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10 DOWNING STREET

THE PRIME MINISTER

30 April 1981

Dear Malcolm,

Thank you for your letter of 8 April following our discussion about the problems and needs of Merseyside.

I too am glad that the City Council have now made progress with the Enterprise Zone at Speke. The Council accepted the Department of the Environment's formal invitation to prepare an Enterprise Zone scheme on 27 March, and on the same day moved on to the next stage of statutory consultations. I very much hope that the Council will maintain this progress so that the Zone can be formally designated by the Summer Recess.

The Merseyside Development Corporation was, as you know, formally established on 25 March but prior to that had made considerable progress in drawing up its development strategy, taking account of discussions with local authorities and other local bodies. Surveys of land conditions within the Corporation's area are in hand and initial projects to begin the substantial reclamation work required are starting. Michael Heseltine, following discussions between the Corporation and the Mersey Docks and Harbour Company has made and laid before Parliament Orders vesting over 500 acres of publicly-owned land in the Corporation and the procedures leading I hope to Parliamentary approval of the Orders are now under way.

Leslie Young is in close touch with Michael Heseltine and you need have no doubt that everyone concerned is fully aware of the need to make the maximum progress possible in reclaiming derelict dockland on Merseyside and to bring in much needed private investment and jobs. There are land acquisition issues still to be

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decided on the Wirral side of the Mersey Development Corporation area: further discussions are well in hand between MDC and MDHC, and there will shortly be a report to Norman Fowler and Michael Heseltine so that these issues can be quickly settled. It did not seem appropriate to include the important Albert Dock site in the initial round of land vesting proposals following a careful examination of the progress which has been made between the Dock Company and the proposed developer. But you may be assured that progress on this key site will be closely watched and if it becomes necessary for the Development Corporation to step in, then action will be taken.

On Liverpool Airport, you may know that the Department of Trade have given a capital expenditure allocation for a new control tower and fire rescue base, designating these projects as ones as of national and regional importance. Officials are in close touch with Merseyside County Council about the development proposals referred to in the letter to you from the Airport Director which you enclosed, and urgent consideration will be given to any proposals submitted by the County Council.

Yours sincerely,

(sgd)

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Malcolm Thornton, Esq., M.P.