

010 PA



Note for file  
I have questioned some of the  
jargon in his statement. Making with  
anyway be redrafting. W/M  
1/2

Prime Minister

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now King mentioned in Cabinet  
his intention to make this statement.  
Content with the draft at A?

My ref:  
Your ref:  
10 February 1983

Yes - I have not been  
through it. W/M  
in detail - would  
you have - look at the  
wording

Dear Willie

INNER CITIES STATEMENT

My Secretary of State would like to make an early oral statement in  
the House on inner city matters.

We have now reached a stage with various recent initiatives - the new  
urban development grant (UDG), the derelict land grant Category 'A'  
programme, and the promotion of the status of certain local authorities  
under the urban programme - where my Secretary of State considers  
that there is a substantial package of good news for the Government  
which merits an oral statement and the attendant publicity.

/ A first draft of such a statement is attached. As it explains, the  
UDG scheme and the derelict land grant programmes should attract private  
sector capital investment of some £240m to inner city areas, at a cost to Govt. of  
only £40m in grant to remove the negative value of such schemes (eg  
by reclaiming derelict land or restoring dilapidated buildings) - a  
very substantial gearing of private to public sector money. There  
are also more UDG schemes in the pipeline for 1983/4.

My Secretary of State is now also in a position to announce (following  
consultation with colleagues) the promotion of a number of local  
authorities under the urban programme, which will secure a greater  
concentration of resources in those areas.

The statement may also need to contain an announcement that we shall  
shortly be introducing a short Bill to rectify a minor technical  
anomaly in the legislation relating to UDG. My Secretary of State  
has secured the approval of colleagues on H, QL and L Committees to  
this. There is, however, a parliamentary question on this subject by  
Mr Kaufman for answer by the end of today and my Secretary of State  
is now considering whether the reply to that question would be the  
better vehicle for this particular announcement.

He has  
decided  
that it  
would  
W/M

I understand from the Lord President's Office that from the point of  
view of business, it would be possible for the statement to be made  
next Tuesday 15 February. I would be grateful if you could establish  
whether the Prime Minister would be content with this.

I am copying this to the Private Secretaries to the Lord President, the  
Chief Whip, the Leader of the House of Lords, the Chancellor of the  
Duchy of Lancaster, the Home Secretary, the Chief Secretary, and the  
Secretaries of State for Scotland and Wales, and to Bernard Ingham.

Yours sincerely, Roger Bright

URBAN DEVELOPMENT GRANT AND S137 OF LOCAL GOVERNMENT ACT 1972 -  
PASSAGE ON NEED FOR LEGISLATION (*Subject to further revision and shortening*)

Urban Development Grants will be paid to local authorities on approved projects under Section 1 of the Local Government Grants (Social Need) Act 1969 towards expenditure which they are required to incur to deal with special social need in urban areas.

Local authorities may incur expenditure on Urban Programme and Urban Development Grant projects under Section 137 of the Local Government Act 1972, which is a qualified general power, and under a wide range of specific powers, and it is for them to satisfy themselves that their powers are adequate for their purposes.

However, some authorities have expressed doubts about their powers under Section 137 of the local Government Act 1972 to grant aid land acquisition and building works comprised in projects approved for Urban Development Grant because one of the specific powers conferred on them is to make loans for these purposes. I am advised that there is sufficient ground for doubt that it would be right to amend the law in England and Wales to clarify the matter. I intend to do this at the earliest opportunity. In the meantime, I am prepared to pay Urban Development Grant towards expenditure incurred for those purposes on approved schemes. I hope that my intention to amend the law will reassure any authorities who have such doubts and enable them to press ahead..

*This information will  
be given in a written  
answer to Mr Kaufman  
today.*

*Wk  
4/2*

1. With permission, Mr Speaker, I will make a statement about 3 important steps which seek to improve the depressed industrial areas of our country.

2. The Urban Development Grant scheme was launched last April to provide fresh stimulus to the economic regeneration of our urban areas. I am pleased to announce today my approval in principle to a first batch of (40) projects. All these claims have been worked up in partnership with the private sector. Details are being placed in the Library.

3. The (40) projects now approved represent total investment of about (£50m). A key factor of the UDG schemes is that public funds are used to *alter and?* lever significant private sector investment which would not otherwise have taken place. In these first projects ~~some~~ (£10m) of UDG will lead to (about (£40m)) additional private sector investment - a gearing ratio of 1 to 4. Most of the UDG expenditure on these schemes will take place in 1983/4.

4. These projects cover a wide range of imaginative schemes including the restoration and conversion of derelict buildings for offices and industrial purposes, the development of decaying buildings or derelict sites. The conversion of run-down estates for inner city housing for sale; recreational and sporting projects; and other schemes for restoring commercial and industrial activity. Together they bring considerable new jobs to our inner city areas. Details are being placed in the Library.

*complete* 5. These schemes are amongst the most straightforward and fully worked up of those submitted in the first bidding round. They can therefore start soon. Many of those still before us are large and complex. The detailed work needed on them with the local authorities and private sector interests, is still proceeding. I will announce further approvals as soon as possible. Local authorities whose projects are not approved for Urban Development grant are being notified individually.

6. (Passage on S137 problem if not dealt with before statement by written PQ - <sup>first draft of</sup> text attached on separate sheet.)

7. The success of the scheme is such that I have decided that the Urban Development Grant scheme will continue for a further year. Local authorities will have two opportunities to bid for grant for 1984/5.

The closing date for the main bidding round will be 31 July 1983. Applications for any resources uncommitted after this first round may then be made at any time up to 31 January 1984. More detailed information about the arrangements will be issued in due course.

8. The derelict land scheme has also been used to attract large amounts of private investment to urban areas. This year, for the first time, the scheme includes a special Category A designed to secure immediate development by private firms of land reclaimed by local authorities.

9. The 50 projects now approved represent total investment of £230m. As with UDG, a key feature is the attraction of major private sector investment which would not otherwise go ahead. For these Category A projects, £30m of DLG will lead to £200m additional private sector investment (- a gearing of 1 to 6). About £15m of the £30m will be spent in 1983/4 - twice as much as for this year's scheme.

10. The 1983/4 programme will also contain a substantial quota of Category B schemes. These are aimed at more general environmental and economic improvement. The amount allocated to new Category B schemes will be about £10m more than this year. Prominent among these is £2m for the start of reclamation of the former Workington Steel Works and £3m for an expansion of Operation Groundwork in the North West - a major experiment in dealing with the unhappy fringes of the older towns.

11. Including the substantial amount for ongoing commitments on schemes continuing from this year to next, the total expenditure on derelict land reclamation aimed at for 1983/4 is £75m - as against some £45m this year.

12. I have also been reviewing the need to extend the list of local authorities needing special recognition for their urban problems.

13. With effect from 1 April this year I intend to add Blackburn, Brent, Coventry, Knowsley, Rochdale, Sandwell, Tower Hamlets, and Wandsworth to the list of authorities invited to draw up comprehensive programmes for tackling inner area deprivation. Of these, Coventry and Knowsley will need to be formally designated under section 1 of the Inner Urban Areas Act 1978. The other new programme authorities are already designated and will have resource allocations to enable them to take advantage of their new status.

14. I intend also to designate Burnley, Langbaugh and Walsall under the Act to make resource allocations comparable to those of other designated districts.

15. All the resources required for these changes come from the provision announced by my Rt Hon Friend on 15 November, which increased urban programme expenditure by 29% to £348m in 1983/4.

(16. In making this selection I have, among other matters, taken into account data from the 1981 Census, which I am publishing in the Official Report. An information note on urban deprivation is being placed in the Library of the House, which explains the statistical analysis on which the selection is based.)

17. Taken together these announcements represent a very significant contribution to the battle against inner city decay and urban deprivation. They will be widely welcomed.



Reg Pd

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My ref:

Your ref:

15 February 1983

Dean Willie <sup>WW 15/2</sup>

NEW URBAN INITIATIVES: STATEMENT

/ I attach the final version of the statement which my Secretary of State will be making this afternoon on new urban initiatives. It will be repeated in the House of Lords by Lord Bellwin.

Copies go to the private secretaries to the Lord President, the Leader of the House of Lords, the Chief Whip (Commons and Lords), the Chancellor the the Duchy of Lancaster, the Home Secretary, the Chief Secretary, the Secretaries of State for Scotland and Wales, and to Bernard Ingham.

Yours sincerely  
Roger Bright

ROGER BRIGHT  
Private Secretary

NEW URBAN INITIATIVES: STATEMENT BY RT HON TOM KING MP, SECRETARY OF STATE FOR THE ENVIRONMENT

TUESDAY 15 FEBRUARY 1983

With permission, Mr Speaker, I wish to make a statement about 3 important measures to improve the older industrial areas of our country.

First, I have reviewed the list of local authorities who need special recognition because of the scale of their urban problems.

With effect from 1 April this year, I intend to add Blackburn, Brent, Coventry, Knowsley, Rochdale, Sandwell, Tower Hamlets, and Wandsworth to the list of Programme authorities.

I intend also to designate Burnley, Langbaugh and Walsall under the Inner Urban Areas Act 1978.

In the case of all these authorities I shall make resource allocations to support approved programmes of work appropriate to their new status.

In making this selection I have, among other matters, taken into account an analysis of urban deprivation based on new data from the 1981 census.

I am placing an information note on urban deprivation in the Library of the House and I am publishing the relevant data from the 1981 census in the Official Report.

I now turn to the 2 important schemes that the Government has launched in which public funds are used to attract substantially greater amounts of private investment to the older and more derelict areas of our towns and cities.

The first of these - the special Category A derelict land grant scheme - has been designed to secure immediate development by private firms of land reclaimed by local authorities.

I am today approving £30m of derelict land grant for 46 projects which will lead to £200m of additional private sector investment. This represents a total investment of £230m - an impressive ratio of 1 to 6 of public to private sector funds.

I am placing details of the projects in the Library.

The 1983/4 programme will also contain a substantial quota of Category B schemes totalling over £40m aimed at more general environmental and economic improvement.

The amount allocated to new Category B schemes will be some £17m, about £10m more than this year.

Prominent among these is £2m for the start of reclamation of the former Workington Steel Works and £3m for an expansion of Operation Groundwork, the imaginative scheme in the North West to tackle the particular problems of the derelict twilight zones around our towns. In addition, I am making a special allocation of £10m for reclamation on Merseyside.

I now turn to a further major initiative to help revitalise our inner city areas.

The Urban Development Grant scheme was launched last April.

This scheme is also designed to use public funds to attract much larger resources from the private sector so as to provide fresh stimulus to the economic regeneration of our urban areas.

I am pleased to tell the House that this scheme has attracted a very substantial response.

I am able to announce today my approval in principle to a first batch of 41 projects.

All these projects involve partnership with the private sector.

I am placing details in the Library.

These schemes are amongst the most straightforward and complete of those submitted in the first bidding round and are able to start soon.

Some projects have not been approved and in these cases the individual authorities are being notified.

Those still before us include some of the larger and more complex schemes which inevitably take longer and on which detailed work is still proceeding.

I will announce further approvals as soon as possible.

The first 41 projects I have approved today cover a wide range of imaginative schemes, including the restoration and conversion of derelict buildings for offices and industrial purposes; the re-development of decaying buildings or derelict sites; the conversion of run-down estates for inner city housing for sale; recreational



and sports projects; and other schemes for restoring commercial and industrial activity.

Nearly 4,000 construction and permanent jobs will be retained or created by these projects.

These projects involve about £10m of public money leading to additional private sector investment of £40m, making a total of £50m of investment altogether.

This represents a ratio of public to private sector money of 1 to 4 and I expect the bulk of the expenditure on these schemes to take place in 1983/4.

In the light of the excellent response to the urban development grant scheme I can tell the House that it will certainly continue for a further year.

I shall be advising local authorities of the bidding procedures in due course.

Mr Speaker, the measures I have announced will ensure a greater concentration of effort and resources in some of our most needy areas. In particular the special Derelict Land Grant and Urban Development Grant schemes are an exciting new approach in using public funds to achieve the maximum impact in those areas.

The approved projects cost the public purse £40m.

But the benefit to the community is much greater because the substantial additional resources attracted from the private sector will lead to total investment of nearly £300m.

I believe that this announcement makes a significant step forward to tackling some of the urgent problems of dereliction and economic decline in our towns and cities.

It will provide substantial job opportunities and I commend it to the House.

## New Urban Initiatives

3.30 pm

**The Secretary of State for the Environment (Mr. Tom King):** With permission, Mr. Speaker, I wish to make a statement about three important measures to improve the older industrial areas of our country.

First, I have reviewed the list of local authorities that need special recognition because of the scale of their urban problems. With effect from 1 April this year, I intend to add Blackburn, Brent, Coventry, Knowsley, Rochdale, Sandwell, Tower Hamlets and Wandsworth to the list of programme authorities. I intend also to designate Burnley, Langbaugh and Walsall under the Inner Urban Areas Act 1978. In the case of all these authorities, I shall make resource allocations to support approved programmes of work appropriate to their new status.

In making that selection I have, among other matters, taken into account an analysis of urban deprivation based on new data from the 1981 census. I am placing an information note on urban deprivation in the Library of the House and I am publishing the relevant data from the 1981 census in the *Official Report*.

The Government have launched two important schemes in which public funds are used to attract substantially greater amounts of private investment to the older and more derelict areas of our towns and cities. The first of these—the special category A derelict land grant scheme—has been designed to secure immediate development by private firms of land reclaimed by local authorities.

I am today approving £30 million of derelict land grant for 46 projects that will lead to £200 million of additional private sector investment. This represents a total investment of £230 million—an impressive ratio of one to six of public to private sector funds. I am placing details of the projects in the Library.

The 1983-84 programme will also contain a substantial quota of category B schemes totalling over £40 million aimed at more general environmental and economic improvement. The amount allocated to new category B schemes will be some £17 million, about £10 million more than this year. Prominent among those is £2 million for the start of reclamation of the former Workington steel works and £3 million for an expansion of Operation Groundwork, the imaginative scheme in the north-west to tackle the particular problems of the derelict twilight zones around our towns. In addition, I am making a special allocation of £10 million for reclamation on Merseyside. Overall, I have increased the total planned expenditure on the derelict land programme from £45 million this year to £75 million in 1983-84.

There is a further major initiative to help revitalise our inner city areas. The urban development grant scheme was launched last April. This scheme is also designed to use public funds to attract much larger resources from the private sector to provide fresh stimulus to the economic regeneration of our urban areas. I am pleased to tell the House that that scheme has attracted a very substantial response. I am about to announce today my approval in principle for the first batch of 41 projects. All those projects involve partnership with the private sector. I am placing details in the Library.

Those schemes are among the most straightforward and complete of those submitted in the first bidding round, and

can start soon. Some projects have not been approved and in those cases the individual authorities are being notified. Those still before us include some of the larger and more complex schemes that inevitably take longer and on which detailed work is still proceeding. I will announce further approvals as soon as possible.

The first 41 projects I have approved today cover a wide range of imaginative schemes, including the restoration and conversion of derelict buildings for offices and industrial purposes; the redevelopment of decaying buildings or derelict sites; the conversion of rundown estates for inner city housing for sale; recreational and sports projects; and other schemes for restoring commercial and industrial activity. Nearly 4,000 construction and permanent jobs will be retained or created by these projects.

The projects involve about £10 million of public money leading to additional private sector investment of £40 million making a total of £50 million of investment altogether. That represents a ratio of public to private sector money of one to four, and I expect the bulk of the expenditure on these schemes to take place in 1983-84.

In the light of the excellent response to the urban development grant scheme, I can tell the House that it will certainly continue for a further year. I shall be advising local authorities of the bidding procedures in due course.

The measures I have announced will ensure a greater concentration of effort and resources in some of our most needy areas. In particular, the special derelict land grant and urban development grant schemes are an exciting new approach in using public funds to achieve the maximum impact in those areas. The approved projects cost the public purse £40 million. But the benefit to the community is much greater because the substantial additional resources attracted from the private sector will lead to total investment of nearly £300 million.

This announcement makes a significant step forward to tackling some of the urgent problems of dereliction and economic decline in our towns and cities. It will provide substantial job opportunities, and I commend it to the House.

**Mr. Gerald Kaufman (Manchester, Ardwick):** Anybody who qualifies for the schemes will be grateful for what is made available, and the statement is to be welcomed on that account. The Opposition will study the details with care and interest. But is it not a comment on the Government that areas in the formerly prosperous west midlands such as Coventry and Sandwell, have had to be added to the list of areas suffering from deprivation?

How many jobs overall does the Secretary of State estimate will be created by his statement? I should be grateful if he would distinguish between jobs that are retained and those that are created. He spoke of 4,000 retained or created jobs in the construction industry. How many will be created, and how many retained? They must be set against the 200,000 construction jobs that have been destroyed by the Government's policies on the construction industry.

How much new money will be committed to the programmes under all the headings? The right hon. Gentleman's statement is unclear—perhaps deliberately so. He said that he is providing an analysis of urban deprivation and that it will be available in the Library. Will he provide an analysis of Government deprivation for the same places? How much money is being lost to those areas

widows of world war 1 and world war 2 more generously and that the coming Budget should provide a start in that direction? [HON. MEMBERS: "Hear, hear."]

**The Prime Minister:** My hon. Friend will know of this Government's excellent record on the treatment of war widows, the number of times that pensions have been increased, and the fact that we have taken away taxation on war widows' pensions. They have it totally free of taxation. I hope that we shall be able to continue this excellent record.

**Miss Boothroyd:** As the right hon. Lady does not accept that her Government's invitation to civil servants to join a private health scheme is a further mechanism to weaken the National Health Service, will she at least admit that this latest move gives the lie to her statement at the Tory party conference that the Government care for the Health Service and that the Health Service need have no fears while this Government are in office?

**The Prime Minister:** The Health Service is there. This Government have made more resources available. The Government have seen to it that more resources have been spent on the Health Service during our period of office than during the period of office of the Labour Government, and that there are more doctors and more nurses. But, fortunately, under this Government we still have a free country and people are free to spend their money on private health if they wish. I notice that the Labour party would take away that freedom if ever it were returned to office—but I do not believe that it will be.

**Mr. Churchill:** Has my right hon. Friend seen the most interesting evidence produced by *The Sunday Times* in its two most recent issues to the effect that, while President Carter was seeking to persuade the Labour Government to accept a modernisation of NATO's nuclear weapons based on submarine offshore systems, it was specifically the

senior members of the Labour Cabinet who were pressing the United States President for land-based systems, which would be based in the United Kingdom? Since that is the case, does not my right hon. Friend think it somewhat strange that they should now sing such a different song when in Opposition?

**The Prime Minister:** I saw that most revealing article in *The Sunday Times* but I prefer to rely on the communiqués of the NATO group during the lifetime of the Labour Government and also on what the then Shadow Secretary of State for Defence, the right hon. Member for Stockton (Mr. Rodgers), said in the House on 24 January 1980. Speaking then for the Labour party, he said that

"We accepted the need to move ahead on the proposed timetable"—

That was after the announcement of the decision to base cruise and Pershing in Europe. He went on:

"It was the view of the previous Government that theatre nuclear modernisation was essential and that is our view today."—[*Official Report*, 24 January 1980; Vol. 977, c. 691.]

Q4. **Mr. William Hamilton** asked the Prime Minister if she will list her official engagements for 15 February.

**The Prime Minister:** I refer the hon. Gentleman to the reply that I gave some moments ago.

**Mr. William Hamilton:** Will the Prime Minister take time today to consider the possibility of abolishing the Honours List, having given knighthoods to such vagabonds as Sir David English and Sir Freddie Laker?

**The Prime Minister:** No. Perhaps the hon. Gentleman would make inquiries to discover which Government gave Sir Freddie a knighthood. I am sure that it was well deserved at the time it was given. We receive requests from all parts of the House to forward names to the appropriate quarters for consideration for honours. Those who receive honours usually well deserve them.