

SUBJECT

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10 DOWNING STREET

THE PRIME MINISTER

Personal Minute

No. 119/82

THE SECRETARY OF STATE FOR THE ENVIRONMENT

MERSEYSIDE INITIATIVES

Thank you very much for sending me a copy of the statement you issued on Friday about your work on Merseyside, and for the material on the three initiatives you have been taking, on the Stockbridge Village Trust, on the River Mersey and its tributaries, and on the Merseyside Enterprise Newsletter.

I found this fascinating and very heartening. I would like to send you and all those concerned my warm congratulations on what you have achieved already. Let us hope that 1983, too, will bring achievement and advance on Merseyside.

23 December, 1982.

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Prime Minister

MERSEYSIDE INITIATIVES



Prime Minister (1)

Yes, please. Would you like a draft minute  
21 December 1982  
to Mr Heseltine, congratulating him on his work?

In the summer I sent you a copy of the speech I gave in Liverpool setting out the various initiatives we have set in train on Merseyside, with special emphasis on the way in which we have pulled together the private and public sectors. I have recently updated this material in a statement I issued on Friday, a copy of which is enclosed, and which you might like to glance at.

MCS  
21/12

See  
draft  
folder

I would draw your attention to 3 particular initiatives - about which additional material is enclosed - which illustrates the results that can be achieved if we successfully motivate private sector effort.

The first of these is the proposal for the Stockbridge Village Trust in Knowsley. The essence of the scheme is that Cantril Farm, one of the most run-down and vandalised council estates on Merseyside (even though it was built only in the 1960s) should be acquired from the local authority by a private sector trust, financed by the Abbey National Building Society and Barclays Bank. There will be an extensive programme involving demolition of the worst properties, refurbishment of others for sale and for rent through the Housing Corporation and building new houses for sale. The private sector building industry - in particular Barratts - will be heavily involved. The local authority and representatives of the local people will also be represented on the Trust. The new Trust will be chaired by Tom Baron, a local private sector builder.

This is a most exciting new development, bringing the private sector into the area of public housing on an unprecedented scale. It provides a real chance to break out of the cycle of vandalised council estates which go steadily down-hill, and from mediocre public sector management. Other building societies have indicated their willingness to participate in similar schemes elsewhere. I am pursuing this.

I enclose a copy of some of the material which we have produced.

We have made a start on tackling a number of the industrial and environmental problems of Merseyside and other parts of the North West, but so far we have not tackled perhaps the greatest environmental and infrastructure problem in the area: the River Mersey and its tributaries -

one of the foulest waterways in the country and a major blight on this part of the North West. Cleaning up the river will be a long term job - perhaps 20 to 30 years. It will involve capital investment by both the private and public sectors of perhaps £2,000m. There will be a most important role for the private and voluntary sectors. I published last month a consultation document which seeks to stimulate / ideas and proposals from all interested parties. I again enclose a copy. We plan to follow this up with a conference in the North West in the Spring.

/ Finally, I thought that you might be interested to see the first edition of the Merseyside Enterprise Newsletter. As you know, the Task Force has developed in many areas schemes to involve the private sector in measures to regenerate the economy of the area. The response from private sector companies has been very encouraging. It has led to so many good schemes and ideas. We have therefore recorded the results and circulated them widely to encourage their adoption by other companies and agencies. I launched the first edition of the Newsletter on Merseyside at the beginning of December. I intend that it should be issued at regular intervals as more ideas and schemes materialise.

The message of seeking to encourage industrial development and economic recovery in an area like Merseyside in the face of the world recession is an uphill task. One of the most important avenues to success has to be increased partnership between the public and private sector, particularly drawing the private sector into areas which were hitherto strictly the preserve of the public sector. I have been most encouraged by the positive response. There is a long way to go, but we have laid some pretty good foundations.

I am sending a copy of this and the enclosures to Geoffrey Howe, Willie Whitelaw, Keith Joseph, Norman Fowler, George Younger, Nicholas Edwards, Cecil Parkinson and Leon Brittan.

*hugh*

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MERSEYSIDE ONE YEAR ON : A REPORT BY MICHAEL HESELTINE - 17 DECEMBER 1982

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Anniversaries prompt their own questions.

Merseyside has been no exception.

Last summer - a year after the disturbances in parts of Liverpool in 1981 - people began to ask what had changed since then.

And this Autumn - a year after the Prime Minister asked me to take a personal role in tackling the problems of Merseyside and a year after the Task Force was established - people ask what has been achieved.

Against a legacy of 70 years of industrial decline and as complex a web of social and economic problems as we have in Britain success or failure is not easy to quantify in a one year timescale.

But it is only right in our democratic society that people should raise such issues and expect to receive a reasoned answer to their questions.

I therefore want to take the opportunity presented by my last visit to Merseyside before Christmas to set out my view on the progress we have made in tackling the problems of Merseyside.

### The Background

Let us first consider the situation as we found it.

What a situation it was.

The traditional industries from which so much of the area's prosperity originally grew had been in steady decline since the war, if not before.

As a result, unemployment in Liverpool had for years been well ahead of the national average.

Even before the world recession, the city was losing about 11,000 jobs a year.

Unemployment in Merseyside as a whole was at about 20% - well above the national average.

In the Liverpool travel-to-work area 89,500 people - almost 19% of the workforce - were on the dole.

Allied with this frightening unemployment situation were some of the most appalling housing conditions in the country.

Not only were such conditions to be found in elderly pre-war housing, as occurs in other inner city areas, but in estates built at great public cost in the last 10-20 years.

They are literally the abandoned estates.

Vandalised, boarded up, properties, the everyday advertisement telling those that have choice to stay away and urging those that live there to join the exodus.

Beleagured communities resentful in a world of hopelessness.

A massive failure of public sector housing stretching back well before this Government or the present economic conditions.

In the small ethnic communities of Liverpool race added another dimension to these problems, communities which saw themselves discriminated against and firmly stuck at the bottom of the social pile.

Relations with the police in such communities were almost bound to be difficult.

Further evidence of urban areas in difficulty and decline was the visible dereliction to be seen almost everywhere - vandalised and abandoned buildings, derelict and polluted sites, with their piles of rubble, rubbish and weeds.

But these were only the most immediately obvious signs of Merseyside's difficulties.

There were other more complex and deep-seated problems.

First there were glaring inadequacies in the local infrastructure. Land was not being used, even in the heart of the city. The gateways to the area - the main railway station and the airport - badly needed improving.

And, perhaps worst of all, the Mersey estuary - the lifeblood of so much of the earlier prosperity of the area was one of the most polluted rivers in Britain and quite unable to contribute to the new leisure and recreational industries and activities that mean rising living standards in today's world.

The public sector could point with pride to the road communications which have dramatically improved in recent years and the rail services are good.

But the wasted land, the airport, the station and the Mersey itself were witness to an obvious and early challenge.

Second, the private sector had undergone great changes on Merseyside as elsewhere in the world.

Merseyside had been a typical victim of the post-war trend towards bigger and more remote companies, corporations and institutions. The absorption of the family business, the capital gains orientated tax system, the over-taxation of personal and disposable income, the centralising sophistication of the stock exchange all pushed ownership into fewer and more remote hands.

The vital links between those responsible for creating wealth and the communities in which they operated were greatly weakened.

There was little concern for the general community because those who exercised ultimate power identified less and less with any geographic or local loyalty.

The family business has to stay and fight.

The conglomerate nation arises and redeploys.

## The Constraints

That was the situation which confronted us a year ago, a situation all too familiar to those of you that live here. Those familiar problems had been faced by local authorities, local agencies, private companies for many years. Those organisations had taken steps, often aided by Government support, to tackle them. Clearly much more needed to be done, and done more effectively. The constraints that we all faced in trying to tackle that situation were severe. First, we had to operate against the background of the worst recession the world has seen since the end of the last war.

The tide was going out carrying companies and jobs with it at a daunting speed.

It would have been irresponsible and short-sighted to seek to prop up companies that could not compete in the tough world we all face.

Second, we had as a government to maintain our pressure to get greater value for money and lower real spending on current consumption in local government.

Expenditure on current account had reached record levels at the expense of successive cuts in capital programmes since 1976.

Despite the level of people employed which reached record levels in 1979 the standards were often quite inadequate.

Simply spending public money in the same way as it was being spent on the same sort of projects offered little prospect of improvement.

Third, we had to recognise that power lay with a host of different local authorities under different and conflicting political leadership or in large numbers of public organisations each with their statutory duties and constraints.

No legislative change was possible in the timescale available even if it was desirable.



Fourth, there is the image of Merseyside itself as an area of trade union restrictionism with a strike-happy disregard for its own well being.

Fifth, there is that most limiting and unaccountable constraint of them all - there is the rigid discipline of the clock.

Against this background people say to me - well what is your strategy?

My answer is to make things happen.

They often seem disappointed.

It sounds so incomplete.

I make no apology, for strategies are often a time wasting delusion.

None of our cities were built on strategies.

They developed because thousands of people exercising their own individual judgement and choice took real decisions about building on, about investing in, about living in a particular place.

Strategies are more often a period of investigation during which you can't tell people what they do because the strategy is being prepared, consulted about, redrafted, submitted to Ministers, challenged in the courts and then sent back to the drawing board as the new government seeks to get itself off its more extravagant election pledges.

So have your strategies but in the meantime leave me with real people making real decisions to do real things in a real timescale.

I think there are 4 strands to a very practical approach - the only approach that in the circumstances was on offer.

First, to become involved in trying to understand many of the detailed

problems facing public sector programmes and to help wherever possible.

Second, to work through existing organisations to achieve examples of how programmes could be better carried out to cope specifically with the problems that confronted us.

In this way if we could get successful examples of how things would be done better the pattern could be repeated on a wider scale.

Very substantial benefits are now flowing from the approach.

Third, to persuade private companies that it was in their best interests and often profitable to play a significant role in the job creation and social problems of the areas in which they traded.

To persuade those companies at the most senior level that if the capitalist system is to maintain the support of a democratic system it has to understand the responsibilities that go with wealth creation that it often represents and upon which it depends.

Fourth, to deliver a message that the strength of a total community is not government inspired or even government financed.

Far and away the most important contribution will come or not depending upon what people will do for themselves.

Governments act far more at the margin than conventional politics assumes.

In short, stop complaining about everyone else, get your coat off and come and help.

### The Approach

We therefore had to look for a new approach in tackling the problems of Merseyside.

I want now to discuss in detail what has happened with a remarkable

degree of support from a very large number of individuals working in the public and private sector.

If as I would hope within this philosophy, within these ideas and policies, a strategy emerges no one will be more pleased than I. But the challenge now is to keep up and enhance the rate at which Merseyside fights its way back.

### Industry

As I have said, one of Merseyside's major problems has been that so many of its industries are in irreversible decline.

That is a tragic fact of life.

Indeed we would have weathered the present storm if management and unions had recognised the decline and adapted to it earlier when new jobs and new investment were easier to find.

But that doesn't mean that very exciting new opportunities do not lie ahead for Merseyside.

Before getting on to specific local initiatives, I must refer to two important national developments which could be of great benefit to this area.

Many of you will have heard of the Financial Institutions Group.

The idea for this group came out of the bus tour of Merseyside which I arranged for leaders of the main financial institutions after the disturbances in 1981.

I asked each of them to second to me a bright young manager for a year to work with civil servants in my Department on ways of harnessing the respective skills and resources of the public and private sectors to tackle the problems of inner cities.

Twenty six companies responded to my invitation, and their secondees made up the Financial Institutions Group.

They came up with a whole range of constructive and imaginative ideas.

But perhaps their most spectacular proposal - the urban development grant - is already under way.

This is based on the American Urban Development Action Grant - UDAG.

The essential feature of the grant is that it uses an initial outlay of public sector expenditure to stimulate a larger amount of private sector investment.

The function of the public sector input is basically to remove the negative value - for example in reclaiming derelict land or rehabilitating disused buildings - from projects which would otherwise be financially unattractive to the private sector.

At its simplest a housebuilder says: you use public money to reclaim that uneconomic derelict site and I will then invest and build low-price homes for sale on it. The permutations are endless.

I announced that I would be adopting this proposal earlier this year and invited applications from inner urban local authorities, including those on Merseyside, in conjunction with private sector developers.

The response exceeded our most optimistic forecasts.

The figures show that in return for a public sector stake of £250 millions or so the private sector would be prepared to put in £500 million of their own money.

The bids received are now being evaluated and we will shortly be announcing the first results.

But suffice it to say, the scheme submitted cover a whole range from industry and commerce, through housing, to recreation and leisure.

The opportunities afforded by the new grant for development in areas where it might not have seemed possible before are substantial and very exciting.

I have adopted a similar approach with the derelict land grant.

This grant has been in existence for some years and has been used extensively for reclaiming land damaged by past industrial and mineral workings.

Such projects are of course valuable. They had played a vital role in restoring industrial and mineral despoilation to green fields.

But I thought that it would be valuable if a part of the total grant available was made conditional upon local authorities securing private sector development on site once they had been cleared. And I decided to balance the largely rural expenditure with significant increases in urban expenditure.

It therefore has a similar principal to that of UDG: using public sector money to stimulate even more private sector investment.

Any local authority in a derelict land clearance area - and that includes the whole of Merseyside - is entitled to bid for a slice of the grant on these exciting new terms.

But what specifically is happening on Merseyside?

The answer is: a good deal.

A fortnight ago I announced proposals to establish a Technology Park sponsored by Plessey.

This involves taking 60 acres of empty land alongside Plessey's plant in Edge Lane, reclaiming the land at public expense, providing advance factory units through English Industrial Estates and then encouraging small high technology firms on to the site.

This is a most exciting example of what the public and private sectors can achieve in partnership.

The public sector is providing the basic infrastructure, while the private sector - in this case the highly successful Plessey company - is putting its weight and expertise behind building up a concentration of high technology industries on the site.

This is the first sponsored industrial estate that we have got off the ground in Merseyside and I am hopeful that there will be more to come.

I am now actively looking for sites and for companies who are prepared to play their part. It is of course a scheme of national relevance.

Allied to the Plessey project, Granada Television have shown a keen interest in the concept of sponsored industrial estates and have promised to feature the development of such estates in their programmes about local industry and the local economy.

In addition, Granada are also about to launch a series of programmes focusing on the activities of new small businesses and will be running a competition to find the most imaginative and promising venture in the region.

English industrial estates are also active in other parts of Merseyside.

They are now in the process of acquiring land right in the heart of Toxteth in order to provide factories for locally-based small businesses.

with the Midland Bank  
The company is also active/in the Speke Enterprise Zone, where they have built 68 Beehive units which provide floor-space from 500 to 5000 square feet.

of  
And I understand that the level/interest in these units has been very encouraging.

There are other ways in which help can be made available to small businesses and industries.

Earlier this Autumn I was invited to open formally Business in Liverpool, a new enterprise trust for the City, which joins other enterprise trusts in in St Helens, Sefton, Birkenhead, Ellesmere Port and Runcorn. The enterprise trust idea has been catching on fast all over the country; the idea is that the big companies in an area come together to pool their resources and expertise to provide, in effect, a one-stop shop giving help and advice for small businesses. The basic concept owes much to the pioneering work of the St Helens Enterprise Trust developed by Pilkington and the local authority. Another major initiative is the creation of a Merseyside Innovation Centre.

This is a joint project involving the University, the Polytechnic and industrial nominees from the County Council.

The aim is to promote the commercial development of research ideas being developed in the University and Polytechnic and to provide a source of technical advice to local companies.

The banks are also playing an active part in trying to help new businesses on Merseyside and are involved in a variety of initiatives.

for example  
The National Westminster Bank/have appointed a Manager in Liverpool to have specific responsibility for small businesses in the inner city area.



Williams and Glyn's are working on proposals to develop business opportunities here in Liverpool, and will be looking in particular at the need to establish effective liaison with businessmen from the local community. Another example is the part Barclays Bank are playing in supporting the enterprise trust in Liverpool.

We are also helping small businesses on Merseyside, through the Task Force.

Managers seconded to the Task Force from local companies have played a particularly valuable role. This is evidence of the usefulness of co-operation between the public and private sectors. Particular attention is being paid to see if local companies can supply products which are now being imported from overseas.

There is no doubt that if local firms are prepared to be flexible and seize the opportunity then they stand a good chance of increasing their order books.

But success for local industries doesn't only depend upon the kind of measures I have been discussing.

The physical environment is also very important.

One of the managers seconded to the Task Force from United Biscuits has been promoting an intensive programme of refurbishment and the provision of improved services for local companies on the 2 main industrial estates at Kirkby and Knowlsey through liaison between the local authorities and the private sector companies.

This has been very successful and has led to a very marked improvement on the estates, with consequent effects upon morale and confidence.

We have launched or promoted a variety of new training initiatives.

These include the clerical training centre in Liverpool 8; 7 information technology centres in various parts of Merseyside, in which the private sector and local authorities are involved; 5 small firms workshops, again in various parts of Merseyside; 3 commercial business training centres; a recent initiative to fund 40 extra apprentices on Merseyside in electronics and electrical engineering, and a training scheme in boat building reflecting Merseyside's maritime history.

Such training initiatives are evidence of constructive co-operation between the private sector, Government Departments, Manpower Services Commission and local authorities. These are only some of the measures which are now under way.

It would be impossible to list all the initiatives that companies are pursuing in this report.

But that presents its own challenge.

How do you ensure that each company knows what the others are doing?

How do you spread the isolated example into general practice?

The Chamber of Commerce has undertaken to co-ordinate the way we have chosen to proceed.

Two weeks ago we launched the Merseyside Enterprise Newsletter.

This does list the schemes companies are carrying out.

It also lists the central and local government support that is available.

And it lists the questions companies can ask themselves about their own attitudes and practices if they wish to check that they are doing all they could.

The newsletter is being distributed to over 3,000 companies on Merseyside and it will be followed by updated newsletters listing new ideas and reports of initiatives by companies not so far listed.

Copies of the newsletter are freely available and I hope that this initiative will play its part in drawing in the strength of the capitalist system to help where they can with the wider problems of Merseyside.

Housing

Merseyside's housing problems are of chilling proportions.

The problem is not confined to the traditional types of poor quality inner city housing, but is widespread in estates built within the last decade or so.

Insensitive planning, inadequate maintenance and often accommodation that a dwindling population will not live in.

Trying to solve these problems poses a real challenge.

There is, of course, a vital role for traditional central Government housing programmes in tackling these problems.

This year, for example, Liverpool has available up to £56m to spend on housing, compared with a spend of £33m last year.

But this is only part of the story.

We have set in train a whole variety of initiatives, many of them involving the private sector, designed to improve the quality of the housing and the housing environment.

Perhaps as important as quality is the choice of tenure.

Most people want to own their own homes.

Once they do they look after them and feel committed to the area in which they exist in a way all too frequently missing on the anonymous council estates.

They will pay more of their own money to buy, spend more of their own money to maintain that which is theirs.

We seek to encourage this.

It leaves more resources to help with the housing of those less fortunate.

we are promoting  
Prominent among the schemes/are the proposals I announced at the beginning of November for the refurbishment of the Cantril Farm Estate in Knowsley, one of the outer Merseyside districts. This is an estate of some 3,500 houses, built in the 1960s, which has rapidly achieved a most appalling state of decline and dereliction.

It was an estate locked into a downward spiral from which there seemed no prospect of recovery. The local authority despite every endeavour, could see no solution to the self evident decline.

In housing terms these proposals are perhaps the most ambitious partnership between the private and public sector ever attempted.

A private sector trust will acquire the estate, with the help of funds from the Abbey National Building Society and Barclays Bank, together with initial financial support from Knowsley Council. The trust will carry out a five year improvement programme to the houses and the environment, demolishing the worst property, while Barratts and possibly other private sector developers will buy sites and build up to 600 houses for sale; they will also buy and renovate for sale three tower blocks.

There are also plans for Housing Association activity, new shops and a sports centre.

The local authority and representatives of the community will be consulted fully by the Trust and, indeed, consultations are already in hand with the local residents. For the first time for some years the tenants of this estate can have real hope of decent housing and a decent environment.

Developers are also involved in a number of initiatives on Merseyside which will bring back to the inner area opportunities for home ownership.

A prominent example of this approach is Minster Court, in the heart of Liverpool.

Formerly known as Myrtle Gardens, this was a semi-derelict block of flats in Council ownership.

However, Barratts have now taken over the block and are completely refurbishing it for sale; in addition, there will be some associated attractive new building.

Other measures to increase the opportunities for home ownership include shared ownership schemes involving housing associations and schemes to facilitate low-cost home ownership.

Another exciting idea which we have pioneered on Merseyside is the community refurbishment schemes. These schemes use housing and urban programme resources to pay for the works and MSC funds to pay unemployed workers from the building industry to work on refurbishing the estates on which they live.

There are now 6 such schemes scattered across Merseyside already in operation and these will be followed by at least another 8. They are already proving very successful.

It provides a long overdue opportunity to improve local council housing, it provides work for some of the local unemployed people and it gives tenants the opportunity to participate fully in the improvement of their homes.

These are just some of the private and public sector housing initiatives now in train on Merseyside.

Some of them are new and exciting - such as the Cantril Farm project and the community refurbishment schemes; all of them are valuable and serve as examples which could be followed in other inner city areas.

### Infrastructure

I set out earlier my general views on the infrastructure of Merseyside. One of the major problems has been underused physical assets and poor infrastructure.

Anybody visiting Merseyside for the first time could not fail to notice the plethora of derelict sites and vacant plots of land.

Nowhere was this more evident than in the extensive disused docks. To tackle this major problem we set up the Merseyside Development Corporation with a designated area of some 860 acres.

They have been given the powers and the resources to get on and reclaim this land, to rehabilitate the former dock buildings and <sup>to</sup> seek out profitable private sector development to make use of them.

The result of the Corporation's works are already there to see: in particular a vast area of the former south docks is well on the way to complete reclamation in preparation for the International Garden Festival in 1984. I believe this is one of the most substantial inner city regeneration schemes in post-war Britain. Work is also well advanced in putting some other famous derelict Liverpool sites to good use.

At last, after years of neglect the 18 acres which make up the Anglican Cathedral Precinct are being developed to provide housing for sale and for rent, together with public open space, following a competition for the best design.

A different sort of site is the 20 acre former Tate and Lyle factory at Love Lane in the inner area of Liverpool.

A competition has been launched by English Industrial Estates for development proposals for this important site.

EIE are also proposing to develop the 7 acre former Exchange Station site for commercial uses.

More generally the Enterprise Zone at Speke which is now to

be extended, provides incentives and opportunities for badly-needed development and jobs in this part of the city.

English Industrial Estates have constructed a number of small factory units (Beehive units), while Urban Programme Funding has been approved to build a major sewer across part of the Zone which should enable speedier development.

Nationally we have compiled registers of all publicly-owned land in every local authority and we are actively investigating the potential of individual sites on the registers for development.

This will be of major benefit to developers in the Merseyside area.

As I indicated earlier, much of the major infrastructure in the area is inadequate and needs to be improved if the prospects for development are to be realised.

In recent months, therefore, I have been concentrating on this aspect of Merseyside's problems.

Let me start with the Airport.

I have approved urban programme support of £2.5m for the construction of a new runway apron and other associated works by the County Council.

I understand that the work on the apron will start very shortly.

This will, I hope, provide a further stimulus to the development of new terminal facilities in association with the private sector.

Following close co-operation with the City and the County I have approved urban programme funds for the refurbishment of Lime Street Station; this will also facilitate the refurbishment of Lime Street Chambers by the private sector for office, shop and residential development.

This work will provide a much improved image of the city to tourists, businessmen and other visitors arriving in Liverpool by rail.

I very much hope it will be ready in time for the Garden Festival in 1984.

I referred earlier to the problems of the Mersey estuary.

The current condition of the river and its tributaries is appalling. The pollution spreads well to the east of Manchester, and the challenge it not only for Merseyside but for the heartlands of the North West of England.



I have already increased the amounts which I expect the North West Water Authority to spend/on their programme of improvement to the Mersey Estuary from £90m. to £170m. by 1985

But necessary though that programme is, much more needs to be done if the overall quality of the river itself is to be raised.

I therefore launched last month a major consultation process in which I invited the views of all involved - the private sector companies, local government, the water industry, environmental groups and the voluntary sector - on how we should go about tackling this substantial problem.

I shall be holding a conference in the Spring of next year when we shall be discussing the outcome of this consultation process.

We must put a timescale on the environmental reclamation of the Mersey and its tributaries.

But we should be in no doubt that a major task lies ahead of us, taking perhaps some 20-30 years and possibly costing up to £2,000bn.

Environmental problems in the North West, however, are not confined to the inner cities or to the Mersey catchment area.

There is a significant problem in what is known as the Urban Fringe - land on the outskirts of the major cities which is derelict, disused and often strewn with rubbish.

An approach for tackling this type of problem has been pioneered in St Helens and Knowsley where a Trust has been set up to harness the skills and resources of the Countryside Commission, local people and industry, local authorities and the voluntary sector. Funds from the MSC have been made available and derelict land grant has made a contribution where appropriate.

I was so impressed with the success of this scheme - known as the Groundwork Trust - that in October I announced that I was setting aside £4m of derelict land grant to extend the programme in conjunction with the Countryside Commission to other parts of the North West. Local authorities have been invited to put in bids by the end of December and I hope to be in a position to announce the successful schemes sometime in February.

For me my experience on Merseyside has impressed me more by the scale of the opportunity rather than the scale of the problem.

In every direction I have turned there is such opportunity.

If only it is recognised and grasped.

And there are still significant aspects of our public sector where the ground remains unexplored.

Inevitably, the emphasis of my remarks has been on the very severe problems of Merseyside.

There are so many assets, so much talent, so vibrant a society.

I have already referred to the Garden Festival, which the organisers hope will attract some 3 million visitors to Merseyside in 1984.

The need now is to build on this year after year.

Other projects are in prospect.

The boat museum at Ellesmere Port is already a living reality to add to the work of the county in developing the maritime museum.

Both these projects will lead to the restoration of historic ports to provide major tourist attractions.

A little over a year ago, I announced the idea of establishing a Northern Tate Gallery in the Albert Dock Warehouse complex in Liverpool. This remains a most exciting project, which I hope will provide a real asset for the city.

Finally, this past year has seen a significant boost to Merseyside's prowess in the sporting field.

In order to increase the amount of resources available in this area, I announced last year that the Government would match pound for pound all contributions by the private sector towards sport and recreation projects up to a maximum of £1m.

The contributions promised by the private sector exceeded £1m by another £½m.

So the Government matched it.

This magnificent response from the private sector has enabled a start on a long list of projects to provide better facilities in the Merseyside area.

#### Conclusion

Let me end with the question with which I began.

Do I believe that the time I have so far spent on Merseyside has been a success?

My answer has to be "yes".

But only if I may define carefully why I believe so.

A year ago I could only listen to the questions and offer few solutions.

Will the private sector provide the money the public sector can't afford?

How do we cope with rundown council estates?

Can the public and private sectors work more effectively together?

By what means do we tackle the dereliction and waste of unused land?

Is there any room for hope in a climate so dominated by despair?

Today I believe there are answers.

There are examples of practical achievement.

There is a way forward.

If on the other hand the definition of success is the resolution of

Merseyside's historic problems of decline or the elimination of the tragic levels of unemployment then the answer was always bound to be "no".

That sort of success was never within the timescale of possibility.

There are no magic solutions, no short term palliatives.

We may wish that there were, some politicians may even say that there are.

It is a cruel deception.

No matter how hard we try or how much effort we make, solving the problems of this area will take time and commitment over decades rather than years.

But I believe there is a beginning.

Much of what we have done has happened in uncharted territory.

And already the practical lessons are being studied and applied in a wider national context.

Our total commitment today to the urban problem is in a different league from anything attempted by previous governments.

The partnership between the public and private sectors has never been so closely and so beneficially advanced.

The banks, building societies and financial institutions all over the country are now working with local government, with our encouragement, to recreate a spirit of local community that certainly has not been a part of the British political horizon since the war.

There is self evidently a growing body of people today determined that this area will revive and rebuild. They are backing that determination with their time and their money. In whatever way I can I am proud to be in their company.