

CONFIDENTIAL

1. MR. TURNBULL *AT 18/9*
2. PRIME MINISTER

c. Mr Alison
Mr Ingham

VISIT TO LIVERPOOL:
POSSIBLE MEETING WITH THE CITY COUNCIL

*May we have a
was not
MB*

As soon as you arrive in Liverpool you will be besieged with requests (or more probably "demands") to meet the City Council. We need to decide how best to handle this pressure.

Patrick Jenkin is nervous about your seeing the City Council at all - he knows from bitter experience how unpleasant an ordeal this can be. On the other hand he recognises that your instinct may well be to confront your critics, rather than avoid them.

For that reason, I would favour a meeting with a small group of Councillors, consisting of the Leader, the Chief Executive (who is a restraining influence), and up to four others. The numbers cannot be less than this because the City Labour Party is split into factions, each of which will expect to be represented. The meeting would be unlikely to produce anything, except a statement of two diametrically opposed points of view; but it would deprive the Council of the propaganda advantage which refusing to see them would provide. You could if you wish follow it with a meeting with the Conservative Group (though you will be entertained by the Party in the course of the day).

If you agree to a meeting, we could at this stage ask DOE to make the arrangements as for a meeting with the Secretary of State. We need not divulge the details of your programme in the City. But we would probably need to give the Councillors some minimal advance notice that they will

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in fact be meeting you - a telephone call the night before would be sufficient, and would not give them too long to organise "Rentamob".

No

Agree:

(i) a short meeting with the Leader, the Chief Executive and up to four other Councillors?

No (ii) they should be told the previous night, but not before, that the meeting will be with you as well as the Secretary of State?

Would you like a formal meeting with the Conservative Group as well?

Dmb

DAVID BARCLAY

18 September 1984

BIOGRAPHICAL DETAILS

MEETING WITH CITY COUNCIL

Alfred Stocks, Chief Executive: Chief Executive since 1973 and immediate past-President of the Society of Local Authority Chief Executives. Joined Liverpool City in 1951, appointed Deputy Town Clerk in 1969. Wise and articulate, but in the Town Clerk tradition, not a Chief Executive.

Cllr Tony Byrne, age mid 40s, has been a member of the Council since 1980. He is Chairman of the Economic Development Committee, the Performance Review and Financial Control sub-committee, and the Allocation and Services sub-committee. He is a member of the Housing and Building Committee, the Policy and Finance Committee and the Social Services Committee.

He is also a member of HANDS - a voluntary organisation offering advice on people's rights and particularly welfare benefits.

Cllr John Hamilton; leader of the Council and retired headmaster he has served on the Council since 1959. He is Chairman of the Policy and Finance Committee and member of Planning and Land Committee, Economic Development Committee and the Education Committee.

He is said to be in the hands of the left wing.

Councillor Derek Hatton (35) Deputy Leader of Liverpool City Council. A left wing politician who is Chairman of Personnel Committee and Deputy Chairman of Policy and Finance. He is employed by Knowsley MBC Social Services Department.

Councillor Tony Mulhern (45) Chairman of the District Labour Party. A left wing politician active in the current dispute at Cammel Lairds shipyard in Birkenhead. He is a member of the Policy and Finance Committee, the Housing and Building Committee and the Personnel Committee. Although holding no official position higher than committee membership he is a very influential figure in the City policies.

Councillor Ken Stewart (61) has served on the Council since 1964. He is Chairman of the Housing and Building Committee, was unemployed until recently elected as Euro MP for Merseyside West and sits on Policy & Finance, Planning & Land and Economic Development Committees. Though extreme left he is not an originator but sees himself as a hard man in the Party.

DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
DENVER, COLORADO

-2 OCT 1984



LIVERPOOL

INTRODUCTORY BRIEF

In the past 25 years Liverpool has lost about 30% of its population. Unemployment has risen from 3% to almost 19% over the same period. This despite extensive Government support over a number of years (£1 billion in each of the past 3 years has been spent on Merseyside as a whole - Annex A).

HOUSING

Considerable parts of the city display poor housing conditions, high level of social stress and poor living environment. A separate housing brief is at Flag 3.

ECONOMY

The local economy has been relatively weak for decades. During most of the post-war period local unemployment rates have been twice the national average. The main reasons are:-

- run-down of the port and port-related activities.
- Over representation of low value added businesses (e.g. food processing) operating in highly competitive markets and under-representation of new technology industries.
- High proportion of manufacturing employment in large branch plants particularly vulnerable to rationalisation (e.g. British Leyland) and retrenchment during the recession.
- Manchester is the regional centre and provides strong competition for development of white collar service employment.
- Poor industrial relations image.

The economic prospects for the area remain very difficult. Many successful companies remain however, new investment is going ahead and there are examples of good co-operation between management and trade unions.

LOCAL GOVERNMENT

The proposed abolition of Merseyside Metropolitan County Council and the activities of the politically extreme Liverpool City Council are major issues. Both the County and City Councils are refusing to co-operate over abolition arrangements.

Following the making of a balanced budget in July, the City Council has continued its campaign to elicit more Government resources. There is no sign of any real attempt being made to reduce expenditure. Indeed initial bids for capital and revenue expenditure in 1985/86 are expected to be well in excess of provisional allocations and targets. Merseyside County Council is also a high spender. It is to be "rate capped" in 1985/86.

GOVERNMENT MEASURES

The thrust has been to create the right climate for investment and to improve living conditions, tackle physical dereliction and upgrade the environment. The principal measures taken by Government are:-

- Designation of Merseyside Special Development Area - considerable aid to industry over many years
- Support for local authority programmes through Rate Support Grant and other subsidies with specific grants to tackle derelict land and the Urban Programme.
- Creation of the Merseyside Development Corporation to be responsible for regenerating the derelict docklands.
- Designation of Enterprise Zone and Freeport.
- Manpower Services Commission activity aimed at improving skill levels and enhancing employment opportunities.
- Creation of the Merseyside Task Force to co-ordinate activity of Government Departments and carry through new initiatives.

The main examples of Government financial assistance to Liverpool are at Annex A and B.

CURRENT LOCAL ISSUES*A. LIVERPOOL

1. Budget - To achieve a legal Budget Liverpool have resorted to once and for all measures that cannot be used again. This has provided a breathing space, but not solved the problems. The Council must now make fundamental changes to put its finances on a firmer footing.
2. Rate Support Grant - Liverpool's provisional expenditure target for 1985/86 is £222M; the 1984/85 budget estimate is £221M. The target is a tough one because likely outturn for the current financial year could be about £240M.
3. St George's Hall - There is wide interest in the future of this prominent Liverpool landmark, owned by the City Council, and which will have closed by the 2nd October. Many proposals have been made for future uses. It is for the Council to consider these ideas although they have been reluctant to do so. Financial assistance could be available from the Department of the Environment, but first the City must provide a package of proposals.
4. York House Liverpool Settlement - This is a voluntary organisation which has been active in Toxteth for some 70 years. It has run a Youth/Sports Club on the Anglican Cathedral precinct site which is currently being developed for housing. The Club must be relocated to enable the development to be completed as planned. Compensation has been offered by the developers (Housing Corporation) and an alternative site, in City Council ownership, found. Agreement to purchase this site had been reached and contracts arranged for the construction of new premises when the City Council decided to go back on their agreement and hang on to the site. Their reasons are that the Sport and Community facilities proposed for the land would not fit into their strategy. They have said that they want the public sector resources which would have gone into the project to be directed elsewhere. They have been told that this is not possible. The City Council stance has given rise to much local controversy.

B. MERSEYSIDE

1. Merseyside County Council: Abolition - The County Council have mounted a strong campaign against their abolition. They have received support from the Labour Councils of Liverpool, St Helens and Knowsley as well as many local organisations ^(including) including the Chamber of Commerce. *The Chamber have recently changed their position, and no longer support abolition of the County*
2. Merseyside County Council: Rate-capping - Merseyside have been selected for rate limitations in 1985/86. Their expenditure level for that year has been set at £205M, which is a cash standstill from this year's budget. The County claim that the level of expenditure set will mean a cut of about 16%. They have been told that they can make a case for redetermination.

* Not covered elsewhere in the briefing.

3. Capital Spending Restraint 1984/85 - Of the six Merseyside authorities the only one known not to be co-operating is Liverpool, but Wirral face difficulties because of commitments to housing improvement grants.

4. Miners Strike - Merseyside County Council is proposing to give £5,000 per week to the Miners Welfare Centre in St Helens. Liverpool are making Council facilities available for food collections etc. In the context of the strike local authorities are unjustified in placing an extra burden on their ratepayers to support the strikers.

5. Drug Abuse - This is a serious problem on Merseyside. Under the Urban Programme Wirral are providing £140,000 for a Drug Counselling Service. The Government is committed to playing its part in concerted action by Health Authorities, Local Authorities, Government Departments and the voluntary sectors.

6. Tunnel Tolls - There is considerable pressure in the area to have these tolls scrapped and the outstanding debt on the two tunnels, which could reach £115M by the end of 1989, written off by the Government.

MEETING WITH LIVERPOOL COUNCIL REPRESENTATIVES : HOUSING ISSUES

There can be no dispute that housing conditions on Council estates particularly in inner Liverpool and also on some outlying estates, are appalling. The current conditions are the legacy of unpopular high rise and high density buildings and totally inadequate and insensitive management and maintenance. Rents are high and the service to tenants is poor.

The issue is not whether there is a problem but how it should be tackled. The present Council take the view that all available resources should be concentrated on a major programme of physical works. The approach is dominated by municipal activity. Substantial demolition and major new Council house building is proposed. The private sector contribution and tenants views are largely ignored.

Liverpool's bid for Housing Capital Resources (HIC) for 1985/6 is £132.45m. £108m relates to new build refurbishment and repair of the public sector stock. The bid is unrealistic; the City does not have the capacity to sustain a programme of that size.

The allocation for 1984/5 was £38.5m. Estimated expenditure this year is £67m. This will be achieved by using to the full accumulated capital receipts. The Council does not intend to comply with the Government's call for voluntary restraint on the use of such receipts.

Line to take: The Prime Minister may wish to draw on the following points:

- i) clearly there is a problem. The issue is not whether conditions in the housing estates need to be improved, but how.
- ii) public expenditure must be carefully controlled and that includes housing and the urban programme. The City's approach is expensive. There is always a need to develop the most cost-effective approach.



- iii) demolition of stock should be a last resort. Other options including refurbishment; better maintenance, the potential private sector contribution should be considered first.
- iv) there is a need for the local authority to harness all available resources, public and private and the resourcefulness of the local community in tackling housing problems.
- v) physical improvements alone will not secure lasting benefits. There is an urgent need to improve management and maintenance. (Liverpool are known to be considering how to improve those services which they recognise are very poor.)
- vi) there are dangers in an approach rooted in municipal action. There are many examples on Merseyside and elsewhere on ways to improve Council housing which do not rely solely on the public sector. Many, such as Stockbridge Village, involve partnership between the public and private sectors. Community Refurbishment Schemes exemplify the provision of a much better service to tenants. Others meet people's aspirations for home ownership.
- vii) there are great advantages in providing people with a choice of tenure; the wish of many to own their own homes does not preclude the need for rented accommodation in the public sector. That provision must be carefully managed and where possible opportunities should be given to tenants to become involved in the management of their homes. The value of having a stake in your home whether it is rented or owned should not be under-estimated.

BUDGET ISSUES


1. Liverpool's expenditure target for 1984/5 was £216m. After threatening to introduce a budget of about £261m whilst increasing rates by 9% (over 100% would have been needed to balance budget) the City Council finally agreed on one of £223 and a rates increase of 17%. The reduction was, for the most part, achieved by various accountancy and funding devices (many of them useable only once) rather than real cuts in expenditure. The Urban Programme was increased by £2.5m as part of the settlement; RSG and Targets were not.

2. Next year's provisional target is £222, an increase of 0.5% over the approved 1984/5 budget after technical adjustments. This infers a reduction of about 4% - 5% after inflation. There appears little likelihood Liverpool will achieve anything like this.

3. Notwithstanding their tight targets the City Council have made little effort to effect economies; 1984/5 expenditure is likely to outturn considerably higher than the budgeted figure (£223m) resulting in a deficit to carry over; and there are few reserves, funds or devices left to produce another artificially low budget. /In confidence: early indications are that next year's budget will fall somewhat between £250m and £260m

4. The City Council's case for continuing to spend above target is that their Rate Support Grant assessments do not adequately reflect their needs and this is compounded by the setting of unrealistic targets and grant penalties. In fact Liverpool's assessments do reflect their difficulties. Their Grant Related Expenditure Assessment for 1984/5 is the 4th highest of any Metropolitan District and any grant losses have been a direct result of their decisions to spend above target.

5. The evidence available suggests that there are many areas where savings could be effected and efficiency improved without harm to basic services. (The annexed table compares Liverpool's



nit costs with the average for Metropolitan Districts). The following examples came out of the discussions held with officials during May and June:

- a) a study into improving the operation of the City Cleansing Department carried out in 1982 has yet to be implemented;
- b) the capacity of the Direct Labour Organisation exceeds that necessary to undertake the work it is able to win through competitive tendering and is widely criticised for inefficiency and poor workmanship;
- c) the Council does not have a policy for asset disposal;
- d) the Council has no policy to encourage early retirement or voluntary redundancy.

There is little sign that these or any other ideas have been seriously considered.

The following points are likely to be made by the City Council:

a The RSG/Targets system has consistently discriminated against Liverpool since its introduction. As a result the City has lost £120m

Line to take: This is not so. Liverpool has been treated like every other local authority. The intensity of its problems are reflected in its very high GRE assessment (2nd highest of all Met. Districts when County Council GRE taken into account). Any grant which has been lost is the result of the Council deciding to spend over target. This amount is nothing like the £120m claimed. /The latter figure is based on the assumption that grant should be fixed for all time at the level set for 1979/80.7

The Secretary of State is always prepared to consider proposals put to him for improving the system. But Liverpool can have no special favours.

b The recent Audit Commission Report supports Liverpool's claim

Line to take: The report is still being considered by the Secretary of State. He will respond in due course.

c The proportion of Rate Support Grant has fallen consistently over recent years. Local Government is being singled out for harsh treatment

Line to take: This is a trend the Government intends to continue. By shifting the burden away from the taxpayer and towards the

ratepayer local authorities' accountability to their local electorate is increased.

Controlling public expenditure is vital. Local Government must play its part.

d The City Council has no alternative but to increase budget in line with its spending requirements. It will not increase rates simply to replace Rate Support Grant lost as a result of inadequate Targets

Line to take: As was the case in 1984/5 the Government will not be blackmailed. The City Council has a duty to balance its budget, like every other local authority. The City Council's target for next year will be announced towards the end of this year. In the meantime any proposals which they make to the Secretary of State will be considered along with those from other local authorities.

e If it is not to exceed its Target the City Council will be forced to drastically cut services. It is not prepared to do this

Line to take: It is incumbent upon the Council to be as efficient as possible. To obtain for their ratepayers value for money. The evidence suggests that there are many areas where savings could be made without cuts in services. Why did Liverpool budget to spend almost three times more per head on environmental health, over 40% more per head on waste collection and 30% more per head on social services than the Metropolitan District average last year?

f The City Council is not prepared to cast employees on the dole simply to meet Government Targets

Line to take: High rate increases undermine the efforts of the private sector and thereby help to create unemployment. An efficient, cost-effective local authority will be of far more benefit in setting the right environment for real job creation than a wasteful one.

AIDE MEMOIRE FOR PRESS BRIEFING
AFTER MEETING WITH COUNCIL.

HOUSING CONDITIONS

Condition on Council Estates in inner Liverpool and some outlying estates are appalling. It is a legacy of unpopular high density building and inadequate management and maintenance.

Solutions

Public expenditure must be controlled. The city's approach of substantial demolition and major municipal building is expensive. Council should look more to refurbishment and better maintenance. They should harness the resources of the public and private sector and of the local community. The partnership at Stockbridge Village does not rely solely on the public sector.

Opportunities should be given for more home ownership and tenants involvement in management.

BUDGET - THE COUNCIL MAY CLAIM THAT:

a) The RSG targets system discriminates against Liverpool

No; they are treated like all other authorities: - their GRE assessment is the second highest of all Met districts taking County Council GRE into account.

b) Audit Commission Report supports the City's claim

The report is still being considered by Secretary of State, he will respond in due course.

c) The proportion of RSG has fallen over the years

This is to shift the burden from the taxpayer to the rate-payer and thus increase the accountability of authorities to their electorate.

d) The Council must increase its budget - it will not increase its rates to allow for inadequate RSG

The City has a duty to balance its budget like all authorities.

e) The City will not cast employees on the dole to meet Government targets

High rate increases undermine the efforts of the private sector and thereby help create unemployment. An efficient authority sets the right environment for real job creation.



f) The Council is not prepared to cut services dramatically

It is incumbent upon the council to be efficient and to obtain value for money for their ratepayers. There are many areas where savings could be made:

1. Liverpool have budgeted to spend 3 x more per head on environmental health;
- and 2. 40% more per head on waste collection
- and 3. 30% more per head on social services
than the Met district average last year

EFFICIENCY

The Council could be reminded that

- a) A study into improving the operation of the City Cleansing Department carried out in 1982 has yet to be implemented.
- b) The capacity of the Direct Labour Organisation exceeds that necessary to undertake the work it is able to win through competitive tendering and is widely criticised for inefficiency and poor workmanship.
- c) The Council does not have a policy for asset disposal.
- d) The Council has no policy to encourage early retirement or voluntary redundancy.

There is little sign that these or any other ideas have been seriously considered.



MEETING WITH CITY COUNCIL

Alfred Stocks, Chief Executive: Chief Executive since 1973 and immediate past-President of the Society of Local Authority Chief Executives. Joined Liverpool City in 1951, appointed Deputy Town Clerk in 1969. Wise and articulate, but in the Town Clerk tradition, not a Chief Executive.



Leon

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434
My ref:

Your ref:

14 May 1984

Dear Mr Ingham

POSSIBLE VISIT BY PRIME MINISTER TO LIVERPOOL

My Secretary of State has asked me to send you the attached copy of an editorial in Friday's Liverpool Daily Post in case you have not already seen it.

Yours sincerely

A H Davis

A H DAVIS
Private Secretary

Bernard Ingham Esq

Nolo

10F2

VISIT VALUE

IN THE opinion of some political observers, Liverpool is the most difficult of the Government's present problems, with the exception of Northern Ireland. Every step towards a solution therefore deserves an ovation.

That is why the report in yesterday's Daily Post that the Prime Minister would shortly be paying Liverpool a visit was so welcome. Unfortunately, within hours, Downing Street seemed to be engaging in a damping-down operation.

Mrs Thatcher's diary, it was being suggested, was already full. The idea of a Liverpool visit appeared to be receding.

Obviously, allowances must be made for the kind of strict security which must surround the Prime Minister's movements. Although it is sad that the city cannot openly play the part of host, as it could in happier times, security considerations must always be paramount.

But behind the essential secrecy, the hope must be that plans for an unannounced visit will go ahead.

Mrs Thatcher's visit to the Falklands and to Ulster have greatly heartened those troubled communities. Merseyside is no less in need of assurances that the Prime Minister has first-hand knowledge of its immense difficulties. Very positive action is demanded.

It can be argued that Michael Heseltine, when he was Environment Secretary, virtually lived in Liverpool for long periods, and even that did not halt the decline, although the Garden Festival and other Government aid schemes have all been greatly welcomed.

Nothing, however would do more for the morale of the majority of Liverpool people than to see the Prime Minister personally getting to grips on the spot with the city's problems.

It would not be an easy undertaking but under no circumstances must Liver-

Daily
Back-
11/5/84

TO: PS/SOS N16/05
PS/PERM SEC N16/12
MR HEISER N14/18
MR PICKUP P1/158
MR McDONALD PRESS OFFICE

Behind Jurgon health

see this

20F2

Daily Post 11/5/84

Maggie 'no intention' of meeting city leaders

by David Utting

PRIME MINISTER Margaret Thatcher is not prepared to make talks with Liverpool's Labour leaders part of any trip to the International Garden Festival.

Government sources were last night keen to stress that there is no more than a "remote possibility" that Mrs Thatcher will be able to visit the Garden Festival at all this summer.

And they were adamant that she had no intention whatever of widening such a trip into a tour of the city or a meeting with councillors over the city's budget crisis.

The deliberate attempt to douse speculation was in remarkable contrast to Wednesday's disclosure by Environment Secretary Patrick Jenkin that the Prime Minister was considering a Liverpool visit "including the International Garden Festival."

Mrs Thatcher appears to have decided overnight that Mr Jenkin gave the wrong impression and would have



Mrs Thatcher

done better to say nothing at all. If, however, she does still hope to see the Garden Festival, security reasons dictate that she would prefer her visit to be unexpected.

But Liverpool Labour MPs reacted angrily to the news that talks with the council are out. Mr Terry Fields, MP for Broadgreen, said it was "deeply disappointing."

"She and her Government have a major responsibility for the council's financial position and she is ducking out," he said.

Comment—Page 20

Mr Bob Parry, MP for Riverside, last night wrote to Mrs Thatcher urging her to say if it was true that a visit was now unlikely.

"If the leak is true, it will only confirm my own personal opinion that you have washed your hands of Liverpool with all its grave problems," he told her.

His letter added that it was "unthinkable" that she should miss the festival out as a result of her initiative giving Mr Michael Heseltine special responsibility for Merseyside when he was Environment Secretary.

"If you do come, I trust you will see not only trees and flowers but also flesh and blood," said Mr Parry. "Human beings that are living in fear, misery and suffering caused by the policies of your government."

He said he also hoped she would meet civic and church leaders as well as trade union officials.

TO ANDREW TURNBULL, No10.
FROM JOHN BALLARD, JAE.

05/10 09:35 P02 *MERSEYSIDE TASK FORCE

2/2

DAILY POST 10/5/84

Labour denies a U-turn on budget

by David Hope

LIVERPOOL'S Labour city council leadership last night strenuously denied claims that they had done a U-turn on their illegal budget.

Following last week's increased majority at the polls, Labour were expected to push ahead with their confrontation plans at next week's annual meeting of the city council.

Nothing now stands between the city's rulers and their avowed intent to introduce a budget between £90 million and £180 million above government targets without levying a big enough rate to pay for it.

But yesterday Labour announced they would now postpone a budget fixing meeting until after Environment Secretary Mr Patrick Jenkin's visit to the city on June 7 in a last ditch attempt to wring more cash from the Government.

Labour leader Councillor John Hamilton said there was



John Hamilton

"total unity" in the party over the decision.

Mr Jenkin had always said Liverpool could be treated no differently to other local authorities. "But the intensity and scale of the problems is higher here in any other area of the country," said Councillor Hamilton.

His deputy Councillor Derek Hatton said: "It may suit the Press and opposition to believe we are backing down. But nothing could be further from the truth.



Chris Hallows

"We are prepared not to be provocative, and see what he has to offer. In no way are we open to a climbdown—the electorate last week gave us an unequivocal mandate."

Finance chairman Councillor Tony Byrne said the authority remained financially sound.

Meanwhile, anger erupted from Liberal and Conservative ranks.

For Labour took 20 seats on major committees, leaving just seven to be divided, five

to the Liberals and two to the Tories.

On a strict ratio basis, Labour should have taken 16 seats according to figures drawn up by council officers.

Liberal leader Sir Trevor Jones described the move as "political spite".

Conservative leader Councillor Chris Hallows accused Labour of "milking the rate-payers" through taking the extra seats and the attendance allowances that go with them.

Conservatives on some committees were allowed just one seat, which meant there would not even be a seconder for Tory proposals. On a number of key committees dealing with the council's staff and workforce Labour took all seats.

"If anyone is going to negotiate with the trade unions we shall do it in the best interests of the Labour movement—we do not need Tories or Liberals," said Councillor Hatton.



Mrs Thatcher—boost for British week

Maggie at the double for festival

by Peter Surridge and David Using

THE two Maggies—the Premier and the Princess—are to visit Liverpool's International Garden Festival in July.

Mrs Thatcher is likely to be flown in to the 125-acre South Docks site by helicopter when she arrives during British Week.

Princess Margaret is expected to represent the Queen on the prestigious occasion.

It is not certain whether the two will attend the festival at the same time, but officials were confident last night that both would attend.

Whitehall sources were last night deliberately vague as to the timing of Mrs Thatcher's trip, confirming the view that it will be shrouded in the strictest security and announced only at short notice.

It is not known whether Mrs Thatcher will meet the city's Labour leaders, like her Environment Secretary Patrick Jenkin next month.

She has paid one visit to Liverpool since becoming Prime Minister, a week after the Toxteth riots.

Even though details of her tour only leaked out as her car reached the city, demonstrators threw tomatoes at her and husband Dennis.

Garden Festival—Page 12

No U-turns—Page 13

A second visit in the present political climate could carry even greater risks but Mrs Thatcher is determined that Liverpool will not become a "no go" area.

Liverpool's deputy leader Councillor Derek Hutton last night welcomed the prospect of a visit by Mrs Thatcher.

"We will take her on the same tour we're planning for Patrick Jenkin and I'm sure she'll see poverty and squalor which she doesn't even know exists," he said.

Mr Jenkin was adamant yesterday that his trip on June 7 would not revolve around the city's illegal budget.

Labour's ruling National Executive yesterday offered Liverpool councillors full support in seeking to "resolve the present impasse," but stopped short of backing an unbalanced budget.

In the Commons, Labour's environment spokesman Dr John Cunningham offered his party's help in any move to resolve the city's crisis. But he added: "The already appalling