



Prime Minister

(2)

cc J.V.
P. P. 1

2 MARSHAM STREET
LONDON SW1P 3EB

Mus 4/11

01-212 3434

My ref:

Your ref:

2 November 1982

De Beffoy

ant

ADDITIONAL ENTERPRISE ZONES

Following your announcement on 27 July about our intention to designate additional enterprise zones, my Department has received 55 applications from local authorities and new town corporations in England. I attach a list of these at Annex A. This is indeed a significant response, and reflects both the economic difficulties which face many areas of the country and also, more importantly, a growing willingness on the part of local authorities to adapt to the needs of the business community.

I believe that the case for additional zones continues to be demonstrated by the results which we are seeing in the existing zones. I met the promoters of these zones last week, and the progress review which they gave me was graphic evidence of the achievement of the zones, over little more than a year, in stimulating activity in areas which has previously been in serious decline. I enclose at Annex B a summary of this progress review, which I propose to issue shortly as a press release.

In deciding on the applications for the additional zones in England, I have had regard to the attitude of the applicant authorities, as well as to the development potential of the site proposed and the needs of the areas. I have also aimed at a geographical balance between the additional zones and those already in existence. While a zone as successful as Corby would feel little effect from a competitor in relative proximity, others, especially on Tyneside and in Hartlepool are less strongly placed. Overall I have concluded that particularly strong cases for new zones have been made by eight Authorities in England. This is one more than the seven initially allocated for England but the increase is, I feel, justified by the interest expressed and the quality of the case for the zones I am proposing. In addition, as I explain below, I consider that we should look favourably upon two applications for extensions to existing zones. Details of these zones are at Annex C.

I have considered the applications on a regional basis. In the Northern Region, we received 7 applications, of which that from Middlesbrough had the strongest case on grounds of need. There are, however, already 560 ha of land in the existing zones at Tyneside and Hartlepool. I believe these present sufficient opportunity for enterprise in the Northern Region, and an additional zone could well damage the prospects of those already in place. Therefore in spite of the problems of the area, I am not proposing a new zone.

In the North West, we received 17 applications of which I propose 2 should be accepted. These are in Allerdale, which would be based on redundant BSC land and some serviced industrial sites in Workington; and one in North East Lancashire, which would take in a number of sites programmed for industrial development in the areas of Burnley, Hyndburn, Pendle and Rossendale which are clustered along the M65 corridor.

In Yorkshire and Humberside, we received 8 applications. Again I propose 2 additional zones for this region: one for Scunthorpe, which would include redundant BSC land and a vacant industrial estate, and possibly 21 ha of EIE land nearby; and one for Rotherham.

In the West Midlands, we received 9 applications. I propose a zone for Telford which in September 1982 had the highest unemployment rate in the region (20.9%).

In the East Midlands, there were 6 applications. The only existing zone in this region is Corby, which has itself applied for its zone to be extended on the grounds that only 10% of the zone land remains uncommitted to development. I do not propose that Corby's case be accepted, since I take the view that it has now built up a momentum of development that does not need this particular further boost. I do feel that the region would benefit from the provision of enterprise zone opportunities elsewhere, however, and again I propose two additional zones. One would be in North East Derbyshire where a zone would undoubtedly help mop up some of the unemployment caused by the rundown of the local mining industry. The other would be in Wellingborough, a committed local authority facing an unemployment rate above the regional average and offering a site with good prospects for rapid development.

We received no applications from the Eastern region. In both the South West and Greater London we received 2 applications. Although the clear commitment of the local authority in Wandsworth rendered the bid attractive neither that nor the other sites proposed recommended themselves for enterprise zone designation, and I am recommending there should be no additional zones in these regions.

In the South East we received 4 applications. Of these the strongest cases were made in the bids from Rochester/Gillingham and from Gravesham. I have discussed their bids with the local authorities. As you know the proposed rundown of Chatham Dockyard will cause considerable problems throughout this area and the Councils have now agreed to operate a joint zone with immediately available land in each of the three Authorities. Their bids in aggregate come to some 200 hectares but the Authorities are aware that in discussion with us, the area will have to be reduced to about half that size.

Peter Blaker has written to me advocating the inclusion of some of the dockyard land in the zone. I will be replying separately to him.

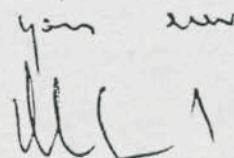
Finally I have had a number of bids for extensions to existing zones. I have dealt with the Corby proposals above. The only two extensions I am keen to approve are those to Wakefield and Speke. In Wakefield, 2 small sites have been proposed as satellites to the existing zone at Langthwaite Grange, one of 15 hectares, the other of 29 hectares. Wakefield have demonstrated that Langthwaite Grange has taken off over the last 12 months, so that virtually all 55 hectares of the zone are likely to be committed within a couple of years. I know that Peter Walker's Department objects to the prospect of development on 13 hectares of the second proposed satellite; I therefore recommend that Wakefield be given an extension of 31 hectares which would be of considerable significance in relieving local unemployment in the mining communities concerned.

At Speke, Liverpool City Council have applied for an extension of the zone to include 2 areas which were left out of the existing zone at designation, as well as a further area of some 40 hectares on the southern airfield of Speke airport. I am not persuaded to drop my original objections to the first 2 areas, but I am recommending that the southern airfield site be given EZ designation. Merseyside County Council intended to concentrate airport operations on the southern airfield, and are looking for private investment to help develop an integrated hotel and terminal complex. The proposed extension, which is contiguous to the existing zone, would enhance the prospects for securing such private investment.

To summarise I am recommending additional zones at Allerdale, North East Lancs, Scunthorpe, Rotherham, Telford, North East Derbyshire, Wellingborough and North West Kent and extensions to existing zones at Wakefield and Speke.

I am anxious to minimise the period of uncertainty which could be a deterrent to new investment in the areas which have submitted bids. I would therefore be grateful for a response by 10 November to allow an early announcement.

I am copying this letter to the Prime Minister, members of E Committee George Younger, Nicholas Edwards and John Nott.

you see


MICHAEL HESELTINE

ADDITIONAL EZs: BIDS RECEIVED

NORTHERN REGION

Sunderland Borough Council
South Tyneside Borough Council
Middlesbrough Borough Council
Aycliffe Development Corporation
Gateshead Metropolitan Borough Council
Stockton on Tees Borough Council
North Tyneside Metropolitan Borough Council

YORKSHIRE & HUMBERSIDE

Scunthorpe Borough Council
Rotherham Metropolitan Borough Council
Great Grimsby Borough Council
Barnsley Metropolitan Borough Council
Doncaster Metropolitan Borough Council
Glanford Borough Council
Kingston upon Hull Borough Council
Wakefield Metropolitan Borough Council

NORTH WEST

Burnley Borough Council*
Hyndburn Borough Council*
Pendle Borough Council*
Rossendale Borough Council*
Tameside Metropolitan Borough Council
Allerdale District Council
Bolton Metropolitan Borough Council
Rochdale Metropolitan Borough Council
Halton Borough Council
Ellesmere Port and Neston Borough Council
Oldham Metropolitan Borough Councils
Skelmersdale Development Corporation
Barrow in Furness Borough Council
Bury Metropolitan Borough Council
City of Manchester Metropolitan Borough Council
City of Liverpool Metropolitan Borough Council
Central Lancashire New Town

WEST MIDLANDS

City of Birmingham
Newcastle under Lyme Borough Council
Sandwell Metropolitan Borough Council
Wrekin District Council
Walsall Metropolitan Borough Council
Cannock Chase District Council
City of Stoke on Trent
Coventry
Worcester

* also submitted a joint bid

EAST MIDLANDS

Wellingborough Borough Council
Corby District Council
Boston Borough Council
Kettering Borough Council
Mansfield District Council
North East Derbyshire District Council

SOUTH EAST

Rochester upon Medway Borough Council
Gillingham Borough Council
Medina Borough Council
Gravesham Borough Council

SOUTH WEST

Plymouth City Council
Woodspring District Council

LONDON

Wandsworth London Borough Council
Hammersmith & Fulham

ENTERPRISE ZONES: PROGRESS REVIEW

Tyneside

In Newcastle, Vickers have almost completed their "Project Dreadnought" development at Scotswood, which comprises 36,000 sq m of new floorspace and will employ 700 people. Clearance of the Elswick site to ground level, to allow for redevelopment, is planned to begin in Spring 1983. The 22 small units built by Mercian Buildings (4,000 sq m in total) are open. Lucas have agreed to buy 1½ acres of the Noble Street site from the City Council. In Gateshead, Legal and General's development of 20 small units on the Team Valley South site has been completed. 7 units have been let; a further 7 are to be occupied by a single company. A proposal for a prestige hotel is the subject of a UDG application.

Hartlepool

All 6 sites on the BSC Sandgate development have been sold. Development of 32 of a planned total of 64 small units within the Longhill IIA has been brought forward to start soon. The 17 companies and 10 small businesses which have set up in the EZ provide a total of 430 jobs. A further 2 companies are to set up in the EZ in January 1983, providing 60 more jobs.

Wakefield

Of the 34 ha of land available for new development at EZ designation, 21 ha has now been developed or had interest expressed in it. 4 of the 5 factories vacant on designation have now been let, and 3 occupied, providing over 100 jobs. 3 out of 4 new factories built by a private developer have also been let, providing 50 jobs.

Salford/Trafford

In Salford, 8 ha of city-owned land have been cleared and serviced. 18,000 sq m of industrial units are under construction, half of which are pre-let. Spine infrastructure has been provided to open up the Manchester Ship Canal Company's development land in the docks. Derelict land clearance has begun on 28 ha of dockland.

In Trafford, the steady take-up of existing premises continues. 48 firms, providing some 700 jobs, have set up in the EZ.

Speke

19 of EEB's 68 "Beehive" units have been sold. The BL plant, comprising 90,000 sq m of vacant floorspace, has been sold to Mersey Pride Enterprise Developments; 2 sites within the plant have been sold on. The redundant buildings on the Dunlop site have been cleared. Plans for the provision of a major sewer on the North Airfield are going ahead, to allow for industrial and commercial development.

Dudley

13,500 sq m of new development has been completed and a further 15000 sq m under construction. Some 360 jobs have been provided of which 236 are in 13 new firms. Terms have now been agreed for the sale of 45 ha, formerly owned by BSC and TI, to a local private developer.

Corby

Of the land originally available for development, only 12 ha (10%) remains uncommitted. Some 1,000 jobs have been provided in the EZ, and a further 2,500 are estimated to be in prospect.

Isle of Dogs

Since designation in April 1982, 12 ha of land have been marketed, 5 ha for speculative developments and 7 ha for owner-occupiers. A further 24 ha has now been released for marketing and will be available in early 1983. Construction of the Daily Telegraph plant is expected to start by the end of the year, and to provide some 2,000 jobs long-term. Conversion work has begun for the Limehouse Productions complex, which is expected to provide 66 permanent jobs initially and possibly a further 130 in the longer term.

Belfast

There has been £10m of new investment in the EZ (£8m private, £2m public). The shortfall of small workshops, for which there is a major demand, is expected to be made good by Summer 1983. 27 companies have set up in the EZ, providing some 190 jobs. A further 10 firms are committed to moving to the EZ, and will provide some 170 further jobs.

Clydebank

124 companies (of which 51 are entirely new) have set up in the EZ. They have plans to provide a total of 1,400 jobs, of which 1,000 are already on the ground.

Swansea

Some 8 ha of land have been brought into development since designation. Construction has begun on some 26,000 sq m of floorspace, and a further 7,500 sq m is committed. 44 firms have moved into or set up in the EZ, providing some 240 jobs. Firms committed to the EZ are expected to provide a further 450 jobs.

ENTERPRISE ZONE APPLICATIONS

(NOTE: details given are taken from local authority applications. Some details, particularly of size, will be refined in discussion with the authorities.)

| Region | Authority | Location of Proposed EZ | Size of Proposed EZ (in hectares) | Rates Payable on Proposed sites in 1982/83 |
|--------|---|-------------------------|-----------------------------------|--|
| NW | Allerdale DC | Workington/Maryport | 67 - 128 | £28,000 - £44,000 |
| NW | Burnley BC) Hyndburn BC) Pendle BC) Rossendale BC) | North East Lancashire | 193 | less than £50,000 |
| NW | Liverpool | Speke | 40 | less than £50,000 |
| YH | Scunthorpe BC | Skippingdale | 96 (21 at EIE estate) | £1,600 |
| YH | Rotherham MBC | Rotherham | 106 | £104,000 |
| YH | Wakefield MBC | Kinsley/Dale Lane | 44 | £8,000 |
| WM | Wrekin DC | Telford | 113 | nil |
| EM | Northeast Derbyshire DC | Holmewood | 93 | nil |
| EM | Wellingborough BC | Wellingborough | 82 | less than £60,000 |
| SE | (Rochester-upon-Medway) (City Council) (Gillingham BC) ((Gravesham BC | Rochester & Gillingham | 138 | £530,000 |
| | | Gravesend/Northfleet | 63 | £142,000 |

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MBPM

MS 12/7

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

12 November 1982

The Rt. Hon. Michael Heseltine, MP
Secretary of State for the Environment,
Department of the Environment
2 Marsham Street
LONDON. S.W.1

Dr Michael

ADDITIONAL ENTERPRISE ZONES

Thank you for your further letter of 10 November setting out your revised proposals for additional zones in England.

I am content with what you propose, and I agree that you should announce this on Monday.

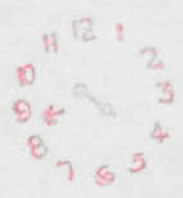
I hope that the Scottish and Welsh announcements can be made at the same time. I am content with George Younger's proposal - his letter of 10 November to me - for a Tayside zone at Dundee and Arbroath. I am also content with Nick Edwards' proposal for a new zone at Flint, and I accept that he should announce that he is considering a further increase in EZ coverage in South Wales. (This is on the understanding that the increase in coverage will be a choice either of a new zone or of an extension to the Swansea zone.)

I am copying this letter to the Prime Minister, to the members of E Committee, and to George Younger, Nicholas Edwards, John Nott, and Sir Robert Armstrong.

[Handwritten signature]

GEOFFREY HOWE

12 NOV 1982





Prime Minister (2)

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

11 November 1982

We've now gone up
to 9 Enterprise Zones

MUS 11/11

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ADDITIONAL ENTERPRISE ZONES

I am most anxious to include an announcement on additional EZs in my statement to the House next Monday.

I have ^{TPM} seen Norman Tebbit's letter of 9 November and Patrick Jenkin's of 10 November. Both have agreed with 6 of the zones I recommended in my letter of 2 November but have commended adversely on my proposal for 2 new zones in the East Midlands and none in the Northern Region.

As far as the East Midlands zones are concerned I believe the zone in North East Derbyshire would assist greatly in relieving the high level of local unemployment which is not reflected in the figures for the TTWA as a whole whilst a zone in Wellingborough would encourage development in the area of this committed local authority where unemployment is above the regional average.

I do acknowledge, however, the high level of need in Middlesbrough which Norman and Patrick have stressed. I therefore propose that the zone in Wellingborough should be cut back below their original bid and that a similar relatively small zone should be allocated to Middlesbrough. Although this would result in 9 zones for England the overall acreage would be broadly in line with that I envisaged for the 8 zones set out in my earlier letter. As I said then the progress being made in the existing zones and the enthusiasm for the EZ concept by the Local Authorities to my mind clearly outweigh the doubts felt by Patrick and Norman over the increase in the number of new zones beyond the 7 originally allocated for England.

On the question of extensions to existing zones I am pleased that Patrick agrees with that for Wakefield. Although both he and Norman express doubts over the Speke extension I believe the opportunity thus provided to bring private investment into this difficult area justifies the addition.

For the reasons set out above I think a decision to establish the 9 new zones and to extend the existing zones at Wakefield and Speke is the right one. I therefore propose to make the announcement along these lines next Monday. No doubt Nicholas Edwards and Geogre Younger will wish to co-ordinate the announcements for Scotland and Wales.

I am copying this to recipients of my earlier letter.

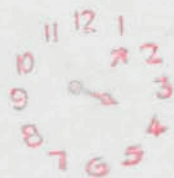
MICHAEL HESELTINE

Rt Hon Sir Geoffrey Howe QC MP

Regional Policy

Review: P14

11 NOV 1982



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MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

NB RM

CONFIDENTIAL

MCS 12/11

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
2 Marsham Street
London SW1P 3EB

11 November 1982

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ADDITIONAL ENTERPRISE ZONES

I have seen a copy of your letter of 2 November to Sir Geoffrey Howe giving details of the proposed additional enterprise zones in England. I am pleased to see that you intend to take my Department's comments on the extension of the Wakefield zone into account and, subject to this, I have no objection to your proposals. We would, however, like to see development of the Scunthorpe and Wellingborough zones phased to allow the agricultural land to remain in production for as long as possible. I should be grateful if you would ask the authorities concerned to bear this in mind.

Copies of this letter go to other members of E Committee, George Younger, Nick Edwards and Sir Robert Armstrong.

Large handwritten signature

PETER WALKER

CONFIDENTIAL

Regional Policy

Review

pt 4

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Prime Minister (2)

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ms 20/11



DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

Secretary of State for Industry

10 November 1982

The Rt Hon Michael Heseltine MP
Secretary of State for the
Environment
2 Marsham Street
London SW1

Dear Michael,

ADDITIONAL ENTERPRISE ZONES

You sent me a copy of your letter of 2 November to Geoffrey Howe with your recommendations for the additional Enterprise Zones which we agreed earlier in the summer should be designated.

2 I am not at all sure that I see the substantial response from local authorities as justification for departing from our earlier agreement on the number of additional zones to be created in the UK generally and in England specifically. Given the fact that the Enterprise Zone concept is still something of an experiment and, as we noted when we agreed on its extension, the paucity of firm evidence on which to base decisions, my own feeling is that we should stick to our original decision and that we should therefore think in terms of seven additions to the experiment in England.

3 So far as the individual candidates are concerned, I strongly support six of those which you recommend: Allerdale, North East Lancs, Scunthorpe (assuming that the EIE aspect can be settled satisfactorily), Rotheram, Telford, and North West Kent (assuming that the details - including the question of including some dockyard land - can be settled satisfactorily).

4 For the seventh zone, however, I do not see either of the East Midlands areas as being particularly strong starters in their own right: although each of them has some industrial and employment problems, they do not seem to me to amount to the kind of run-down areas which the EZ concept is intended to tackle. And this view is greatly strengthened if they are compared with some other applicant areas whose evidence of need is very much greater. I find it difficult to accept, for example, that we could justify establishing two new zones in the East Midlands at the same time as overlooking the North East in this round. Certainly the existing zones at Tyneside and Hartlepool may not be developing as rapidly as some of the others, but given the

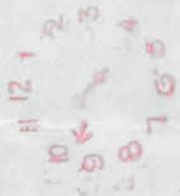


nature of the region generally this is surely only to be expected and can be presented as an argument for trying again here. The Middlesbrough case, as you point out, is a strong one on grounds of need, there is high (and persistent) unemployment and an unsatisfactory industrial structure in that there is over-dependence on a small number of capital intensive industries; the orientation towards smaller firms and service activities which an EZ seems likely to give would be particularly advantageous, therefore. And I understand that your Department and the local authority are already actively involved in regenerating the area and that land is immediately available, so that quick results could be expected. I would therefore see Middlesbrough as by far the strongest candidate for the seventh place. Failing this - or if we were in the event to agree on eight new zones - then I would see a very strong candidate in the North West - Oldham. This is another area where the need is manifest and where the site, I understand, fulfils all the requirements for an EZ. Certainly, of course, there is already an EZ within the Greater Manchester area, but Oldham is just about on the opposite side of the conurbation, so that the risks associated with competition would not seem likely to be great. As for the two extensions you propose, I can see little justification in normal EZ terms for adding the area you suggest to the Speke zone. However, I agree with the small addition you propose to Wakefield.

5 I am copying this letter to the Prime Minister, Geoffrey Howe, other members of E Committee, George Younger, Nicholas Edwards and John Nott.

Yours
Patel

10 NOV 1982



Prime Minister (2)

✓ JV

ms 11/11



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WELSH OFFICE
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Oddi wrth Ysgrifennydd Gwladol Cymru The Rt Hon Nicholas Edwards MP From The Secretary of State for Wales

J. Gert

ms 10/11 November 1982

I have now completed my assessment of the proposals for a second Enterprise Zone in Wales. My immediate conclusion (on the basis of the allocations in your announcement of 27 July) is that a site in North Wales, at Flint, should be designated. In total I received 10 applications from authorities in all parts of urban Wales but I regard the claims of North Wales and of Delyn BC in particular, as the most pressing. You will recall that at the time of the first round of designations we considered the idea of designating a site at Shotton as well as the Swansea zone. The area has suffered particularly from the rundown in steel and textiles. The rundown at Shotton and the closure of Courtaulds Mills have made the heaviest contribution to a loss of over 6,000 in major employers in recent years and helped to lift current male unemployment levels to 19.3% with significantly higher levels in the town of Flint itself.

The site I have in mind following preliminary discussions with the local authority is in the centre of Flint and to the north west and totals about 245 acres (including three derelict Courtaulds Mills). This latter derelict land will take time to clear and develop but adjacent to it are other parcels of land, some serviced, some in the process of development and some with available advance factory accommodation. The site in fact provides a basis for both short and longer term development, with both public and private sectors available to play a part. The rates payable on the proposed zone in 1982/83 are £226,600 - not exceptional for an area of this size and type.

I hope an early announcement can be made, presumably as part of a package covering all four countries. I see however from Michael Heseltine's letter of 2 November that ideas are being canvassed for additional allocations in England, beyond those in the 27 July announcement, and extensions of existing zones.

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
Treasury
Parliament Street
LONDON SW1P 3AG

/I am ...



I am not sure about the sense of departing from the basis agreed in July, but if Michael's list is agreed I would want (in line with my earlier wish to plan for two additional zones in Wales) to see some further corresponding increase in EZ coverage in Wales beyond the existing Swansea and the proposed Flint zones. Local authorities in Wales with unsuccessful claims would, I believe, otherwise have cause for complaint and Swansea might not unreasonably ask why they had not had the opportunity to present a case for expansion - an opportunity so far denied to them.

I am sending copies of this letter to the Prime Minister, members of E Committee, George Younger and John Nott.

J. *as*

Nick
—



2 m/s
SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Prime Minister (2)

Ms 11/11

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON
SW1P 3HE

10 November 1982

Dear Geoffrey,

I am grateful to Michael Heseltine for sending me a copy of his letter to you of 2 November about the bids in England for next round of Enterprise Zones.

The response in Scotland has been even more enthusiastic than I had expected and I have had 25 applications for the one zone on offer.

I would like the new zone to be in the east of Scotland and well clear of competition with Clydebank and have therefore decided to establish a Tayside zone, with sites at Dundee and Arbroath. This would be subject to further consultations with the local authorities about their cooperating in a combined zone on separate sites. This has considerable political advantages compared with concentrating solely on sites in Dundee. I hope it will be possible to make the Scottish announcement in parallel with Michael Heseltine's announcement, which I now understand is scheduled for Monday 15 November.

I am copying this letter to the Prime Minister, to the members of E Committee, and to Nicholas Edwards and John Nott.

Yours Wes,
George.



REGIONAL POLICY

9/11

Caxton House Tothill Street London SW1H 9NAF

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Prime Minister (2)

Enterprise Zones

seen to be a flop.

MS 9/11

The Rt Hon Michael Heseltine MP
Secretary of State
Department of the Environment
2 Marsham Street
LONDON SW1

9 November 1982

Dear Secretary of State

ADDITIONAL ENTERPRISE ZONES

Thank you for sending me a copy of your letter to Geoffrey Howe of 2 November about your choice of new Enterprise Zones (EZs).

As you know, I expressed reservations about your original proposal to establish further Enterprise Zones (my letter of 28 April 1982). My concern was that although some of the existing zones had had a good psychological impact locally, there was as yet little concrete evidence that the benefits of the EZs were commensurate with their costs. Since then, of course, we have received the draft Year Two Report of the EZ monitoring study which has uncovered no concrete evidence of EZs having produced any net gain at a national level and little evidence of net gains at local level. The other important point to emerge from that study is the extent of public expenditure required for infrastructure and site preparation in the EZs, which was not of course taken into account in estimating the cost of the original EZ package. In the light of all this I remain concerned about the value of creating more EZs in England than the seven we originally agreed in July, and the possible extensions of existing zones. I might add that I find it hard to fit the extension of the Speke zones into any of the normal criteria for EZs.

If the proposed increase does go ahead I have to say that I am very surprised that your list includes no sites in the Northern Region. I find it difficult to see how we could defend this, bearing in mind that the Northern Region has the highest unemployment rate in Great Britain. I fully accept that at present Northern Region has the greatest share of EZs in terms of total area covered. However, people do not generally see the position in those terms, but in terms of the number of zones in each Region. And on the basis of your proposals the score would add up to four EZs for the North West, three each for Yorkshire and Humberside and the East Midlands and only two



for Northern Region. This surely cannot be right. Furthermore, I cannot see how establishing an EZ in Middlesbrough, the strongest case on grounds of need in Northern Region, could really damage the prospects of existing EZs in the Region. How can we justify ignoring a candidate like this whose unemployment rate is currently 20.1% (Teesside travel to work area) and yet include in the list Wellingborough with unemployment at 14.4% and North East Derbyshire where the rate for the local (Chesterfield) TTWA is 14.5%? I do feel that you should drop the two latter sites and include a candidate from Northern Region instead.

I am copying this letter to the Prime Minister, members of E Committee, George Younger, Nicholas Edwards and John Nott.

Yours sincerely

Christine Haworth

(Approved by the Secretary of State
and signed in his absence)

REGIONAL POLICY: CREATION OF ENTERPRISE ZONES PT 4.

29 NOV 1982

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