

SG



*cc: TA and  
return please*

*CF pps. CC BG*

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref: B/PSO/50163/85

Your ref:

16 January 1986

*Ks BAN*

Dear David,

CABLE AUTHORITY

Thank you for copying to Sue Vandervord your letter of 13 December to Stephen Boys Smith about the notes left with the Prime Minister by Mr Richard Burton, Chairman of the Cable Authority, in the course of his discussion with the Prime Minister on that date.

/ Following that discussion, Mr Burton wrote to my Secretary of State  
/ on the subject of enterprise zones. I enclose a copy of that  
letter and the reply that was sent. The meeting referred to in  
the reply is now likely to take place next week.

*Yours ever*

*BH Leonard*

B H LEONARD  
Private Secretary

David Norgrove Esq





2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref: B/PSO/50270/85

Your ref:

8 January 1986

*Dear Mr. Burton,*

Thank you for your letter of 16 December and the enclosures, which I read with interest, particularly the proposal that enterprise zone benefits should be extended to the parts of a cable system whose "headend" is situated within an enterprise zone.

The proposal is ingenious but the way in which the relevant legislation is framed precludes it, at least so far as the existing zones are concerned. The legislation enabling enterprise zones to be established requires that the area of the zone be specified almost as the first stage of the process; and the boundaries of the zone are defined in the statutory instrument that designates the enterprise zone. There are no powers to alter the boundaries of an enterprise zone once it has been designated. The major enterprise zone benefits are statutory and are available only within the areas defined as enterprise zones. This means that it would not be possible to extend the benefits in the way you suggest.

We have no plans at present to designate further enterprise zones. However, even if this were not the case, the same constraint would rule out the sort of flexibility that appears to be essential to the development of cable systems to meet market needs: this would seem to preclude the possibility of incorporating your suggestion in new enterprise zones, should we decide to add to those already in existence. Nevertheless, I understand that your Director of Finance and Operations is shortly to meet officials here. The meeting will provide an opportunity to explore the practicability of your proposal in the case of new zones.

I am sending copies of this reply to Geoffrey Pattie, John Moore and Douglas Hurd.

KENNETH BAKER

*Tommy*  
*Kenneth Baker*

R. H. Burton Esq

R H Burton Esq