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10 DOWNING STREET

THE PRIME MINISTER

8 October 1984

Dear Mr. Clarke.

I was very pleased to have had the opportunity to visit the Anglican Cathedral precinct and to see the enormous progress that is now being made in developing this site which has lain derelict for so long. It is an exciting project and I am grateful to you for taking such trouble to show it to me.

Yours sincerely

Margaret Thatcher

M. Clarke, Esq.

JK



10 DOWNING STREET

Mr. Clarke is the Regional
Manager of the Housing
Corporation which is
financing the Precinct
development.

LPO



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THE PRIME MINISTER

8 October 1984

Dear Mr Doherty,

I was very pleased to have had the opportunity to visit the Anglican Cathedral precinct and to see the enormous progress that is now being made in developing this site which has lain derelict for so long. It is an exciting project and I am grateful to you and your colleagues for taking such trouble to show it to me.

Yours sincerely
Margaret Thatcher

D. Doherty, Esq.

DL



10 DOWNING STREET

Mr. Doherty is the MD of
Crudens who are building
the Precinct development.



File

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

Your ref:

4 October 1984

Dear Andrew

PRIME MINISTER'S VISIT TO LIVERPOOL ON
2 OCTOBER

I enclose a copy of a note from the Merseyside Task Force which is I think self-explanatory.

You will however wish to consider whether the letter at Annex A should be sent to Councillor Hamilton as the MTF suggest. If you judge that a letter would be appropriate I would advise the deletion of the last sentence of the draft.

I doubt whether the draft at Annex A is suitable for the names at Annex B (2). I would therefore suggest a further draft letter to Lord Aberconway, Donald Forster, Leonard Epple, Barry Marsh, and Basil Bean at Annex G and a separate letter to the two Bishops at Annex H.

Your sincerely

John Ballard

JOHN BALLARD
Private Secretary

Andrew Turnbull Esq

2 of 11

cc Mr. Renshaw
Mr. Morrison

PS/Secretary of State

Prime Minister's Visit to Liverpool on 2/10/84

As requested by No. 10 I attach draft letters which the Prime Minister may wish to send to those to whom she was introduced during the course of her visit to Liverpool on 2 October.

The letter at Annex A has been drafted in general terms and could be sent to the majority of those concerned - names and addresses at Annex B. I have only included the main personalities who were introduced at each point during the course of the day eg Councillor John Hamilton, Leader of Liverpool City Council, and not all members of his delegation.

A separate letter is called for when writing to the individual exhibitors at the Wavertree Tech Shop Exhibition. It would seem appropriate for the Prime Minister to write to the Head of the Companies concerned rather than those running the stalls. A draft is at Annex C and a list of names and addresses at Annex D.

No doubt the Prime Minister will want to write in more specific terms to Sir John Clark and Sir Leslie Young in view of their special roles at Wavertree and the IGF/Albert Dock respectively. Draft letter to Sir John is at Annex E and to Sir Leslie at Annex F.

R. K. Madders

R. K. Madders
Merseyside Task Force
4 October 1984

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO THOSE PEOPLE LISTED
AT ANNEX B

I was pleased to meet you during the course of my visit to Liverpool on 2 October. It was useful to see, at first hand, some aspects of the City's life and meet with those directly involved. It was a stimulating and encouraging day.

Merseyside Task Force

Following the riots in 1981 the Prime Minister gave the then Secretary of State for the Environment a remit to take special interest in Merseyside. The Merseyside Task Force was set up to support him.

The Task Force has no special powers, it is not an agency, nor is it a traditional Government regional office (though it performs some of these functions). Particular emphasis is placed on inter departmental co-operation and good links are established with the private sector including the secondment of staff on specific initiatives.

The main job of the Task Force is to work with local authorities, Government agents such as English Industrial Estates, and with the private sector to carry forward initiatives and projects which help regenerate the area. In addition to influencing Government Department's main programmes it has a reserve of funds available for specific projects (£35M in 1983/4).

Some examples of successful Task Force initiatives in Liverpool are:-

Key Sites A number of vacant sites have been the subject of action to bring them back into use. The PM will visit the Anglican Cathedral Precinct site, other examples are the former Exchange Station and Tate and Lyle Refinery sites being redeveloped for offices and industry respectively. She will open the Meet the Buyers Exhibition at Wavertree Technology Park, where 64 acres of derelict land are being transformed into a centre for high technology industry.

Training Ten Information Technology Centres and four Commercial Business Centres have been set up in locations throughout Merseyside.

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.



LIVERPOOL HOUSING TOUR

The Prime Minister will see examples of the problems and potential which exist in the City Council's housing stock. Examples of pre and post-war housing will be covered. The tour will cover also private sector initiatives and older private housing in housing action areas. The route passes a number of schemes funded through the Urban Programme including sports and health and community provision and landscaping works. Security considerations prevent a close look at some of the more run-down areas, particularly high-density modern estates which are poorly designed, badly managed, particularly unpopular with tenants.

9.50am Grafton Crescent Housing Cooperative

An example of a housing cooperative scheme funded by the City Council. The scheme provided an opportunity for local residents to remain together as a community following demolition of the poor quality 1930's Council tenement in which they lived.

There will be an opportunity here for the Prime Minister to walk through the completed scheme and to call on residents.

10.00am Hill Street/Prince William Street

An area of run-down and neglected public housing, which demonstrates the effects of poor housing management and maintenance.

There will be an opportunity here to leave the car for a short walk

10.20am Dickens Street Housing Action Area

Drive through an area of older 2 storey terraced properties improved following declaration of a Housing Action Area in 1979.

10.25am Joliffe Street, Toxteth

A private sector development by Wimpey which was a response to Government efforts to introduce new private sector housing into inner Liverpool. In a controversial move, the estate was municipalised by the incoming Labour Council in June 1983.

10.30am Princes Boulevard

Principal Victorian thoroughfare; part of built heritage of Liverpool. Problems of large houses where private sector will not act. Local protests after environmental improvements led to Michael Heseltine promising that housing would be improved. Action mainly through Housing Associations.



10.35am Anglican Cathedral Precinct

Development of a prominent site in front of the Anglican Cathedral by Crudens Ltd. The site had lain derelict for over 20 years until the then Secretary of State for The Environment took the initiative and proposed a developer/architect competition which was sponsored by the Housing Corporation. The development, which is now under way, is mainly private housing with some commercial facilities and high quality landscaped areas.

10.55am Minster Court, Toxteth

Refurbishment for sale of a derelict and partially demolished local authority tenement block. The flagship of Barratt Urban Renewal Ltd. There will be an opportunity for the Prime Minister to see some of the development and residents.

11.10am Depart for Wavertree Technology Park.



HOUSING TOUR

The people who will meet the Prime Minister during the course of the Housing Tour are:

i) Grafton Crescent Housing Co-op.

Sophie Krajewska, Area Manager for Cooperative Development Services (CDS), the Housing Association which assisted the Co-op with its plans.

Mick Ryan Secretary to the Co-op and Jimmy Pettit Treasurer to the Co-op. Both are residents.

Paul Lusk CDS Development Officer.

ii) Minster Court.

James Keery, Managing Director Barratt Urban Renewals (Northern) Ltd.



LIVERPOOL HOUSING TOUR

- ① GRAFTON CRESCENT HOUSING CO-OP
- ② HILL ST / PRINCE WILIAM'S
- ③ DICKENS ST HOUSING ACTION AREA
- ④ PRINCES BOULEVARD
- ⑤ SOLIFFE ST
- ⑥ ANGLICAN CATHEDRAL PRECINCT
- ⑦ MINSTER COURT
- ⑧ EVERTON Programme will now stop
- ⑨ GREAT HOMER ST at Minster Court.

Programme will now stop at Minster Court.

LIVERPOOL HOUSING

Characteristics

- Current housing stock in Liverpool : 190,000 dwellings
- 69,000 are in Council ownership (36%), 15,000 are owned by Housing Associations
- Housing conditions on many council estates are appalling. 25,000 dwellings (36%) of the City's stock are unsatisfactory
- No overall shortage of dwellings
- Major social/housing problems on post-war estates particularly in unpopular and unsatisfactory flats and maisonettes
- A high level of dissatisfaction amongst tenants
- Weak, centralised and inefficient management and maintenance of the Council stock
- A lack of effective demand in the private sector
- A relatively successful programme of improvement of older private housing, mainly through Housing Association activity funded by the Housing Corporation

The City Council's approach

The City argues that poor housing conditions reflect inadequate capital housing allocations over many years.

The City Council has produced a 5 year Urban Regeneration Strategy. The aim is to bring together capital resources of the Housing and Urban Programmes to tackle housing and living conditions in 17 Priority Areas and covering 14,000 dwellings.

The strategy envisages demolition of 5,000 dwellings and a loss of a further 1,000 through conversions of flats to 2 storey houses. Families displaced would be rehoused through a programme to build 4,000 new council houses. Other dwellings would be improved.

Government response

Ministers have taken the view that housing problems in Liverpool merit attention and action. The issues confronted are not unique, it is the scale which sets the City apart.

Whatever the reasons for the present housing conditions, the fact is that much public money will need to be spent to give large numbers of Liverpool people the opportunity of decent housing. There are no cheap solutions: the objective must be to get the best value for every pound spent.

The response should not be rooted in the replacement of unpopular

municipal stock; the aim should be the most cost-effective approach which provides housing choice and uses all available resources, including the private sector and the resourcefulness of local communities.

The City's reliance on a physical solution underplays the social problems on estates and the extremely poor record on management and maintenance. The municipal solution is very expensive and rides roughshod over people's aspirations to own a home of their choice or to be involved in the management of their own housing.

Ministers have set out these views consistently. The Secretary of State has made clear that Government support will need to take account of the nature of the programmes put forward. Our current assessment is that the City Council is unlikely to modify its ~~the~~ approach. Bad housing conditions would be allowed to remain with the Council blaming Government for the frustration of local expectations.

Action elsewhere on Merseyside

There are many examples of improved Council estates in other Merseyside authorities which have not relied on municipal action. Through the Merseyside Task Force initiatives have been set in hand covering more than 10,000 dwellings. Housing choice has been widened through the privatisation of the 3,000 dwelling Stockbridge Village estate in Knowsley and smaller estates in Wirral and Sefton.

Through a package of Urban Programme and MSC funds improvements to run-down estates are being secured by tenants themselves on Community Refurbishment Schemes. 12 schemes are now underway covering 6,500 dwellings.

Private builders are taking part in an initiative to develop sites which would not normally have attracted private funds, over 800 new homes are being provided.

None of the major initiatives are in Liverpool. The previous Liberal Council ran a successful build for sales programme and sought opportunities to involve the private sector in the refurbishment of problem housing. Barratts successful renovation for sale of a derelict 1930's tenement block: Minster Court, is a fine example. There was also active support for housing co-operatives to be formed. The present Council has municipalised those co-op schemes in the pipeline and has adopted a much less encouraging stance on joint initiatives with the private sector.