

CONFIDENTIAL



PRIME MINISTER

Regional Policy 2

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To see.

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30/11/66*

URBAN DEVELOPMENT CORPORATIONS FOR LIVERPOOL AND LONDON DOCKLANDS

When the Sub-Committee on Economic Affairs (E(EA)) met on Wednesday evening, we considered a radically new approach advocated by Michael Heseltine for tackling the deep-seated problems of Liverpool and London Docklands. Although in many respects the problems of these two areas are different, it is widely accepted that the existing arrangements have failed, and are failing, to tackle effectively what in each case needs to be done. In the case of London Docklands, Michael argued that there was little chance of agreement between the five London Boroughs concerned and the GLC, especially when further and much larger areas of land are relinquished by the Port of London Authority. In Liverpool the problem has been long standing political weakness within the city plus bad feeling between the city and the county. But in both cases there has been no one organisation with the powers and the drive to get things moving.

Michael Heseltine proposed to us that in each case we should set up a single-minded development agency with appropriate powers and finance modelled on the New Town Development Corporations which not only have been successful in getting things done, but have been able to put real emphasis on private sector development.

/We ...



We strongly supported his analysis and were greatly attracted by his proposed solution. We recognised, however, that there would be major implications for regional and urban policy and for public expenditure. New legislation will be essential if we decide to take this further. But for the moment we have asked Michael Heseltine to arrange for urgent detailed studies by an interdepartmental group of officials with a view to enabling him to formulate detailed proposals which we will consider in the autumn. Pending that further consideration, no public announcement will be made.

I am copying this letter to members of the Sub-Committee and Sir John Hunt.

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K J

30 July 1979

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