



HOUSE OF LORDS,
SW1A 0PW

STRICTLY CONFIDENTIAL

Ann Hirst

Prime Minister

*Yes - very
frankly
not*
Merseyside

*To note: I think
I can simply acknowledge
saying that you are
most grateful for Lord
Hailsham's views.*

The vigorous and constructive report of the Secretary of State for the Environment as the result of his visit to Merseyside more than justifies his appointment, invites comment and criticism and, of course, demands action. But I feel myself that I would like to put a few comments on paper, not because I can possibly equal his present understanding of Merseyside, but because, having been faced with similar problems some years ago, there are one or two general reflections which I would like to share with the recipients of his very stimulating document.

*12.
11/5*

A. Administrative structure of any action on the lines proposed

As clearly emerges from the Secretary of State's document, what is needed in Merseyside (as it was in the North East) is a general and coherent improvement of the quality of life there. This will be found to apply to any other region in which this technique is used. But this has certain inescapable consequences. The first is that the area concerned cannot be limited artificially to what I might term the narrow area of blight alone. It must include districts not covered by the blight which may still produce outside the narrower limits the very growing points which are required for the benefit of the blighted area itself. The responsibility for Merseyside by itself is thus probably too narrow. We need to think of communications, educational facilities and industrial diversification in terms of opportunities in a wider territory.

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My second observation is that since the remedy must be to produce a coherent plan for a total improvement in the quality of life, the plan and the structure to introduce it must be inherently interdepartmental. The Minister must have at his command a small team from several interested departments to visualise improvement as a whole. The clear fact is that people are leaving Merseyside at the rate they are because it is such a beastly place to live in and not simply because of unemployment. This may be partly due to purely physical factors (inferiority in housing, school structures, lack of opportunity for higher education (not just universities) or even the breakdown in law and order in itself. Some factors may relate to transport (depth of water in the port, road bottlenecks, access to rail and air links). Others may include absence of local amenities, (sports centres, cultural opportunities). If the appointment is to be prolonged a look should be taken both at the area involved and at the provision of an interdepartmental supporting staff.

B. The danger of competition between areas

This is much greater than might seem at first sight. When in the North East I was constantly faced with criticism from e.g. Scotland, Northern Ireland, Wales, and the North West (including Lancashire and Merseyside): "Why should you be given priority over us?". There are features in the Secretary of State's minute - e.g. at p.10, "A Ministerial presence in each conurbation" - which seem to me to underestimate the danger of inter-regional competition in bidding for resources inherent in such a plan, both reflected within the government by regional Ministers, and from outside by regional pressure groups.

C. The abolition of Metropolitan Boroughs and the GLC

I do not feel competent to pontificate about the Secretary of State's enthusiasm for this. But we should at least be clear what we wish to put in their place. A return to boroughs of say 100,000 to 250,000 inhabitants would hardly fit the bill and will inevitably lead to demand either for closer control from Whitehall (with a consequent increase in the numbers and the powers of the Civil Service) or for more thoroughgoing regional or 'provincial government' (to which, as may be known, I am not inherently disinclined but for which I do not think public or party opinion is yet prepared). Worst of all, in the conurbations, a reduction to Borough size authorities is likely to produce a rash of quangos, since the Boroughs themselves will not correspond to needs in various fields of public administrations. There is a body of opinion in the party and the public which tends to think that however ill-judged our 1972 reforms may have been, another revolutionary change should be avoided, at least for the time being.

D. The need for selective investment

The potential for public expenditure in this field is almost unlimited. It follows that we must be very clear as to the criteria to be applied before we go down this road. Some public investments (removal of some road bottlenecks, or danger spots) can yield immediate and calculable returns. Some cannot. What is quite clear is that we should not seek to shore up things which are dying for certain by injections of public money not justified on economic grounds. If there must be uneconomic investment, let it be on housing, sewers, education or public amenities designed to attract private enterprise and industry. We then at least can budget rationally without listening to bogus or sentimental economic argumentation.

E. Public acquisition and disposal of land

In my opinion we shall not get rid of urban blight or clean up derelict areas without reducing the fee simple of the land to single coherent blocks by compulsory acquisition and then disposing of it in blocks to private development under planning control. What Clore could do profitably in the fifties we can do with far more profit to the public now if (but of course only if) we are determined to act on the lines of some of the suggestions in the Secretary of State's paper. By restoring rational blocks of fee simple to private developers we should not thereby infringe our own principles.

I am sending copies of this minute to the recipients of the Secretary of State's report.

H. of S. M.

11th September, 1981