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bc = BG

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

15 December 1987

Dear Stephen,

BLACK COUNTRY UDC

The Prime Minister recently visited the Black Country Urban Development Corporation and was told by Mr. Bill Francis, its Chief Executive, that British Coal plan to construct an open-cast mine on an area of ground immediately in front of the UDC's Headquarters. Mr. Francis argued that this would put a blight on the land for quite a number of years and would make the task of the UDC considerably more difficult.

Bf. 1/1 The Prime Minister would be glad to have the background to this and to know your comments.

Yours,

David

D. R. NORRGROVE

Stephen Haddrill, Esq.,  
Department of Energy.

DS



SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

01 211 6402

*AP's psc  
Alap.  
enman.*

David Norgrove Esq  
10 Downing Street  
LONDON  
SW1A 2AA

23<sup>rd</sup> December 1987

*Prime Minister #*

*This is remarkably less vague - they  
vague. Do you wish to  
pursue?*

*This is much  
worse to authorize the  
coal quickly - but  
can't get planning  
permission... Ministers  
the UDC  
Chairman  
has no further  
problems?  
Perhaps we  
will  
to ask him  
what happened  
under energy  
committee  
main  
problem  
account  
no*

*Dear David,*

BLACK COUNTRY

Thank you for your letter of 15 December seeking background information on the Black Country Urban Development Corporation's (UDC) concern over British Coal's opencast coal mining plans.

I understand that the UDC's Chairman, Mr Bill Francis had a meeting to discuss their concerns with British Coal's Deputy Chairman Sir Kenneth Couzens on 9 December. The UDC were concerned about a dozen potential opencast sites in the Black Country rather than just the proposed Patent Shaft Site near their Headquarters. The UDC's main worry appears to be possibility of British Coal delaying access to land scheduled for development by the UDC in the near future. British Coal are understandably concerned that where possible they are given the opportunity to extract any underlying opencast coal reserves before built development takes place and effectively sterilises any remaining reserves forever.

British Coal are however willing to work closely with Local Authorities so that coal reserves under land required for early development can be extracted quickly. It appears that the meeting provided a useful opportunity for both sides to explain more fully their various concerns and intentions, and a degree of understanding was reached. British Coal hope there will be no further problems with the UDC.



I should add that British Coal have serious difficulties in obtaining planning permission for the development of opencast mines. There are large reserves which can be extracted at keen prices and so lower the price to the consumer. In the last year or so there has been a dramatic decline in the success rate of planning applications and this could have a serious affect on British Coal's profitability in years to come.

Yours ever,

Stephen

STEPHEN HADDRILL  
Principal Private Secretary

REF POLICY - Inner Cities pt 12



COMMUNICATIONS  
UNIT



file

GA

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

29 December 1987

**BLACK COUNTRY**

The Prime Minister has seen your letter of 23 December to David Norgrove. She is concerned that the explanation therein is rather vague. It would appear that on the one hand British Coal want to extract the coal quickly, but cannot get planning permission, but on the other hand the UDC Chairman has no further problems. This does not seem entirely consistent. Could you please arrange for this to be looked at again, and for a more precise report to be prepared?

(P. A. BEARPARK)

Stephen Haddrill, Esq.,  
Department of Energy.

✓



*ce Bly.*

SECRETARY OF STATE FOR ENERGY

THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

01 211 6402

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P A Bearpark Esq  
10 Downing Street  
LONDON  
SW1A 2AA

*Prime Minister  
Does this now give you the  
information you were  
after? BC and UDC do  
at least now seem to have  
a reasonable dialogue, with the  
ball back in the UDC's court.*

11<sup>th</sup> January 1988

*This is very  
helpful*

*RC 6  
12/1*

*Dear Andy,*

BLACK COUNTRY

Thank you for your letter of 29 December, replying to mine of 23 December to David Norgrove. You asked for more precise details about British Coal's opencast plans in the Black Country, and their relationship with the Black Country Urban Development Corporation (UDC).

I think some confusion may have been caused by the last paragraph of my initial letter, which referred to the serious difficulties being faced by British Coal in obtaining planning permission for opencast sites. This paragraph was intended to refer to the situation throughout England and Wales, and not specifically to the Black Country.

*Very reasonable*

Since I last wrote we have had a full account from the Deputy Chairman of British Coal's dealings with the Black Country UDC, and the offer they have made in relation to the Patent Shaft site. I attach his letter. As you will see, the offer British Coal have made the UDC on the Patent Shaft site seems reasonable, and there seems to be a measure of agreement on coaling at other sites. Our feeling is that the UDC, as the mineral planning authority, should be left to resolve the conflict of interests over this site (although, of course, if the UDC were in due course to refuse planning permission, British Coal would have the right to appeal to the Secretary of State for the Environment). British Coal have stressed to us the sensitivity of their offer, which they do not wish to be widely known.

I am copying this, together with my earlier letter, to Hartley Booth who has expressed an interest.

*Yours ever,  
Stephen.*

STEPHEN HADDRILL  
Principal Private Secretary

BRITISH COAL  
HOBART HOUSE  
GROSVENOR PLACE  
LONDON SW1X 7AE

01-235 2020

SIR KENNETH COUZENS KCB  
DEPUTY CHAIRMAN

7th January 1988

CONFIDENTIAL

Stephen Haddrill Esq  
Principal Private Secretary  
to Secretary of State for Energy  
Thames House South  
Millbank  
London SW1P 4QJ



*Dear Stephen*

BLACK COUNTRY

The Prime Minister asked for some further information about British Coal's opencast coal mining plans and their relationship to the work of the Black Country Urban Development Corporation.

The immediate question in the area of the Black Country UDC is the development of the so called Patent Shaft site. It has all along been the view of British Coal that the right course was to extract first the coal which lies under this site; to clear up in the process the noxious wastes and dereliction on it; to restore the site in a form suitable for whatever development was thought right by the authorities in the area; and to release the restored site progressively as soon as possible so that long term development could be undertaken. This programme would have the dual advantage of providing a clean and prepared site at no cost to the Exchequer or to the public authorities in the area; and of avoiding the sterilisation of low cost energy which could yield profits for British Coal, and therefore to the Exchequer.

In December 1986 the Sandwell Borough Council resolved to grant planning permission to British Coal for the Patent Shaft site on the basis of such a programme. However, the Council reversed this view and withheld planning permission when a developer appeared who stipulated, for reasons which we have frankly never found fully convincing, that there was to be no prior coal extraction if his proposals for the site were to proceed.

After extended further negotiation British Coal appealed in September 1987 to the Secretary of State for the Environment against the failure of Sandwell Borough to determine their planning application. A Public Enquiry arising out of that appeal is still awaited.

Mr Bill Francis, Chairman of the new Black Country Urban Development Corporation, clearly reviewed this situation soon after his appointment. He called to discuss it with me on 9th December, but also extended the discussion to other potential opencast sites within the area of his UDC. As a result of that discussion I sent the attached letter to Mr Francis on 17th December.

In relation to the Patent Shaft site my proposal was that British Coal would withdraw their appeal against the planning refusal provided the developer committed himself unconditionally within two months to proceed with his development on the site.

The offer made in my letter represents a considerable sacrifice by British Coal in the interests of speedy redevelopment in the Black Country. As your letter of 23rd December to No 10 explained, we are experiencing great difficulty in achieving sufficient planning permissions to maintain, let alone develop, our output of opencast coal. In England and Wales the local authorities are forcing the great majority of our planning applications to public enquiry and thus to adjudication by Ministers at the Department of the Environment or the Welsh Office. We produce opencast coal at an average cost of about £1 per gigajoule which makes this one of the cheapest indigenous sources of energy - cheaper, for example, than current North Sea oil or gas developments. 13.3m tonnes of opencast coal yielded us £244m of profits in 1986/87 but this level of output and profit is under threat from the lack of planning permissions. So it was with considerable reluctance that we made this offer to help Mr Francis. You will understand the need to keep this offer confidential since it could be exploited against us at any subsequent public enquiry. Perhaps you will restrict circulation of it accordingly.

If within the two months period the developer does not enter into the necessary commitment, for example because he stipulates for a high level of grant from the UDC, we would trust that it would be accepted on all sides that we should proceed at once with our preferred programme of extracting the coal and preparing the site for development at no cost to the UDC and with considerable financial advantage to the Exchequer.

*Yours sincerely*

*Ken Coopers*

SECRETARY OF STATE'S OFFICE	
TO <i>Mr Atkinson</i>	Copies to
FOR ADVICE (AND DRAFT REPLY IF APPROPRIATE)	<i>PS/PUS</i>
PLEASE BY:	<i>Mr Guinness</i>
<i>URGENT</i>	<i>Mr Buckley</i>
VIA <i>PS/PUS</i>	<i>Mr Hill</i>
	<i>Mr Munn</i>
	<i>Box</i>



CONFIDENTIAL

17th December 1987

H W A Francis Esq  
Chairman  
Black Country Development Council  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands, B69 2DG

I am writing, as agreed, to set out the position we have reached following our discussions about the Patent Shaft site, which is now in the area of the Black Country Urban Development Corporation.

You represented to us strongly that although you were very happy to work with us on a strategic plan for the extraction of coal from sites in the Development Corporation's area, as part of your general programme of redevelopment, you were very anxious indeed that we should withdraw from the Patent Shaft site if that would facilitate its immediate redevelopment by Mr John Hall's company. We explained from our side that we still believe that the best course in everybody's interest, including in particular the national economic interest, would be for us to coal the Patent Shaft site and release it progressively in prepared form for development as speedily as was technically possible.

However after very anxious consideration, I am writing to let you know that we are prepared to meet you on your request on the following understanding:-

- (1) We both intend to agree a strategic programme for the coaling of the other sites in the Development Corporation's area, intended to dove-tail with your development needs. We have already notified to you the sites which we wish to coal. You have kindly said that as far as you can see at present, there should be no obstacle to coal extraction from any of these sites, though you will, of course, want to fit the working of them into your development plans.

- (ii) If, within two months from today's date, Mr Hall enters into a binding contract with you to proceed unconditionally with the development of the Patent Shaft Site, we will withdraw our present planning appeal. If however he does not sign a contract unconditionally within that period, you will support the coaling of the site before development and we will join together in arranging that work to that end will begin as speedily as possible.

I hope that this is helpful.

(sgd.) K. E. Couzens

RGA. Pol. Inner Cities PT12



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JA  
CEBG  
H. Booth

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

13 January 1988

**BLACK COUNTRY**

The Prime Minister was most grateful for the further information in your letter of 11 January to Andy Bearpark. She has commented that the offer British Coal have made to the UDC on the Patent Shaft site does indeed seem reasonable.

(PAUL GRAY)

Stephen Haddrill, Esq.,  
Department of Energy.

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CONFIDENTIAL

P 02958

From: R T J Wilson  
10 December 1987

MR NORGROVE

cc Mr Lean

## INNER CITIES

At the Prime Minister's meeting on inner cities on 30 November, she asked to be reminded to mention to Mr Parkinson a problem which Mr Bill Francis had raised with her during a visit. Apparently the NCB have put in an application to develop a 2-acre opencast site directly opposite the headquarters of the Black Country UDC. If she is seeing Mr Parkinson in the near future you may wish to remind her.

R T J WILSON

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