



10 DOWNING STREET
LONDON SW1A 2AA

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THE PRIME MINISTER

29 November 1986

Dear Mr. Bradman,

Thank you for your letter of 21 November which I was very glad to receive.

You will be pleased to know that we have agreed to the deposit by London Regional Transport of the Bill for the Eastern Extension of the Docklands Light Railway. We did so on the basis of an assurance by the London Docklands Development Corporation that in their view the project could go ahead with no expectation of Government contribution to LRT's capital or running costs. We shall want to see, before the Bill proceeds to Second Reading, the specific arrangements which the LDDC can make to secure that there would be no significant risk that any of the costs would fall as a burden on LRT. The Government cannot commit itself to an extension without being fully satisfied that no additional public expenditure will be required.

In this context I do very much welcome your confirmation that you will work with the LDDC with the object of ensuring that adequate funds are provided to enable the Eastern Extension to the railway to be funded.

The prospect of redevelopment of the East India and Royal Docks really is most exciting. But I am sure you will

XLB

understand the conditions which the Government must attach to public sector involvement. This is an opportunity for private enterprise to show what it can achieve.

Yours sincerely

Raymond Dalke

Godfrey Bradman, Esq.

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P 02378

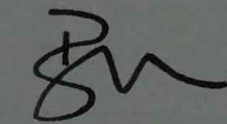
CUBf
From: J B UNWIN
27 November 1986

UNWIN
MR ADDISON - NO 10

DOCKLANDS LIGHT RAILWAY - EASTERN EXTENSION

This is to confirm that I am content with the draft letter for the Prime Minister to Mr Bradman submitted to you with Richard Allan's letter of 26 November. *with MEA*

2. I think that this draft, and the two letters already sent by the Secretaries of State to the LRT and LDDC, are consistent with the conclusions reached by E(A) on 24 November. They are less explicit than Ministers discussed on the assurances that will be necessary on the Western extension before the Government can support the new Bill at Second Reading. But this is prudent in order to avoid weakening the Government's negotiating position by putting excessive stress on a specific timetable for the outstanding westward extension issues.



J B UNWIN





10 DOWNING STREET

PRIME MINISTER

This letter reflects letters
sent by Mr Ridley and
Mr Moore to L~~B~~DC and LRT.

Amanda Ross

RF DAVID NORRGROVE
26 November 1986



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

Mark Addison Esq
Private Secretary
10 Downing Street
LONDON SW1

26 November 1986

Dear Mark,

DOCKLANDS LIGHT RAILWAY - EASTERN EXTENSION

Thank you for your letter of 21 November which enclosed a copy of the letter from Mr Godfrey Bradman to the Prime Minister about the Docklands Light Railway.

When these matters were discussed by Ministers on Monday 24 November, it had been contemplated that the Prime Minister might send to Mr Bradman copies of the letters to the Chairmen of LRT and LDDC. I enclose copies of the letter Mr Moore has written today to the Chairman of LRT, and of Mr Ridley's letter (written in similar terms) to the Chairman of the LDDC: both letters have been agreed with the Chief Secretary.

However, as these letters necessarily cover matters going beyond the interests of Mr Bradman's company, my Secretary of State believes their contents should not be disclosed to Mr Bradman in full.

I am accordingly offering a draft reply for the Prime Minister to send to Mr Bradman which incorporates the relevant passages from the letters to the Chairmen.

I am sending copies of this letter, and of the enclosures, to Jill Rutter (Chief Secretary's Office), Brian Leonard (DOE) and Brian Unwin (Cabinet Office).

Yours,

Richard

R A ALLAN
Private Secretary

DRAFT LETTER FROM THE PRIME MINISTER TO
GODFREY M BRADMAN ESQ, ROSEHAUGH STANHOPE DEVELOPMENTS PLC
53-55 QUEEN ANNE STREET, LONDON W1M 0LJ

LONDON DOCKLANDS

Thank you for your letter of 21 November which I was very glad to receive. ~~From your~~

You will be pleased to know that we have agreed to the deposit by London Regional Transport of the Bill for the Eastern Extension of the Docklands Light Railway. We did so on the basis of an assurance by the London Docklands Development Corporation that in their view the project could go ahead with no expectation of Government contribution to LRT's capital or running costs. We shall want to see, before the Bill proceeds to Second Reading, the specific arrangements which the LDDC can make to secure that there would be no significant risk that any of the costs would fall as a burden on LRT. ~~The Government cannot commit itself to an extension with out being fully satisfied that~~

~~In regard to this~~ ^{context I do very much} I greatly welcome your confirmation that you ^{no additional public expenditure will be required.} will work with the LDDC with the object of ensuring that adequate funds are provided to enable the Eastern Extension to the railway to be funded.

~~The~~ ^{The project of} ~~I find the proposals for~~ redevelopment of the East India and Royal Docks really ^{is} ~~are~~ most exciting. But I am sure you will understand ~~that the Government must attach~~ ^{the} conditions ~~to its own involvement.~~

which the Government must attach ~~to~~ to public sector involvement. This is an opportunity for private enterprise to show what it can achieve.

Godfrey BRADMAN
26/11



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

ack / 21 November 1986

1) 2/12
2) 9/12

Following our telephone conversation I now enclose a copy of the letter Mr. Godfrey Bradman has sent the Prime Minister about the Docklands Light Railway.

Could I please have a draft reply for the Prime Minister to send to Mr. Bradman by early next week.

QF
Mark says this has been dealt with - have you app? see part 8
JD 23/12 REG POL: Inner cities.

(MARK ADDISON)

Jonathan Cunliffe, Esq.,
Department of Transport.

Handwritten initials

Ed

ROSEHAUGH STANHOPE DEVELOPMENTS PLC

53-55 Queen Anne Street London W1M 0LJ

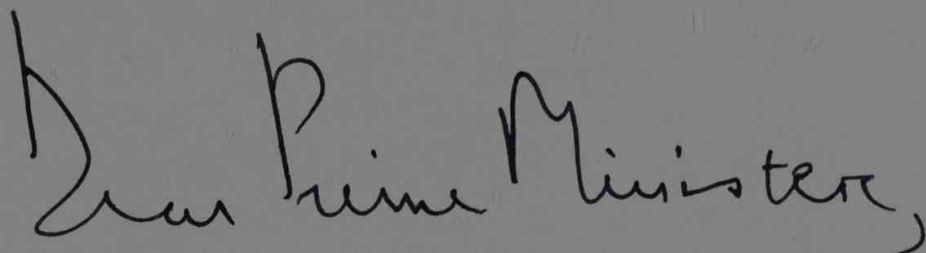
Telephone 01-486 7100 Telex 28167

Fax (Group 3) 01-935 0277

GB:CLH

21st November, 1986

The Prime Minister,
The Rt. Hon. Mrs. Margaret Thatcher, FRS, MP,
10 Downing Street,
London SW1



LONDON DOCKLANDS

My colleagues and I were very concerned to learn that the Bill for the Docklands Light Railway Eastern Extension (The London Docklands Railway (Beckton) Bill) may not, as was intended, be deposited on Thursday of next week. This would be the second occasion that the deposit of such Bill had been postponed.

Rosehaugh Stanhope Developments, together with its associated and subsidiary companies, is currently engaged in more property development in the City and Central London than any other organisation and we are also involved in major property development schemes in London Docklands which will be equal to, if not larger in size than, our Central London developments.

Our proposals for the East India and Royal Docks include the provision of much housing for local people, offices, premises for high technology users, a marine centre and a major shopping centre. Other developers also have significant proposals for a large sports stadium and a trade centre in addition to a large amount of housing. These comprehensive redevelopment proposals will, we believe, introduce life and activity to an area of London currently in decline and encourage the regeneration of East London. These important social objectives cannot be achieved by the redevelopment of Canary Wharf and the Isle of Dogs alone. All this is, however dependent upon maintaining the confidence of consumers which has been built up over the last few years.

We are firmly of the view that great importance has been placed by potential consumers on the provision of an adequate public transportation system. In this connection, we are currently finalising negotiations with Reuters Holdings plc to provide them with more than one million sq. ft. net of office accommodation at our site at Blackwall Yard which adjoins the

continued...

Directors: S Adam, D M Blackburn, G M Bradman, A S Browne, D J Dickinson, R A Green,
R C Howson, P J C Kershaw, S A Lipton, P W Rogers, J G West

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The Prime Minister,
The Rt. Hon Mrs. Margaret Thatcher, FRS, MP

21st November, 1986

Brunswick Wharf Power Station, which we have contracted to acquire. From our discussions it is clear that there is a strong likelihood that Reuters and many of the other potential occupiers of all the developments in the area would have their confidence in the area destroyed if the Government delays the deposit of the Bill for the Eastern Extension of the DLR.

I enclose a briefing document dealing with some of these matters, and you will see that private sector finance of some £3 billion is at stake in the East India and Royal Docks alone, the development of which should provide in excess of 50,000 permanent jobs, in addition to up to 10,000 short-term jobs for construction workers. Also enclosed is a map of the Docklands area.

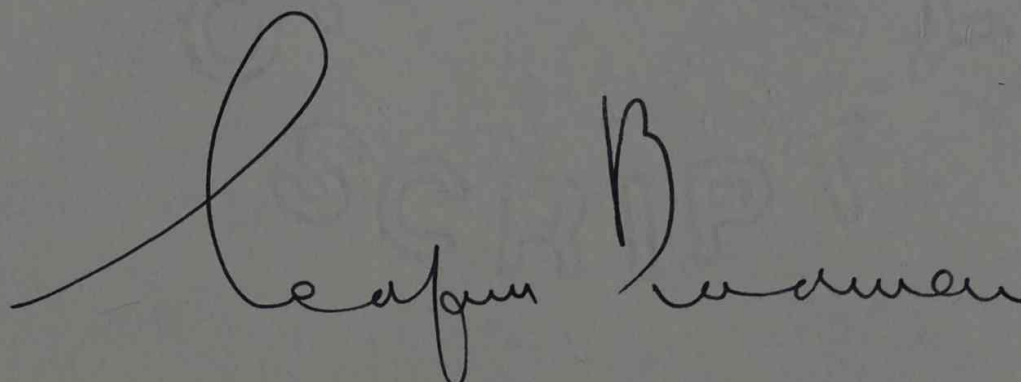
The Eastern Extension of the DLR is anticipated to cost in the region of £120 million; this should provide very considerable enhancement of land values in the area and from the information in our possession, such enhancement of land values should be equal to twice the cost of providing that Eastern Extension.

I have discussed this matter with Mr. David Hardy, Chairman of the London Docklands Light Railway, and Mr. John Mills, Deputy Chairman of the LDDC, and I am pleased to confirm that we would be very happy to work with both organisations with the object of ensuring that adequate funds are provided to enable the Eastern Extension to the Railway to be funded.

I do hope it will be possible for you to authorise the deposit of the Bill no later than Thursday of next week (27th November).

In view of the enormous importance of this matter to the success of the entire Docklands redevelopment proposals, and indeed the regeneration of the whole of the East London area, I would be very grateful if it would be possible for you to spare a few minutes prior to Thursday of next week so that I may discuss the matter with you and clarify any points which are in doubt.

Yours sincerely,



Godfrey Bradman

EASTERN EXTENSION OF DOCKLANDS LIGHT RAILWAY

Background

The Bill for the eastern extension of DLR was withdrawn at a late stage in 1985, to make room for the western extension to the Bank, required for Canary Wharf.

Developers postponed their activity in East India Docks and Royal Docks to a programme anticipating that the eastern extension of the DLR would be included in the 1986 Railway Bill. Prospective tenants who were looking at the eastern Docks have held back.

Certain prospective tenants, Reuters for example, with a requirement for 1 million sq. ft., are now looking at East India Docks for occupation in 1988 in the expectation that the eastern extension would be progressed through Parliament in the 1986 session.

Current

The whole development of the eastern Docks, involving private sector finance of around £750 million in East India Docks and around £2,250 million in Royal Docks is totally dependent upon a balanced transport system as between car and public transport. The modal travel split may be as high as 80% public transport to 20% car. Few developers are forecasting that it will be less than 60% public transport to 40% car.

If the eastern extension of the DLR was postponed once again and developers were to perceive that it was being sacrificed in the longer term, rather than being postponed for a second consecutive year, the level of investment in both East India Docks and Royal Docks that could be supported by road transport, without any improvement of public transport, would be substantially reduced in scale. The A13 road is at capacity and new roads can only cope with the planned increase of traffic if supported by effective public transport.

15,000 permanent jobs are forecast for East India Docks and 35,000 for the Royal Docks. The modal split of travel indicates that between 50% and 75% of these will need to travel by rail and 10% by bus. The long term loss of the rail link would prejudice at least 70-80% of these potential jobs.

In addition to the permanent jobs, there will be up to 10,000 short term jobs created for construction workers.

Developers are planning to start training local school leavers and retraining local adults for these new jobs from summer 1987 to be ready to meet the demands of employers in 1988 and 1989.

Conclusion

If the eastern extension of the DLR is postponed for a second consecutive year, there is a near certainty that all the above major projects would be severely prejudiced and some of them will probably be abandoned altogether.

19th November, 1986

SRWAMZ

PRIME MINISTER

DOCKLANDS LIGHT RAILWAY

Godfrey Bradman rang this afternoon seeking an urgent meeting with you early next week to discuss the Docklands Light Railway. I told him that this would not be possible because your diary was so heavily congested.

I suggested as an alternative he might like to put his points in writing, and he has now done so. His letter and enclosures are attached. You will see he also reiterates his request for a meeting; he subsequently told me that he would be very happy to have a word about this over the weekend. I am sure, however, you should not accede to either of these requests, and I have made it quite clear that the most he can expect is that you will take note of the points made in his letter. (I arranged for a Minister at the Department of Transport to see him, but he tells me that Basil Feldman has already spoken to John Moore about this, and he does not see any point in seeking a further meeting at the Department. Basil and Mr. Bradman are acting closely together on this.)

I have sent a copy of his letter to the Department, and they will be providing an early draft reply.

Suzanne

PP

(MARK ADDISON)

21 November 1986



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

Christopher Benson Esq JP FRICS
Chairman
London Docklands Development Corporation
West India House
Millwall Dock
LONDON
E14 9TJ

26 November 1986

Dear Christopher

Thank you for your letter of 20 November in which you supported the case for the deposit of a Bill for the eastern extension of the Docklands Railway.

The Secretary of State for Transport has now informed LRT that he is content for them to deposit the Bill. It is important for you to know, however, that the Government has agreed to this on LDDC's assurance that the project could go ahead with no expectation of a Government contribution to the capital or running costs of the Railway. I should make it clear that our agreement to depositing the Bill does not commit the Government to support at Second Reading. We shall want to see, before the Bill proceeds to Second Reading, the specific arrangements which LDDC can make to secure that there would be no significant risk that any of the costs would fall as a burden on LRT; and we shall want to set this in the context of a full financial and economic appraisal of the railway project. I shall also want to examine the project in the context of the overall strategy for Docklands, following my earlier request to you to examine some alternative development scenarios for the Royal Docks area in particular. The Government cannot commit itself to an extension without being fully satisfied that the costs of construction would be met without any additional public expenditure in any year.

The Secretary of State for Transport has written in similar terms to the Chairman of LRT - and in his letter, a copy of which I attach, he has also pointed to the need for an early resolution of the outstanding issues on the westward extension.

Yours sincerely
Nicholas

NICHOLAS RIDLEY

REGIONAL POLICY: Inner Cities: AEB



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

Dr K Bright
Chairman and Chief Executive
London Regional Transport
55 Broadway
LONDON
SW1H 0BD

LH November 1986

Dear Keith,

DOCKLANDS LIGHT RAILWAY - EASTERN EXTENSION

Thank you for your letter of 17 November about the Bill for the proposed eastern extension of the Docklands Light Railway. You explained that it is not possible for LRT to fund this.

The Government has been assured by the London Docklands Development Corporation that in their view the project could go ahead with no expectation of Government contribution to your capital or running costs. We shall want to see, before the Bill proceeds to Second Reading, the specific arrangements which the LDDC can make to secure that there would be no significant risk that any of the costs would fall as a burden on LRT; and we shall want to see this set in the context of your full financial and economic appraisal of the railway project.

At the same time we look forward to an early resolution of the outstanding issues on the westward extension and we shall want to review the situation with you if that is not achieved before Second Reading.

On this basis I am content for you to deposit the Bill for the eastern extension.

The Secretary of State for the Environment has written in similar terms to the Chairman of the LDDC: I attach a copy of that letter.

John Moore

JOHN MOORE