



PRIME MINISTER

SOUTH CARDIFF URBAN RENEWAL

I am unable to attend E(A) on Monday and would like to make a couple of points on Nick Edwards' proposals. I would like to support his proposals as an example of the Government proving its ability to get things done in depressed inner city areas in a way which creates employment, including jobs based on tourism and leisure industries.

I sympathise with some of the Chief Secretary's arguments about financing - indeed an overt indication that significant public sector funding would be available could create some difficulties in inner city areas in England. But, it is surely not necessary to support the concept of the barrage publicly only on the strict condition of full private sector financing. The Channel Tunnel precedent is not going to be applicable to every worthwhile major capital project in our inner cities. One of the purposes of UDCs is to exert leverage on private sector finance, but some public sector funds will sometimes have to be there initially to exert that leverage.

I favour an early announcement of these proposals because of the long timescale of the project. It is important to show some progress on the ground to demonstrate the UDCs provide a way of getting things done without excessive red tape and delay. I hope that when we take these matters out of the

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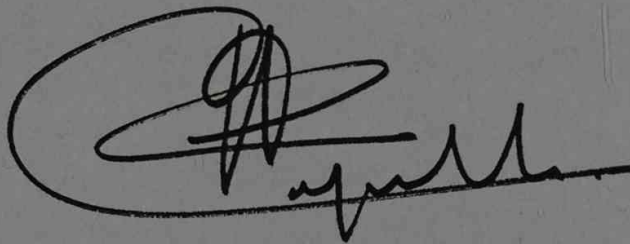
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hands of local authorities, we will not allow our own Central Government procedures to cause delay and excessive caution in the face of good innovative proposals for development.

I hope that the announcement of the UDC and the barrage can proceed without excessive emphasis on the limits on the public sector funding available.

I am sending copies of this minute to members of E(A) and to John Wakeham, Richard Luce and Sir R Armstrong.



PP. KENNETH CLARKE
[Approved by the Minister
and signed in his absence]

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