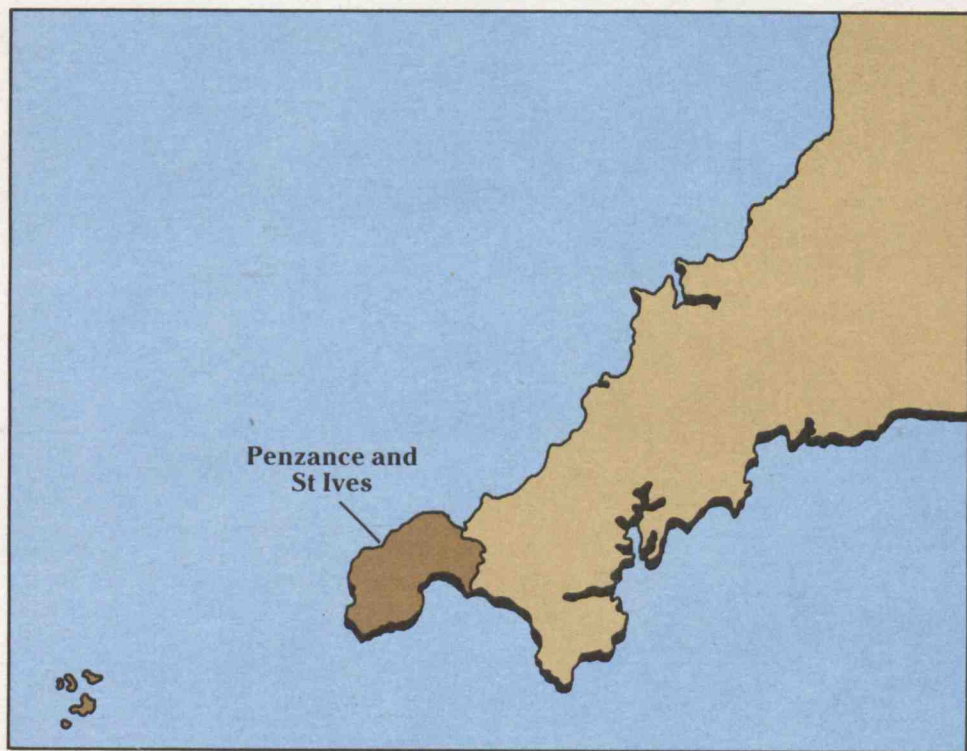
1. The ETB introduced the concept of Tourism Development Action Programmes (TDAPs) to encourage local authorities in areas of undeveloped potential to adopt positive strategies for tourism and encourage investment in new development. The TDAPs take the form of a package of development, market and research initiatives, worked out between the ETB, regional tourist board, local authority and other appropriate agencies, which can be implemented rapidly. ETB's own contribution is largely confined to advice- the measures have to be funded from other sources (although Section 4 assistance can be used in some contexts.

2. 12 TDAPs in both urban and rural areas, are in operation or under discussion including two in seaside resorts, which were selected following a competition, Resort 2000, held by the ETB in late 1985. 38 resorts submitted bids, including Thanet whose application did not win but was among a number commended for special informal help and guidance from the ETB and regional Tourist Board.

3. The ETB has been reviewing the success and future direction of its TDAP programme. The programme does not include Thanet, and it would be difficult to justify bringing it in when it was not a winner of the relevant competition. Thanet itself has not recently been pressing for inclusion probably because it is in fact getting special attention from the ETB without it.

Grants for small firms

**SUPPORT
FOR
BUSINESS
ADVICE
INNOVATION
INVESTMENT**



Business Improvement Services

Department of Trade and Industry

Grants for small firms

The Department of Trade and Industry is offering grants in the areas affected by job losses in the mining industry in the Penzance and St. Ives area to help new businesses start up and existing small firms grow.

So if you are:

- setting up in business;
- an independent small firm employing up to 200 people, or part of a group employing that number;
- an organisation providing, or intending to provide a service to small firms;

then have a look at what the package of grants – called Businesses Improvement Services (BIS) – can do to help you.

Most manufacturing industries qualify for grant aid, and some of the service sector, including tourism, is also eligible. Fishing, textiles, clothing, steel, mining, shipbuilding (unless they are diversifying into new activities), agriculture, horticulture, retailing and personal services **do not qualify for grants.**

BIS can help a small firm with most stages of its growth and development from identifying new products through market research and consultancy advice to the purchase of fixed assets. Help can also be given with the provision of common services for groups of small firms.

Some grants are paid direct to the small firm, some to the provider of the service.

Applicants should not begin any project until a formal offer of grant aid has been received from the Department of Trade and Industry.

FOR SMALL FIRMS

Business Check-Up

If you are a SMALL FIRM, BIS can help with: BUSINESS CHECK-UP

- 50% grants towards the cost of a general BUSINESS CHECK-UP to establish key areas for improvement and possibly identify the need for specific follow-up consultancy work. Maximum grant £500.

Marketing

- 50% grants towards the cost of a review of your current marketing activities and the drawing up of a MARKETING STRATEGY for the future. Maximum grant £1,500.
- 50% grants towards the cost of MARKET RESEARCH STUDIES to explore the market potential – regional and national – for new and existing products, processes and services. Maximum grant £3,500.
- 50% grants towards the cost of TRANSLATIONS of market information and sales literature from or into foreign languages. Maximum grant £1,500.

Management and Financial Advice

- 50% grants towards the cost of advice on improving your existing BUDGET AND CONTROL SYSTEMS, or the installation and operation of a new financial management system. Maximum grant £2,500.
- 50% grants towards the cost of BUSINESS PLANS AND ADVICE ABOUT FINANCIAL RESTRUCTURING. This would examine the scope of putting the finance of your business on a sounder footing and where appropriate, help you put together proposals for investment finance in the form of a Business Plan or report. Maximum grant £2,500. (If you have already received a grant to help with consultancy on budget and control systems, the maximum grant for this work will be limited to £500.)

New Products and Processes

- 50% grants towards the cost of FEASIBILITY PROJECTS leading to the development of new products and processes. The work can be done in-house or by outside consultants. Maximum grant £25,000.
- 50% grants towards the cost of LICENSING-IN a new product, process or item of technology. You can employ a consultant to help you identify several propositions, evaluate them, and then negotiate a deal with a licensor. Maximum grant £5,500.
- 50% grants towards the cost of TRANSLATIONS, in particular of

technical documents; specifications; standards and legislative requirements. Maximum grant £1,500.

Computer Applications Service

- 50% grants towards the cost of investigating the merits of acquiring a microcomputer, and associated software packages, to meet the needs of your business. Maximum grant £1,500.

Other Consultancy Work

- If your business needs consultancy advice in an area not already described in this leaflet, this may be eligible for a 50% grant up to a maximum of £1,500.

Investment Projects

- 15% grants towards the cost of fixed assets, including plant, buildings and machinery. Maximum grant £15,000. These grants are only available for firms with up to 25 employees. **The need for such investment must have been identified as a result of market research or other studies.** (If you have a BIS grant you may not also claim discretionary assistance under Section 7 of the Industrial Development Act 1982, but Regional Development Grants may be claimed).

FOR PROVIDERS OF SERVICES

If you PROVIDE SERVICES to small firms in the eligible areas, help is available with:

- 50% grants towards the cost of MARKET RESEARCH studies to help groups of small firms exploit the market potential – regional or national – for new and existing products, processes and services. Maximum grant £3,500.
- 50% grants towards the cost of new ADVISORY AND COUNSELLING SERVICES for small firms in eligible areas. Where the applicant is an existing organisation, grant will only be offered on an extension of services into new activities. Grants can cover a maximum 3-year period. Maximum grant £50,000.
- 50% grant towards the cost of providing COMMON SERVICES to a group of small firms. Grants can cover a maximum 3-year period. Maximum grant £50,000.

Providers can be from the private sector, local enterprise agencies, chambers of commerce, large firms interested in helping small-firms, or local authorities, depending on the service. If you are interested in providing new services for small firms in Penzance and St Ives contact the Department.

There is no limit to the number of services for which you can apply. The Department may, however, restrict the total amount of grant help which they give to any one firm or organisation.

Depending upon the take-up of funds, applications will be accepted up to 31 March 1989. Grant will not be paid on work carried out after 31 March 1990.

For further information please contact:

DTI

BIS Unit
104 Market Jew Street
PENZANCE
TR18 2LP
tel (0736) 60440

CF pps



HOUSE OF COMMONS
LONDON SW1A 0AA

Prime Minister (2)

I have asked DTI to coordinate an options paper which should be out in by the end of the week.

DTI

MEAT 21/1

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

J. as Prime Minister.

First, many thanks for your time and consideration.

I was delighted to hear Ken Clarke place Thanet's case so firmly on the record at the end of the Economic Debate last night and hope very much that the inter-departmental discussion will, with your support, provide the catalyst for a solution to our needs. I am certain that private enterprise can do the rest!

I am most grateful for your help.

With Best Wishes,

Roger Gale MP
North Thanet

Yours sincerely,
[Signature]
—

ms

PRIME MINISTER Mtg with Galump Oct 86



HOUSE OF COMMONS
LONDON

COMMUNICATIONS



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SUBJECT CC MASTER



10 DOWNING STREET
LONDON SW1A 2AA

13 January 1987

From the Private Secretary

Dear Malcolm

The Prime Minister had a meeting this afternoon with Roger Gale, MP, at his request, to discuss employment and other difficulties faced by the Isle of Thanet. Your Minister was also present.

Mr. Gale set out briefly the background contained in the extensive briefing he provided for the meeting. (An aide memoire summarising the case for assistance which he provided is attached.) Thanet had suffered as a result of the contraction of the tourist industry in centres like Margate and Broadstairs. Firms wishing to expand were attracted away from the area, for instance to the Medway Towns, which the County Council appeared to have made a priority, along with Ashford. The road system was poor and though the Department of Transport's decision on the Thanet Way was encouraging, the County Council had not yet seen the programme through. The decision not to proceed with the plans for a road/rail link to Ramsgate Harbour had been a bitter blow to the area. And the Channel Tunnel was likely to make matters worse rather than better. On the other hand, Thanet generally had good potential, with a hoverport at Pegwell Bay, a sea-port at Ramsgate and an airfield at Manston. Unless the Government offered further help, however, the future was bleak. With an unemployment rate of 25%, something needed to be done. Mr. Gale believed the right way was to follow the French model, and create an Enterprise Zone and Freeport combined.

The Prime Minister said she strongly sympathised with Mr. Gale's concerns. She wanted to do something to help. In the north/south debate, too often sight was lost of those areas of the south which faced serious difficulties. She did not, however, think there was any real possibility of giving Thanet Assisted Area Status. A number of other possibilities were then considered in discussion:

- i. MOD had agreed to release a part of their Manston aerodrome holdings, which might be used both for developing commercial air travel, and for industry, particularly if an Enterprise Zone could be set up there.
- ii. A business improvement scheme might be able to offer some help. The European Commission however would

6

need to be squared.

- iii. The completion of the Thanet Way was a priority if the area was to stand a chance of reviving. The County Council should be urged to press ahead.
- iv. The Joint Consultative Committee, chaired by Mr. Mitchell, was looking at the effects of the construction of the Channel Tunnel. Once that report was available, it might be appropriate to consider further ways of helping Thanet. The Prime Minister however believed that action needed to be taken more quickly than that.

Summing up the meeting, the Prime Minister said she had considered carefully the documents setting out the difficulties faced by Thanet and she was aware of the hard work which Mr. Gale had done to help his area, albeit with frustratingly little success so far. She and her colleagues were determined to help in some way, and she would consider further with her colleagues how to do so.

I should accordingly be grateful if, in consultation with copy recipients as necessary, you would arrange for a coordinated report to be drawn up for the Prime Minister setting out proposals for what might be done, picking up the ideas set out above, and including others where appropriate. It would be helpful if you could let us have the report by Tuesday 27 January, together with a draft letter for the Prime Minister to send Mr. Gale, letting him know where matters have got to.

I am copying this letter to Tim Walker (Department of Trade and Industry), John Turner (Department of Employment), Robin Young (Department of the Environment), Richard Allan (Department of Transport), John Howe (Ministry of Defence) and Alex Allan (HM Treasury).

Le

Mark Addison

Mark Addison

Malcolm McHardy, Esq.,
Office of the Minister of State,
Department of Trade and Industry.

PRIME MINISTER

MEETING WITH ROGER GALE MP ON TUESDAY, 13 JANUARY

You may like to have a look at the briefing for this meeting over the weekend.

Roger Gale has asked to see you to discuss the employment and other difficulties faced by the Isle of Thanet. The recent decision by SNCF that the ferry terminal is now to proceed at Dover rather than Ramsgate is, I think, very much in his mind. Mr. Gale has sent in a folder of papers, and the Department of Trade and Industry have provided a good deal of briefing. In fact, you only need to look at the following:

1. DTI's covering briefing, and
2. Roger Gale's letter at Flag A.

There is not much you will be able to offer Mr. Gale at the meeting. You might, however, say that you have asked to be kept in close touch with the work of the group which has been set up within Government following Mr. Shaw's recent visit to the area. Mr. Shaw will also be at the meeting.

MEA

MEA

9 January, 1987.

JD3AUE



mr

THANET: BRIEF FOR THE PRIME MINISTER'S MEETING WITH ROGER GALE MP
4.30 PM TUESDAY 13 JANUARY 1987

Purpose of Meeting

Mr Gale has asked to see the Prime Minister (Flag A) as a follow up to his letter of 30 September (Flag B). This was replied to by Mr Shaw (Flag C) who visited Thanet on 28 October.

Line to Take

- 1 Recognise Thanet's long-standing economic difficulties, and Mr Gale's own efforts on his Constituency's behalf.
- 2 Confirm Mr Shaw's stance that the Assisted Area map cannot be changed to include Thanet, so soon after the Review in 1984.
- 3 Recognise the communications difficulty, but refer to the recent Transport Supplementary Grant proposals for dualling the A299 Thanet Way (which will considerably improve communications to the West), and for the approach road to Ramsgate Harbour.
- 4 Look to Channel Tunnel construction as a short term (1987 onwards) opportunity for Thanet unemployed. Local initiative and enterprise could

*Thanet
way -
improved*



surely overcome any difficulties in Thanet people travelling to the Tunnel site (25-30 miles).

5 Recognise the possible local adverse impact of the Tunnel in the long term (loss of port employment, relative inconvenience of access). But Government is of course looking at the impact of the Tunnel on Kent as a whole and no doubt Thanet will continue to make a strong contribution to that work.

6 Look to the development of local initiatives in Thanet. Mr Shaw's visit led to coordination between Government Departments in looking at Thanet's problems, and this should be linked with local efforts, such as the work of the recently-formed Thanet Action Group.

Speaking notes on individual points which may be raised by Mr Gale are at Flag D.

Background

The location of Thanet is illustrated by the map at Flag E. Originally an island it still has something of an island mentality, exacerbated by poor road and rail communications with the rest of Kent. Lack of good communications has contributed to Thanet's inability to adapt to the decline of the traditional seaside holiday market by replacing old-style tourism with manufacturing or service employment.



The District's annual average unemployment rate is currently 20%, the second highest outside the Assisted Areas (AAs) (see Flag F for details, and for a comparison with Assisted Area averages). High unemployment in Thanet is not new. It narrowly missed AA status in the review of regional policy in 1984; It was once an Assisted Area - for a short period in the 1950s - when much of the current industrial property stock was built. Nor does the decline seem to be at an end. Recent announced closures of GEC Transformers, Racal and Richborough power station will add nearly 400 job losses over the next few months. The loss of the prospect of a cross-channel rail terminal at Ramsgate has added to general local depression (see note 6 of Flag D).

Mr Gale has worked hard for the area and is disappointed that Thanet has not secured AA status, or an Enterprise Zone, or other special measures. These have all been considered, but in each case there are overriding objections in terms of Regional Policy generally, and in the absence of a mechanism for dealing with localised unemployment blackspots there is nothing that can be done by way of special measures. Following Mr Shaw's visit to Thanet the Government Departments concerned (DTI/DoE/DTP/DEm/MSD) are working together to see what might be done within the context of national schemes. But much will rely on local initiative and self-help. There are signs of local authorities showing more willingness to work together, and the establishment of a 'Thanet Action Group' between the District and local industry and commerce is a positive development which we shall seek to build upon in forthcoming discussions with the Thanet business community. Details on local politics are in para 2 of Flag F.



THANET : ISSUES MR GALE MAY RAISE

Q Will the Government grant Thanet Assisted Area (AA) status?

A No changes are planned to the Assisted Area map. Regional policy is long term, and the last map review was only two years ago. Firms need stability in order to make sensible investment decisions, not least in the area of Government incentives.

Q Doesn't the present review of regional policy include the AA map?

A No. The administrative review of regional policy is looking at the administration of the regional incentives scheme revised in 1984, to ensure they operate as easily and economically as possible. Its results will be published shortly.

Q Thanet deserves AA status on the basis of its unemployment rate?

A Designation does not depend on unemployment rates alone. Decisions in late 1984 took a wide range of objective criteria into account, (annual average unemployment, long term unemployment, industrial and occupational structures, economic activity rates, distance from main markets, degree of urbanisation). On the basis of these, it was concluded that Thanet should not be granted AA status.

Q When will the AA map be revised?

A It is too early to say - but, whenever it is, Thanet's case will of course be fully considered.

Q Not having AA status means Thanet is also denied European Regional Development Fund resources.

A EEC rules limit ERDF assistance to those areas which member states themselves designate as needing special help via their own regional



policies. It would not be feasible to designate Thanet artificially as a quasi-AA purely to allow access to ERDF resources.

Q Why not use the English Industrial Estates Corporation to build some modern premises in the area, in the same way as they were given responsibility for the bulk of the former naval base at Chatham?

A No. English Estates' activities are in general confined to the Assisted Areas. Their involvement at Chatham is exceptional and stems from the Government's ownership of the entire Navy site and the absence of any single private sector developer willing to take on a planned redevelopment. These circumstances do not apply in Thanet, where there is no such Government-owned site.

Q Could Thanet at least have access to the DTI's Business Improvement Services which operate at present in areas hard-hit by job losses in specific industries such as steel and shipbuilding? Thanet is in a similar position; its declining sector is tourism.

A The BIS schemes are largely funded under and operated by European Regional Development Fund non-quota regulations. The Government has no plans at present to extend BIS - any such extension would require funding at the expense of other schemes or areas. [If pressed : The one exception is West Cornwall, where a BIS scheme was introduced to alleviate the situation created by the closure of the Geevor tin mine. This exceptional measure was justified on the grounds of high dependence on tin mining in a remote and already disadvantaged area]

Q Thanet's roads desperately need improvement?

A The dualling of the Thanet Way (planned to start in 1988-89 and included in the recent Transport Supplementary Grant proposals) will substantially improve the area's communications. In the shorter term the way forward must be to continue to work through the existing mechanisms, and convince the County Council of Thanet's needs. Looking further ahead, the Mitchell Committee is, of course, looking at the Channel Tunnel's



likely impact across Kent, and Thanet should continue to make its views known through this forum on the infrastructure it feels is needed to maximise the Tunnel's benefits for the area.

Q Tourist facilities also need Government help towards modernisation?

A Thanet is of course eligible for the national scheme of grants, and over a quarter of a million pounds has been offered since 1982. In addition, tourism and leisure are being assisted by Community Programme projects creating 470 temporary jobs. The way forward may be to cooperate with neighbouring councils in putting together a Tourism Development Action Programme, and I understand Thanet are considering this. The Channel Tunnel's considerable opportunities for tourism are being considered by a sub-group reporting to the Mitchell Committee, and Thanet representatives will of course be able to comment on this work.

Q The Government's decision to 'call in' the Port Ramsgate rail terminal application in effect directly caused the loss of 200 jobs for Thanet.

A Ministers gave full weight to the economic aspects of the proposal. But the proposal, as you know, was a radical departure from the approved development plan, raising local and national (Nature Conservancy Council) objections. Apart from this, other statutory provisions would have been needed which would have weakened Ramsgate's case compared with Dover.

Q The Channel Tunnel will greatly damage Thanet. 450 port-related jobs at Ramsgate are directly threatened. Nor is there prospect of attracting new development because of Thanet's geographical location and poor road communications. The French Government is spending heavily on infrastructure improvements, which will worsen the position of Thanet and East Kent generally in competing for investment with France.

A This is being considered through the work of the Mitchell Committee. The Impact Study Team, on which Thanet are represented, is looking at the Tunnel's likely impact across Kent, and we must await its report this Summer before deciding how best to proceed.

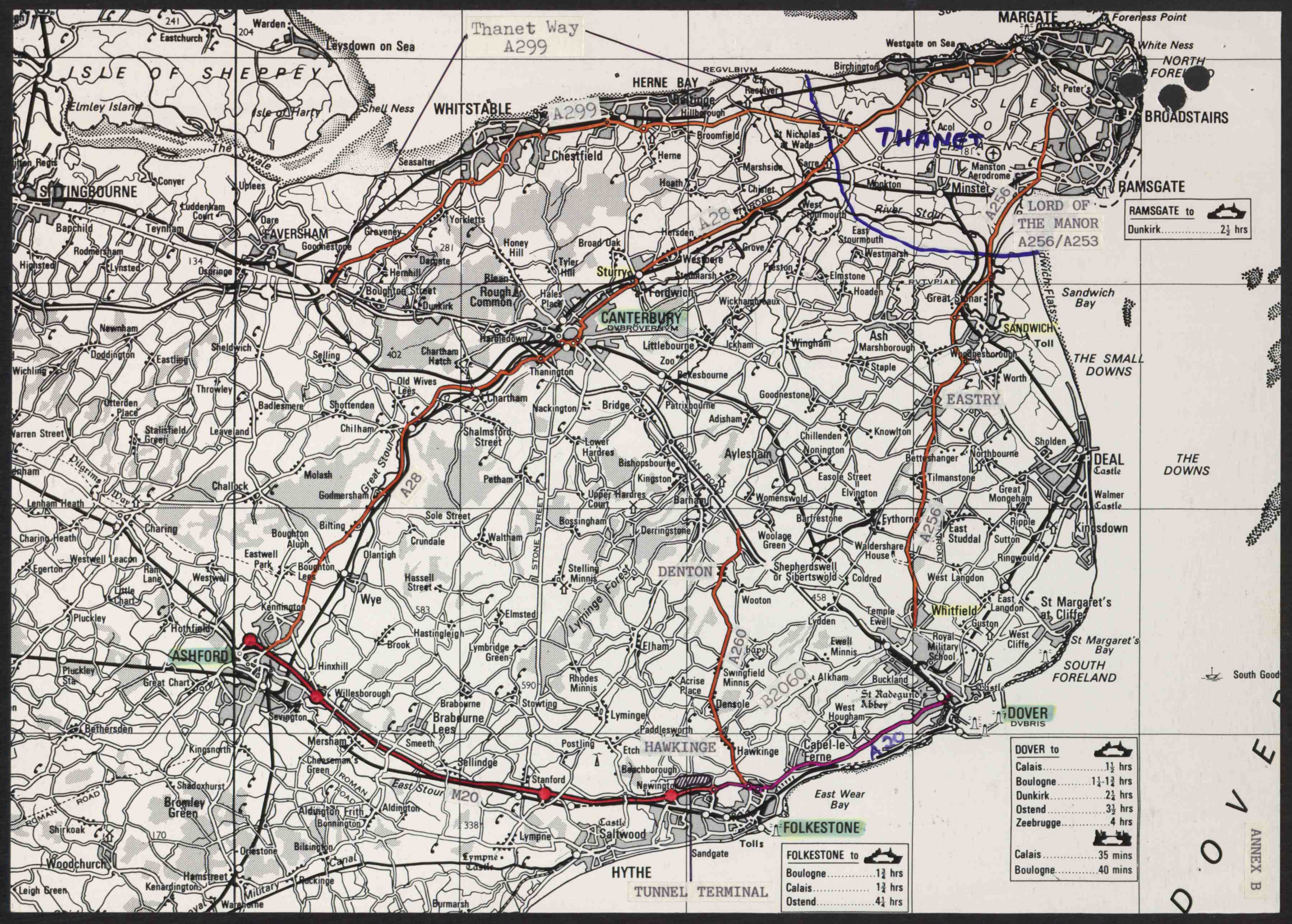



Q Will the Government consider designating a Freeport and Enterprise Zone at Manston Airport to help stimulate the local economy?


A Freeports were established as an experiment to be judged after five years. It would be premature to designate any new ones until the success of those already established has been assessed. Similarly, Enterprise Zones are experimental, and there are no plans at present to designate any further Zones.

Q Can Thanet have access to Urban Development Grant funds from the DoE?


A With priority for Urban Development Grant given to those urban areas with the most serious social needs, and Thanet not being among the authorities so designated, the prospect is faint indeed. But there is nothing to prevent the Council applying to the DoE if it and would-be developers can produce a convincing scheme (or schemes).



RAMSGATE to  Dunkirk..... 2½ hrs

DOVER to 

Calais.....	1½ hrs
Boulogne.....	1¼ hrs
Dunkirk.....	2½ hrs
Ostend.....	3½ hrs
Zeebrugge.....	4 hrs

FOLKESTONE to 

Boulogne.....	1½ hrs
Calais.....	1¼ hrs
Ostend.....	4¼ hrs

D O V E



BACKGROUND NOTE ON THANET DISTRICT

1 Thanet District is centred on the towns of Margate and Ramsgate. It has a total population of around 120,000 and a working population of around 40,000. Its unemployment rate (see 3 below) is above the Development Area rate and is the second highest of any non-Assisted Area. Its problems include a declining tourist industry and poor road communications. A map showing the district's location is attached.

Local Politics

2 The MPs are Roger Gale (Thanet North, including Margate; majority 14,545) and Jonathan Aitken (Thanet South, including Ramsgate; majority 14,051). The District Council is 'hung' - Conservative 23, Independent 14, Labour 7, Alliance 7, Others 1, Total 52. We understand that the Conservatives are split into 'official' and 'independent' groups.

Unemployment

3 The unemployment rate in November was 20 per cent (8,090 people) - above the Development Area rate of 19 per cent. The annual average rates are:

	%
Thanet	20.5
Development Areas	19.7
Intermediate Areas	16.3
Great Britain	13.3

Thanet has the second highest unemployment rate of any non-Assisted Area (after Skegness, whose working population is less than one-third of Thanet's). The proportion of long-term unemployed is slightly above the regional average.



4 British Coal's Tilmanstone colliery has closed with the loss of 500 jobs; the future for the rest of the Kent coalfield (about 900 direct jobs) is not bright. This will have some effect on Thanet unemployment. There are three further industrial closures in the pipeline:

GEC Distribution Transformers - 180 jobs over next few months
Racal, Thanet - 80 jobs over next few months
Richborough power station - 130 jobs by October 1987.

These could mean an increase of up to one percentage point in the unemployment rate over the next few months.

Assisted Area Status

5 Mr Gale has made many requests for AA status since 1983, supported by the local authority and business interests. When Mr Shaw visited Thanet on 28 October he made it clear that AA status could not be offered at present.

Proposed Port Ramsgate Development (now to be at Dover)

6 Sally Line put forward proposals for a rail ferry terminal at Ramsgate in conjunction with French Railways (SNCF) with likely creation of 200 direct jobs. There was strong local opposition from some quarters on environmental grounds. DoE took account of these views, but in September decided to 'call in' the project for a public inquiry because it represented such a substantial departure from the approved development plan for the area. SNCF announced in December that the development would proceed at Dover. Mr Gale feels that the DoE's decision in effect lost 200 jobs for Thanet, since Sally Line had always argued that the delay involved in calling in the scheme would mean it would not proceed at Ramsgate. But regardless of this the Ramsgate scheme would have needed a Private Members' Bill, which would not have been required at Dover. So the calling in decision is unlikely to have been the deciding factor.



Effect of Channel Tunnel

7 There may well be scope from mid 1987 onwards for Thanet unemployed to work on the Tunnel construction (eg some redundant miners for tunnelling; unskilled for other labouring jobs). But the long term effects of the Channel Tunnel are likely to be unfavourable, with 450 port-related jobs at Ramsgate threatened. Poor road communications mean that the area cannot compete successfully as an investment location with other more favourably situated parts of Kent. Even the Thanet Way improvement will not solve this locational disadvantage. These issues are being considered by the Joint Consultative Committee chaired by David Mitchell, on which Thanet District Council are represented.

Roads

8 Thanet's poor road communications remain a serious problem, about which Mr Gale has regularly made representations. The Transport Supplementary Grant proposals for 1987-88 (announced by Mr Mitchell in December) will include an 18-mile dualling of the A299 Thanet Way, which links the area to the M2, as well as improvements to the approach road to Ramsgate Harbour. Improvements to roads linking the area with Dover and Folkestone are also planned, but their contribution is very long term (mid '90s) and should not be overestimated.

Rail Services

9 Rail services are poor. But BR claim there is no commercial justification for improving them.

Request for Enterprise Zone/Freeport

10 MoD have an airfield at Manston which is in limited civil use. A freeport application for civil development was made in 1983 - unsuccessfully.



The private sector operators are still considering expansion, and the possibility of a combined Enterprise Zone and freeport at Manston has been proposed by Mr Gale and others. However, both freeports and Enterprise zones are experiments and there are no plans to expand their coverage at present.

Tourism

11 Thanet's tourist industry, traditionally a major employer in Margate and Ramsgate, is in abject decline. Its traditional long-stay seaside holiday clientele has moved elsewhere. Existing hotels generally need new investment, but many have difficulty in meeting the criteria for the English Tourist Board's grant scheme. The best way forward is probably for Thanet to cooperate with other East Kent councils in preparing a Tourism Development Action Programme. This is a partnership of local interests to produce a plan eligible for English Tourist Board support, although the competition for resources is strong. Thanet is understood to be considering this at present. The Channel Tunnel will clearly provide considerable opportunities by improving access to the area, and this is being considered by a sub-group of the Impact Study Team, which reports to the Mitchell Committee, and on which Thanet are represented.

Coordination of Government Efforts

12 Following his visit to Thanet on 28 October, Mr Shaw asked DTI officials to discuss with colleagues in MSC, Environment and Transport whether a package of measures to help Thanet might be devised by more closely combining the four Departments' activities. Officials are pursuing this and as a part of their study are due to meet on 29 January with Thanet Council and business representatives. After this meeting, officials will report to Mr Shaw on what can be done, and he will in turn respond to Mr Gale.

THANET TIMES

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TUESDAY, 11 NOVEMBER, 1986

Tel: Thanet 221313 25p

THE LOCAL NEWSPAPER

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Horse fiend strikes again

A vicious sex attacker assaulted a horse at the week-end.

A police spokesman said: "It was a sick thing to do."

The horse, a six-year-old chestnut mare, was cut and bruised in the attack and had to be examined by a vet.

The assault took place between Friday night and Saturday evening at Weddington Farm, Sloe Lane, Westwood.

Police are appealing for anyone who saw anything suspicious to contact them.

There have been several similar assaults in recent months.

Assault alleged

Two men appeared at

JOBS GLOOM

80 get the axe as Racal shuts

THE 80-strong workforce at a Broadstairs factory has been made redundant.

The closure of Racal in Pysons Road is yet another major blow to Thanet's beleaguered economy.

Local politicians described the job losses as tragic.

A spokesman for Racal, one of the country's top electrical companies, said redundancies were unavoidable.

A skeleton staff will

Local employees will be offered the chance to move to other Racal factories, although this will mean leaving Kent.

Management at the Broadstairs factory refused to comment, but company spokesman Mr. Ivor Godfrey-Davies said the deci-

sion to close the Pysons Road plant had been taken with great sadness.

He added: "The level of orders could not be maintained. In recent years, Racal has gone to great trouble to keep finding substantial contracting work with which to keep people employed."



Racal — 80 job losses.

TN2121/25

But the oil industry was in a state of collapse and shipping was in an equally calamitous state, he said.

Because of this, Racal Thanet Ltd., part of the company's marine and energy group, had to close.

Mr. Godfrey-Davies said: "Eighty people will have to

be made redundant. However, some of these will be offered the chance to switch to other Racal companies outside Kent if they are suitable for other work and are willing to move."

The company has sacked 250 workers throughout the country.

120 to go in power station's closure

Richborough power station is closing, with the loss of 120 jobs.

A spokesman at the power station confirmed it would be decommissioned and put into reserve in a year's time and the situation would be reviewed annually.

The number of jobs at the station will be cut from 150 to 30.

"There is no enforced redundancy," said the spokesman. Staff will be re-deployed to other power stations or organizations

This is Thanet's third major job loss in recent weeks.

Richborough power station is to be mothballed, with the loss of 120 jobs, and 400 jobs are to go at Tilmanstone colliery. Many of the miners come from Thanet.

Thanet Council chairman Cllr. Ken Denne was surprised and saddened by the closure of Racal.

He said it was another serious blow to the local economy and meant it was

SALLY LOSES RAIL LINK RACE



Port Ramsgate boss Michael Kingshott: "This was Ramsgate's future."

Town's future has gone down the tubes claims port boss

THE controversial plan for a rail ferry terminal at Port Ramsgate was abandoned on Wednesday, after the railways opted for Dover.

The news was greeted with dismay by supporters of the scheme, who were pinning their faith in the expansion of the port's freight and passenger services for the creation of much-needed jobs.

Opponents of the plan were taking credit for the delay caused by successful demands for a public inquiry, which sent the railways to Dover, where no planning permission was needed.

But they denied that they were jubilant and said they feared this was not the end of the affair.

Some local people repeated their view, maintained from the start, that the scheme was always destined for Dover.

The man who was the driving force behind the scheme, former Sally boss and Port Ramsgate managing director Mr. Michael Kingshott, said he was "very upset."

He had invested an enormous amount of time and money, personally working 14 hours a day and employing 30 people on the plan.

"I believe it is a big blow for Thanet," he said.

"Unemployment in Thanet is already worse than in Northern Ireland, with one in five out of work.

"Figures which we would have given to the public inquiry show that the plan

would have provided 1,028 additional jobs."

Mr. Kingshott added: "We have all worked very hard, converting what was originally a freight-only scheme into a rail passenger service.

"We had tremendous support from British Rail, the French S.N.C.F. railway, Belgian, German and Dutch railways.

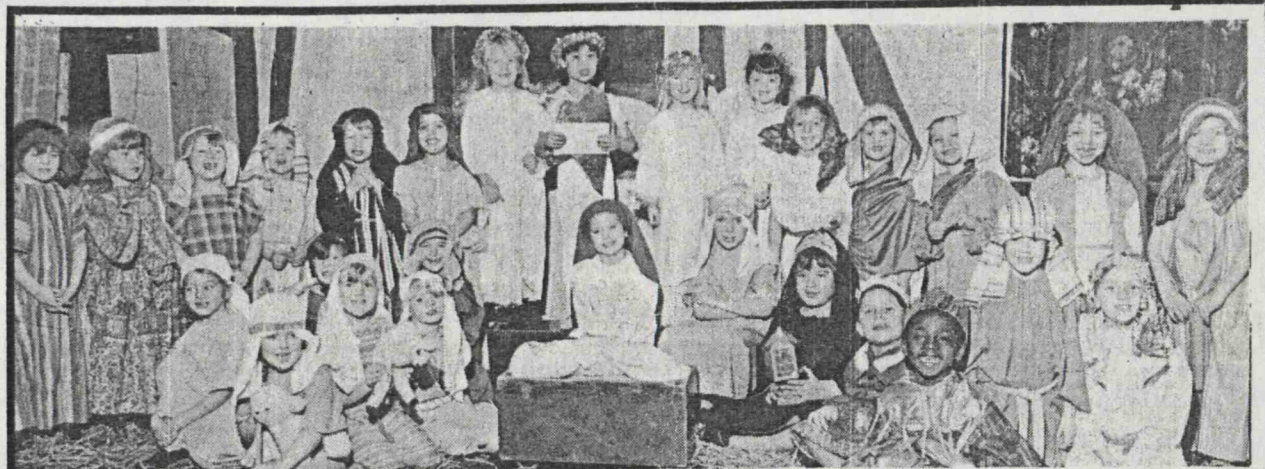
"But the timescale was vital — as we have said from the outset. One of our clients stood to lose £400,000 a month by the delay.

"The uncertainty of the time-table and the public inquiry meant they were forced to go to Dover. The losses would have been incalculable."

Mr. Kingshott said if the scheme had gone ahead, they would have been handling three-and-a-half million passengers a year.

"This was Ramsgate's future and it has gone down the tubes," he declared.

He said Thanet's "lethargy" made him wonder if it wanted any develop-



Festive delight from children

Children from schools all over Thanet have been delighting parents and friends as they tell the age-old story of the Nativity.

Beautifully-costumed, they have put in hours of rehearsals to ensure the final production is a credit to both the pupils and their teachers.

The group pictured are from Margate's Holy Trinity School, which gave its performance on Tuesday.

And inside today's Isle of Thanet Gazette are many more pictures from the numerous Nativities around the island.

TN2366/16



Judge's praise





Roger Gale, M.P.

House of Commons
London, SW1A 0AA
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01-219 4021 (secretary)
Thanet 221233

7 January, 1987.

Michael Alison, Esq., M.P.,
Private Office,
10 Downing Street,
London,
S.W.1.

Michael Alison

Please find enclosed a copy of the Aide Memoire that I said I would produce prior to my meeting with the Prime Minister and Giles Shaw on Tuesday, 13th January at 4.30 p.m.

I have kept this deliberately brief and it is, therefore, of necessity, also sketchy. I hope that it may provide a little background to the case that I wish to thrash out at the meeting.

Also enclosed are copies of "The Case for Assistance" prepared by Thanet District Council following our meeting with Peter Morrison early in 1986, the most recent table of unemployment figures for the area, a table giving figures for the job creation potential of Ramsgate port, an indication from Thanet District Council of some of the job losses experienced since 1980, a copy of the 1983 Freeport application - which highlights some of the strengths of North East Kent - and the opening section of the Proof of Evidence that would have been given by Rosemary Radcliffe, of Messrs. Deloitte, Haskins & Sells, to the Ramsgate Harbour Public Inquiry. I read this last independent assessment of the economy of the Isle of Thanet after I had written my own Aide Memoire: their coincidence would seem to show that my own assessment is shared by at least one highly qualified professional!

Again, may I thank you very much indeed for your time and trouble in arranging the meeting - at which I will personally endeavour to be as brief as possible and to use the Prime Minister's time to the very best advantage.

With my very best wishes for the New Year.

R. Gale

ROGER GALE MP
NORTH THANET



ISLE OF THANET - THE CASE FOR ASSISTANCE - AIDE MEMOIRE

The Isle of Thanet currently faces male unemployment of 25.4% and overall unemployment of 20%, with 8090 people out of work (November, 1986).

This is the highest level of unemployment in any area not in receipt of some form of Assisted Status and higher than, for example, the Forest of Dean which is in receipt of assistance and has a smaller travel-to-work catchment area.

Additionally, the Island is confronted with grim social indicators:

- * A high level of one-parent families
- * A high level of juveniles attending borstal and detention centres
- * The highest level of supplementary benefit claimants in Kent
- * The highest level of free school meal claimants in Kent
- * The highest level of children in care in Kent
- * The highest level of adolescents in care in Kent
- * The highest level of registered physically handicapped in Kent
- * More than 30% of the population over retirement age
- * The emigration of school-leavers in search of work thus adversely affecting the age imbalance still further.

Against the trend in the South East, manufacturing industry is in decline. Twelve major firms have closed or moved from the area since 1980 - three of them in 1985, four in 1986 and one already scheduled for closure in 1987. Another company in North Thanet, seeking to expand, is considering a move to the financial advantages of the Medway Towns - with a further loss of employment locally threatened.

Some of the blame for this situation must be laid squarely at the door of the Island itself.

For thirty years seaside landladies have milked the good years and re-invested nothing in modernisation. Thanet is, as a result, left with a run-down stock of mediocre guest houses and hotels with no all-weather attractions to draw the holidaymakers that have not flown to the Mediterranean sun.

The re-organisation of local government took three Town Councils - with some sense of civic pride - and welded them into one discordant unit composed of three internally competing factions. That unit quickly seems to have established a perceived reputation for incompetence and corruption.

The situation has been further exacerbated by bad road and rail communication - the commuter service is expensive, uncomfortable and slow, and the road infrastructure poor.



North East Kent in general and the Isle of Thanet in particular have, in recent years, been neglected in favour of development in the Medway Towns and Ashford.

The main dynamic in the Island has been the development of Port Ramsgate - located in South Thanet - and the Sally Line. The proposed road/rail link to the Port would have attracted private investment in excess of 20 million pounds to the harbour and, certainly, further investment throughout the Island on its' back. The untimely calling of a public inquiry - flying directly in the face of the Secretary of State's expressed intent not to permit "the planning process itself being used as a form of stopping development" has, as predicted, led to the collapse of the project and may yet lead to the failure of both Port and shipping companies.

The latest, and most potentially serious threat to the fragile economy of the area, is posed by the Channel Tunnel project.

The Island is located behind the "Tunnel door" and, given its' inadequate infrastructure, seems likely to suffer most and gain least from the Fixed Link development unless steps are taken to reverse the spiral of decline and to help the Island to develop.

There is also a credit side !

The Isle of Thanet has, arguably, the greatest unrealised potential in the country. Its' proximity to the Continent, a developing sea port at Ramsgate, Manston airfield and Pegwell Bay Hoverport could make it an ideal location for light industry. Investment in new hotel development and all-weather leisure facilities would revitalise the failing holiday trade. And the Island's agriculture is still in pretty good shape - although imported soft fruits and potatoes are currently posing a threat to our domestic industry.

In 1984, Roger Gale established, with the full support of David Crouch, Jonathan Aitken and Peter Rees, the East Kent Development Association which is now chaired by the former Conservative Leader of Canterbury City Council, Jim Nock. The Association is made up of the Leaders and Chief Executives of the three local councils - Thanet District, Canterbury City and Dover District - together with representatives from Kent County Council, and many of the more enterprising local industries. As a result of the labours of this group a local Enterprise Agency has been established.

The expansion of Port Ramsgate by the Sally Line, with the support of Thanet District Council and the belated backing of the County Council, have, even if only temporarily, created many job opportunities and generated a little heat under the flagging economy. The agreement of the Ministry of Defence to release land surrounding Manston airfield for commercial development and the proposed expansion of Seabourne Aviation have also contributed to an awareness that, as a business location, Thanet has something to offer.

While there is high unemployment and depression in the area, those businesses that have survived are, in the main, thriving and a good example to others that may wish to establish themselves in the area.

Recent visits by David Trippier, Tony Newton, Giles Shaw and Duncan Bluck have been encouraging and David Mitchell's fact-finding tour has led to the main road to the Island - the Thanet Way - being included in the Transport



Supplementary Grant. This latter, provided that the County Council now swiftly sees the programme through, may compensate for the loss of the Port Ramsgate project, assist the Port itself and provide a fresh dynamic that will help to attract industry and investment.

It is clearly vital that this window of opportunity is not lost.

Giles Shaw has set up, under Andrew Mantle - the Regional Director of the D.T.I. - a working party to examine Thanet's needs and to suggest a programme of further action.

This programme will, however, require the support of several Government departments and it is already clear that there is resistance to giving the Island what it really needs - Assisted Status.

As long ago as 1959 Government recognised the persistent nature of local unemployment and considered it severe enough to warrant designating Thanet as a Development District that same year. The measure proved effective and industry WAS attracted to the Island but unfortunately, and unexpectedly, Thanet was removed from the list in 1961 and the decline has continued since.

The threats and the opportunities posed by the Fixed Link - threats to the Port employment and opportunities for export business - do suggest that special treatment is warranted now. The French Government are investing heavily in Nord Pas de Calais and it is clearly important that the geographic advantages of North East Kent as a location for industry are maximised. At the moment those advantages are in danger of being lost to the French.

It is therefore respectfully suggested that:

1. The County Council is urged to progress the Thanet Way improvement, with the Department of Transport assistance now promised, with all possible speed.
2. To complement this stimulus to economic development, the Isle of Thanet be afforded the same Assisted Status as the Nord Pas de Calais region of France - qualifying it for investment from European funds.
3. An Enterprise Zone be established adjacent to the civilian development at Manston - "Kent International" - airport.
4. That Enterprise Zone be also afforded Freeport Status based upon the submission made in 1983.

B



Roger Gale, M.P.

House of Commons
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01-219 4021 (secretary)
Thanet 221233

15 December, 1986.

Michael Alison, Esq., M.P.
The Private Office,
10 Downing Street,
London,
S.W.1.

Yours Michael.

I write further to our brief discussions in the Lobby the other night.

When I was first elected to Parliament in 1983, the Prime Minister was good enough to indicate to me that she considered it the right of backbenchers to ask to see her should the necessity arise. I now find myself in the position of having to make that request, and, as you may imagine, I do not do so lightly.

I wrote to the Prime Minister on the 30th September (a rather poor carbon copy is enclosed) indicating my concern at the Department of the Environment's decision to call for a Public Enquiry over the projected plans for a Road/Rail link to Ramsgate Harbour and my belief that that enquiry could well have a profound and detrimental effect on the whole future economy of the Isle of Thanet - the area with the highest unemployment in the South East and the highest area not in receipt of Assisted Status.

My worst predictions were realised last week when SCNF decided that they could wait no longer for the enquiry process to proceed and they consequently signed a new contract with Dover Harbour. The enquiry has now been cancelled.

The headline from the local paper a couple of weeks ago gives you some indication of the additional threat that we face and the business confidence in North East Kent is, as a result of the SCNF/British Rail decision, at an all-time low.

There are, I think, steps that can be taken quickly to help redress the balance but I believe that these will require the direct and personal support of the Prime Minister. For that reason, I would be grateful if you would

...../.....



15 December, 1986.

seek to arrange for me to have no more than 10 minutes of her time, if possible, before Christmas.

I appreciate that the Prime Minister's diary is extremely full and I am taking the liberty of enclosing a copy of my own diary - between now and Christmas Eve - for the benefit of her office. From this you will see that I, too, am fairly fully committed but I am more than willing to come to London - however early in the morning or late at night - and to cancel any of my own commitments if the Prime Minister can find time to see me.

If you would be good enough to let me (or Suzy) know that an appointment has been arranged, I will, additionally, prepare a detailed aide memoire in order to minimise the amount of time actually taken. I should, perhaps, also indicate that I have no desire whatsoever to use a meeting with the Prime Minister for publicity purposes.

With many thanks for your help and my best wishes.

ROGER GALE MP
NORTH THANET

P.S. Suzy will be working from home in Kent all this week and can be reached on 0227 722580 or 0227 722366.

[REDACTED]

30 September, 1986.

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,
10 Downing Street,
London,
S.W. 1.

I am requested to pass to you the following resolution carried by Thanet District Council at a Special Meeting called in the light of the DOE decision to submit proposals for a Road/Rail Link to Ramsgate Harbour to Public Inquiry.

"This Council makes representation to HM Government, the Prime Minister and other Ministers of State seeking tangible help in promoting investment in Thanet by financial assistance, ministerial direction and a relaxation of restrictive controls, together with any method practical in an effort to redress the balance in Thanet for employment and business opportunities."

There can be no doubt that the decision to call in the Road/Rail plan for Public Inquiry ~~instead of~~ a resolution under Section 10 Notice issued has been seen as a slap in the face for the self-help efforts of an area that has ~~the highest~~ unemployment in the S South East. The Secretary of State's statement that he does not intend to allow planning inquiries to be used to frustrate economic development, together with the swift announcement of the Inspector's name, have redressed the balance a little but the decision will have to be taken remarkably swiftly if the remaining economic confidence in North East Kent is not to be wholly destroyed. (The collapse of the John Howard Group - one of Port Ramsgate's major contractors - has highlighted the fragile nature of our position.)

Recent visits from Transport, Employment and the Trade & Industry Departments have been helpful in drawing attention to our needs but the efforts of the Chief Executive and myself to attract investment have been frustrated in the light of the quite extraordinary inducements that are offered by other regions of the United Kingdom and by the French.

I regret to have to say that if North East Kent is to begin to take advantage of any opportunities offered by a Fixed Link, and if we are to see jobs created here and not across the Channel, then not only will our infrastructure need attention but we will, as the Council has indicated, need Assisted Status to compete with the French Government's investment in Nord Pas de Calais. I hope that the quite exceptional combination of social need and geographical demands may be recognised in the forthcoming review of Regional Assistance.

I have, as requested, written in similar vein to David Young, Ken Clarke, David Mitchell, Nicholas Ridley and Giles Shaw who will, I hope, be visiting Thanet in the immediate future at my invitation.

With my very best wishes.

ROGER GALE MP - NORTH THANET

(10)



From the Minister of State for Industry

DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

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GILES SHAW MP

Roger Gale Esq MP
House of Commons
London
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Copies to:

17 October 1986

Lord Young
Mr Clarke
Mr Mitchell
Mr Ridley
Mr Addison No 10
Mr Dell
Mr Mingay
Mr Bremner
D/SERO (on file)

Thank you for your letter of 30 September giving details of a resolution recently passed by Thanet District Council. The Prime Minister has also asked me to thank you for your letter to her of the same date, and to reply on her behalf.

I note your concern about the current position of Thanet, and the possible further effects of the Channel Fixed Link. As regards the possibility of Assisted Area status, the Assisted Area map was, of course, last reviewed less than two years ago, and I am sure you will understand the difficulties involved in considering any changes at present.

That said, I would very much welcome the opportunity to visit Thanet to see something of the district's problems at first hand, and my office will be in touch with you over the details.

I am copying this letter to the recipients of yours.

GILES SHAW

THUBIA



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