

SECRET

CONFIDENTIAL FILING

Inner Cities Policy and Problems
Regeneration of Liverpool and London Docklands
Urban Development Corporation

REGIONAL POLICY

PT1: July 1979

PT14: June 1988

In attached folders:

- Ⓐ Teeside Reception Briefing Papers
- Ⓑ "Action for Cities" Area Profiles

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
3.6.88							
17.6.88							
12.7.88							
18.7.88							
19.7.88							
21.7.88							
28.7.88							
28.7.88							
PT14							
ENDS							

PREM 19/2466

PART 14 ends:-

QUEEN FCS TO SS/WALGS 28.7.88

PART 15 begins:-

QUEEN S'O'BLEN TO PRINCE OF WALGS
6.9.88



ccp

FCS/88/147

1. ✓ CDP - see who to
be aware in view of the
Swire EC directive

SECRETARY OF STATE FOR WALES

2. NBRM - pc.
RCC6
28/7
Hap

Cardiff Bay Barrage

1. Thank you for copying to me your letter of 17 June to John Major about the proposed Cardiff Bay development. I am sorry that the need to look carefully at this project in the light of our obligations under the EC Wild Birds Directive has prevented my responding sooner.

2. I have to flag up the doubts expressed by the Law Officers in 1986, and to which the Secretary of State for the Environment has also drawn attention in his letter to you of 18 July, about whether developments in Special Protection Areas (SPAs) or potential SPAs such as Cardiff Bay are permitted under the Directive, and to what extent "the economic and recreational" factors in Article 2 of the Directive could be prayed in aid in the event of challenge by the Commission.

3. I agree with Nicholas Ridley's view that we should try to avoid an interpretation of the Directive which denies member states the discretion to take wider economic factors into account in cases of this sort. Given the Law Officers' views however, it would be ill-advised to proceed on the basis that we have put ourselves beyond challenge, or to disregard the importance in the event of challenge of being able to demonstrate we have taken account of the effect of this

/development



development on the birds, and the need to mitigate that effect so far as possible. This means that we must continue to play close attention to the provisions of the Wild Birds Directive and the requirements of the Environmental Impact Assessment Directive.

4. The series of studies commissioned by your Department which has, since your letter, been made available to my officials, should help demonstrate that we have done everything possible at this stage. On this basis I am content for the development to proceed.

5. I am copying this minute to the recipients of yours.

A handwritten signature in black ink, consisting of a stylized 'G' followed by a series of loops and a horizontal line at the end.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
28 July 1988

REGIONAL POL: Lower Cases PT14

cc B/G

per
/

CONFIDENTIAL
NOT FOR NAO EYES

P 03193

From: R T J Wilson
22 July 1988

SIR ROBIN BUTLER

cc Mr N Wicks
Mr J Stevens PEFO
Mr S Loveman
Mr G Monger
Mr J Spencer

NAO STUDY OF URBAN REGENERATION

1. I attach the reply which, if you are content, I propose to send the Department of the Environment on the question of NAO access to their file on the Cabinet Office Unit on Inner Cities. It takes account of comments and suggestions from Mr Stevens, Mr Spencer and the Treasury Solicitor.

1. As background, you may like to see the NAO's note on the scope of the exercise which to my mind ventures into highly contentious territory (see for instance paragraph 5). I attach a copy together with the reply which the TOA has now sent DOE.

Rtjw.

R T J WILSON

CONFIDENTIAL AND NOT FOR NAO EYES

DRAFT

P J Fletcher Esq
Department of the Environment
2 Marsham Street
LONDON SW1

19 July 1988

NAO STUDY OF URBAN REGENERATION

Thank you for copying to me your letters of 6 July to John Beastall and 13 July to David Shore.

The NAO study could clearly take them into difficult territory. Their note about the scope of the exercise says, among other things, that they intend to establish the procedures for co-ordinating urban regeneration programmes interdepartmentally "at the highest level" (paragraph 5). The meaning of this is unclear but you will need to guard against any breach of the conventions which protect collective Ministerial decision-taking, unless and until Ministers decide otherwise. We also need to stick firmly to the principle that a Accounting Officer should be answerable to the PAC only on the basis of information available to him within his Department.

It may be helpful to spell out the line which the Cabinet Office have taken with the NAO on similar issues in the past. We have said that the Cabinet Office regard it as unnecessary for the discharge of the C & AG's responsibilities for him to have access to documents on departmental files concerning advice to Ministers collectively about particular policy proposals, such as near final drafts of Ministerial papers for Cabinet or Cabinet Committees.

We consider it important that the discussions which take place at this level should be protected in order to preserve the ability of Ministers to discuss policy issues freely. We have not accepted that the C&AG has a right to obtain information about how policy objectives have been formulated, since this implies examination of the merits of policy objectives which are excluded from NAO examination by section 6(2) of the 1983 Act, and of confidential exchanges between Ministers during the formulation of policy.

We agree with David Shore that the aim should be to avoid provoking a confrontation but also to avoid creating any undesirable precedents, even on an ex gratia basis. We therefore think that in categorising the papers on the file in the way which he suggests, you should bear in mind the sensitivity of three particular groups of document.

First, Cabinet and Cabinet Committee documents. You indicate that there are none of these on the file but you also say that it contains papers about the interim and final reports of the Unit, as well as copies of the key reports themselves. In case there is any misunderstanding, I would emphasise that the interim and final reports of the Unit were formal Cabinet Sub-Committee papers, prepared at the request of the Sub-Committee (E(UP)(87) 1st Meeting) and issued as such (E(UP)(87) 3, 5 and 6). The convention that Cabinet and Cabinet Committee papers, and drafts of them, are not shown to the NAO (see paragraph 6 of the note which John Anson circulated on 3 March) therefore applies to these reports. You may wish to check that there are no other documents on the file which fall within this convention, whether numbered or not.

X | Second, "think piece" papers by the No. 10 Policy Unit. When we discussed this on the telephone recently you said that there was only one of these on the file, a note about crime policy in the Government's third term, which the Prime Minister had suggested might be of interest to some of her colleagues and which Andy Bearpark had circulated on 30 June 1987. We think that Policy

vj.4.15.7



Treasury Chambers **CONFIDENTIAL**
Parliament Street London SW1P 3AG **NOT FOR NAO EYES**

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CABINET OFFICES
P .352.9....
18 JUL 1988
FILING INSTRUCTIONS
FILE No. _____

P J Fletcher Esq
Department of the Environment
2 Marsham Street
LONDON SW1

Your reference

Our reference

Date

- 15 July 1988

Dear Philip,

NAO STUDY OF URBAN REGENERATION

You wrote to John Beastall on 6 July about NAO access to papers on urban regeneration and subsequently sent me some background papers on the study including a note by the NAO on its scope. I am replying in his absence.

The NAO note reveals that one element of the study is the arrangements for establishing urban regeneration needs and planning and co-ordinating associated programmes. There is obviously a danger here that the C&AG will find that these arrangements are or were inadequate and go on to conclude that Ministers' decisions were based on incomplete information, thereby effectively questioning the merits of those decisions. It is difficult to judge whether this would amount to 'questioning the merits of the policy objectives', since that depends on whether the decisions concerned the setting of objectives or the second-order policies or measures designed to meet them.

While there may be room for argument on this last point, it does seem that the NAO can legitimately claim access anyway on the grounds that the arrangements referred to are the product of departmental resources, the effectiveness of which in achieving the objective of regenerating urban areas he is entitled to study. Thus it may be difficult to argue convincingly that the C&AG is not entitled to see the file you mention. That is not to say that he is entitled to see all the papers on the file or that he will insist on exercising his entitlement in full: in the past the NAO have been receptive to the argument that Ministers are entitled to confidentiality in the making of their decisions.

Given the terms of the 1983 Act, it is unlikely to be in the Government's interest to provoke a confrontation with the C&AG on the question of access. The aim therefore should be to hold the line as far as possible without pressing the issue to confrontation. You will need to judge the best tactics to achieve this outcome in the light of NAO's reactions. For this it may be worthwhile categorising the papers according to their degree of sensitivity with a view to establishing whether they would be prepared to settle for something less than full access.

Unit papers are in the same position as the CPRS report referred to in paragraph 20 of the guidance note circulated by Clifford Judd on 23 November 1984: that is, that they are policy advice to Ministers - in this case, the Prime Minister in particular - and not part of any department's use of its resources. We would therefore be most reluctant for the NAO to have access to such papers.

Third, papers submitted by the Cabinet Office to the informal Ministerial group, chaired by the Prime Minister, and minutes of that group's discussions, circulated by the No. 10 Private Office. There is a presumption against allowing the NAO access to these papers, both because they concern policy advice to Ministers collectively and because we need to preserve the ability of Ministers to discuss issues freely. We doubt however whether you need extend this presumption to drafts of the actual text of the Action for Cities document, which has been published.

At this stage, it would be wrong to volunteer documents in any of these categories, which we believe the NAO are not entitled to see. You will be best placed to judge whether the NAO should be told that certain documents have been withheld from the outset, or whether it would be better to leave them to discover this for themselves if they can (eg if this is apparent from other papers on the file). If, later, the NAO did decide to make formal requests for particular papers which had been withheld, that would need to be considered and, if necessary, put to Ministers.

I am copying this letter to Hayden Phillips (Treasury), William Knighton (DTI), Douglas Talintyre (Department of Employment), Mike Malone-Lee (Home Office), Handley Stevens (Department of Transport), Juliet Wheldon (Treasury Solicitor) and Jonathan Spencer (Cabinet Office).

CONFIDENTIAL
NOT FOR NAO EYES

It would certainly be an undesirable precedent for the NAO to see the ministerial policy exchange, even on an ex gratia basis. If the NAO insist on this, Sir Terence Heiser may wish to discuss the matter again with Mr Bourn. If this fails to provide a solution Ministers may have to decide whether withholding access to these papers is sufficiently important to put at risk the status quo on NAO access generally. Clearly, there would be no point in withholding access to these papers unless Ministers had confirmed that they were prepared to defend this to Parliament.

I understand that Richard Wilson will be replying separately. He would be grateful if you would not act on this before then.

I am sending copies of this letter to the recipients of yours.

*Yours sincerely,
David Shore*

J D R SHORE

THE URBAN REGENERATION STUDY - BRIEFING NOTE

1. The National Audit Office are undertaking a study of urban regeneration in parallel with one by the Audit Commission. It is envisaged that the two studies will complement each other by examining respectively central government and local government aspects of the subject. NAO's fieldwork is expected to take place between now and September 1988 and the report will be published in the spring of 1989.

2. The issues that the study will address are:

- (1) Whether there are satisfactory arrangements for establishing urban regeneration needs and planning and co-ordinating associated programmes?
- (2) Whether available performance measures and other information are sufficient to establish to what extent results meet DOE's agreed urban regeneration objectives?
- (3) How far available information confirms the effectiveness of urban regeneration programmes, and further DOE action?

NAO recognise that whilst DOE administer the main programmes directly related to urban regeneration, the problems associated with run down urban areas cut across the responsibilities of a number of government departments. Consequently the study will concentrate on the DOE urban regeneration programmes (issues 2 and 3) but will also examine the arrangements for co-ordinating these with the programmes of other government departments (issue 1). However NAO examination will be limited to enquiries within DOE, DTI and DE/MSD. Where NAO have previously examined the relevant DOE programmes, the study will build on this earlier work.

3. In addition to directly relevant DOE programmes NAO consider that it would not be possible to exclude housing from a study which examines urban regeneration. A separate team will be responsible for this element which will be kept within reasonable bounds.

4. NAO have divided the non-housing element of the study into 14 tasks which, though inter-related, can be divided into the two broad areas of "co-ordination" (issue 1) and "effectiveness of DOE schemes" (issues 2 and 3). The tasks are as follows:

Co-ordination

- Task 1 National/interdepartmental procedures
- Task 2 The role of the Partnership and Programme Authorities in co-ordination
- Task 3 CATs
- Task 4 Task Forces
- Task 5 Procedures locally
- Task 6 Analysis of expenditure

Effectiveness of DOE Programmes

- Task 7 Urban Programme
- Task 8 Urban Development Grant
- Task 9 Urban Regeneration Grant and City Grant
- Task 10 Urban Development Corporations
- Task 11 EZs/SPZs
- Task 12 Land Register
- Task 13 Information locally
- Task 14 Economic and Social Research Council studies

Annex A identifies the broad areas NAO will be addressing with regard to the DOE programmes to provide an indication of the officers NAO will wish to see.

CO-ORDINATION

5. The study will establish the procedures for co-ordinating urban regeneration programmes at all levels, both national/local and departmental/interdepartmental. Task 1 intends to establish these procedures at the highest level by examining the roles and arrangements at the three departments and the Cabinet Office Inner City Unit.

6. From DOE's viewpoint NAO will wish to interview the officer(s) who can assist NAO in clarifying the relevant urban regeneration aims, objectives and priorities. NAO will wish to gain an understanding of how needs are assessed, areas targeted and how DOE interprets the aims and objectives they are seeking to achieve. Also NAO will wish to examine the co-ordination of monitoring and performance review. Having established the basic approach to the urban regeneration problem, NAO will be seeking to clarify the procedures by which the three departments liaise and co-ordinate to agree these and related issues.

7. NAO have identified three focal points where the departments have an opportunity to liaise, albeit to a limited degree. These form the basis of tasks 2, 3 and 4. In respect of task 2 the three departments, as well as other bodies, have an opportunity to consult in the analysis, review and decision making on the Inner Area Programmes for the Urban Programme. CATs and Task Forces also provide opportunities for liaison to discuss local needs. NAO will seek to clarify the co-ordinating role of these activities and bodies. Within DOE, NAO will wish to interview the officers who are familiar with the Partnership and Programme procedures and functions. The DOE input for CATs and Task Forces is limited but we understand that ICD 2 have a liaising role.

8. Task 5 will examine the procedures at Regional level for co-ordinating activity between the departmental regional

offices of DOE, DTI, DE/MSD, and other bodies such as local authorities, private sector initiatives and UDCs.

9. Task 6 will seek to provide financial information on the direct and indirectly relevant urban regeneration programmes run by the three departments. NAO will also need to ascertain the levels of expenditure in England by the European Community in relation to urban regeneration. The main purpose of the task will be to put figures behind the facts and give a broad assessment of the financial weight given to the inner cities. Detailed information will be required for the areas we intend to visit. In DOE, NAO will wish to obtain, in addition to the broad figures, a financial analysis by local authority of the amount of UP, UDG and other DOE grants.

EFFECTIVENESS OF DOE PROGRAMMES

10. In preliminary discussions with DOE the schemes in tasks 7 to 12 were identified as being directly relevant to urban regeneration aims. Less work will be required in areas already subject to recent NAO examination. Also Derelict Land Grant has been ignored as a task for this study as it is currently under separate examination by NAO. The findings of the DLG study will be referred to in the urban regeneration report.

11. NAO recognise that the grant structure has recently changed following the Action for Cities proposals. Therefore, in respect of UDG and URG, the study will examine the past achievements of these grants. In respect of the new City Grant, NAO will be seeking to ascertain the most up to date position, paying close regard to the methods by which it is intended the Grant will simplify existing procedures.

12. Task 13 will obtain at the information available locally on the effectiveness of DOE schemes. The final task (14) will involve limited DOE input but will require discussions with officers who are able to give the official DOE

viewpoint on findings of the ESRC research. This research was particularly identified by NAO because it represents a significant programme of recently sponsored research.

EXAMINATION OF DOE PROGRAMMES

TASK	AREAS OF ENQUIRY
7. Urban Programme	<p>IAP appraisal procedures; indicators of deprivation, Z-scores; targetting and resource allocation; UPM procedures; output and impact measures; research programme.</p> <p>DOE Officers - Internal Audit initially. Then ICD2(?) Officers relevant to the broad headings above.</p>
8. Urban Development Grant	<p>Appraisal procedures; procedures for monitoring projects; methods of assessing the effectiveness of projects; UDG research; output and impact measures.</p> <p>DOE Officers - Initially to talk to officers able to give DOE response to the research. Then to officers relevant to the broad headings above in ICD1 (?)</p>
9. Urban Regeneration Grant and City Grant	<p>Appraisal procedures; procedures for monitoring projects; methods of assessing the effectiveness of projects; URG research (if any); output and impact measures; envisaged procedures for the City Grant.</p> <p>DOE Officers - Those officers relevant to the broad headings above and any officer who has an understanding of the City Grant proposals and the problems it is intended to solve in streamlining URG/UDG.</p>
10 Urban Development Corporations	<p>Criteria for selection; rationale on level of funding corporate plans etc for new UDCs; follow up action on NAO Report on UDCs.</p> <p>DOE officers - For new UDCs relevant officers in ICD5; looking in more depth at UDCs in locations visited.</p>
11 Enterprise Zones and Simplified Planning Zones	<p>Follow up of NAO EZ report; proposals for EZs; progress in establishing SPZs.</p> <p>Officers in DOE - Relevant Officers in ICD4 (?); possibly PDC1B for SPZs (?).</p>
12 Land Register	<p>Procedures by which unused land is placed on the register and brought to the public's attention. Procedures for assessing the effectiveness of register. Information on land registered in UP authorities etc over time.</p> <p>DOE Officers - ICD 4 (?)</p>
13 Local visits	<p>To establish the role of ROs, information held etc for the appropriate programmes above. Contact at ROs covering Manchester, Sheffield, London Hackney, Birmingham, Bristol and Hartlepool.</p>

CPD



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

The Rt Hon Peter Walker MBE MP
Welsh Office
Gwydyr House
Whitehall
LONDON
SW1

NBM

18 July 1988

REC
19/7

Dear Peter

CARDIFF BAY BARRAGE

at floor

I have seen your letter of 17 June to John Major about the proposal to build a barrage across Cardiff Harbour. I would like to add some comments from the environmental perspective.

The UDC concept has been applied elsewhere with considerable success and I am convinced that it will provide the key to the regeneration of the Cardiff Bay area. I note that a barrage is expected to play a significant part in the success of the scheme, with a 25 metre barrage estimated to more than triple both the number of direct and indirect jobs created (to a total of 21,400) and the private sector investment attracted to the area (to £898 million).

These benefits must, however, be weighed against the needs of the local bird population. The Institute of Terrestrial Ecology Study revealed that the Taff Ely Estuary provides feeding grounds for a peak of some 9,000 migratory wildfowl and wading birds. For two species, Redshank and Dunlin, this figure incorporates 1.2% of the total British wintering population.

As you know, we have, in consultation with the Law Officers and other interested Departments, examined very carefully the nature and extent of our obligations under the EC Birds Directive. In particular we have been looking at the degree of discretion afforded to member states by the Directive to permit development which would be harmful to the conservation interest of existing or potential special protection areas.

The Law Officers have taken the view that, strictly, the Directive precludes member states from permitting any development within existing or potential SPAs which would have a significant adverse effect on the bird population concerned. As you know, we subsequently issued, with colleagues' agreement, a circular advising on the handling of development proposals affecting existing or potential SPAs which indicates inter alia that



REG POL: Inner Cities

PT 14

planning consent should be granted only where damage to habitats will not be significant, or where it is outweighed by economic or recreational requirements. My own view remains that we should do whatever we can to avoid an interpretation of the directive which effectively denies member states discretion to take account of wider policy considerations.

Whatever Parliament's ultimate decision on the Bill we will, of course, need to be very careful to ensure that we are in a position to demonstrate, if challenged by the European Commission, that the implications of the barrage proposals for nature conservation have been fully and carefully examined in the light of our obligations under the Birds Directive. It will therefore be important to ensure that Parliament has all the information it needs to reach a balanced decision on the Bill, including details of the likely environmental impact of the barrage, and advice on the requirement under the Birds Directive to avoid the pollution or deterioration of habitats. I assume that your officials will be consulting mine over preparation of the Government report.

The European Community Environmental Assessment Directive is relevant here. Although it specifically excludes projects for which approval is given by the national legislature our policy is that, where a scheme promoted by a private Bill would have required environmental assessment had it been proceeding under existing statutory powers, we will ensure, if it is in our power to do so, that an environmental statement is submitted with the Bill. In this case the size of the scheme and its effect on the bird population make it likely that the project will have significant environmental effects so that an environmental statement is appropriate. I understand that the promoters of the Bill have commissioned Liverpool University to prepare one. This will obviously provide important information on which to base the final decision. I hope that it will demonstrate that careful arrangements will be made to monitor the effect on the bird population in order to ensure that the disruption caused by the development is kept to a minimum.

We cannot, of course, anticipate what view the European Court might take in the event of a challenge by the Commission on the grounds that approval of the barrage was inconsistent with our obligations under the Birds Directive, but provided the matter is handled fully in accordance with the general principles set out in Circular 27/87, I consider that we would be in a position to mount a robust defence. I would therefore be content for you to proceed as proposed.

I am copying this letter to the Prime Minister, other members of E(UP), the Foreign Secretary, the Attorney General and to Sir Robin Butler.

John Major
Nicholas Ridley

NICHOLAS RIDLEY

file

LOB AVR

PROFESSOR GRIFFITHS

NAO STUDY OF URBAN REGENERATION

You ought to know that the National Audit Office have asked the Department of the Environment to see their file which includes papers submitted to the Ministerial Group on Inner Cities chaired by the Prime Minister. This raises a point of policy about whether the NAO should be given access to such papers. But the point on which I minute you is that we are told that this DOE file has on it "think piece" papers by the No. 10 Policy Unit. The Cabinet Office will be arguing with the Treasury and the DOE that the Policy Unit papers (as well as certain other papers on the DOE file) should not be made available to the NAO since they pertain to the policy formulation process, rather than to the expenditure of money process, which is the NAO's remit.

But more generally I think that we need to be wary of letting Departments have Policy Unit papers if they are going to be filed on Departmental files. My fear is that the NAO may, through lack of vigilance, obtain a copy of such a paper and try to use it as a lever for access to further of the Unit's papers. I would want to resist any such attempt very fiercely. But clearly our objective should be not to give the NAO any pretext in the first place. Hence my request that you should avoid letting Departments have copies of Unit papers if they are going to be put on Departmental files. If this causes difficulty I am ready to discuss.

N. L. WICKS
12 July 1988

WB



Mr Gray

A very difficult area.

CONFIDENTIAL. NOT FOR NAO EYES

But I agree with

P 03175

R W. line

11 July 1988

Content?

MR J W STEVENS, PEFO

cc Sir Robin Butler

Mr N Wicks

Mr S Loveman

Mr G Monger

Mr J Spencer

N. C. U

17.7

NAO STUDY OF URBAN REGENERATION

1. We spoke about the attached letter from the Department of the Environment (DOE) to the Treasury Officer of Accounts. They want to let the NAO see a 16-part file which includes papers submitted to a Ministerial group on inner cities chaired by the Prime Minister, records of discussions in that group circulated by No. 10 and "think piece" papers by the Number 10 Policy Unit.
2. This raises issues which go much wider than the particular NAO investigation which concerns DOE. Important and sensitive matters are quite often dealt with in small informal groups chaired by the Prime Minister outside the Cabinet committee system. Although these meetings do not engage collective responsibility in the same way as formal Cabinet Committees, they can nonetheless be an important part of the collective decision-making process, for instance by preparing the way for discussion and decision in Cabinet. If the NAO were to be entitled to see papers relating to such meetings, it would seem to me a significant breach in the convention that they do not enquire into the merits of Ministerial policy decisions or the processes of Ministerial decision-taking.
3. Subject to your views, and those of copy recipients, I am therefore inclined to write to the Treasury Officer of Accounts to suggest that while the NAO could properly be allowed access to DOE's files to see day-to-day working papers, correspondence between officials, drafts of the Action for Cities document and similar material, it seems to me that papers in the form in which they were submitted to the Ministerial group, together with the records by No. 10 of the Group's discussions, ought first to be taken off. I would also feel inclined to argue that this should also apply to "think piece" papers by the No. 10 Policy Unit since their role is to brief the Prime Minister as part of the decision-making process.



File 1/60
LOBANS

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

MR. WILSON,
CABINET OFFICE.

NAO STUDY OF URBAN REGENERATION

Thank you for sending me a copy of your minute of 11 July to John Stevens on this issue. I agree with the course of action which you propose in paragraph 3 of your minute, particularly as it applies to the No. 10 Policy Unit "think piece" papers. I should be most reluctant for the NAO to have access to such papers.

You should know that I have asked Professor Griffiths to avoid letting Departments have copies of Unit papers if they are going to be put on Departmental files.

I am copying this minute to John Stevens and Sir Robin Butler.

N. L. WICKS
12 July 1988

WLS



Department of the Environment
2 Marsham Street London SW1
Telephone 01-212 3434

CONFIDENTIAL AND NOT FOR NAO EYES

John Beastall Esq
Treasury Officer of Accounts
HM Treasury
Parliament Street
London SW1

CABINET OFFICE
P 3500
8 JUL 1988
FILING INSTRUCTIONS
FILE No. _____

6 July 1988

Dear John,

NAO STUDY OF URBAN REGENERATION

1. I have spoken to you and to Eric Sorensen (when he was in Cabinet Office) about the NAO request for a DOE file as part of their study of urban regeneration. We have now been able to analyse the file more fully and to discuss it with the Permanent Secretary here.
2. The file concerned comes in 16 parts, beginning in June 1987 with the establishment of the Cabinet Office Unit and records the background to the preparation of its interim and final reports, their consideration by the Prime Minister's group and the drafting and launch of the Action for Cities document. It does not contain numbered Cabinet Committee papers or minutes of Cabinet Committee discussions. However, the key reports prepared by the Unit, and the collective discussion by Ministers of them are included on the file, since the discussion took place in an informal group under the Prime Minister's chairmanship, and papers and minutes were distributed through letters from her Private Office (for example, a letter of 1 December 1987 recording a key discussion the previous day).
3. In addition to papers generated outside DOE in this way, there are briefs we had prepared for our Secretary of State who took part in those meetings, and correspondence at senior official level between our own Department, other Departments and Cabinet Office. These discuss what should and should not be included in the reports to the Prime Minister and in the Action for Cities document. There are related "think piece" papers from the Treasury and the Number 10 Policy Unit.
4. These files clearly fall into a "grey area" in respect of the guidance issued by your predecessor in 1984 and the correspondence initiated by John Anson in March this year.



4. All this is, however, off the cuff. Before writing to Mr Beastall I would be grateful for your views and advice and for any light which you can shed on precedents. You may also be able to lay your hands on the guidance issued in 1984 to which the DOE refer, and the correspondence initiated by Mr Anson in March.

R.T.W.

R T J WILSON

5. When we discussed the issue on the 'phone, you warned of the dangers of seeking to deny the NAO access to papers unless we were very sure of our ground. Following discussion with Terry Heiser, our own preference would be to show the files to NAO, on the grounds that they are to do with the implementation of Ministers' policies and are not Cabinet Committee papers in the sense normally understood. Moreover, our experience with our opposite numbers in NAO is that they have always treated responsibly the information they have gained in the course of examining our files, including those on such sensitive current political issues as the approval of the Canary Wharf scheme in London Docklands.

6. However, the decision is clearly not one for us to take without reference to you and the Cabinet Office. Terry Heiser has asked me particularly to make the point that granting access would be a clear precedent for NAO to see records of informal Ministerial groups where relevant to value for money studies they were undertaking. We could try to limit the precedent effect by reference to the suggestion in John Anson's earlier letter that, in granting access, this was done "ex gratia" and without prejudice to future occasions.

7. The NAO study of urban regeneration extends to a number of other Government Departments besides DOE and it is always possible that NAO either have or will request access to files containing some of the same material on the Action for Cities initiative. I am therefore copying this letter not only to Richard Wilson (Cabinet Office) with a request for his views on the issues outlined above, but also to William Knighton (DTI), Douglas Talintyre (Department of Employment), Michael Malone-Lee (Home Office) and Handley Stevens (Department of Transport) who may be aware of such approaches.

Yours sincerely
Philip Heiser

P J FLETCHER

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Peter Walker MBE MP
Secretary of State for Wales
Welsh Office
Gwydyr House
Whitehall
London
SW1A 2ER

25th June 1988

Dear Peter,

CARDIFF BAY BARRAGE

Thank you for your letter of 17 June.

I note that the barrage option which you propose to accept can be justified in terms of net present value and I welcome the other benefits which your economic appraisal has identified. Given the background which you outline I would be content for you to authorise commitment by the Cardiff Bay Development Corporation of the funds needed to construct the barrage and for the Government to support the private bill promoted by South Glamorgan County Council.

I must stress, however, that my agreement to construction of the barrage is on the basis that the cost, including any overruns, together with the cost of funding other Development Corporation projects is met within your block. I would of course be content for you to explore the options for funding from the European budget, on the basis, of course, that the normal additionality rules would apply.

I am grateful for your assurance that you will keep a close watch on the costs of the barrage and on other major projects. My agreement to the barrage does not, of course, imply acceptance of a detailed strategy for the regeneration of Cardiff Bay and as you note the appraisal of strategy and of individual site developments will need to be carried forward separately. I take it that your officials will continue to consult mine on the appraisal of developments beyond the barrage itself in accordance with the existing arrangements for delegated approval. It is clearly important that each development should be

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justifiable in itself and that the costs of additional projects should enhance rather than detract from the net present value anticipated from construction of the barrage.

Like you I accept that the economic and social advantages of barrage construction are sufficient to outweigh environmental costs. The existing provision of £6 million within the barrage cost for providing alternative feeding ground for wading birds must be seen as the limit of our commitment. We should not go beyond this in response to pressure during the passage of the private bill.

Finally, I am content with what you propose on evaluating and monitoring the performance of the barrage in relation to the development of Cardiff Bay as a whole. No doubt your officials will again discuss with mine any refinements in performance targets in the light of their discussions on the developing regeneration strategy.

I am copying this letter to the Prime Minister, other members of E(UP), Geoffrey Howe, Patrick Mayhew and to Sir Robin Butler.

Yours Ever,
John Major

JOHN MAJOR

TEES+SIDE

DEVELOPMENT CORPORATION

TEES HOUSE, RIVERSIDE PARK,
MIDDLESBROUGH, CLEVELAND TS2 1RE
TEL: (0642) 230636 FAX: (0642) 230843

R 24/6

W/E box

23 June 1988

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

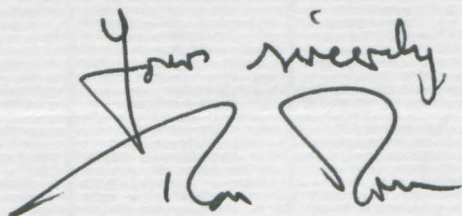
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Dear Prime Minister

I write to thank you most sincerely for the Reception you gave us on 6 June. The feedback I have had from those present has been overwhelmingly enthusiastic.

There has been a tremendous amount of interest generated by the Reception and the announcements about the Teesdale site in Stockton. We are very grateful to you for helping us to raise the profile of the area nationally and in promoting Teesside to the business community.

I look forward to welcoming you on a return visit to the area in the near future.

Yours sincerely


Ron Norman
Chairman

REG POL: Inner Cities ..

Pt 14 ..





2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

cc DG ✓

NBLM
BCC6
17/6

My ref:
Your ref:

The Rt Hon Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster
Department of Trade and Industry
1-19 Victoria Street
LONDON
SW1H 0ET

17 June 1988

Dear Kenneth

ACTION FOR CITIES: PROGRESS

I have seen your minute of 6 June to the Prime Minister and her response conveyed in Mr Gray's minute of 8 June.

I welcome the introduction of the Progress Chart and Reports which provide a very useful summary of progress in the 57 areas. I am, however, concerned about the implications of your proposal that from now on we should give the "closest attention" to the 23 authorities in the first section of the chart where you say there is already a marked concentration of effort. It is not as evident to me that a distinction between these authorities and the remainder can be so easily drawn. The second, lower priority, section contains a number of very deprived authorities to which the Government has always accorded a high degree of priority. It includes, for example, 4 of the 7 Urban Programme Partnership Areas - Liverpool, Hackney, Islington and Lambeth.

The Prime Minister has agreed that it would be wrong to draw up a fixed short list of areas for favourable treatment. I am sure that this is not what is intended here and I can see the scope for making a greater impact on the ground by running Departmental initiatives alongside each other. However, my view remains that with close liaison between Departments and the Cabinet Office Unit we can take up opportunities for co-ordinated action when this seems sensible without limiting ourselves at the outset to a small number of authorities.

I have asked my officials to send detailed comments on the chart to the Cabinet Office Unit.

As the Progress Reports demonstrate, we have been moving forward rapidly on the DOE initiatives announced on 7 March. Boundaries have been settled, chairmen-designate announced and designation



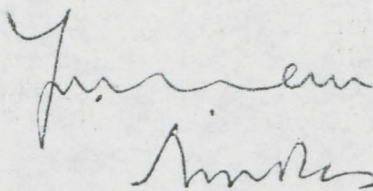
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orders laid for each of the new Urban Development Corporations in Bristol, Leeds, Central Manchester and Sheffield. By the end of this month all bar Bristol should be established and in operation. The petition against the designation order received from Bristol City Council will lead to some delay in setting up the Bristol UDC, but we are doing all we can to minimise this. Consultants are studying the boundaries for the extension to the Merseyside UDC.

I endorse your comments about City Grant. It has generated a high level of interest. The number of serious enquiries has increased to 120 in the short time since you minuted the Prime Minister. By approving the first project in eight days, we have demonstrated that where applications are well prepared decisions can be issued very quickly indeed.

Finally, negotiations with the local authority associations have secured their agreement in principle to the publication by local authorities of information about their unused vacant land. The next stage is to agree a code of practice with the associations. We are also seeking the agreement of Departments that they and other public bodies should adopt the same, or at least a similar, code of practice.

I am copying this to the Prime Minister, other E(UP) colleagues and Paul Channon and to Sir Robin Butler.



NICHOLAS RIDLEY



OTD
Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-270 3000 (Switsfwrdd)
01-270 0538 (Llinell Union)

Oddi wrth Ysgrifennydd Gwladol Cymru



RA

ABLM

at his desk

RCCG

17/6

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-270 3000 (Switchboard)
01-270 0538 (Direct Line)

From The Secretary of State for Wales

The Rt Hon Peter Walker MBE MP

Prime Minister 4 17 June 1988
You may like to note progress on
this project. Treasury are content.

CONFIDENTIAL

RCCG
27/6

CARDIFF BAY BARRAGE

When the Cardiff Bay Development Corporation was set up last year, it immediately took forward the various studies on a proposal for a barrage across the Cardiff Harbour initiated by my predecessor. These studies were necessary before the Corporation and the Government could come to a conclusion on the barrage proposal.

... The attached paper sets out the broad results. Your officials have been kept in touch with progress on these studies over the last few months and, you also kindly agreed to let Mr Betenson join me in discussing the issues with Cardiff Bay. The earlier and latest economic appraisals demonstrate that a barrage development of Cardiff Bay gives the best economic return. The latest analysis shows that the net present value - even on conservative property betterment values - would be around £43 million. The other benefits of a barrage development are estimated at over 21,000 jobs, private sector investment of nearly £900 million and over four thousand new houses. Although there are environmental costs with the loss of a Site of Special Scientific Interest, I am convinced that the benefits of this project in economic and social terms outweigh those costs.

The studies show that the proposed development is sensitive to cost increases. I will ensure that these are kept fully under control. With regard to the Barrage itself and its associated infrastructure the CBDC consultants are satisfied that it is a piece of straightforward engineering and the ground and site conditions should not present any undue problems. Nevertheless, I will give the Corporation clear guidelines to follow on contract and other cost control procedures and I will monitor matters very closely. I shall also be asking the Corporation to carry out further detailed cost benefit analysis on specific projects in order that a view on them can be taken outside of this decision on the Barrage.

/Work ...

The Rt Hon John Major MP
Chief Secretary



Work is already in hand under the normal COBA procedures for local authority roads schemes to evaluate the benefits of the proposal to change the design of the major road which runs through the centre of Butetown. I shall also be seeking a detailed analysis of the proposals to build an island nature reserve on the edge of the Bay. Other projects requiring close examination will emerge from the detailed site development briefs which the Corporation will start producing over the next few months. You can be assured that I shall be keeping a close watch on the cost of the barrage and other major projects.

The consultants who undertook the financial appraisal of the barrage have concluded that the barrage will have to be paid for by the Development Corporation with the benefits of private sector investment arising later in the form of purchase of land from the Corporation at enhanced values and/or direct private sector contributions to infrastructure and other costs. I know that your officials believe this is a sound conclusion, but I believe this project could offer an excellent opportunity for Euro-funding and I have asked that option to be examined. However, for the time being I believe we can only move forward on the basis of the consultants conclusions, difficult though it will be to accommodate the envisaged public expenditure in a few years in the early 1990's. The priority I attach to this project is such that whatever the outcome of the current Public Expenditure Survey, I expect to be able to accommodate the construction of the barrage within the resources I anticipate being available to me.

The construction of the barrage needs Parliamentary approval. A private bill sponsored by South Glamorgan County Council has been deposited. There is opposition to the proposal from a number of conservation groups and the bill will be strenuously opposed in those quarters.

In the light of all the studies that have been undertaken I am fully persuaded that a barrage strategy for Cardiff Bay is right. It will provide a unique opportunity to create a high quality redevelopment of a vast and currently very rundown area close to the centre of Cardiff. The project is in total accord with our initiatives to encourage private investment and to bring new life to run-down inner-city areas. It is essential to the safe passage of the legislation that Government support in principle is expressed at Second Reading stage scheduled towards the end of this month. I should be grateful therefore for your early agreement and that of colleagues to the commitment by the Development Corporation of the necessary funds to see the barrage constructed; and to Government support being given to the private bill promoted by the County Council.

/ I am copying this to the Prime Minister, other members of E(UP), the Foreign Secretary, the Attorney General and to Sir Robin Butler.



C O N F I D E N T I A L

CARDIFF BAY BARRAGE

Note by the Secretary of State for Wales

Introduction

1. The concept of a barrage across Cardiff Bay was the subject of a study undertaken in 1986 by property consultants Jones Lang Wootton for the Welsh Office. The report suggested that the key to the full development of the area around Cardiff Bay, lay in a barrage across the mouth of the joint Taff and Ely estuary. Market testing amongst the private sector confirmed that the opportunities for high quality development on a large scale were judged to be enormous. In December 1986, my predecessor announced the creation of the Cardiff Bay Development Corporation with a first remit to carry forward the redevelopment of the area. The Corporation came into being on 3 April 1987 and has now substantially completed the further studies commissioned on the barrage including economic and financial appraisals and environmental and engineering studies. The results of this work are summarised below.

Economic and Financial Appraisals

2. These studies were undertaken by Peat Marwick McLintock (PMM) to terms of reference agreed by the Welsh Office and the Treasury.

3. The economic appraisal addressed the question of whether there would be a net social return in developing Cardiff Bay and in particular with the construction of a barrage. The consultants looked at the costs and gains of 4 different options: development without a barrage; a basic barrage (10 metres wide, single lock); an enhanced barrage (up to 100 metres wide, complex locks and an extension around Penarth Head); and a mid enhanced barrage (50 metres



wide, twin locks but no Penarth extension). In making the comparison the consultants took into account the full costs of developing the area ie. the costs of essential site preparation and other works in addition to any barrage construction costs. The consultants concluded last year that only a barrage option would provide a positive return in Net Present Value terms and that the lowest cost basic barrage provided a better economic return than the other barrage options.

4. The Development Corporation told me that they would want to proceed with the construction of something more than the basic barrage. After discussing it with them, I am satisfied that their reasons for supporting a larger option make sense in operational and development terms. A single lock structure would be inadequate for the number of boats passing in and out of the Bay and the narrow crest of the smaller barrage could preclude public use and the use of the barrage for anything other than basic servicing and obviously reduce the options for private sector development at either end. I have examined these issues carefully and have concluded that the Corporation is correct in rejecting the basic option. Nevertheless, the Corporation was asked to examine the specifications of the mid enhanced barrage again to see if changes could be made which would reduce the cost of this option. They have now come forward with a proposal for a barrage with a narrower crest (25 metres) costing £85.5 million. These costs include not only the construction of the barrage but associated works and projects such as diversion of the sewerage and drainage systems and provision of alternative feeding grounds for the wading birds. PMM have also carried out a further economic appraisal of that part of the Bay affected by the Barrage, taking account of the Corporation's Regeneration Strategy. The results of this have only now come to hand and are summarised below.



	No Barrage	25 metre Barrage
Barrage cost	-	£85.5 million
Total Public Sector Development Cost (including land)	£105 million	£312 million
Land Sales Receipts	£22 million	£105 million
Private Sector Investment (excluding land costs)	£268 million	£898 million
Leverage	3.5:1	4.8:1
Direct and indirect jobs	7,100	21,400
*Net Present Value £m	(-35)	43

*Calculated on the basis of increased land and property values in the Cardiff area less the total costs associated with each option.

A sensitivity analysis has also been undertaken to test the risk areas of the proposal including construction costs etc. This demonstrated the robust nature of the project in terms of betterment gains, land values, and alternative land use and density assumptions. The studies show however that the project is sensitive to cost increases. I will ensure that these are kept in check. The CBDC consultants are satisfied that the costs of the Barrage can be kept under control as they maintain it is a piece of straightforward engineering and the site conditions have been well studied and should not present any undue problems. I shall however be giving the Corporation quite specific guidelines to follow on contract and other cost control procedures. I shall also be asking them to carry out further detailed cost benefit analysis on other specific projects in order that I can reach a view on them separately and outside of this decision on the barrage.



5. A financial appraisal was also undertaken as a separate exercise by PMM. Its main purpose was to examine ways in which the Corporation could maximise the financial benefit and achieve the greatest private sector participation. The main conclusions were:-

- a. public sector funding would be necessary for the construction of the barrage and other basic infrastructure in the early years of development;
- b. a debt financing arrangement based on the security of land should be considered as a mechanism for obtaining private sector funding for infrastructure in later years. Such an arrangement would require the Corporation to have purchased the land.

6. Although these conclusions may prove to be quite sound I believe that the barrage project may have the potential to provide an excellent opportunity for Euro-funding. I shall be examining that option further, but in the meantime I have concluded that we must go forward on the assumption that the barrage will have to be paid for out of the Corporation's grant-in-aid.

PUBLIC EXPENDITURE IMPLICATIONS

7. The net cost in public expenditure terms of developing the whole of the designated area of the Bay on the basis of a barrage and in accordance with the Corporation's proposed Regeneration Strategy would amount to about £218 million at mid 1987 prices over the next 10 years or so. My officials will be having further discussions with the Corporation about reducing this overall cost. But what cannot be avoided is that the barrage together with other early infrastructure works has the effect of peaking the demand for public expenditure during the first half of the 1990's. This will not be easy to accommodate. The priority that I attach to this project, however, is such that, whatever the outcome of the current Public Expenditure Survey I expect to be able to accommodate the construction of the barrage within the resources I anticipate being available to me.

ENVIRONMENTAL CONSIDERATIONS

8. The area of inter-tidal mud flats in the Taff-Ely estuary has been notified by the Nature Conservancy Council (NCC) as a Site of Special



Scientific Interest (SSSI). The area is also included by the NCC in the wider Severn Estuary area which they are considering notifying as an SSSI preparatory to proposing it for designation as a "wetland of international importance" under the Ramsar Convention and as a Special Protection Area under the provisions of a European Community Directive of 1979 on the Conservation of Wild Birds. The importance of the area stems from the use of the area by wildfowl and wading birds for feeding purposes. The barrage would result in the destruction of the feeding ground. A wide range of studies have been undertaken to determine the conservation implications of the barrage (undertaken by the Institute of Terrestrial Ecology); the opportunities for reclaiming feeding grounds in the area lost to spartina grass (NCC); and the provision of alternative feeding grounds by engineering means (Hydraulics Research Ltd). The conclusion of the ITE study is that there is a substantial risk that permanent losses to the local, national and international populations of two species of birds - Dunlin and Redshank - would occur if a barrage were built. The report on spartina grass eradication suggests that this would not provide a solution to the problem. The Hydraulic Research report concludes there is scope for providing alternative feeding grounds through the creation of a lagoon at the nearby Rhymney Estuary. This would cost about £6 million (and is included in the barrage cost of £85 million).

9. Conservation is the most difficult aspect of the barrage proposal and the NCC have petitioned against the Bill currently before Parliament. The European Community's 1979 Birds Directive introduces a legal dimension to our consideration of the issue. Strong legal advice is that potential SPAs should be treated in exactly the same way as those already designated. My understanding of the Directive is that it allows us to weigh economic and recreational factors against the conservation case. I am therefore firmly of the view that the balance in this case comes down heavily on the side of development.

ENGINEERING STUDIES

10. Studies have been underway on various engineering aspects of the barrage issue for some 2 years. The work on construction methods, flood protection, siltation, drainage and groundwater levels have all produced reassurance on feasibility of construction and that cost estimates are



investment plans. Individual investments forming part of the barrage strategy will still need to be evaluated and approved by my Department under the close control arrangements that exist over UDCs.

CONCLUSION

13. On the basis set out above I am confident that the costs of this project are soundly based and the benefits conservative. I invite colleagues to agree that Government support for the South Glamorgan Bill should be expressed at Second Reading.



acceptably well founded and firm. Tests on water quality have been particularly thorough. The results are in some ways disappointing in that they point to a need for some clearance of algae blooms during periods of summer droughts to ensure that the quality of the water is of an acceptable standard at all times; and in those conditions oxygen will also need to be pumped into the water. The Welsh Water Authority, who have been closely involved with all the studies on this issue, have asked for particular measures to be taken to ensure that the water quality is of an acceptable level and these assurances will be given by the Development Corporation.

LEGISLATION

11. A private bill promoted by the South Glamorgan County Council is currently before Parliament. Second Reading is imminent with Committee Stage likely in the Autumn. I am of the firm view that an early expression of the Government's commitment is therefore essential. There have been 15 petitions deposited against the Bill - 8 of which are from conservation groups. The Welsh Water Authority has also petitioned against the bill; agreement has been reached between the promoters and the Authority on measures to ensure water quality and I am confident that once agreement on one relatively minor issue has been reached the Authority will lift their petition. The conservation lobby is strong and as usual will be well organised. It is by no means certain therefore that the private Bill will succeed unless we express strong Government support at Second Reading Stage.

EVALUATION AND MONITORING

12. The indicators used to evaluate the performance of the barrage related strategy for Cardiff would be similar to those adopted for other UDCs. They would include land reclaimed, new houses built, industrial and commercial floor space provided, temporary construction activity, permanent jobs created and private sector investment levered. The performance targets, which will feature in the Corporation's Corporate Plan each year, will reflect the expected outputs referred to in para 4 of this paper, refined as necessary by the outcome of the Regeneration Strategy and any other refinements which the Department will think it proper to make. The Corporate Plan will also be the mechanism for monitoring the Corporation's expenditure and discussing

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FILE



No reply
needed

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

My ref:

Your ref:

13 June 1988

Dear Colleague,

I am pleased to enclose Estate Action's Annual Report for 1987/88.

The report describes Estate Action's progress in helping local authorities to tackle the problems of their run-down housing estates. It features some of the Estate Action packages in operation and the views of the people actually involved in schemes around the country.

In 1987-88 112 new schemes were approved and further financial support given to another 80 begun in the previous year. Amongst the measures the report highlights are estate-based management, diversified tenures, Community Refurbishment Schemes and improved security - including concierge schemes.

I also enclose four Estate Action Data Sheets. These are the first of a series, with further issues following at regular intervals. The Data Sheets illustrate the variety of innovative approaches being developed in individual Estate Action schemes. They provide examples of what has been achieved and contain useful contact and reference details so that other local authorities facing similar problems can benefit from the experience gained from these pioneering projects.

In 1988-89 the extra resources made available under Estate Action have nearly doubled to £140 million. We intend that this substantial increase in targeted support will produce a further range of exciting schemes for transforming the worst housing estates into safer and more desirable homes for their residents.

Yours sincerely
A handwritten signature in cursive script, appearing to read 'Marion Roe', with a long, sweeping underline.

MRS MARION ROE

ESTATE

Action

3RD ANNUAL REPORT



1987-1988



Department of the Environment

Estate Action objectives

Estate Action is a major Government initiative, launched in 1985, which aims to improve the quality of life on run-down local authority housing estates by a combination of the following approaches:

- Diversifying tenures on estates by extending home ownership or passing management to co-ops, trusts or housing associations
- Improving housing management and maintenance through the estate-based approach developed by the Priority Estates Project and similar measures such as concierge services
- Revitalising run-down estates through resident involvement in estate-based initiatives such as Community Refurbishment Schemes, community enterprise and local employment initiatives
- Attracting private sector resources and investment.

Contents

Foreword by William Waldegrave

Part 1. Introduction

Part 2. Performance and Progress in 1987-88

Part 3. People in Estate Action schemes

Part 4. Expansion and New Directions

Foreword by William Waldegrave

Estate Action is now forging ahead and making impressive progress on housing estates up and down the country. In 1987-88 112 new schemes have been approved and further support given to 80 schemes already started – making good use of the £75 million extra resources made available by Estate Action.

When I have visited some of these schemes, I have been heartened and encouraged by the variety of ways in which these initiatives have started to transform the poorest housing conditions. This report can only illustrate a small number – but they are typical of the radical improvements being achieved.

*Despite the emphasis often placed on financial resources, Estate Action is mainly about **people**. Local repair teams, resident caretakers, concierges, co-ops, Community Refurbishment Scheme workers, tenants and owner-occupiers – they all become involved in the day-to-*



day running of the estate and help to establish a sense of community, belonging and ownership. This report features some of those people and their comments about Estate Action schemes in their areas.

I am pleased about the success we are achieving in many areas. I welcome the constructive and open-minded approach which an increasing number of local authorities are showing in looking at new ways of tackling the

problems. For our part, we have increased the resources available for Estate Action in 1988-89 to £140 million and local authorities have responded by submitting an exciting and varied range of bids.

Working together – residents, local authorities, Government and the private sector – can achieve much. One tenant has summed it up: “We want to make our estate somewhere people want to live rather than somewhere they have to live”.

A handwritten signature in blue ink, appearing to read 'William Waldegrave', with a horizontal line underneath.

MINISTER FOR HOUSING AND PLANNING
DEPARTMENT OF THE ENVIRONMENT

Part 1: INTRODUCTION

What Estate Action is and how it works

Objectives

1. Estate Action (EA) was launched in June 1985 to help local authorities improve the quality of life on their run-down council housing estates. The terms of reference were:

to identify authorities and estates where new initiatives can be pursued;

to develop new or relatively untried solutions to the problems facing these estates, including transfers of ownership and/or management to management trusts – involving tenants – or to tenants' co-operatives;

to encourage authorities to adopt, where appropriate, one or more of a range of existing disposal solutions such as:

- i. sales of tenanted estates to private trusts or developers
- ii. sales of empty property to developers for refurbishment for sale or rent

to encourage authorities to improve the management and maintenance of their own estates by establishing local autonomous estate-based management schemes on Priority Estates Project lines;

to advise Ministers of the need for new machinery, incentives or legislative change to promote the full range of solutions.

2. In pursuing these broad aims we have concentrated on the following:

- i. new ways of running council estates (such as tenant co-operatives and trusts)
- ii. measures to diversify tenure (including housing association rented accommodation)
- iii. involving private sector financial resources and skills
- iv. estate-based initiatives which give tenants greater involvement and control over the running of their housing (such as Priority Estates Projects and Community Refurbishment Schemes).

3. We have told every local housing authority in England about these aims and objectives. Estate Action has found that not only inner city estates, but also those on the periphery of towns and cities can suffer from problems for which the EA solution is needed.



Estates on the periphery of towns and cities can also benefit from Estate Action, in addition to inner city estates. This is West View in Hartlepool.

The EA approach

4. The Estate Action approach is to use know-how from EA consultants and Departmental and local authority staff, to help formulate "packages" of solutions tailored to the needs of individual estates. There is no single or rigid formula: what matters is that the proposals are geared to tackling the actual problems identified on particular estates. The Estate Action consultants who are able to give advice to local authorities on how to put together these types of measures include:

Bill Woof OBE, Chief Executive, Northern Counties Housing Association
David Couttie, Halifax Building Society
Mike Skilton, LG Management and Information Services Limited
Members of the Priority Estates Project (PEP) team headed by Dr Anne Power MBE and Tricia Zipfel.



5. For local authorities the initial point of contact with Estate Action is the DOE Regional Office. The staff there arrange any visits and discussions which need to involve members of the central Estate Action team or their consultants.

Financial resources

6. As well as providing local authorities with specialist advice and information, EA can (in the form of additional borrowing approvals or, in appropriate cases, Urban Programme grant) provide local authorities with extra resources to help them carry out the chosen solutions.

Tenant involvement and estate-based management

7. Every EA scheme is based on active tenant involvement. The schemes either introduce locally based housing management, or strengthen it where it already exists. The approach usually follows the lines developed by the Department's Priority Estates Project. This emphasis on responsive local management helps ensure not only that the tenants are actively involved in the scheme, but also that the benefits from any new capital investment are sustained in the long-term.

Part 2: PERFORMANCE AND PROGRESS IN 1987-88

Community Refurbishment Schemes (CRS)

Community Refurbishment Schemes, by combining Estate Action Urban Programme and Community Programme resources, enable unemployed people to undertake work programmes to improve the environment on run-down council estates. These schemes normally complement other measures such as the introduction of estate-based management, as part of an overall strategy to revitalise the estate.

16 new CRS were approved in 1987-88 involving over 1,000 Community Programme places. Ten local authorities set up CRS on estates for the first time: Barnsley, Burnley, Derby, Hartlepool, Preston, Rochdale, Rossendale, Rotherham, West Lancashire and Wirral. There are now 27 CRS in progress.

Priority estates

During the year, PEP gave advice to 27 local authorities on local management issues to help them put forward successful bids for Estate Action support. In early 1988, PEP launched seven new partnership schemes in Hull, Bristol, Stoke-on-Trent, Rossendale, Greenwich, Burnley and Blackburn. Several of these

new PEP involve radical proposals for a "local management board" comprising tenants' elected representatives and council nominees. It is intended that each board will run its estate within an allocated budget and under the terms of a management agreement, much on the lines of a tenants' co-operative.

Security

74 schemes included security measures aimed at combating crime and vandalism on estates.

A specially commissioned report – *A Better Reception – the Development of Concierge Schemes* – was published in March 1988. The report, produced by

Mike Skilton, indicates how concierge schemes can have a dramatic effect in improving security, making buildings much pleasanter and safer places in which to live, while reducing repair bills and increasing rental income.

In 1987-88 Estate Action provided resources for about 20 of these schemes, involving eight local authorities – Brent, Dudley, Newham, Nottingham, Sheffield, Stockport, Tameside and Trafford. Many other local authorities are also introducing such schemes.

Other security measures which Estate Action has supported are

Spreading the message: By 31 March 1988, 173 local authorities had received a visit from the Estate Action team – many authorities more than one visit. These visits and discussions take place before the local authority puts in a formal bid for extra EA resources. We have found that the time and effort spent at this early stage in identifying key problems and possible options, bear fruit in producing better solutions. The process of consulting and involving tenants in order to arrive at the right solution also takes time at this formative stage. It can, however, produce some imaginative solutions, and it pays dividends in securing tenant commitment to the selected scheme.

Schemes in progress: During 1987-88, EA helped formulate nearly 200 schemes and provided £75 million extra resources to 83 local authorities. Of these, 112 were new schemes supported by some £35 million fresh resources. Another 80 schemes which began in 1986-87, and continued into 1987-88 received £40 million in support. Many of these schemes also received financial backing from other public and private sources – such as developers investing in new or refurbished housing and through complementary Government programmes such as that operated by the Manpower Services Commission.

The 112 new schemes approved in 1987-88 included the following measures in the packages devised for tackling their particular problems:

Management

47 introduced an estate-based management team including an estate-based repairs team where none had existed before.

65 provided for strengthening the existing management presence on the estate with increased scope for direct tenant involvement.

Private sector involvement

During the year extra private resources were secured for a further 24 schemes, planned to provide 2,414 homes for sale or rent.

those recommended by police crime prevention officers: new locks for doors and windows, stronger doors and windows, often double glazed, where the originals were weak or defective, and the provision of private gardens and individual parking spaces to dwellings.



At the Huncoat Estate in Accrington, external cladding to the walls of the houses was provided. This not only makes heating the houses much easier, but also dramatically improves their appearance.



Affordable heating

Having a home which can be kept warm, at a cost within the means of the household, is often the major priority for residents. There is little to be gained from carrying out major environmental improvements and other refurbishment works to dwellings, if the basic problem of inadequate heating is left untouched.

Estate Action impresses on local authorities the need to adopt a thorough-going value for money approach when taking investment decisions on major refurbishment and improvement programmes. Because of the key importance to the residents of making homes pleasanter and easier to manage, a large share of Estate Action resources went to support such measures on run-down estates during the year.

49 new schemes included heating, insulation or energy efficiency measures, to provide affordable heating.

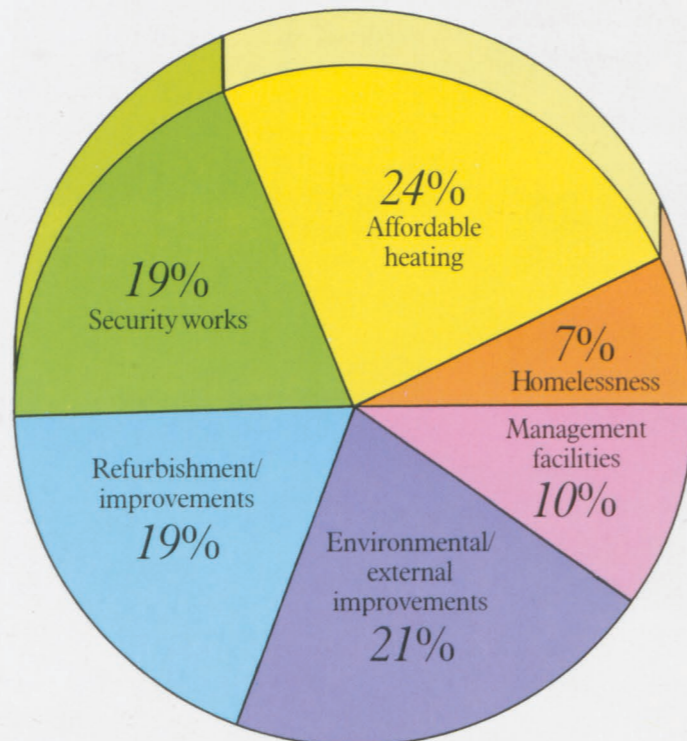
are sometimes crucial in leading to more investment in the area and to tenants deciding to buy their homes.

68 schemes included environmental improvements and 49 involved improvements to the exteriors of dwellings.

Refurbishment/improvements

A wide variety of improvements and refurbishment were included in 49 schemes; ranging from radical remodelling, to minor but significant improvements, such as new windows.

The following diagram shows how EA resources were distributed between different kinds of works:



Homelessness

Three new schemes in the year took the total to 32, bringing 1,212 empty homes back into use for homeless people.

External and environmental improvements

Improving the appearance of houses and flats, or their immediate surroundings can also be a high priority for residents. Such improvements can have many benefits. New private gardens can increase security and upgraded communal entrances can improve appearance, security and the energy efficiency of homes. Such measures

Part 3: PEOPLE IN ESTATE ACTION SCHEMES



"Perhaps the most important benefit from our point of view is the way in which we have worked with Leicester City Council on this scheme to show that landlord/tenant consultation can produce results which satisfy everyone. We have been consulted at all stages of the scheme and have been made fully aware of the problems encountered. Compromise solutions have been agreed and problems solved collectively, eliminating criticism and disagreement when work is complete" – Tom Kent, Chairman of St Peter's Tenants Association.



St Peter's Estate, Leicester. Before . . . and after.

Tenant Consultation/ Local Management St Peters Estate, Leicester

Locally-based management and tenant consultation are the most important starting points for Estate Action schemes. For St Peter's Estate in Leicester, a mainly low-rise flatted estate, up to £1.06 million

EA resources were made available for a scheme of general improvements, which was devised after extensive discussions between the local housing office and the tenants. Security was improved, environmental and external works carried out and private gardens created, all with the full co-operation of the residents.



Diversifying tenure on estates is a key objective of Estate Action. Often the first signs of a change come in the shape of an increase in owner-occupation, frequently because tenants feel it is worth exercising their right to buy.

At Royce Road in Spalding, an estate of 130 houses, the commencement of the EA scheme has begun to revitalise the take-up of the RTB, now that residents can see the impact of the external improvements and the environmental works. Seven RTB applications have now been received from the first 26 homes completed. The first phase of improvement for sale, nine houses, have now all been sold and there is a waiting list for the second and third phases.



Royce Road, Spalding. Before . . . and after.

**Diversification of Tenure
Royce Road, Spalding
South Holland DC**

Mrs Pat Baxter, on the right below, Chairperson, Royce Road Residents' Association, who is now buying her house, says:



"The works have really uplifted the estate and there has been a complete transformation. The crime rate reduced and the estate is now a far more pleasant place to live."

Co-operation between the Council and residents has never been so good."

The Wood End Estate, Coventry, is benefiting from a comprehensive package of measures, including Urban Development Grant (UDG), private sector finance, housing association funding, the mainstream Housing Investment Programme and Estate Action resources of £1.18 million. The works to the 2,000-dwelling estate involve demolition, comprehensive redevelopment, refurbishment, new or improved heating systems and environmental improvements.



Wood End Estate, Coventry. During demolition works (above) and Craig Watson and Pauline Smithers outside their new Bellways home.

**Private Sector Initiative
Wood End Estate, Coventry**

As part of the overall package Bellways' Urban Renewal scheme involves the demolition and clearance of 76 flats and

maisonettes and the redevelopment of the site with 95 two- and three-bedroomed houses for sale. The UDG of £928,000 supports a private investment of over £2 million. Work is now nearing completion and all the new homes have been sold.



The Community Refurbishment Scheme (CRS) at the Hillfields Estate involves 640 dwellings and started in 1986. The programme has provided work for several dozen local people and is improving the estate's environment, communal areas and security. Footpaths are being realigned, new fencing erected and planting carried out. Coventry City's logo has been incorporated into an area of block paving.

Almost £400,000 Estate Action UP funding has been earmarked for the scheme. MSC support is also being provided. In addition Estate Action is supporting the following works on the estate as part of a package: the replacement of defective heating systems, improved insulation and the provision of extra lifts.



**Community Refurbishment Scheme
Hillfields Estate, Coventry**



Hillfields Estate, Coventry. Before . . . and after.

PEP continues to work closely with Estate Action in developing local management and repairs services.

The photograph here is of the Priority Estates Project team on the Ocean Estate in the Stepney area of Tower Hamlets. One of the largest estates in London, with a large Bangladeshi population, it consists of 1,975 flats, maisonettes and houses. A local office was opened on the estate in March 1987 and now has control of most of the key housing functions including repairs. Improvement works to the estate are being carried out by the local authority with help from the Estate Action programme. The estate has so far received £658,000 in additional HIP allocations as part of the programme.

"In the year that the Ocean PEP has been running, the management of the estate has improved significantly. The repair service is more efficient, empty properties are turned round much faster and tenants play a more active role in the running of the estate."

This improvement in management services, together with much-needed capital improvements made possible by Estate Action funding, is now beginning to bite. There is still a long way to go but the process of renewal is under way."

— Mary White
PEP Associate

**Priority Estates Project
Ocean Estate, Stepney
Tower Hamlets**



Ocean Estate, Stepney, Tower Hamlets.

Concierge schemes, sometimes also known as "door porters" or "receptionists", vary a great deal in type, but all involve the personal supervision of entrances to blocks of flats. The Estate Action report *A Better Reception* distinguishes two main types: those which feature "receptionists" who can also deal with some housing management issues; and schemes with an emphasis on uniformed security guards and video surveillance.

The Dudley scheme is a "receptionist" one. It received £218,000 of Estate Action resources to help fund works on the estate. Four years ago, no one wanted to live there. Many flats were empty, vandalism meant the lifts were unpleasant and often out of order, rubbish and graffiti were everywhere, and people were afraid to visit, especially at night. The estate was known as the "Halesowen sin-bin".

**Concierge Schemes
Tanhouse Estate, Halesowen
Dudley**

Today, the place is hardly recognisable. It is now managed from an office on the estate, with its own multi-skill team for fast repairs. Concierges have been appointed to give tenants and guests a friendly welcome, while preventing unauthorised entry. Closed circuit television monitoring the entrance halls and lifts, and a security patrol have stopped vandalism and nuisance. Major improvements have been introduced, including creating attractive, colourful entrance halls and landings, installing new lifts, and making a community room. The grounds are also much more attractive, with the creation of a village centre and new paths and large-scale planting of trees and shrubs has been undertaken.

"We feel that the initial and continuing co-operation between the council and our Association since 1984 has resulted in extensive improvements on the Tanhouse Estate, making it a more desirable place to live" – George Meredith, Chairman of the Residents' Association.



Tanhouse Estate, Halesowen, Dudley. Before . . . and after.



The Pleasley Estate of 220 dwellings in Mansfield has also had a complete package of Estate Action works carried out with the aid of £829,000 of resources. The installation of central heating was a major element and one which the tenants had particularly asked for.

**Affordable Heat
Pleasley Estate, Mansfield**

Mr Gilbert Bennet, the estate caretaker, says:

"The area has improved tremendously and the majority of people are extremely pleased. We are very content with the new central heating."

Mrs Mavis Holmes, a tenant and member of the Residents' Association sums up the effect of the package of works:

"The whole of Pleasley has been upgraded and uplifted in the last 18 months and we now have a choice of gas or electric central heating. We have new roofs and we are warm and happy."



Pleasley Estate, Mansfield. During installation of central heating (above), and a group of tenants outside their homes (right).



The forbidding aspect of many high-rise estates is a particular problem and one calling for imagination and careful thought.

The London Borough of Wandsworth has used Estate Action resources of £2.62 million to revolutionise the exterior appearance of the blocks and walkways in a highly colourful way.

Work involved the refurbishment of corridors and the inside and outside of lift towers; providing new entrance areas with entrycall system; access towers, staircases and fire-escapes; the demolition of a covered car-park to provide amenity open space, gardens and open car-parking bays, creating community room for the tenants association; and work to top floor maisonettes to create smaller units for sale to owner-occupiers.



Doddington Estate, Wandsworth. Before . . . and after.

**External Works
Doddington Estate, Wandsworth**

Nick Tufnell, Special Estates officer, seen here talking to a Doddington tenant, says:

"Now the physical works are well under way, people can see what is emerging. It has been a real boost for the estate, and proof of the Council's commitment to really do something."



This estate of 700 dwellings, built in the early 1970s, received £607,000 Estate Action resources in 1987-88 for a package of works in which environmental improvements featured strongly. There is also a local management office under construction, and a CRS project under way on the estate. The tenants have an active Community Forum, through which they have been able to influence the way the programme has been carried out.

Mrs Carol Bennett, a member of the Community Forum who has now bought her home on the estate, says:

"Now that our living standards have been improved through the works, children and young couples will benefit most and learn to take a pride in their estate."



Four Acre Estate, Clockface, St Helens. Before . . . and after.

Environmental Works Four Acre Estate, Clockface St Helens



The general refurbishment of an estate, including remodelling the houses to a more satisfactory design, can play a major role in regenerating confidence in an area.

Upper Bidston Village, an area of 200 properties on the Ford Estate in the Wirral, is in the process of being completely transformed by a two-year programme of Estate Action works. Formerly known as Eighth Avenue, it had a Radburn-style layout, no private gardens and run-down houses. The estate was notorious for drugs and vandalism. Now the layout of the houses has been turned round, new, secure doors and windows provided, private gardens created and a general environmental uplift achieved.



Upper Bidston, Wirral. Before . . . and after.

Refurbishment and Improvements Upper Bidston, Wirral

"I could have been rehoused anywhere I chose in Wirral, but I wanted to stay on

this estate. It has a future thanks to the works. Young people will be proud to say they live in Upper Bidston Village" – Vincent Spark, Member of Ford Residents' Committee.



Vincent Spark, second from left, talking to other residents.



Part 4: EXPANSION AND NEW DIRECTIONS

Future Estate Action programme

In 1986-87, the *Estate Action programme* was set at £50 million; in 1987-88 it increased by 50 per cent to £75 million, and nearly doubled in 1988-89 to £140 million. Now into its fourth year of operation, the Estate Action programme is consolidating its impact and transforming some of the most run-down housing estates in England.

By March 1988, we had assessed the outline bids submitted by local authorities for 1988-89 and announced regional shares of resources so that local authorities could work up firm, detailed bids for the start of the financial year. Some £70 million has been set aside for new Estate Action schemes due to commence in 1988-89 (with the other £70 million used to support schemes already under way). This is a substantial expansion of the programme: during the year some 250 EA schemes are likely to be in progress.

Housing Bill

There are also a number of radical changes in housing management proposed in the Housing Bill which is expected to receive Royal Assent in autumn 1988. These include proposals to establish Housing Action Trusts (HATs) in some of the worst areas of local authority housing. The purpose of these Trusts is to take over the housing from the local authority and to improve and repair it before transferring it to new approved landlords. Under proposals for Tenants' Choice, secure local authority tenants would have the opportunity to transfer to a new approved landlord if they are dissatisfied with the service they receive from the local authority. The new approved landlords under either of these new proposals might be housing associations, private sector landlords, or co-operatives set up by the tenants themselves. In the case of HATs, return to local authority ownership is not ruled out if that is what the tenants want. These proposed changes draw on some of the experience of Estate Action schemes and develop the theme of tenant involvement and new forms of management in exciting new ways.

Employment Training

The Manpower Services Commission's new Employment Training Programme, which will begin to operate from September 1988, will provide new opportunities for local authorities to enhance the quality of training provided on CRS. Estate Action expects CRS to play an increasingly important role in measures to improve run-down estates – not least in helping the unemployed residents to acquire new skills and to help them compete more effectively in the job market.

Opportunities for enterprise

Estate Action will shortly be discussing with local authorities new projects for 1989-90 and will want to include opportunities for enterprise on the agenda. The object will be to bring together resources and talents from different sources in order to maximise the impact of local schemes. Estate Action will be helping local authorities and tenant groups to link in with other Government job creation and training programmes. We are forging close links with the Department of Trade and Industry's Task Force and with MSC programmes. The type of schemes Estate Action will encourage might, for instance, include converting unused premises on estates into workshops as well as giving the residents more say in the way housing is managed. Estate Action has recently (May 1988) engaged the services of Dr Tony Gibson to examine the potential for self-help enterprise and revitalisation initiatives on selected council estates.

Priority Estates Project

PEP schemes will be carefully monitored and some will be the subject of a study commissioned by Estate Action to evaluate the cost-effectiveness of PEP's local housing management model. PEP in Hull and Tower Hamlets are the subject of other studies to assess the relationship between local management and the reduction of crime and the fear of crime, and the impact of local management on the housing service and environment. Further development of "local management boards" on new PEP partnerships will be one of the key features of PEP's work this year.

Estate Action will be creating closer working relationships between the various agencies engaged in tackling the inter-related issues of housing design and management, including estate policing, in order to reduce crime and vandalism.

Estate Action remains keen to encourage **co-ops** wherever appropriate, as an effective way of giving tenants greater involvement in the management of their homes and as a way of building local communities. We expect the current review of co-op support and financing which Ministers have commissioned to help bring new co-ops forward.

A programme is being developed to apply the results of **BRE research** in Estate Action schemes to promote and demonstrate good building renovation practice.

Estate Action will provide local authorities with guidelines on these innovative features and approaches and will hope to see them incorporated into as many new schemes as possible in future.

List of all new schemes by local authority

	<i>Local authority</i>	<i>Scheme title</i>		<i>Local authority</i>	<i>Scheme title</i>
East Midlands	Chesterfield	St. Augustines	Greater London	Greenwich	Barnfield
	Derby	New Sinfin		Hughesfield Estate A	
		Brook Street		Valley Grove Estate	
	Leicester	St. Matthews		Hammersmith and Fulham	Clem Attlee Estate
	St. Peters	Edward Woods Estate			
Nottingham	Victoria Centre	Haringey		White City (local office)	
South Holland	Royce Road	Kensington and Chelsea		Kenneth Robbins House	
Yorks & Humberside	Barnsley	Thornley Crescent		Newham	Holmefield
	Bradford	Buttershaw			Avondale Court
		Holmewood II			Dell/Rokeby/McEwan, Ph. 1
		Gilstead			Ferrier Point
Hull	The Danes			Rathbone	
	The Courts	Southwark		Gloucester Grove, Ph.2	
	The Thorpes			North Peckham	
	Milldane Flats			Silwood Estate, Ph.2	
Leeds	Halton Moor	Tower Hamlets		Ocean Estate (Bengal Hse)	
Rotherham	Canklow			Ocean Estate (Channel Hse)	
Sheffield	Kelvin			Rugless	
	Park Hill			Robin Hood Gdns (Discovery)	
	Woodland			St. Johns (Ash)	
	Homelessness I			West Ferry Estate	
	Homelessness II	Westminster		Mozart Estate	
	Bard Street		Walterton and Elgin Estate		
Merseyside	Ellesmere Port	Westminster	Allerdale	Hillside	
	Halton	Ditton	Barrow	Roosegate	
	Knowsley	Highfield	Bolton	Johnson Fold	
		Knowsley Heights	Burnley	Stoops	
		Tower Hill I	Bury	Springs	
		Tower Hill II	Copeland	Mirehouse	
		Tower Hill III	Hyndburn	Ferngore	
		Mosscroft Field	Lancaster	North Lancaster	
	St. Helens	Four Acre	Oldham	Sholver	
	Wirral	Ford	Pendle	Hodge House	
		Moreton	Preston	Ribbelton	
		Noctorum	Rochdale	Hollin	
		Rossendale	Bacup		
		Stockport	Adswood		
			Brinnington		
		Tameside	West Pennine		
		Trafford	Old Trafford		
		Vale Royal	Over		
		Warrington	Grasmere Avenue		
		West Lancs	Digmoor		
		Wigan	Worsley Mesnes		

	<i>Local authority</i>	<i>Scheme title</i>
West Midlands	Birmingham	Bloomsbury
	Cannock Chase	Springfield
	Coventry	Stoke Aldermoor
		Wood End
	Dudley	Chapel Street
		Arley Compton
	Redditch	Batchley
	Sandwell	Windmill Lane
	Solihull	Area II Chelmsley Wood
	Walsall	The Delves
Northern	Wolverhampton	Blakenhall
		Heath Town
	Worcester	Tolladine
	Wyre Forest	Foley Park
	Gateshead	Ravensworth
		Highfield
	Hartlepool	Mainsforth Flats
		West View
		St. James Street
	Langbaugh	Redcar Road
South West	Middlesbrough	Langridge Crescent, Ph II
		Broughton Avenue
		Grove Hill
		Brambles Farm
	Newcastle	Rye Hill
		The Leazes
	North Tyneside	Willington Square
	South Tyneside	North Court
	Sunderland	Downhill, Ph II
	Bristol	Halston Drive
	Long Cross	
Salisbury	Friary	
Tewkesbury	Innsworth Grove	

For information about this report and further copies contact:

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For information about Priority Estates Project contact:

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For information about concierge schemes and copies of *A Better Reception* contact:

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Copies of Estate Action publications can be obtained from Department of the Environment, Distribution Point, Building No 3, South Ruislip, Middlesex.



ESTATE Action

MANAGEMENT INITIATIVES: TENANTS' CO-OPERATIVE

LOCAL AUTHORITY

Middlesbrough

HOUSING ESTATE

Langridge Crescent

CONTACT

Chief Housing Officer
Middlesbrough District Council
Corporation House
73 Albert Road
Middlesbrough TS1 2RU
Middlesbrough (0642) 245432

THIS SHEET is one of a series which outline some aspects of packages of measures taken as part of Estate Action schemes to improve the quality of life on run-down council housing estates.

All Estate Action schemes involve:

- The introduction or strengthening of local management, usually estate-based along the lines developed by the Priority Estates Project (PEP);
- Full tenant consultation and involvement.

The packages of measures may also be designed:

- To introduce diversity of tenure, for example by passing the management or ownership of dwellings to co-ops, trusts or housing associations or owner-occupiers;
- To promote innovative solutions to particular problems;
- To attract private sector investment and resources.

Although the initiatives described here are too recent to have been fully evaluated, further information and feedback on their effectiveness may be obtained from the contact given above.

Tenant management co-operatives are one example of the innovative forms of housing management promoted by Estate Action.

THE PROBLEM Langridge Crescent originally consisted of eight three-storey blocks of flats built in the 1950s in no-fines construction in an area of predominantly traditional houses. By the 1980s the flats had become run-down and very difficult to let, being hard to heat and having outdated internal facilities, drab exteriors and poor external environment. Since 1984, when they were finally vacated and bricked up, the blocks had been extensively vandalised inside and out.

THE INITIATIVE A group of the original tenants who could see the potential of the flats despite their derelict condition formed a co-operative and proposed taking over the management, initially of 24 flats in two of the blocks, if they could first be refurbished by the council. The council agreed to their proposal and, in liaison with the co-operative, undertook the refurbishment of the two blocks, supported through an allocation from Estate Action. The work, including the provision of a management office, was finally completed in July 1987. The co-op members had been given training by a secondary housing

association while the refurbishment was in progress. They then took over from the council responsibility for lettings, day-to-day repairs, some cyclical maintenance, cleaning and caretaking; the ownership of the blocks remaining with the council. Two more blocks (24 units) are currently being refurbished and a further two blocks (12 units) are due for refurbishment later in 1988/89. The management co-operative will be extended to these blocks as they are completed. Two blocks in the centre of the scheme have been demolished to provide a site for housing either by a private developer or a housing association.



A derelict block at Langridge Crescent prior to improvement.



Members of the Co-op Committee discussing a model of the improvement proposals.

ESTATE ACTION

Department of the Environment
Room C16/14, 2 Marsham Street, London SW1P 3EB
Telephone: 01-276 3273



MANAGEMENT INITIATIVES: TENANTS' CO-OPERATIVE

THIS list indicates subjects which will be covered by Estate Action data sheets and also provides an index to sheets already published (marked ■).

REFERENCES

The following publications provide further information on management co-operatives:

Management co-operatives. The early stages.
Department of the Environment
HMSO, 1981. £1.95

Describes the experience of some early co-ops in local authority property. Presents preliminary conclusions about the most appropriate way of setting up management co-ops. Based on review carried out in 1979 but still relevant today.

Management co-operatives. Tenant responsibility in practice.
Department of the Environment
HMSO, 1982. £4.60

Describes the practical experience of a selection of tenants' co-ops. Looks at the advantages and disadvantages of co-op management compared with management by local authorities, and at costs of co-ops.

Useful advice is also available from:

National Federation of Housing Co-operatives
88 Old Street
London EC1V 9AX
Telephone: 01-608 2494

MANAGEMENT INITIATIVES

New approaches to housing management:

- Estate-based management offices
- Estate-based repairs teams
- Estate caretakers/handyman
- Resident wardens/supervisors
- Multi-agency schemes
- Tenant management co-operatives
- Tenants' Co-operative, Middlesbrough: Sheet 1
- Tenant consultation

PHYSICAL IMPROVEMENTS

Security and Crime Prevention

Measures designed to improve security and reduce opportunities for crime and vandalism:

- Concierge schemes
- Tanhouse Estate, Sheet 2
- Formation of defensible space
- Improved lighting of communal spaces
- Control of access to estates
- Entryphone installations

Environmental Works

Works to improve the external areas and communal spaces and services on estates, or to modify estate layouts:

- Renewal of fencing and walls
- Hard and soft landscaping
- Formation of private gardens
- Alterations to roads and footpaths
- Reversal of Radburn layout, Cannock: Sheet 3
- Car parking provision
- Upgrading of refuse disposal facilities

Affordable Heat

Measures designed to enable residents to heat their dwellings to a comfortable level at a cost they can afford, and to help eliminate problems such as condensation and mould growth:

- Heating/insulation in high-rise blocks
- Heating/insulation in low-rise blocks
- Heat-with-rent schemes
- Warm-and-dry schemes
- Warm-and-dry scheme, Rochdale: Sheet 4
- Internal and external insulation

Building Facelifts

Alterations to the appearance of the exterior or common parts of blocks:

- Upgrading of entrance halls, stairways and access decks
- Elevational alterations, eg new entrance porches, or re-cladding
- Remodelling or decapitation of blocks
- Selective demolition

ESTATE-BASED ENTERPRISE INITIATIVES

Community refurbishment schemes
Community enterprise
Co-op ventures

EXEMPLARY SCHEMES

Examples of estates which best illustrate the full scope of the Estate Action approach including:

- New ways of running estates (co-ops, trusts, etc)
- Diversification of tenure
- Physical improvement of the housing and its external environment
- Involvement of private sector skills and resources
- Estate-based community initiatives giving greater control to residents.

ESTATE

Action

LOCAL AUTHORITY

Rochdale

HOUSING ESTATE

Kirkholt

CONTACT

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Rochdale OL11 2JG
Rochdale (0706) 354222

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AFFORDABLE HEAT: WARM-AND-DRY SCHEME

Affordable heat schemes are designed to provide residents with an acceptable level of warmth at a reasonable cost. This scheme illustrates one approach.

THE PROBLEM Kirkholt is Rochdale's largest estate of nearly 2,300 dwellings built between the late 1940s and early 1960s, a mix of bungalows, houses and walk-up flats. Many of the dwellings were damp, draughty and in need of external repairs, and consultation with residents by the council through the DoE's Priority Estates Project (PEP) on the estate established that inadequate heating was a major concern among residents.

THE INITIATIVE A warm-and-dry project was set up on the estate in 1986, based in the PEP local housing office on the estate, to carry out a phased programme of essential repairs to the exterior of the dwellings and to improve their energy efficiency to enable residents to heat their homes adequately at a cost they could afford. External repairs included re-roofing, repointing and replacement of rainwater goods and rotten or poorly fitting windows and doors. The energy efficiency work covered cavity wall insulation, draughtproofing of existing doors and windows and residents were offered a choice of heating system (gas-fired wet system, electric storage heaters or solid fuel) according to their preferences and based on estimates of likely fuel costs.

COST Some 780 dwellings have been covered to date in two phases at a total cost of £3.5 million at under £4,500 per unit.



Semi-detached housing, typical of the Kirkholt estate.



AFFORDABLE HEAT: WARM-AND-DRY SCHEME

THIS list indicates subjects which will be covered by Estate Action data sheets and also provides an index to sheets already published (marked ■).

REFERENCES

The following publications provide further guidance on measures to improve energy efficiency in dwellings:

Energy efficient renovation of houses.

A design guide.

Department of the Environment.

HMSO, 1986. £4.95.

Guide to opportunities for adopting an energy efficient approach to renovation of traditionally built housing, and to the potential benefits.

Energy efficiency and public sector housing.

National Housing and Town Planning Council and Energy Efficiency Office.

NHTPC (14-18 Old Street, London EC1V 9AB), 1987. £1.00.

Forty-nine concise case studies to illustrate good practice in the promotion of energy efficiency in public sector housing. Case studies cover new-build and improvement and measures include insulation, heating controls, solar heating and heating advice.

Heating advice handbook. London Energy and Employment Network (LEEN), 1987. £5.25. (Available from Energy Inform, 9-10 Charlotte Square, Newcastle-upon-Tyne, NE1 4XF).

A practical illustrated guide to domestic energy issues with an emphasis on technical aspects including fuels, heating systems and running costs, fabric heat loss, insulation and ventilation.

MANAGEMENT INITIATIVES

New approaches to housing management:

Estate-based management offices

Estate-based repairs teams

Estate caretakers/handyman

Resident wardens/supervisors

Multi-agency schemes

Tenant management co-operatives

■ Tenants' Co-operative, Middlesbrough: Sheet 1

Tenant consultation

PHYSICAL IMPROVEMENTS

Security and Crime Prevention

Measures designed to improve security and reduce opportunities for crime and vandalism:

Concierge schemes

■ Tanhouse Estate, Sheet 2

Formation of defensible space

Improved lighting of communal spaces

Control of access to estates

Entryphone installations

Environmental Works

Works to improve the external areas and communal spaces and services on estates, or to modify estate layouts:

Renewal of fencing and walls

Hard and soft landscaping

Formation of private gardens

Alterations to roads and footpaths

■ Reversal of Radburn layout, Cannock: Sheet 3

Car parking provision

Upgrading of refuse disposal facilities

Affordable Heat

Measures designed to enable residents to heat their dwellings to a comfortable level at a cost they can afford, and to help eliminate problems such as condensation and mould growth:

Heating/insulation in high-rise blocks

Heating/insulation in low-rise blocks

Heat-with-rent schemes

Warm-and-dry schemes

■ Warm-and-dry scheme, Rochdale: Sheet 4

Internal and external insulation

Building Facelifts

Alterations to the appearance of the exterior or common parts of blocks:

Upgrading of entrance halls, stairways and access decks

Elevational alterations, eg new entrance porches, or re-cladding

Remodelling or decapitation of blocks

Selective demolition

ESTATE-BASED ENTERPRISE INITIATIVES

Community refurbishment schemes

Community enterprise

Co-op ventures

EXEMPLARY SCHEMES

Examples of estates which best illustrate the full scope of the Estate Action approach including:

New ways of running estates (co-ops, trusts, etc)

Diversification of tenure

Physical improvement of the housing and its external environment

Involvement of private sector skills and resources

Estate-based community initiatives giving greater control to residents.

ESTATE
Action

ESTATE ACTION

Department of the Environment

Room C16/14, 2 Marsham Street, London SW1P 3EB

Telephone: 01-276 3273

ESTATE

Action

LOCAL AUTHORITY

Cannock Chase

HOUSING ESTATE

Rawnsley

CONTACT

The Director of Environmental Health and Housing
Cannock Chase District Council
Council House
Beecroft Road
Cannock
Staffordshire WS11 1BG
Cannock (0543) 462621

THIS SHEET is one of a series which outline some aspects of packages of measures taken as part of Estate Action schemes to improve the quality of life on run-down council housing estates.

All Estate Action schemes involve:

- The introduction or strengthening of local management, usually estate-based along the lines developed by the Priority Estates Project (PEP);
- Full tenant consultation and involvement.

The packages of measures may also be designed:

- To introduce diversity of tenure, for example by passing the management or ownership of dwellings to co-ops, trusts or housing associations or owner-occupiers;
- To promote innovative solutions to particular problems;
- To attract private sector investment and resources.

Although the initiatives described here are too recent to have been fully evaluated, further information and feedback on their effectiveness may be obtained from the contact given above.

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ENVIRONMENTAL WORKS: REVERSAL OF RADBURN LAYOUT

The alteration of unpopular estate layouts is one example of environmental improvements which Estate Action is promoting.

THE PROBLEM Terraced houses in an unpopular Radburn-type layout with vehicle access via culs-de-sac at the rear and with front doors opening directly on to pedestrian routes with no front gardens to provide defensible space. This dual access was both inconvenient for tenants and a security problem.

THE INITIATIVE The internal layout of the houses allowed access to be reversed so that the back door became a new front door, with an in-curtilage car space in what had been the back garden. The pedestrian

Typical footpath access to fronts of houses prior to improvement.



Footpath access eliminated by formation of private gardens.



routes were turned into private gardens backing on to each other, so eliminating the dual access. The houses were also given a facelift and insulated externally. Additional landscaping work to provide play and recreational facilities has been undertaken through a National Association for the Care and Rehabilitation of Offenders (NACRO) community project on the estate.

COST Including the additional works the cost per dwelling was £7,900 amounting to £1,100,000 in total.



Original vehicle access to rear of houses.

New front doors and in-curtilage parking formed from original rear gardens.



ENVIRONMENTAL WORKS: REVERSAL OF RADBURN LAYOUT

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MANAGEMENT INITIATIVES

New approaches to housing management:
Estate-based management offices
Estate-based repairs teams
Estate caretakers/handyman
Resident wardens/supervisors
Multi-agency schemes
Tenant management co-operatives
■ Tenants' Co-operative, Middlesbrough: Sheet 1
Tenant consultation

PHYSICAL IMPROVEMENTS

Security and Crime Prevention

Measures designed to improve security and reduce opportunities for crime and vandalism:

Concierge schemes
■ Tanhouse Estate, Sheet 2
Formation of defensible space
Improved lighting of communal spaces
Control of access to estates
Entryphone installations

Environmental Works

Works to improve the external areas and communal spaces and services on estates, or to modify estate layouts:

Renewal of fencing and walls
Hard and soft landscaping
Formation of private gardens
Alterations to roads and footpaths
■ Reversal of Radburn layout, Cannock: Sheet 3
Car parking provision
Upgrading of refuse disposal facilities

Affordable Heat

Measures designed to enable residents to heat their dwellings to a comfortable level at a cost they can afford, and to help eliminate problems such as condensation and mould growth:

Heating/insulation in high-rise blocks
Heating/insulation in low-rise blocks
Heat-with-rent schemes
Warm-and-dry schemes
■ Warm-and-dry scheme, Rochdale: Sheet 4
Internal and external insulation

Building Facelifts

Alterations to the appearance of the exterior or common parts of blocks:

Upgrading of entrance halls, stairways and access decks
Elevational alterations, eg new entrance porches, or re-cladding
Remodelling or decapitation of blocks
Selective demolition

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REFERENCES

Handbook of estate improvement. Volume 2:
External areas and common parts.
Department of the Environment and Welsh Office
(publication due in Autumn 1988).

ESTATE
Action

ESTATE

Action

LOCAL AUTHORITY
Dudley

HOUSING ESTATE
Tanhouse, Halesowen

CONTACT
Mr Leo Smith
Special Projects Officer
Housing Department
Dudley Metropolitan Borough
2 James Road
Dudley
West Midlands DY1 1HT
Dudley (0384) 456000

SECURITY AND CRIME PREVENTION: CONCIERGE SCHEME

Concierge schemes vary in approach. This is an example of a reception-based scheme. Other approaches, which place more emphasis on security equipment, will be covered in future sheets and are also described in detail in an Estate Action report (see References overleaf)

THE PROBLEM Three multi-storey blocks of flats which were very unpopular with tenants. Vandalism was rife in the uncontrolled entrance areas, with lifts often out of order. Rubbish and graffiti were prevalent and a large number of flats were empty. People were afraid to visit the blocks, especially at night.

THE INITIATIVE A concierge service was introduced to improve security by controlling access to the entrances to the blocks. The service is backed up by mobile night security patrols and the concierges are able to monitor the lifts and entrance halls by means of closed circuit television. The emphasis is on service to the residents, and the rôle of the concierge has been extended to include receiving requests for repairs, providing general advice, and making appointments for tenants to see their estate manager. Residents not only enjoy the improved security, but also welcome the more inviting entrance area

and the personal contact with the concierge provided by this reception-based approach. Other improvements have been carried out on the estate and to the blocks which, together with the concierge service, have helped to make the estate a popular place to live and there is now a waiting list of applicants for it.

COST Capital works to improve entrances and create reception areas cost £7,000 per block.



One of the blocks prior to external improvements including demolition of the car park in the foreground.

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The concierge receives visitors and can speak to residents in their flats via an intercom.



Redecorated entrance hall showing reception desk with adjoining office, and main entrance door to the left.

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Department of the Environment
Room C16/14, 2 Marsham Street, London SW1P 3EB
Telephone: 01-276 3273

SECURITY AND CRIME PREVENTION: CONCIERGE SCHEME

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REFERENCES

The following publications provide further guidance on security and crime prevention measures:

A better reception: The development of concierge schemes.
Estate Action, Department of the Environment, 1988. Free.

After entryphones: Improving management and security in multi-storey blocks.
Safe Neighbourhoods Unit (SNU) of National Association for the Care and Rehabilitation of Offenders (NACRO) 485 Bethnal Green Road, London E2, 1985. £4.50.

BS 8220: British Standard guide to security of buildings against crime.
Part 1: 1986 Dwellings.
BSI Linford Wood, Milton Keynes, MK14 6LE.
£36 (£14.40 for members).

Handbook of estate improvement. Volume 2:
External areas and common parts.
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- Involvement of private sector skills and resources
- Estate-based community initiatives giving greater control to residents.

dti

the department for Enterprise

ABG
(letter only)

The Rt. Hon. Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

Paul Gray Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1A 2AA

**Department of
Trade and Industry**

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5147

Our ref

Your ref

Date

8 June 1988

NBLM - p.c.

Dear Paul

*RCG
8/6*

ACTION FOR CITIES PROGRESS

IN ATTACHED FOLDER (B)

Further to the Chancellor of the Duchy's minute of 6 June to the Prime Minister, I am attaching a copy of the Inner Cities master brief and 17 of the 23 area profiles of the target areas which he indicated would be circulated separately. Further copies of the brief and of all 23 area profiles are available from the Cabinet Office Urban Policy Unit.

I am copying this to Private Secretaries to all members of E(UP), to Paul Channon and to Sir Robin Butler and sending each an example of an area profile with a master brief.

Yours



CAROLYNE AKERS
ASSISTANT PRIVATE SECRETARY

CD9AAQ



bc BG

10 DOWNING STREET
LONDON SW1A 2AA

8 June 1988

From the Private Secretary

Dear Peter,

ACTION FOR CITIES: PROGRESS

The Prime Minister was grateful for the Chancellor of the Duchy of Lancaster's minute of 6 June and the material enclosed with it.

The Prime Minister was glad to note the progress being made by Departments with the initiatives announced on 7 March, and was interested to see the material about the schemes and initiatives which Departments have in hand in the inner cities. She has commented that the important thing now is to ensure that all this effort is brought together so as to produce results. She recognises that work is at an early stage and that the meeting arranged for 9 June is not needed at this stage; but she would like a meeting to be fixed in September when she can discuss with the Chancellor and the other Ministers concerned what is actually being achieved on the ground. She would be grateful if the Chancellor would circulate papers in due course as a basis for discussion at this meeting.

In the meantime the Prime Minister agrees with the Chancellor that it is important that other Ministers should keep him and the Cabinet Office Unit closely in touch with progress on their initiatives and plans for developing them.

She has noted the Chancellor's comments on the role of the Cabinet Office Unit. Her views are still as recorded in Nigel Wicks' letter of 24 May. She wishes the Unit to concentrate on co-ordinating the efforts of Departments within Government and not to develop an executive role by taking the lead in discussions with companies.

I am copying this letter to the Private Secretaries of members of E(UP) and the Secretary of State for Transport, and to Sir Robin Butler.

Yours,
Paul

PAUL GRAY

Peter Smith, Esq.,
Office of the Chancellor of the Duchy of Lancaster.

EA

Business in the Community

15 Abchurch Lane
London EC4V 3DF
Telephone: 01-253 3716
Facsimile: 01-253 2309

President: HRH The Prince of Wales



Andrew Braithwaite
10 Downing Street

7. vi. 88

Dear Andy, ^{POS} 8/6

Tees side Reception

Just to say a splendid thank you
for your excellent help in making last
evening such a successful occasion.

I have the feeling it may bear
some concrete results!

Best wishes

Yours

Richard W.

R. L. WADE

THE GENERAL ELECTRIC COMPANY, p.l.c.

1 STANHOPE GATE · LONDON W1A 1EH

01-493 8484

GH

7th June, 1988

Dear Charles,

Thank you very much for explaining to the Prime Minister for me about the difficulty of getting to the Teesside reception yesterday evening.

Best regards,

Arnold

Arnold

Lord Weinstock

Charles Powell Esq.,
10, Downing Street,
LONDON, SW1.

From: R T J Wilson
7 June 1988

P 03135

MR GRAY

ACTION FOR CITIES

1. You asked for ^{with PM?} advice on the Chancellor of the Duchy of Lancaster's minute of 6 June to the Prime Minister.

2. There are four main points to note.

3. First, the booklet attached to Mr Clarke's minute gives much interesting information about the effort which Departments are putting into inner cities, particularly the twenty-three areas listed in the first chart, which include all the areas identified as candidates for intensification of effort at the Prime Minister's meeting on 30 November. But the information is all about inputs, whereas the important thing is going to be about achieving results. The purpose of the present exercise is to ensure not only that Departments operate their various schemes and initiatives but that at the end of the day there is a string of success stories which the Government can point to as the fruit of its labours. It will take some time for this to begin to show. Even so it is a point which the Prime Minister may wish to reaffirm either at the meeting on Thursday or in a minute.

4. Second, another important aspect of the present exercise is the need to ensure that initiatives are being properly co-ordinated so as to achieve maximum impact. There are no major difficulties on this score at present, so far as I am aware. Indeed Mr Ridley's recent minute about Housing Action Trusts helpfully pays attention to Action for Cities and proposes areas which are - apart from Lambeth - in the twenty-three areas selected by Mr Clarke in his chart. But there is still a natural reluctance on the part of Departments to share the glory of any new initiative; and there is a slightly coded plea for support in paragraph 9 of Mr Clarke's minute which asks that the Cabinet Office Unit should be given comprehensive information about planned initiatives. This is something which the Prime Minister may wish to check up on when her group next meets, although it does not seem at present to be urgent.

5. Third, there is the need to ensure that the new measures announced at the press conference on 7 March are followed up and not allowed to languish. The progress report included in Mr Clarke's booklet suggests a rather varied picture. For instance City Grant seems to have had a successful launch, the new urban development corporations and the safer cities project seem to be going well, and there is good progress with the Black Country spine road. On the other hand, the information about freeing unused and under-used land seems a little vague and some of the



initiatives on "preparing for work", although good in themselves, seem relatively small beer compared with the scale of resources being put into the Department of Employment/Training Commission initiatives generally. It is also not yet clear whether the schools/industry compacts are going to be located in areas where they will tie in with other initiatives. Here again there are points which the Prime Minister may wish to probe on a suitable occasion, although they are not major or urgent.

6. Finally, Mr Clarke's minute includes a reference to the role of the Cabinet Office Unit which suggests that he is not altogether content with the views set out in Mr Wicks's letter of 24 May. Mr Clarke says that he remains concerned that the Government may not be tapping companies' willingness to commit themselves to inner cities action as effectively as it could; that the Cabinet Office Unit has been successful in acting as an initial point of contact with companies wanting to help; and that he would like to see them continue with this. Our advice on this point was set out in Sir Robin Butler's minute of 19 May: namely, that the Unit should concentrate on co-ordinating Departments' efforts within Government and that it should not take on an executive role by taking the lead in discussions with major companies. This is a role which is much more appropriate to Departments. I think it is important to reaffirm the position so that there is no misunderstanding.

7. Taking these points together, the meeting on inner cities on Thursday might be a useful occasion for the Prime Minister to probe progress and check that everything is running as it should, but there is no burning need for it to take place. There may therefore be a case for postponing a meeting, as Mr Clarke suggests, until, say, the autumn when Departments have had more of a chance to produce results. If the Prime Minister decides to cancel Thursday's meeting, you may wish to reply to Mr Clarke's office on the lines of the draft attached.

R.T.J.

R T J WILSON

LOBATK

Pl. have to →
signature.
RUCG.

DRAFT LETTER FROM MR GRAY TO THE PRIVATE SECRETARY TO THE
CHANCELLOR OF THE DUCHY OF LANCASTER.

Agreed
ms

ACTION FOR CITIES: PROGRESS

The Prime Minister was grateful for the Chancellor of the Duchy of Lancaster's minute of 6 June and the material enclosed with it.

The Prime Minister was glad to note the progress being made by Departments with the initiatives announced on 7 March, and was interested to see the material about the schemes and initiatives which Departments have in hand in the inner cities. She has commented that the important thing now is to ensure that all this effort is brought together so as to produce results. She recognises that work is at an early stage and that the meeting arranged for 9 June is not needed at this stage; but she would like a meeting to be fixed in September when she can discuss with the Chancellor and the other Ministers concerned what is actually being achieved on the ground. She would be grateful if the Chancellor would circulate papers in due course as a basis for discussion at this meeting. ^{the Prime Minister} ~~she~~ In the meantime ~~she~~ agrees with the Chancellor that it is important that other Ministers should keep him and the Cabinet Office Unit closely in touch with progress on their initiatives and plans for developing them.

She has noted the Chancellor's comments on the role of the Cabinet Office Unit. Her views are still as recorded in ^{Ms} ~~Mr~~ Wicks' letter of 24 May. She wishes the Unit to concentrate on co-ordinating the efforts of Departments within Government and not to develop an executive role by taking the lead in discussions with companies.

I am copying this letter to the private secretaries of members of E(UP) and the Secretary of State for Transport, and to Sir Robin Butler.

ms

CONFIDENTIAL

PRIME MINISTER

ACTION FOR CITIES

Nigel's letter to Mr. Clarke's office of 24 May (Flag A) asked him to circulate a paper summarising progress on the various Action for Cities initiatives. The letter indicated that, in the light of that paper, you would consider whether to hold an early meeting on inner city matters. We do in fact have a slot held in the diary for this Thursday 9 June.

Mr. Clarke's minute of 6 June (Flag B) fulfils that remit and attaches a useful booklet summarising progress. He indicates that, overall, action is proceeding satisfactorily; and suggests that it is perhaps unnecessary to convene an early meeting.

Richard Wilson's minute of 7 June (Flag C) comments on Mr. Clarke's minute. He suggests there are a number of points on which you may wish to comment, but advises that this could be done in writing; on that basis the next stock-taking meeting on inner cities could be postponed until the Autumn as Mr. Clarke would prefer.

Mr. Ridley has now circulated a minute dated 6 June (Flag D) in which he sets out his proposals for establishing the first tranche of Housing Action Trusts (HATs). Although this follows from an E(LF) remit, Mr. Ridley has circulated his minute to the group of inner city Ministers and he raises the possibility that his proposed selection of HATs could be discussed at the meeting currently scheduled for Thursday. Peter Stredder has discussed the HATs proposals with DoE and agrees that the selection strikes a proper balance between targeting the areas of greatest need and targeting areas where an early progress is likely to be achieved.

On balance there seems no need for you to hold the meeting on Thursday, unless you are keen to make the points in Richard Wilson's minute in person rather than in writing.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

Content that we should postpone the meeting until the Autumn
and that I should:

Yes

- write out with your views along the lines of Richard
Wilson's draft at Flag C?

Yes

- indicate you are content with the HATs proposals subject
to any comments from colleagues?

Yes

Suzanne

PP (PAUL GRAY)

7 June 1988

CONFIDENTIAL



TO:

PRIME MINISTER

FROM:

KENNETH CLARKE

6 June 1988

ACTION FOR CITIES: PROGRESS

1 You asked for a ^{paper} summarising the very good progress that is being made by the Cabinet Office Unit and Departments on our various inner city initiatives.

Progress Chart

2 I attach a booklet containing progress charts summarising Government and other activity in the inner city target areas. These are designed to show at a glance what progress is being made and the scale of Government and private sector support. As Departments develop better and different ways to encourage enterprise and investment in inner cities this will also be shown.

initiatives in Wolverhampton and Bradford, and invitations went out last week to seven more.

5 I shall circulate regularly to colleagues an updated progress chart and summaries.

Master Brief and Area Profiles

6 I am circulating separately for the use of all relevant Ministers and their Private Offices the inner cities Master Brief and the Area Profiles of the target areas. The bull points on inner cities in the Master Brief should be drawn on in speeches so that we can all present the same clear, linked set of policies for the inner cities. The Area Profiles are designed to help colleagues making visits, speeches and announcements. I hope this will help to avoid any sharp differences of principle and tone between the speeches of Ministers from different Departmental backgrounds as we make our own specific announcements within the same policy framework.

String of Success Stories

7 We are starting to build up a portfolio of good projects in the main inner city areas, backed by before and after photographs, which demonstrate the success of our policies and programmes and the development of local commitment and business



the department for Enterprise

3 We have already agreed the advantages of locating initiatives together so that they support each other in the cities where we have best prospects of success. You will see from the charts that there is now a marked concentration of effort in 23 areas and I believe that all Departments should from now on give the closest attention to those places which are self-selected by circumstances and by a history of Government attention.

The 7 March Announcements

4 We announced 11 initiatives on 7 March. The attached booklet summarises progress on each of these, and on the inner city Open Learning Centres announced by Kenneth Baker on 14 March. We have a good story to tell so far, though clearly some projects have a longer lead time than others. The series of breakfast presentations that colleagues and I have been making around the country have yielded an excellent level of private sector interest, with over 150 offers of help from companies so far in response to the first four breakfasts. The new City Grant has been much welcomed. In four weeks there have been 107 serious enquiries. The first application was approved in eight days, demonstrating the speed with which cases can be and are being processed. There has been a strong response to Norman Fowler's 3 May invitation to set up schools/industry compacts. John Patten has already announced Safer Cities

leadership. The Cabinet Office Unit, together with Departments and the City Action Teams, is drawing up a list of such projects. The Unit will bear in mind the need to present progress against a 2 to 3 year timescale.

8 One specific success story I am pleased to record is the Birmingham inner city Task Force. You may remember visiting two of their projects at the Handsworth Technical College during your West Midlands inner city tour last September. In just over two years the Task Force has launched over 60 projects. Their £4m contribution has levered in £6m from other sources including the private sector, generating over 2,000 jobs and training opportunities for local people. The "flagship" projects will include the transformation of Lozells Road from an abandoned derelict area in to a new centre of economic activity. I have decided that the focus of attention should move to East Birmingham where the problems, and hence opportunities, are now much greater. I shall therefore be announcing on 20 June the winding down of the Handsworth Task Force and looking to private sector bodies such as BIC and the CBI, as well as the City Council, to maintain the Task Force's remarkable record of success, while establishing a new Task Force to concentrate on the Saltley, Nechells and Washwood Heath areas.

Presentation and Announcements

9 We have made good progress in using the same format in press notices and in signboards to get across our policy and to demonstrate the volume and range of the Government's total effort. We need to do more, however, to plan ahead on future announcements of projects and initiatives. It is important that the Cabinet Office Unit has comprehensive information about planned initiatives from Departments. They can then give advice on the location and timing of announcements in a way that helps to present Government's inner city policy as a whole.

Private Sector Commitment

10 The country's continued economic success and the Government's targeted programmes to encourage investment and employment have done much to raise business confidence in the inner cities and to encourage private investment there. Our knowledge of companies' commitment overall, however, is still patchy and I remain concerned that we may not be tapping companies' willingness to commit themselves as effectively as we could. The Cabinet Office Unit has been successful in acting as an initial point of contact for companies wanting to help and I would like to see them continue with this. They would of course refer all specific offers from companies to the responsible Department, private sector contact point, etc.



the department for Enterprise

11 I should welcome any comments you or colleagues may have on the above. Unless you think otherwise, however, I would not have thought that you need to convene a meeting.

12 I am copying this to E(UP) colleagues and Paul Channon and to Sir Robin Butler.

A handwritten signature in blue ink, appearing to be 'Lc', is located to the right of the second paragraph.

KC



ACTION FOR CITIES

PROGRESS CHART AND REPORTS

Explanatory Notes

General

1. The purpose of the charts is to show what progress is being made and where in inner city areas in England. The target areas have been divided into two lists: the first group, of rather less than half the towns, are those where effort is being concentrated. They have most of the existing and new Urban Development Corporations, City Action Teams, and Task Forces; more local business leadership organisations are emerging or being fostered than in towns on the second list; and both existing and new resources (like extra help for business development, training and jobs) are concentrated here.
2. The activities, programmes and initiatives shown are divided into the "Action for Cities" headings: Helping Businesses succeed, Preparing for Work, Developing Cities, and Better Homes and Attractive Cities. Dots show where projects exist (and, where appropriate, how many) and the stage reached in their development. It is hoped to include more quantified output measures in later versions of the chart, to give a better indication of the scale of resources involved.
3. The figures at the foot of some columns are expenditure in £m. They are intended only as a guide to the scale of programmes. They are best estimates from Departments of likely expenditure. Some are sub-totals which are included as part of other overall totals shown. The figures do not necessarily tally with those published in public expenditure and other information, because they are not broken down publicly, or because some programmes relevant to the inner cities are not included in the charts. They should not be used publicly.



Basic Facts

4. Many figures are presented by local authority district. These can conceal wide variations within each district, for example in the concentration of Council housing. Figures for YTS take-up are only available by MSC area office. Nonetheless, they show marked differences (and particularly low take-up in London).

Helping businesses succeed

5. Column 1 includes local business-led organisations; BIC business action and neighbourhood development teams; CBI Task Forces; and Phoenix initiatives.

6. Column 3 shows net VAT registrations by local authority area. It is a very approximate indication of new and small business activity. At present figures are only available to end-1986. VAT registrations and deregistrations are not an accurate measure, because many traders are below the threshold or trade in zero-rated goods and services; local sites of businesses registered elsewhere are not included; and there is a time-lag in recording registration and deregistration.

7. Columns 4-6 mainly concern the new activities described in the progress report "Helping Businesses".

Preparing for Work

8. Column 1 shows progress on the DE/TC schools/industry Compacts initiative, and the separate, existing London Compact. Other local initiatives which may emerge are not shown.

9. Columns 3 and 4 concern the new activities described in the progress report "Helping Unemployed People".

10. Column 5 includes both the Industrial Society's "Headstart" programme to give special training to school leavers, and Project Fullemploy's pre-recruitment development and training activities.



11. Column 10 includes areas which will probably receive extra help with educational buildings and those that may get Education Support Grant aimed at making school-leavers more self-reliant and motivated.

Developing Cities

12. Column 8 represents a moving picture: land is added to the registers at the same time as other land is removed. This means that an apparently low proportion of disposals could conceal the fact that substantial acreage has been added to the list; or a high rate of disposal could mean that little land has come on to the list.

13. Column 10 shows an apparently high level of road-building activity in inner cities. This is partly accounted for by the fact that it has not yet been possible to assess in inner city terms the impact of projects. Future charts will show a more selective picture.

14. The Urban Programme often reinforces or complements other programmes and initiatives. It may therefore overlap with other programmes and result in some double-counting.

• Roa. Pa : Unen Area



ACTION FOR CITIES

PROGRESS CHART AND REPORTS

JUNE 1988



BASIC FACTS

	Population (mid 86) 000s	YTS take up % 86/87	Housing: Council tenants % 86	City Action Teams (CCT, MTF) Task Forces
North East				
Gateshead	207	86	41	● ●
Middlesbrough	144	83	33	● ●
Newcastle	281	82	40	● ●
Sunderland	298	86	45	● ●
North West				
Bolton	262	75	25	● ●
Manchester	451	71	43	● ●
Preston	125	76	21	● ●
Salford	239	78	44	● ●
Yorkshire and Humberside				
Bradford	463	65	21	● ●
Leeds	711	54	32	● ●
Sheffield	534	75	41	● ●
West Midlands				
Birmingham	1004	75	31	● ●
Coventry	310	71	21	● ●
Sandwell	301	76	47	● ●
Wolverhampton	252	78	40	● ●
East Midlands				
Leicester	281	54	31	● ●
Nottingham	278	70	41	● ●
South West				
Bristol	391	61	26	● ●
South East				
Greenwich	218	34	42	● ●
Lewisham	232	34	43	● ●
Newham	205	34	37	● ●
Southwark	216	34	66	● ●
Tower Hamlets	153	34	78	● ●
Total projected inner cities expenditure 88/89, 57 areas, £m				5 16

HELPING BUSINESSES SUCCEED

	1 Local business leadership organisations	2 Helping businesses (EAS, TFE) £m 87/88	3 Net VAT registrations: % change 84/86	4 Local Enterprise Agencies #Special projects	5 Extra help for self-employed	6 Extending the Small Firms Network	7 CATT Task Force Development Funds	8 English Estates managed workshops
North East								
Gateshead	● 2 ●	0.8	-6.3	● 2	● ●	● ●	● ●	○
Middlesbrough	● ●	1.3	0.1	● 3*	● ●	● ●	● ●	○
Newcastle	● ●	2.2	2.1	● 7*	● ●	● ●	● ●	○
Sunderland	● ●	1.4	2.3	● 3*	● ●	● ●	● ●	○
North West								
Bolton	● 2	1.3	1.5	● 1	● ●	● ●	● ●	○
Manchester	● ●	3.0	-11.0	● 4	● ●	● ●	● ●	○
Preston	● ●	0.8	-3.0	● 1	● ●	● ●	● ●	○
Salford	● ●	0.8	-10.1	● 2	● ●	● ●	● ●	○
Yorkshire and Humberside								
Bradford	○	2.1	-4.6	● 1	● ●	● ●	● ●	○
Leeds	● ●	3.6	-2.9	● 1	● ●	● ●	● ●	○
Sheffield	● ●	3.3	-3.2	● 1	● ●	● ●	● ●	○
West Midlands								
Birmingham	○	5.5	-5.0	● 2*	● ●	● ●	● ●	○
Coventry	● ●	1.7	5.9	● 1*	● ●	● ●	● ●	○
Sandwell	● ●	1.0	4.7	● 1	● ●	● ●	● ●	○
Wolverhampton	● ●	1.8	2.7	● 1*	● ●	● ●	● ●	○
East Midlands								
Leicester	● ●	1.9	1.4	● 2*	● ●	● ●	● ●	○
Nottingham	● ●	2.1	-3.5	● 2	● ●	● ●	● ●	○
South West								
Bristol	● ●	3.1	1.0	● 10*	● ●	● ●	● ●	○
South East								
Greenwich	○	0.7	10.7	● ●	● ●	● ●	● ●	○
Lewisham	○	0.9	11.3	● 1	● ●	● ●	● ●	○
Newham	● ●	0.7	9.7	● ●	● ●	● ●	● ●	○
Southwark	● ●	1.3	10.0	* ●	● ●	● ●	● ●	○
Tower Hamlets	● ●	0.6	12.4	● 2	● ●	● ●	● ●	○
Total		84		1(<1*)	1	<1	<1	11

- Public
- Joint
- Private
- In place and functioning
- Firm plans
- Feasibility study/ under consideration

PREPARING FOR WORK

1	2	3	4	5	6	7	8	9	10		
Schools/Industry Compacts	Preparing for work (TC/DE training and employment programmes) £m 87/88	Involving more employees in TC training	Reaching more employees	Reaching more trainees	Headstart/Project Full-employ training projects	Job Clubs: participants 87/88	TC basic skills/DES Open Learning Centres	Developing skills of local labour	City Technology Colleges	Extra education building and/or support grant	
	21.1	●				741					North East
	8.5	●		●		1217	●	○	○	●	Gateshead
○	24.1	●	●			1191			●	●	Middlesbrough
	32.0					1314					Newcastle
											Sunderland
	13.6	●	●	●		849	●	○		●	North West
○	28.9	●	●	●2		1291		○	●2	○	Bolton
	12.9					663	●	○	●		Manchester
○	11.2	●	●			802		○			Preston
											Salford
	24.8	●	●	●2		1490	●	○		○	Yorkshire and Humberside
○	41.3	●	●	●2		1478	●	●	●3	○	Bradford
	35.2	●				2125					Leeds
											Sheffield
	70.2	●	●	●3		4009	●	○	●7	○	West Midlands
○	22.7		●	●		1375	●	○	●	4○	Birmingham
	24.8	●	●	●2		1461	●	○			Coventry
	22.2		●	●		903	●	○	●		Sandwell
											Wolverhampton
○	19.2	●	●	●2		909	●	○	●3	●	East Midlands
○	21.3	●		●		1295	●		●2	●	Leicester
											Nottingham
	32.5			●3		1100	○	○2	●2		South West
											Bristol
	7.6		●	●		305	○				South East
	8.1		●	●		811	○	○			Greenwich
	9.8	●	●	●		615	●			○	Lewisham
	9.6	●	●	●2		525	○		●2		Newham
●	10.8		●	●		476	○		●2		Southwark
											Tower Hamlets
3	1033							1	9	12	Total projected inner cities expenditure 88/89, 57 areas, £m

DEVELOPING CITIES

1	2	3	4	5	6	7	8	9	10	11
Urban Development Corporations	Enterprise Zones	EZs: New companies established, designation to 86	BUD Priority Areas City Grant/UDG/URG: Project costs £m	City Grant/UDG/URG: projects approved 82/88	Freeing land: acres removed 82/88	Freeing land: % removed from register 84/88	Simplified Planning Zones	Roads	Light railway projects	
●	●	181	●	44.9	6	571	28		● ● ○	○
●	●	55		7.3	5	213	20		● ● ○	○
●		†		10.2	7	†	†		● ● ○	○
				4.1	6	535	26		● ● ○	
● ●	●			34.7	7	367	38		○	
●				34.2	11	877	43		● ● ○	●
		67		3.9	2	128	11		● ● ○	●
						†	†		● ● ○	●
●				6.8	4	491	37		○ ○	
●				21.3	15	661	25		● ● ○	
				7.0	7	197	17		● ● ○	
				109.0	20	406	61	○	● ● ○	○
				9.9	7	221	36		○ ○	
●				11.0	8	210	36		● ● ○	○
●				17.9	7	414	34		● ● ○	○
			●	4.4	5	227	24		● ● ○	
				52.3	18	274	45		● ● ○	
						289	27		● ● ○	○
			●	5.4	1	364	82		● ● ○	○
●				4.6	6	142	69		● ● ○	○
●	●	†		4.2	3	847	54		● ● ○	●
●				13.6	3	432	80		○ ○	
●	●	165		21.8	3	920	90		● ● ○	●
203	44				35				250	24

Public
 Joint
 Private

In place and functioning
 Firm plans
 Feasibility study/under consideration

† Some figures in columns 3, 7 and 8 combine Gateshead/Newcastle, Manchester/Salford, and Tower Hamlets/Newham

DEVELOPING CITIES

Urban Programme			
Urban Programme allocation 88/89	Forecast number of buildings improved 88/89	Forecast number of loans and grants to firms 88/89	Forecast number of workshop units 88/89
12	13	14	15
16.8	108	170	136
5.5	96	136	127
†	†	†	†
4.4	25	60	51
3.7	28	30	15
22.2	102	64	176
2.0	86	52	87
†	†	†	†
4.5	45	40	
4.4	4	114	9
5.5	45	25	24
24.7	419	162	170
4.8	132	107	61
4.9	155	30	34
5.4	464		23
5.4	233	45	36
5.5	792	103	140
1.5	8		41
1.9	3	70	1
1.9	40	270	3
2.2	13	240	90
2.2	11	45	19
4.5	n.a	n.a	n.a
259			

† Figures in column 12—15 combine Gateshead/Newcastle and Manchester/Salford

SAFER CITIES, BETTER HOMES ETC.

Safer Cities, Better Homes etc.				
Safer Cities	Estate Action Projects	Housing Corporation: Investment in new projects £m 88/89	Housing Action Trusts ¹	Tourism development
1	2	3	4	5
North East				
	● 9	4.3		●
	● 5	3.9		○
	● †	5.8		●
	● 3	4.7		●
North West				
	● 5	5.7		● ○
	● 5	18.5		
	● 1	4.4		
	● †	5.5		
Yorkshire and Humberside				
●	● 7	9.2		●
	● 3	13.3		
	● 8	9.2		○
West Midlands				
●	● 2	38.0		○
●	● 4	5.2		
	● 2	6.5		○
●	● 2	5.5		○
East Midlands				
	● 3	10.2		
●	● 5	7.9		○
South West				
	● 2	7.0		○
South East				
	● 5	5.5		
●	● 2	9.9		
	● 10	13.7		○
	● 4	9.6		
●	● 9	12.1		○
2	140		5	

† Figures in column 2 combine Gateshead/Newcastle and Manchester/Salford

1. First eight Housing Action Trusts to be announced shortly

BASIC FACTS

	Population (mid 86) 000s	YTS take up % 86/87	Housing: Council tenants % 86	City Action Teams (CCT, MTF) Task Forces
North East				
Hartlepool	91	83	32	● ●
Langbaugh	147	83	30	● ●
North Tyneside	192	83	35	● ●
South Tyneside	157	86	47	● ●
Stockton-on-Tees	176	83	28	● ●
North West				
Blackburn	139	70	12	
Burnley	88	70	19	
Halton	123	74	21	● ●
Knowsley	164	79	45	● ●
Liverpool	483	93	33	● ●
Oldham	220	68	29	
Rochdale	207	66	27	
Sefton	298	93	15	● ●
St.Helens	188	79	29	
Wigan	307	66	28	
Wirral	335	79	18	● ●
Yorkshire and Humberside				
Barnsley	222	75	36	
Doncaster	289	75	31	●
Hull	258	69	44	
Kirklees	377	65	24	
Rotherham	252	75	35	
West Midlands				
Dudley	301	78	31	
Walsall	262	78	39	
The Wrekin	130	73	23	
East Midlands				
Derby	216	64	24	●
South West				
Plymouth	256	59	24	
South East				
Brent	256	34	23	
Hackney	187	34	60	●
Hamm. & Fulham	151	34	27	
Haringey	196	34	29	
Islington	168	34	55	●
Kens. & Chelsea	137	34	12	●
Lambeth	245	34	45	●
Wandsworth	257	34	35	
Total projected inner cities expenditure 88/89, 57 areas, £m				5 16

HELPING BUSINESSES SUCCEED

	1 Local business leadership organisations	2 Helping businesses (EAS, LEAs, LGS, TFE) £m 87/88	3 Net VAT registrations: % change 84/86	4 Local Enterprise Agencies (#Special projects)	5 Extra help for self-employed	6 Extending the Small Firms Network	7 CATT/Task Force Development Funds	8 English Estates managed workshops
North East								
Hartlepool	●	0.7	5.3	● 2			●	○
Langbaugh		1.0	1.8					
North Tyneside		1.4	1.7				●	
South Tyneside		0.7	2.6	● 1			●	
Stockton-on-Tees		0.7	-0.6					
North West								
Blackburn		0.7	0.0	● 1		○		
Burnley		0.6	1.8					
Halton		0.5	3.6	● 1				
Knowsley		0.8	5.2	● 1				
Liverpool		3.5	-3.5	● 7		●		
Oldham		0.8	2.4	● 1				
Rochdale		1.0	3.6	● 1				○
Sefton		2.0	0.8	● 2				
St.Helens		0.8	1.1	● 1				
Wigan		1.9	2.1	● 1*				
Wirral	●	5.5	2.3	● 1				
Yorkshire and Humberside								
Barnsley		1.2	3.0	● 2				
Doncaster		1.6	4.9	● 1				○
Hull		1.5	-1.5	● 2				
Kirklees		1.8	0.9	● 1				
Rotherham		0.8	2.9	● 1				
West Midlands								
Dudley		1.5	4.1	● 1				
Walsall		1.1	1.8	● 1				
The Wrekin		0.7	1.8	● 1				
East Midlands								
Derby		0.9	0.8	● 1		○		
South West								
Plymouth		1.5	-2.5	● 1	○			
South East								
Brent		0.8	8.7	● 2				
Hackney		1.0	11.5	● 2	○			○
Hamm. & Fulham		1.1	13.4	● 1				
Haringey		1.2	9.5					
Islington		1.6	1.9	● 1				
Kens. & Chelsea		0.6	12.0	● 1	●	○	●	
Lambeth		1.4	10.9	● 1	○			
Wandsworth		1.0	15.2	● 1*				
Total		84		1(<1*)	1	<1	<1	11

Public
Joint
Private

● In place and functioning
○ Firm plans
○ Feasibility study/under consideration

PREPARING FOR WORK

1	2	3	4	5	6	7	8	9	10		
Schools/Industry Compacts	Preparing for work (TC/DE training and employment programmes) £m 87/88	Involving more employees in TC training	Reaching more employees	Reaching more trainees	Headstart/Project Full-employ Training Projects	Job Clubs: participants 87/88	TC basic skills/DES Open Learning Centres	Developing skills of local labour	City Technology Colleges	Extra education building and/or support grant	
North East											
○	13.8			● 2	407	● ○	● 2			Hartlepool	
○	12.9				282	●				Langbaugh	
○	14.1	●			834	○				North Tyneside	
○	15.8	●			560	○				South Tyneside	
○	16.9				657	●				Stockton-on-Tees	
North West											
○	10.6	●	● ○		514	●				Blackburn	
	5.5				382					Burnley	
○	10.0				340					Halton	
○	17.3	●			879	●			●	Knowsley	
○	49.9	●	●		2645	●			●	Liverpool	
	12.4			●	404	●				Oldham	
○	15.0	●	●	●	641	● ○	○	○		Rochdale	
○	18.2	●			1072	●				Sefton	
○	14.8	●			774	●			●	St.Helens	
○	15.9	●			683	●				Wigan	
○	23.5	●			1460					Wirral	
Yorkshire and Humberside											
	12.9				750					Barnsley	
○	21.8				1000		○	● ○ 2		Doncaster	
○	20.0	●			1080	●	○		●	Hull	
	20.4				982	●				Kirklees	
	21.3	●	● ○		831	●			●	Rotherham	
West Midlands											
○	19.5	●		● 2	1215	● ○			●	Dudley	
	20.0				625	● ○			●	Walsall	
	7.1		●		580	●				The Wrekin	
East Midlands											
○	15.3	●			416					Derby	
South West											
○	13.3				280					Plymouth	
South East											
	10.3				753	●				Brent	
	13.2		●	●	368	●		○		Hackney	
	7.8				490	●				Hamm. & Fulham	
	11.0	●	●		254	●				Haringey	
	13.0		●	●	546	●				Islington	
○	5.4		●	● 3	124	●	● 2			Kens. & Chelsea	
	14.2		●	● 2	548	●				Lambeth	
	2.7		●	●	416	●				Wandsworth	
3	1033						1	9	12	Total projected inner cities expenditure 88/89, 57 areas, £m	

DEVELOPING CITIES

1	2	3	4	5	6	7	8	9	10	11
Urban Development Corporations	Enterprise Zones	EZs: New companies established, designation to 86	BUD Priority Areas City Grant/UDG/URG: Project costs £m 82/88	City Grant/UDG/URG: of projects approved 82/88	Freeing land: acres removed 84/88	Freeing land: % removed from register 84/88	Simplified Planning Zones	Roads	Light railway projects	
●●●●●	●	39	2.5	3	319	49		●●●●●		
			7.8	2	212	20		●●●●●		
			4.3	4	201	17		●●●●●		
			18.6	7	288	44		●●●●●		
			1.2	2	168	10		●●●●●		
			9.4	4	220	23		●●●●●		
	●	50	0.2	1	192	47		●●●●●		
					104	21		●●●●●		
●	●	59	14.6	6	7	1		●●●●●		
			16.8	2	212	11		●●●●●		
			6.7	11	190	42		●●●●●		
			4.1	4	309	46		●●●●●		
			3.0	2	110	20		●●●●●		
					131	33		●●●●●		
●●		41	1.3	5	679	40		●●●●●		
			21.8	4	74	16		●●●●●		
					150	14		●●●●●		
					995	60		●●●●●		
			97.3	14	523	30		●●●●●		
					240	26		●●●●●		
	●	41	4.6	1	209	16	○	●●●●●		
								●●●●●		
●	●	72	62.2	12	88	17		●●●●●		
			4.7	5	173	36		●●●●●		
	●	42	2.2	2	1035	33		●●●●●		
								●●●●●		
					358	56	○	●●●●●		
								●●●●●		
					215	30		●●●●●		
			9.5	2	52	54		●●●●●		
			15.4	7	41	57		●●●●●		
					81	79		●●●●●		
			5.5	1	28	44		●●●●●		
			11.2	2	59	74		●●●●●		
			2.6	2	24	55		●●●●●		
			2.5	2	68	64		●●●●●		
			11.6	5	115	96		●●●●●		
203	44								250	24

Public
 Joint
 Private

In place and functioning
 Firm plans
 Feasibility study/under consideration

DEVELOPING CITIES

Urban Programme			
Urban Programme allocation 88/89	Forecast number of buildings improved 88/89	Forecast number of grants and grants to firms 88/89	Forecast number of workshop units 88/89
12	13	14	15
1.7	42	25	
1.7	41	33	36
3.4	73	28	40
4.4	5	25	40
1.4	6	10	77
4.0		109	30
1.8		41	
1.4	7	83	1
3.9	91	51	101
20.5	21		357
3.7	1098	97	9
3.6	100	45	23
1.5	15	58	48
1.7	39	50	18
2.2	47		13
3.4	28	40	
1.5	16	90	10
1.7	n.a	n.a	n.a
4.9	8	50	17
0.8	29	20	96
1.7	2	87	79
1.2	23		17
1.5	31	17	34
0.6	n.a	n.a	n.a
1.4	45	5	7
1.0	2	8	14
3.9	43	43	21
9.7	97	128	28
4.3	25	257	5
2.2	1	50	48
9.6	32	16	42
1.8	820	15	29
11.7	378	315	13
4.5	n.a	n.a	n.a
259			

SAFER CITIES, BETTER HOMES ETC.

Safer Cities, Better Homes etc.				
Safer Cities	Estate Action Projects	Housing Corporation Investments in new projects	Housing Action Trusts	Tourism development
1	2	3	4	5
●	● 5	2.4		○
	● 4	1.8		○
	● 2	2.3		○
	● 3	2.7		○
	● 1	2.2		○
	● 1	3.3		
	● 1	1.2		
	● 1	1.6		
	● 8	3.0		
		18.6		
	● 1	4.6		
●	● 4	4.0		
		6.4		
	● 1	4.2		
	● 3	4.3		
	● 3	7.4		
	● 1	n.a		
		2.5		
	● 6	6.9		
	● 1	6.8		
	● 1	3.3		
	● 3	2.2		○
	● 3	3.7		○
	● 4	5.3		
		4.2		
	● 5	19.5		
		16.8		●
	● 4	10.6		
	● 4	12.6		
	● 2	9.5		
	● 2	6.1		
		16.8		
	● 2	12.7		
2	140		5	

North East

Hartlepool
Langbaugh
North Tyneside
South Tyneside
Stockton-on-Tees

North West

Blackburn
Burnley
Halton
Knowsley
Liverpool
Oldham
Rochdale
Sefton
St. Helens
Wigan
Wirral

Yorkshire and Humberside

Barnsley
Doncaster
Hull
Kirklees
Rotherham

West Midlands

Dudley
Walsall
The Wrekin

East Midlands

Derby

South West

Plymouth

South East

Brent
Hackney
Hamm. & Fulham
Haringey
Islington
Kens. & Chelsea
Lambeth
Wandsworth

Total projected inner cities expenditure 88/89, 57 areas, £m

1. First eight Housing Action Trusts to be announced shortly

NEW ACTION: PROGRESS REPORTS

ACTION ANNOUNCED 7 MARCH ONWARDS

SUMMARY

Urban Development Corporations

Chairman announced, boundaries generally finalised.

City Action Teams

Leeds and Nottingham teams started work.

City Grant

Scheme launched 3 May: first application already approved.

Unused Land

Efforts broadened and pressure maintained to free underused and unused land.

New Inner City Roads

Preliminary work underway.

Safer Cities

Wolverhampton and Bradford announced; 7 more invitations issued.

Helping Businesses

New small firms office in Sheffield, and Enterprise Club for self-employed in Cleveland, open; enhanced Loan Guarantee Scheme available in Task Force areas before end-June.

Schools/Industry Compacts

Invitations issued to interested parties: shortlist to be prepared July.

Helping Unemployed People

New information points and specialist staff to advise inner city residents being introduced

Managed Workshops

English Estates pursuing potential projects in 11 locations.

Action for Cities Working Breakfasts

Four out of six well-attended presentations held; positive expressions of interest being followed up.

Open Learning Centres (14 March)

Establishment of first two centres in Leeds and Bristol announced.

NEW ACTION: PROGRESS REPORT

URBAN DEVELOPMENT CORPORATIONS

Announcement 7 March

Establishment of new UDC in Sheffield and extension of existing Merseyside DC. These build on existing UDCs in London Docklands, Merseyside, Teesside, Trafford Park, Tyne and Wear and the Black Country (and Cardiff in Wales), and on the announcement in December 1987 of new UDCs in Bristol, Leeds Central Manchester and the extension of the Black Country UDC.

Action *Sheffield* boundaries identified, Chairman-designate (Hugh Sykes) named 25 April, designation order laid 17 May (petitioning period until 6 June). **Merseyside** boundaries being studied by consultants appointed 24 April. **Bristol, Leeds and Central Manchester** boundaries settled and Chairman-designate announced; designation orders laid 17 May (petitioning period until 6 June). **Black Country** extension order laid 30 March, now awaiting Parliamentary approval.

Response Proposals widely welcomed, with several developers expressing interest. Local authorities wary: petition against designation order received from Bristol.

Future targets By **end of June**, formally designate Black Country extension; establish other new UDCs not petitioned against. By **mid-July**, lay Merseyside extension order. By **summer recess**, formally establish Bristol UDC (subject to House of Lords timetable).

NEW ACTION: PROGRESS REPORT

CITY ACTION TEAMS (CATs) NOTTINGHAM AND LEEDS

Announcement 7 March

2 new CATs were announced, for the East Midlands (Nottingham, Leicester and Derby) and West Yorkshire (Leeds/Bradford). As with the other CATs they aim to focus the efforts and resources locally of the Departments of Trade and Industry, Environment and Employment; and have top-up funds to support special local projects (£0.79m for West Yorkshire, £0.25m for East Midlands in 1988/89).

Response The Nottingham/Leicester/Derby CAT launch on 29 April (by the Chancellor of the Duchy) attended by some 60 guests, reflecting the aims of the CAT in building a partnership between the public and private sector. Contacts being developed with local businesses and voluntary organisations.

Announcement of the Leeds/Bradford CAT received favourable media coverage. Chamber of Commerce setting up a working group of industrialists and Action Resource Centre considering a secondment to the CAT.

Action *In Nottingham/Leicester/Derby, first meeting of CAT held immediately after launch. Several applications for support from the CAT special fund; publicity strategy and Action Plan being prepared.*

First Leeds/Bradford CAT public appearance at Leeds Breakfast Presentation on 26 April. CAT preparing first Action Plan (for approval in June); formal launch of CAT probably in July, to launch Action Plan or start of first project.

NEW ACTION: PROGRESS REPORT

CITY GRANT

ANNOUNCEMENT 7 MARCH

Consultation on details of a new direct grant to replace Urban Development Grant and Urban Regeneration Grant and incorporate part of Derelict Land Grant, all with streamlined procedures.

Action *Consultation document sent out 7 March; 5 seminars held for around 700 people; 120 written responses received.*

Grant scheme formally launched 3 May. Guidance notes issued.

Response Proposal widely welcomed. Impact (as at 3 June):

Projects at pre-application stage

107

Applications

8

Approved projects:

Number	Value	Grant	Outputs
--------	-------	-------	---------

1	£1.5m	£305k	18000sq ft offices; 73 jobs
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Future targets *Processing time of first response within 4 weeks, decision on application in 10 weeks. 100% achieved to date.*

NEW ACTION: PROGRESS REPORT

FREEING LAND

Announcement 7 March

Keep up pressure on local authorities and other public bodies, through land register system, to sell unused and underused land. Get all public bodies to publish information about their ownership of such land to make known what is available.

Action *Amount of land sold since 1984 increased from 37,460 acres at end February to 38,536 acres at end of March and 39,266 acres at end of April.*

Pressure maintained by use of statutory procedures: since 7 March directions concerning 7 sites, 56 acres of land and procedures initiated on a further 17 sites, 65 acres.

Meeting held with representatives of LAAs. Principle of publication of information accepted.

Future action *Agree code of practice for publication of information with LAAs. Seek agreement of sponsor departments of other public bodies to proposed code of practice.*

Further targets *Issue code of practice December 1988*

Code to take effect at beginning of financial year 1989-90.

NEW ACTION: PROGRESS REPORT

SAFER CITIES

Announcement 7 March

20 Safer Cities Projects over the next 3 years in urban areas with serious crime problems: to reduce crime, lessen the fear of crime and create Safer Cities within which economic enterprise and community life can flourish.

Action *Wolverhampton and Bradford first cities invited to participate in the Programme.; Nottingham, Hartlepool, Rochdale, Coventry, Lewisham, Tower Hamlets and Birmingham now invited to join.*

Response *Wolverhampton announced as first Project area on 7 April by Mr Patten; Bradford now announced.*

15 other areas have made approaches to the Home Office Crime Prevention Unit wishing to participate in the Programme.

Future action *Officials to follow up with local consultations in chosen areas, and establish projects once agreement to participate is secured (June 1988 - March 1989).*

Officials to continue implementing Project in Wolverhampton (establish Steering Committee and appoint Project Coordinator and staff).

Announce Bradford as Project area when local consultations are complete (Leadership of Council unclear until result of by-election is known).

NEW ACTION: PROGRESS REPORT

ROAD SCHEMES - BLACK COUNTRY

Announcement 7 March

£50 million 100% grant for the construction of the Black Country Spine Route which will provide an improved link through the Black Country to the M5 and M6.

Action *Aerial survey of total route commissioned; Consulting Engineers commissioned to start topographical and geotechnical survey. Negotiations continuing on clearing planning applications before end August.*

Future target *Aim to open Spine road in 1991.*

ROAD SCHEMES - A13

Announcement 7 March

Six schemes worth £59 million to improve the A13 in East London have been added to the National Roads Programme.

Action *DTp working with local authorities to progress DTp and LDDC schemes. The A13 Traffic Management Group has met twice. Progress imade on ways of minimising the effects on local community of the construction.*

NEW ACTION: PROGRESS REPORT

HELP FOR INNER CITY BUSINESSES

Announcement 7 March

More help for small businesses and encouragement for self-employed.

Action

1. *Local Enterprise Agency Project Scheme. (LEAPS). New £600,000 pa fund to match private sector contributions to local enterprise agencies' inner city projects. Scheme launched on 1 April: potential projects which may be financed under the scheme already identified.*

2. *Extra help for the Self-Employed. Training, advice, and encouragement for would-be entrepreneurs provided through*

(a)Enterprise Days being held in Bristol, London, Gwent, Cardiff and the West Midlands;

(b)Enterprise Training Programmes to be piloted for the summer in Newcastle, Plymouth, Inner London South, London East and Cardiff;

(c)Enterprise Clubs: 4 planned; first, in Cleveland, already open.

3. *6 new Small Firms Service Offices. To offer advice to new and existing small businesses: first new office opened in Sheffield on 19 April, and offices in Leicester, Derby, Blackburn, Middlesbrough and Wolverhampton will all be open by September 1988.*

4. *The Loan Guarantee Scheme: 85% guarantee on bank loans (instead of usual 70%) to firms in the 16 Task Force areas agreed with the 4 clearing banks and 3i. Scheduled to be announced on 22 June.*

NEW ACTION: PROGRESS REPORT

SCHOOLS/INDUSTRY COMPACTS

Compacts - like that in East London organised by London Enterprise Agency and ILEA - link schools and employers, so that school leavers who meet certain agreed standards are assured of jobs.

Announcement 7 March

DE/MSD support to start 12 compacts in inner cities in England: up to £50,000 for development costs, £100,000 pa funding for those selected. Other costs borne by sponsors, who will undertake to give **jobs with training** to school leavers meeting the standards agreed.

Response Substantial response; positive enquiries from large number of employers, business organisations received since 7 March. Companies participating in Action for Cities breakfast presentations in Newcastle, Leeds, Manchester and Birmingham have also expressed interest in compacts.

Action *On 3 May MSD sent letter of invitation to local authorities and employers' groups inviting bids for development funds. Development work scheduled to begin July. Establishment of first compact expected early 1989.*

NEW ACTION: PROGRESS REPORT

EXTRA HELP FOR UNEMPLOYED PEOPLE IN INNER CITIES

Announcement 7 March

Specialist TC/Employment Service staff in local communities, new job and training information points, special basic skills training and measures to involve more employers.

- Action**
1. *Reaching Trainees/Employees: additional specialist staff being recruited to seek out more trainees in inner city areas. Target areas are North Kensington, Bradford, Nottingham and Liverpool.*
 2. *Improved access to information:*
 - (a) *TAPs (Training Access Points) providing information on training programmes now operating in 10 sites: 4 more planned for Liverpool, Manchester, Sheffield, Rotherham;*
 - (b) *Jobseeker providing information on jobs now operating in Glasgow. 2 more planned, likely to be London Docklands and West Midlands;*
 - (c) *Community Link providing jobs and training information, likely to be sited in Blackburn, Spitalfields, Southall, Sparkhill/Sparkbrook, Handsworth and Leicester;*
 - (d) *Publicity Material: Jobclub introductory leaflet and Enterprise Allowance Scheme leaflets to be made available in ethnic minority languages.*
 3. *Extra Basic Skills: Advice and training in literacy, numeracy and English as a second language will be offered through extension of special RESTART assessment courses and special JOBCLUBS and Employment Training. Literacy/numeracy materials catalogue already issued to training providers. Further provision planned under Employment Training from September.*
 4. *Involving employers more: booklets encouraging employer participating in YTS and Employment Training issuing end-May and end-September respectively.*

NEW ACTION: PROGRESS REPORT

ENGLISH ESTATES: MANAGED WORKSPACE PROGRAMME

Managed Workspace

Programme will offer small businesses easy access to workspace on no-nonsense terms together with advice and support, often from on-site management teams. Those working there can also share services like typing and catering.

Announcement 7 March

English Estates will be able to spend up to £11 million in 1988/89 on a major new programme, with maximum private sector involvement, to provide more managed workspace for business start-ups.

Response English Estates are in contact with about 20 private sector organisations who have shown interest in the programme. Companies invited to adopt individual projects by providing land, buildings, investment or by seconding experienced managers to give business advice to tenant companies.

Action *English Estates are pursuing potential projects in Hartlepool, Sunderland, Liverpool, Manchester, Preston, Rochdale, Doncaster, Nottingham, Hackney, Southwark and Tower Hamlets. The first project is expected to be ready for occupation in early 1989.*

NEW ACTION: PROGRESS REPORT

OPEN LEARNING CENTRES

Announcement 14 March

Adult Literacy and Numeracy Open Learning Centres in inner city areas will be fully equipped with computers and video equipment. This will enable adults with literacy and numeracy problems to undertake self-help programmes of study which will complement tuition available from LEAs and voluntary agencies.

8 centres to be established in rolling programme over 1988/89 and 1989/90. DES provides £300,000 in 1988/89; Adult Literacy and Basic Skills Unit £200,000. Additional resources (computer hardware, software and related technology) sought from commercial organisations.

Response Almost all inner city areas approached interested in being involved, despite need to contribute suitable building and more funds when central funding ceases.

Action *Submissions from LEAs are being considered and private sector offers of resources being followed up. Sponsorship of the first two centres, in Leeds and Bristol, should be agreed shortly to start in September 1988.*

NEW ACTION: PROGRESS REPORT

ACTION FOR CITIES WORKING BREAKFASTS

Announcement 7 March

A programme of working breakfasts for senior businessmen designed to encourage the greater participation of business and industry in urban regeneration.

Action *Six working breakfasts arranged as follows:*
13 April Newcastle
26 April Leeds
11 May Manchester
24 May Birmingham
14 June Liverpool
22 June London

Total estimated expenditure: £0.65m.

Response Audiences of \pm 220, mainly senior businessmen, achieved at each of the first three presentations. The presentations have been widely praised for their professionalism, originality and the strength of their message.
Good national and local media coverage, generally favourable. Granada and BBC TV were present at Manchester and BBC intend to cover the remaining Working Breakfasts with a view to a future programme.
The Breakfasts are helping to change the climate of business opinion towards the inner cities. Companies have offered help or expressed interest in participating (firm offers as follows):
Newcastle - 41
Leeds - 47
Manchester - 41
Birmingham (provisional) - 40+

Future Action *i. obtain from each City Action Team one month after each event a report on follow-up action with firms;*
ii. decide if a further series of Working Breakfasts should be held.

The Rt. Hon. Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

P J C Mawer Esq
Private Secretary to
Rt Hon Douglas Hurd CBE MP
Home Secretary
50 Queen Anne's Gate
LONDON
SW1H 9AT

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5147
Our ref
Your ref
Date 6 June 1988

NBPM

Reed
7/6

Dear Philip,

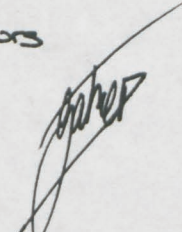
WILL REQUEST IF REQUIRED / WITH PC.

Thank you for your letter of 26 May which was held up in the holiday post.

The Chancellor of the Duchy was grateful for confirmation about the areas for Safer Cities initiatives which fit well with the concentration of effort through Action for Cities. He would like to be kept in touch with the timetable for announcements for individual projects so that they might be co-ordinated with other inner city announcements. He agrees that Birmingham is a good candidate for a Safer Cities project and hopes that the local Task Force will be fully involved in carrying it forward, given its interest, which you mention, in local crime prevention initiatives.

I am copying this to the Private Secretaries of the members of E(UP) and the offices of the Ministerial representatives on the Group on Crime Prevention.

Yours


CAROLYNE AKERS
ASSISTANT PRIVATE SECRETARY

MY5ABQ

major infrastructure and environmental improvements, reclamation work will start next month.

Edinburgh-based Murray International has committed £5 million to the first stage of £50 million office development, which is planned to create a total of 750,000 square feet of space and bring the highest standards of accommodation to Teesside. Teesdale will also provide some 500 high quality waterfront houses, specialist retail and leisure development, and new roads and other infrastructure.

The River Tees itself will be the focal point of the Teesdale project, with quayside schemes providing pubs, restaurants, bistros and a range of cultural and leisure activities, including sailing, wind surfing, rowing and a water slalom. Specialist shopping will reflect the new environment.

A striking feature of the scheme is a proposal to throw a covered bridge across the Tees to link with and give a boost to the extensive shopping facilities of Stockton High Street. A new bridge will also connect Teesdale with another Teesside initiative, already announced - the £90 million redevelopment of the former Stockton racecourse as a sports, leisure, hotel conference and retail venue.

Detailed design of the covered bridge is being undertaken by Teesside Development Corporation in conjunction with the Post Office Superannuation Scheme (PosTel), one of the largest pension funds. Design work for the second bridge, and for the major new road links the overall scheme will call for, is already under way.

The strong consortium associated with the Teesdale project also



DEVELOPMENT CORPORATION

TEES HOUSE, RIVERSIDE PARK,
MIDDLESBROUGH, CLEVELAND TS2 1RE
TEL: (0642) 230636 FAX: (0642) 230843

6 June 1988

TEESDALE - LATEST INITIATIVE IN
TEESSIDE'S RENEWAL DRIVE

High quality £110M urban mix attracts
powerful private sector involvement

A powerful partnership of Teesside Development Corporation, major urban renewal specialists Murray International, and a consortium of developers and financial institutions is finalising a multi-million pound package to rejuvenate 250 acres of derelict industrial land on the North bank of the River Tees. Other developers are invited to participate.

The Teesdale project is expected to generate 300 to 400 construction and related jobs over its 3-5 year development period, and 2,500 jobs when completed.

The Teesdale initiative will provide a high quality mix of office accommodation, homes, and specialist retail and leisure amenities. Expected to generate investment of around £100 million, Teesdale is set to revitalise the environment of an area formerly the headquarters of the Head Wrightson engineering concern, but near-derelict for most of the past decade.

Long-term and immediate opportunities are provided by the scheme to both local firms and workforce. In the first stage of

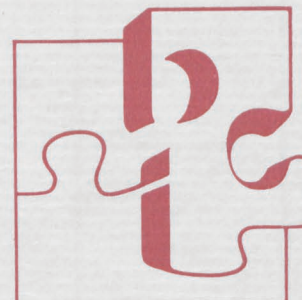
CHAIRMAN: R. NORMAN, O.B.E.
CHIEF EXECUTIVE: D. HALL

includes the international building, civil engineering and construction companies, Tarmac and Taylor Woodrow. Tarmac Construction has proposals for the infrastructure works, and the Tarmac housebuilding arm McLean Homes is prepared to participate with one of the largest housebuilders, Wimpey Homes, and with the specialist subsidiary of Bellway Group, Bellway Urban Renewals, in providing a range of housing. Taylor Woodrow wishes to participate in the office/commercial development, and YJ Lovell, through Lovell Partnerships, wishes to continue its remarkable record of success in waterside development.

Business in the Community

227A City Road
London EC1V 1LX
Telephone: 01-253 3716
Facsimile: 01-253 2309

President: HRH The Prince of Wales



A G E N D A

FINAL PLANNING MEETING FOR NO. 10 TEESSIDE RECEPTION

at 12.30. Monday, 6th June, ICI HQ. Millbank, SW1P 3SF
01-834-4444

1. State of Play
2. Review video at 12.45 : John Reay can you provide a spare copy and negotiate playback facilities in our lunch room.
3. Points arising from video & Announcements of projects.
4. Publicity Packs: i) Alex to show us a couple please
ii) Delegate handers out.
5. Lapel badges: ditto + delegate handers outs.
6. Shepherd and Sheepdogs: Duncan to advise.
7. Media Coverage: Alex, Duncan
8. Follow up
9. Any other business

NB Confirmation of attendance at ICI Millbank to
Dorette Smith, 01-724-2818 by 17.30, 2/6/88.

7592Z

<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE</u>
Andrew Bearpark Terry Perks Sue Goodchild	No. 10	01 930 4433
Eric Sorensen	Cabinet Office	01 270 0431
John Owen Richard Bell	Dept. of Environment Newcastle	091 232 7575
Ron Norman Duncan Hall Fiona Blackwell	TDC	0642 230636
John Bridge	NDC	091 260 0026
Nigel Clark	ICI	0642 454144
Albert Dicken	Dickens & Co.	0642 679701
Roger Lindsey	NE Market Surveys	0642 370 320
Alex Penman Margie Coldray	Penman & Partners	01 724 2818
John Reay John Wilkinson	Tyne Tees Television	091 261 0181
Eleanor Bannister Neville Martin Stephen O'Brien Robert Davies Richard Wade	BiC	01 253 3716

possible 119

LIST OF GUESTS ATTENDING THE MEETING/RECEPTION TO BE GIVEN BY THE PRIME MINISTER TO PROMOTE TEESIDE ON MONDAY, 6 JUNE 1988 FROM 6.00 PM TO 7.30 PM

The Prime Minister

HM Government

- Rt. Hon. Douglas Hurd, MP Reception only
- Rt. Hon. Norman Fowler, MP Reception only
- Rt. Hon. Kenneth Clarke, MP
- Mr. David Trippier, MP

His Excellency the Ambassador of Japan

- Mr. Walter Anderson Marathon Oil (UK) Ltd.
- Mr. Brian Appleton Chairman, Belasis Hall Technology Park ICI C & P Ltd.
- Mr. John Ashcroft Chairman, Coloroll Group plc
- Mr. Hugh Ashton Director, Hanson plc
- Ms Eleanor Bannister Personal Assistant, Business in the Community
- Mr. David Barclay Ellerman Holdings Ltd.
- Mr. Frederick Barclay Ellerman Holdings Ltd.
- Mr. Derek Barron Chairman/Managing Director, Ford Motor Company Ltd.
- Mr. Ronald Baukol Managing Director, 3M United Kingdom plc
- Mr. Richard Bell Deputy Director, Department of the Environment, Newcastle
- Mr. D. Biggins Sovereign Oil and Gas plc
- Ms Fiona Blackwell Public Relations Officer, Teesside Development Corporation
- Mr. H. Boccaccio President, Coflexip Ironworks Ltd.
- Mr. B. Floris Managing Director, Coflexip Ironworks Ltd
- Mr. Anthony Booth Managing Director and Corporate Director, British Telecom International
- Mr. Hartley Booth Chief Executive, British Urban Development
- Mr. Michel Bouvard General Manager, Coflexip UK Ltd.
- Mr. Godfrey Bradman Chairman, Rosehaugh plc
- Dr. John Bridge Chief Executive, Northern Development Company

Mr. Peter Carr	Regional Director, Department of Employment, Newcastle
Sir Ralph Carr-Ellison	Chairman, Tyne Tees Television Ltd.
Rt. Hon. Christopher Chataway	Vice Chairman, Orion Royal Bank Ltd.
Mr. Dennis Clark	Press Offshore Group
Mr. Nigel Clark	Teesside Operations Manager, ICI
Mr. Tony Cleaver	Chief Executive, IBM United Kingdom Ltd.
Mr. Nicholas Clegg	Managing Director, Daiwa Europe Ltd.
Mr. Tony Clegg	Chairman, Mountleigh Group plc
Ms Margie Coldray	Penman & Partners
Mr. Robert Davies	Deputy Chief Executive, Business in the Community
Mr. Albert Dicken	Dickens & Co.
The Lord Dormand	
Mr. J. Douglas	Managing Director, ASEA Hagglunds
Mr. Shaun Dowling	Managing Director, Guinness plc
Mr. B. Elms	Financial Director, United Technologies Ltd.
?Mr. Roy Evans	Managing -Community Affairs Levi Strauss & Co. Europe SA
Mr. Roger Fennemore	Chief Executive, Butlers Wharf Ltd.
Mr. A. Fielder	Bowey Construction Ltd.
Mr. N. Fisher	Intertractor GB Ltd.
Mr. Harry Fitzgibbons	Managing Director, Hambros Advanced Technology
Mr. Nat Fletcher	Director, Taylor Woodrow Group
Mr. Ian Fowler	Company Secretary, Trafalgar House plc
Sir Paul Girolami	Chairman, Glaxo Holdings plc
Mr. R. Goodfellow	Chairman and Managing Director, Goodfellow Associates
Mr. Brandon Gough	Senior Partner, Coopers & Lybrand
Mr. Duncan Hall	Chief Executive, Teesside Development Corporation
Mr. John Hall	Cameron Hall Developments Ltd.
Mr. B. Hamilton	Managing Director, Murristom Ltd.

Councillor Brian Hanson	Leader of County Council/Board Member of TDC, Cleveland County Council
Mr. David Hardy	Chairman, Globe Investment Trust plc
Mr. Jakob Hauga	Deputy Managing Director, International FOKUS Bank
Mr. Stephen Hinchcliffe	Chairmn/Managing Director, Dexion-Comino International Ltd.
Mr. Bob Hinde	Partner, Jones Lang Wootton
Mr. Peter Hobbs	Group Personal Director, Wellcome plc
Mr. Roger Hurn	Chief Executive/Managing Director Smiths Industries plc
Mr. Roger Kingdon	Chief Executive, Davy Corporation
Mr. Young Kwon	Managing Director, Samsung Electronics
Mr. W.S.H. Laidlaw	Managing Director, Amerada Hess Ltd.
Sir Hector Laing	Chairman, United Biscuits (Holdings)
Mr. Frank Lampl	Chairman, Bovis Construction Ltd.
Mr. Geoffrey Leigh	Chairman, Allied London Properties plc
Mr. Vic Leonard	Marathon Oil (UK) Ltd.
?Mr. M. Lewis	Marshall & Co. (Nottingham) Ltd.
Mr. Roger Lindsay	Managing Director, North East Market Surveys
Mr. Philip Lord	Managing Director, Wates Building Group
Mr. Benjamin Lu	Director, Majestic Trading Co. Ltd.
Dr. James McGregor Mr. W.F. Madison	Chairman, Honeywell Control Systems Ltd President, Marathon Oil (UK) Ltd.
Mr. Neville Martin	Regional Director, Business in the Community
Mr. Richard Martin	Chairman, Mann Egerton & Co.Ltd.
?Mr. Yosuke Masuda	Chief Executive Officer, Kumagai Gumi UK Ltd.
Sir Nigel Mobbs	Chairman, Slough Estates plc
Mr. C.M. Mosselmans	Chairman & CEO, Sedgwick group plc
Mr. Itaru Nakagawa	Managing Director, SMK UK Ltd.
Mr. John Neill	Chief Executive, Unipart Group of Companies

Peter Tronslin	Managing Director, Statoil London Ltd.
Mr. Andreas Ugland	Ugland Brothers Ltd.
Mr. John Underwood	Director, City Acre Property Investment Ltd.
Mr. Richard Wade	Director Marketing and Resources, Business in the Community
Mr. Andrew Wadsworth	Managing Director, Jacob Island Company
Mr. John Walker	Director of Finance, Teesside Development Corporation
Mr. Michael Walsh	Associate, Chemical Bank
Mr. Danny Ward	Director Teesside Works, British Steel Corporation
Mr. Ian Watt	Director of Development, Teesside Development Corporation
The Lord Weinstock	Managing Director, GEC
Mr. John Wilkinson	Tyne Tees Television
Mr. Martin Winch	Managing Director, Avatar Urban Venture Partnership
Mr. Roger Wood	Sales Director, ICL (UK) plc

Mr. Ron Norman	Chairman, Teesside Development Corporation
Mr. Stephen O'Brien	Chief Executive, Business in the Community
Mr. Paul Orchard	Senior Partner, Healey & Baker
Mr. John Owen	Regional Director, Department of the Environment, Newcastle
Mr. Michael Pattemore	Michael Pattemore Associates
Mr. Peder Paus	North venture Ltd.
Mr. Brian Pearce	Chairman, Pearce Signs Ltd.
Mr. Alex Penman	Managing Director, Penman & Partners
Mr. N. Pitcher	Director, John Laing Construction Ltd.
Mr. R.S. Pitt	Managing Director, Cable & Wireless Marine Ltd.
Mr. Duncan Poole	Director, PROBE Ltd.
Mr. Kent Price	Chief Executive, Chloride Group plc
Mr. John Reay	Managing Director, Tyne Tees Television
Mr. Alan Redhouse	Chief Executive/Managing Director, Eyetech Group Ltd.
Mr. William Rooney	Chairman, Spring Ram Corporation plc
Mr. Michael Rose	Vice President and Head of Admin. Bankers Trust Company
Mr. I. Sato	Managing Director, Mitsumi Electric UK Ltd.
Mr. Danny Sharpe	Deputy Director, DTI Newcastle
Mr. Alan Shelley	Senior Partner, Knight Frank & Rutley
Mr. Allen Sheppard	Chairman, Grand Metropolitan plc
Mr. Shiro Shibuya	Managing Director, Mitsubishi Group
Captain J.A.B. Simkins	BT(Marine) Ltd.
Mr. Michael Stoddart	Chairman, Electra Investment Trust plc
Mr. Peter Herz	Bosch UK
Sir Peter Thompson	Chairman, National Freight Consortium
Mr. Hitoshi Tonomura	President/Managing Director, Nomura International Ltd.



10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

When I visited Teesside last September, I was impressed by the area's spirit of confidence and enterprise. We are all familiar with Teesside's difficulties as the chemical and steel industries have made themselves better able to compete in world markets. Teesside is now changing and the problems of unemployment and physical decay are being tackled. Business confidence is rising.

The Government is playing its part. The Teesside Urban Development Corporation has been allocated substantial financial resources and it is proving to be the catalyst for beneficial economic change. The Enterprise Zones, the Task Forces, and help to improve people's skills are other examples of Government commitment.

At the same time, local industry leaders have come together to form Teesside Business in the Community. With the help of Tyne Tees TV, Teesside BIC has produced a video to show the attractions of Teesside both for businesses and as a place to live. This is one example of the way in which local businessmen play a much wider role in the community as well as dealing with their companies' direct responsibilities.

It is essential to encourage the commitment and investment of companies, large and small. I have therefore

agreed to host a reception at 10 Downing Street organised through Business in the Community. Business leaders will have the opportunity to meet successful major employers from Teesside and representatives of the Development Corporation as well as seeing the video.

The reception will be held at 1800 to 1930 on Monday 6 June at 10 Downing Street. I hope you will be able to attend and to hear and talk about the opportunities on Teesside.

Nargun Thakker

May 1988



cc BUP

BRITISH URBAN DEVELOPMENT

(Elevenco Limited)

32 Queen Anne's Gate, London SW1H 9AB
Tel: 01 222 5375 Fax: 01 222 1993 Tx: 934 267 JOHTWO G

3 June 1988

Dear Prime Minister,

Meeting on 6th June with BIC and Others

As you will see from your papers on this meeting BIC and the Teesside Development Corporation are suggesting that you announce British Urban Development's (BUD's) marketing initiative to Japan on Monday. I will be leading this trip to Japan between 18th June and 2nd of July and will be selling the European Chemical Centre at Teesside that was heralded (under a less zippy name) by the Policy Unit paper to you last December.

I am delighted that Duncan Hall will be coming with me and our BUD team and we will be helped by the FCO, the DTI, the Northern Development Company, ICI, Natwest Bank, Teesside and Hartlepool Port Authority and the Chemical Industries Association.

Our aim is to establish at Teesside the finest concentration of chemical companies in the world. We intend that Britain, through Teesside, will be able to beat Antwerp or other European rival chemical locations and we believe with the advantage of inter-alia ICI, raw product availability and the deep water port, the international airport, the UDC and low British taxes we can do it. Our experts identify fine and speciality chemicals as the market of the future.

It would be of the greatest help if you could give a boost to us by what you say about us on Monday particularly in the hearing of the Japanese Ambassador His Excellency Kazuo Chiba who will be attending. If you could sign a letter welcoming this foreign investment in the chemical industrial future of Teesside we would all be most encouraged and helped.

Thank you.

Yours sincerely
Hartley.

Hartley Booth

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

Registered Office: As above. Registered in England No. 2189682

PRIME MINISTER

cc BSp

TEESSIDE RECEPTION: 1800 HOURS ON MONDAY 6 JUNE

You are giving the reception to bring together national business leaders with major employers from the Teesside area to discuss investment opportunities in Teesside. The guest list is at Flag A. Other Ministers coming will be the Chancellor of the Duchy of Lancaster and Mr. Trippier; the Home Secretary and the Secretary of State for Employment will join at the latter end of the reception.

The running order is for you to open from the top table with some short opening remarks (Flag B). You will be followed by Mr. Ron Norman (Chairman of the Teesside Development Corporation) and Nigel Clark (Chairman of the Teesside Business in the Community). They, the Chancellor of the Duchy and Sir Hector Laing (Chairman of BIC) will be with you on the top table. After these speeches you and others on the top table will move to the front row while Teesside's video is shown. After the video there is a closing speech for you (Flag C) making two new announcements:- first, the £100 million redevelopment of the derelict Teesdale site which you visited last September; second, a proposal by British Urban Development (Chief Executive, Hartley Booth) for a European Chemicals Centre on the north bank of the Tees and to redevelop a major site around the disused Middlesbrough Dock. (A letter from Hartley Booth to you about the reception is also in the folder.)

The video and speeches should take about half an hour after which guests will move into the Pillared Room for drinks and to mingle informally.

There will be a small number of press and TV filming and reporting your speeches and a photocall of you with leading personalities from Teesside.

After the reception the Teesside Development Corporation are holding a dinner at the Houses of Parliament with Lord Dormand, their Deputy Chairman, acting as host to some of the guests at the reception.

D.M.

(DOMINIC MORRIS)

3 June 1988



R316

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Incorporated Practitioner in Advertising

Mr P A Bearpark
Prime Minister's Office
10 Downing Street
London SW1A 2AA

3 June 1988

Dear Mr Bearpark

Here is the information pack we shall be presenting to guests at Monday's reception. We have also sent a pack to Mr Perks in the Press Secretariat, and to Mr Sorensen in the Cabinet Office. The pack still lacks two items - the architect's impression of the Teesdale area as it might be developed, and a detail from this, an impression of the covered shopping bridge to be thrown across the Tees. These will be available on Monday, and will be incorporated in the packs that are to be handed out on the occasion.

I have also been asked to send you the breakdown of the figures of the investment calculated for Teesside Development Corporation's Teesdale project.

The total £110 million investment envisaged is made up of:

Office development	£50 million
Public and private housing	£15 million
Leisure and shopping facilities	£20 million
Public works	£25 million

It was felt that this information might be of use in the material you are preparing for the Prime Minister. This breakdown has not been incorporated in the Press information as the public sector spend has not yet received Department of the Environment's final approval.

Yours sincerely

Arthur Davis

Dominic Morris
No 10



TEESSIDE RECEPTION : 6 JUNE

1. We spoke about arrangements for Monday's Reception.
2. I attach two copies of briefing for the Teesside Reception on Monday which has been prepared by the Department of the Environment's North East Regional Office.
3. The guest list (totalling 137) is at A. I understand that Ministerial representation has yet to be finalised but may include the Secretaries of State for Employment and Transport, the Home Secretary, the Chancellor of the Duchy and Mr Trippier.

Prime Minister's speaking notes

3. The briefing includes at B some suggested opening remarks for the Prime Minister to make. At E there is a closing speech which includes two new announcements about substantial projects; the £100m redevelopment of the derelict Teesdale site, which the Prime Minister visited last September, and a proposal by British Urban Development (BUD, Chief Executive : Hartley Booth) for a European Chemicals Centre on the north bank of the River Tees. BUD also have a proposal for redevelopment of a major site around the disused Middlesbrough Dock.

Follow up

4. The Prime Minister may wish to know what follow up to the Reception is planned :-
 - immediately after the Reception, the Teesside Development Corporation (TDC) are holding a dinner at the Houses of Parliament with Lord Dormand (Deputy Chairman, TDC) acting as host to some of the guests from the Reception;
 - a meeting will be held next week between TDC, BIC and officials to chase up offers of help from those attending the Reception. TDC will write to all those expressing an interest in development opportunities;
 - TDC will launch a publicity campaign using the Reception as a springboard;
 - BIC and TDC will prepare regular progress reports.

Marketing Pack

5. 200 copies of the marketing pack will be delivered to your office tomorrow morning. I will let you have two advance copies later today. The pack includes information about the TDC and BIC with contact points and examples of projects.

Publicity

6. I understand that there will be a photocall before the Reception and that Tyne Tees TV and the BBC will be covering the event as well as a PA reporter.

Andrew Lean

A C W LEAN

Cabinet Office Inner Cities Unit

Room 306, 70 Whitehall

270 0020

2 June 1988

c PS/Chancellor of the Duchy

PS/Secretary of State for the Environment

PS/Mr Trippier

Mr Wilson (or)

Mr Sorensen (or)

Mr Perks

Mr Owen (DOE/NE)

Mr Bell (DOE/NE)

Mr Bretherton

INDEX

- A. TEESSIDE RECEPTION : 1800 6 JUNE L988
 (Form, invitation letter, guest list)

- B. INTRODUCTORY SPEECH BY PRIME MINISTER

- C. SPEECH BY RON NORMAN
 (Chairman, Teesside Development Corporation)

- D. SPEECH BY NIGEL CLARK
 (Chairman, Teesside Business in the Community)

- E. CLOSING SPEECH BY PRIME MINISTER

- F. TEESDALE (proposals to be announced)

- G. BRITISH URBAN DEVELOPMENT (proposals to be
 announced)

- H. TEESSIDE BUSINESS IN THE COMMUNITY

- I. TEESSIDE DEVELOPMENT CORPORATION

- J. GENERAL BRIEFING:
 - i. Structure and political control.

 - ii. economy - background note

 - iii. Government assistance -
 DOE, DTI, DE/MSC, DTp

 - iv. Cleveland Co-ordinating Team

A.

TEESSIDE RECEPTION : 1800 6 JUNE 1988

The form the reception will take is as follows. It will last from 1800-1930.

- i. Introductory speech by the Prime Minister (B)
- ii. Speech by Ron Norman (Chairman, Teesside Development Corporation) (C)
- iii. Speech by Nigel Clark (Chairman, Teesside Business in the Community) (D).
- iv. Showing of video on Teesside produced by Tyne Tees TV for Teesside Business in the Community.
- v. Closing remarks by the Prime Minister (E).

Background

The proposal for the reception came from Stephen O'Brien (Chief Executive, Business in the Community) after which Sir Hector Laing (Chairman, BIC) put the proposal to the Prime Minister's Principal Private Secretary. The proposal was that at the reception southern-based business leaders would have the opportunity to discuss investment possibilities on Teesside with key business leaders from that area. The video produced by Tyne Tees TV for Teesside BIC would be shown to demonstrate the attractions of the area for inward investment.

The reception was also seen as a logical extension of the Prime Minister's interest in the area following her very successful visit to Teesside on 16 September 1987.

The attached letter has been sent by the Prime Minister inviting people to attend the reception. The list of those invited is also attached.

B.

INTRODUCTORY SPEECH BY THE PRIME MINISTER

B

Welcome to No 10 Downing Street.

You will have gathered some idea of the purpose of this reception from the letter of invitation which you will have received.

As you may know, I visited Teesside last September to see something of the problems and the opportunities there. I found that a fascinating visit. It was clear that the area had gone through a difficult period with the changes brought about in the traditional industries of the area. However, what I found enormously encouraging was the new spirit of confidence, dynamism and enterprise which was abroad in the area, particularly among businessmen.

I was also delighted that, although it had been established for a very short period, the Teesside Development Corporation had already made substantial progress. I was able to announce the agreement between the Corporation and the Port Authority to establish the Tees Offshore Base. Already, 450 men are employed there and it is estimated that 1000 people will be working on the site by the end of this year.

I came away from that visit confident that Teesside had the potential, the desire and the enthusiasm to reach a new level of prosperity in a short time. Government was already doing

a great deal to help but I felt I would also like to do something personally to give that confidence a further boost.

Consequently, when Sir Hector Laing approached me with the idea for this reception, I was delighted to agree with the proposal. The progress of Teesside Business in the Community is very encouraging and the production of the video (which you will see in a few minutes) for Teesside BIC is a further demonstration of business confidence. Before that, I am sure that you would like to hear from Ron Norman, Chairman of Teesside Development Corporation about some of the exciting developments taking place on Teesside. I shall then ask Nigel Clark, the Chairman of Teesside BIC to introduce the video.

Mr Norman.

C.

SPEECH BY RON NORMAN
CHAIRMAN, TEESSIDE DEVELOPMENT CORPORATION

PRIME MINISTER, SECRETARIES OF STATE, MINISTERS,
LADIES AND GENTLEMEN

I am honoured to be here this evening. But I am also delighted that so many of you, leaders in the world of business, development, and investment are here to learn what Teesside has to offer.

We ask you to invest your resources of talent and money into Teesside for one reason only. Because it will be profitable.

Make no mistake, this Development Corporation intends to make a success of Teesside. It will attract investment, it will create jobs, it will increase Teesside's wealth and spending power and in the process it will create profit for manufacturers and for developers and it will create growth in values for investors.

I don't suppose that you will take my word for that so I must demonstrate it to you.

In the first place we have the benefit of a low starting point. At the present time land and property values on Teesside are low. Now that's not the disadvantage it appears at first sight. It's an advantage because it creates the opportunity for high returns on capital employed to those that come in first. Low values with stagnant growth rates - that's bad news. Low starting values with good growth rates - that's excellent news.

So - what are we doing to create good growth rates.

Firstly, we are playing off our strengths - and they are considerable. Many world class companies are centred on Teesside because of our geographic advantages and because of the talent, initiative and ability of our people. Companies like ICI, Philips Petroleum, British Steel Corporation, Davy McKee and investors from Europe, The United States, Japan and the Far East. These companies make money on Teesside because we have an excellent deep water port, good road, rail and air communications and that skilled workforce.

Our industrial area is busy making money and perhaps it is not all a pretty site. But our industrial area is a relatively small self-contained area and only 20 minutes drive away from some of the finest countryside in England. Spending power goes a long way on Teesside so our managers enjoy a very high-quality lifestyle in a spacious environment compared with their counterparts in the crowded South.

So you see we have a lot of strengths and the Development Corporation is building positively on them. We have ten major new flagship projects, all of which will have started in 1988. I only have time to mention three.

The Tees Offshore Base

A base dedicated to sub-oceanic exploitation which was announced by the Prime Minister just 10 days after Teesside Development Corporation set up shop. Already we have attracted, amongst others, British Telecom Marine, Marathon Oil, Ugland and LTV. Negotiations are in hand with other major national, and international companies. We promised the Prime Minister 1,000 new jobs there in 1988 and we keep our promises - particularly that one!

Hartlepool Marina

The North East's answer to the Isle of Dogs! A £100m of mixed development offering the whole spectrum of commercial opportunities in housing, leisure, offices, business park, marina and retail. Set in one of the finest bays on the East coast of England this development will force the country to revise its false perception of Hartlepool.

The Teesside Leisure Park

Another development of £100m shows that we are not playing for small stakes on Teesside. This again is a mixed development of retail with a Leisure Centre, which will be the biggest in the North of England - if not in the whole of this country.

These three schemes demonstrate that the Teesside Development Corporation is afraid of nothing - it thinks big - it acts boldly. We are determined to succeed.

We will roll the Welcome Mat out for you if you also are big, bold and determined. There is no red tape on Teesside, just blue ribbands for quick decisions and a determination to get the job done!

The opportunities are there whether you are a Manufacturer, a Developer or an Investor. For the first time in over a decade we have a waiting list of tenants for factories and for offices. There is demand and opportunity right across the board and we intend to increase that demand by intensive marketing.

The combination of the assets of Teesside and that increasing demand will create the profit and the growth in values that I set out to demonstrate.

Ladies and Gentlemen, join the resurgence of Teesside, come and talk to the Development Corporation. Together we will make it happen.

Prime Minister, thank you very much for giving me this opportunity to speak.

D.

SPEECH BY NIGEL CLARK

CHAIRMAN, TEESSIDE BUSINESS IN THE COMMUNITY

Prime Minister, Secretaries of State, Ministers, Ladies and Gentlemen.

As the local Chairman of Business in the Community I am obviously honoured and delighted to be at No. 10 in such an august gathering to show you the benefits and quality of life of Teesside.

About 18 months ago, a group of us formed a Business in the Community Team to see what we could do to help in the regeneration of the local economy. Teesside is not well-known in wider business circles and we felt perhaps our first task should be to try and raise our image - to make it known that Teesside is a very successful business location and importantly possesses a highly skilled and loyal workforce.

After discussion we decided to produce a short video showing local strengths from our point of view and make it available to the DTI and Development Companies for showing both at home and overseas.

We are quite proud of the result. Many companies both large and small have contributed. Our particular thanks to Tyne Tees Television for their support.

The business community is proud of Teesside. Thank you Prime Minister for giving us the opportunity to show our belief that Teesside is the place of Initiative, Talent and Ability.

E.

CLOSING SPEECH BY THE PRIME MINISTER

What you have heard from Mr Norman and Mr Clark and what you have seen on the video will have given you a picture of Teesside and its major opportunities.

To demonstrate still further that major companies (some of whom are represented here tonight) are already taking those opportunities, I have two exciting announcements to make.

The first concerns a substantially derelict site at Teessdale in Stockton. This was the first site that I was shown on my visit to Teesside last September. You may have seen the pictures of the site on television and in the press. Although the site is derelict and has access problems, Mr Norman was able to explain to me that it had significant development opportunities which the Teesside Development Corporation were already pursuing. I am delighted to be able to announce that the Corporation has now reached agreement with a major consortium of companies - including Murray International, Taylor Woodrow, MacLean Homes - to regenerate this 250 acres of derelict land. This initiative will provide a high quality mix of office accommodation, homes and specialist retail and leisure amenities. This is a £100m development which will bring new life to a large area and ^{- with the new A167 Tees bridge it includes - will} link in with the traditional town centre across the river.

My second announcement concerns British Urban Development, a consortium of eleven leading property, construction and civil engineering companies which has been formed to redevelop inner cities. BUD has been working closely with the Development Corporation on 2 major proposals - for a European Chemicals Centre on the north bank of the River Tees and for the redevelopment of a major area around the disused Middlesbrough Dock close to the town centre of Middlesbrough. These are enormously exciting proposals. In respect of the European Chemicals Centre, I am able to announce that BUD is to lead a trade mission to Japan to sell to Far East business people the benefits of their proposed new centre. In the trade mission will be representatives of the Development Corporation, ICI and Chemical Industry experts. If this Chemicals Centre can be a success - and I have the utmost confidence in BUD and the Development Corporation to make it so - it will be a massive investment for Teesside with hundreds of jobs in prospect.

Therefore, ladies and gentlemen, the message is that Teesside is an area which is "taking-off in a big way". I hope you will use this opportunity to discuss with the representatives of Business in the Community, the Development Corporation and Central Government from the North-East how you would like to be involved in the area.

Thank you very much for coming.

F.

TEESDALE

This is the site within the bend of the River Tees at Stockton which the Prime Minister visited first on her visit to Teesside on 16 September 1987. The site which was formerly the headquarters of the engineering firm Head Wrightson has been largely derelict for about 10 years.

There were a number of major difficulties to be overcome before the Development Corporation could put together a development proposal for the site. These included the relocation of a small research centre of the Davy Corporation and a local MSC training scheme. The UDC is now acquiring the site and relocation agreements have been reached with Davy Corporation and MSC.

With these constraints removed, the Prime Minister will be able to announce that the Teesside Development Corporation has joined with a consortium of major developers and financial institutions to create a £110m development on the 250 acres site. This development will provide a high quality mix of office accommodation, homes and specialist retail and leisure amenities. It will involve a new bridge across the River Tees which will link the north end of Stockton's traditional High Street with the Teesdale site and the other major development proposed for the disused Stockton Racecourse. The scheme brings attractive new development to the banks of the River Tees but will complement rather than affect adversely the heart of Stockton. Reclamation work will be underway in a matter of weeks and development should be making progress before the end of this year. In effect, this development and the allied one at Stockton Racecourse will transform the massive area between Stockton on Tees and Middlesbrough and bring major benefits to both communities.

F

G.

BRITISH URBAN DEVELOPMENT (BUD)

British Urban Development comprises a consortium of eleven leading property, construction and civil engineering companies which has been formed specifically to develop the inner cities. It has decided to pursue initially 2 major regeneration projects on Teesside. The 11 companies involved are AMEC, Alfred McAlpine, Sir Robert McAlpine, BICC, Costain, John Laing, Mowlem, Tarmac, Taylor Woodrow, Trafalgar House and Wimpey. The Chief Executive is Hartley Booth, formerly of the No. 10 Policy Unit.

The 2 Teesside projects which are being pursued with the Development Corporation involve the creation of a major European Chemicals Centre on the north bank of the River Tees and the regeneration of the large area around the disused Middlesbrough Dock near the town centre of Middlesbrough. Initial studies for these projects are nearly complete.

The Prime Minister is to announce that a trade mission led by BUD is about to go to the Far East (Japan, Hong Kong) to sell the benefits of the European Chemicals Centre to businessmen. On the mission will be representatives of BUD, the Teesside Development Corporation, ICI and other experts from the chemical industry. In Japan, the trade mission will have the support of the Northern Development Co, ICI and the National Westminster Bank, all of which are committed to the major marketing campaign for the Chemicals Centre.

H.

TEESSIDE BUSINESS IN THE COMMUNITY

In June 1986, a number of local businessmen came together to form Teesside Business in the Community. Nigel Clark, Teesside Operations Manager, ICI, was elected as Chairman. Since that time, a large number of employers in the area have joined and the organisation is now widely recognised as the major private sector group in the county. Teesside BIC works closely with the Chamber of Commerce and has established links with local authorities and other organisations in the county of Cleveland.

The main board of Teesside BIC meets about 3 times per year. A small working group has also been established which meets more regularly. Links with government are provided through the leader of the inter-departmental Cleveland Co-ordinating Team being a member of the main board and the working group.

Teesside BIC was anxious not to be a "talking shop" but to be involved in a number of projects. However, it decided early that it would first have a video produced which would be aimed at assisting inward investment and, to a lesser extent, tourism. This video has now been produced by Tyne Tees TV and has been considered a successful piece of work.

Teesside BIC members are now involved in a number of job-creations and enterprise projects. It is hoped that with the No 10 reception and the local launch of the video at Wynyard Hall, courtesy of John Hall (Cameron Hall Developments), the membership and activities will grow still further.

TEESSIDE DEVELOPMENT CORPORATION

Teesside DC is one of the four 'second generation' Urban Development Corporations announced by the Government in October 1986. Its designation was approved by Parliament on 15 May 1987.

Objectives/Powers

The Corporations' objective is to secure the regeneration of its area by attracting private investment, bringing land and buildings into effective use, stimulating the development of existing and new industry and commerce, improving the environment and ensuring that housing and social facilities are available to encourage people to live and work in the area.

To achieve this, the Corporation has wide discretionary powers to acquire, reclaim and dispose of land, to provide infrastructure and to enter into partnership agreements with private sector and other agencies to achieve development. Since 1 September 1987, the Corporation has also assumed planning control powers for its area.

Organisation

TDC is run by the following board of members appointed by the Secretary of State:

Chairman

Ron Norman

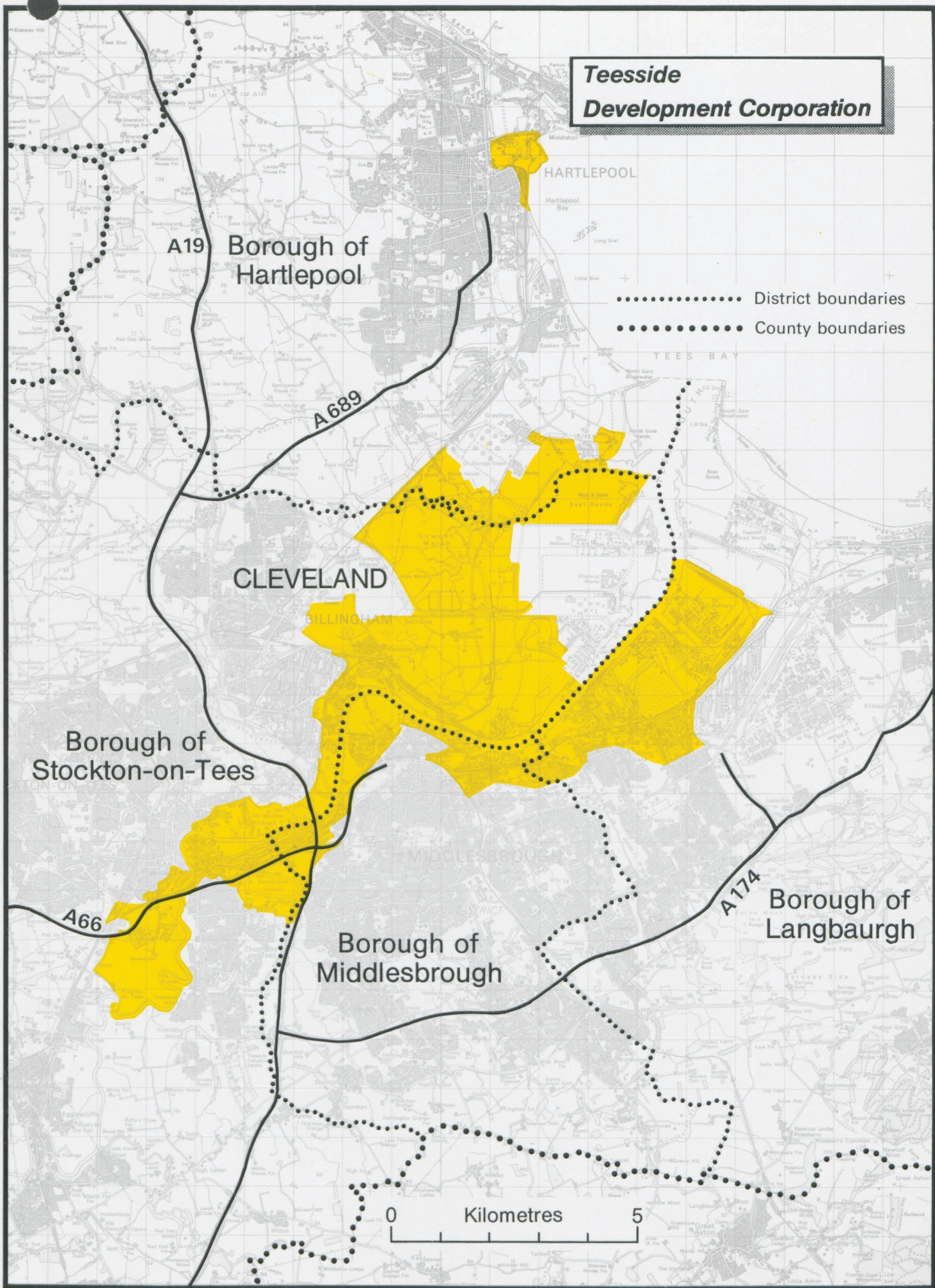
Chairman and Managing Director of Ron Norman Ltd (Builders)

Deputy Chairman

Jack Dormand

Lord Dormand of Easington
(former Labour MP)

**Teesside
Development Corporation**



A19 Borough of Hartlepool

HARTLEPOOL

CLEVELAND

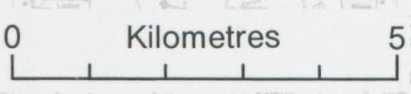
Borough of Stockton-on-Tees

A66

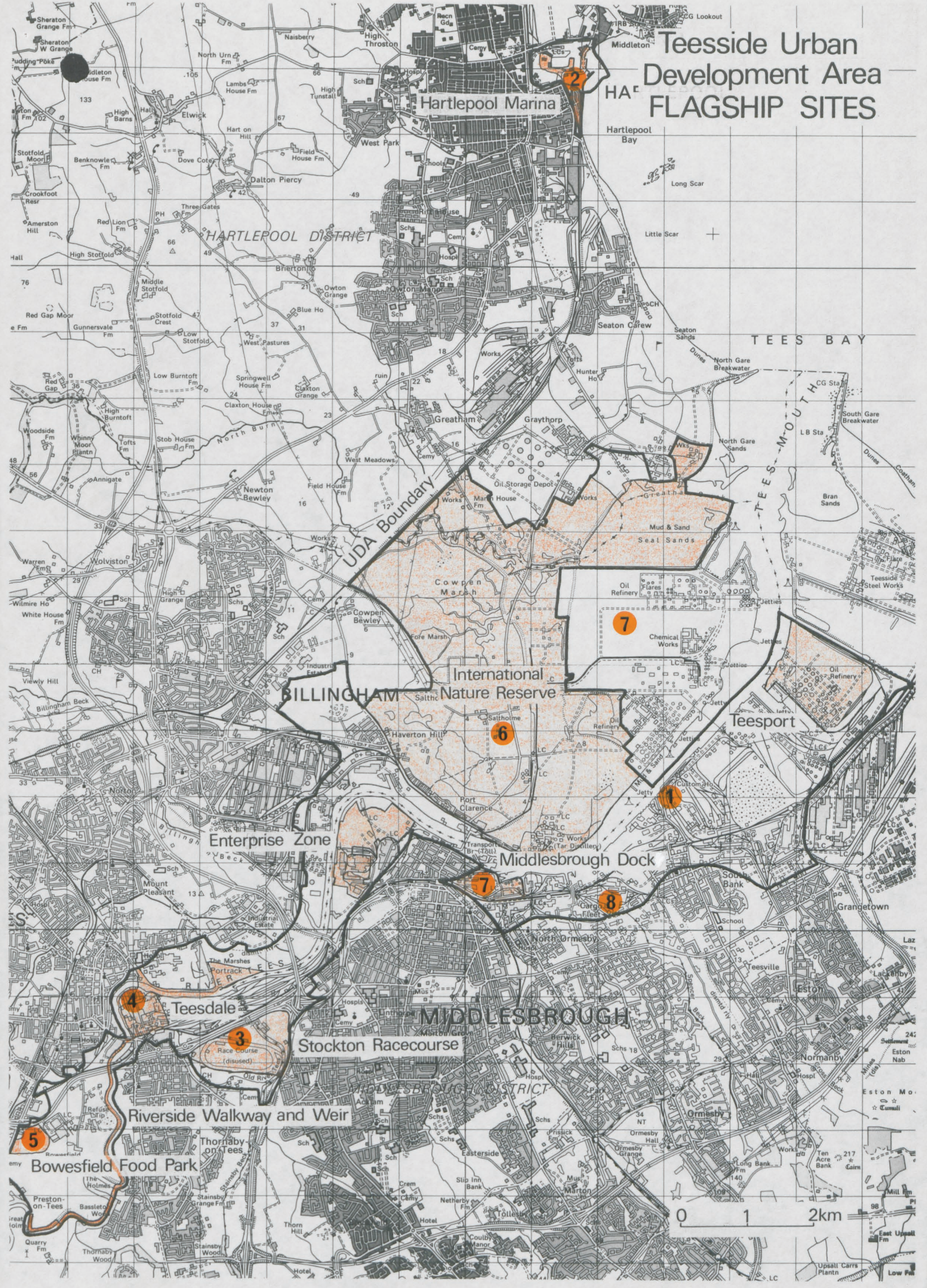
Borough of Middlesbrough

A174 Borough of Langbaurgh

- District boundaries
- County boundaries



Teesside Urban Development Area FLAGSHIP SITES



HA^E

HARTLEPOOL DISTRICT

BILLINGHAM

MIDDLESBROUGH

TEES BAY

TEES MOUTH

Enterprise Zone

Middlesbrough Dock

Stockton Racecourse

Riverside Walkway and Weir

Bowsfield Food Park

0 1 2km

Members

Michael Carr	Leader, Middlesbrough BC (Labour)
Alan Cherry	Countryside Properties Ltd
Nigel Clark	Teesside Operations Manager, ICI
Diana Eccles	Director, Sainsbury PLC
Bryan Hanson	Leader, Cleveland CC (Labour)
Roger Kingdon	Managing Director, Davy Corporation
Andrew Russell	CASCO, Urban Renewal Consultants
John Sutcliffe	North Housing Trust Ltd
Lawrie Wild	Conservative Leader, Stockton on Tees BC

Chief Executive

Duncan Hall	formerly Chief Executive, Corby District Council
-------------	---

Finance

Teesside Development Corporation is funded by grant-in-aid. The Corporation was initially allocated a budget of £3.5M for 1987/88 which was subsequently increased to £5M, all of which was spent. TDC's budget for the current year (1988/9) is £20M.

Urban Development Area

Teesside is by far the largest of the UDAs covering approximately 12,000 acres of land on both sides of the River Tees.

Much of this land was formerly occupied by the steel, shipbuilding and chemical industries and the UDA is said to contain the most extensive continuous area of industrial dereliction in Europe.

Progress

The Prime Minister's visit to Teesside in September 1987 gave an important early impetus to the Corporation's efforts to raise the profile of the area and create a more positive

image amongst potential investors. TDC's initial marketing campaign has stimulated an encouraging level of developer interest and has done much to restore local confidence. The Corporation's proposed marketing budget for 1988/89 (£1.3M) reflects its concern to maintain this early momentum.

Progress on major 'flagship' schemes is as follows:

1. Tees Offshore Base, Langbaurch

The joint venture between TDC and the Tees and Hartlepool Port Authority for the development of the former Smith's Dockyard as a centre for offshore technology was announced by the Prime Minister during her visit in September. The base has already created 450 jobs and attracted a number of leading companies in the offshore technology field, including British Telecom Marine, Marathon Oil and the Norwegian Anstas Ugland Group. The Corporation is expected to have spent about £1.2M on the site by the end of the current financial year when employment is targetted to reach 1000. Matching finance will be provided by THPA.

2. Hartlepool Marina

Following a highly successful launch in London in December, attended by the Secretary of State, the proposal to transform Hartlepool South Docks into a marina, housing and leisure development attracted the interest of 80 developers. Two major development companies have been selected for final design and price competition. The developer will be announced in the next few days. Work is expected to start in August this year.

3. Stockton Racecourse

The Corporation has completed negotiations with Brookmount plc for the development of a major leisure and retail complex on the site of the former Racecourse. The Department of Transport has been involved in discussions with the Corporation about access to the site from the adjacent A66 Trunk Road and are awaiting submission of final drawings for approval of the proposed junction.

Middlesbrough Borough Council and Stockton on Tees Borough Council took legal action over the Secretary of State's decision not to "call in" the planning application for the Brookmount Scheme. The courts have found in favour of the Secretary of State and the Development Corporation will now approve that application.

4. Teesdale Site, Stockton

See briefing 'F'

5. Preston Farm/Relocation of MoD Quality Assurance Unit

The Corporation has recently completed the purchase of two major sites in the Preston Farm area of Stockton which is regarded as one of the prime locations for industrial and related development within the UDA. One of these sites has been earmarked provisionally for the MoD Quality Assurance Unit the relocation of which has been the subject of detailed discussions between TDC and Ministry of Defence Officials.

6. Teesside International Nature Reserve

The creation of a major nature reserve in an extensive area of low-lying land in the north of the UDA was one of the main flagship projects recommended by the Coopers and Lybrand report. The scheme was seen to have major potential for improving the environment and image of the area and establishing a reputation for Teesside as a world leader in the positive management of industry with wildlife. A detailed feasibility study of the proposal has now been completed and the Corporation expect design, land assembly and management arrangements for the first phase to be completed within a month.

7. British Urban Development

(Middlesbrough Dock and Teesside Chemical Park)

The Corporation is currently considering 2 major joint venture schemes with the BUD consortium. The first involves

the development of Middlehaven Docks in central Middlesbrough for residential and commercial use. This scheme is dependent upon the relocation of an adjacent chemical storage area and the Corporation is about to complete negotiations to achieve this. The second project concerns the development of a 700 acre site on the north side of the Tees as a major chemical park. BUD have committed £70,000 for an initial marketing drive, part of which will involve a Far Eastern trade mission.

8. Langbaugh Motor Sports

The DOE has approved expenditure of £641,000 for reclamation and site preparation to transform derelict land at Smiths Dock into a community based motor sports facility. This is to be the first phase of a 2 phase project, the second phase of which will consist of a commercial race track and associated motor based activities. Phase 2 of the project will only commence if the community facilities prove to be economically viable.

Issues

Whilst unlikely to be raised at the reception, the following issues are known to be of current concern to the Corporation.

Factory Development/Rental Guarantees

The Corporation has sought Departmental approval to enter into 'rental guarantee' agreements with 4 developers to provide, in total, 200,000 sq ft of factory space within the UDA. TDC have been reluctant to use the conventional mechanism of City Grant for this purpose which, they claim, would be less cost-effective to developers. The rental guarantee agreements would however require the Corporation to carry a proportion of the developers' risk and raise a number of issues of principle which are currently being discussed with the Treasury.

Budget

TDC is concerned that its initial good progress will be hampered by resource constraints and has argued, informally, that the budget provision for this year (£20M) and the projected allocations for the next two years (£23M and £25M) are inadequate. The Corporation's preferred strategy envisages expenditure of £31.7M, £49.3M and £50.8M respectively. The DOE is awaiting submission of TDC's Corporate Plan which will enable a judgement to be made about the Corporation's needs.

Land Acquisition/Valuation

The Corporation has expressed concern that the requirements to acquire land at a price consistent with the compensation code as determined by the DV will severely limit its ability to buy land quickly by negotiation. This has been prompted most recently by TDC's attempt to acquire the Teesdale site when the price initially negotiated with the owners was 75% higher than the District Valuer's valuation. As a result of further negotiations it appears that this problem may have been overcome. The DOE has made it clear to TDC that it cannot pay inflated values for derelict land which reflect the 'hope' value attached to it by private owners.

CLEVELAND ECONOMY - BACKGROUND NOTE

The problems of Cleveland are a legacy of considerable shifts over a long period in the markets for the products of its traditional industries. This has led to severe contraction of employment in steel (16,000 jobs lost in last 10 years), petrochemicals (10,000 jobs lost since 1974) and shipbuilding. In the latter all activity has now ceased.

On the other hand, biotechnology activity in Cleveland especially within ICI, constitutes one of the largest concentrations of the industry in the country. ICI (14,000 employees) along with other chemical manufacturers continue to be an important force in the local economy. Newer industries have located recently in Cleveland, covering products ranging from video cassette recorders and microwave ovens to food processing. Since 1985 some 12 overseas companies located in the area providing or safeguarding over 1,500 jobs.

Notwithstanding these more than heartening developments the area suffers from:-

- one of the largest continuous areas of industrial dereliction in Europe;
- a depleted enterprise base due in large part to the historical corporate and size structure of the manufacturing sector;
- a low proportion of service activity in comparison with the North East Region and nationally;
- a pool of historical and partly obsolete skills requiring considerable upgrading to meet today's requirements.

Regional and national industrial assistance policy instruments have and will continue to be one of the utmost importance in aiding the restructuring of the economy, promoting expansion of indigenous industry, attracting new industry to widen the economic base and generally advancing the take-up of new technology and the adoption of best industrial practices.

As important are the finely targetted measures to stimulate a new climate of enterprise from basic re-education through to the promotion of new small businesses and encouraging self employment. In this area of enterprise and business development initiatives aimed at the roots of the economy, the Inner City Initiatives and funding instruments, are providing an essential bridge to closer cooperation with Local Authorities and other local agencies in achieving a desirable economic resurgence.

GENERAL BRIEFING ON CLEVELAND

STRUCTURE

The County of Cleveland (population: 557,000) comprises the urban area of Teesside which is a linear conurbation on both banks of the River Tees, together with Hartlepool to the north east and the substantially rural areas of East Cleveland. The main centres of population are Middlesbrough (population: 144,300) and Stockton on Tees (population 175,800) In terms of local government, Cleveland is a shire county with 4 borough councils - Middlesbrough, Stockton on Tees, Langbaurch and Hartlepool.

Political Control

Parliamentary

Majority

Stuart Bell (LAB)	Middlesbrough	14,958
Richard Holt (CON)	Langbaurch	2,088
Ted Leadbitter (LAB)	Hartlepool	7,289
Marjorie Mowlam (LAB)	Redcar	7,735
Frank Cook (LAB)	Stockton North	8,801
Tim Devlin (CON)	Stockton South	774

In the June 1987 General Election, the only change was Tim Devlin's victory over Ian Wrigglesworth (SDP) at Stockton South.

LOCAL AUTHORITIES

	CON	LAB	SD	OIHERS	TOTAL
Cleveland County Council	20	51	6	-	77
Middlesbrough Borough Council	12	37	3	1	53
Stockton on Tees Borough Council	18	27	9	-	54
Langbaurch Borough Council	24	29	7	-	60
Hartlepool Borough Council	10	34	2	1	47

DOE ASSISTANCE IN CLEVELAND

URBAN PROGRAMME - ALLOCATION

	1988/89	1987/88	1986/87	
Middlesbrough BC	5.5m	5.5m	5.6m	
Langbaurgh BC	1.75m	1.75m	0.91m	
Hartlepool BC	1.75m	1.75m	0.95m	
Stockton on Tees BC	<u>1.37m</u>	<u>1.65m</u>	<u>0.99m</u>	(Traditional
	£10.37m	£10.65m	£8.45m	Urban Programme)

DERELICT LAND GRANT - ALLOCATIONS

	1988/89	1987/88	1986/87
Cleveland CC	0.674	1.054	1.235
Middlesbrough BC	0.485	1.086	0.875
Langbaurgh BC	0.281	0.470	0.525
Hartlepool BC	0.442	0.735	0.580
Stockton on Tees BC	<u>0.275</u>	<u>0.746</u>	<u>0.380</u>
	£2.158m	£4.091m	£3.595m

URBAN DEVELOPMENT GRANT

Number of Schemes	12
Private Sector Investment	£13.553m
UDG	£5.273m
Total	£18.826m

HOUSING INVESTMENT PROGRAMMES

	1988/89	1987/88
Middlesbrough BC	5.5955m	6.189m
Langbaurgh BC	3.1835m	3.276m
Hartlepool BC	2.6645m	3.286m
Stockton on Tees BC	<u>2.8505m</u>	<u>3.024m</u>
	£14.294m	£15.775m

ESTATES ACTION - ALLOCATION

	1988/89*	1987/88	1986/87
Middlesbrough BC	0.454m	0.181m	0.424m
Langbaurgh BC	0.670m	0.354m	0.682m
Hartlepool BC	0.913m	0.639m	0.427m
Stockton on Tees BC	<u>0.250m</u>	<u>0.187m</u>	<u>0.341m</u>
	£2.287m	£1.361m	£1.874m

* bid supported by NRO, final allocations have not yet been made.

DTI REGIONAL AID ASSISTANCE IN CLEVELAND

1. *Regional Development Grants (old scheme):

April 1979 - March 1978	£255m
1 April 1987 - 31 March 1988	£8m

*payments over £25,000

2. Regional Development Grants (*new scheme)

	OFFERS	JOB
November 1984 - March 1988	£42m	12,648
1 April 1987 - 31 March 1988	£21.7m	6,467

*commenced November 1984

3. Selective Financial Assistance (Section 7):

	OFFERS	JOB	
		NEW	SAFEGUARDED
1 April 1979 - March 1988	£43m	10,731	4,647
1 April 1987 - 31 March 1988	£8.3m	1,683	657

4. Business Improvement Services (*BIS)

	OFFERS
November 1984 - March 1988	£3.3m
1 April 1987 - 31 March 1988	£1.2m

*commenced November 1984

5. Total Regional Aid in Cleveland:

	£m	JOB
April 1979 - March 1988	343.3	28,026
1 April 1987 - 31 March 1988	29.2	11,771

6. Enterprise Initiative Schemes

Consultancy Schemes:

There have been 192 enquiries which have resulted in 82 applications being submitted to date.

Regional Enterprise Grants:

There have been 36 enquiries to date which have resulted in 6 applications for assistance.

NORTH CENTRAL MIDDLESBROUGH TASK FORCE

BRIEFING

One of the original 8 Task Forces established in March 1987, its boundaries are coincidental with that of the Department of Environment's Inner Area Programme and cover the 5 central wards of Middlesbrough - St Hilda's, Southfield, Gresham, Westbourne and North Ormesby. The population is approximately 30,000 of which 14% are from ethnic minorities. Average unemployment is around 30% compared to 18% for Cleveland County. The presence of the Teesside Development Corporation means that the Task Force area is now eligible for most types of Government assistance, usually at the maximum level. The area has been characterised as being apathetic, rather than angry or alienated, and lacking in an enterprise culture.

Task Force has made steady progress and good contacts have been established with a wide range of organisations including Business in the Community Teesside, local Chamber of Commerce and a range of local businesses. There is now a portfolio of around 40 projects approved representing an investment of around £1.9M from its own funds, £5.1M from other public sector sources and £490,000 from the private sector. Projected outputs from these projects include over 400 temporary and 280 permanent jobs, over 1000 training opportunities and 21 new business start ups.

The bulk of the expenditure has been concentrated upon employment and enterprise related projects.

MAJOR PROJECTS SUPPORTED INCLUDE:

Cleveland Youth Business Centre.

£¼m to acquire new premises for a Youth Enterprise Centre providing advice, training workshop and support for youngsters

18-25 investigating setting up in business. Private sector sponsors include Marks & Spencers, ICI Ltd, Davy Group. PM visited last year.

AMARC (TES) Ltd

£325,000 to help establish a one-stop training centre which includes Community Programme, YTS, and other training facilities in a former vacant Government Skill Centre.

North Central Middlesbrough Enterprise Scheme

A £100,000 loans and grants scheme aimed to provide financial support and help to new business start-up and existing small firms. Barclays Bank provided £50,000 for loans.

Prospects for the area are looking brighter (unemployment fell by approximately 5% within the last 12 months). The Task Force is refocussing its strategy to ensure that local residents obtain suitable training and work experience to ensure that they benefit from employment opportunities expected from the activities of the Teesside Development Corporation and others. The Task Force is also helping to develop the capacity of the local community to undertake their own local employment training and enterprise initiatives ie a hand up rather than a hand out mentality.

Task Force is currently discussing potential recruitment and training with a number of private companies - J Laing Construction Ltd (new Crown Courts site Middlesbrough), Rush and Tompkins (new development by John Hall in Middlesbrough) and Sainsbury's (new store in Middlesbrough).

Middlesbrough MBC have approached the Chancellor of Duch of Lancaster on the possibility of widening Task Force area to include deprived council estates of East Middlesbrough. This would be welcomed by a wide range of organisations, both private and public, in the area.

HARTLEPOOL TASK FORCE

BRIEFING NOTE

Hartlepool Task Force, one of the second wave of Task Forces, commenced activities on 6 July 1987. It embraces Jackson, Stranton, Dyke House and Owton wards together with parts of St Hilda's, Brus and Rossmere wards with a resident population of approximately 35,000 against a town population of some 93,000. There is no significant ethnic minority.

The Task Force area contrasts extensive unattractive council estates, which although low rise in character are generally in poor repair, with large areas of industrial development land. In common with Teesside Development Corporation, the Task Force takes in the South Docks which is scheduled for a major development.

Unemployment in the Task Force area runs in excess of 30% compared to a town rate of 20.2% (25.9% male) - the second highest in the Northern Region.

Local reaction to the Task Force has continued to be positive. The Labour-controlled local authority is co-operative both at officer and member level and local media reporting has been supportive.

In the 10 months the Task Force has been operating in Hartlepool, 21 projects have been developed with a total worth of £1.57M, made up of £509k Task Force funding, £437k from the private sector and £625k of other public sector funds, principally MSC. Quantifiable outputs from the projects approved so far are:

Jobs 63 (52 permanent, 11 Community Programme)

Enterprise Opportunities for 6 Task Force residents to set up in business, including the establishment of Hartlepool's first ever community business.

Training 336 training places (236 with certification).

Most gains have been in projects aimed at increasing employability levels of Task Force residents which in turn have also levered out most in terms of private sector input, viz the development of an apprentice training school with Cameron's Bakery contributing £270k and the establishment of a private sector run textile training school funded by Blair Knitwear Ltd to the extent of £60,000.

Hartlepool Task Force has also been selected as one of the 4 pilot areas for Business in the Community's Neighbourhood Economic Development Partnership initiative which aims to develop cross sector activity to stimulate community led economic initiatives.

Principal Task Force activity over the coming months includes assisting the establishment of Hartlepool as a recognised centre for the restoration of historic ships and construction skills training to take advantage, amongs others, of opportunities created by Teesside Development Corporation initiatives.

DTP ASSISTANCE IN CLEVELAND

Trunk Roads

The County of Cleveland is served by two trunk roads for which the Department of Transport is the highway authority. The A69 which runs in a north/south direction from Tyne and Wear in the north to join with the A1 at Dishforth in North Yorkshire. The A66 to the west of the A19 links with the A1(M) motorway at Darlington and the M6 at Penrith and then continues to Workington on the west coast of Cumbria. Over the years both the A66 and A19 in Cleveland have been improved and are now good standard dual carriageway roads.

The Government has invested heavily in providing a good standard trunk road network in Cleveland. Looking at three major trunk road improvements only:

A19 Teesside Diversion

Completed 1975/76 - Cost £28M (£68M at today's prices)

A 19 Billingham Diversion

Completed 1982 - Cost £25M

A66 Stockton Thornaby Diversion

Completed 1981 - Cost £24M

The yearly costs for maintaining the Cleveland trunk road network are running currently at about £2M per annum.

Local Authority Roads

Some local authority roads handle flows of long distance or through traffic similar to national roads. The Government's policy is that these local authority roads should complement the Department's roads. Transport Supplementary Grant is awarded towards suitable capital programmes for such roads. In Cleveland this recognises the importance of the efforts to stem the decline along the Tees Corridor.

DEPARTMENT OF EMPLOYMENT/MANPOWER SERVICES COMMISSION (1987/88)

<u>Programme</u>	<u>Starts</u>	<u>Expenditure</u>
Enterprise Allowance Scheme (This represents 23% increase over previous year)	1174	£2,348,000
Job Clubs (23)	1798	225,000
Restart Courses	4115	285,000
Old JTS	555	1,667,421
Training and Further Education	2099	299,679
Access to Information Technology	294	14,833
Local Grants to Employers	1265	523,523
Self Standing Work Preparation	685	213,659
Training linked to CP	1019	312,191
New JTS	1899	418,639
Youth Training Scheme	5376	16,046,614
Community Programme	7965	31,379,816
Voluntary Projects Programme	22	215,095

Grants of over £35M have been paid to Cleveland over the last 10 years under the Department of Transport's Block Grant system. For the current year expenditure of £7.724M was accepted for TSG purposes.

CLEVELAND CO-ORDINATING TEAM (CCT)

Following the establishment of the City Action Teams in April 1985, Ministers decided that due to the major problems on Teesside, some similar form of inter-departmental initiative was appropriate for that area. Consequently, the CCT was set up from the beginning of 1986. The CCT comprises senior officials of the DOE, DTI and DE. It is led by the Regional Controller (Urban and Economic Policy) in the DOE's Northern Regional Office. It has a county-wide remit. Initially its role was seen as raising the Government's profile in the area and seeking to encourage enterprise, job creating projects. In each of the past 2 years, it has been allocated £250,000 to assist such projects and has had some success in carrying forward a number of very worthwhile schemes. The CCT's presence has been widely welcomed and it has established regular contact with local authorities, the private sector (via Business in the Community and the Chamber of Commerce), voluntary sector, churches, port authority and Urban Development Corporation. The attached brochure circulated to mark the second anniversary of CCT gives some indication of its activities.



R1/6

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1 June 1988

Mr P A Bearpark
The Prime Minister's Office
10 Downing Street
London SW1A 2AA

Dear Mr Bearpark

I have been asked to send you copies of the speeches to be made by the Business in the Community and Teesside Development Corporation representatives on Monday evening. I enclose one of each. If you would like more perhaps you would let me know.

I was also asked to draft some information which might be used in a speech by the Prime Minister. This also is enclosed. It has been written in speech form and it covers a number of Teesside initiatives with which both the Prime Minister and other Government ministers have been involved. It overlaps a little with the speech that the Chairman of the Teesside Development Corporation, Ron Norman, proposes to make.

In this draft I have indicated the possible inclusion of an announcement that it is hoped the Prime Minister will make on Teesside's latest project. A copy of this announcement is also enclosed as a separate document.

I hope that this information is useful. If there is more you require please let me know.

Yours sincerely

Arthur Davis



Suggested material for Prime Minister's speech

When I went to Teesside in September last year, there was already a note of confidence in the air. And there was already hard evidence of that confidence.

I was able to announce - only a week after the Development Corporation had become operational - a first initiative by Teesside that was a splendid example of the sort of thing that the new urban corporations working with the private sector have been established to achieve.

That initiative was the Tees Offshore Base, an imaginative joint development to create a centre of excellence in subocean technology and engineering to exploit the deepwater oil reservoirs - and beyond that other seabed mineral wealth. It's a project that addresses a multi-billion pound world market.

This development was all the more heartening for continuing Teesside's long marine associations into a high technology future - and for rising Phoenix-like from the ashes of Smith's Dock, Teesside's last shipbuilding yard which had closed earlier that year.

Just six months after my announcement, Peter Morrison, the Energy Minister, had the pleasure of attending a presentation of the Offshore Base to the oil and offshore industries at the Government's Queen Elizabeth II

PM2

Conference Centre here in Westminster. The presentation was enthusiastically received; the more so for the news that leading companies in the offshore industries are already operating from the base, and that others are showing keen interest.

In December, Nicholas Ridley was able to announce another Teesside initiative - again at the Government Conference Centre and to an expert audience from the private sector. This project - to develop part of the Hartlepool waterfront as 'A Marina and Much More' and create the largest water-based leisure attraction on the North East coast - also aroused keen interest. Interest and a desire to participate. No less than 18 formal submissions to carry out the project were received, seven of them comprehensive schemes from experienced marina developers. A decision has now been made as to the lead developer.

Then - also in March and this time on Teesside - my old friend and colleague Hartley Booth who is now Chief Executive of British Urban Development, a consortium of eleven leading property, construction and civil engineering companies which has been formed specifically to redevelop the inner cities, announced another formidable initiative. This time, and in partnership with the Development Corporation, to take on the residential and industrial regeneration of 6,000 acres of land. This project, for which a marketing study is now nearly complete, will on the one hand develop the

PM 3

old Middlesbrough Docks into a high quality residential, commercial and leisure area which will be within walking distance of Middlesbrough town centre. On the other hand the BUD/TDC project aims to build on Teesside's already strong position in chemicals and petrochemicals and make it the world biggest centre - the European Chemical Centre. At the same time, the unique character of the area where the industry is presently concentrated on Teesside, which you may be surprised to hear is a wildlife refuge of international reputation, will be both preserved and enhanced.

Now, I could go on about Teesside initiatives. They have lot of others in the pipeline and up their sleeves. But I think I've said enough to show that the Development Corporation and Teessiders mean business.

What is heartening about these initiatives - besides the vigour and speed with which they are being pursued - is that they go right across the industrial, commercial, social and environmental spectrum. Singly and in combination providing the balance of amenity essential to attractive and durable renewal.

Also heartening is the way in which the Development Corporation, the local authorities, agencies like Teesside Business in the Community - who have played such an important part in our proceedings this evening - local businessmen and industrialists have come together to work for Teesside's renewal.

PM 4

And what is also very encouraging - at this very early stage in the very new process that the establishment of the urban corporations represents - is to see the Teesside Development Corporation functioning so well in the role for which it has been cast.

For the corporations are catalysts for beneficial change. They are not there with a free hand to spend vast quantities of money on creating finished ready-made schemes and then look around for someone to come in and occupy them.

No. Their role is to create marketable propositions, and the basic conditions in which they will work. Propositions for which there is a commercial argument. Propositions to which investors, developers, industrialists and businessmen will respond - and put in their own energies, skills, investment and vision to convert them into realistic profitable enterprises, relevant to today and tomorrow.

This I can see Teesside is doing. And it gives me considerable pleasure to announce tonight yet another Teesside initiative that embodies all the virtues I have just been applauding SEE ATTACHED ANNOUNCEMENT ON TEESDALE..

PM 5

When I went to Teesside last September, I said: 'We are setting out once again to be ahead of our time.... Where you have initiative, talent and ability, the money follows.'

I am pleased - a little flattered - that Teesside has taken those words to itself as the slogan under which it is fighting its campaign for renewal. And having watched Teesside's progress since my visit, I can say with confidence that there is initiative, talent and ability on Teesside and that initiative, talent and ability are working on and for Teesside.

ends



TEESDALE - LATEST INITIATIVE
IN TEESSIDE'S RENEWAL DRIVE

High quality £110M urban mix attracts
powerful private involvement

A powerful partnership of Teesside Development Corporation, major urban renewal specialists Murray International, and a consortium of developers and financial institutions is finalising a multi-million pound package to rejuvenate 250 acres of derelict industrial land on the North bank of the River Tees.

Known as Teesdale, this Teesside initiative will provide a high quality mix of office accommodation, homes, and specialist retail and leisure amenities. Expected to generate investment of around £110 million, Teesdale is set to revitalise the environment of an area formerly the headquarters of the Head Wrightson engineering concern, but near-derelict for most of the past decade.

Long-term and immediate opportunities are provided by the scheme to both local firms and workforce. In the first stage of major infrastructure and environmental improvements, reclamation work will start next month.

Edinburgh-based Murray International has committed £5 million to the first stage of the £50 million office development, which is planned to create a total of 750,000 square feet of space and bring the highest standard of accommodation to Teesside. Teesdale will also provide some 500 high quality

TEESDALE 2

public and private waterfront houses, specialist retail and leisure development, and new roads and other infrastructure.

The River Tees itself will be the focal point of the Teesdale project, with quayside schemes providing pubs, restaurants, bistros and a range of cultural and leisure activities, including sailing, wind surfing, rowing and a water slalom. Specialist shopping will reflect the new environment. Lovell Partnerships, with a national reputation for quality waterside developments, is already involved with the Development Corporation in this area.

A striking feature of the scheme is a proposal to throw a covered bridge across the Tees to link Teesdale with and give a boost to the extensive shopping facilities of Stockton High Street. A new bridge will also connect Teesdale with another Teesside initiative, already announced - the £90million redevelopment of the former Stockton Racecourse as a sports, leisure, hotel, conference and retail venue.

Detailed design of the covered bridge is being undertaken by Teesside Development Corporation in conjunction with the Post Office Superannuation Scheme (PosTel), one of the largest pension funds. Design work for the

TEESDALE 3

second bridge, and for the major new road links the overall scheme will call for, is already under way.

The strong consortium associated with the Teesdale project also includes major national companies such as Taylor Woodrow, Maclean Homes (part of Tarmac Construction), Wimpey Estates and Bellway Urban Renewal, specialists in land and building regeneration partnerships and part of the Bellway Group.

ends



Teesside Reception at Downing Street

SPEECH BY RON NORMAN, OBE, CHAIRMAN, TEESSIDE DEVELOPMENT CORPORATION

Prime Minister, Secretary of State, Ladies and Gentlemen

I am honoured to be here this evening. But I am also delighted that so many of you, leaders in the world of business, development and investment are here to learn what Teesside has to offer.

We ask you to invest your resources of talent and money into Teesside for one reason only. Because it will be profitable.

Make no mistake, this Development Corporation intends to make a success of Teesside. It will attract investment. It will create jobs. It will increase Teesside's wealth and spending power. And in the process it will create profit for manufacturers and for developers, and it will create growth in value for investors.

I don't suppose that you will take my word for that so I must demonstrate it to you.

In the first place we have the benefit of a low starting point. At the present time land and property values on Teesside are low. Now that's not the disadvantage it appears at first sight. It's an advantage because it creates the opportunity for high returns on capital for those that come in

NORMAN 2

first, Low values with stagnant growth rates - that's bad news. Low starting values with good growth rates - that's excellent news.

So - what are we doing to create good growth rates?

Firstly, we are playing off our strengths - and they are considerable. Many world class companies are centred on Teesside because of our geographic advantages, and because of the talent, initiative and ability of our people. Companies like ICI, Phillips Petroleum, British Steel Corporation, Davy McKee; and investors from Europe, the United States, Japan and the Far East.

These companies make money on Teesside because we have an excellent deepwater port, good road, rail and air communications - and that skilled workforce.

Our industrial area is busy making money and perhaps it is not a pretty site. But our industrial area is a relatively small self-contained area and only 20 minutes drive away from some of the finest countryside in England. Spending power goes a long way on Teesside, so our managers enjoy a very high quality lifestyle in a spacious environment compared with their counterparts in the crowded South.

NORMAN 4

The Teesside Leisure Park

Another development of £100 million - of the former Stockton racecourse - shows that we are not playing for small stakes on Teesside. This again is a mixed development of retail with a Leisure Centre, which will be the biggest in the North of England - if not the whole of this country.

These three schemes demonstrate that the Teesside Development Corporation is afraid of nothing - it thinks big - it acts boldly. We are determined to succeed.

We will roll the Welcome mat out for you if you also are big, bold and determined. There is no red tape on Teesside - just blue ribands for quick decisions and a determination to get the job done!

The opportunities are there whether you are a Manufacturer, a Developer or an Investor. For the first time in over a decade we have a waiting list of tenants for factories and for offices. There is demand and opportunity right across the board and we intend to increase that demand by intensive marketing.

The combination of the assets of Teesside and that increasing demand will create the profit and the growth in values that I set out to demonstrate.

NORMAN 3

So you see we have a lot of strengths and the Development Corporation is building positively on them. We have ten major new flagship projects, all of which have started in 1988. I only have time to mention three.

The Tees Offshore Base

A base dedicated to sub-oceanic exploitation which was announced by the Prime Minister just 10 days after Teesside Development set up shop. Already we have attracted, amongst others, British Telecom Marine, Marathon Oil, Uglund and LV Shipping. Negotiations are in hand with other major national and international companies. We promised the Prime Minister 1,000 new jobs there in 1988 and we keep our promises - particularly that one!

Hartlepool Marina

The North East's answer to the Isle of Dogs!. A £100 million of mixed development offering the whole spectrum of commercial opportunities in housing, leisure, offices, business park, marina and retail. Set in one of the finest bays on the East Coast of England, this development will force the country to revise its false perception of Hartlepool.



Teesside Reception at Downing Street

SPEECH BY NIGEL CLARK, BOARD MEMBER OF TEESSIDE DEVELOPMENT CORPORATION,
LOCAL CHAIRMAN OF BUSINESS IN THE COMMUNITY AND TEESSIDE OPERATIONS
MANAGER ICI

Prime Minister, Secretary of State, Ladies and Gentlemen

As the local chairman of Business in the Community I am obviously honoured and delighted to be at No 10 in such an august gathering to show you the benefits and quality of life of Teesside.

About 18 months ago, a group of us formed a Business in the Community Team to see what we could do to help in the regeneration of the local community. Teesside is not well-known in wider business circles and we felt perhaps our first task should be to try and raise our image - to make it known that Teesside is a very successful business location and, importantly, possesses a highly skilled and loyal workforce.

After discussion we decided to produce a short video showing local strengths from our point of view and make it available to the Department of Trade and Industry and development companies for showing both at home and overseas.

We are quite proud of the result. Many companies both large and small have

NORMAN 5

Ladies and Gentlemen, join the resurgence of Teesside. Come and talk to the Development Corporation. Together we will make it happen.

Prime Minister, thank you very much for giving me this opportunity to speak.

ends

CLARK 2

contributed. Our particular thanks to Tyne-Tees Television for their support.

The business community is proud of Teesside. Thank you Prime Minister for giving us the opportunity to show our belief that Teesside is the place of Initiative, Talent and Ability.

ends

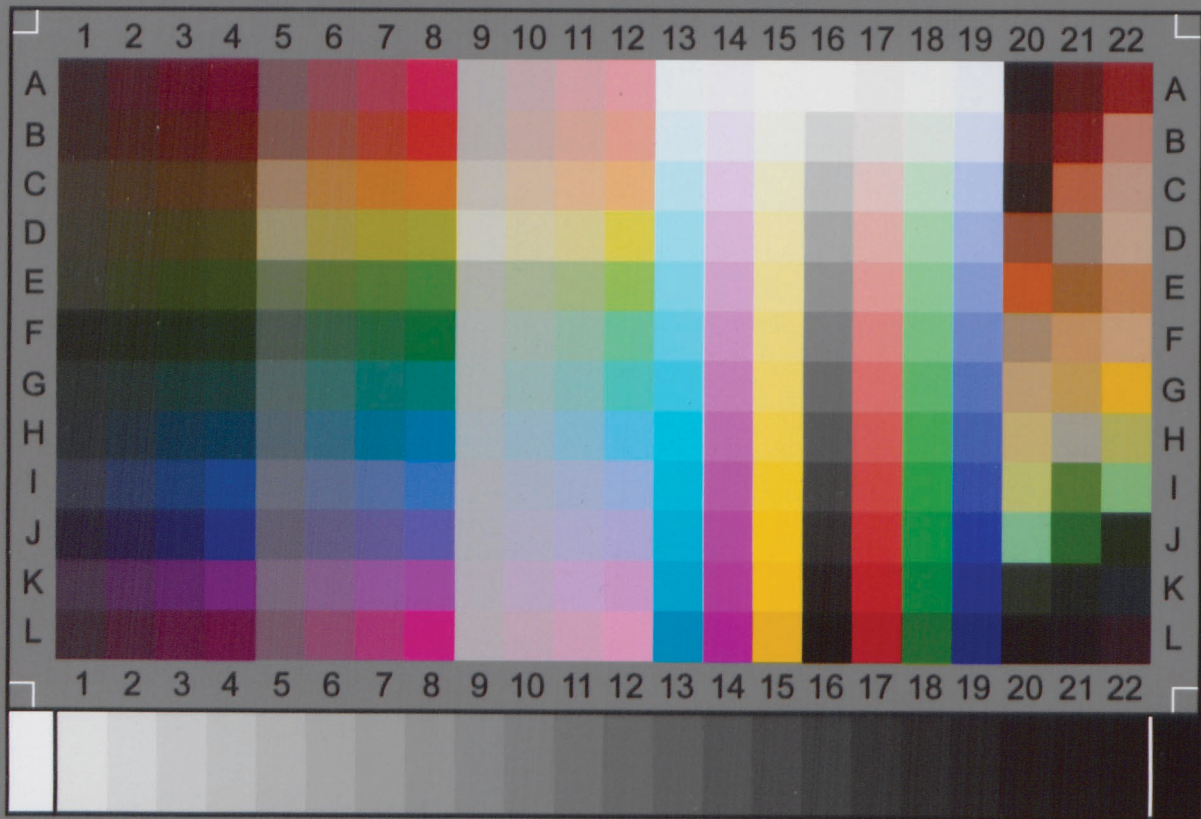


PART 13 ends:-

SG to PAB. 31.5.88

PART 14 begins:-

A. DAVIS to PAB. 1.6.88



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UNEMPLOYMENT BY LOCAL AUTHORITY AREA 10 MARCH 1988	UNEMPLOYED MALES	UNEMPLOYED FEMALES	ALL UNEMPLOYED	SCHOOL LEAVERS UNDER 18	MALE UNEMPLOYMENT RATE %	FEMALE UNEMPLOYMENT RATE %	ALL UNEMPLOYMENT RATE %
CLEVELAND	32,672	10,842	43,496	914	23%	11.2%	18.2%
HARTLEPOOL	5,751	1,790	7,541	120			
LANGBAURGH	7,976	2,689	10,665	216			
MIDDLESBROUGH	10,055	3,100	13,155	345			
STOCKTON ON TEES	8,890	3,245	12,135	233			

UNEMPLOYMENT BY PARLIAMENTARY CONSTITUENCY 10 MARCH 1988	MALE UNEMPLOYED	FEMALE UNEMPLOYED	ALL UNEMPLOYED	SCHOOL LEAVERS UNDER 18
HARTLEPOOL	5,751	1,790	7,541	120
LANGBAURGH	4,833	1,727	6,560	142
MIDDLESBROUGH	6,756	2,049	8,805	239
REDCAR	5,476	1,677	7,153	158
STOCKTON NORTH	5,412	1,793	7,205	128
STOCKTON SOUTH	4,444	1,788	6,232	127