

010

C.B.G.



Y WYDDFA GYMREIG
GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)
01-233 8545 (Llinell Union)

ODDI WRTH YSGRIFENNYDD
PREIFAT YSGRIFENNYDD
GWLADOL CYMRU

WELSH OFFICE
GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switchboard)
01-233 8545 (Direct Line)

FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

Prime Minister 2

The key paragraphs
are on pages 17 and 21.

2 December 1986

They seem fine - and
the speech is no less
exciting than it was before.

Decs David,

SOUTH CARDIFF URBAN RENEWAL

DSW

2/12

... Discussions following yesterday's EA meeting have resulted in the attached revised text, which has been agreed by my Secretary of State, Mr Ridley and the Chief Secretary. My Secretary of State will now use this text in his speech in Cardiff on Friday 5 December.

/ I am copying this letter and its enclosure to the Private Secretaries to the members of EA, the Lord President, the Solicitor General, the Chief Whip, Mr Richard Luce, and Sir Robert Armstrong.

Yours ever,

PAUL SKELLON

David Norgrove Esq
10 Downing Street
LONDON
SW1



file to
a lot of things

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

2 December, 1986.

SOUTH CARDIFF URBAN RENEWAL

Thank you for your letter of 2 December to which was attached a revised text of part of your Secretary of State's speech to be given in Cardiff on Friday, 5 December. The Prime Minister is content, subject to the views of colleagues.

I am sending copies of this letter to the Private Secretaries to the members of EA, the Lord President, the Solicitor General, the Chief Whip, Mr. Richard Luce, and Sir Robert Armstrong.

(David Norgrove)

Paul Skellon, Esq.,
Welsh Office.

Kb.



CONFIDENTIAL

EXTRACTS FROM THE SECRETARY OF STATE'S SPEECH AT THE WELSH DEVELOPMENT AGENCY URBAN RENEWAL SEMINAR ON 5 DECEMBER 1986

At the start of this Conference about urban renewal we need to pause for just a moment to clarify the meaning of the words we use. To talk of an "inner city problem" or "urban renewal" is useful shorthand; but if we are to avoid confusion we should remember that the problems, the solutions and the opportunities vary greatly from place to place. Fortunately some of the most acute problems of urban decay and racial tension found in English cities do not exist in Wales and we are not here to talk about them today; instead, this Conference will consider what is being done and what more could be done in Wales to remove the dereliction caused by the decline of old industries and to make Wales a much more attractive place in which to live, work and play - a place which will attract visitors for the quality of its towns just as much as for the beauty of its countryside.

1.

/The need ...



The need for urban renewal is greatest in the valleys and cities of South Wales and parts of Clwyd, the places where the mass of the population live; but elsewhere there are smaller towns where it is possible to do much to remove eyesores and improve the environment.

The instruments available to us are almost as varied as the problems we have to tackle, but the opportunities are also considerable. It will be my central theme that we can only realise the full potential for progress (which is enormous) if we combine all the available instruments and the financial resources of the public and private sectors to produce the greatest possible multiplier effect. In some instances the multiplier will be small: in others, where we can trigger wealth-creating projects, the opportunities are breathtaking. I shall be speaking of one such opportunity around Cardiff Bay.

The historic decline of basic extractive industries has left a legacy of dereliction. Since the disaster of Aberfan twenty years ago we have carried out here in Wales one of the most extensive programmes of land reclamation in Europe.



Since 1979 alone I have approved land reclamation work by the WDA amounting to £130 million at today's prices.

Completion of the latest WDA land reclamation programme, which I announced in July, will bring to 12½ thousand acres the amount of derelict land cleared by the Agency since its inception in 1976.

I am planning to provide about £13 million on top of existing planned provision for land reclamation over the next three years. This will cover the additional reclamation costs associated with the Garden Festival at Ebbw Vale and also enable more resources to be made available for reclamation schemes in the rest of Wales.

Derelict land improvement is not just a matter of removing tips and waste but also of removing ugly plant and buildings. In some instances a better approach may be to preserve and restore an old building as a monument and tourist attraction or for an entirely new use. Among many examples to illustrate my point are the Industrial and Maritime Museum in Swansea and the work now being carried out at



wrexham to modernise the former Courtaulds works there. It was appropriate that the restored Custom House building in the heart of Cardiff should become the new home of the Land Authority. I am sure it must be a policy objective of Government to preserve and incorporate in new schemes a significant amount of this industrial heritage, though we must be careful not to go to the other extreme of preventing desirable development because of an obsessive desire to preserve everything from the past. Many towns can be transformed by the sensitive restoration of old buildings and the removal of eyesores; and much good work is being done by local authorities working with CADW and organisations such as the Civic Trust and the Prince of Wales Committee.

This is a convenient moment to emphasise that successful urban renewal is not achieved just by concentrating on land and buildings. What we are talking about is creating the kind of places that are attractive both to live in and to visit. Early in my career as a Minister I was berated by the Daily Mirror for suggesting that if you wanted to attract inward investment one of the first things that you should



consider doing is to build a golf course; but it was not such a damn fool idea! Golf courses, leisure centres, and sports facilities will be essential elements in the process, and so will the arts.

About a year ago, with the Welsh Arts Council and National Museum, I launched two major studies into the housing of the visual and performing arts in Wales. The arts are important because they enrich life and because they can act as magnets that will draw people into an area, generating wealth and sustaining new development. Earlier this week I announced a number of very important decisions arising from the recommendations of the Hudson-Davies report on the visual arts. Over the next three years we will carry out major improvements to the National Museum building in Cathays Park. I also announced that we would be making resources available for developments at St Fagans. I will have more to say later about the Industrial and Maritime Museum in the Docks.

In Swansea and in North Wales we will start fulfilling our commitment that the Welsh collections will be adequately displayed throughout



wales. Swansea has led the way in illustrating how provision for the arts is an important instrument for achieving urban renewal and an essential component of civic activity. The plans for developing the old Guildhall and for the establishment of a photographic museum follow on the refurbishment of the Grand Theatre.

Cardiff plans a major restoration of the New Theatre. The Welsh Office/Welsh Arts Council study on housing the performing arts has urged the construction of a Centre For The Performing Arts in Cardiff as a home for dance, the Welsh National Opera and theatre. We examined closely the Hudson-Davies suggestion that this Centre might be housed in the courtyard of the National Museum but accepted the advice of consultants, Carr and Angier, that the alternative options of land immediately to the north of the Museum building or a site in the new Cardiff Bay development, are to be preferred. There are few things that I would like to have done more in my time as Secretary of State than to provide a home worthy of our great opera company and for the other performing arts, but the scale of the resources that we have to commit to the National Museum and to launching the development of



South Cardiff mean that it is not a realistic proposition to include yet a third major project in the next two or three years. However, I believe that a centre of this kind should form a central component of the Cardiff Bay plan and I have, therefore, agreed with the local authorities concerned that we will commission a design study to begin at once so that the results will be available for incorporation in development plans for Cardiff Bay as they are brought forward. I think it is a realistic objective to aim for a start on a Centre for the Performing Arts as part of the Cardiff Bay development in the middle years of the decade ahead. The greater our success in attracting private investment to the development of infrastructure in the area the easier it will be to turn that aim to reality.

It is perhaps not too difficult a step to move from the arts to garden festivals. Again you will be aware of my recent announcement that the 1992 Welsh Garden Festival will be held in Ebbw Vale. The site chosen is exciting and challenging. It was formerly occupied by the old Ebbw Vale steelworks. Among the guidelines to local authorities inviting them to bid to host the Festival were the following objectives:



to have a catalytic effect on decision-making so that reclamation of large derelict sites happens more quickly than would otherwise be likely;

to provide a higher quality landscape than would normally be the case and which remains an attractive setting for public open space or use partly or wholly for other development;

to act as a spur for environmental improvement over a wider area.

I believe that is exactly what the Ebbw Vale Garden Festival will do: act as a spur for the improvement of the whole South Wales valleys area. I am sure that it will give a massive boost to the programme of regeneration that I launched on 3 March, 1986 when I announced the Valleys Initiative.

The Valleys Initiative aims at bringing about a substantial and visible improvement in the valley communities. The seven applications successful in the first round were based on Merthyr Tydfil, Maesteg,



Aberdare, Pontardawe, Ebbw Vale, Pontypool and Tonypany. Already the initiative is producing results because it does three things; it concentrates on making a visible impact on the appearance of key locations which people use for shopping, recreation and business; it makes use of local initiative and the contribution of voluntary bodies as well as a variety of public and private organisations; and it seeks to generate private investment in order to achieve the multiplier effect which I said would be a central theme running through the speech. It is only by combining the resources of the public and private sectors that we can attain our objectives.

The Rhondda Valley already provides an excellent illustration of what can be done by this approach. If you drive up the Valley today you will observe that an exceptionally high percentage of the roofs have now changed colour from slate grey to red, evidence of the scale of the Government's house improvement programme in recent years. Almost all those houses that have been re-roofed have also had their windows replaced and other modernisation carried out. Between 1979/80 and 1985/86 we have spent £333 million on renovation grants to the private sector.



At Penrhys there is a Priority Estates Project which is already having a big impact on improving the condition of what had become one of the worst of the post-war housing developments.

Close-by at Cwm Parc and Blaenau Cwm are excellent examples of areas being transformed by means of "enveloping schemes", while in Clydach Vale one of the largest derelict land schemes undertaken in Britain is already being followed by private house development undertaken by Barratts. Further down the Valley at Tonypany, in an area approved for Valleys Initiative support, I recently had the pleasure of opening a splendid new retail shopping centre of the kind that we want to attract into these valley communities.

All that is happening in the valleys would have been impossible without the major improvement that has taken place in communications. The road to Merthyr with its spur into the Cynon Valley, the new access road into the Rhondda and the new route past Rogerstone and Risca are all major improvements that are opening up the valleys. Modernisation of the valley rail service, which feeds down into



Cardiff, is having the same effect. These communication links between Cardiff and the valleys form a vital element of our overall strategy.

Work is also underway on the Peripheral Distributor Road.

Incidentally I do think it is high time that we had a more attractive name than "Peripheral Distributor Road" and I propose here and now that the County Council might hold a competition amongst local school children to find a suitable name for this important road which, when complete, will provide access into South Cardiff from the Valleys and from routes both to the east and the west. Earlier this week I was able to announce my approval for a start in 1987/88 on the crucial Bute Town Link section of this road which will provide a crossing of the River Taff and tie in to the proposed Central Link. Work on this should start within a few weeks.

I turn now to tell you about our plans for the capital city. There is one thing that distinguishes them from what is being attempted in some other parts of Britain. We are not attempting to reverse a continuing pattern of decline; we are building on success already achieved and a



notable transformation of Cardiff over recent years. Everyone here will be familiar with what has happened and seen the shopping area around the splendid St David's Hall become one of the best shopping centres in the country. Just to the south the new Holiday Inn forms the centrepiece of major redevelopment north of the railway which includes the skating rink and the library. That Holiday Inn development was made possible by one of the most successful of all this Government's initiatives in the field of urban renewal, the introduction of the Urban Development Grant scheme in 1982. Since that time grants of over £24 million in Wales have already triggered investment of over £140 million in around 50 projects. To the south of the railway another UDG grant made possible the redevelopment now being undertaken by Tarmac around the Bute East Dock which will do so much to re-establish the link between the modern shopping centre of the City and the old commercial heart around Mount Stuart Square in the docks. Our proposal now is to capitalise on what has already been achieved and to carry forward our examination of a development around Cardiff Bay which our consultants, Jones Lang Wootton, have said could be "of international significance".



Let me describe what we are considering. First the construction of a barrage between Penarth and a spot close to the entrance to the Queen Alexandra Dock. This barrage, which incidentally has absolutely nothing to do with the scheme for constructing a tidal barrage across the Severn, would cover the tidal mud flats that are there at present with a lake that would extend up the Ely and Taff Rivers right into the City centre. An important distinguishing feature of the waterfront on this newly-created lake is that a large amount of it would be soft edged, not hard dockside, as is the case in most other recent city waterfront developments. The study undertaken by Jones Lang Wootton identifies an area in South Cardiff not far short of 3,000 acres immediately available for development or refurbishment. Of this perhaps 600 acres is immediately developable in an area close to the water's edge. During the consultation exercise that we have carried out a great many experienced people have expressed excitement about the kind of development that the construction of this lake would be likely to stimulate. A number of bold and creative ideas have already been put forward and there is genuine interest from the private sector in putting together financial packages for the



infrastructure, including the barrage. There are interesting parallels between Cardiff Bay, which is what we would propose to call it, and the inner harbour of Baltimore which is now one of the most attractive and successful waterside developments anywhere in the world: the area around which development could take place is comparable in scale, and the Inner Harbour area is almost exactly the same size as the Roath Basin at Cardiff. There are many lessons to be learned from the American experience. Perhaps the most important is the need to create a critical mass of related developments which can support each other and draw in sufficient numbers, both from the immediate area and from outside, to sustain a project on the scale that is envisaged.

In Baltimore the remarkable aquarium which attracts 1.2 million visitors a year, a Hyatt Regency Hotel and convention centre, together with a festival, shopping and restaurant complex developed by the Rouse company forms part of the essential critical mass superbly sited around the water. In Cardiff the new headquarters of the South Glamorgan County Council is already under construction. The Roath



Basin area would provide a superb location for an aquarium, a hotel, and what I shall call Rouse-type development. The Industrial and Maritime Museum is already there and there are plans for its extension. Close-by there are dry docks which could be converted to make that Maritime Museum a major feature. At a later stage, as I have indicated, it may be possible to build a Centre for the Performing Arts.

Elsewhere around the wide sweep of the Bay developments of a different kind might be more suitable. Already at Penarth, Crest-Nicholson are building their marina. I am confident that an increasing number of people would want to live in high quality housing close to the water's edge and housing will form a great deal of the development that would take place.

Another lesson from America is the need to close the gap that exists between the existing heart of the City and the waterside area. Tarmac's scheme and the South Glamorgan Headquarters have begun the process of closing that gap, and new road links are to be constructed.



Further consideration is already being given to transportation requirements, which could include a light transit system. Other ideas are that part of the Commonwealth Games' sports complex could be sited in the area south of the central railway station and there could be a new southern entrance to the station. Close attention is being given by the County Council to the design of the distributor road so that it does not create a barrier and provides good access to adequate car parking.

The Welsh Office and Jones Lang Wootton have been carrying out an immensely thorough consultation exercise with both the public and private sectors. My advisers and I have visited a number of cities in the United States and sought advice both there and in this country. Those consultations have been extremely valuable. They have revealed not only that there is great enthusiasm for the project; but also exposed the need for firm and consistent control, a clear plan, careful zoning and protection of the key sites, particularly a waterside walk. Some will no doubt argue that there must be complete freedom for landowners and developers to build what they want with all



the energy and speed that can be mustered. No-one, I think, can argue that I have not driven forward this project with considerable energy and at a great pace; but I note the strength of the advice, particularly from the United States, about the need for effective control. Those responsible in Baltimore believe that it has been a vital feature of their own success.

The consultation has also enabled us to proceed, stage by stage, with the agreement and enthusiastic support of the principal local authorities. The City, the County and the Vale have been informed step by step of our thinking and have indicated their support for these ideas. That is very important and is a situation quite different from that experienced in the London Docks and in other places where Government has had to impose an organisation on unwilling local authorities.

Against that background I can now announce the Government's decision, with the support of local government, to set up an Urban Development Corporation under the powers of the Local Government Planning and Land



Act 1980. The UDC will be known as the Cardiff Bay Development Corporation. It will be a small organisation with a highly qualified and dynamic team. Jones Lang Wootton's report spoke of the need for "superb leadership". There will be no large bureaucracy; but it will use facilities made available to it by the local authorities on an agency basis; it will work with Government agencies, such as LAW and the WDA, and it will employ outside consultants where appropriate.

The Corporation will have five Board members representing the three local authorities and eight others, including the Chairman, appointed by the Secretary of State. I hope to be able to make an early announcement of the Chairman and some of the first Board members. The Corporation will have the limited, specific, but highly important, task of seeing that the development potential of the area is realised. Once their task is complete it will relinquish its responsibilities to the local authorities who will continue to exercise all their other normal functions in the area. I want to emphasise that nobody is aiming to create a second and competing City but rather to exploit the full potential of Cardiff's magnificent situation by the sea for the



benefit not just of the City but the industrial valleys and the whole of Wales. I shall be seeking to find as members of the Board people with the drive and vision that is required, together with the financial and property skills associated with a project of international importance which will attract proposals and investment from Britain and overseas.

Though it must be right to seek this very wide backing, I am equally confident that a very major and critical contribution will be made by landowners and developers from within the area. Associated British Ports are particularly well placed to ensure that what is done unleashes the potential that has been identified and I know that they have already begun working on exciting and very promising plans for the area.

The American experience indicates that the Corporation must be prepared, when necessary, to use powers of compulsory purchase to assemble land. In Baltimore this is taken for granted and enables developments to take place that are larger and more comprehensive than



would otherwise be possible. They are also done in a way that rewards both the public sector for its investment and the landowners involved through participation in the enlarged schemes that this approach makes possible. There will be the need for the closest co-operation between the Corporation, the landowners and developers.

To put the Corporation in place will take time (it requires a Parliamentary Order) and our target start date is 1 April 1987; but to avoid delay in getting the process of consultation underway I will be inviting local authorities, prospective Board members and others involved, including representatives of local business, to form an ad hoc committee to prepare a mission statement and to set in motion the preparation of the development strategy and zoning proposals, so that much of the preparatory work can be completed by the time that the Corporation takes up its formal duties.

I will also be asking local business men and women to form a Cardiff Bay Business Committee to act as a forum for consultation and for the involvement of the local business community. We will also be holding exhibitions and consultative meetings with those who live in the area.



The Corporation's responsibilities will cover a large part of Cardiff to the south of the railway and a part of Penarth as shown on this plan: about two thousand acres in all. The proposed boundaries take account of the comments and views of all three local authorities.

We believe that the barrage concept is an exciting one capable of creating a major development opportunity, and the technical and engineering studies so far carried out are encouraging. The first task of the new Corporation will, therefore, be to take the project forward by carrying out the necessary further technical and ecological work and financial appraisals and to examine the options for obtaining the greatest possible contribution by the private sector to the costs of the necessary infrastructure in South Cardiff, including the barrage. Clearly a firm decision to proceed with the construction of the barrage will depend on a successful outcome to these studies. Given such a successful outcome it will be necessary to seek Parliamentary approval. The earliest date at which a Bill could be introduced would be 1987 and construction of a barrage is expected to take about three years so that it might be possible to have the barrage in place early in the 1990s.



I have taken careful note of the objections that have been raised by those concerned with bird life on the mud flats. I have consulted with the Nature Conservancy Council and have had a study carried out by the Institute of Terrestrial Ecology. We fully appreciate the significance of the site. We are examining a number of ways in which the loss of feeding grounds might be minimised; but I am certain, on the basis of very widespread consultation that, with such potential benefits both for Cardiff and the wider area of South Wales, it is right to take the further steps I have outlined.

There remains much to be done. I take immense encouragement from the very positive and helpful advice that we have received from so many experienced people. I am encouraged, too, by the expressions of interest that have come from the United States where they have much experience of developments of this kind; but, above all, I take encouragement that this project has brought together the various local authorities and the political parties in a manner that is likely to give great confidence to those who wish to join in exploring this bold and ambitious venture. Our advisers tell us that "this is a rare



opportunity to develop a superb environmental setting which will have few, if any, competitors in Great Britain". Surely nothing less should be the objective for our capital city.