

CONFIDENTIAL

Prime Minister

MERSEYSIDE



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2.  
My intention is keeping up the  
pressure over Merseyside projects.  
Complementary reports will come  
from Sir Keith Joseph and Admin  
166s. 18 March 1981

MAF 18/3

*cc Duguid*  
*seen by PM*

You saw a copy of the note of the meeting I held on 5 March following our talk about the Merseyside situation. I set in hand a range of action to speed up, as far as possible, work on existing initiatives and to consider new ones. The attached note describes progress over the last 10 days.

You will see that we have been developing a number of initiatives. I have considered whether we should co-ordinate the proposals, holding their announcement back until we can present them publicly as one package. But my judgement is that this would mean moving at the speed of the slowest. The crucial thing is to get positive action on the ground quickly to help Merseyside's desperate problem.

We have made a start.

Your Private Secretary's letter of 5 March mentioned in particular your wish to make announcements about the final establishment of the Enterprise Zone and Urban Development Corporation by 3 April. The current position is that:-

- (i) the statutory invitation to prepare an Enterprise Zone was issued and announced last Friday, 13 March. We are now on course for designation of the Zone before the Summer Recess.
- (ii) the Merseyside UDC Area and Constitution Order Debates will take place in the Commons tomorrow and in the Lords on 24 March. The UDC should then become a legal entity on 25 March.

Invitations to serve on the Board were issued last Monday to all the proposed members.

Some progress has been made in the discussions which have been taking place on the main land vesting issues. These discussions are continuing and I will be seeing Leslie Young, the Chairman-designate of the UDC, next week. My hope would be to lay land vesting orders before the Easter Recess which cover the bulk of the UDC area ie some 500 acres of land. Further land vesting orders can, if necessary, be made later on.

In addition:-

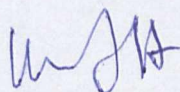
- (iii) I am asking the North West Water Authority to bring forward, to 1981/82, £5.5 million worth of capital expenditure currently due for later years. We estimate that this could provide between 250 and 400 additional private sector jobs.
- (iv) I am exploring urgently a proposal to encourage private sector house builders to build 1,000 houses for sale on Merseyside next year against a guarantee by local authorities that they will cover the costs in the event of the houses not being sold at the beginning of the 1982/83 financial year.
- (v) Finally, I am looking at other ways in which we might help stimulate industrial development and employment generation on Merseyside through the use of the Urban Programme; the early release of major inner city sites for industrial development; the possible relaxation of local authorities' planning

regimes; and the stimulation of institutional investment by, for example, major building societies in our assured tenancy scheme.

I believe we have made good progress over the last week or so. I will keep you in touch with further developments.

Keith Joseph will be reporting to you separately on those matters which fall within his responsibility.

I am copying this to Keith Joseph, Peter Walker, Norman Fowler, Leon Brittan, Robin Ibbs and Sir Robert Armstrong.



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