



PRIME MINISTER

URBAN DEVELOPMENT CORPORATIONS

E(A) Committee agreed on 24 September that subject to the outcome of my discussions with the Chief Secretary on public expenditure I should announce proposals for up to 4 new Urban Development Corporations in my speech to the Party Conference on 8 October.

I have now reached agreement with the Chief Secretary on my Department's programmes for the survey period. I think I can just accommodate the many pressing demands on existing programmes and still make room for this important new initiative.

We have agreed that within my overall spending totals I shall have discretion to adjust the provision for individual programmes. With this helpful flexibility, and by phasing the launching of the individual UDCs (this will also minimise the calls on staffing) I am confident that I can successfully launch and take forward the UDC initiative.

I propose therefore to announce that we will be setting up over the next 2 years the 4 UDCs which E(A) agreed to - Manchester (Trafford Park), Teesside, Black Country and Tyne and Wear. I will make clear that the launches will be phased, and that there may be more later. The provisional text of what I plan to say is attached.

I would be grateful for your agreement to make the announcement in these terms.

I am copying this to other members of E(A), and to Sir Robert Armstrong.

NICHOLAS RIDLEY

October 1986

no.

CBG

Prime Minister

yes not

Content with the
draft passage for
in Ridley's speech?

Attached

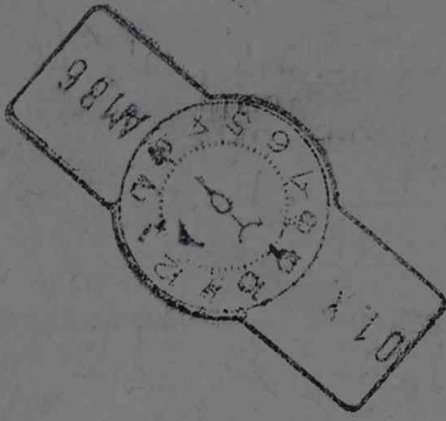
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One further imperative. I have for long been appalled by the state of dereliction and decay in some of our older industrial cities. Decades of Socialist Council rule combined with the changing patterns of industry have left them in a wretched state. We set to work to tackle these problems with vigour. We have had to bypass the Socialist Councils to do this. We moved in with Derelict Land Grant; the Urban Programme helps to encourage businesses and jobs; our Urban Housing Renewal Unit is tackling the problem of bad housing head on. Spending on these programmes has increased from £328m in 1979 - £445m this year in real terms.

We have pioneered new concepts: Enterprise Zones and Urban Development Corporations. The UDCs in London Docklands and Merseyside have powers over planning, land assembly, and development. Take a trip round London Docklands and see what has happened. In five years it has been transformed from a desert of dereliction to a showpiece for British building, British design, British architecture, and British business. Both the Development Corporations have created thousands of new jobs by stimulating private enterprise. They have refurbished homes and offices. They have reclaimed hundreds of acres of derelict land.

The experiments have been resounding successes. But there is a massive job to do elsewhere. Our next move forward will be the creation within two years of more urban development corporations. The first four will be in Trafford in Greater Manchester; on Teesside; in the Black Country in the West Midlands; and in Tyne and Wear. There are more to come later. They will have powers to redevelop and rebuild both the fabric and the prosperity of these areas.

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FILE

JA

CBE



10 DOWNING STREET

From the Private Secretary

2 October, 1986.

Dear Robin,

URBAN DEVELOPMENT CORPORATIONS

The Prime Minister was grateful for your Secretary of State's minute (undated) to which he attached a draft passage for his Party Conference speech to announce the setting up of four new UDCs. The Prime Minister is content, subject to the views of colleagues, with the terms of the proposed announcement.

I am sending copies of this letter to the Private Secretaries to the other members of E(A) and to Sir Robert Armstrong.

Yours,
David

(David Norgrove)

Robin Young, Esq.,
Department of the Environment.

cc	CO	DOT
	HMT	CST
	NIO	MAFF
	D/N	P90
	SO	CAZ
	NO	DTT
	WPSO	
	D/M	

dg

CG/BS



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nicholas Ridley AMICE MP
 Secretary of State for the Environment
 Department of the Environment
 2 Marsham Street
 London
 SW1P 3EB

NBR

3rd October 1986

Dear Nicholas,

URBAN DEVELOPMENT CORPORATIONS

at trap

I have seen your minute of 1 October to the Prime Minister setting out your proposals for announcing the creation of new UDCs. I am generally content with what you propose on the basis we discussed in the Survey.

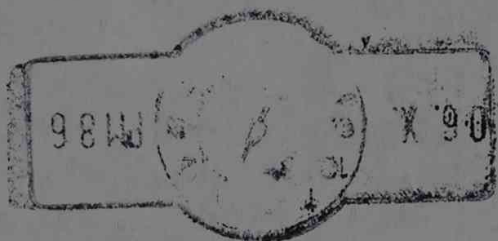
However I do not think the final sentences of the proposed announcement as it now stands adequately reflects what was agreed at E(A). We decided to consider further designations as resources permit. Your present draft of the announcement would commit us to more UDCs without reference to our ability to afford them and would make it difficult for us to halt or slow down further designations if resource constraints made that necessary.

I must therefore ask you to drop the penultimate sentence of the proposed statement, and replace it with: "We will be considering the possibility of creating more UDC's as resources permit." I would be content for you to make the announcement on that basis.

I am copying this letter to the Prime Minister, other members of E(A), and to Sir Robert Armstrong.

Yours,
JM

JOHN MacGREGOR



STATEMENT : URBAN DEVELOPMENT CORPORATIONS

DEPT OF ENVIRONMENT.

8 October.

DW - 5 see

WITH PERMISSION, MY LORDS, I WOULD LIKE TO MAKE A STATEMENT ABOUT URBAN DEVELOPMENT CORPORATIONS.

MY RT HON FRIEND THE SECRETARY OF STATE FOR THE ENVIRONMENT IS TODAY ANNOUNCING THE GOVERNMENT'S INTENTION TO SET UP FURTHER URBAN DEVELOPMENT CORPORATIONS.

SUBJECT TO THE APPROVAL BY BOTH HOUSES OF PARLIAMENT OF THE NECESSARY DESIGNATION ORDERS, FOUR WILL BE SET UP DURING THE NEXT TWO YEARS IN TRAFFORD PARK IN GREATER MANCHESTER; ON TEESSIDE; IN THE BLACK COUNTRY; AND IN TYNE AND WEAR. THESE ARE ALL PLACES WITH MAJOR CONCENTRATIONS OF DERELICT OR DISUSED FORMER INDUSTRIAL LAND AND SERIOUS PROBLEMS IN CREATING EMPLOYMENT AND ATTRACTING NEW INVESTMENT.

UNDER THE LOCAL GOVERNMENT PLANNING AND LAND ACT 1980, THE AREA OF AN URBAN DEVELOPMENT CORPORATION IN ENGLAND MUST FALL WITHIN A METROPOLITAN COUNTY OR INNER LONDON. THREE OF THE URBAN DEVELOPMENT CORPORATIONS NOW PROPOSED WOULD LIE WITHIN METROPOLITAN COUNTIES. BUT TEESSIDE LIES WITHIN THE COUNTY OF CLEVELAND, WHICH IS NOT A METROPOLITAN COUNTY. THUS AN URBAN DEVELOPMENT CORPORATION CANNOT BE SET UP ON TEESSIDE UNDER THE LEGISLATION AS IT NOW STANDS. BUT THE PROBLEMS OF UNEMPLOYMENT AND INDUSTRIAL DERELICTION ON TEESSIDE ARE AS LEAST AS SEVERE AS THOSE IN ANY OTHER AREA IN THE COUNTRY.

MY NOBLE FRIEND LORD SKELMERSDALE HAS THEREFORE TABLED AN AMENDMENT TO THE HOUSING AND PLANNING BILL TO REMOVE THE PRESENT RESTRICTION ON THE DESIGNATION OF URBAN DEVELOPMENT CORPORATION AREAS IN ENGLAND.

Inner Cities*Inner Cities*

- Total expenditure on Urban Programme in England increased from £93 million in 1978/79 to £317 million in 1986/87 - doubled in real terms. More than £1.9 billion spent since 1979.
- Inner City partnerships in seven areas: allocated £123 million in total in 1986/87.
- Urban Development Grants of £99 million are stimulating private investment of £418 million.
- Urban Development Corporations in London and Merseyside have received £450 million of public money, stimulating private investment of more than £1200 million in London alone. Four more UDCs announced (Trafford, Black Country, Teesside and Tyne and Wear).
- Special inner city task forces set up in eight deprived areas to improve targeting of inner city funds.
- Spending on Derelict Land Grant from £23 million in 1979/80 to £84 million in 1986/87. About 3,500 acres reclaimed every year.
- Power to pay a new Urban Regeneration Grant in Housing and Planning Bill now before Parliament.
- Urban Housing Renewal Unit set up in June 1985 to help local authorities to tackle problems of rundown estates; £35 million already allocated to 63 approved schemes.

CONFIDENTIAL

CEBB



2 MARSHAM STREET
LONDON SW1P 3EB
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My ref:

Your ref:

The Rt Hon The Viscount Whitelaw CH MC
Lord President of the Council
Privy Council Office
Whitehall
LONDON
SW1

29 September 1986

Dear Horrie

NBP 7

Following E(A) on Wednesday I have been thinking about the handling of the 'Teesside amendment' to the Housing and Planning Bill.

We must prevent the UDC announcement going off at half cock, and our not getting full credit for the decisions that we have taken. However carefully we framed the explanation given to the Opposition, it would be deduced that an announcement of UDC designations was on its way, and it would not be very difficult to predict when and where.

I have discussed the options with Roger Skelmersdale.

One option would be to table the amendment on 8 October, ie the day of the main announcement. On that day I would write to Opposition Front Benchers saying that (a) we had decided to set up a UDC on Teesside (b) that this would mean an extra £150m for tackling dereliction on Teesside over the next few years (c) that the necessary legislative amendment had been put down for consideration in Committee next week and (d) that either before or after the Committee discussion I would be willing myself to discuss the amendment with them. The amendment is to Part VI of the Bill and would not be reached until the third Committee day, ie 5 days later, 13 October.

The second option would be for me to proceed at Conference and for Roger to trail the amendment on 9 October, the second Committee day, which is the day after the Conference announcement. It would be easy to do this as the urban regeneration clauses already in the Bill stand to be reached on that day. I would at the same time write, as proposed in the first option, to the Opposition spokesmen. The amendment itself would then be tabled for Report on 17 October.

Roger and I are inclined to prefer the second case, of holding back the amendment until Report. Even though it might be thought to leave things to the last minute it would avoid any suggestions of rushing the debate in the Lords.

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Subject to your views, and those of colleagues, I propose to proceed on this basis.

I am copying this letter to the Prime Minister and members of E(A).

Yoman

Nicholas

NICHOLAS RIDLEY