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Oddi wrth Ysgrifennydd Gwladol Cymru

The Rt Hon Nicholas Edwards MP

From The Secretary of State for Wales

CONFIDENTIAL

18 July 1980

ms.

De Prime Minister

ENTERPRISE ZONES

Michael Heseltine is circulating a paper for discussion by E Committee next Tuesday setting out proposals for the sites to be designated as enterprise zones in England. I thought it would be helpful if, in advance of the discussion, I were to indicate my preferred choice of site for designation in Wales.

I propose to designate a site in the Lower Swansea Valley. It covers a total area of 650 acres (excluding an undevelopable area of marshland, main roads and railways, 500 acres net) comprising reclaimed derelict land, derelict land, a rundown greenfield site and some occupied industrial sites. In total 332 acres are available for development and 168 acres are already developed.

The site has excellent road and rail communications and easy access to Swansea Docks. Further derelict land reclamation work is needed. The main servicing requirement concerns the provision of a trunk sewer and improved flood protection. Additional funds will be needed and no doubt this general issue will be discussed when we meet. Excluding funds committed in existing programmes the additional public sector costs necessary to develop the site are estimated at at least £1.6m and could be as much as £3.9m. This will depend on

/how far

The Prime Minister
10 Downing Street
London SW1



how far the remaining derelict land reclamation work and estate roads can be paid for by private developers. The rating concession will cost £445,000 in the first year.

There have been a number of encouraging indications of private sector interest in the site and I am satisfied that there are reasonable prospects for its development.

The local authorities, particularly Swansea City Council, are keen. However they are not so far prepared to accept a fully relaxed planning regime. Particular proposals are the exclusion of food retailing and the limitation of non-food retailing to a small part of the site. Approximately 750,000 sq ft of new retailing floor space has been constructed (or is firmly planned) since 1974 in the residential and commercial districts adjoining the enterprise zone. The local authorities take the view that opening up the EZ to retailing would undermine this investment and the associated employment. The other general limitation proposed is to restrict development of the northern part of the site to projects requiring a site of 20 acres or more or to projects making a significant contribution to employment in the area.

The City Council's proposals also contain a considerable number of detailed limitations on deemed planning consent. These include site coverage; height of buildings; construction materials; distance from public roads; screening of storage areas; standards for access; parking and loading areas; discharge of sulphur compounds; noise levels at site boundaries.

I am prepared to accept the limitations on retailing as justified in the circumstances but I propose to make designation subject to further consideration of the limitations on the use of land north of A48 and to a significant reduction in the detailed limitations on deemed planning consent.

/ Copies of this letter go to Members of E Committee and to George Younger and Humphrey Atkins.

J. ...
Neil