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Secretary of State for Trade and Industry

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C.No

20 October 1983

CONFIDENTIAL

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

Prime Minister (2)
To note together with
with NT's sceptical
comment / AT 21/10
Noted
ms

D. Patrick.

MERSEYSIDE

Your minute of 14 September to the Prime Minister, enclosing a report on the work of the Merseyside Task Force (MTF), suggested that this report could be followed by short papers from colleagues in charge of other Departments on their own work in the Merseyside area.

2 I do not think it necessary for me to circulate a separate report. Officials from the Department of Trade and Industry have been working on secondment to the Task Force, and the English Industrial Estates (EIE) has worked very closely with DTI and DoE officials there. The EIE has been diversifying its activities since 1979 and nowhere is this more evident than on Merseyside: this year, indeed, some 25% of EIE's total capital expenditure of £27m will be spent there. EIE has a large stock of vacant medium to large factories on Merseyside and is not undertaking new developments which will add to this vacant stock. It is concentrating on building smaller factory units and workshops, which it offers on easy-in/easy-out terms to small businessmen. There is still some demand for these premises; but they do not let as well on Merseyside as similar units which EIE has built elsewhere in the Assisted Areas.

3 The following case perhaps illustrate some of the innovative projects being undertaken on Merseyside:

/(a) Tate ...



(a) Tate & Lyle refinery site

The Corporation has acquired this 50 acre site from Tate & Lyle and is clearing and preparing it for a mixture of amenity, housing and industrial development. The Corporation set up a competition to provide outline plans for the redevelopment of this site and this was won by the Liverpool City Architect's Department. This is the first major derelict inner city site where EIC has taken control of clearance and further development. It set a precedent for the type of operation which EIE is now undertaking at Chatham and in the West Midlands.

(b) Exchange Hotel

The Corporation is redeveloping the old Exchange Station Hotel in central Liverpool, which had lain derelict for several years blighting surrounding development. EIE will build a high class modern office complex behind the existing facade, which can be made available as suites of offices for smaller businesses. Behind the development EIE will provide a new city square on the site of the old station platforms. This amenity should stimulate new development and refurbishment on adjacent sites, and there is already some evidence that this process is under way. This is the first major service sector development undertaken by EIE, but in future we do not expect EIE to become a major office developer. They will probably restrict themselves to providing small suites of offices on their industrial sites, where these enhance the overall attraction of the site for businessmen.

(c) Wavertree Technology Park

In December 1982 Michael Heseltine (then Secretary of State for the Environment) announced that Plessey's would help sponsor a technology park on some 60 acres of land adjacent to their Edge Lane factory, which they partly owned with British Rail. EIE is taking an active part in the planning and development of this site, in co-operation with Plessey, the local authorities and the Merseyside Task Force. This is a pioneering partnership venture between all local and central Government and private business.



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4 A further initiative by my Department has been the creation of a Merseyside Office. As you know, on 23 September Cecil Parkinson announced the strengthening of our presence on Merseyside. The new Merseyside Office will handle as far as possible all industrial promotion, regional selective assistance, Export initiative work and Technology aid promotion work on Merseyside. This will provide a more accessible and locally responsive contact point for industry and should increase the effectiveness of our industrial policies on Merseyside. The Office will be headed by Mr Brian Lodge who, of course, has been a member of MTF almost since its inception. It is our intention that the Office will be fully operational at much the same time as your own expanded presence and that it will form close links, to cement the co-ordination between our Departments which has proved so effective in MTF to-date. Our input to MTF should in no way be diminished and, indeed, should be better focussed through the local presence.

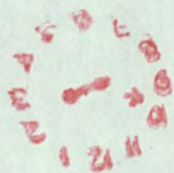
5 Finally, a small but encouraging point is that to meet increased demand my Department's Small Firm Centre in Liverpool moved to larger premises last Spring and the Centre now has a larger complement of counsellors and officials.

6 I am copying this letter to the Prime Minister and the other recipients of your minute.

I have not attempted to assess whether all this activity and expenditure might have given a more positive effect to the economy had it been spent in, say, the West Midlands than Merseyside.

J
Norman

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27 OCT 1983

Reg Post
Inner Cities
(with FT)

CONFIDENTIAL

C9/NO



Prime Minister ④

BT 17/10

FROM: CHIEF SECRETARY
DATE: 13 October 1983

PRIME MINISTER

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MERSEYSIDE

Under cover of his minute of 14 September Patrick Jenkin sent you a copy of a report drawn up by the Task Force on the lessons that could be drawn from its activities.

The report provided a useful summary of the Task Force's remit, its activities and the lessons that can be drawn from them. In particular it highlighted the importance of and scope for involving the private sector in the regeneration of urban areas and its view that the Task Force model could not be replicated in other areas. I am sure that the report is right to conclude that it is not so much the level of Government resources that is important as the flair and imagination that are used to harness the involvement of the community and the resources of the private sector.

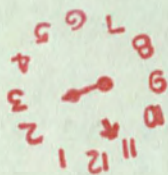
Our approach to inner city problems in future must give greater emphasis to encouraging the people who live in such areas to seek solutions to their problems from the private sector and from their own efforts rather than fostering the attitude that the solution lies in greater provision of resources by the public sector. This is likely both to be more cost effective and to have a better chance of durable success. By attracting more private sector money with a small public sector contribution we can increase the resources going to the inner cities while reducing the level of public expenditure on the urban programme.

I am copying this minute to Patrick Jenkin and to other Cabinet colleagues and to Sir Robert Armstrong.

pk

PETER REES

REG POL: Inner Cities: Pt 4.



19 OCT 1983

COMMUNICATIONS
LONDON