

PREM 19/1609

CONFIDENTIAL FILING

Prime Minister's Meetings with Sean Hughes, MP, to discuss the closure of a Huntley + Palmer Factory + closure of Plessey Telecommunications factory in Huydon.

PRIME MINISTER

NOVEMBER 1983

| Referred to         | Date | Referred to | Date | Referred to | Date | Referred to | Date |
|---------------------|------|-------------|------|-------------|------|-------------|------|
| <del>21.11.83</del> |      |             |      |             |      |             |      |
| <del>2.12.83</del>  |      |             |      |             |      |             |      |
| <del>6.12.83</del>  |      |             |      |             |      |             |      |
| <del>8.12.83</del>  |      |             |      |             |      |             |      |
| <del>2/2/84</del>   |      |             |      |             |      |             |      |
| <del>14.2.84</del>  |      |             |      |             |      |             |      |
| <del>23.2.84</del>  |      |             |      |             |      |             |      |
| 19.7.85             |      |             |      |             |      |             |      |
| 9.8.785             |      |             |      |             |      |             |      |

PREM 19/1609



DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 4301

GTN 215

(Switchboard) 215 7877

From the Parliamentary Under Secretary  
of State for Industry

JOHN BUTCHER MP

Sean Hughes Esq MP  
House of Commons  
LONDON SW1A 0AA

Prime Minister (2)  
For information, following up is your  
meeting with Sean Hughes MP.

25 July 1985

MEA 26/7

mt

Dear Sean,

Following our meeting with the Prime Minister on 19 July to discuss the effects on unemployment in the Knowsley area of Plessey's closure of their Huyton factory, I undertook to write to you with details of the help being given under the various Government schemes for employment and training in the Knowsley area. This help is as follows:

- (a) Industry Act Assistance In the period since 1 April 1983, the Department of Trade and Industry has made 29 offers of selective assistance for projects involving £49M investment in the Knowsley area. The value of these offers amounts to £3.6M with over 3,000 associated jobs either created or safeguarded.
- (b) Small Firms Association The Small Firms Service has a working relationship with the local Enterprise Agency in Knowsley and has offered to organise a Business Advice Night in conjunction with the Agency. Take up of the Enterprise Agency's services has been disappointing and its Board is looking at measures to increase public awareness of what it has to offer.
- (c) Over £300,000 was set aside in Knowsley Borough Council's 1984/85 Urban Programme for grants to assist private sector firms and new businesses. Over £200,000 of this has already been taken up and Knowsley's bid for 1985/86 has been increased to over £500,000.
- (d) Additionally, Knowsley has been invited to put forward private sector schemes under the Urban Development Grant Scheme. So far, three schemes have been taken forward including one for the provision of High Tech Units at Caddick Road, Knowsley Industrial Park with a cost of £308,000.

JB7ATJ

pm. Sean Hughes MP NOV 83



- (e) Under the Community Programme, (at 30 June 1985) there were 1375 approved places in the Knowsley MBC Area of which 1144 places were filled; 1224 places were formally contracted to be recruited against.
- (f) As many places under the Youth Training Scheme as are necessary to meet the needs of young people in Knowsley are being made available. In 1984/85 there were 2,039 such places. For 1985/86, 1897 places will be available reflecting the lower level of school leavers expected in that year.

Plessey, Huyton, have already arranged meetings with the local Job Centre team, DHSS, the Enterprise Allowance co-ordinator and Knowsley Enterprise Agency to assist their employees to find new jobs. You are no doubt aware that Plessey have in addition already approached other companies in the region to identify possible vacancies, and they intend to set up two job placement agencies on the Huyton site.

My officials in the Liverpool DTI office in conjunction with the Merseyside Task Force will set up a meeting for you with the Knowsley Borough Council. Perhaps your secretary could contact Mr Anderson (tel: 051-227 4111) to arrange a convenient time. *Notification*

*of the D.T.I. officials who will attend, will follow.*

*Yours sincerely*

*JH*

JOHN BUTCHER



JB7ATJ



file

re

Cemaster

10 DOWNING STREET

19 July, 1985

From the Private Secretary

Dear David

The Prime Minister today met Sean Hughes, MP, at his request. Mr. John Butcher was also present.

Mr. Hughes said he was deeply concerned about unemployment in his constituency in Knowsley, and in particular about the closure of the Plessey factory at Huyton, where over 700 jobs would be lost. Knowsley Borough Council could no longer be expected to cope with the difficulties created as a result of unemployment in the area. The Council had always behaved responsibly, but it needed some support if it was to tackle this problem.

The Prime Minister said she fully understood the distress and disappointment caused by the Plessey closure. It was a bitter blow to local people. She knew that Plessey's were fully committed to continuing production in areas like Knowsley, but the fact was that there was no longer a demand for the older technology products that Huyton manufactured. Technological progress meant fewer employees were needed in manufacturing; the need was therefore to encourage the search for new products and new business start-ups. Trade unions too had often contributed to the difficulty by helping those in work at the expense of those out of work.

The Prime Minister noted the help already available to Liverpool through the Government's employment and training measures, and through other programmes such as urban aid. The Community Programme was being expanded, and the YTS extended to two years. The Enterprise Allowance Scheme, which encouraged new business start-ups, was proving successful. It was important that Knowsley made maximum use of the resources which the Government were already making available in this way through the DTI, DOE and MSC. Mr. Butcher would accordingly write to Mr. Hughes, setting out what was being done in the Knowsley area under these programmes, and to take forward arrangements for a meeting between Mr. Hughes, Knowsley Borough Council, and the appropriate departments. Mr. Butcher also would discuss with Plessey's the possibility of linking the Government's support available through the Enterprise Allowance Scheme with the efforts the company were already making to help their employees at Huyton set up their own businesses.

I am sending a copy of this letter to John Ballard  
(Department of the Environment) and David Normington  
(Department of Employment).

*Y* *Steele*  
*Mark Addison*

(Mark Addison)

David Halldearn, Esq.,  
Department of Trade and Industry.



Minister of State

Tim Flesher Esq  
Private Secretary  
10 Downing Street  
London SW1

Department of Employment  
Caxton House Tothill Street London SW1H 9NF  
Telephone Direct Line 01-213.....5949  
Switchboard 01-213 3000

18 July 1985

*Dear Tim.*

I enclose a briefing note for the Prime Minister's meeting with Sean Hughes MP, as you requested.

Please get in touch if you require any further information and we will get it to you straight away. For convenience I attach a copy of the latest report from Bob Garner on the Merseyside youngsters.

*Yours sincerely,  
Stuart Lane*

STUART LANE  
Private Secretary

BACKGROUND EMPLOYMENT NOTE: LIVERPOOL TRAVEL TO WORK AREA (TTWA)

AREA

1 Liverpool has been a Development Area since November 1984. Prior to this it was a Special Development Area. The long term decline of the Port of Liverpool and port-related services has been a prime cause of persistently high unemployment. Liverpool has a narrow manufacturing base and over-dependence on large multinational firms controlled from outside the area.

LOCAL EMPLOYMENT

2 The service sector is now the major employer in the area with public administration and defence, retail distribution, and insurance, banking and business services predominating. The principal manufacturing industries in the area are food, drink and tobacco, vehicles, and electrical engineering. Major manufacturing employers include Ford Motor Co, Plessey Telecommunications, Associated Biscuits and General Motors - A C Delco.

UNEMPLOYMENT IN THE LIVERPOOL TTWA

3

| Date      | Total number | Unemployment percentage rates |        |      |
|-----------|--------------|-------------------------------|--------|------|
|           |              | TTWA                          | Region | UK   |
| June 1985 | 103,485      | 20.5                          | 15.9   | 13.1 |
| June 1984 | 100,867      | 20                            | 15.3   | 12.5 |

UNFILLED VACANCIES

4

| June 1985 | June 1984 |
|-----------|-----------|
| 2,746     | 3,576     |

PLACINGS

5

| Total cumulative figure for the period April 1985 to June 1985 | Percentage decrease over the same period in the previous year |
|--|---|
| 10,728   | -2%   |



REDUNDANCIES

6 Major recent and forthcoming redundancies include:

| Firm                                     | Location | Numbers | Dates            | Comments |
|--|----------|---------|------------------|----------|
| Plessey Telecommunications Ltd           | Huyton   | 832     | July '85-Oct '85 |          |
| British Insulated                        |          |         |                  |          |
| Callender Cables<br>(telecommunications) | Prescot  | 435     | July '85         |          |
| John Moores<br>(mail order)              | Crosby   | 300     | April-Dec '85    |          |
| Metal Box                                | Aintree  | 210     | Not known        |          |

SPECIAL EMPLOYMENT AND TRAINING MEASURES

| 7 | Special Employment Measures | Area  | No. of people benefiting |
|---|-----------------------------|---|--------------------------|
|   | Community Programme         | Merseyside Inner CP Area which covers the Liverpool TTWA        | 2976                     |
|   | Enterprise Allowance Scheme | Merseyside Inner and outer Area which covers the Liverpool TTWA | 1913                     |
|   | Community Industry          | Liverpool Area  | 752                      |
|   | Job Release Scheme          | Liverpool TTWA  | 646                      |
|   | Young Workers Scheme        |   | 2142                     |
|   | Job Splitting Scheme        |   | 24                       |

YOUTH TRAINING SCHEME MERSEYSIDE INNER TD AREA

| Mode  | Current Year Approved Places at 31 May 1985 | Numbers in Training at 31 May 1985 | Entrants at 31 May 1985 | Number of Entrants at same date last year |
|-------|---|------------------------------------|-------------------------|---|
| A     | 2584  | 3002                               | 338                     | 278                                       |
| B1    | 2471  | 1867                               | 673                     | 773                                       |
| B2    | 484   | 454                                | 64                      | 63  |
| Total | 5539  | 5323                               | 1075                    | 1114                                      |

YOUTH TRAINING SCHEME

8 The proposed two year YTS Scheme has been generally well received.

9 The follow-up post-YTS survey for the Merseyside Inner TD area between July 1984 and September 1984 indicated that 40% of trainees had found work, 6% were on full time courses at colleges or training centres, 10% were on other YTS schemes, and 40% remained unemployed.

10 There are 4 Information Technology Centres operating in Liverpool providing a total of 176 places.

ADULT TRAINING

11 There are 2 skillcentres in Liverpool (Liverpool Skillcentre and Merseyside Advisory Training Unit (MATU)). During May 1985, 336.8 training places were made available all of which were purchased by MSC and employers. Liverpool Skillcentre is due to close. Satisfactory alternative provision has been identified within reasonable daily travelling distance, mainly at Liverpool's other skillcentre, MATU.

12 Merseyside Inner TD Area Office plans to help 6,551 adults through its locally delivered programmes in 1985/6 compared to 2,788 in 1984/5 (an increase of 135%).

COMMUNITY PROGRAMME

13 Merseyside Inner ED Area Office (covering central Liverpool) report that the programme has been generally well received in the area, enabling the profile to be achieved.

14 Merseyside Outer Area Office (covering outlying districts of Liverpool) report that the programme has been generally well received.

**GOOD NEWS**

15 Good news items include:

- the Arrowcroft Group in partnership with the Merseyside Development Corporation are building a residential, commercial and leisure complex on the site of the disused Albert Docks in Liverpool. The £70 million scheme is expected to create more than 2000 jobs over five years.
- Liverpool's Festival Gardens, the successor to the International Garden Festival will provide up to 350 people with temporary jobs between May and September.

**DEPARTMENT OF TRADE AND INDUSTRY ASSISTANCE SINCE MAY 1979**

| 16                                   | S7 of the Industrial Development Act 1982 since May 1979 (1) | S8 of the Industrial Development Act 1982 since May 1979 (2) | Regional Development Grant I since May 1979 (grant's over £25,000) |
|--------------------------------------|--|--|--|
| Value<br>£m                          | 35.7   | 2.16   | 113.2  |
| Estimated number of jobs created     | 5010   |  |  |
| Estimated number of jobs safeguarded | 16836  |  |  |

- (1) Regional Selective Assistance available to manufacturing and service industries to create or safeguard employment in Assisted Areas.
- (2) National Selective Assistance to manufacturing industries and major projects involving new investment of at least £ $\frac{1}{2}$  million.

## DEPARTMENT OF ENVIROMENT ASSISTANCE

17 Liverpool is an Inner City Partnership with an allocation of £24.1 million in 1985/86. Knowsley is a Programme Authority with an allocation of £3.7 million in 1985/86, and Sefton is a Designated District with an allocation of £500,000 in 1985/86. There is an Enterprise Zone at Speke.

### LOCAL ISSUES

#### CLOSURE OF PLESSEY TELECOMMUNICATIONS PLANT, HUYTON, LIVERPOOL

18 On 5 July Plessey Telecommunications announced the closure of their plant in Huyton, Liverpool. 832 employees will be made redundant but about 112 of these will be transferred to other plants. The reasons for the redundancies are reported to be reduced demand, completion of contract for a particular type of telephone exchange, transfer of activities to another establishment, and a general overcapacity in the industry.

#### HEXAGON YTS SCHEME, LIVERPOOL

19 The local Area Manpower Board has recently refused to renew the contract for Hexagon YTS scheme, Mode B1 Community project (120 training places, 24 adult staff).

20 This followed complaints of alleged race and sex discrimination on the scheme which will close on 31 August.

#### Line to take

21 If this is raised the Prime Minister might say that after full consideration of all the issues, the Area Manpower Board decided not to renew the scheme after August 1985. Most of the youngsters taking part in the Hexagon Scheme have either completed their training or have been found alternative places. The Manpower Services Commission are confident that, despite the closure, sufficient places will be available to meet the demand in 1985/86.

#### YOUTH UNEMPLOYMENT IN MERSEYSIDE

22 A recent report in the Liverpool Echo (7 June) stated that almost 32,000

6

Merseyside youngsters would be chasing just 112 careers office jobs this summer, that Knowsley careers office had just 3 jobs available; and that up to 3900 youngsters would be looking for work in August.

Line to take

- 23
- the figures quoted are numbers of unfilled vacancies at 3 May 1985 and take no account of vacancies which will arise for youngsters in the summer, those at jobcentres, private agencies, advertisements, or those jobs filled by young people making direct contact with employers;
  - ample YTS places are available for youngsters on Merseyside who cannot find jobs, and participation in the scheme will improve their employment prospects substantially;
  - indications are that around 40% of youngsters leaving YTS schemes in the area covered by MSC's Merseyside Inner Area Office go into jobs with the corresponding figure for the Merseyside Outer Area Office being 44%.

**'MERSEYSIDE 25'**

24 On 25 March 1985 Mr Robert Kilroy-Silk (MP for Knowsley North) led a deputation of 25 unemployed people to visit the Prime Minister to discuss employment prospects in Merseyside. The progress of the 25 continues to attract media attention.

Since the meeting at No 10 the Area Employment Manager has followed the progress of the '25'.

Line to take

- 2.5 - what happened at the meeting has been widely misrepresented. The Prime Minister and others present wanted to offer the youngsters guidance in finding a job and in particular to ensure that they made use of the facilities and programmes available;
- it is important that individuals looking for a job adopt a flexible and realistic attitude to their search. Some people who came to No 10 have unrealistic expectations of what they can expect to be paid - at least initially - and rather restrictive requirements about where they are prepared to work, even within the Merseyside conurbation;
- many people are finding work. In the period April 1985 - June 1985, jobcentres in Liverpool alone placed over 10,000 people in employment and it is estimated that jobcentres only fill about one vacancy in every 4 that is filled;
- understand that of the '25', 5 have found permanent employment; 4 have found temporary employment; 3 have started temporary jobs under the Community Programme; 2 have started training at the Hotel Career Centre in Bournemouth and a further 2 have been accepted for the next course; 4 youngsters have had one day trials with a hotel group and may be offered posts; and others have been submitted for job vacancies.

#### BATLEYS LTD - PROPOSED DEVELOPMENT AT KNOWSLEY

26 The Labour MP for Knowsley South, Sean Hughes, has recently complained about the refusal of DTI to grant regional selective assistance with £300,000 to Batleys Ltd, a Huddersfield based firm who wanted to build a £3 million cash and carry warehouse in Knowsley creating 100 new jobs. The company is now reported to have shelved its plans to expand in Knowsley.

#### Line to take

27 If this is raised the Prime Minister might say that she understand the project does not fall within the scope of either Regional Selective Assistance or Regional Development Grants, but that the company have been informed that some discrete activities may qualify for Regional development Grants.

#### LIVERPOOL AIRPORT

28 Several Liverpool Labour MP's and Merseyside County Council have recently complained to the Secretary of State for Transport that Liverpool Airport will not share in assistance given by British Airways to independent airlines.

29 The 'Airline Competition Policy White Paper' published in October last year, set out the conditions under which BA agreed to give assistance to independent airlines. The offer is limited to a maximum of 15 routes and takes the form of financial support of up to £450,000 per route spread over 3 years to help meet the development costs of new services from the regions to Europe. As BA will also help with supporting services, the offer is confined to the six regional airports at which BA operates (Manchester, Birmingham, Newcastle, Glasgow, Edinburgh and Aberdeen). For practical reasons therefore, the offer cannot be extended to include Liverpool Airport.

#### Line to take

30 If this is raised the Prime Minister might say that she recognises the concern of Merseyside County Council to encourage the use of Liverpool Airport. Whilst the terms of the BA offer cannot be extended to include Liverpool, the Government is committed to encouraging the maximum use of regional airports such as Liverpool.

Your ref:

Our ref:

Date: 2 July 1985



**Employment Service Division**

Area Managers Office  
P.O. Box 76  
15 La Grange Arcade  
St. Helens  
Merseyside  
WA10 1BP

Tel St. Helens 54251/8

Mr P Morrison MP  
Minister of State  
Department of Employment  
Caxton House  
Tothill Street  
London  
SW1H 9NF



*Dear Mr. Morrison,*

**MERSEYSIDE VISITORS TO DOWNING STREET**

Since my last report (up to 9 May 1985) we are aware of a further three "positive outcomes".

1. Girl aged 20 placed with Kirkby employer working 14 hours per week (evenings) for a wage of £47.66.
2. Youth aged 20 placed with Butlins as a kitchen assistant for the summer season. Incidentally this is the same young man that we placed locally, who was dismissed after a months trial, leading to a lot of publicity.
3. Girl aged 20 has found work with a local newsagent. She was expected to start with the Hotel Career Centre in Bournemouth, but failed to do so, without notifying us that she had in fact found work.

It is now three months since the visit to Downing Street. Though we continue to monitor this group, the chances of any further success are extremely limited I feel, due to the attitudes and circumstances of the individuals concerned. I have listed some examples of the problem cases (See Appendix 1).

We are therefore no longer making special efforts for them, or specifically inviting them into the Jobcentre regularly. The ones remaining unemployed are not receptive to our advice at this stage, and the time involved will be more productive if used in other areas.

The Hotel Career Centre, who were good enough to offer six free places to this group have been disappointed, as you know. They have however, agreed to take three other Merseyside youngsters on the free places not taken up by this group. Jobcentre staff at Kirkby are arranging this now (with some care).



## EXAMPLES OF PROBLEMS

1. Youth aged 25: Wants work involving music, and playing his guitar. Wage minimum £70 pw.
2. Youth aged 20: Poor appearance. Immobile (girl friend pregnant). Refuses CP work. Wage minimum £90 pw.
3. Youth aged 20: Wants "something interesting". Immobile (girl friend pregnant). Due in court "expects prison sentence".
4. Girl aged 26: Not worked for 5 years. Immobile (daughter aged 2). Typist who insists on Audio work. Mayoress of Knowsley 1985/86.
5. Youth aged 21: Wants work as an Actor or stagehand. (Cannot get into equity). Has written to the Prime Minister, and had a reply.
6. Youth aged 20: Insists on work as a trainee bricklayer.
7. Youth aged 20: Low achiever seeking "computer work".
8. Youth aged 23: Refuses CP work. Wants "welfare rights work" locally. Minimum wage £70.

All these registrants have been advised to modify their views, but have not accepted the advice.



BRIEF FOR THE PRIME MINISTER'S MEETING WITH SEAN HUGHES MP  
FOR KNOWSLEY SOUTH

PLESSEY CLOSURE AT HUYTON

Line to take

1 The rundown and closure of Plessey's Huyton factory is a matter of regret to the Government but the decisions it has taken are a matter for the company's own commercial judgement.

2 Changes in technology and British Telecom's rapid modernisation programme means that there is no longer a demand for some of the older technology products. Consequently, for commercial reasons Plessey have decided to consolidate and rationalise its manufacturing operations in the North West.

[ONLY IF RAISED]

3 This is not a matter connected with BT's decision to second source digital exchanges. Wherever those exchanges are sourced, the same effects on the older technology products arise.

JB5BAD



## Background

1 On 5 July 1985 Plessey announced a rationalisation of its North West manufacturing operations (Press Notice attached) which will result in the closure of its Huyton factory, which produced semi electronic telephone exchange equipment, call logging equipment for old analogue exchanges and payphones. The closure will mean the loss of 720 jobs.

2 Demand for the products which formed the bulk of the Huyton factory output is now exhausted. The company has little option but to cut back. The Huyton factory has been primarily concerned with the manufacture of TXE4A switching equipment, the stepping stone between the old electromechanical systems and digital System X exchanges. The company received their last order for TXE4A from BT in 1984 - all future demand on Plessey for public switching equipment will be for System X, the manufacture of which is now being concentrated at Plessey's Edge Lane factory on Merseyside. In spite of the large orders for System X, Plessey is left with too much production capacity due to the smaller space and lower labour requirements of digital exchange manufacture compared with the now outmoded TXE4A switches.

3 These further rationalisation measures and closures follow earlier examples when Plessey closed their South Shields factory in 1984 and shed 800 jobs at Edge Lane.

4 The Huyton factory was also intended to produce call logging equipment. In 1981, as part of its modernisation programme, BT planned to introduce call logging equipment on to all its old analogue exchanges and put four systems from IBM, GEC (2) and Plessey under evaluation. Unfortunately, all three companies took some 12 months more than had been anticipated over the products development and with BT's accelerated modernisation programme based on System X and also now System Y digital exchanges, the call logging requirement for analogue exchanges has been overtaken by events. No orders for this equipment are to be placed. All payphone manufacture is now being concentrated in Chorley, also in the North West.

5 Changes in technology are the root cause of Plessey's current reorganisation and consequent loss of jobs. It is inevitable if Plessey are to be competitive in the future.

## BT's System Y purchases

6 In March BT announced that a contract for System Y digital exchanges had been placed with Thorn Ericsson Telecommunications. A high proportion of this order (100,000

JB5BAE



lines for delivery in 1986 and between 300,000 and 500,000 lines in 1987) will be manufactured in the UK following an initial build-up programme. This compares with orders for System X local exchanges of 1.6m lines already placed and expected to reach 5m lines by the end of 1987 plus 54 trunk exchanges.

7 However, following representations by an all party group of MPs, the Director General of OFTEL has been investigating a complaint about BT's decision to purchase the System Y exchanges. The Director General's report is now virtually complete and has been circulated in draft form to the interested parties, including Plessey. The report basically raises no objections to the BT decision. In any case, these Plessey closures have nothing to do with BT's System Y purchase. It is BT's current System X ordering programme that has led to the fall off in demand for the older exchanges made at Huyton.

#### Other matters

- ... 8 An Annex giving details of the unemployment situation in the Knowsley area is attached.
- ... 9 Also attached is a table giving details of Government grant made available on Merseyside since May 1979.

JB5BAE

At Huyton consultations have begun on potential redundancies and in this regard the Company will take all practicable steps to explore with employee representatives and the Department of Employment the opportunity of alternative employment for those who will be affected at Huyton.

These explorations will include the possibility of redeployment, together with the introduction of professional external placement agencies, in-house counsellors and any other measures that might reasonably contribute towards minimising the hardship and numbers of redundancies which will inevitably occur.

END

Issued by Charles Barker Lyons  
30 Farringdon Street  
London EC4A 4EA

For further information on Friday 5 July or Monday 8 July contact:

|           |   |
|-----------|---|
| Liverpool | Roger Dence or Penny Roberts on 051-228 4830 Ext 3156 |
| London    | Hugh Merrill on 01-634 1052                           |
|           | Paul Calderwood on 01-634 1048                        |

At other times contact Roger Dence on 01-634 1036 or Penny Roberts on 01-634 1040.

#### Note to Editors

Plessey Telecommunications & Office Systems Limited (PTOSL) is the telecommunications systems business of The Plessey Company plc. In public telecommunications the company has engineering, manufacturing or installation operations at Ballynahinch, County Down; Beeston, Nottingham; Knowsley, Merseyside; Poole, Dorset; and Taplow, Berkshire, in addition to those at Edge Lane, Chorley and Huyton.

PTOSL has 12,500 employees in the United Kingdom of whom 5,600 work in the public telecommunications business. Plessey employs 4,750 people in the North West.

# news from PLESSEY

Our Ref: 0690 E 3322

5 July 1985

## PLESSEY TELECOMMUNICATIONS REORGANISES NORTH-WEST

### MANUFACTURING OPERATIONS

In a reorganisation of its telecommunications manufacturing plants in the North-West, Plessey announces today plans to consolidate production of System X telephone exchange equipment and to form a specialist payphone business. These moves follow the cessation of work on TXE4 telephone exchange equipment, for which Plessey received its last orders in 1984, and additionally British Telecom's decision not to proceed with orders for the Company's new call-logging equipment.

Consequently, there is now a surplus of production capacity and resources, for which reason the company is planning to close its factory at Huyton, affecting some 700 jobs.

System X manufacture currently carried out both at Edge Lane, Liverpool and at Chorley, Lancashire, will now be concentrated at Edge Lane, where the Company has spent over £50m in the past five years redeveloping the site into one of Europe's most advanced telecommunications manufacturing and engineering centres.

Manufacturing operations of the new payphone company - Plessey Telecommunications Products Limited - will be based at Chorley, where volume production of payphones has been successfully established over the past three years.

All employees at Plessey Telecommunications sites in the North West have been informed today of the Company's new plan. Discussions have started with employees and their trades union representatives.

cont/...

PARLIAMENTARY CONSTITUENCY - KNOWSLEY SOUTH

SEAN HUGHES MP

LOCAL AUTHORITY COVERAGE - KNOWSLEY BOROUGH COUNCILUNEMPLOYMENT - June 1985

|                | %    | <u>NUMBERS</u> |
|----------------|------|----------------|
| LIVERPOOL TTWA | 20.5 | 103,485        |
| KNOWSLEY SOUTH |      | 10,321         |

The Liverpool TTWA figure shows a decrease of 1,501 and the constituency figure a decrease of 140 on the May figure.

LONG-TERM UNEMPLOYMENT - April 1985

|                | %    | <u>NUMBERS</u> |
|----------------|------|----------------|
| KNOWSLEY SOUTH | 52.7 | 5,490          |

VACANCIES - June 1985

Huyton Job Centre Area

|                   | <u>NUMBERS</u> |
|-------------------|----------------|
| EMPLOYMENT OFFICE | 142            |
| CAREERS OFFICE    | 2              |

CONFIRMED REDUNDANCIES

|                                      |       |
|--------------------------------------|-------|
| Occurred in TTWA to 31 May 1985      | 1,898 |
| To occur in TTWA to 31 December 1985 | 958   |

GOVERNMENT GRANT MADE AVAILABLE ON MERSEYSIDE SINCE MAY 1979

£ MILLION CASH

|   | 1978-79 | 1979-80 | 1980-81 | 1981-82 | 1982-83 | 1983-84 | 1984-85* |
|---|---------|---------|---------|---------|---------|---------|----------|
| Department of Industry: Grants and Expenditure towards Industrial Investment †            | n/a     | 72      | 100     | 126     | 102     | 78      | 79       |
| Manpower Services Commission ‡  | n/a     | n/a     | n/a     | 53      | 67      | 72      | 75       |
| Housing Corporation //  | 38      | 36      | 41      | 44      | 55      | 52      | 51       |
| Merseyside Development Corporation (established 1981-82)                                  | -       | -       | -       | 6       | 21      | 32      | 30       |
| Department of Transport: Grants, loans and guarantees to Mersey Docks and Harbour Company | -       | -       | -       | 26      | 71      | 39      | 8        |
| New Town (Skelmersdale and Runcorn): Gross Capital Investment                             | 19      | 19      | 18      | 15      | 12      | 17      | 17       |
| Historic buildings and conservation grants: offers made                                   | 0       | 0       | 1       | 1       | 1       | 1       | 1        |
| Sports Council grants #   | 0       | 0       | 0       | 0       | 1       | 1       | 1        |
| Derelict Land Grant *   | n/a     | 1       | 2       | 3       | 7       | 10      | 8        |
| Urban Programme Grant   | 2       | 5       | 10      | 11      | 15      | 18      | 25       |

JB5AZY



Notes to Table

Including rate support grant and other regular Exchequer assistance for local authority expenditure, and also finance for the NHS but not social security etc, the total sums made available by the central Government for Merseyside have exceeded £1,000 million in each of the last three years.

\* Estimated outturn

† Grant (offers made) to support capital investment by companies in the Merseyside area, defined as the travel-to-work areas of Birkenhead (including Ellesmere Port and Halton), Liverpool, Widnes, St Helens and Southport; and expenditure by the English Industrial Estates Corporation in the Merseyside area.

≠ Figures include some grant-aided expenditure by local authorities.

// Figures relate to Corporation's Merseyside region. Figures for 1979-80 to 1981-82 are estimates.

# About two-thirds of grants are on local authority projects.

\* Figures cover Merseyside MCC area plus Districts of Ellesmere Port and Halton.

JB5AZY



2 MARSHAM STREET

LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

18-7-85

Dear Tim

Attached is up-dated Knowsley  
briefing for the P.M.'s meeting with  
Sean Hughes, as requested.

Yours ever

Alan Davis

Tim Flesher

DEPARTMENT OF EMPLOYMENT  
LINE TO TAKE AND BACKGROUND BRIEFING

The only way to achieve a substantial impact on unemployment in Knowsley as elsewhere is for the Government to maintain its economic policies while encouraging greater enterprise, flexibility and competitiveness in industry and the labour market. In the meantime, the area continues to benefit from special Government employment and training measures which are doing much to alleviate the worst effects of unemployment.

(a) Industry Act Assistance In the period from 1 April 1983 the Department of Trade and Industry has made 29 offers of selective assistance for projects involving £49M investment in the Knowsley area. The value of these offers amounts to £3.6M with over 3,000 associated jobs either created or safeguarded.

(b) Small Firms Assistance The Small Firms Service has a working relationship with the local Enterprise Agency in Knowsley and has offered to organise a Business Advice Night in conjunction with the Agency. Take up of the Enterprise Agency's services has been disappointing and its Board is looking at measures to increase public awareness of what it has to offer.

(c) Over £300,000 was set aside in Knowsley Borough Council 1984/85 Urban Programme for grants to assist private sector firms and new businesses. Over £200,000 of this has already been taken up and Knowsley's bid for 1985/86 has been increased to over £500,000.

(d) Addition, Knowsley has been invited to put forward private sector schemes under the Urban Development Grant Scheme. So far, three schemes have been taken forward including one for the provision of High Tech Units at Caddick Road, Knowsley Industrial Park with a cost of £308,000.

(e) Under the Community Programme there were as at the end of May, 2,931 approved places in the Merseyside Outer Area (which includes Knowsley, St Helens and the Wirral) of which 2,329 places were filled. 1,388 places had been authorised within Knowsley, of which 1,133 or 82% had been filled.

(f) As many places under the Youth Training Scheme as are necessary to meet the needs of young people in Knowsley are being made available. In 1984/85 there were 2,039 such places. For 1985/86, 1,897 places will be available reflecting the lower level of school leavers expected in that year.

(g) The Enterprise Allowance Scheme is designed to assist the establishment of new small businesses. Huyton Job Centre has reported an uptake of 119 places on the scheme since its inception in August 1983.

## MERSEYSIDE TASK FORCE INITIATIVES

### 1. SPECIAL HOUSING INITIATIVES

MTF housing initiatives have been aimed at tackling some of the worst housing problems on Merseyside, wherever possible seeking to engage the private sector.

#### a. Stockbridge Village, Knowsley

A large council house estate, unpopular, badly managed and designed and deteriorating fast. At the initiative of the Secretary of State the estate was privatised. Stockbridge Village Trust was established to manage and upgrade the estate and attract private investment. A five year investment programme totalling £45M (cash) is underway for refurbishment and remodelling of existing dwellings; provision of new housing for rent and shared ownership; new shopping, leisure and health centre facilities; and new housing development for sale by Barratts.

#### b. Finch House Estate - Intensive Management

Following the initiative at Stockbridge Village, Knowsley MBC put forward proposals for utilising released manpower resources to mount a rescue effort on the nearby Finch House Estate.

An intensive management approach was adopted which aimed to provide improved delivery of services and to develop closer links with tenants. urban Programme funding totalling £173K over the period 1983/85 has supported the installation of a management office and team on the estate. Knowsley is now moving towards funding this initiative from within its own budgets.

### 2. DERELICT LAND GRANT

Derelict land grant approaching £900K will have been paid in 84/85 on a variety of projects aimed at improving employment opportunities and the environment in Knowsley, these include:

### Stadt Moers Country Park

The reclamation of this 220 acre derelict site is seen as an integral part of the LA's overall development strategy; it represents one of the largest reclamation schemes ever undertaken. The transformation of a wasteland consisting of an old quarry and former tipped land in the heart of Knowsley, into a Country Park, has begun and is due for completion in 1989.

### Knowsley Industrial Park

Various schemes are under way to restore industrial opportunities to this part of Knowsley.

### BICC

Private sector derelict land grant has been made available directly to BICC to enable rationalisation plans to go ahead and help keep this company operational in Knowsley. Further grant has been agreed for the council in their efforts to prepare a derelict site for this Company's new fibre optics plant.

### 3. URBAN PROGRAMME

In 1984/85 Programme allocation was £3.7M on top of which over £2M was approved for mainly housing initiatives from the Merseyside Special Allocation. Knowsley's problems are not those classically associated with inner city areas but derive from its many outer housing estates scattered around the borough.

### 4. MTF TRAINING INITIATIVES

MTF has been closely associated with the development of 2 new training initiatives within the Borough of Knowsley.

#### 1. The Knowsley Commercial Business Training Centre:

This is located in Huyton and has been operational since early 1982; it is sponsored by Birds Eye Walls, a subsidiary of Unilever, with support from the Local Borough Council. The Centre provides commercial training.

2. The Knowsley Information Technology Centre:

This is located on the Kirkby Industrial Estate (now called Knowsley Industrial Park) and has been operational since April 1983. It is sponsored by the local Borough Council, with Tandy Corporation UK as patron. The Centre provides information technology training.

16 JULY 1985

# DUNLOP AXE

By Danny Buckland  
**ANOTHER** nail has been hammered into Speke's industrial coffin with news of 135 jobs being axed at Dunlop's belting division.

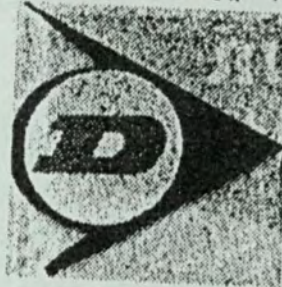
Only 70 workers will be left from a 14,000-strong staff listed in the company's heyday 30 years ago.

The staggering decline has seen the rubber giant slash its workforce to combat the choking economic stranglehold of depression.

### Stable

Financial losses forced the latest redundancies, said a company spokesman.

Dunlop, whose Walton footwear division's workforce has been reduced from about 2,500 in the 1950's to just 150, hopes its remaining workers will have a stable future producing a new PVC coated belt-



**Speke**

**hit by**

**a new**

**jobs setback**

ing for the National Coal Board.

The grim statistics reveal that Speke is averaging 1,300 jobs lost annually and the unemployment total at Garston Jobcentre, which includes the troubled South Liverpool district, stands at a depressing 9,217.

"It is a pretty grim picture, but we hope the future for the workers left will be stable," said a Dunlop spokesman, who added that a detailed study had shown that the plant could operate with fewer men if it produced a narrower range of products.

C.E  
 16/07/85



DEPARTMENT OF EMPLOYMENT  
LINE TO TAKE AND BACKGROUND BRIEFING

The only way to achieve a substantial impact on unemployment in Knowsley as elsewhere is for the Government to maintain its economic policies while encouraging greater enterprise, flexibility and competitiveness in industry and the labour market. In the meantime, the area continues to benefit from special Government employment and training measures which are doing much to alleviate the worst effects of unemployment.

(a) Industry Act Assistance In the period from 1 April 1983, the Department of Trade and Industry has made 29 offers of selective assistance for projects involving £49M investment in the Knowsley area. The value of these offers amounts to £3.6M with over 3,000 associated jobs either created or safeguarded.

(b) Small Firms Assistance The Small Firms Service has a working relationship with the local Enterprise Agency in Knowsley and has offered to organise a Business Advice Night in conjunction with the Agency. Take up of the Enterprise Agency's services has been disappointing and its Board is looking at measures to increase public awareness of what it has to offer.

(c) Over £300,000 was set aside in Knowsley Borough Council's 1984/85 Urban Programme for grants to assist private sector firms and new businesses. Over £200,000 of this has already been taken up and Knowsley's bid for 1985/86 has been increased to over £500,000.

(d) Addition, Knowsley has been invited to put forward private sector schemes under the Urban Development Grant Scheme. So far, three schemes have been taken forward including one for the provision of High Tech Units at Caddick Road, Knowsley Industrial Park with a cost of £308,000.

(e) Under the Community Programme there were as at the end of May, 2,931 approved places in the Merseyside Outer Area (which includes Knowsley, St Helens and the Wirral) of which 2,329 places were filled. 1,388 places had been authorised within Knowsley, of which 1,133 or 82% had been filled.

(f) As many places under the Youth Training Scheme as are necessary to meet the needs of young people in Knowsley are being made available. In 1984/85 there were 2,039 such places. For 1985/86, 1,897 places will be available reflecting the lower level of school leavers expected in that year.

(g) The Enterprise Allowance Scheme is designed to assist the establishment of new small businesses. Huyton Job Centre has reported an uptake of 119 places on the scheme since its inception in August 1983.

## MERSEYSIDE TASK FORCE INITIATIVES

### 1. SPECIAL HOUSING INITIATIVES

MTF housing initiatives have been aimed at tackling some of the worst housing problems on Merseyside, wherever possible seeking to engage the private sector.

#### a. Stockbridge Village, Knowsley

A large council house estate, unpopular, badly managed and designed and deteriorating fast. At the initiative of the Secretary of State the estate was privatised. Stockbridge Village Trust was established to manage and upgrade the estate and attract private investment. A five year investment programme totalling £45M (cash) is underway for refurbishment and remodelling of existing dwellings; provision of new housing for rent and shared ownership; new shopping, leisure and health centre facilities; and new housing development for sale by Barratts.

#### b. Finch House Estate - Intensive Management

Following the initiative at Stockbridge Village, Knowsley MBC put forward proposals for utilising released manpower resources to mount a rescue effort on the nearby Finch House Estate.

An intensive management approach was adopted which aimed to provide improved delivery of services and to develop closer links with tenants. urban Programme funding totalling £173K over the period 1983/85 has supported the installation of a management office and team on the estate. Knowsley is now moving towards funding this initiative from within its own budgets.

### 2. DERELICT LAND GRANT

Derelict land grant approaching £900K will have been paid in 84/85 on a variety of projects aimed at improving employment opportunities and the environment in Knowsley, these include:

### Stadt Moers Country Park

The reclamation of this 220 acre derelict site is seen as an integral part of the LA's overall development strategy; it represents one of the largest reclamation schemes ever undertaken. The transformation of a wasteland consisting of an old quarry and former tipped land in the heart of Knowsley, into a Country Park, has begun and is due for completion in 1989.

### Knowsley Industrial Park

Various schemes are under way to restore industrial opportunities to this part of Knowsley.

### BICC

Private sector derelict land grant has been made available directly to BICC to enable rationalisation plans to go ahead and help keep this company operational in Knowsley. Further grant has been agreed for the council in their efforts to prepare a derelict site for this Company's new fibre optics plant.

### 3. URBAN PROGRAMME

In 1984/85 Programme allocation was £3.7M on top of which over £2M was approved for mainly housing initiatives from the Merseyside Special Allocation. Knowsley's problems are not those classically associated with inner city areas but derive from its many outer housing estates scattered around the borough.

### 4. MTF TRAINING INITIATIVES

MTF has been closely associated with the development of 2 new training initiatives within the Borough of Knowsley.

#### 1. The Knowsley Commercial Business Training Centre:

This is located in Huyton and has been operational since early 1982; it is sponsored by Birds Eye Walls, a subsidiary of Unilever, with support from the Local Borough Council. The Centre provides commercial training.

2. The Knowsley Information Technology Centre:

This is located on the Kirkby Industrial Estate (now called Knowsley Industrial Park) and has been operational since April 1983. It is sponsored by the local Borough Council, with Tandy Corporation UK as patron. The Centre provides information technology training.

16 JULY 1985

# DUNLOP AXE

By Danny Buckland  
**ANOTHER** nail has been hammered into Speke's industrial coffin with news of 135 jobs being axed at Dunlop's belting division.

Only 70 workers will be left from a 14,000-strong staff listed in the company's heyday 30 years ago.

The staggering decline has seen the rubber giant slash its workforce to combat the choking economic stranglehold of depression.

## Stable

Financial losses forced the latest redundancies, said a company spokesman.

Dunlop, whose Walton footwear division's workforce has been reduced from about 2,500 in the 1950's to just 150, hopes its remaining workers will have a stable future producing a new PVC coated belt-



**Speke**  
**hit by**  
**a new**

**jobs setback**

ing for the National Coal Board.

The grim statistics reveal that Speke is averaging 1,300 jobs lost annually and the unemployment total at Garston Jobcentre, which includes the troubled South Liverpool district, stands at a depressing 9,217.

"It is a pretty grim picture, but we hope the future for the workers left will be stable," said a Dunlop spokesman, who added that a detailed study had shown that the plant could operate with fewer men if it produced a narrower range of products.

C.E  
 16/07/85



SM

bc: Mr. Butcher  
Asked for brief  
by Wednesday  
17/7) SPW

10 DOWNING STREET

From the Private Secretary

11 July 1985

I am writing to confirm your appointment with the Prime Minister in her room at the House of Commons on Thursday, 18 July at 1545 hours, to discuss the closure of the Plessey Telecommunications Plant in Huyton.

1/BC

(Caroline Ryder)

Sean Hughes, Esq., M.P.

SPW

010  
From Sean Hughes M.P. (Knowsley South)



HOUSE OF COMMONS  
LONDON SW1A 0AA

5th July 1985

+ John Butcher

Prime Minister:

26 LF. 1  
You met Mr Hughes  
once before. Agree  
to a meeting on

Plessey?

Yes no

Dr 8/7

Dear Prime Minister,

As you will know, Plessey Telecommunications have just announced the closure of their plant in Huyton, with the loss of 700 jobs.

My constituency is becoming one of the unemployment black spots in the country and this will be another bitter blow to an area where morale is already at its lowest.

After the closure of the Huntley & Palmer's biscuit factory in 1983, we met to discuss the plight of my constituents. I am writing to you now as I would welcome another opportunity to discuss with you the appalling level of unemployment in Knowsley South.

Yours sincerely,

Sean Hughes

arranged for  
Thursday 11 - July  
at 15.45 HLC

Brief coming  
tomorrow night.  
OK

Rt.Hon.Mrs.Margaret Thatcher M.P.  
Prime Minister's Office  
10 Downing Street,  
London S.W.1.





*SB*  
*pse*

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434  
My ref: J/PSO/11300/84

Your ref:

23 February 1984

*Dear Tim*

Thank you for your letter of 14 February to Andrew Allberry enclosing a copy of a letter from Mr Sean Hughes MP.

I attach a draft reply as requested.

*Yours*  
*Alan Davis*

A H DAVIS  
Private Secretary

Timothy Flesher Esq



DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO SEAN HUGHES ESQ MP

Thank you for your letter of 13 February.

I am aware of the problems faced by Knowsley. The Government has taken steps to assist the Council wherever possible.

You are no doubt aware of the Stockbridge Village initiative which has involved the purchase of a very run down Council estate by a private trust and a substantial investment and regeneration programme. There are other special housing initiatives at North Wood and Finch House and more are planned. Private Builders are being encouraged to undertake new developments in Knowsley with the back up of shared ownership facilities to widen their potential market of owner/occupiers.

At Knowsley Industrial Park and elsewhere in the Borough great efforts have been made, in conjunction with the private sector, to improve the environment, upgrade infrastructure, and provide more attractive opportunities for investment.

In 1983 the Borough was awarded Programme Authority status under the Urban Programme arrangements in recognition of its severe social and environmental problems. For 1983/4 the Council received an Urban Programme allocation of £1M, in addition to substantial support under the Traditional Urban Programme. The provisional allocation of £3.7M for 1984/5 reflects the relative needs of the Borough against the resources available nationally for Partnership and Programme Authorities. AS with all other Authorities the allocation is subject to receipt and agreement by Ministers of a satisfactory programme of worthwhile projects. Knowsley's programme is under consideration now and the Secretary of State will inform the Council of his decisions on their programme shortly. An early announcement of allocations helps Councils, especially those who have had programmes running for some years to plan their future expenditure more effectively. All Councils



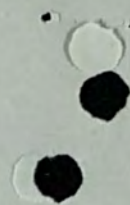
tend to submit programmes which would take up more resources than they can reasonably expect to receive; allocations must have regard to relative needs and the total amount of available resources. Some over-programming is also encouraged, as this is a good way of ensuring that resources are actually spent during the financial year.

*you will accept*  
I hope that ~~this explanation~~ shows you that there is no question of the early announcement of a provisional allocation for 1984/5 having prejudiced a proper consideration of Knowsley's Inner Area Programme.

I share your concern about the job losses suffered by Knowsley. Ultimately these can only be combated by making the Borough an attractive place for industrial investment, which includes making it an attractive place in which to live.

The Government is playing its part in assisting the people of Knowsley to create those conditions.

PM!  
Flts with  
Sean Hughes  
Nov. 83





10 DOWNING STREET

*From the Private Secretary*

14 February 1984

I enclose a copy of a letter the Prime Minister has received from Mr. Sean Hughes, M.P.

I should be grateful if you would let me have a suitable draft reply which the Prime Minister might send to Mr. Hughes by Friday, 24 February.

B/K

TIMOTHY FLESHER

Andrew Allberry, Esq.,  
Department of the Environment.



10 DOWNING STREET

THE PRIME MINISTER

2 February 1984

file MJ  
cc DTI  
to Alison

Dear Mr. Hughes,

During our meeting on 8 December we discussed the role which enterprise agencies could play in helping new businesses to provide permanent jobs. I know that since then you and David Trippier have been in touch, and that you had a very useful meeting with local groups at the offices of the St. Helens Trust on 13 January. I am delighted that the project to establish an agency in Knowsley is attracting wide support (I understand that Nabisco have increased their offer of help) and is so well advanced. I am sure that it will make a great contribution to the area and I am greatly encouraged by this worthwhile local initiative.

Yours sincerely  
Margaret Thatcher

Sean Hughes, Esq., M.P.

LB



PRIME MINISTER

Prime Minister:

If you would  
like to write to  
Mr Hughes, a draft  
reply is attached

DT 1/2

I am sure you will recall the meeting with Sean Hughes on 8 December and his concern about the effects on Knowsley of the closure of the Huntley and Palmer factory. We discussed the role which enterprise agencies could play in helping new businesses to provide permanent jobs, and you asked me to explore this idea with Sean Hughes and other local interests.

We had a very constructive meeting at the offices of the St Helens Trust on 13 January, at which I showed the video which DTI commissioned (called "Help Yourself") as part of a presentation on enterprise agencies. I am delighted to say that plans are well advanced to establish one in Knowsley, and I think that there is now a great deal of enthusiasm among local groups. I have been invited to launch it: the proposed date is 12 March.

As promised, I approached Basil Collins (Chairman of Nabisco Ltd which owns Huntley and Palmer) and he has offered to substantially increase (to £5,000) the company's planned support - I attach a copy of his letter.

I have been very encouraged by the interest shown and the responses which I have met.

25 January 1984

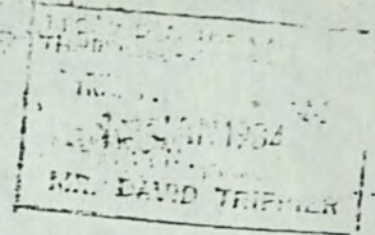
David Trippier

Enc.

7th Floor  
Berkeley Square  
London W1X 5LP  
Telephone 01-499 4541  
Telex 29848



NABISCO  
BRANDS



16th January, 1984.

David Trippier, Esq., R.D.,  
J.P., M.P.,  
Parliamentary Under Secretary  
of State for Industry,  
Department of Trade and Industry,  
1 Victoria Street,  
London SW1H 0ET.

*Dear Mr. Trippier*

Following our telephone conversation of last week, I made enquiries and telephoned your secretary on Friday last with a message for you.

My company made an initial contribution of £1,000 to the Business Enterprise Trust and we are delighted to see the way this venture is progressing.

We have therefore decided to make a further donation of £4,000 as evidence of our support.

Thank you for bringing the matter to my attention and thank you too for your good wishes.

*Yours sincerely*  
*Basil Collins*

Basil E. S. Collins  
Chairman



Paine Minister" NOV. 83.

Meeting with S. Hughes.

25 JAN 1884

cc MASTER SET



CF

10 DOWNING STREET

From the Private Secretary

8 December, 1983.

Dear Tom,

The Prime Minister met Mr. Sean Hughes, M.P., today at the latter's request to discuss the closure of the Huntley and Palmer factory in his constituency, as well as the proposed closure of Cronton Colliery. Your Minister, Mr. Giles Shaw and Mr. Michael Alison were also present.

Mr. Hughes said that he had not come to discuss the individual closures since he accepted that the Huntley and Palmer factory was going to close, so much as to ask for more assistance for areas on the periphery of cities such as Knowsley which were now suffering from very high unemployment. There was widespread recognition of the problems of inner cities, but not so much of those of the peripheral areas. Knowsley had lost some 4,000 jobs since 1981, and the Huntley and Palmer closure would lose 1,400 jobs. There was a prevailing atmosphere of hopelessness in the area, promoted by the very high unemployment - 62% amongst young people - and the very unsuitable housing. Knowsley needed specific help for job creation, and a greater share of regional funds and housing grants.

The Prime Minister said that she very much recognised the problems caused for an area like Knowsley by the closure of a major factory like Huntley and Palmer. In the long term, the only way in which more jobs could be found was by creating the conditions in which enterprise could flourish. In this context Mr. Trippier pointed out that the 170 Community Enterprise Trusts which had been established had an outstanding record in fostering local enterprise. The St. Helens Trust was a particularly good example, and the one in his own constituency of Rossendale had done much to attract and sustain local industry. It was possible that such a Trust could be established in Knowsley with help from the Department of Trade and Industry. He therefore invited Mr. Hughes to participate in a meeting to explore the possibilities. In addition, he undertook to approach Nabisco, the owners of Huntley and Palmer, to determine whether they would be prepared to help. Other firms in a similar position had done so, as had a wide range of local industries in areas where Trusts had been established.

/ On

Bre.

On Cronton Colliery Mr. Shaw said that the NUM had entered a formal appeal against the closure proposal. That appeal would now proceed under the normal arrangements established between the NUM and the National Coal Board, and it would be best to let it do so.

Concluding the meeting, the Prime Minister said that the objective must be to bring hope back to areas like Knowsley where there were major factory closures and consequent high unemployment. The Community Enterprise Trust Scheme was a method which had proved successful in other areas, and she very much hoped that one could be established in Knowsley.

I am sending a copy of this letter to John Lavin (Mr. Shaw's Office, Department of Energy).

*Yours*

*T. F.*

Timothy Flesher

Tom Cassidy, Esq.,  
Mr. Trippier's Office,  
Department of Trade and Industry.



SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

01 211 6402

For Mr. Ffoble

Caroline Ryder  
10 Downing Street  
London  
SW1

6 December 1983

*Dear Caroline*

PRIME MINISTER'S MEETING WITH SEAN HUGHES MP

When we spoke about your letter to Callum McCarthy of 21 November, you explained that the Prime Minister had also asked if Mr Giles Shaw MP could attend her meeting with Mr Hughes. I can confirm that he will be at the Prime Minister's room in the House on 8 December just before 4.45 pm.

I enclose a brief on the proposed closure of Cronton Colliery. This has been approved by Mr Shaw.

*Yours,*

*John Neilson*

J S NEILSON  
Private Secretary



PRIME MINISTER'S MEETING WITH SEAN HUGHES, M.P.  
Knowsley South Constituency, 8th December 1983.

#### PROPOSED CLOSURE OF CRONTON COLLIERY

##### Line to take

Individual Pit Closures are a matter for the National Coal Board in consultation with the Unions.

It is vital for the long-term future of the industry that it should return to profitability. Board have made it quite clear that this must mean determined action to deal with the problems of the industry's uneconomic tail. Believe that there is now widespread recognition that this is so.

Board must aim to employ as many people as they can provide real jobs for.

##### Background

The performance of Cronton Colliery in the National Coal Board's Western Area has been reviewed in accordance with the Board's normal colliery review procedure. As a result of this the Area Director, Mr J H Northard, advised the Unions locally that he could see no justification for keeping the colliery open because of continuing geological difficulties which preclude any prospect of achieving viable working at the pit. This decision was confirmed by NCB HQ in a letter to the Unions on 24th November. The Unions have one month in which to appeal against the decision and NACODS (The National Association of Colliery Overmen, Deputies and Shotfires) and the NUM have already done so.

It is understood that there are 558 men employed at the colliery at present. One hundred of these men are over 55, some of them as well as some in the 50-54 age range may accept voluntary redundancy. There should be adequate job opportunities in the Lancashire coalfield, created by voluntary redundancies at other pits, to avoid compulsory redundancies.



## CRONTON COLLIERY

As regards the NCB reasons for the proposed closure, Area about a year ago undertook a seismic survey which revealed a fault running across the panels that L8, the current face, would go onto. Because of the fault, L8 will finish production sooner than expected and L9, which would have been the next face, would now have to be addressed in a southerly direction. Before face L9 could be opened up, roadways would have to be repaired to (a) improve ventilation, (b) to enable supplies to be transported and (c) to enable salvaged powered supports from L6 to be brought to the surface before being overhauled. Then further development work would be necessary on the South intake and the main South return before getting on to L9. Area estimate a delay of 7 months between L8 and L9 producing with losses of £225,000 per week. The Union view on this is as follows:

1. Whilst agreeing that repairs have to be carried out, the rate of advance could be quicker reducing the 7 months delay,
2. they are sceptical of the seismic survey and the fault said to be running across the face of L8,
3. starting L9's face 200 metres nearer the south intake would enable production to be started earlier. This would necessitate transposing the intake to the face with the return drivage,
4. that Area have overestimated weekly costs of transport requirements,
5. that salvaged powered supports could be taken direct from L6 to L9.

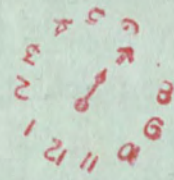
Area's response to these proposals are:

1. the transposition of the intake and return (3 above) would be very dangerous without ventilation changes,
2. they don't agree that powered supports can be taken direct from L6 to L9,
3. they did however agree to carry out further seismic tests on the fault in L8 to confirm the position.

COAL 2B

5 December 1983

PM  
Nov 83  
Mtg with  
Sean Douglas



F 6 DEC 1983



DEPARTMENT OF TRADE AND INDUSTRY  
 1-19 VICTORIA STREET  
 LONDON SW1H 0ET  
 Telephone (Direct dialling) 01-215 5422  
 GTN 215 .....  
 (Switchboard) 215 7877

JF5027  
 Secretary of State for Trade and Industry

2 December 1983

Caroline Ryder  
 Private Secretary to the  
 Prime Minister  
 10 Downing Street  
 LONDON  
 SW1

~~David~~  
 I assume you  
 will sit in - ok.

Dear Caroline

GE Avant  
 (Energy) brief

PRIME MINISTER'S MEETING WITH SEAN HUGHES MP ON THURSDAY,  
 8 DECEMBER

Thank you for your letter of 21 November to Callum McCarthy requesting briefing for the Prime Minister's meeting with Sean Hughes MP. I have arranged for Mr Trippier to be the Minister present to cover the Department's interest in Huntley and Palmer. I enclose briefing on the factory closure as requested.

2 I understand that the Department of Energy will be writing separately on which Minister will represent their Department with the necessary briefing on the closure of Cronton Colliery.

Yours sincerely  
 Kim

KIM BENSON  
 Private Secretary

Encl





BRIEF FOR THE PRIME MINISTER'S MEETING WITH MR SEAN HUGHES MP (KNOWSLEY SOUTH)

THURSDAY, 8 DECEMBER, 1983

HUNTLEY AND PALMER

Huntley and Palmer Foods plc (H & P), headquartered in Reading, supplied biscuits, confectionery and snack foods to the UK market.

Its biscuit division comprised:-

|                      | Numbers<br>employed | Full-time<br>equivalents |
|----------------------|---------------------|--------------------------|
| Huyton (Merseyside)  | 978                 | 746                      |
| Aintree (Merseyside) | 2,528               | 1,976                    |
| Bermondsey (London)  | 1,134               | 932                      |

In January 1982, Rowntree Mackintosh announced its intention to acquire H & P and the bid, opposed by H & P, was referred to the Monopolies Commission. At that time, the Office of Fair Trading (OFT) commented that "H & P does not have the financial resources to sustain a viable business within the competitive environment of the food industry".

In March 1982, OFT was informed that terms had been agreed for the acquisition of H & P by Nabisco Brands Inc., the US food group; the proposed bid was referred to the Monopolies' Commission. In April 1982, Rowntree withdrew its offer, selling its 23.5% shareholding in H & P to Nabisco.

The Monopolies Commission reported in October 1982 that the proposed merger of Nabisco and H & P might not be expected to operate against the public interest.



In reaching that conclusion, the Commission examined Nabisco's plans for a five years investment and facilities rationalisation programme to modernise biscuit production and reduce costs. These plans envisaged the need to spend £58 million on the combined biscuit businesses, including £43 million on a Merseyside factory (unspecified). The rationalisation would involve substantial job losses, but the Commission considered that these would be no greater than would be necessary if H & P were to become an adequately profitable company with a sound future, and that employment prospects in the long run might be improved if the merger took place. Nabisco gave the Commission an assurance that, in the case of any closure, it would be willing to sell the business as a going concern.

In June 1983, DTI officials were given advance notice of the announcement, on 6 September, of the decision to close the Huyton factory (and Nabisco Brands factory at Woodgate, Leicester). Officials were told that support in excess of £10 million would be necessary to keep the Huyton factory open, and that even this level of support would not assure its future. Nabisco's rationalisation plans were already largely shaped, but it emerged that the location of 3 small projects, involving some 120 full-time equivalent jobs, had not been finally decided. Subsequently, with the endorsement of the North West Industrial Development Board, assistance of £600,000 under Section 7 of the Industrial Development Act was offered to secure these jobs for the Aintree factory. Nabisco has made no public announcement of this or other investment foreshadowed in its evidence to the Monopolies Commission, but local management at Aintree is working on detailed plans.

#### The market place

Overall biscuit consumption in the UK has been declining over the last ten years.



United Biscuits (40%) and Nabisco (20%) are now the major manufacturers in this intensively competitive market. Despite a continuing programme of investment and modernisation, United Biscuits has now confirmed its decision to close its Liverpool biscuit factory [and Sir Hector Laing has said, privately, that his group will still have excess capacity]. There can be little doubt that the Nabisco rationalisation was a necessary step, and there appears to have been a detailed study of the needs of the combined business, before the decision to close Woodgate and Huyton was taken.

---

#### Huyton

Huyton, part of the Metropolitan Borough of Knowsley, has nearly 9,000 unemployed against registered vacancies of 200; it is in the Liverpool Travel-to-Work Area, where the unemployment rate was 19.6% in October 1983. Knowsley has suffered a number of closures/major redundancies over the past 3 years, notably Kraft (930 jobs) and Massey-Ferguson (545 jobs), and little new industry has been attracted to the area. Any redundancies at Ford (Halewood) would also affect employment in Mr Hughes' constituency.

#### Line To Take

While acknowledging the very serious unemployment level in Huyton, the Prime Minister will wish to

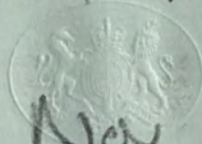
- point to the decline in the biscuit market and the need for manufacturers to rationalise production to match demand and to reduce costs.
- emphasise that Nabisco's decision to close Huyton was properly one for the corporation's commercial judgement.



- make clear that she is aware of the careful analysis undertaken by Nabisco before taking its decision on closures necessary for the well-being of the business and for the security of jobs elsewhere in the Group, including Aintree.

29 November 1983

PM: mtg with - Sean Hughes mtg:



Nov 83





6/12 K

10 DOWNING STREET

From the Private Secretary

21 November, 1983.

The Prime Minister is seeing Sean Hughes, M.P., on Thursday, 8 December, at 1645 in her room at the House to discuss the closure of the Huntley and Palmer factory in his constituency, and the proposed closure of the Cronton Colliery. The Prime Minister wishes a Minister from your Department to be present during this meeting, and I would be grateful if you could let me know in due course who it will be. Could you also let us have a brief on these two subjects to reach us by close of play on Tuesday, 6 December.

Pl 1

CR

Spoke to J/energy & asked for  
Minister [Giles Stann] as well  
as briefing. CR 23/11

Callum McCarthy, Esq.,  
Department of Trade and Industry.

SMF

Sean HUGHES, M.P.



FWE

cc: M.A.

22/11/83

BM

10 DOWNING STREET

From the Private Secretary

15 November, 1983

Caroline: We need  
a DTI Minister  
Please - let them  
choose which.

The Prime Minister has asked me to reply to your letter of 10 November.

Mrs. Thatcher would be delighted to see you, and if you would be so kind as to ring me on 01-930-4433 we can discuss a mutually convenient date. I am afraid this may not be as early as both you and the Prime Minister would wish, since Mrs. Thatcher has to attend both the Commonwealth Heads of Government Meeting in Delhi and the European Council in Athens over the next three weeks. The Prime Minister has asked me to say how sorry she is about this, and to arrange the earliest time possible within these constraints.

(Caroline Ryder)

Sean Hughes, Esq., M.P.

SR

From: Sean Hughes M.P.

Prime Minister:

Caroline

CCMA ✓

December,



Agree to meet  
Mr Hughes?

I think

HOUSE OF COMMONS  
LONDON SW1A 0AA

Ru DT

DT

14/10

10th November 1983

4/10

Dear Prime Minister,

I understand that a Member faced with a factory closure in his constituency may ask to see you to discuss the matter.

Yes  
mf

In view of the imminent closure of the Huntley and Palmer factory - the third biggest employer in my constituency - and the proposed closure of the Cronton Colliery, also in my constituency, I would be grateful if I could discuss these matters with you at a convenient time.

Yours sincerely,

Sean Hughes.

Rt.Hon.Mrs.Margaret Thatcher M.P.



