



File into Lewis Moss
Correspondence *AM*

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434
My ref:

Your ref:

17 July 1985

Dear Andrew

ROYAL DOCKS

Thank you for your letter of 10 July to John Ballard with which you enclosed a copy of the letter from Lewis Moss to the Prime Minister about the difficulties the London Docklands Development Corporation has encountered over its proposed acquisition of land in the Royal Docks. My Secretary of State also is keen to maintain momentum in Docklands. He has today written to Peter Rees, copied to Nicholas Ridley, proposing a way forward and if necessary a tripartite meeting. I attach a copy of the letter which outlines the issues involved and the options. I will let you know the outcome as soon as possible.

GRIS? AM

Your sincerely
A H Davis

A H DAVIS
Private Secretary

Andrew Turnbull Esq



lite SM

10 DOWNING STREET

From the Private Secretary

10 July 1985

The Prime Minister has asked me to thank you for your letter of 8 July setting out the difficulty the London Docklands Corporation has encountered over its proposed acquisition of land in the Royal Docks. I have asked the Department of the Environment and the Treasury to provide the Prime Minister with a full account of the issues involved. A reply to your letter will be sent as soon as possible.

ANDREW TURNBULL

Lewis Moss, Esq., D.L.

Lewis Moss

16/7



10 DOWNING STREET

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(JOE say draft coming by 17/7)

From the Private Secretary

10 July 1985

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Comm
on W.

Fed. 24/88

ROYAL DOCKS

The Prime Minister has received the attached letter from Mr Lewis Moss about the difficulties the London Docklands Development Corporation has run into over its proposed acquisition of land in the Royal Docks. She would be grateful for an account of the issues involved and for advice on how she might reply. It would be highly desirable if this could be agreed with the Treasury. She will naturally hope that a solution can be found which does not hold up the momentum of development in Docklands. Could I have a response on this by 16 July.

I am copying this letter to Richard Broadbent (Chief Secretary's Office).

ANDREW TURNBULL

John Ballard, Esq.,
Department of the Environment

[signature]

From: Lewis D. Moss, D.L.

'Tilney House', 5 Tilney Street, Park Lane, London, W1Y 6JL.
[Telephone: 01-629 9933]



**London Docklands
Development Corporation**
The Ledger Building
Marsh Wall London E14 9SX
Telephone 01-515 3000
Telex 894041 LDDC G
Telecopier 01-987 7070

8th July, 1985

Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
LONDON S W 1.

Dear Prime Minister,

Re: The Royal Docks

I much appreciated the opportunity you gave me on Friday of an exchange of views with regard to alternatives to the present system of local government finance. At the conclusion of the meeting I touched briefly on an urgent problem facing the London Docklands Development Corporation in relation to its proposals for the revitalisation of the Royal Docks area, equivalent in extent to the area between Hyde Park Corner and the Tower of London. As arranged I am writing to you, and do so in my capacity as a Board Member of LDDC and the Chairman of its Property Advisory Group.

The practicality of servicing the total Royals Development has to be based on the assumption of our ownership of the Albert and King George V areas. Central to this is the Connaught area between the two Dock systems which provides the only really cost effective routes for the main spine sewer and the equally key new spine road. We were planning to start the sewer works in August but the ownership of the land involved is split between ourselves and the Port of London Authority who have already objected to our proposals and whose development objectives and approach have little compatibility with our own.

As the PLA has been unwilling to sell us the freehold of their land we have started CPO proceedings but in order to expedite matters we have also concluded negotiations under which the PLA would grant the Corporation a 125 year lease. Both the Department of the Environment and the Department of Transport support our proposals which were backed by an economic appraisal of the acquisition options carried out by Peat Marwick. The Treasury have recognised that this appraisal was "a very thorough piece of work which matches up to their guidelines". They conclude, however, that we should pursue the CPO option which would involve something like a two year delay and do not accept our key argument that delay will disperse the momentum of development in the Royals and affect a momentum in the rest of Docklands by a delay in the Stolport becoming operational.

The Treasury are concerned at the difference between the Compensation Code valuation of the land and the basis of valuation which we have agreed with the PLA in order to avoid holding up regeneration. Peat Marwick concluded that there was little difference on economic grounds between the two options. The extra costs of financing the lease would be off-set by the benefits derived from the earlier redevelopment of the area.

// continued ..

Chairman Christopher Benson
Deputy Chairman Robert Mellish PC
Chief Executive Reginald Ward

