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ENTERPRISE ZONES AND INDUSTRIAL CHANGES:
THE CASES OF CORBY, SALFORD AND THE ISLE OF DOGS

BY

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The thesis commences with a summary of the conception and inauguration of the Enterprise Zones together with similar type grant aided areas in other countries all of which have experienced economic decline resulting from either technological change or were economically disadvantaged, spatially separated from industrial / commercial centres of activity.

As inducements to prospective industrialists financial assistance given by individual Governments is varied. Such aid is designed to generate interest in a specific area where unemployment and decline is prevalent; to an industrialist such monetary aid counts as a cost benefit to the detriment of areas elsewhere.

During the 1970's high unemployment saw the launching of several schemes to counter the problem. These schemes were not a success, not eliminating the causation factors of negative attitudes amongst workers and their trade union leaders.

Further research involved the investigation of the industrial structure of three English Enterprise Zones, Corby, the Isle of Dogs and Salford. Field work was carried out extensively within the Salford Enterprise

Zone based on a questionnaire seeking information applicable to organisational functional characteristics and how these compare with both National and Enterprise Zone planning concepts.

Transport systems associated with freight and passenger movement and their impact on local road and rail networks have also been investigated , especially in the case of the Isle of Dogs with its large scale office developments. The whole concept of such a development is questioned and its influence in providing job opportunities for the local employable population.

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CHAPTER 1 Introduction

1.1 The Enterprise Zone Initiative

The concept of Enterprise Zones can be traced to an article written jointly by Barnham, Barker, Hall and Price [1969], 'Non Plan an Experiment in Freedom'¹. They argued that, where practical people should be allowed to shape their own environment. Subsequent to this Hall [1977]² outlined ideas which if implemented would solve the plight of the declining industrial base of inner urban areas. In a context of a concept which he called 'the Freeport', Hall argued that the problems which faced many British (and American) cities were actually symptomatic of a structural decline in traditional type industrial economies. Manufacturing industries had been replaced by service type industries which, he considered, had resulted in the death of innovative entrepreneurial activities which had previously been the most important economic feature of central metropolitan areas. He noted that within these areas industrial firms had either ceased production or had moved to other areas, especially more so where there had been a demand for a large factory floor area. Gaps left by the departure of these companies had largely remained unfilled.

Hall's generalization of the causative factors of inner urban decay failed to mention the adverse effects of industrial action which line workers, often aided and

abetted by left wing led trade unions, had on industrial productivity. Such actions can be directly correlated with low productive output, and its consequence on lost orders and the unwillingness of line workers to accept change; changes in consumer requirements, changes in technology linked to consumer wants in a competitive market and also changes in the production process.

Shortly after Hall's address to the Royal Town Planning Institute in 1977, Sir Keith Joseph³ revealed that Conservative Party Policy was to establish a series of Demonstrative Zones where the 'Queen's writ will not run'. This policy statement was modified by Sir Geoffrey Howe in his historic 'Isle of Dogs' speech⁴, in which he put forward twelve specific measures applicable to the establishment of Enterprise Zones, as "The Joseph policy of 'unfettered capitalism' was not a gamble which he himself would wish to make." From this the concept of Enterprise Zones was formulated together with outline proposals for sitings in inner city areas. Their eventual establishment, commencing in 1981 was a Central Government innovative scheme to rejuvenate inner urban areas on a selected basis with the aim to restore vigorous private-sector activity by removing certain tax burdens and by relaxing or speeding up the application of certain statutory or administrative controls. The concept was referred to in a budget speech by Howe, as Chancellor of the Exchequer, in March, 1980⁵

- " to pioneer a new and more adventurous approach to the whole question of industrial and commercial renewal". He proposed the establishment of Enterprise Zones "with the intention that each of them should be developed with as much freedom as possible for those who work there to make profit and create jobs". The zones would be established in what he referred to as "man-made wildernesses". Their establishment would be an experiment where new business ventures would be introduced into essentially old established inner urban areas where changes in time had rendered many industrial establishments outmoded and in consequence redundant to the requirements of commerce. These areas would be developed with as much freedom as possible for those who work there to make profit and create jobs. There would be inducements in the form of fiscal and financial concessions together with simplified planning schemes from industrial development procedures and, besides others, the removal of bureaucratic demands from Government controlled bodies.

- Within these zones two major tax incentives would be available:

a) a 100% capital allowance for both industrial and commercial buildings, and

b) complete relief from development land tax.

The Enterprise Zone package included other benefits consisting of a ten year "rate free holiday" on

industrial and commercial property; a simplified planning scheme with exemptions from the scope of industrial training boards and their levies. Managements would also have minimum requests for statistical information of business activities.

1.2 Geographic positions of Zone sitings.

In the first instance Howe's budget proposals were for the establishment of about half a dozen Enterprise Zones each covering about 500 acres in ground area. More than a year elapsed before the first zone was established in the Swansea Valley in June 1981. A further ten areas were selected from bids submitted to the Department of the Environment by Local Authorities, often with the active support of other public sector developers. Considerable public investment had been directed to sites on Clydebank, Swansea and Corby prior to Howe's announcement⁶.

The Government's plan was to establish Enterprise Zones in areas where public intervention had previously failed. Virtually all the locations chosen were derelict sites with redundant factories or other buildings which had previously been associated with varying types of commercial activity. Butler [1982]⁷ states that in general all the locations chosen were owned by the Government or by a nationalized industry. McDonald and Howick [1981]⁸ referring to the first round of Zones,

stated that prior to their designation half of unused land and virtually all such land in four Zones was owned by local authorities or other public bodies who were involved with economic development.

The first round of eleven Zones had a geographic spread of one each in Northern Ireland, Scotland and Wales and eight in England. In designation date order these eleven Zones were:

1 Swansea	11th June 1981	298ha (735 acres)*
2 Dudley	10th July 1981	219ha (540 acres)
3 Wakefield	31st July 1981	89ha (220 acres)
4 Clydebank	3rd August 1981	230ha (570 acres)
5 Salford/ Trafford	12th August 1981	352ha (870 acres)
6 Liverpool/ Speke	25th August 1981	138ha (340 acres)
7 Newcastle/ Gateshead	25th August 1981	454ha (1120 acres)
8 Belfast	21st October 1981	207ha (510 acres)
9 Hartlepool	23rd October 1981	109ha (270 acres)
10 Isle of Dogs	26th April 1982	195ha (492 acres)
11 Corby	23rd June 1982	113ha (280 acres)

On the 15th November, 1982, a further batch of fourteen Zones was announced by Michael Heseltine, the Environment Secretary¹⁰. Submissions for Enterprise Zone status came from a larger number of Authorities than the Government was willing to allocate. The final selection with submissions in parentheses was:

England 9 [57], Scotland 2 [25], Wales 2 [9] with one Zone designated in Northern Ireland. Existing Zones located in Liverpool [Speke] and Wakefield were

extended¹¹.

In deciding on the allocation the Department of the Environment (D.O.E.) had looked favourably on those areas where development could commence quickly because of the limited time scale and scope of the Enterprise package¹². The English Zones were in locations more diverse than those in the first batch confirming a view expressed by the Association of Municipal Authorities (September, 1982) that the D.O.E. had shifted from its initial view that Enterprise Zones were a solution solely to inner city dereliction¹³.

In designation date order the further zones were¹⁴

1 Delyn	21st July 1983	118ha (293 acres)
2 Wellingborough	26th July 1983	54ha (136 acres)
3 Rotherham	16th August 1983	105ha (260 acres)
4 Londonderry	13th September 1983	109ha (270 acres)
5 Scunthorpe	23rd September 1983	105ha (260 acres)
6 Workington	4th October 1983	87ha (215 acres)
7 Invergordon	7th October 1983	60ha (148 acres)
8 North West Kent	31st October 1983	125ha (310 acres)
9 Middlesbrough (Britannia)	8th November 1983	79ha (190 acres)
10 North East Lancashire (Burnley)	7th December 1983	114ha (282 acres)
11 Tayside	January 1984	120ha (288 acres)
12 Telford	January 1984	113ha (279 acres)
13 Glanford	Spring 1984	48ha (115 acres)
14 Milford Haven	Spring 1984	150ha (361 acres)

In all the twenty five cities or districts, [MAP 1.1] to which the zones were allocated decline or disuse of some form or forms of industrial activity had occurred. These activities can be grouped, although



MAP 1.1: Enterprise Zones and Trunk Road Linkages: Source H.M.S.O. Statistics Regional Trends 23, 1985.

somewhat loosely, under the following headings:

- a) Industries which became uncompetitive with goods produced from abroad.
- b) Production of goods which were not marketable - technological change.
- c) Changes in trading patterns.
- d) Outright closure of industrial plant.

The zone areas may also be grouped as follows¹⁶:

- 1) Change in trading patterns
e.g. Dock closures:-

Clydebank
Isle of Dogs
Liverpool
Salford
Swansea
Tayside
Tyneside

- 2) Iron and Steel Works closures
(plus other metal industries):-

Corby
Glanford
Invergordon
Middlesbrough
Rotherham
Scunthorpe
Swansea
Wellingborough
Workington [Allerdale]

- 3) Textile Mill closures:-

Belfast
Delyn (Flint)
Londonderry
North East Lancashire
Wakefield

- 4) Closures of Engineering Production
and Repair Works:-

Clydebank
Dudley
Liverpool (Speke)
Milford Haven
North West Kent
Tayside
Trafford
Tyneside

5) Poor transport communications:- Telford

Besides the loss to the labour market of the closure of large organisations there was also the added loss of labour employed by support industries which in turn became superfluous to local requirements.

Many of the zones were constituted of large areas of land which had to be cleared of buildings which in themselves were unsuitable for present day industrial organisational layouts. Also in some instances land reclamation had to be undertaken as a result of industrial exploitation of minerals, Swansea City Council¹⁶ spent about eight years preparing the ground of their Enterprise Zone site to a condition where it would be acceptable to developers.

From the total number of Enterprise Zones the ex-steel manufacturing dominated town of Corby, the dock areas of the Isle of Dogs and Salford were selected as field areas for research. The two dock areas were chosen for comparative studies with Corby as a contrast. Over differing time periods these three areas experienced growth followed by decline. This decline leaving large tracts of derelict land accompanied with high unemployment levels. This phenomenon is not unique to the United Kingdom but has probably been more dramatic because of the unwillingness of trade unions to accept changes in working practices linked to changes in production techniques and those of distribution.

1.3 Industry and Employment

A downward trend in employment especially within the manufacturing industries of textiles and engineering together with the coalmining industry is shown in TABLE 1.1¹⁷. The six selected industrial sectors were once active in Enterprise Zone areas or in their immediate hinterlands. The Table shows a downward trend in employment numbers from 1950, with the exception of electrical engineering. Industrial production between 1961 and 1980 increased only for the electrical and mechanical engineering industries, due no doubt to a change from labour intensified manufacture to capital intensified manufacture. Singh [1977]¹⁸ considered that the decline in manufacturing output as a proportion of Gross National Product commenced in 1972. Harrison¹⁹ [1977] quoting employee statistics for July²⁰, referred to the distinct downward trend in both manufacturing, investment and manufacturing employment between 1970 and 1976. This observation was endorsed in the 1977 Organisation of Economic Co-operation and Development [O.E.C.D.] report on the United Kingdom's economy²¹: "if any single explanation for the British record concerning labour productivity and foreign competitiveness it would probably be found in the investment area".

Lloyds Bank Economic Bulletin [January, 1984]²² discussed the fall of 40% in manufacturing industry

TABLE 1.1

Industry	Index of Industrial Production - 1980 1961 = 100	Index, Employees in Employment.		
		June, 1950	Base March, 1965	Sep. Dec 1981
Coalmining	59.7	136.2	100	56.5
Mechanical Engineering	113.31	81.9	100	59
Electrical Engineering	140.	60.8	100	71.1
Ship Building and Marine Engineering	72.3	150.1	100 *	66.3
Motor Vehicles	75.7	111.1	100 *	66.2
Textiles	89.3	140.3	100 *	53.8

Source Employment Gazette 198 Central Statistical Office * Base from June, 1963

investment during the three years between 1979 and 1982, with a corresponding fall in output of 14%. Reasons propounded for this decline were attributed to high rates of the exchange value of sterling caused by a combination of North Sea oil production compounded by high bank interest rates. An earlier analysis during the period January 1970 to mid 1973 indicated that business cycle troughs and peaks occurred in both manufacturing investment and manufacturing output. Manufacturing investment decreased by approximately 44% [£1.95bn. to £1.05bn at 1980 prices] whilst manufacturing output decreased by 7.3%. The report concluded that such changes in output have a decelerator effect on investment²³.

Contributing to the economic downturn of the economy was the increase in prices of crude oil and its derivatives because of the disruption of oil supplies from Middle East sources following the Arab / Israeli war of 1973 - 1974. The price of oil became geared to an inelastic market as industrial and other activities requiring energy for effective functioning had become increasingly dependent on 'oil burn'²⁴. Industrial investment included the price of energy which, between 1970 and 1982, increased from 22.5% to 27.2% of the total of industrial investment²⁵. From this period the United Kingdom experienced a slump reflected in falling industrial output and rising unemployment.

Low productivity, poor industrial relations contributed to uncompetitiveness of British manufactured goods with goods produced from other industrialized countries. Duchene [1973]²⁶ said : "the work ethic may have been the cause of the greatness and yet the curse of Victorian England with Britain's economic and unemployment troubles still focussing on the inheritance of the Industrial Revolution. Today however no one can detect an excess of the 'work ethic' commodity, the British worker assuming that any profit was not for 'him' but for 'them'". Morrison [1979]²⁷, addressing the British Association compared British Leyland with Toyota, citing a figure of nine-man weeks to build a car compared with a one-man week for Toyota. Thus " our standard of living and strength of the economy is governed by what the Country produces."

1.4 Industrial Relocation

During the 1970's politicians became increasingly aware of the decline in manufacturing process industries within inner city areas. Armstrong and Taylor [1985]²⁸ stated that it was not clear why employment in the manufacturing industries in heavily urbanised areas fell into a decline, when compared with an increase in small towns and rural areas. Firms in small towns and rural areas tending to expand more quickly or decline more slowly than their counterparts in cities and large towns.

"Unfortunately the British were urbanized at an early stage when all the mistakes were made and in consequence Britain is paying the price of having industrialized first". [Duchene, 1973]²⁹

Other explanations for this urban / rural shift are input costs of production in terms of labour, land and factory units. Fothergill and Gudgin [1982]³⁰ have argued that the lower levels of profitability of manufacturing firms in conurbations are not the result of higher input prices. They concluded that there is no evidence that firms in conurbations have higher production costs per unit of sales. Moore and Rhodes [1980]³¹ however argued that operating costs are higher in cities than elsewhere. Rates levied, labour costs and their effect on total costs and trading profits are well documented. An analysis by the Centre for Interfirm Comparisons [C.I.F.C.1981]³² concluded that the value of sales in relation to fixed assets such as buildings and plant and to current assets, for example credit, work in progress and stock, was lower in conurbations. This was also the case with profit margins on sales relationship to capital employed. Academic research is not in agreement with expounded and considered reasons for the decline of old inner urban areas generally at the expense of areas away from old population centres. But it has happened nevertheless.

1.5 Regional Industrial Shifts

A data source from the Economic and Social Research Council shows changes in employment patterns between 1951 and 1981 in decade intervals. Three main sectors were considered in TABLE 1.2

- i) MANUFACTURING
- ii) THE PRIVATE SECTOR
- iii) THE PUBLIC SECTOR

each with four different population districts:

- a) INNER CITIES
- b) OUTER CITIES
- c) SMALLER CITIES AND LARGE TOWNS
- d) SMALL TOWNS AND RURAL AREAS:

Ranking the total changes led to the following arrays:

i) MANUFACTURING	Employment Change
SMALLER TOWNS AND RURAL AREAS	+223,000
SMALLER CITIES AND LARGE TOWNS	-425,000
OUTER CITIES	-613,000
INNER CITIES	-1,018,000
ii) THE PRIVATE SECTOR	Employment Change
SMALL TOWNS AND RURAL AREAS	+1,844,000
OUTER CITIES	+372,000
SMALLER CITIES AND LARGE TOWNS	+212,000
INNER CITIES	-210,000
iii) THE PUBLIC SECTOR	
SMALL TOWNS AND RURAL AREAS	+1,158,000
OUTER CITIES	+326,000
SMALLER CITIES AND LARGE TOWNS	+191,000
INNER CITIES	-40,000

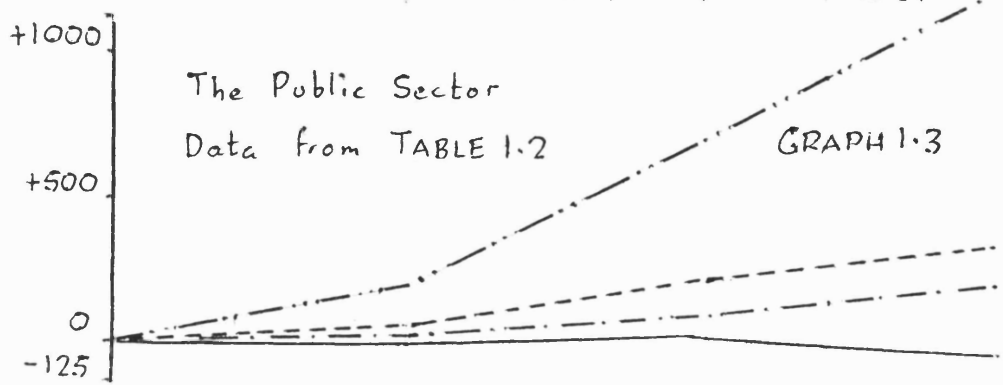
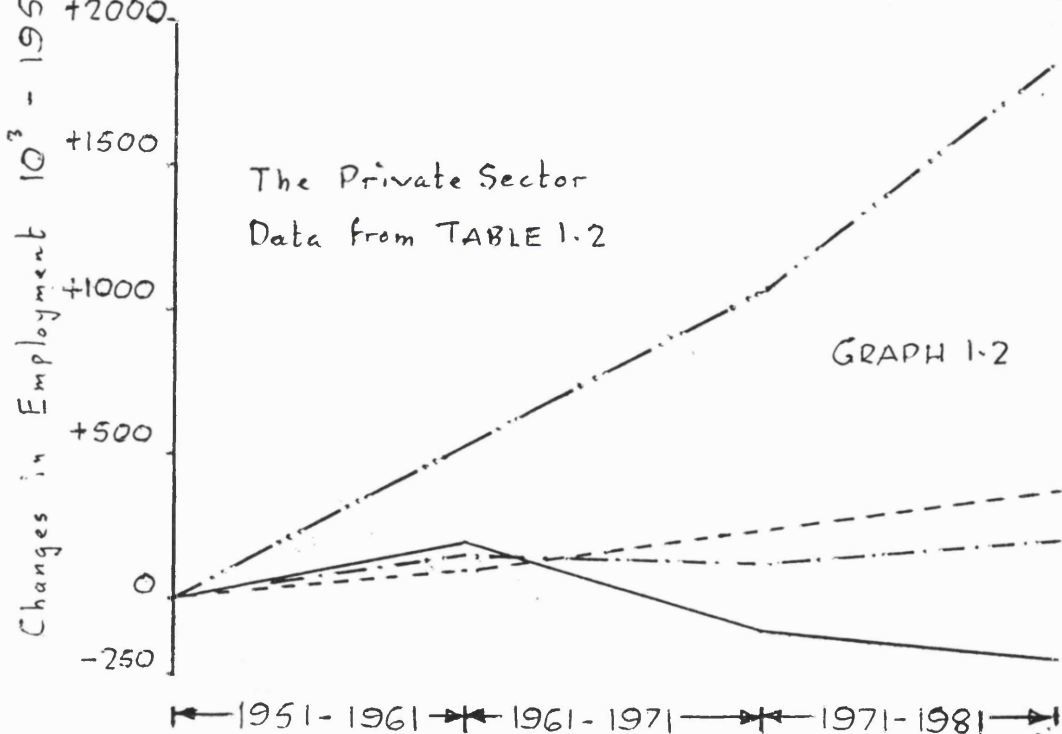
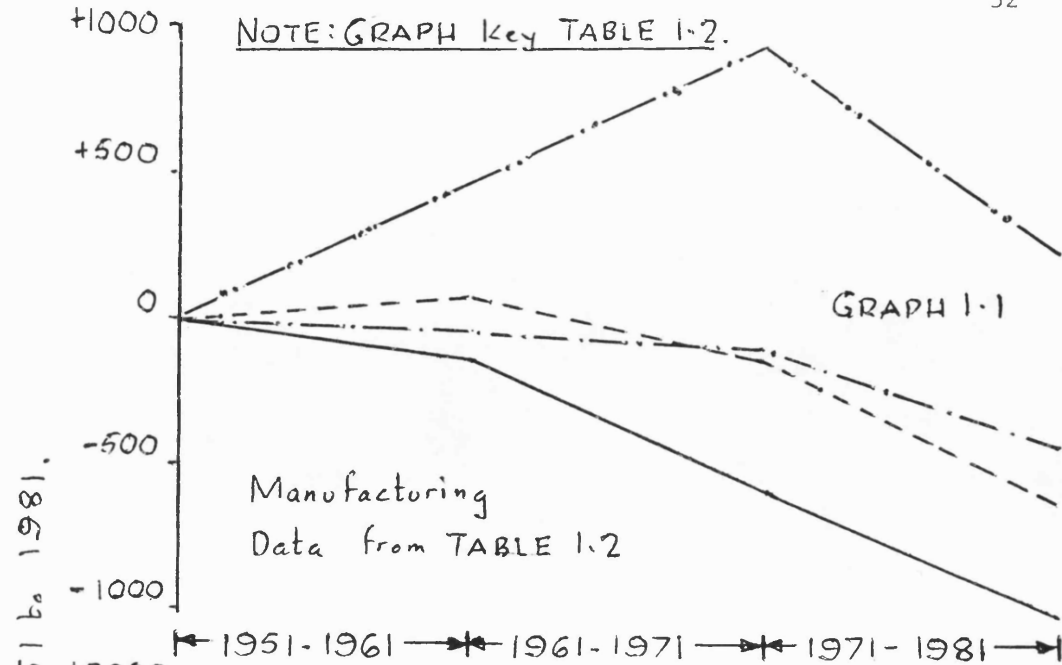
The above rankings clearly show the decline in employment in the inner cities within all three sectors of employment. The GRAPHS [1.1, 1.2 and 1.3] illustrate the trends over the whole period. Employment opportunities increasing in small towns and rural areas - the green field sites. Such newly developed areas

The Changing Patterns of Work.
Changes in Employment 1951-1981. [10³]

TABLE 1.2

GRAPH key	——	----	-----	-----
	INNER CITIES	OUTER CITIES	SMALLER CITIES and LARGER TOWNS	SMALL TOWNS and RURAL AREAS
MANUFACTURING				
1951 - 1961	-143	+84	-21	+453
1961 - 1971	-426	-217	-98	+489
1971 - 1981	-447	-480	-311	-719
Total Change	-1018	-613	-425	+223
PRIVATE SECTOR				
1951 - 1961	+192	+110	+128	+514
1961 - 1971	-297	+92	-7	+535
1971 - 1981	-105	+170	+91	+805
Total Change	-210	+372	+212	+1844
PUBLIC SECTOR				
1951 - 1961	+13	+54	+38	+200
1961 - 1971	+25	+170	+110	+502
1971 - 1981	-78	+102	+53	+456
Total Change	-40	+326	+191	+1158

Source: Economic and Social Research Council.



The Changing Patterns of Work.

accommodate the overspill population from large cities with accompanying increases in employment in the Private and Public sectors. During the 1971-81 period these areas experienced a decline in manufacturing employment experienced in association with the general trends elsewhere.

A list of statistical data for the manufacturing industries as issued by the Department of Employment presents a more detailed breakdown of manufacturing employment in six settlement categories.

- i) London
- ii) Conurbations i.e. Manchester, Merseyside, Clydeside West Yorkshire, Tyneside, West Midlands.
- iii) Free standing cities, defined or other cities with more than 25,000.
- iv) Large towns, defined as towns or cities with 100,000-250,00 population.
- v) Small towns, defined as districts including at least one town with 35,000 to 100,000 population.
- vi) Rural areas defined as districts in which all settlements have fewer than 35,000 population.

Between 1960 and 1981 TABLE 1.3 shows clearly the increase in manufacturing employment in rural areas at the expense of a decline in manufacturing employment in Cities and Towns.

TABLE 1.4 shows that between 1978 and 1981 all areas

Manufacturing Employment by type of Area 1960-81.

TABLE 1.3

	Employment. 10^3		Change 1960-81	
	1960	1981	10^3	Percentage
London	1338	650	-688	-51.4
Conurbations	2282	1295	-987	-42.2
Free Standing Cities	1331	950	-381	-28.6
Large Towns	921	756	-165	-17.9
Small Towns	1631	1609	-22	-1.4
Rural Areas	527	655	+128	+24.2
GREAT BRITAIN	8031	5916	-2115	-26.3

Manufacturing Employment Change 1960-78 and 1978-81.

TABLE 1.4

	1960-78 as a percentage - 1960	1978-81 as a percentage - 1978
London	-42.5	-15.5
Conurbations	-26.5	-22.7
Free Standing Cities	-13.8	-17.2
Large Towns	-2.2	-16.0
Small Towns	+15.7	-15.2
Rural Areas	+38.0	-10.0
GREAT BRITAIN.	-11.5	-16.8

Source : Department of Employment.

experienced a decline in manufacturing jobs. The percentage decline in London's employment was however less than those in Conurbations, Free Standing Cities and Large Towns.

Unemployment was more apparent in those areas which had a strong tradition for a 'yesterday' type of technology and manufacture, generally within the larger centres of population.

To compound the unemployment figures - a result of factory closures - the docklands of London, Liverpool, Glasgow and Salford all experienced a downturn in tonnage handled. Salford docks closing down completely with respect to import - export trade. In consequence local dock labour forces, and those employed in the support industries of ship repair and others were made redundant exacerbating the problem of unemployment.

1.6 Outcome of Technological Change

The demise of Victorian built dock areas was not related simply to the many labour disputes with 'work to rule attitudes' which prevailed during the 1950's and 1960's, but also because of containerization.

Traditional dock areas with their quayside warehouses were unsuitable for this type of traffic as large expanses of adjacent berth area are needed for container stowage instead of dock warehouse locations which existed a short distance of 10-15 feet from the dock

side. Hayuth [1984]³³ quoted a desired area of between 25 and 50 acres for a single container terminal. The quicker turn round of ships reduced considerably the number of required berths. This factor together with poor road accessibility hastened the decline of old established docks.

Changes which have taken place in the 1970's and 1980's in the techniques of technology manufacture and the distribution of goods have led to a decrease in labour requirements in these fields of industrial activity.

A problem associated with older type industrial premises is site plan and structural design which is not easily adaptable to any layout change for the installation and implementation of modern manufacturing and materials handling equipment together with techniques essential for optimum usage. Compounding these shortcomings is the lack of site area for expansion, cramped premises tending to impair operating efficiency and associated operating costs. In 1976, Renault's parts distribution centre situated off the North Circular Road, Park Royal, London moved to a larger site on a Reading industrial estate, extending the complex in 1979 as demand increased. Following a further increase in demand a site at Westlea Down, Swindon was selected, operating as from December, 1982, with expansion potential³⁴. In consequence the Reading depot closed.

Endorsing the above statement Armstrong and Taylor [1985]³⁵ also consider that operating costs can be adversely affected in several ways amongst which is that of capital invested in plant not fully utilized because of poor design of production and distribution layout areas which inhibit optimum production flow patterns.

Butler³⁶ referred to the changing pattern in manufacturing which cannot be easily explained in terms of population trends moving away from the traditional industrial areas. Lighter type technological industries having replaced many heavy type industrial complexes. Industrial transport requirements are no longer dependent upon rail linkages, rail sidings in towns and cities have become superfluous to contemporary freight distribution requirements. Evidence of this change is the demise of the extensive London St Pancras railway marshalling yard and Trafford Park / Salford Docks with their once prosperous manufacturing hinterlands.

1.7 Technological Change - a Universal Problem.

Problems associated with the decline of old established inner urban areas are not just applicable to the United Kingdom. Any change in trading patterns can effect the prosperity and viability of a basic industry. If such an industry is affected adversely then 'back up' industries will feel the draught from a population with decreased spending power - a result of lack of employment

opportunities.

Butler [1982]³⁷ refers to Buffalo in the United States of America, a large population centre, which before the opening of the St Lawrence Seaway in 1951, depended heavily for its viability on using grain from the city's mills. He stated that "almost overnight Buffalo lost its commercial role, its population declined rapidly and it slid into a spiral that has made it one of America's most depressed cities."

Hart [1983]³⁸ discusses the severe decline of the waterside cities of Boston, Philadelphia and Hamburg a direct result of changes in technology associated with shipping and cargo carrying. The redundancy of many United States cargo handling ports because of containerization was explained articulately by Hayuth [1984]³⁹.

1.8 A Review of Grants available for Industry

- Business Incentives

In the declining cities of the United States Eastern Seaboard Urban Development Action grants have been made available. These grants were not considered to restore manufacturing jobs as lost, but to assist during a transition period of work previously chiefly based on manufacture to an industrial scenario based on the service sector. In Hamburg the change in employment patterns was to encourage the growth of small firms, as

it was considered that they were both more flexible and innovatory than large firms⁴⁰.

Maton [1987]⁴¹ refers to Europe's 'Rust Belt' as that broad swathe of industrial decline extending from the North of England, through Northern France [Nord Pas de Calais], Southern Belgium to the Ruhr in Germany.

The European Community encourages the development of those regions which are disadvantaged from the centre and also those regions which have suffered decline. A major objective of this aid was to reduce disparities between regions and to tackle the backwardness of the least favoured regions⁴². During 1988 inward investment flows were approximately \$32bn with one third of this amount allocated to the United Kingdom, with France the second highest recipient. This high grant allocation to the United Kingdom was because of the severe problems, as experienced, linked to industrial decline which was proportionately greater than Germany, France and all other comparable countries within the European Economic Community [Millan]⁴³.

European Development Funds in the form of Regional Aid are supplemented by a wide range of incentives for prospective business organisations. Lists as published vary according to the country involved, devised to alleviate problems associated with areas affected by the process of industrial adjustment.

Examples of individual Government financial support

are as follows:

1.8.1 Germany [West]

Domestic and Foreign companies establishing new plants in Germany or existing facilities may qualify for a variety of investment incentives. The criteria necessary for qualification are the number of new jobs to be created, the investment volume and location⁴⁴. Local governments frequently offer incentives by providing free or inexpensive land together with free construction of road and rail connections.

Certain areas have been designated as development regions that benefit from a combined federal and state programme. These regions cover about half of West Germany's territory and include the entire area of the Saarland with its heavy dependence on coal mining and steel making. All designated areas have an economic level significantly lower than that of West Germany as a whole, or that their main industries are in decline necessitating special help to create new jobs or retain existing ones⁴⁵.

A Case Illustration

On the 24th February, 1988 Dr Kohl⁴⁶ announced that the Federal Government would provide DM 500 m. in aid to industrial regions, particularly the Ruhr Valley, with

the proviso that any States [Lands] involved provided equal amounts to that as distributed. This aid would create new jobs over a four to five year period. Seven of the Land Governments led by Albrecht, President of Lower Saxony⁴⁷, were concerned about the distribution of Aid; not just because of the position of the declining northern traditionally industrial States, when compared with the newly prosperous south; but because of the payment of Social Security Costs [Sozialhilfe]. These costs to high unemployment numbers in the north meant that those States had therefore less money to allocate for the building of an industrial infrastructure which would provide new jobs.

1.8.2 France

A variety of business incentives is available, affording easier access to credit, at both national and local levels⁴⁸. In regional development areas new investment can attract F.Francis 35,000 for each job created, up to a maximum of 17% of total fixed assets. In the most deprived areas of Brittany, the Vosges and the Central Massif these incentives can rise to F.Francis 50,000 per job, up to 25% of total fixed assets⁴⁹. The Western, Southwestern and Central regions are all considered to be under industrialized, with many municipalities having designated industrial zones or other facilities to alleviate local problems⁵⁰.

Relocation subsidies are also available for those investing in certain areas of these regions , which also are applicable to North Eastern France where industrial change is taking place⁵¹. Three Enterprise Zones similar to the United Kingdom's model have been established [1987] at Dunkerque in the North East and at La Ciotat and La Seyne, both situated on the Mediterranean coast, west of Toulon⁵².

Difficulties experienced with the establishment of new business ventures in the less industrialized areas include: lack of skilled labour together with the recruitment and retention of competent executives. Transportation for product distribution also gives cause for concern with the required infrastructures inferior to those existing in established industrial areas⁵³.

1.8.3 Italy

In Italy economic disparities exist between the industrial northern section and southern 'Il Mezzogiorno d'Italia', which lies south of Naples and Abruzzi and, including Sardinia and Sicily. In this area the Italian Government planned to invest 120 billion lire [c£60 million] between 1985 and 1993, with a tendency to support small and medium sized industries⁵⁴.

To encourage development in the Mezzogiorno a Government fund was established in 1947 under the auspices of the Cassa per il Mezzogiorno⁵⁵. This

organisation being referred to as a 'giant patronage organisation rather than a true regional planning agency'⁵⁶. Incentives offered by this fund created jobs at a cost of £100,000 per head [1980]⁵⁷. Cassa aid was abolished in August, 1984⁵⁸, being replaced by a system of extraordinary State Development Aid for the South. Industrial development of the Mezzogiorno was considered to be compatible with Common Market principles, although an E.E.C., decision [March, 1988] stated that substantial benefits for the regions of Lazio, the Marche and Molise would be eliminated by 1992⁵⁹.

Other State subsidies include loans to cover 30% of investment up to a maximum of 7 billion lire [c£3.5m]⁶⁰, preferential freight rates by rail and sea to other parts of Italy, a reduced tax for electrical consumption, free technical assistance in the preparation of plans. To stimulate production, companies controlled by the Ministry of State Participation are required to purchase 30% of their requirements from firms operating in the Mezzogiorno⁶¹.

Besides incentives specifically aimed at improving the economies of depressed regions there are other incentives available to a wide range of industrial concerns with priorities given to projects involving export promotion, development of import substitutes and increasing employment especially for females and the young⁶².

1.8.4 United Kingdom

A wide range of financial assistance is available to industrialists from Government sources. As at June, 1989 the forms of assistance were headed as follows⁶³:

1. Tax incentives for capital investment - capital allowances.
2. Tax incentives for investment by U.K. residents in U.K. companies - the Business Expansion Scheme.
3. National Selective Assistance.
4. The Enterprise Initiative.
5. Regional incentives - which includes the Enterprise Zone packages.
6. Assistance from Europe which includes :
 - a) European Coal and Steel Community [E.C.S.C.] loans, for new employment opportunities in areas suffering from job losses in the coal and steel industries.
 - b) European Investment Bank [E.I.B.] loans, for projects in Assisted Areas.

In addition to the above assistance grants are available from the European Regional Development Fund [E.R.D.F.]

A Case Illustration

The Liverpool area, experiencing industrial change, was granted £3m. [1979-84] of public money to assist in urban development, a sum which stimulated £14m of private investment. Between 1981 and mid 1984 the area received other grants from the E.R.D.F. amounting to £46.5m. to improve the infrastructures of telecommunications, water, sewerage and transport⁶⁴.

1.8.5 E.E.C. Summary of Aid

From the foregoing the E.E.C. and individual countries are giving financial assistance to areas experiencing industrial change and also to the development of green field sites for industrial use. Such aid has been questioned as a contravention of Article 92 of the Treaty of Rome⁶⁵ as incompatible with the aims of the Common Market in that competition between member states may be distorted by favouring certain industrial sectors or companies⁶⁶.

The European Structural Fund of which E.R.D.F. is a part, was set up in 1975 [Regulation EEC 724/75] with the objective of reducing economic imbalance in the Community. This regulation underwent major reform in late December, 1988 shifting from a project based approach to a programme based system⁶⁷.

For those areas designated under Option 2 - areas seriously affected by industrial decline where average unemployment rates are above the average for the Community⁶⁸, the rates of assistance became a maximum of 50% and a minimum of 25% of total costs of approved projects⁶⁹. Such projects are associated with transport, technology, research and the environment among others.

The appropriation of E.R.D.F. assistance under Objective 2 to the United Kingdom, as from late December, 1988, amounted to 38.3% which was the biggest percentage awarded⁷⁰ to any of the E.E.C. twelve countries.

1.8.6 Enterprise Zones in the United States of America

Financial aid to assist areas experiencing industrial change is not just peculiar to countries within the E.E.C. The U.S.A. has also been subjected to industrial changes. Butler [1982]⁷¹ refers to Federal concern regarding the problems of inner city industrial blight, with the Washington based Heritage Foundation initiating a private enterprise approach similar to the concepts of Hall and Howe.

Areas or zones as designated offer financial incentives to prospective business organisations. Amongst these incentives are some form of local tax abatements, income tax credits towards the cost of hiring new employees together with deductions for capital investments. Some States also offer low interest loans, grants and access free financing⁷².

In the Spring of 1989, Kemp⁷³ the Housing and Urban Development Secretary prevailed for the inclusion of a \$1 billion revenue loss in the Federal budget spread over four years to support the formation of seventy Enterprise Zones. During August, 1989 it was proposed that this number would be reduced to fifty, phased in during a four year period from the beginning of 1990.

From a total of 1500 Enterprise Zones designated in 1982, 500 are functioning with some form of business activity [September, 1989]. Zones vary considerably in size and can cover large ground areas, almost the entire

cities of Toledo and Cleveland and 111 square miles of rural Missouri are classified⁷⁴.

1.9 Site Location Benefits and Philosophy

Kemp⁷⁵ argued that 'the establishment of enterprise zones will uncork the entrepreneurial spirit that lies dormant in every downtrodden urban neighbourhood'. Regional assistance can however distort market forces by giving support to selected areas and their industries, which are intended to give an advantage eliminating some of the disadvantages which they suffer from their general situation. Millan [1989]⁷⁶ disagrees with any free market approach stating that there should not be a concentration of energy within areas which have natural advantages and would be successful with or without aid. Vossler [1990]⁷⁷ in his checklist for industrial locations emphasises the importance of operating costs on production. These costs include those of land, building, equipment, labour, utilities, transport and the environment. He included the intangibles of political stability and labour laws, concluding that "Location is about 'Where', 'How Much' and 'Quality' - the best location being a compromise between the last two".

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CHAPTER 2 Central and Local Government Involvement in Regional Aid - Cause and Effects.

2.1 Historic policies, plans and events.

As the Conservative Party won the 1979 General Election, Howe in his Budget speech¹ "acknowledged that politicians, in their capacity, have definite limits in checking and reversing industrial decline". He referred to his predecessor [D.Healy] who during his five years in office had introduced no fewer than fifteen budgets and economic packages to finance a wide range of policies to regenerate industry. This strategy of expanding public spending and 'fine tuning' of the economy has not been successful."

Howe suggested that with a change in Government there should also be a change in attitudes by those who take part in collective bargaining to promote a proper sense of responsibility. Laws standing in the way of change, stifling enterprise, compounded by a structure of taxation which discouraged innovation and punished success, should be abandoned to reduce the role of the state.

Before World War II the State had been actively involved in Regional Planning. During 1934² South Wales, West Cumberland, North East England and Clydeside [North Lanarkshire] were designated as areas of need because of the high levels of unemployment with

accompanying poverty, a result of the depressed state of the coal, iron and steel and shipbuilding industries. Commissioners were appointed to allocate loans and rent subsidies in developing new trading estates. This particular legislation initiated an approach to regional problems which involved high unemployment on the basis of the principle of 'taking work to the workers'.³

Regional disparities were still evident in the 1960s. The Conservative Party election manifesto [September, 1964]⁴ referring to regional development stated that, if elected, 'they would initiate an expansion of employment prospects which would spread prosperity more evenly throughout the United Kingdom.' This would be accomplished by giving generous inducements for the construction of new factories installed with modern equipment thus providing fresh jobs where they were most required. The object of these intentions was 'to make each region a more efficient place in which to work and a more attractive place in which to live'. Essential to success were provisions for better communications by improving and reshaping the transport system to accommodate the needs of modern Britain.

The Labour Party was returned to office after the 1964 General Election creating a Ministry of Economic Affairs. G.Brown as the Minister and First Secretary

of State speaking during the opening session of Parliament [November, 1964]⁶ stated that the Government would implement a plan extending over the next five years to guide the development of the economy and economic activity. Regarding Regional Planning the Government intended to set up two types of authority a) Advisory Regional Councils and b) Regional Planning Boards with members drawn from Industry, Local Authorities and Universities amongst others. Regional Economic Planning Councils [R.E.D.C.'s] and Regional Economic Planning Boards [R.E.P.B's] were established in each of the eight English regions with planning powers conferred on the Secretaries of State for Scotland and Wales.

'A Regional Development Programme for South East England for the period 1961 to 1981 was published in March, 1964⁶, also a White Paper⁷ which outlined the Government's initial conclusions of the study. The area covered extended from The Wash to Dorset emphasising the growth and distribution of population and employment in the South East. Plans for reducing London's growth, reducing its dominance, were to be realized by expanding eighteen existing towns and creating three new cities amongst which was one in the Bletchley area [Milton Keynes]. It was however recognized that there were 'strong economic forces existing which act as a growth stimulant for London'.

A National Plan [1965] was established to secure a more balanced economy by regional planning. The effects of this Plan would be to influence geographical patterns of economic activity together with measures to influence the distribution of population. The concepts of the Plan made clear that priority would be given to those sectors of industry which would make the greatest contribution to strengthening the balance of payments. Five new development areas replacing 165 existing development districts as designated by the Local Employment Act [1960]. This Plan was abandoned in 1966 because of the Government's financial difficulties, factors which severely constrained economic growth⁸.

Support for development areas continued in a White Paper [January, 1966]⁹ which presented proposals for a range of preferential cash grants towards the cost of plant and machinery in the manufacturing and extractive industries - 40% compared with 20% elsewhere nationwide. During the term of office of the Wilson Labour Government [1964-1970] emphasis was given to preferential expenditure to assist development areas. No other West European Country granting such a "comprehensive range of measures or giving regional development such a priority¹⁰".

Following the return to office of a Conservative Government in 1970, the Department of Economic Affairs was abolished and the R.E.P.B. disbanded. In 1979,

following five years of Labour Government, the Conservatives were elected to power abolishing the R.E.D.C.'s., the Department of Trade and Industry being unable to integrate land use planning with economic development.¹¹

During 1981 to counter the effects of reoccurring industrial decay and high unemployment, Enterprise status was granted to Swansea, Workington,[Allerdale], Tyneside, Hartlepool and Clydebank, some 47 years after receiving previous aid to counter identical problems.

2.2 The Inner City Problem

Problems associated with inner city decay were investigated by Central Government in 1972, when Peter Walker commissioned a study on 'deprivation' with particular reference to Birmingham, Lambeth and Liverpool. The first report of these studies was not published until 1977, after which the White Paper 'Policy for the Inner Cities'¹² was published by the then incumbent Labour Government. Besides taking up to two years for a programme to become viable, a depressing aspect was that immediately after Central Government financial support ceased the schemes collapsed¹³.

A review of the Government's Strategic Plan for the South East [October, 1976]¹⁴ observed that since 1971 circumstances had changed in six fundamental respects. Amongst these were the general decline of the economy

and the increased migration of people and business out of London. The Plan indicated that manufacturing industrial decline in London had been more rapid than in the rest of the country; industrialists laying the blame on Government policies regarding dispersal and also building control in relationship to expansion, compounded by a lack of motorways and good urban roads, which the Report considered favoured other cities.

In opposition the Conservative Party argued¹⁵ that new town development should be restricted as it was not possible to invest available money in new town development and at the same time invest in city areas to halt their decline. In contrast the Association for District Councils in a memorandum to Peter Shore¹⁶ argued that there was an imbalance in his proposals to assist inner cities as deprivation existed in many urban and rural areas outside London and the large conurbations. The result of any further selective monetary and other assistance to inner urban areas would distort overall priorities, the outcome of which would result in the misuse of limited resources. During 1977 there was considerable debate in Parliament regarding the redevelopment of London's Docklands which was experiencing decline because of the change in trading patterns. From this debate there was a general consensus of opinion that there should be an emphasis on restoring the economic life and purpose of the

area¹⁷.

Other contemporary contributions to the debate considered that faults lay at the door of planning policies originating both from Central and Local Government¹⁸. The Strategic Plan for the South East [1976] referred to the large amounts of Central Government assistance directed towards the establishing and development of Milton Keynes, this development being a prime example associated with the starvation of funds for London's Dockland redevelopment. No doubt this attitude can be linked to other new town developments which are sited relatively close to older settlement areas.

A cut back in spending for the New Towns was announced in April 1977¹⁹, savings being made available to finance construction work in inner city areas, amongst which were Birmingham, Liverpool, Manchester / Salford together with the London district of Lambeth and East End Docklands. The top priority was to strengthen the economic base of the 'worst hit' inner cities, special powers being available to Local Government to assist small businesses in particular. Previous to this Shore [1976]²⁰ had stated that 'inner cities would have priority for any available funds, new town development having secondary consideration'.

Discussing the inner cities Young [1980]²¹ referred to that present, modish and somewhat morbid

concern, with which politicians and their advisers have become involved'. Comprehensive development during the 1960's and 1970's resulted in the destruction of thousands of once prosperous and successful small firms which had previously provided employment for local communities. However the survival of small firms had always been somewhat precarious . In the case of Birmingham where small industrial concerns had once ringed the City there was little doubt that few would have survived had they been left undisturbed. The Secretary of the "Association of Independent Businesses " [1980]²² remarked that from his experiences most displaced businessmen had decided to retire early than alternatively seek accommodation in other premises even if expansion possibilities existed.

Young²³ considered that policies as adopted had done but little to help the public of the 'Inner City Problem'. Most urban local authorities, being traditionally and actually Labour [Socialist] controlled, implemented post war development schemes which concentrated on housing projects in preference to new industrialization. Young also referred to successive Labour and Conservative Central Governments giving emphasis to subsidies with respect to housing construction as a more attractive option to any industrial development.

Since December, 1975 Shore [1976]²⁴ disclosed that

100% grants for approved schemes had been paid for by the Government in assisted areas and derelict land clearance areas. In many cases the cleared land had been used for what he considered to be much needed open space. Jacobs [1961]²⁵ had a different view on this attitude stating that poor deprived areas must have a dense concentration of population and that it is a fallacy to equate high population concentrations with social patterns which are linked with the so termed 'deprived areas'. Generalizing she said that 'poor areas need for more open space and parkland rather than people could not be further away from the truth'.

During the late 1960's a large area of old terraced style houses, adjacent to Salford Docks, was condemned and razed. People who once lived there have referred to the happy times and strong community spirit which existed amongst residents in an area free from crime and vandalism²⁶.

2.3 Industrial Decline and Central Government Counter Measures

Unemployment and industrial decay have resulted in the devising of schemes and plans by Parliament as endeavours to solve the problems inherent with technological change, by injecting Central Government funds into depressed areas and also the establishment of Enterprise Zones.

Jenkins and Sherman [1979]²⁷ attribute the collapse of work to the introduction of the micro-chip: 'it is not the machine replacing the human, it is the machine changing the process to make the skills redundant'. The micro-chip and the dilatory attitude of British firms to the adoption of new technology, which by introduction decreases the necessity for a given number of workers relative to a given amount of productivity. Other Western industrialized countries adopted these new manufacturing techniques before the United Kingdom and in consequence the Country has become an importer of the type of goods which once were made here.

To halt the decline of a city's traditional industries, Butler [1982]²⁸ refers to the increasing practice in Continental Europe and America of Central Government subsidies, instead of accepting inevitable change; " thus labour and capital are locked into supporting dying industries which are denied to others who might want to establish an entirely new business". When collapse eventually arrives it causes greater local distress, the industry in the meantime becoming more obsolete. Subsidies as given can therefore be considered as suspect with Government involvement patronizing.

Since the 1970s there have been many instances of industrial failure of firms after receiving

Government subsidies. Amongst these are Fisher Bendix in Knowsley²⁹ and Courtaulds in Skelmersdale³⁰, both of which are Liverpool overspill areas.

The Fisher Bendix plant, in Kirkby's large industrial estate, was closed for production by the company, then resurrected as a Workers' Cooperative. Despite the injection of Government funds the scheme failed. In December 1976, Courtaulds closed a weaving mill which was built in 1958 with the loss of 1,000 jobs. Prior to its construction Courtaulds had been subjected to pressure from the Government³¹, coupled with high cash inducements to establish a labour intensive plant in a 'green field' site at a time when, in contrast, textile production organisations elsewhere in the world were concentrating on building capital-intensive plant. Other contemporary Central Government involvement with requisite legislation for industrial rejuvenation is briefly as follows.

The programme of the Labour Government [formed in March 1974], included proposals for encouraging the development and re-equipment of industry and also for promoting industrial expansion. These proposals were outlined in the White Paper [Cmmd 5710] 'The Regeneration of British Industry'. Within the introduction was a reference to the low level of investment for each worker in Britain when compared with France, Germany, Italy, Japan and the United

States of America. This level was less in 1972 and 1973 than what it was in 1970³².

From the ensuing 1975 Industry Act, inaugurated late November 1975, a National Enterprise Board was set up by the Government to assist industry. From this the Government became a shareholder in certain chosen companies with the object of strengthening British Industry³³.

In early March 1975, an Industrial Development Advisory Board was established which had responsibilities under the 1972 Industry Act to advise the Government on the granting of selective financial assistance to private industry. Section 7 of this Act relating to 'assisted areas' was introduced mid 1974³⁴.

During the latter part of 1974 and early 1975 a conflict arose between the Industrial Development Advisory Board [I.D.A.B.] and the Government over assistance to industry as contained within Section 8 of the 1972 Industry Act³⁵. Against their recommendations grants were allowed to five worker co-operatives. With respect to one of them Kirkby Manufacturing and Engineering Ltd, the I.D.A.B. referred to a "major degree of overmanning, with no prospect of generating a positive cash flow³⁶".

Thus Government patronage became fashionable with money supplied from the public purse. Such

philosophies may have been directed for political kudos rather than philanthropic motives to aid areas where unemployment was high and also to rejuvenate, to put new life into obsolescent manufacturing industries.

2.4 Alternative site locations and Urban Decline

Other factors have contributed to the decline of the inner city. Starkie [1982]³⁷ stated that 'the general consensus of opinion is focussed on the untidy, social, economic and environmental problems left behind in the wake of falling job opportunities and a declining urban population'.

Industry had moved to those areas where there were improved combinations associated with the factors of production. Movement, or relocation, from traditional areas was influenced by extensive advertising campaigns appearing in the National Press and Trade Journals, with the assistance of a package of grants offered to prospective employers who consider a more favourable site relocation, or to an entrepreneur starting a new business venture.

Between 1960 and 1970³⁸ the exodus of firms transferring their activities from inner urban sites, increased dramatically as new towns were created, encouraged by Regional and Urban Planning Authorities. Cities and other urban population centres once at the

very hub of industrial activity declined as small towns grew in size. The populations at Winsford, Warrington and Runcorn grew at the expense of population movement from both Liverpool and Manchester. Skelmersdale, a village until the 1950's, experienced growth correlated with Liverpool's decline. Glasgow, Birmingham and other northern industrialized areas also lost population and with them industry. Starkie [1982]³⁹ mentions that between 1966 and 1970, the population of Manchester decreased by 110,000, Liverpool's population by 150,000 and Glasgow's by 205,000. During the same time period the population of London decreased by 0.5 million and was reflected in a growth in the satellite new towns such as Basildon, Bracknell, Crawley and Harlow.

Hughes [1980]⁴⁰ considered that improved road communications could play a role in reversing the spiral of economic decline, with local authorities giving priority in their Transport Policies and Programmes to improve transport networks, especially those associated with the road vehicle. The attraction of Telford to industrialists was poor because of low grade roads and rail freight linkages connecting the new town to the market. This problem was corrected by the opening of the M54 motorway. Similarly, the construction of the M602 spur leading to the north eastern boundary of the Salford Enterprise Zone was

considered by local officials as essential to the success of the Zone. The success of the expansion of Warrington is attributed to its situation at the intersection of the M62 east / west motorway and the M6 north / south motorway together with similarly aligned rail routes. The Warrington advertising campaign brochure, directed at industrialists, highlights the advantages of these linkages to major cities and other market areas.

2.5 Effects of Grant Aid

Financial inducements are available in many areas of the United Kingdom to assist business organisations to become established, thus improving local employment prospects. Local authorities have taken advantage of being classified as Government Assisted Areas by creating new, or by expanding old-established, industrial estates within their boundaries. Other financial aid is available from European Community funds, Regional Development Grants, Training Grants - with others according to need. Armstrong and Taylor [1985]⁴¹ present a chronology of British Regional policy and grant aid.

Designated areas in Wales receive grants from the Welsh Development Agency, whilst in Scotland Development Corporations have been elected by the Secretary of State for Scotland financed by the British

Government.

For many years, prior to the establishment of Enterprise Zones [1981], large sums have been given and are still being given to industrial organisations which have decided to take advantage of any available monetary grants. These subsidies have contributed in developing industrial estates on green field sites which leads to an influx of workers. A parallel may be made with the Salford area and more recently [1935] with Corby following industrial expansion.

Cambridge Econometrics [1987]⁴² considered that the urban / rural shift will dominate the 1990's, a trend which could affect neighbouring areas where unemployment rates are high. An example is Mold, the administrative capital of Clwyd, situated within a rural area, is experiencing industrial development⁴³ all within a six mile distance from the town of Flint, part of which has Enterprise Zone status, granted after the closure of the town's Courtauld owned textile mills.

Locally situated alternative development - in direct conflict with Enterprise Zone development - was expressed by Dodsworth [1986]⁴⁴ with regard to the Trafford Park Enterprise Zone and the industrial expansion of Warrington. The Warrington development having 'sapped Trafford Park of contemporary industrial

participation', aided and abetted by a £2 million pound a year advertising campaign.

Adopting similar attitudes to Dodsworth, Mottershaw⁴⁵ [1985] stated that economic development in the North West was exceedingly parochial. In an ever decreasing market relative to new ventures, the close proximity of Warrington, Winsford and Skelmersdale has had an adverse effect on the attractions of Salford to industrialists who might otherwise have located their activities within the Enterprise Zone. These alternative locations receive widespread publicity from advertisements in the national press and other publications Mottershaw quoting a figure of £1 million [half that of Dodsworth] from Central Government towards the costs of this advertising and publication of a substantial brochure giving details of the area and its surrounds and financial benefits on industrial establishment.

The redistribution of industry to those areas where unemployment is higher than the national average was considered as policy by the Conservative party [October 1988]⁴⁶, with proposals "to establish a reasonable balance of industry, employment and prosperity between regions". Designated assistance areas, both development and intermediate, in total embrace large tracts of land in both rural and urban areas⁴⁷, excluding East Anglia and the South East, with

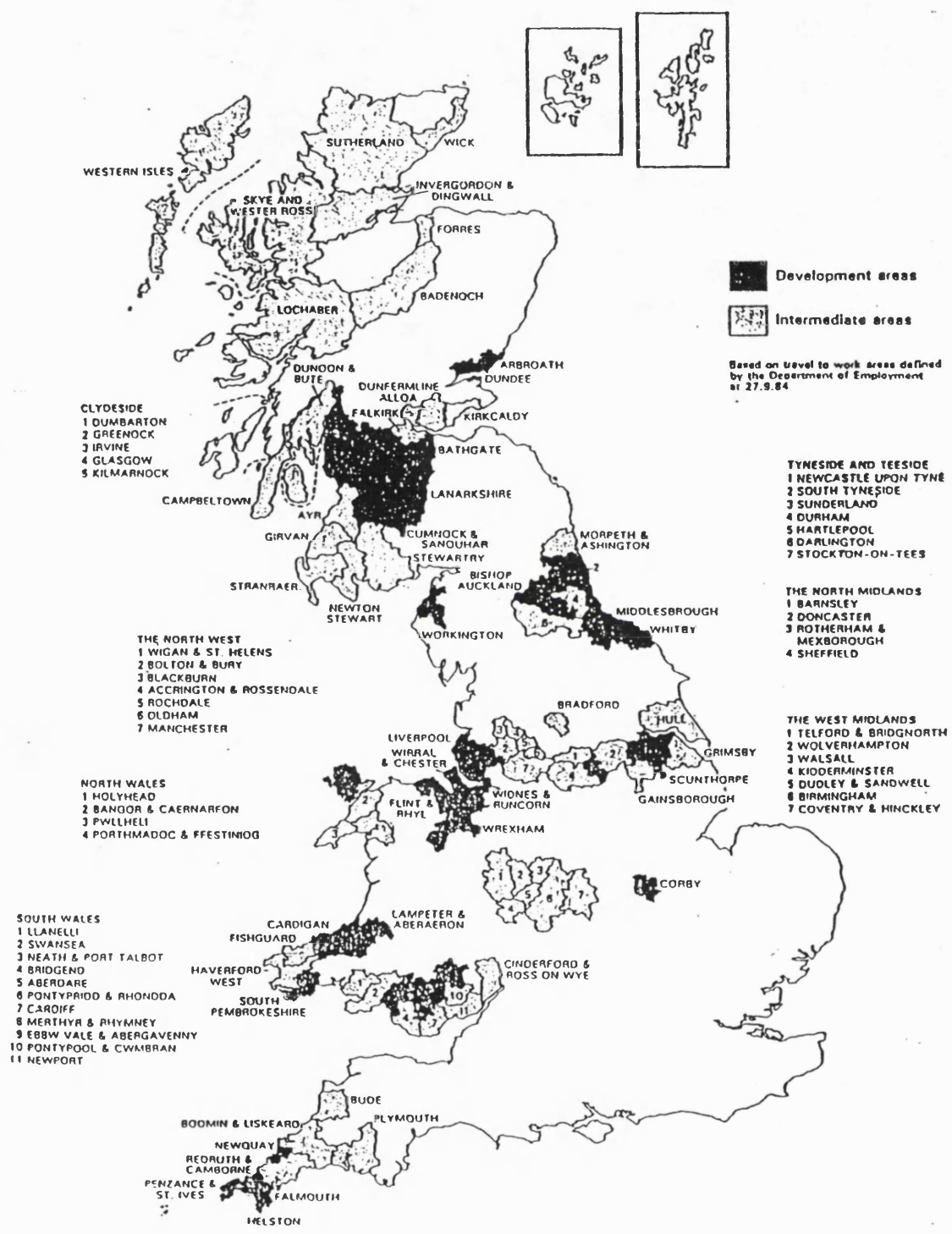
the exception of the Enterprise Zones in the South East
- the Isle of Dogs and North West Kent at Chatham.

[MAP 2.1]

2.6 Expenditure on the Regions

Government expenditure on regional preferential assistance to industry in Great Britain during 1986-87 amounted to a total of £735.4 million. From this total England received £349.8 million, a sum which was divided unequally among six Regions. Scotland received £241.6 million whilst Wales received a total of £144 million. [TABLE 2.0]. When these figures are divided by the respective number of inhabitants as at December 1986, England with a population of 46.271 million received £7.568 per head; Scotland with a population of 5.116 million received £51.613 per head whilst Wales with a population of 2.79 million received £47.224 per head.

An analysis of Government expenditure on Regional assistance is shown in TABLE 2.0. These figures have been divided by the number of workers in employment, as at December 1986, thus obtaining a figure for Government Expenditure per Employee. The employment data used for these calculations is extracted from December 1986 published statistics which approximate to the mid 1986-87 period from which data on Government expenditure was obtained. These were the latest dates



MAP 2.1: Location of Development and Intermediate Areas : Source HMSO Statistics, Regional Trends 23, 1988

	REGION									
	Great Britain	North	Yorkshire and Humberside	East Midlands	South West	West Midlands	North West	England	Wales	Scotland
Government Expenditure on Regional preferential assistance to industry 1986-87 (£ million)	735.4	137.1	41.4	10.5	22.2	10.0	128.5	349.8	144	241.6
Employees in Employment by Region, December, 1986 ('000)	21261	1088	1798	1523	1572	2054	2286	18520	863	1878
Government Expenditure per Employee.	£34.59	£126	£23.03	£6.89	£14.12	£4.87	£56.21	£18.89	£186.86	£128.65

SOURCES.

Government Expenditure on regional preferential assistance to industry 1986-87 Regional Trends, 23 HMSO 1988
 Employment: Employees in Employment by Region - 1.5 Employment Gazette, February 1988

TABLE 2.0

Government Expenditure per Employee in Specific Regions [c. 1986-87]

at the time of compilation and considered most applicable to research analysis.

The analysis shows the existence of regional disparities in Government aid distribution, supporting the policy of giving preferential support to regions where unemployment is high. Unemployment numbers together with their percentages relative to the numbers employed in the Regions which have Assisted Area status are shown in TABLE 2.1. The highest percentages occurring in the northern part of England, Scotland and Wales. The south east having the lowest percentage unemployed.

Bivariate regression analysis of numbers employed and unemployed, as explanatory variables with total grant award as the response variables [TABLES 2.2] show a high degree of correlation significant at 0.01 associated with the power model $y^1 = ax^b$ [TABLE 2.3]. This model signifies a tapered relationship of continuous decreasing gradient, the higher the level of employment or unemployment in a region the lower the grant aid, if taken pro rata. [Sketch Graph 2.1]

Further investigation involving Development and Intermediate Areas were considered, but a breakdown of the total grant sum for each area was not available in the statistical data as researched.

2.7 Analysis of Government Expenditure and Gross

Unemployment in Regions by Assisted Area Status at 11th August, 1988

TABLE 2.1

Region	Area Classification							
	Development Areas		Intermediate Areas		Unassisted Areas		Totals	
	Number Employed	Number Unemployed and % age	Number Employed	Number Unemployed and % age	Number Employed	Number Unemployed and % age	Number Employed	Number Unemployed and % age
Great Britain	3524800	535800 [15.2]	4767400	553000 [11.6]	1572300	1084900 [6.9]	24151900	2173700 [9.0]
North	921300	137300 [14.9]	166300	19290 [11.6]	214900	15900 [7.4]	1296800	172470 [13.3]
Yorkshire and Humberside	168130	25390 [15.1]	927300	114990 [12.4]	986400	87800 [8.9]	2093300	223170 [10.9]
East Midlands	25350	2230 [8.8]	52440	4820 [9.2]	1636750	135350 [8.3]	1701250	142900 [8.4]
South West	62340	8600 [13.8]	1760400	19010 [10.8]	1514800	99980 [6.6]	1777200	127600 [7.2]
West Midlands			1669000	187000 [11.2]	686100	45970 [6.7]	2353200	232970 [9.9]
North West	900900	143300 [15.9]	895200	98500 [11]	865500	83950 [9.7]	2669500	325700 [12.2]
Wales	106900	14750 [13.8]	543000	64700 [11.8]	115000	10700 [9.3]	1025500	125100 [12.2]
Scotland	112200	17270 [15.4]	319800	44800 [14.6]	804800	70000 [8.7]	2227000	285100 [12.8]
South East							8112200	487000 [6.0]
East Anglia							873000	4800 [9.5]

Basic Data from Unemployment Area Statistics 2.4 Employment Gazette HMSO 1988

Numbers Employed and Unemployed in Development and Intermediate Areas with Total Grant £[m] by Region.

REGION	x		y
	Totals minus Unassisted Area figures		Total Grant £'000,000
	Employed	Unemployed	
North	1081900	156570	137.1
Yorkshire and Humberside	1106900	140370	41.1
East Midlands	64500	7050	10.5
South West	262400	27620	22.2
West Midlands	1667100	187000	10.0
North West	1804000	241750	128.5
Wales	910500	114400	144.0
Scotland	1422200	21500	241.6
South East	0	0	0
East Anglia	0	0	0

TABLE 2.2

SOURCES:

Numbers Employed and Unemployed - Totals minus Unassisted Area figures from data in TABLE 2.1.

Total Grant data obtained from TABLE 2.0.

Correlation Coefficients: $n = 10$

TABLE 2.3

	Employed	Unemployed
Model $y' = a + bx$	$r = 0.5917$, N.S. at 0.05	$r = 0.6987$ Sig at 0.05
Model $y' = a + b \log x$	$r = 0.5352$, N.S. at 0.05	$r = 0.5635$ N.S. at 0.05
Model $y' = ab^x$	$r = 0.7056$, Sig at 0.05	$r = 0.7607$ Sig at 0.05
Model $y' = ax^b$	$r = 0.8740$, Sig at 0.001	$r = 0.8461$ Sig at 0.01

All Correlation Coefficients Positive.

Domestic Product

Statistics within the Regions applicable to Government Expenditure per Employee and Gross Domestic Product per Head [TABLE 2.4] with rankings [TABLE 2.5] suggest a possible association. The ranked data was subjected to bivariate regression analysis, a power model giving the highest degree of correlation, significant at 0.05. [Sketch Graph 2.2] This implies that highest Government grants are given to those regions which have the lowest G.D.P.. This is evident from the ranking of Wales and the South East. [TABLE 2.5]

2.8 Grant Awards and their Impact

As reported, November 1987, there was an estimated 280 different schemes available to assist businesses from either Central Government or European Economic Community funds, and from a survey of four hundred companies Ernst and Whinney concluded that the existing system of awarding grants was possibly ineffective in creating jobs and improving industrial improvement⁴⁸. This view was endorsed by the Bishop of Stepney [1988] - " the injection of an enormous amount of wealth into one place will not necessarily have the overall effect in an area or region that the Government say they hope is going to happen".⁴⁹

Additional grants to specific areas within regions

Expenditure per Employee and Gross Domestic Product
per Head.

TABLE 2.4

REGION	Government Expenditure per Employee 1986-87.	G.D.P. per Head-1986 U.K. [Average 100].
North	£126	90.6
Yorkshire and Humberside	£23.03	93.7
East Midlands	£6.89	96.5
East Anglia	0	100.1
South East	0	116.1
South West	£14.12	95.7
West Midlands	£4.87	91.9
North West	£56.21	93.9
Wales	£186.86	87.8
Scotland	£128.65	95.8

Sources: Government Expenditure from TABLE 2.0.

G.D.P. per Head data: Regional Trends 23 1988,

H.M.S.O.

is discussed by Shucksmith and Lloyd [1982]⁵⁰ regarding the Enterprise Zone status of Invergordon in the North East of Scotland, which was in receipt of benefits from regional area status together with substantial assistance from the Highlands and Islands Development Board. They criticise the singling out for extra grants to one small remotely situated area,. Because of the extra financial benefits available economic activity in the surrounding districts could move to Invergordon - the boundary-hopping phenomena - and in consequence any industrial base which outlying districts might have, however small, could be lost creating industrial deserts at the expense of establishing an Enterprise Zone.

The whole question of grants should be anathema to the principles of Thatcherism. Storey [1987]⁵¹ wondered how much vote catching has underpinned the Enterprise Zone and other development programmes since 1980. However in those areas where aid schemes operate the majority of the voting public are against the principles of the Conservative Party. For example the Celtic Regions of Scotland and Wales together with the old urban areas all of which remain Labour Party strongholds. Grants may be considered as being sympathetic in assisting run-down districts or areas. The distribution of this aid is subject to considerable debate regarding its effectiveness in reducing

Ranking of Regions

TABLE 2-5.

Government Expenditure per Employee 1986-87.	G.D.P. per Head 1986 [U.K. Average 100]
Wales	South East
Scotland	East Anglia
North	East Midlands
North West	Scotland
Yorkshire and Humberside	South West
South West	North West
East Midlands	Yorkshire and Humberside
West Midlands	West Midlands
East Anglia	North
South East	Wales.

Ranking arranged from data within TABLE 2-4
With Correlation Coefficients according to the following models

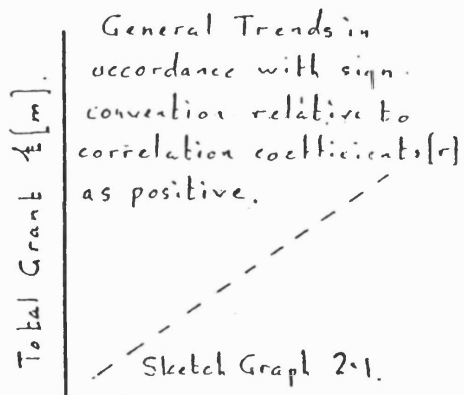
Model: $y' = a + bx$ $r = -0.5300$ N.S. at 0.05

Model: $y' = a + b \log x$ $r = -0.7217$ Sig at 0.05

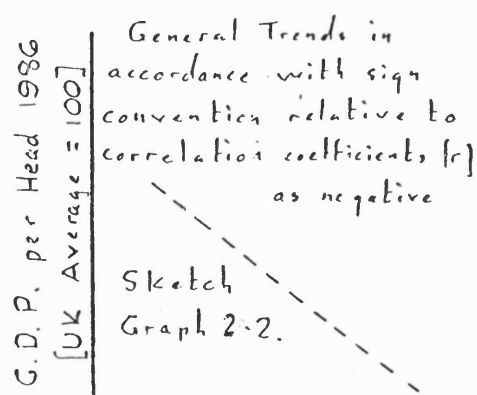
Model: $y' = ab^x$ $r = -0.5350$ N.S. at 0.05

Model: $y' = ax^b$ $r = -0.7331$ Sig. at 0.05

Correlation Coefficients: Negative.



Number Employed in Development Areas and Intermediate Areas
Data essentially from TABLE 2-2



Government Expenditure per Employee: 1986-87.
Data essentially from TABLE 2-5

unemployment and disparities between prosperous regions and those regions which have experienced decline. Aid can be considered as a palliative in solving problems associated with entrenched anachronistic attitudes which, in the past, have opposed the re-organisation of local industry and labour relations.

The Government's 'Action for Cities' programme amounted to an estimated spending of £3,022 million [1988-89]⁵². From this total £300 million [10%] was allocated to urban areas in Scotland and Wales with a further £25 million [0.83%] to 'Derelict Land' reclamation. A further £1000 million of aid⁵³ to British Regions from European Economic Community Funds was announced in March, 1989, to be matched by the British Government 50:50 [to 75:25], Chapter 1.8.5. As from 1st January 1985⁵⁴ the United Kingdom was allocated a percentage range of between 21.42 and 28.56 of European Regional Development Fund 'geared towards mobilizing local resources, promoting the indigenous potential of regions, rather than attracting investment from wealthier regions'. The quota set in 1981 was fixed at 23.8% with Italy receiving 35.49%, the highest of the nine member countries. Even after the accession of Greece to the Community in 1981 Italy had the highest percentage rate of E.R.D.F. assistance with a range between 31.94 and 42.59.

Grants given do not necessarily guarantee business

success, [House of Commons Public Accounts Committee Report February, 1989]⁵⁵ as since 1982 the Enterprise allowance scheme which cost the Government £545 million had a failure rate of 43% from 300,000 initial recipients⁵⁶. Reasons given for this high failure rate are varied, but for many the cause was a lack of business acumen⁵⁷. Other financial aid available to small firms is the Loan Guarantee Scheme⁵⁸, which underwrites the bulk of loans made. The Report considering that there is little evidence to show that this aid has produced any real benefit to local communities.

The Schemes apparently disadvantaged firms who were non-recipients within a particular neighbourhood, especially those with similar activities to firms receiving Government financial aid. The outcome of this policy has been the closure of many small businesses, because of the competitive edge created by the grant award system⁵⁹.

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CHAPTER 3 Enterprise Zones

3.1 Site Selection

Examination of Enterprise Zone sites shows that most of them lie within inner urban areas. Exceptions are Telford and Corby New Towns, together with the comparatively small sites of Flint and Invergordon. The original conception of Enterprise Zone sitings and links with inner urban problems had to be modified by the Government because of the lack of a sufficient number of suitable sites in the inner areas of major conurbations.

As mentioned in Chapter I there were a greater number of applications from Local Authorities for Enterprise Zone status than the number of sites for which the Government were willing to give consent. Many of the applications received came from Authorities whose industrial base was experiencing decay, the result of one, or a combination, of changes, including manufacturing technology, trading patterns, competition from the import of consumer goods compounded by the disruptive effects of industrial disputes. Any state intervention in the form of subsidies would hopefully remedy the additional problem of unemployment by assisting in establishing new industrial estates.

3.2 Business Transfers.

A controversial issue concerning the Enterprise Zone initiative has been the likelihood of the zones attracting industries from nearby locations, thereby simply moving jobs around [Bromley and Morgan, 1984]¹ instead of creating them.

Early enquiries for sites after the establishment of the Swansea Enterprise Zone revealed that they were shared equally between those from within the City, elsewhere in South Wales and from the rest of the United Kingdom [Norcliffe and Hoare, 1982]². Any business transfers ensuing would simply be reflected by a loss of jobs elsewhere. A further analysis revealed that almost all relocations consisted of short distance movers or "boundary hoppers" representing less than half of all new establishments although the proportion of employee numbers was higher. Between January, 1981 and December, 1983 totally new developments accounted for 60% of all enterprises accompanied by 45% of all jobs created in the Zone. [Bromley and Morgan, 1984]³. These figures indicate a trend towards the establishment of small business units, which is also a feature of the Salford Enterprise Zone [Chapter 6].

Short distance relocation of firms to an Enterprise Zone was also referred to in a Report issued by the Comptroller and Auditors General [1986]⁴, such movement simply diverting businesses from other districts. Investigations revealed that between 4% and

12% of wholly new firms might not have commenced operations without the existence of the Zones, with between 75% and 85% of incoming Zone firms remaining operating in the same County or Region even if the Enterprise Zones had not been built.

CASE STUDY 1 Telford

With reference to the Telford Enterprise Zone Cockeram [1986]⁵, a member of a Committee of Public Accounts remarked that "some employers previously operating elsewhere in the Region had moved into the Zone to take advantage of the various bribes available". Minutes of Evidence to the Committee referred to existing Telford Companies who had been allowed to transfer their operations to within the Zone, a "hedge hopping" policy condoned by the Zone Authorities. By allowing this transfer, companies involved left a lease situation for an investment in their own property. Such transfers were considered "to weld more tightly into the Towns' body politic, the result of which has been a greater interest, and involvement in the companies immediate environment and asset value"⁶.

The benefits of "hedge hopping" was discussed during a radio programme [March, 1988]⁷. In the instance quoted a particular business was operating in the Telford area at a loss. Within three months after

the transfer of activities to a site within the town's Enterprise Zone the business became profitable.

CASE STUDY 2 Trafford Park

Statistics for the Trafford Park Enterprise Zone giving details of "hedge hopping", T.B.C. Jobs, for three separate periods between March, 1985 and October, 1988 are shown in TABLES 3.1 and 3.2, with some companies having moved 400 yards to qualify for Enterprise Zone benefits [Coleman, C.D. 1986]*. Opponents of the Salford / Trafford Park Zones have claimed that more than 80% of businesses have moved from the immediate area with an average distance less than 5 miles. This claim is not borne out with the Trafford Park data [March and June, 1985, TABLE 3.1] nor with the research as detailed in Chapter 6, although "hedge hopping" has occurred.

The number of jobs transferred to the Zone from within the Trafford Metropolitan Borough Council Boundaries [T.B.C.Jobs] totalled 1675, [42% of the grand total;] whilst transfers [Elsewhere jobs] taking advantage of Enterprise Zone benefits totalled 806 [20%]. New Jobs created by the establishment of the Zone totalled 1504 [38%], the only number contributing to alleviating local unemployment.

Percentage comparisons [TABLE 3.2] of the data

Trafford Park Enterprise Zones: Monitoring Statements, [with some corrections to the October, 1988 data] as presented by the Metropolitan Borough of Trafford

TABLE 3.1.

Activity	Monitoring Statement Date														
	March, 1985			June, 1985			October, 1988								
	Companies	New Jobs	T.B.C. Elsewhere Jobs	Totals	Companies	New Jobs	T.B.C. Elsewhere Jobs	Totals	Companies	New Jobs	T.B.C. Elsewhere Jobs	Totals			
Warehouse/ Distribution	33:36%	234:34%	84:31%	187:59%	505:40%	38:37%	249:34%	113:35%	195:61%	557:40%	76:40%	414:27%	963:57%	326:40%	43%
Manufacturing	16:17%	192:28%	37:13%	69:22%	298:23%	18:18%	202:27%	37:12%	69:21%	308:22%	22:11%	446:30%	151:9%	121:15%	718:18%
Services	44:47%	266:38%	155:56%	59:19%	479:37%	46:45%	284:39%	171:53%	59:18%	514:38%	93:49%	644:43%	561:34%	359:44%	1564%
Totals	93:100%	691:100%	276:100%	315:100%	1292:100%	102:100%	735:100%	321:100%	323:100%	1379:100%	191:100%	1504:100%	1675:100%	806:100%	3985:100%

TABLE 3.2

Activity	Monitoring Statement Date					
	March 1985		June, 1985		October, 1988	
	Companies	Jobs	Companies	Jobs	Companies	Jobs
New	39:42%	691:54%	43:42%	735:53%	97:51%	1504:38%
T.B.C.	23:25%	276:21%	22:27%	321:23%	55:29%	1675:42%
Elsewhere	31:33%	315:25%	37:31%	323:21%	39:20%	806:20%
Totals	93:100%	1282:100%	102:100%	1379:100%	191:100%	3985:100%

KEY:
 New Jobs: relates to totally new jobs in the Zone and totally new companies [not transfers].
 T.B.C. Jobs: relates to jobs and companies transferred into the Zone from within Trafford M.B.C. boundaries.
 Elsewhere Jobs: relates to jobs and companies transferred into the Zone from outside Trafford M.B.C. boundaries.
 N.B.: the figures quoted for new job includes not only new companies or jobs, but also additional jobs created by companies who have moved into the E.Z. from outside areas.

indicate that the highest growth occurred with T.B.C. classified Jobs which doubled from 21% to 42% over the period; whilst New and Elsewhere Jobs decreased. Company employee size, expressed as an Arithmetic Mean, was 30.45 for T.B.C. almost double the 15.5 figure for New Companies [October, 1988], figures which support the earlier statement on business movements.

Numbers and Percentages [TABLE 3.1] involved in work creation show that Warehousing / Distribution and Services dominate the industrial scene, with increases in both sectors over the period accompanied by an overall decrease in manufacturing activity.

3.3 Rate and Tax Exemptions

The effects of Enterprise Zones on rate exemption which gives financial benefit to zone businesses is considered to be substantial [Erickson and Syms, 1985]⁹. Over a Zone's ten year operating period savings for medium sized business have been estimated at £1 million, whilst estimates for small businesses for occupancy costs - rent plus rates - indicate savings of 28%. Firms already in business who were sufficiently fortunate to be included within zone boundaries - as planned - gain financially, without contributing to alleviating the inner urban problem.

A consequence of rate relief on Enterprise Zone

properties has been reflected in a decrease in rents paid for industrial property situated in peripheral areas relative to the Salford and Trafford Park Zones. To correct an elastic market of over supply following Enterprise Zone operations rent reductions were implemented on peripherally situated properties as endeavours to reduce "hedge hopping" and maintain occupancy [Erickson and Syms, 1985]¹⁰. The Trafford Park data [TABLE 3.1] together with research data [Chapter 6] shows that the policy of rent reductions in peripheral areas by real estate owners was not wholly successful because of the number of short distance movers.

Tax exemptions have provided a substantial incentive towards property development in the zones, development costs decreasing between 35% and 75% depending upon the type of building. The largest savings are associated with commercial property - hotels, shops and warehouses [Botham and Lloyd, 1983]¹¹. As discussed in Chapter 10 warehouse developments with their low density employment do not make any major contribution to job creation, a trend which has caused concern among local community leaders.

3.4 Employment Opportunities

From the foregoing instances the Enterprise Zone experiment has created but few jobs for the local

unemployed with benefits accruing to those organisations who have moved or who were in situ prior to the establishment of Zone boundaries and also to the developers especially at Canary Wharf. A major effect of the schemes has been to promote physical development in preference to increasing the output of goods and employment. [Talbot. 1988]¹².

Taking advantage of Enterprise Zone benefits to the retailing sector is apparent from the establishment of an out-of-town shopping area within the confines of the Llansamlet section of the Swansea Enterprise Zone. On this site a collection of household named stores has commenced trading, one of which includes a Tesco supermarket of 4200 square feet ground area [Sparks. 1986]¹³. Such retailing activities were resisted by the Isle of Dogs Enterprise Zone Authorities after receiving an application from ASDA for the construction of a supermarket [Chapter 9].

3.5 Changes in Government Policy

The cost of creating industrial activity and jobs in the Enterprise Zones influenced the Government to examine its policy regarding further expansion. Following a study of the findings of the P.A. Cambridge Economic Consultants, the Government [December, 1987]¹⁴ decided to call a "partial halt" to the Enterprise Zone

experiment. Mr Nicholas Ridley^{15, 16}, the Secretary of State for the Environment announced the decision in a House of Commons written reply. A general extension of the Zones was not desirable "other solutions offering greater cost effectiveness". Existing Zones would however be unaffected by the decision, with the Government recognizing that there could be exceptional circumstances where the creation of new zones might be the best way of overcoming a local problem. The new policy would have an emphasis on targeting aid in preference to giving automatic assistance¹⁷.

The P.A. Cambridge Economic Consultants Survey¹⁸ reveals that up to the end of 1986, £297 million, at 1985-86 prices, had been allocated to the Zones. This figure includes rates foregone together with additional local authority expenditure which would not have been incurred if the Enterprise Zone scheme had not been initiated and subsequently developed. The survey also mentions that the total number of additional jobs supported directly and indirectly in the local areas where Enterprise Zones are situated is 12,860. On this basis the cost per job created averages at £23,095, although the authors consider that this figure could be as high as £30,000 per additional job created. These rather high figures are reduced somewhat with the authors stating that a total of 35,060 additional jobs created on the zones cost an average of £8,486, with

upper and lower limits of £12,046 and £6,732 respectively¹⁹.

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CHAPTER 4

CORBY, SALFORD and the ISLE OF DOGS

4.0 Introduction

From the total of twenty five Phase I and Phase II Enterprise Zones, three were selected for in-depth study. These zones were the redundant dock areas of Salford and the Isle of Dogs, for comparative purposes, and, as a contrast Corby, a town once predominantly dependent upon the manufacture of iron and steel products.

Each area has experienced varying life spans of industrial activity - growth followed by decline. This cycle of events can be attributed to anachronistic geographical location, uncompetitiveness associated with low productivity and changes in technology. The Isle of Dogs dock complex commenced trading operations shortly after the commencement of the nineteenth century - towards the end of the Industrial Revolution, whilst the docks at Salford linked to the River Mersey by the Manchester Ship Canal were opened some eighty years later. In comparison Corby is relatively new on the industrial scene concentrating employment in the large iron and steel works which had been developed by Stewarts and Lloyds from a small works situated there in 1932.

During the 1970s changes in trading patterns and/or

the demand for specific goods and services precipitated their decline. Reasons for their development are varied, but as originally envisaged either to assist trading patterns or for manufacture they became superfluous to the Country's requirements.

Their individual histories are well documented, the following sub-chapters briefly discussing growth and decline which eventually led to high levels of local unemployment and the granting of Enterprise Zone Status.

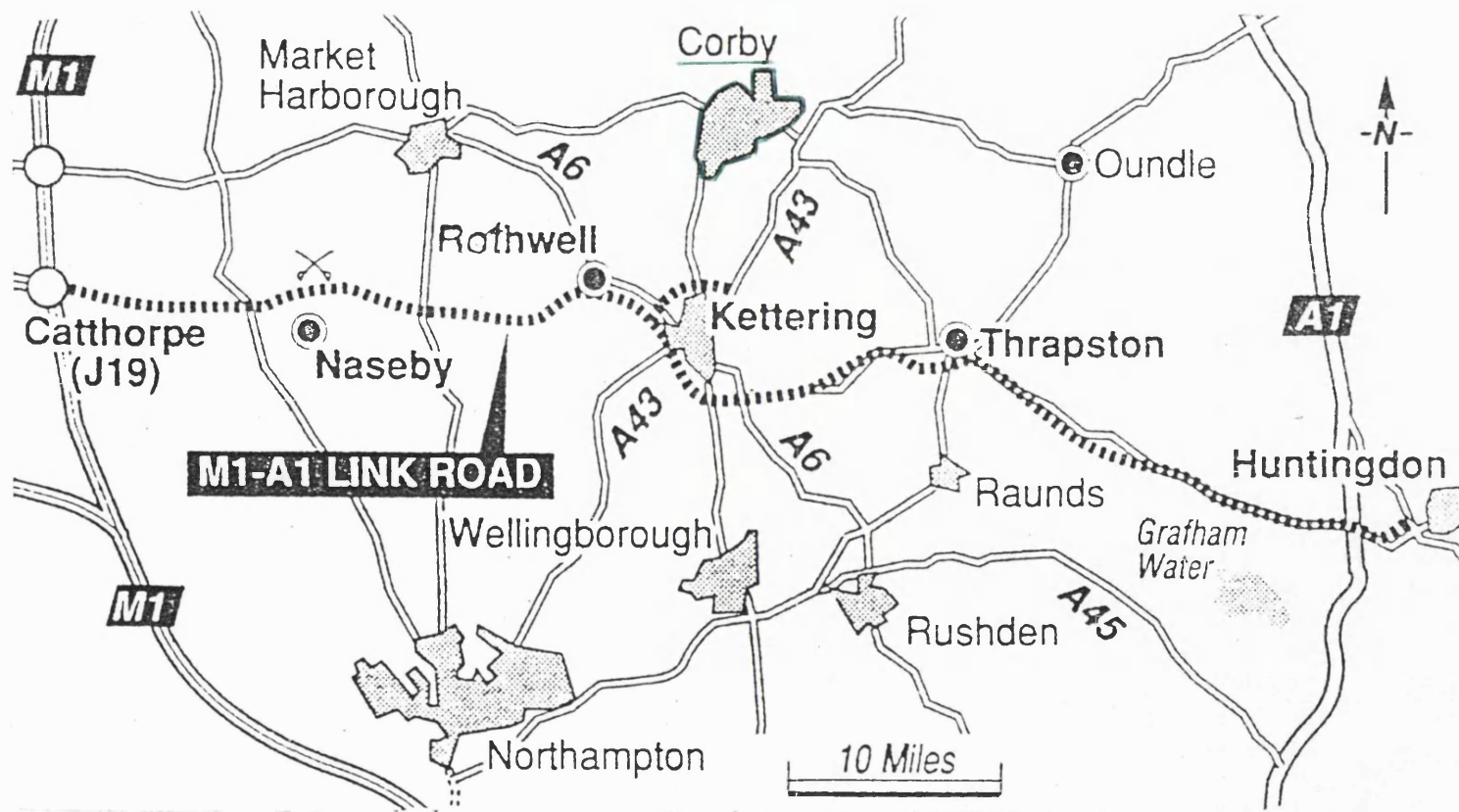
4.1 CORBY

4.1.1 Geographical Location

Corby is situated in the rural Northamptonshire countryside, eighty miles north of London and twenty two miles north east of Northampton. The local authority considers Corby has a prime location on the transport network [MAP 4.1.1], twenty three miles from the M1 with excellent road connections to the A6 and the east-west A45 connecting the Midlands with the east coast port of Felixstowe [MAP 4.1.2]. The town has the added advantage of being situated almost at the centre of England offering considerable market potential to any prospective industrialist ¹. Population numbers ² within radii are:

10 miles

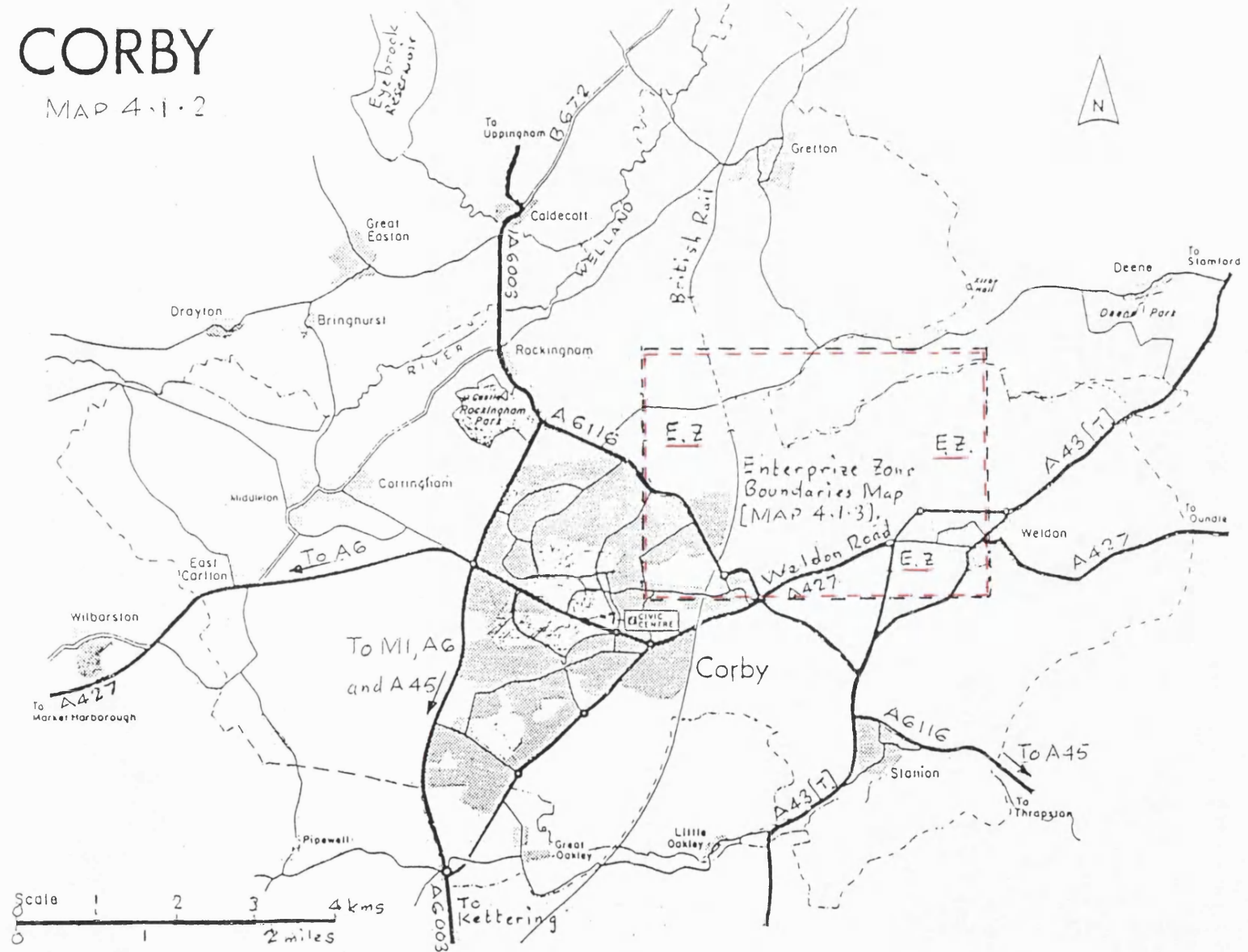
173,000



MAP 4.1.1 Route of M1-A1 Link Road South of Corby.

CORBY

MAP 4.1.2



25 miles	1,340,000
50 miles	5,458,000
100 miles	30,658,000

Eight miles south of Corby British Rail Inter City Services stop at Kettering for destinations south to London St Pancras and north to major cities in the North Midlands.

4.1.2 Growth based on Iron and Steel Production

The town was transformed from a rural parish of 1500 inhabitants, in 1930³, into an industrial town following the construction of a large steel making and processing plant by Stewarts and Lloyds. The site was situated on the English Jurassic iron ore field with its vast reserves of low grade ore. Eventual construction was based on the advice of Brasserts⁴ of the United States of America, who were commissioned by Stewarts and Lloyds in 1929 to carry out feasibility studies for the large scale production of iron and steel. Their recommendations, quoted at length, gave the advantages of Corby when compared with other sites⁵. Pounds [1971]⁶ gives a rough and arbitrary choice of an iron and steel works plant site as:

- a) located near the source of the ore,
- b) near the source of fuel,
- c) close to the market,
- and d) at some intermediate point.

Design and construction of the works began in

November, 1932 with production commencing in May 1934⁷. By the end of 1936 the Company had recruited more than 3000 workers, mainly from Scotland⁸. A 1980 census indicated that 50% of the town's population was of Scottish origin⁹ - a Scottish enclave in the Northamptonshire countryside [Grieco]¹⁰. Other immigrant workers came from Wales, Ireland and Latvia, all enticed by the prospect of job opportunities¹¹. By 1983 the population had increased to 47,750¹².

4.1.3 Stagnation and Decline.

For thirty years the Corby works and town enjoyed uninterrupted growth, the works eventually becoming State owned by the British Steel Corporation¹³ [1967] following periods of nationalization [1946¹⁴ 1949¹⁵] and the denationalization [1953]¹⁶ of the iron and steel industry. These politically motivated changes to the management structure fostered uncertainties and speculation of objectivity goals¹⁷.

By the mid 1960's growth ceased and in consequence the proposed population of the New Town [designated 1st April, 1950] was revised downwards. This growth stagnation prompted the local authority to diversify local industry thus reducing dependence on the manufacture of steel and associated service industries¹⁸.

Industrial disputes at the works affected production continuity. During June/July 1970, a strike

took place with a loss of an estimated 128,000 working days¹⁹. Despite this setback a Government White Paper [1973]²⁰ on the steel industry assured the town of a long term future as a centre for the manufacture of steel tubing, continuing for at least the remainder of the decade.

After the re-appraisal of the industry, British Steel [January, 1979] stated that there were problems associated with the manufacture of steel at the Corby Works²¹. These were:

i) Energy costs of reducing the locally mined low grade iron ore to steel had increased considerably.

[Note: At the commencement of operation local ore contained 33-34% iron. In 1980 the richest ore found contained 26-27% iron. No ore fields are now in operation - 1990]²²

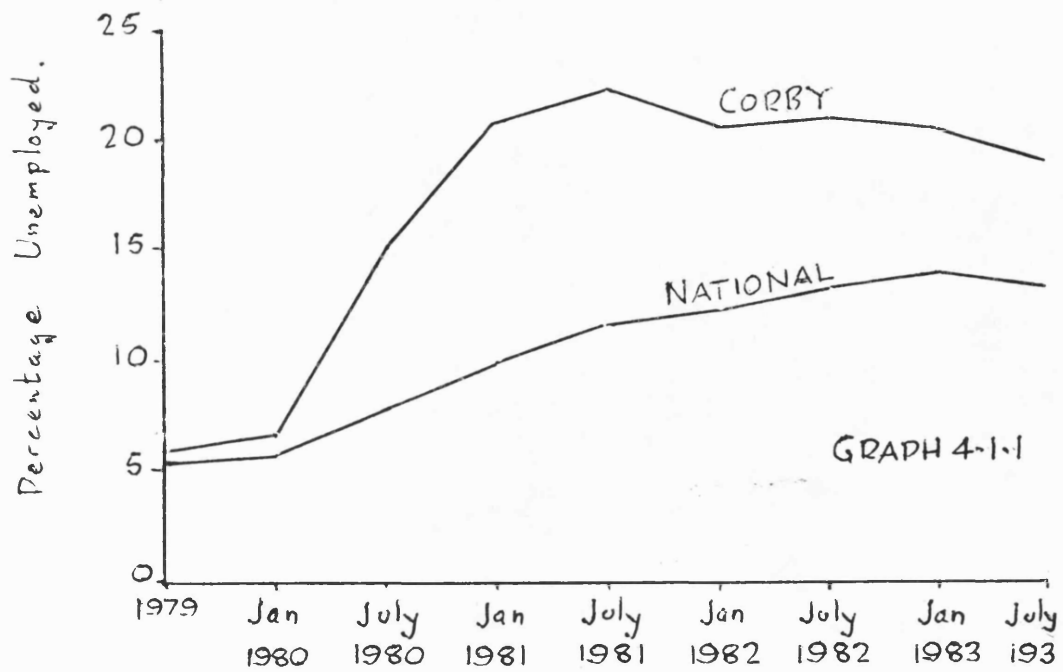
ii) Steel production was more costly than that produced from large integrated iron and steel works, for example at Tees Side

iii) By modern standards the Corby operation was small, and therefore due to diseconomies of scale total losses in 1978 were £28 million, which was double the loss of the previous year.

The Corporation added weight to their argument for the closure of the Corby Works with an estimate that such action would save approximately £40 million per year. The plan for the closure was bitterly opposed, but by Christmas 1979, when the closure and accompanying

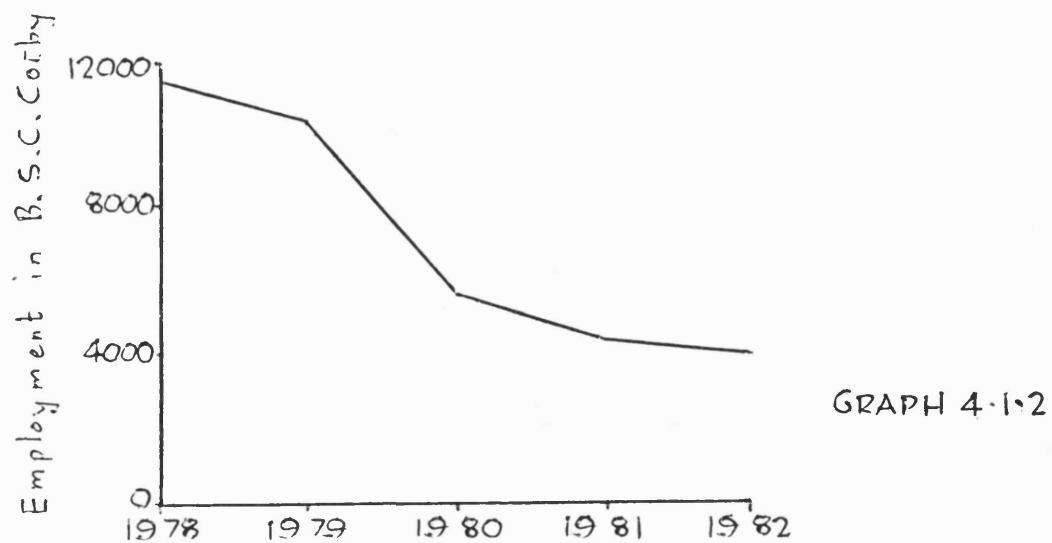
redundancies were announced all effective opposition had collapsed. From a total sum of approximately £45 million redundancy payments averaged about £8,000 per employee, which at the time was considered as generous²³. Direct employment at the works falling from 11,369 in 1978 to 4,170 in 1982. [GRAPH 4.1.2]²⁴

Prior to the closure of the steel works unemployment in the town was 2124 [6.9%], which was higher than the national average of 5.4%. [GRAPH 4.1.1], but following the closure [March, 1980] projected unemployment was expected to rise to 35%²⁵. This high unemployment figure was prevented because of joint action by an industrial development committee comprising of Corby District Council, the Commission for New Towns, Northamptonshire County Council and the British Iron and Steel Industry. Their brief was to develop industrial and commercial enterprises within the Corby area to reduce high unemployment levels caused by redundant steel work employees exacerbated by an extra loss of 800 jobs mainly in the textile and shoe manufacturing industries²⁶. To reduce the negative impact of high unemployment the Department of the Environment designated Corby as a Development Area making available grants and regional selective assistance plus other benefits as available through the European Community; the Regional Development Grant award 15% towards the cost of new factory building, plant and machinery²⁷.



British Steel Direct Employment in Corby

1978	1979	1980	1981	1982
11369	10489	5640	4509	4170



Source: Corby Words No 1, 1984.

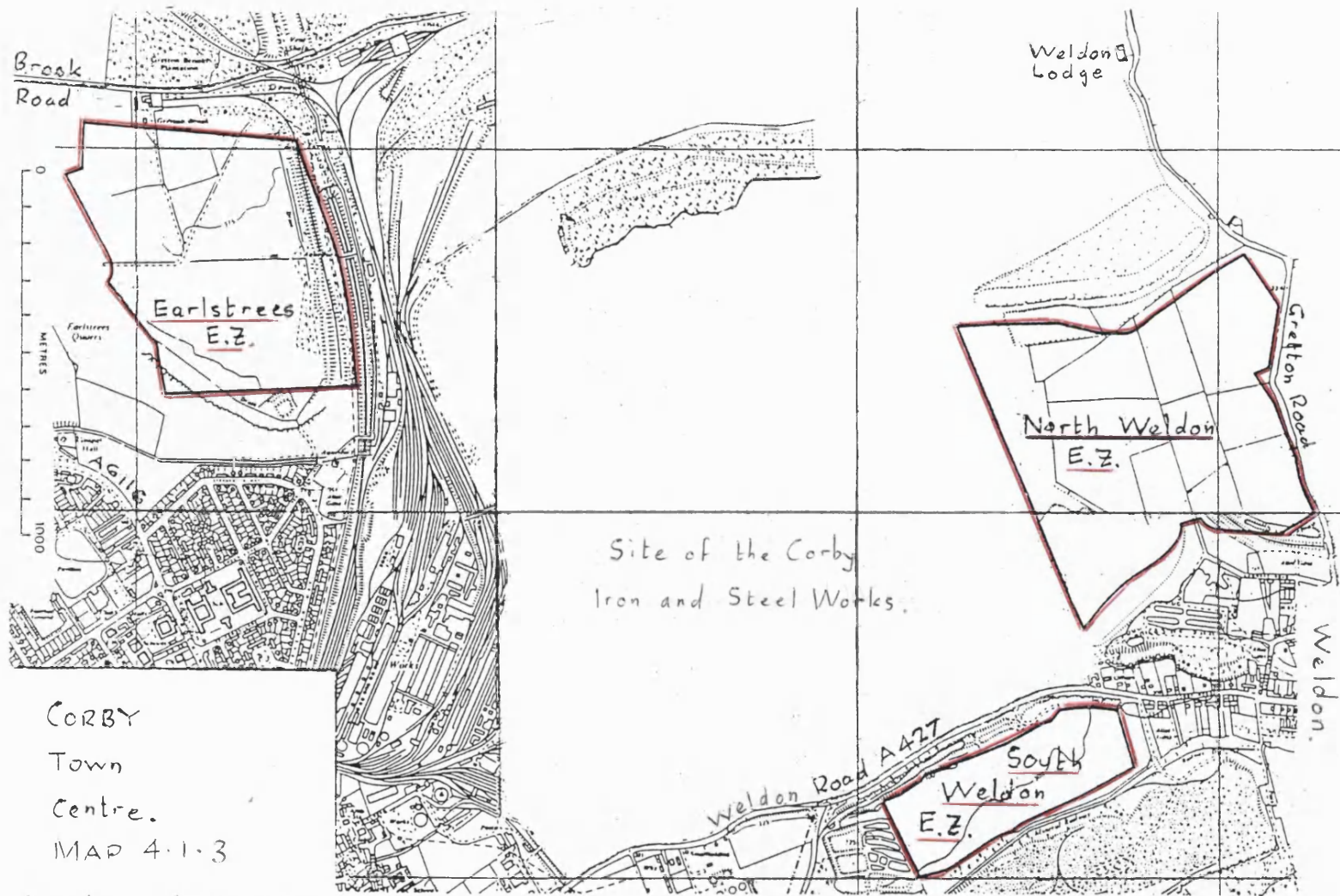
In 1980 the Corby joint Industrial Committee published a booklet 'A Strategy for Corby'²⁸ which analysed the period between 1932 and March 1980 - from the initial development of the iron and steel works to its eventual demise. Amongst its deliberations the Committee devised an employment demand pattern adopting a policy which aligned local unemployment rates with those taken as an average for Great Britain. Implementation of this policy would require the creation of 450 jobs of which 300 would be appropriated to males and 150 to females.

4.1.4 Enterprise Zone Status

Further assistance for the town came with the granting of Enterprise Zone status, officially declared open in June, 1981²⁹. Corby was the first area in England to be given such status with three separate sites in peripheral areas constituting the Zone [Map 4.1.3]. These sites are among a total of eight industrial estates also scattered around the centre of the town.

The Corby Enterprise Zone is small when compared with other site areas from the first batch of Enterprise Zones, and consists of:

- i) Earlstrees East - an extension of the existing Earlstrees Industrial Estate 110 acres (44ha)
 - ii) Weldon South - an area of previous mineral extraction 40 acres (16ha)
- and
- iii) Weldon North - a green field site which also embraces an old coal handling yard. 130 acres (52ha)
- Total 280 acres (112ha)



CORBY
Town
Centre.
MAP 4.1.3

Location of the Three Corby Enterprise Zones relative to Corby and Weldon.

Within the industrial estates individual site areas were available ranging between 1/4 acre and 100 acres of ground floor area, a range which was assumed to be suitable for most types of industry³⁰.

The venture assisted in providing local job opportunities, the Joint Industrial Development Committee revealing that between 1980 and 1983, 4000 new jobs had been created - a figure which was expected to increase to 6000 as other organisations established enterprises within all the industrial estates with the Corby Development Area³¹.

Between the end of 1979 and 1984 financial assistance from the Department of Industry had been offered to 150 companies which after establishment had provided 9000 job opportunities [K.J.Green]³². In addition Regional Development Grants were in excess of £14 million, with the Department of Industry having committed £37 million to the town's industrial restructuring. By 1985 a total of £450 million had been received from the following sources to alleviate hardship and to assist in Corby's industrial transformation.

- i) £300 million from companies
- ii) £60 million from Regional Development Grants
- iii) £36 million from New Towns Commission
- iv) £15 million in European Economic Community loans
- v) £40 million in redundancy money from the British Steel Corporation.³³

4.1.5 Accessibility

When in operation the steel works had been serviced by rail freight transport. After closure the local authority realised that the restructuring of the industrial economy of Corby would depend, for its success, on upgrading and improving local road networks to facilitate better interaction with other areas. Prospective employers desiring unimpeded accessibility from the trunk road network to their premises for reasons associated with competitiveness.

Road improvement schemes as considered necessary were included in Northamptonshire's Transport Policy and Programme submission for a Transport Network Supplementary Grant.

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CHAPTER 4.2 SALFORD

4.2.1 Growth and Industry

Salford , situated in South West Lancashire, was the first home of immigrant Flemish weavers who settled there in 1360. From these beginnings the importance and prosperity of the settlement was based on the textile industry ^{1,2}. An industrial survey of the late 18th century showed that of 96 firms 62 were engaged in the textile and associated ancillary trades, with 30,000 employed locally in the cotton industry³.

Following the industrial revolution [late 18th century] the introduction of power operated machines increased the production of yarn which in turn generated a demand for metal workers. By 1838 eighteen foundries and machinery manufacturers had become established. To satisfy an increasing demand for labour, immigration of workers occurred from other parts of England and from Scotland and Wales, with a large contingent of 7,000 from Ireland, all of whom assisted in increasing the population from 18,088 [1801]⁴ to 87,000 [1851]⁵. The majority of cotton mills had been built by 1875, although some were subsequently enlarged, with local specialisation introduced whereby spinning was concentrated in the Bolton area and weaving concentrated in the Blackburn and Burnley areas⁶. From this period mechanical engineering based industries began to play a

more important role with cotton spinning and weaving in decline⁷.

The Lancashire cotton industry reached a production peak in 1913, followed by a downward trend. A 1931 Salford occupational census showed that only 20.7% of a total of 38,070 industrial employed were textile workers. By 1974 only two textile firms were operating, the decline being also experienced by linked service industries⁸. The growing unimportance of the textile industry for employment was apparent as in 1948 textile employees represented only 8.1% [5115 jobs] of the total insured population⁹. With the passage of time industrial employment continued to fall, two Central Salford surveys showing this trend. A 1976 survey showed that 392 firms employed 21,500 workers whilst in March, 1981 employment had decreased by 39.5% to 13,000 workers employed by 370 firms¹⁰.

Increased job opportunities developed in the service industries of transport, distribution and banking, figures available for 1948 giving a total of 28,500 workers [45.1%] from the grand total of 63,150¹¹. The transport industry itself was a large employer of 13,876 [27.2%] workers, as revealed in the 1974 survey, with a grand total of 50,959 employees. This high percentage was an indication of Salford's nodal position in the South East Lancashire communications network¹².

Salford's population reached a peak in 1921 with

234,048 inhabitants¹³. Between 1971 and 1981 the City's population, considered separately from Salford Metropolitan District, decreased by 23.4% from 118,000 to 98,000¹⁴. The Metropolitan area which includes Eccles, Irlam, Pendlebury and Swinton also had a population fall, albeit over a shorter period, from 277,000 in 1973 to 243,736 in 1981. A report [1981] from the North West Confederation of British Industries attributed this decline to the run-down of the region's labour intensive industries, especially in textile manufacture¹⁵. The outcome of this depopulation was Salford heading a list of twenty two towns and cities that had experienced the highest fall in population between 1971 and 1981¹⁶.

4.2.2 : The Ship Canal and Salford Docks.

An increase in both job opportunities and population in the Salford area followed the opening of the Manchester Ship Canal in May, 1894¹⁷ a venture which closed for commercial traffic 1987. Ocean going ship transport enabled import and export freight, to and from the Manchester area, to bypass the Port of Liverpool whose use had required the payment of high port dues by Manchester area based industrialists¹⁸. These dues had the effect of increasing transport costs to such an extent that their goods became uncompetitive with goods produced by industrialists operating from areas where total transport costs were lower¹⁹. This

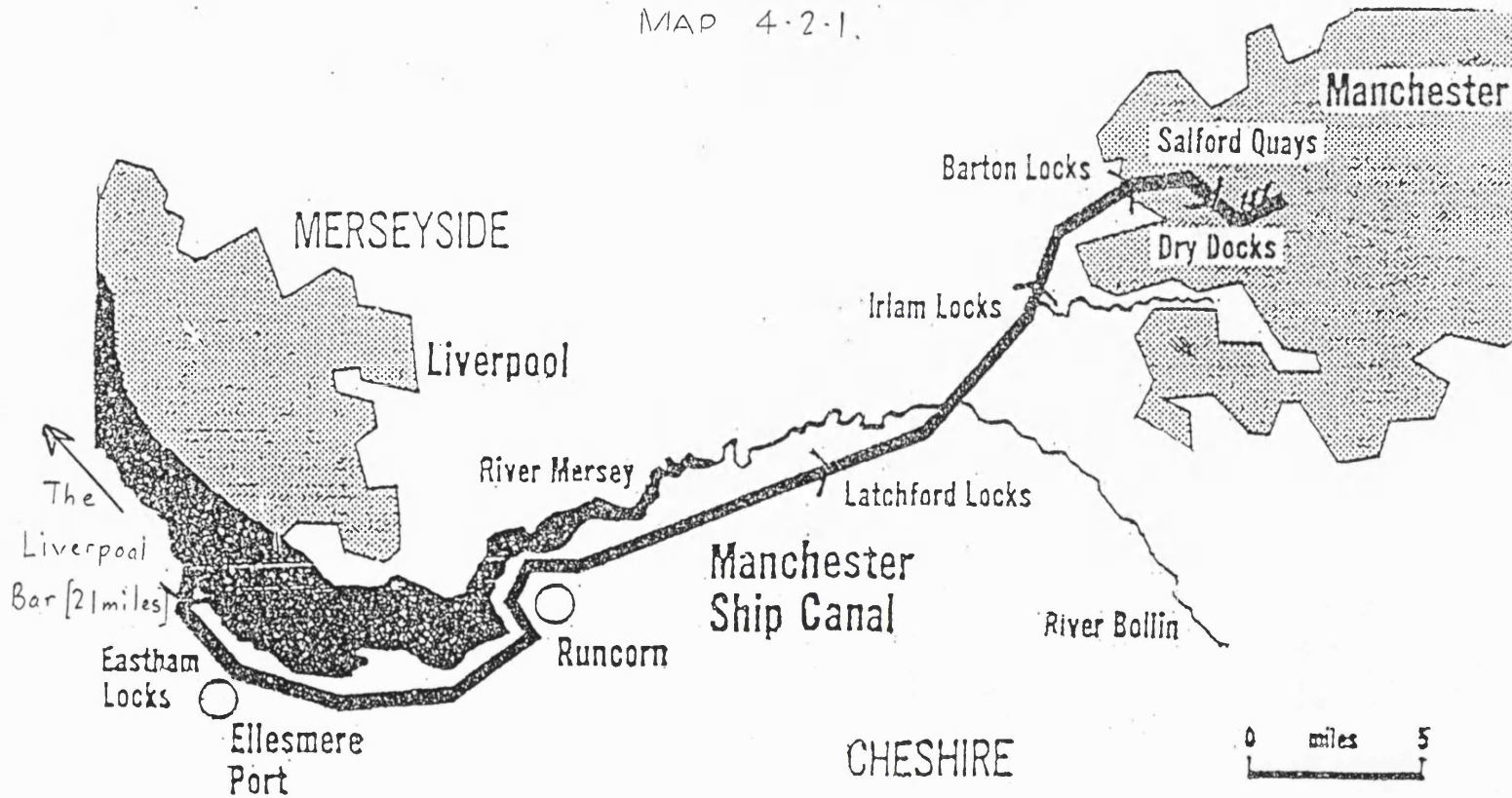
uncompetitiveness had been responsible for the closure of several factories with the loss of 12,000 jobs²⁰. The new waterway gave a boost to local industry by lowering total production costs, thus improving their competitiveness.

The Salford terminal docks are situated 36 miles from the canal entrance at Eastham Locks with an additional 21 miles via the River Mersey to the Liverpool Bar lightship and the open sea²² [MAP 4.2.1]. Journey times of ocean going ships were slow, a Greater Manchester County Councillor [1984] remarking that 2 days or more was not uncommon²³. This remark was rejected by a Manchester Ship Canal official who stated that a ten hour journey time was the average²⁴. However if waiting times for high water both in the River Mersey and also at the Liverpool Bar are taken into account two days could be the rule rather than the exception. During 1979 a ten year development plan devised by the City of Salford, Trafford Metropolitan Borough Council and Greater Manchester County Council referred to the Salford Dock accessibility stating that: 'improvements would be introduced which would assist in the systems' continued viability'²⁵.

4.2.3 The Decline of Salford as a Port.

From the late 1950s the volume of goods handled by the docks diminished after being one of the principal

The Manchester Ship Canal.
MAP 4-2-1.



centres for oil transfers, and value/volume of general cargo, ranking sixth in value and thirteenth in volume [1970]²⁶. Cargo handled decreased from a peak of 17.4 million tonnes in 1974 to 14.5 million tonnes in 1977. This reduction was mainly in oil traffic which previously had accounted for approximately 50% of total cargo throughput²⁷, an outcome of the introduction of large bulk oil tankers whose overall dimensions were too large for canal passage. In contrast with the decline in oil tonnage handled general cargo tonnage showed a slight increase [1978], following the introduction of cellular container ships with their high transfer capabilities [November, 1968]²⁸.

By 1978 dock trade had a reduced importance on the economy of Greater Manchester when compared with previous years. A 1977 survey indicated that the majority of firms in the area had no direct links with the docks. The survey revealed that one third, mainly in the manufacturing and distributive trades, accounted for 1½ million tonnes of all goods handled representing 20% to 25% of the total²⁹.

The consequence of a reduction in port activities was a trading loss of £2 million [1983]³⁰. This reduction in traffic handled was attributed to a number of reasons:

- a) the shift of much of Britain's trade to Europe and in consequence from west coast ports to others situated on the east and south east of the country;

- b) the difficulties and cost of maintaining a link to an inland port, requiring twenty four operations of locks and swing bridges;
- c) the increasing competition offered by road transport which allows the movement of container traffic with minimum handling;
- d) the growth in the overall dimensions of sea going ships which were too big for the canal's capacity³¹.

Closure of the docks was imminent, associated with the closures of the area's cotton mills and contraction of engineering goods manufacture³². By the summer of 1983 Manchester Liners announced the transfer of their Mediterranean services from Salford to Ellesmere Port, which had the effect of reducing dock revenues by 50%³³. The final sailing departure from Salford was on 20th June, 1983³⁴, the Canal Company announcing [April, 1984] that the 23 miles of waterway above Runcorn would close to navigation by early 1987³⁵. This decision was to be regretted, the upper reaches having no commercial future³⁶.

During 1984 seven North West Councils, including Manchester and Salford set up a steering committee to examine the proposals to close the upper reaches of the canal³⁷. One of the main aims was to consider proposals for a long term strategy investigating the possibilities of upgrading the canal infrastructure, which if implemented could act as a catalyst for the establishment of new industries in the Trafford Park Industrial Estate and also the newly established Salford Enterprise

Zone³⁰. However in August, 1984 the Ship Canal Company endorsed previous statements that 'there was no potential for any traffic in the Canal's upper reaches'.³⁰

4.2.4 Urban Decay and Unemployment

As outlined in a 1952 Development Programme⁴⁰ urban deprivation and unemployment was not always of concern to Salford City Council. This programme gave details at the present and at the anticipated future of low unemployment rates in a wide range of industries, suggesting that industrialists seeking sites in the Salford area should instead become established in other areas where unemployment rates were high. This confidence and optimism projected to 1972, of Salford as an industrial centre ~~lasted for~~ eight years before technological changes heralded industrial decay and unemployment. This change in scenarios prompted Salford, with co-operation from Trafford Metropolitan Borough Council, to submit a request to Central Government for the granting of Enterprise Zones within their boundaries. [1980]

4.2.5 The Enterprise Zone Submission

The joint submission for Enterprise Zone status [May, 1980]⁴¹ placed emphasis on industrial decline in the area with accompanying high levels of unemployment. If granted, the establishment of Zones within the Salford

Docks/Trafford Park areas would 'provide a unique opportunity for their revitalisation removing the dereliction and industrial obsolescence in a district where previously 75,000 workers had been employed. Locational advantages were the ready availability of land and labour together with willingness overall to play a dynamic and positive role ensuring that the venture would be a success."

With Enterprise Zone status the two Boroughs would lose their Intermediate area status, but it was considered that this loss would be more than compensated for as the area became more attractive for prospective businesses. Economic prosperity would return to the inner cities of Manchester and Salford "opening the door for real improvement in the Inner City's physical and social environs."

The decline in Salford's industrial base has been attributed to the inadequacy of the area's physical fabric to cater for the changing needs of economic activity. Attempts had been made to update industrial and commercial properties to acceptable modern standards, but the overall picture of the area was that of a congested and unattractive location which had experienced but little development since the nineteenth century. The road network had poor particular accessibility along narrow interconnecting streets where on-street freight transfers were commonplace, a problem exacerbated by

on-street parking⁴². Compounding these negative aspects were the large tracts of waste land in the area which prospective industrialists found unattractive⁴³.

Contemporaneous with the Enterprise Zone submission, Salford Docks and Trafford Park were still dominant in Greater Manchester as an employment area despite a reduction in jobs from a post war peak of more than 75,000 to less than 40,000. Between 1966 and 1975 employment within Trafford Park decreased by 14,000 representing a job loss greater than 25%. Unemployment in the Manchester travel to work area [Manchester, Salford and Trafford] was quoted at 44,300, with a marked increase in Salford twelve months prior to the submission. In addition to the above unemployment figures were the number of school leavers who between 1978 and 1983 were expected to increase the potential working population by 12,500⁴⁴.

4.2.6 The Salford Enterprise Zone

Salford's Enterprise Zone is situated within the redundant dockland area. Industrialists taking advantage of the Government's package would assist in rejuvenating the area by:

- a) creating local employment opportunities, which in turn would
- b) give employment opportunities in support industries

As proposed the Zone lies within the Manchester Salford Inner City Partnership Area, a district in which

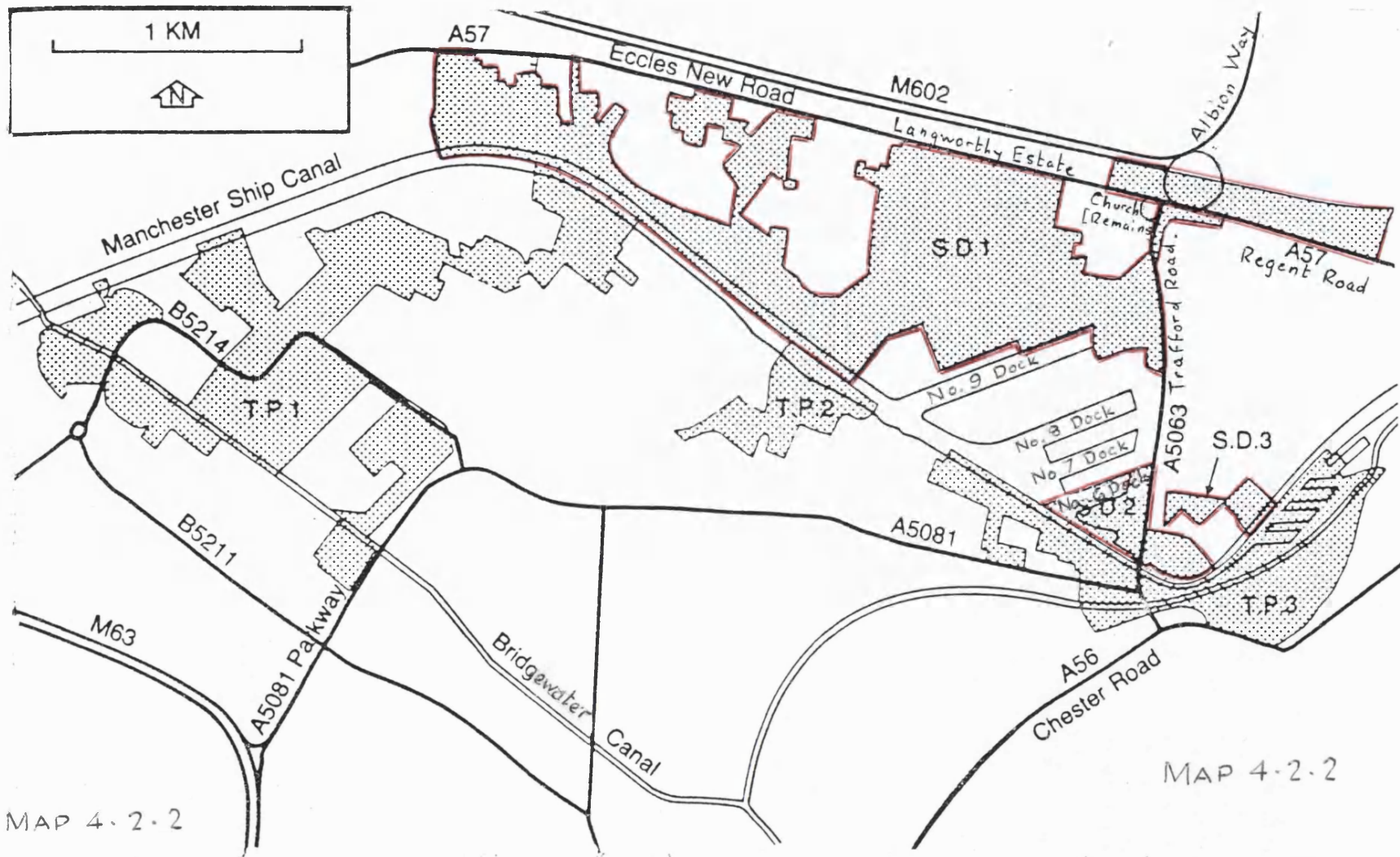
more than one fifth of all employment in Salford Docks/Trafford Park had been held by residents⁴⁵.

With a total surface area of 360 acres the Zone lies essentially between the south side of Eccles New Road, extending east along both sides of Regent Road to a southern boundary mainly following the centre line of the Ship Canal. The northern boundary was adjusted to exclude those areas which possessed no development nor redevelopment potential. Dock areas in operation at the time of the submission were also excluded. [MAP 4.2.2]

At conception 235 acres, 64% of the total land area, was available for development with 205 acres available for immediate development. The remaining 130 acres was obtained by compulsory purchase order - full site clearance required by 1981. The land available for development was owned by the Manchester Ship Canal Company [160 acres], Salford City Council [45 acres], the Greater Manchester Council [4 acres], with the remaining 26 acres in a variety of mainly private ownerships⁴⁶.

4.2.7 Transport Facilities

Transport accessibility to the area was quoted [February, 1978] as "being one of the prime reasons for the successful development of the area in its early days". Access to the motorway network [MAP 4.2.3] has been reflected in the growth in wholesale and

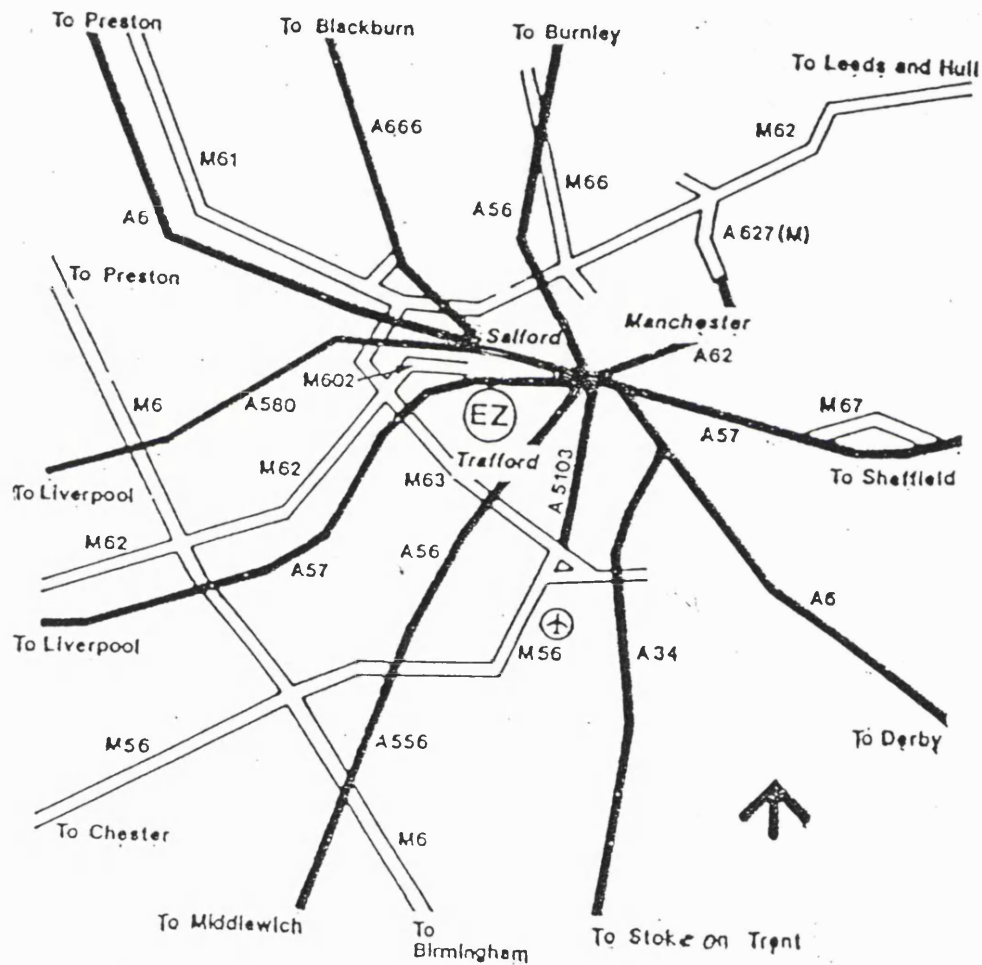


MAP 4-2-2

MAP 4-2-2

Salford Enterprise Zones [S.D.] with Trafford Park Enterprise Zones [T.P.]

MAP 4.2.3



Relative position of the SALFORD Enterprise Zone
to the Motorway and Trunk Road network.
Source: SALFORD Enterprise Zone brochure.

distribution firms particularly in the Trafford Park area even taking into account dock transfer traffic⁴⁷.

The movement of local freight moved away from a major dependence on ship and rail transfer traffic to road haulage with its inbuilt advantages. This trend initially created problems of congestion on low capacity road networks which had to accommodate both increasing numbers and size of road goods vehicles.

Economic viability in a competitive market is dependent upon access to a good transport network, local councils [July, 1976] stating that "good access to the regional highway network was vital to the success of any plan for the area". This statement was later endorsed [October, 1979] with the added proviso that more specialised road and rail transfer facilities should be provided⁴⁸.

Prior to the construction of the M602 spur, traffic congestion along approach roads to the M63, connecting with the M62 trans Pennine link, was causing concern, the delays creating an area of poor accessibility⁴⁹. The opening of the M602 to the junction with Regent Road and the Trafford Road provided excellent access to the Zone from the Motorway network⁵⁰. The spur with a package of other road improvements - access roads and traffic management schemes improved traffic flows consequently reducing transport times⁵¹.

Since 1950 Government transport statistics⁵² give details of the steady decline in the movement of goods by rail. This decline is inversely correlated with the increase in the amount of goods carried by road haulage, with its advantages of door to door transit. Between 1946 and 1979 rail traffic in Trafford Park decreased by 26%⁵³. Previously, and also during this period a rail swing bridge spanning the canal connected Trafford Park with the Salford docks complex. With the passage of time traffic along this link decreased with an eventual complete severance following the removal of the bridge [c 1985]. This severance excluded Enterprise Zone traffic from the rail network excepting freight modal split :- road - rail - road. The District Plan of 1978⁵⁴ referred to the existing rail terminal in Trafford Park as ' a measure of the area's role as a distributive centre', whilst the joint submission [1980] emphasised the important role which the Salford docks could play in the import / export trade⁵⁵. All to no avail.

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4.3 THE ISLE OF DOGS.

4.3.1 Geographical Situation and Early Development

The area is situated in the East End of London at its nearest about $2\frac{1}{2}$ miles from the commercial centre of the City of London. Prior to the early 1980s the district was part of the once busy Port of London having several import and export docks which could accommodate ocean going cargo ships of about 5,200 net tonnage and 32 ft draught¹.

These docks date from the early 19th century, the West India Dock opening for trade in 1802 whilst the Export and East India Docks opened in 1806. Millwall Dock lies south of the West India Dock, opened for trading during the 1860's². The complex predates the docks at Salford from between 30 and 89 years.

4.3.2 Factors Leading to Decline.

A major factor contributing to the decline of the docks as a commercial enterprise was the introduction of containerisation. This technology accounts for a large percentage of general cargo transshipments, the techniques involved are less labour intensive and less time consuming than those associated with traditional cargo handling. Financial savings accrue from having to employ less dock labour, with less pilferage and damage to cargo during transit. The phrase "Through Transport" is used

by shippers because of the concept of using a box to convey goods direct from manufacturer or inland clearance to the customer, with subsequent reduced transit times.

To move a given amount of cargo in tonne km / year container ships are very efficient and as a result their numbers increased from zero in the 1960's to 100 in 1980³. Because of their quick turn round times available dock capacity could not be fully utilised⁴, berth loading factors decreasing to such an extent that many dock areas became uneconomic with dock due revenues insufficient to cover outgoing costs. As applicable to the Manchester Ship Canal existing navigable channels were inadequate to accommodate the overall dimensions of container ships which were greater than those of conventional cargo ships operating during the 1950 s.

Dock layouts were also unsuitable as container ships and their associated handling equipment require large areas of land space in contrast with vertical warehouse storage as previously in use. A single container terminal requires between 25 and 50 acres of ground space⁵, such large areas are not available in old ports such as the Isle of Dogs.

Additional reasons for the decline in dock activity were given by the Docklands Joint Committee [1980]. As with Salford the downturn was attributed to the increasing use of large road freight vehicles and the difficulties which such vehicles had in seeking access on

road networks constructed for lighter traffic. The eventual outcome reduced quite considerably London's predominance as a distribution centre.

Increasing competition for the Port came from east and south coast situated ports which experienced higher cargo transfer productivity and a good reputation for industrial relations. During the 1950s and the 1960s numerous labour disputes occurred between the dock trade unions and the Port of London Authority. These disputes taking the form of either a strict work to rule or a complete withdrawal of labour. Such industrial action with its adverse effects on end costs persuaded shipping companies to consider alternatives from using old established city ports, moving their commercial activity elsewhere⁶.

In contrast Felixstowe in East Anglia, unencumbered by a militant dock labour force and near to the expanding European market, increased its cargo throughput, with an emphasis on containerization. Here the work force co-operated with employers and with the operation of capital intensive handling equipment necessary for container handling. In consequence the port has prospered⁷.

The large cities of Glasgow, Liverpool and Manchester with London once had close links with their ports, this is no longer a pre-requisite [Hayuth. 1984]⁸. Very large container ships, besides not being able to use

existing port entry channels, require fewer ports custom built for their use. This contraction of the number of traditional ports is not unique to the United Kingdom; for identical reasons the United States of America for example has experienced port number shrinkage.

4.3.3 The Closure of the Docks

In January, 1976 the Port of London Authority⁹ [P.L.A.] announced proposals for transferring all their existing cargo handling activities in the West India and Millwall Docks downstream to the Royal group of docks. In the summer of that year this decision was reversed, but some years later during 1978/79 the P.L.A. published a series of discussion papers setting out the various options for the future. Early in 1980 the P.L.A. eventually came to the decision that they would cease operations in the West India and Millwall docks transferring their activities to either the Royal group or Tilbury. In November of the following year [1981]¹⁰ the Royal group of docks also terminated cargo transit operations, the only occupants of the number of berths being "ships laid up". Compared with the 1950s only a small number of cargo ships used the River Thames upstream from Tilbury berthing in riverside wharves.

With a loss of revenue of £6 million in 1977 compared with £1.75 million in 1976 the P.L.A. was in financial difficulties. Reserves of £50 million in 1974

were in danger of running out and they looked to the Government for a major rescue operation; local authorities were also approached. The Authority considered that £50 million would be needed for continued dock operational viability. Reduction in the registered dock labour force had already occurred from 24,000 employed in 1968 to 8,000 in 1978, and despite this contraction there still existed a surplus of dockers and other port workers which was costing the Authority £3 million a year¹².

Opposition from Local Authorities, Members of Parliament and the Docklands community [1976] did not prevent the closure for commercial traffic of the Upper Docks, which included the West India and Millwall Docks. The Port of London's total traffic having fallen from more than 20% of the United Kingdom's Trade to about 12%, high costs associated with low productivity had contributed to this reduction¹³.

4.3.4 Employment and Unemployment

The run down of the docks realized a loss of 150,000 jobs between 1965 and 1978, although the population of the Docklands had itself been decreasing since the 1930s. The decrease was mainly those economically active, which suggests a selective out migration of workers. This outflow was insufficient to offset job loss in the area with the result that unemployment rates

continued to rise at a rate faster than that for the Greater London Council as a whole¹⁴.

The 1981 population census¹⁵ revealed that in the London Docklands Development Area there were 39,400 residents and of this total 19,800 were economically active. As percentages 71.7% were in full time employment, 11.7% in part time employment with 16.7% unemployed. The figures show that 28.3% of the economically active were not engaged in full time employment. Fortunately job opportunities for dockland residents were available in neighbouring districts, the 1981 survey indicating that only 39% of the total employed worked locally.

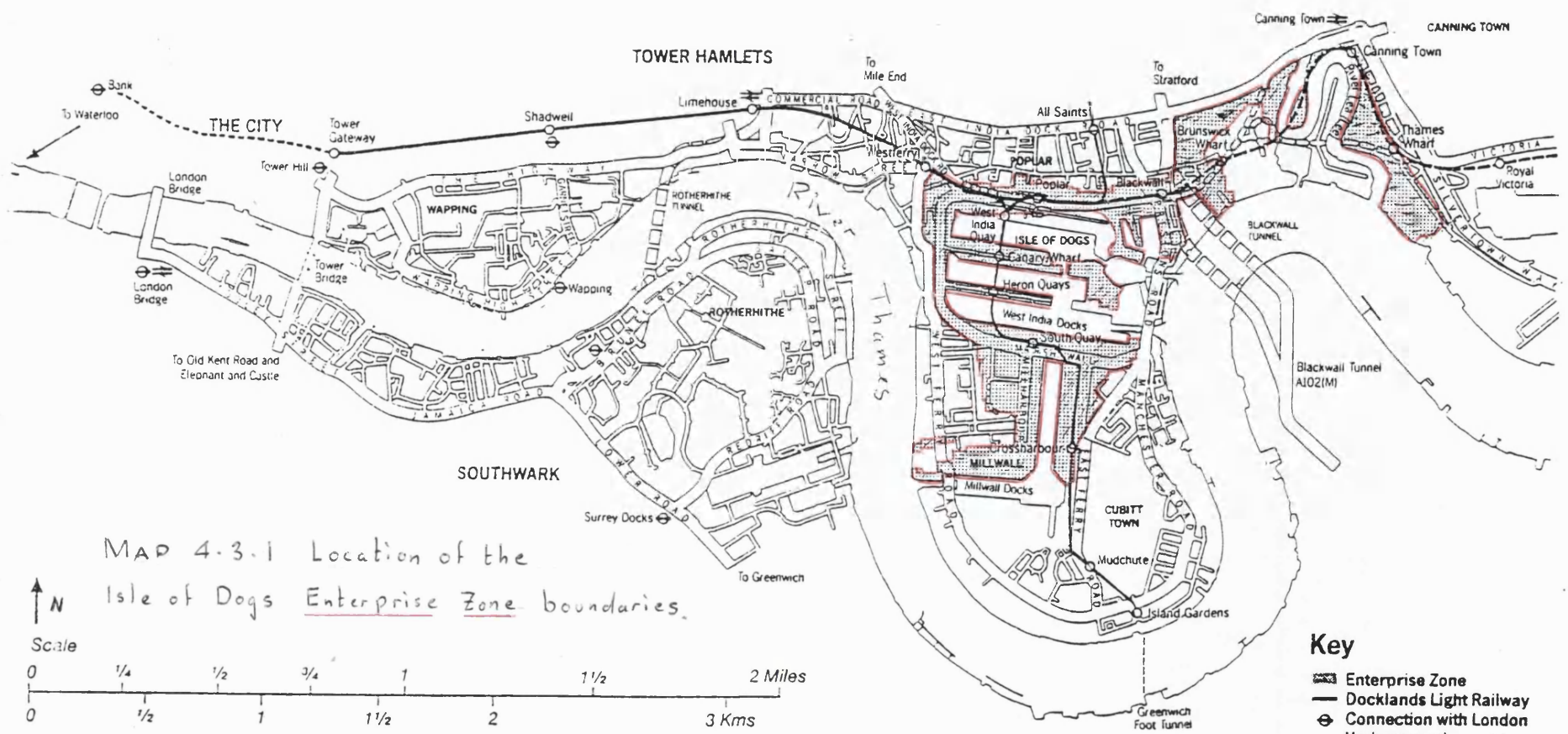
Following the transfer down river of port operations, docks and wharves in the upper reaches became backwaters taking no part in the commercial life of London. This transfer by the P.L.A. caused high levels of local unemployment with the added problem of finding an alternative use for the redundant dockland area.

4.3.5 Enterprise Zone Status

After a submission, the Isle of Dogs was granted Enterprise Zone status on the 26th April, 1982 with a brief to regenerate the former docklands with the aid of the Enterprise Zone package. Part of the zone lies within the boundaries of the London Borough of Tower Hamlets extending into South Bromley with a spur

extending into Newham by Canning Town at the mouth of the River Lea. The total area 482 acres encompasses mainly the West India, Millwall and East India disused dock areas. Of this total 120 acres are water. The boundaries are very tortuous, carefully planned to exclude those sites where commercial activity was still functioning¹⁶. [MAP 4.3.1]

The land area was owned mainly by the London Docklands Corporation [LDDC], with the remainder in the ownership of the Central Electricity Generation Board, the Greater London Council and private. Building construction on the available 362 acres of land was planned to be of high quality, varied with an upmarket image. The dock water area was to be left undeveloped as the cost of reclaiming even one acre was considered prohibitive, apart from the time, which could have taken an estimated four years. In consequence the water area has been retained acting as a backdrop - diversifying the scenery-encouraging amenity and leisure use¹⁷. A similar scheme was planned for the Salford Dock complex, most of which borders the Enterprise Zone, [discussed in Chapters 7 and 8]. In broad terms the L.D.D.C. had plans for a "lively waterfront near the former West India Dock, with offices, studios, shops, pubs and restaurants". Elsewhere there would be a similar approach with the addition of modern factories, workshops, warehousing, sports centres and housing¹⁸.



Freight transport use of the dock water was to be encouraged, prospective tenants having to make individual arrangements with the Port of London Authority over access. When planning the construction of a 12 acre site printing works [1982] "The Daily Telegraph" publishing group considered the option of having newsprint transported by barge to an adjacent quay¹⁹.

4.3.6 Accessibility

Access to the zone is mainly by road with limited access by rail, canal and the old dock system²⁰. The importance attached to good road communication was referred to in the L.D.D.C's 1984/1985 Annual Report and Accounts²¹ : "from the beginning the Isle of Dogs suffered transport difficulties. Road connections to the rest of London were poor, via narrow streets winding between the docks and river wharves which were frequently choked". To remedy this congestion 2.1 miles of new road had been constructed between 1981 and 1985 together with nine other road improvement schemes at a cost of in excess of £1 million.

Other road links with the zone [1982] consisted of the A13 East India Dock Road and the A1205 West India Dock Road both of relatively low capacity. To alleviate congestion major road works were planned to improve access to and from and within East London and the zone itself. The A102M passing under the River Thames is

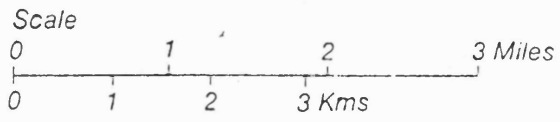
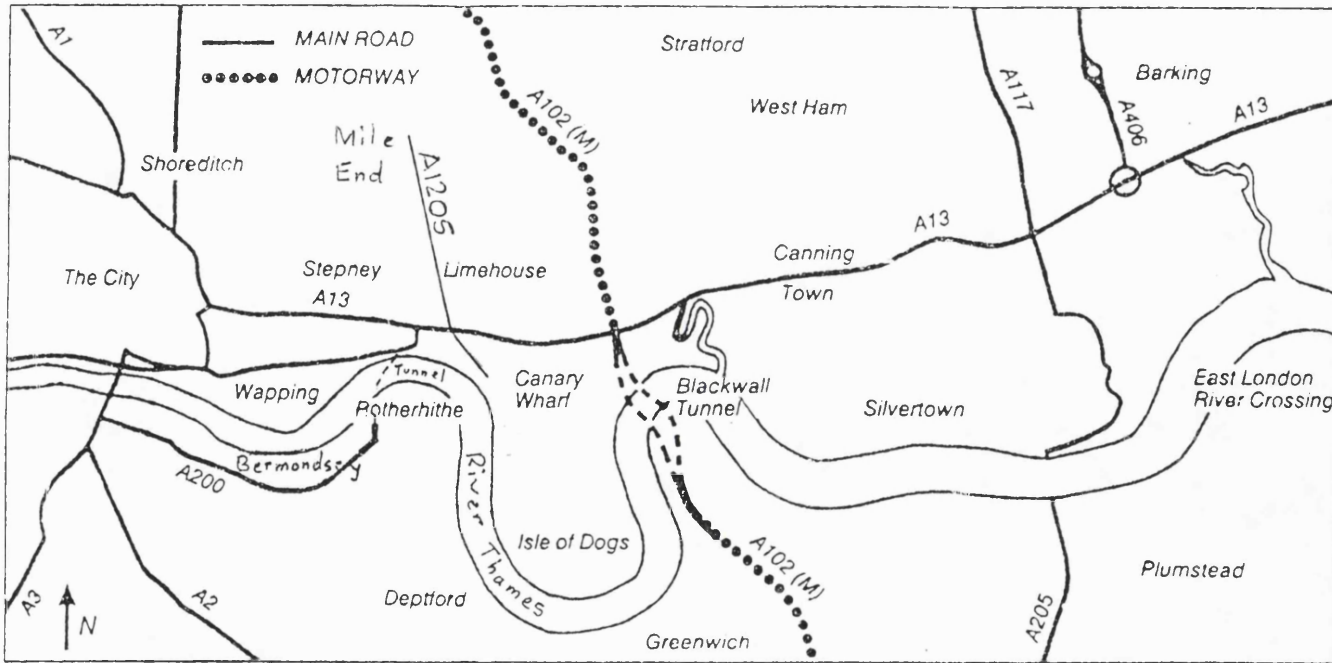
aligned to the east of the Isle of Dogs linking with the A2/M2 Dover Roads and M20 to Folkestone. To the north the A102M links with the A11 to Cambridge and Norwich and A12 to the container ports of Harwich and Felixstowe. Also to the north the A13 links to the then proposed M25 outer orbital route and eastward to the docks at Tilbury. [MAP 4.3.2] Other road improvements included the Isles loop road especially at the north east Prestons Road section where road narrowing restricted traffic flows to a one way system controlled by traffic lights²².

Although rail facilities were not referred to in the Enterprise Zone brochure [1982], British Rail freight facilities serve Poplar Docks and the Limmo site in Canning Town. A rail freightliner service is available at the Stratford terminal, situated approximately three miles from the north western Gate 1 of the zone²³.

With the nearest underground network station at Mile End $1\frac{1}{2}$ miles north of Gate 1, the L.D.D.C. were aware that without an in-zone railway system development progress in docklands would be slow. Proposals were made for the construction of a branch line from a British Rail route at Statford which would link London Transport Underground Network. There were other proposals for the building of a docklands light railway from Tower Hill which would commence operating in 1987²⁴.

An immediate need for a bus service to serve the changing requirements of the area as development

Current
Trunk Roads
in the
Docklands Area
[c. 1989]
MAP 4.3.2.



For Enlarged Scale Map of the Isle of Dogs
Enterprise Zone refer to MAP 4.3.1.

progressed was supplied by the 'Docklands Clipper'²⁵ service , inaugurated on the 3rd January, 1984, complementing the existing peripheral routes around the Isle. During the day this service from Mile End Station had a quarter hourly frequency.

The two main London airports at Heathrow and Gatwick are easily accessible by road along the M25 outer orbital road, whilst London's third airport at Stansted can be reached by travel along the M11 whose route commences in East London. Other smaller airports especially those at Luton and Southend are within easy reach along the road network. Also available is the London City Airport situated on refurbished quays in the 'disused' Royal Group of Docks area.

The inadequacy of old local road networks in meeting the requirements imposed by today's road traffic volumes is not just peculiar to the Isle of Dogs area. Planners accept that development and regeneration of industry on old industrial areas is dependent on their attractiveness for business ventures not just regarding appearance but with regard to accessibility. Enterprise Zone locations were chosen not because of their closeness to the trunk road network but chosen in areas where urban decay was at an advanced state.

Individual views on the road construction programme and the effects of an enlargement of the network on the

economic well being of the country were given by Hughes²⁶, Williams and Laugharne²⁷, Gwilliam and Wilson [1980]²⁸. The contents of their papers and ensuing discussions emphasised the importance of an adequate road network in reducing transport journey times and costs.

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CHAPTER 5

Research Methodology and Survey Work

5.1 Questionnaire Design

The core of the research sought to analyse the industrial structure of firms within the study area and their contribution in alleviating unemployment and the impact of new factories on the environment.

This analysis was based on answers to a questionnaire presented to principals and discussions with other interested parties. Questions asked sought to determine the nature of business enterprises in terms of a broad classification with reasons for moving to an Enterprise Zone, with their compositional structure in terms of:

- i) Number of Employees,
- ii) Floor Space Area,
- iii) Capital Employed per Employee,
- iv) Production Costs,
- v) Transport Costs.

Transport demand characteristics were also subject to inquiry.

A total of 16 questions were devised varying in length to accommodate variables associated with a wide range of industrial activity. The investigation did not discriminate on firm size nor on the type of industrial

involvement.

As indications of the adequacy of transport systems were made available from questions associated with freight trip generation, data obtained could also be subjected to regression analysis¹. However information derived from completed questionnaires was often vague and therefore inadequate for significant analysis.

The 16 questions are now discussed in detail under the various headings.

5.2 - Nature of Business Enterprises

Question 1.

What is the nature of your business?

- i) Manufacture,
- ii) Distribution,
- iii) Service,
- v) Other.

This question was to determine industrial sector placement, the sub headings being different from the four standard industrial classifications of :

- a) Primary,
- b) Manufacturing,
- c) Service and
- d) Unclassified. ²

Primary industries are excluded from Enterprise Zones whilst the Service sector, including distribution, is sub-divided into Production and Services. In 1985 the Production division which includes agriculture accounted for one third of the sector's work force whilst the distribution trades with financial and business ventures

together constituted the largest group with more than 6 million employees³. These figures are a pointer to the type of industrial activity operating in the Zones despite planners designating areas as 'high tech. scientific parks'.

Question 2 consists of nine sub-questions associated with transport and the opportunities available for the efficient movement of goods and people to and from a zone:

Besides the financial and other advantages associated with Enterprise Zones were there any other reasons for moving your firm to become established here?

For example:

- i) Closeness to the market.
- ii) Availability of good road connections with particular accessibility.
- iii) Availability of rail freight transport facilities.
- iv) Close proximity to the inland waterway network or
- v) Sea linkages for overseas markets or supplies.
- vi) Relative nearness to an airport with respect to overseas markets.
- vii) Availability of large labour force potential.
- viii) Good local and distant passenger transport facilities
 - a) rail
 - b) road
 - c) air
- ix) Other reasons, please specify.

Enterprise Zone brochures give comprehensive details of accessibility and available transport modes. The Salford brochure refers to the benefits of the docks for both the import and export of goods. The Speke brochure refers to the advantages of being situated close to the

Liverpool docks whilst the Scunthorpe brochure lists the docks at Grimsby, Immingham and Hull, all situated some distance away despite the establishment of Scunthorpe as a registered port with access to the River Humber via the Rivers Trent and Ouse. Enterprise Zones have been depicted as hubs from which a potential consumer market radiates at an increasing rate. To satisfy these market requirements access to the road network is essential, with the majority of freight transfers undertaken by road goods vehicles and not by rail. Even if required Enterprise Zones do not have on-site transfer facilities. thus it would be expected that employers would realize the importance of the transport functions for successful operating.

5.3 Compositional Structure of Firms

Question 3.

What is the total amount of floor space available at your works (factory / establishment)?

i) Offices	sq ft
ii) Manufacturing [essentially work areas]	sq ft
iii) Storage	sq ft
iv) Loading and Parking	sq ft

An organisation's floor space is directly related to the magnitude of industrial activity. Within firms of a diverse operational nature floor space will vary according to each unit of output or each unit of activity. The subdivisions were to obtain what

proportion of the total was allocated to production operations. With zero rating there could occur an extravagant allocation of floor space to office and reception areas.

Industrial firms should provide suitable areas for the unimpeded transfer of freight and car parking space for the use of staff, business representatives and other visitors.

Question 4 is associated with employment characteristics as follows:

What is the total number of people you employ at this particular works[factory / establishment]?:

	Male	Female
i) Managerial		
ii) Clerical		
iii) Skilled Manual		
iv) Semi-skilled		
v) Unskilled		
vi) Part time		

Numbers in each subdivision expressed as a percentage will vary according to whether a process is labour or capital intensive, or the degree of expertise demanded. Work force gender varies according to the type of input. It is generally accepted that repetitive type of production work is more efficiently carried out by female labour, as 'Women are remarkably tolerant of dreary repetitive work', [Mackie and Patulla, 1981]⁴.

The data obtained can be linked with the data from Question 3, determining the number of workers employed

per unit area. This density figure will vary according to the type of work undertaken and efficiency of an organisation.

Between 1971 and 1985 employment statistics⁵ show that as percentages of the total working population, male figures show a decrease whilst female figures increased [TABLE 5.1]. In contrast female unemployed figures increased whilst male unemployed figures decreased

[TABLE 5.2]. Explanations for those trends are

- a) more women are economically active and
- b) the amount of employment traditionally associated with women has decreased following the introduction of automation in banks and offices and the loss of jobs especially in the textile industry.

Question 5.

- Is your organisation a) labour intensive?
- b) capital intensive?

Labour intensive organisations have a greater effect in reducing local unemployment. Conversely a capital intensive business has a less effect relative to a given output. Organisations which are capital intensive have minimal impact on generating employment in local service industries - cafes and newsagents. Money invested per employee is variable according to the production process involved in manufacture. Business men / women have to assess what financial inputs in plant are necessary thus enabling the company's product to be sold at a competitive price⁶.

Percentages of the TOTAL Working Population

TABLE 5-1

Year	1971	1973	1981	1982	1983	1984	1985
Male	64.5	63.4	61.1	60.9	60.4	59.9	59.6
Female	35.5	36.6	38.9	39.1	39.6	40.1	40.4

Percentages of the TOTAL Unemployed Population.

TABLE 5-2

Year	1971	1973	1981	1982	1983	1984	1985
Male	86	85.5	74.1	73.8	71.9	70	69.1
Female	14	14.5	25.9	26.2	28.1	30	30.9

Source: Employment Statistics - Annual Abstract of
Statistics, H.M.S.O

Question 6

Is it possible to give some indication of the amount of capital employed for each employee?

This question is probably too pertinent to place credence on the answers as data revealed could be of use to a competitor besides causing problems with tax returns on assets. Answers however could be linked statistically with labour numbers employed and floor space.

Question 7

What is the percentage of production costs or total costs of running your organisation : wages, heating, power, plant, capital costs and any other fixed and variable [running] costs in relationship to transport costs?

To assist compilation a breakdown was suggested as follows:

- i) Labour Cost
- ii) Running Costs
- iii) Transport Costs

These costs are given as percentages because actual amounts may not have been readily given.

Transport costs affect the end cost of a product and an Enterprise Zone may not be a least cost location.

Costs vary according to the quality of service required and discretely by distance class intervals⁷. They are often inbuilt into product end prices; thus there are difficulties placing an exact value on them. The costs of transport vary from between 34% to 48% of total distribution costs [Ball, 1979]⁸, [Clark, 1981]⁹. As a percentage of sales turnover costs, the cost of physical

distribution varies between 9.8% in the Engineering Industry to 29.6% in food distribution giving overall an average figure of 20%¹⁰.

Despite intense competition between public hauliers transport costs are constantly increasing due to circumstances outside their control, some of these are the implementation of Government legislation affecting National Insurance contributions, vehicle licensing fees and the costs of maintenance and repair necessary for legal road running¹¹.

Question 8

The Institute of Physical Distribution¹² have stated that their researches indicate that costs attributed to transport and distribution are increasing at a greater rate than all other costs. Do you consider that there is a possibility that at the end of the Enterprise Zone's initial ten year period when rates and other costs will have become chargeable your industrial site will be at a disadvantage with respect to the position relative in distance to your market and your suppliers?

Yes

No

Other comments please

The research from which this question was devised illustrated four separate distribution costs between 1974 and 1982¹³.

- i) Transport Costs.
- ii) Equipment Costs.
- iii) Labour Costs and
- iv) Rent and Rates.

together with retail prices, all costs commencing with a

base index of 100. During the period the costs increased by the following multiples - in ranked order :

i) Transport Costs	x 4.12
ii) Equipment Costs	x 3.5
iii) Labour Costs	x 3.38
iv) Rent and Rates	x 3.05,

retail prices increasing by a multiple of 3.1. As rates are not payable during the first ten years of operation the multiplication index for iv, would be expected to be lower.

Transport revenues must cover all costs and with full vehicle utilization only possible cover part of a journey because of staggered deliveries or loading^{14, 15}, a customer must pay an economic rate to a haulier which accounts for the high multiple of 4.12.

5.4 Transport Demand Characteristics.

This section relates to the transport of goods - length of haul, weight of consignment and costs incurred. A total of eight questions have been devised four of which are presented in tabular form.

Questions 9 and 11 deal respectively with inward and outward freight movements and include 'Length of Haul', 'Weight of consignments' all grouped in class intervals and whether transport was own account or public haulage.

Stationery Office statistics¹⁶ show that between 1974 and 1984 the average length of haul by road increased from 60.3 kms to 75.3 kms. The Foster Report

QUESTION 9: What are the number of trips inward according to weight class grouped as follows: [per week]:

Length of Haul		Haulier Type and Weight of Consignment									
Over	Net Over	Not over 10kg		10 kg - ½ tonne		½ tonne - 1 tonne		1 tonne - 5 tonne		Over 5 tonne	
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH
	25 km (15.5 miles)										
25 km (15.5 miles)	50 km (31 miles)										
50 km (31 miles)	100 km (62 miles)										
100 km (62 miles)	200 km (124 miles)										
200 km (124 miles)	300 km (186 miles)										
300 km (186 miles)											

OA: Own Account, P.H.: Public Hauliers

QUESTION 10:

i) How many goods deliveries [inward] do you have each day?
or week?

ii) What does this amount to in weight per day?
per week?

QUESTION 11: What are the number of trips outward according to weight class grouped as follows: (per week)

Length of Haul		Haulier Type and Weight of Consignment.									
Over	Not Over	Not over 10 kg		10 kg - 1/2 tonne		1/2 tonne - 1 tonne		1 tonne - 5 tonne		Over 5 tonne	
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH
	25 km [15.5 miles]										
25 km [15.5 miles]	50 km [31 miles]										
50 km [31 miles]	100 km [62 miles]										
100 km [62 miles]	200 km [124 miles]										
200 km [124 miles]	300 km [186 miles]										
300 km [186 miles]											

OA: Own Account, PH: Public Haulier

QUESTION 12:

i) How many goods deliveries [outward] do you have each day?
or week?

ii) What does this amount to in weight per day?
or per week?

[1978]¹⁷ also refers to the increase in distance that goods move. This indicates that the boundaries of marketable products are increasing and in consequence so will the costs of transport.

The class of vehicle used will be associated with consignment weight. If consignments require the service of a heavy goods vehicle good access roads within zones are a pre-requisite.

Recent years have experienced a growth in the amount of freight moved by road hauliers, with a decline in freight moved by own account. Road hauliers argue that more efficient freight movements are obtained by using their organisations also claiming that because of their size and competitiveness a lower cost service is obtainable.

Question 13

If road haulage journeys were under 25 km [15.5 miles] was it because of a short haul to another transport mode i.e. modal split?

Yes

No

Question 14

If the answer to Question 13 is 'Yes', what percentage of total short hauls does this represent?

Questions 10 and 12 seek more detailed information of freight movement supplementing data within the answers given to Questions and 11 respectively.

Questions 13 and 14 are directed to details of journeys by road of distance less than 25 km. i.e. short haul to another transport mode - rail or air transport.

If Question 13 is answered in the affirmative Question 14 asks for the percentage of total short hauls this represents.

Transport costs applicable to goods lifted and moved was requested in Questions 15 and 16 within selected class intervals, for both inward and outward freight trips with the type of transport used.

5.5 Survey Method.

Survey work was undertaken personally in preference to postal deliveries of the questionnaire¹⁸. This personal approach enabled the guidance of heads of firms with question interpretation in cases of difficulty¹⁹. From ensuing discussions information in greater breadth and depth was obtained some of which was outside the scope of the questionnaire design.

In the Salford Enterprise Zone, where individual firm analysis was carried out, there were but few firms where an outright refusal to participate was encountered. At the outset of an interview it was mentioned that no material benefit would accrue to his/her organisation in lieu of any time devoted to answering the questions and any ensuing discussion, the researcher having to rely on personal goodwill and altruism.

Discussions outside the scope of questionnaire design included the advantages and disadvantages of establishing a business within the Enterprise Zone and

QUESTION 15: What are your costs for goods transport inwards?

Cost £/tonne	Distance		Mode
	Over	Not Over	
		25 km [15.5 miles]	
	25 km [15.5 miles]	50 km [31 miles]	
	50 km [31 miles]	100 km [62 miles]	
	100 km [62 miles]	200 km [124 miles]	
	200 km [124 miles]	300 km [186 miles]	
	300 km [186 miles]		

QUESTION 16: What are your costs for goods transport outwards?

Cost £/tonne	Distance		Mode
	Over	Not Over	
		25 km [15.5 miles]	
	25 km [15.5 miles]	50 km [31 miles]	
	50 km [31 miles]	100 km [62 miles]	
	100 km [62 miles]	200 km [124 miles]	
	200 km [124 miles]	300 km [186 miles]	
	300 km [186 miles]		

the incidence of burglaries and vandalism. This information was given freely despite the fact that Enterprise Zone packages refer to the minimum amount of requests for information relating to a firm's operational structure from either Central or Local Government.

Field work investigations especially for the Salford Enterprise Zone are discussed in Chapter 6 with an analysis of information obtained.

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CHAPTER 6 Field Work Investigation: Salford, Corby and the Isle of Dogs

6.1 Introduction

Data and observations collected during visits to the three areas are presented herewith.

Individual firm interviews were limited to the Salford Zone. Salford was chosen for in depth study because during vacation periods there was the availability of Salford University campus accommodation which is situated near the Zone. Visits were undertaken during the longer daylight hours of the Spring and Summer months with survey work extending between early mornings and late afternoons. This time period permitted interviewing during firm's slack periods, even so pressure of work necessitated a return visit. The interviewing technique adopted proved invaluable as it soon became evident that a single questionnaire design was inadequate for obtaining detailed information of differently structured organisations.

Data from the Corby Enterprise Zone relating to floor space areas and number of employees was also obtained. Other information was obtained and where applicable will be included wherever relevant.

6.2 Salford - Preliminary Investigation

The Salford Enterprise Zone became operational on the 12th August, 1981 coinciding with an existing oversupply of both new and old industrial floor space throughout the Greater Manchester Area. At the commencement of 1982 45% of industrial buildings completed during 1981 were still empty and by October the figure had increased to 57% for industrial estate buildings and 66% for nursery type units. In addition there was 12 million square feet of 'old type' industrial floor space vacant. Despite the existence of this vacant industrial floor space 25% of the Zone had been developed or had been programmed for development by March, 1984, with units available in size from 500 to 100,000 square feet.¹

The Salford experiences commenced with a visit to Swintons' Civic Centre for an interview with the Zone's Project Co-ordinator - Mr Willets. During the ensuing discussion he referred to policies enacted to make the area more attractive with the demolition of 760 nineteenth century working class houses to the north east, and south of Eccles New Road, with gentrification work on property in the Ordsall area to the east. Reference was made to the newly opened M602 spur and its positive influence on the Zone's attractiveness.

During July, 1984 visits were made to the offices of four firms involved in the Zone's development². Besides notifying the developers of the intending research,

information was requested on estate layouts and their progress, together with lists of firms already established. Field work investigations revealed changes in occupancy having occurred, but this did not detract from the value the information gave.

6.2.1 Enterprise Zone Industrial Estates

Details were obtained of eight industrial estates:

1. King William Enterprise Park, Trafford Road.
Thirteen units ranging in size from 988 sq ft to 8,250 sq ft - single story factory/warehouse.
2. Langworthy Enterprise Park, South Langworthy Road, off Eccles New Road.
Twelve units ranging in size from 1,453 sq ft to 11,625 sq ft - single storey factory/warehouse.
3. Oakwood Estate, off Eccles New Road.
Four units ranging in size from 8,113 sq ft to 10,835 sq ft each with office space - single storey factory/warehouse.
4. Regent Enterprise Park, off Regent Road.
Six units ranging in size from 4,580 sq ft to 9,300 sq ft.
5. Stowell Technical Park, West Ashton Street, off Eccles New Road.
Fourteen units ranging in size from 1,437 sq ft to 5,925 sq ft. Phases 2 and 4.

This estate with a total area of 96,250 square feet was planned to consist of offices, laboratory, research and development accommodation with a landscaped environment. Existing links between the local authority, the developers and the University of Salford's Research and Development Faculty would be extended by occupiers, as the units were designed to cope with the

high demands and requirements associated with such activities.

6. Willan Enterprise Zone 1, off Eccles New Road.
Forty four units ranging in size from 500sq ft to 2,500 sq ft - single storey factory/warehouse.
[Site Plan 6.1]
7. Willan Enterprise Zone 2, Missouri Avenue, Eccles New Road.
Eight units ranging in size from 2,079 sq ft to 10,606 sq ft single storey factory/warehouse.
8. Willan Enterprise Zone 3, Regent Road.
Five units ranging in size from 5,490 sq ft to 12,110 sq ft.

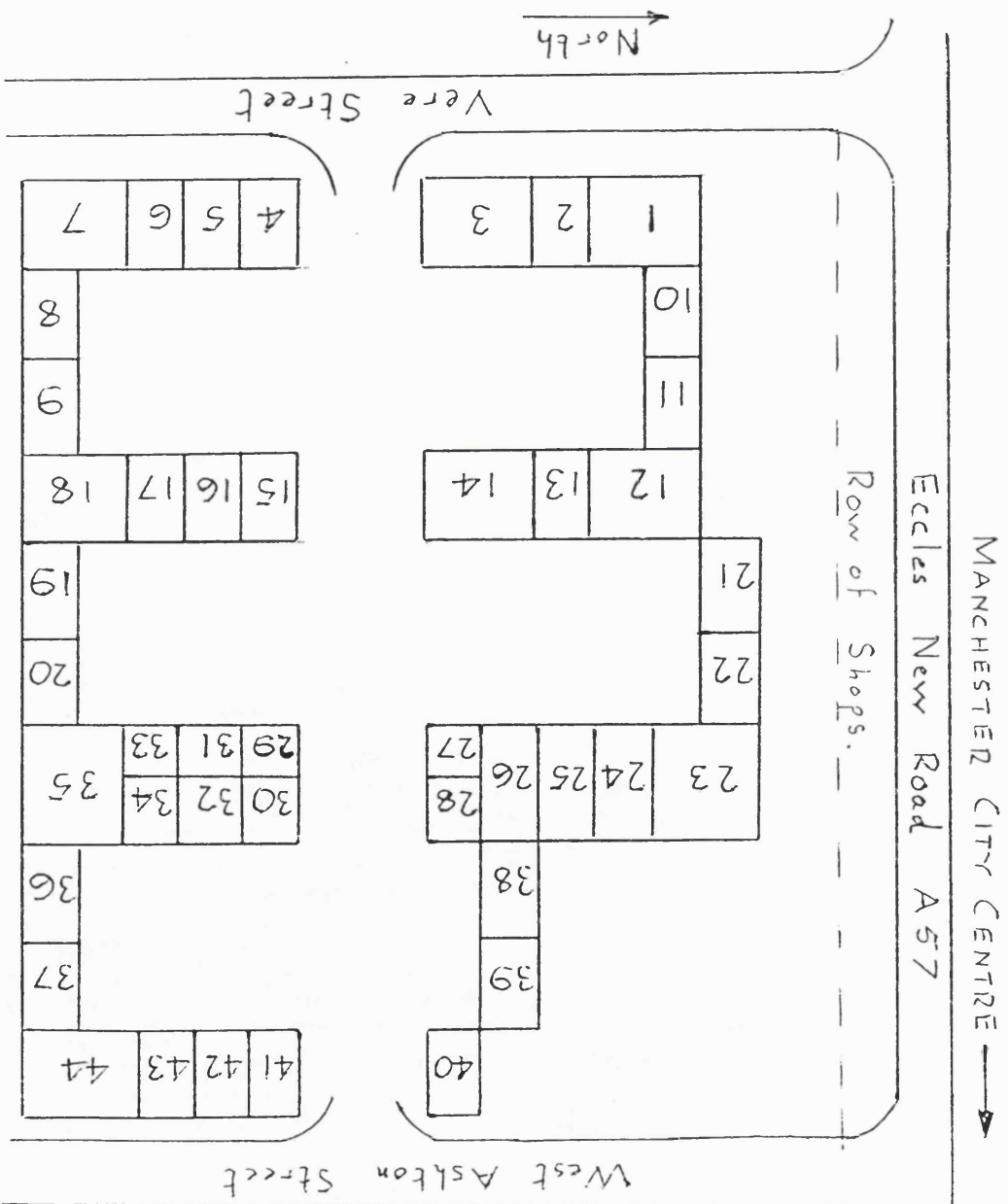
6.2.2 First Impressions - Salford

Field work investigations commenced towards the end of July, 1984 continuing intermittently until December, 1987, with a total of nine visits, each lasting five or six days. These visits gave the opportunity to visit libraries, arrange interviews with Civic Dignitaries and others who were associated with the functioning of the Enterprise Zone.

Within this period visits were also made to Corby and the Isle of Dogs.

The research commenced shortly after entering Eccles New Road at the eastern entrance / exit of the M602. The scene observed was one of desolation looking south across the site of the demolished old housing estate [referred to by Willets and others] towards the derelict docklands. The tower of a Victorian church remained, [MAP 4.2.2] a poignant reminder of a community which had once lived nearby.

SITE PLAN G.1.



Square Feet.

- 27, 29, 31, 33.
- 28, 30, 32, 34.
- 2, 4, 5, 6, 8, 9, 10, 11, 13, 15, 16.
- 17, 19, 20, 21, 22, 36, 37, 38,
- 39, 40, 41, 42, 43.
- 24, 25, 26.
- 1, 3, 7, 12, 14, 18, 44.
- 23, 35.

Constructed linearly to the north side of Eccles New Road lies the Langworthy Estate - a large forbidding corporation flats complex. Across the road a short row of shops and a cafe were situated adjoining the Willan Enterprise Zone 1 Industrial Estate [Site Plan 6.1], where questionnaires were first presented.

On observing the size of individual units there arose the possibility that those in charge might experience difficulties in answering the questions satisfactorily without any explanation. From ensuing interviews heads of units' did not find the questions too inquisitive, often giving additional information related to their business function. Most principals considered the questionnaire as a useful exercise, having no previous details of what percentage of total turnover was apportioned to the various sectors of their business operations.

A total of 88 firms were situated in these estates from which 50 participated in the research with refusals from three others. The remaining 35 units had occupiers who were not available during field visits for various reasons amongst which were: i) on holiday, or

ii) premises but seldom used
by lessee / occupier.

The quality of unit construction and their position in a run-down area were grievances aired with added concern on the number of vacant units, several sites

[1984] were still being constructed which added to the area's unattractiveness.

6.2.3 Nature of Business Undertakings

The industrial activities of the 50 firms participating in the research were:

Advertising Contractors
 Air [pneumatic] Tool manufacture and service
 Architectural Hardware
 Artificial Eye Manufacturer [Prosthetic Systems]
 Bakery - Bread and Cakes for the local market
 Ball Bearing Race factor
 Brass Band Instrument Repairers
 Building Cleaners [Industrial]
 Car Vehicle Battery Repairers
 Car Vehicle Anti-Theft Device Manufacturer
 Cornish Pasty Manufacturer
 Dental Technician
 Electronic Communications
 Electronic Switch Manufacturer
 Employment Agency
 Fabrication of Aluminium Doors, Windows and Shop
 Fronts
 Garage Equipment
 Heating Engineers
 House Porch Design and Construction
 Horticultural Products
 Kosher [Beth Din], Vegetarian Soya Protein
 Convenience Foods Manufacturer
 Lead Extrusion and Fabrication
 Lubrication Oil Factor
 Mail Room Systems - Service and Distribution
 Meat Tenderising
 Muffin Manufacturer
 Newsprint Factor and Distributor
 Photographic Studio
 Pipe Fitting, Welding and Mechanical Services
 Plastic Granule Manufacturer
 Precision Instruments
 Pressed Tool Engineering
 Printing
 Private Car Hire
 Radiator Services
 Saw Repair - Services
 Shopfitting and Design services
 Soft Furnishings
 Sports Wear Retailer

Stainless Steel Nut and Bolt Factor
 'Superstores'
 Surveyor and Valuer
 Sweet and Chocolate Factor
 Traffic Signal (hire)
 Truck Rental
 Vehicle Repairers.

From this list assisted by reference to the answers to individual questionnaires, a coarse breakdown of industrial classification according to the demands of Question 1 can be made.

TABLE 6.1

Nature of Business	Questionnaire Answers	Questionnaire Answers added to the activity of other Firms on the List wherever identifiable
--------------------	-----------------------	--

Manufacture	31.4%	30.5%
-------------	-------	-------

Distribution	30%	26.8%
--------------	-----	-------

Service	27.1%	24.4%
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Other	11.4%	18.3%
-------	-------	-------

Note: some respondent firms considered their activities embraced more than one Business Classification.

The 'Other' classification included an Employment Agency, a Schedule 'D' Inland Revenue Employer, Direct Selling Hire, Photography, Retailing and the offices of a Building Surveying Company. If these organisations were included in the service sector percentages in the columns above become 38.5% and 42.7% respectively. Adding distribution, services and other classified data to form a service sector the tabular data becomes 68.5% and 69.5% respectively. These percentages indicate the sector's predominance when compared with the percentage of the Manufacturing Sector. [TABLE 6.1]

6.2.4 Quantitative Data - a Preliminary Investigation

Chapter 5.4 refers to transport demand characteristics and the prospect of developing regression models from the data obtained, which is listed in the APPENDIX and compiled from the answers to Questions 3,4,5,6,7,8,9,10,11,12,15 and 16.

Various studies have been undertaken using regression techniques to analyse trip generation characteristics. The outcome of such research by Starkie [1967]³, Redding [1972]⁴, Maltby [1973]⁵, Leake and Gan [1973]⁶, Watson [1975]⁷, Leake and Gray [1979]⁸, Eveleigh [1982]⁹, have resulted in a multiplicity of algebraic regression models from the array of data collected. Model construction varied considerably between bivariate and multivariate with algebraic permutations on the

basic equations, the outcomes of this design multiplicity having no practical application.

The Salford analysis considered basic bivariate models with simple logarithmic transformations to determine whether any correlation existed between response and regressor variables; each of the form -

i) binary model: $y' = a + bx$

ii) logarithmic binary model:

$$\log y' = \log a + b \log x \quad [y' = ax^b]$$

A total of 27 models were devised:

Number of Deliveries 'In' [and 'Out']

- A.M. load lifted per trip
- A.M. load lifted per day
- Total number of employees
- Production Employees
- Total Factory floor space
- Production Floor Space
- Amount of capital employed per employee

A.M. load lifted per day 'In' [and 'Out']

- Total number of employees
- Production employees
- Total factory floor space
- Production floor space
- Amount of capital employed per employee

A.M. load lifted per trip A.M. load lifted per trip
 ['In']-----['Out']

Load lifted per trip 'In'-----Load lifted per trip 'Out'

Number of deliveries per day 'In'

-----Number of deliveries per day 'Out'

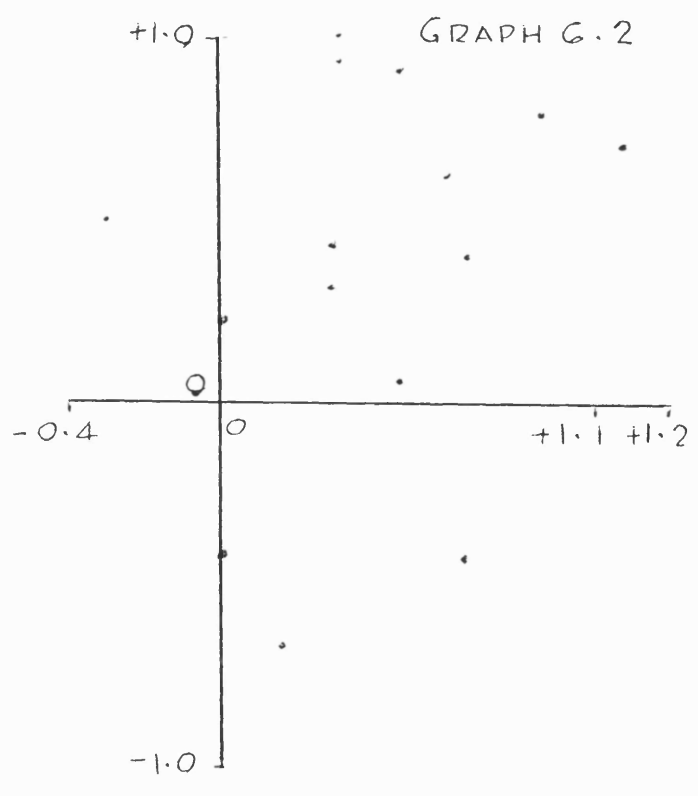
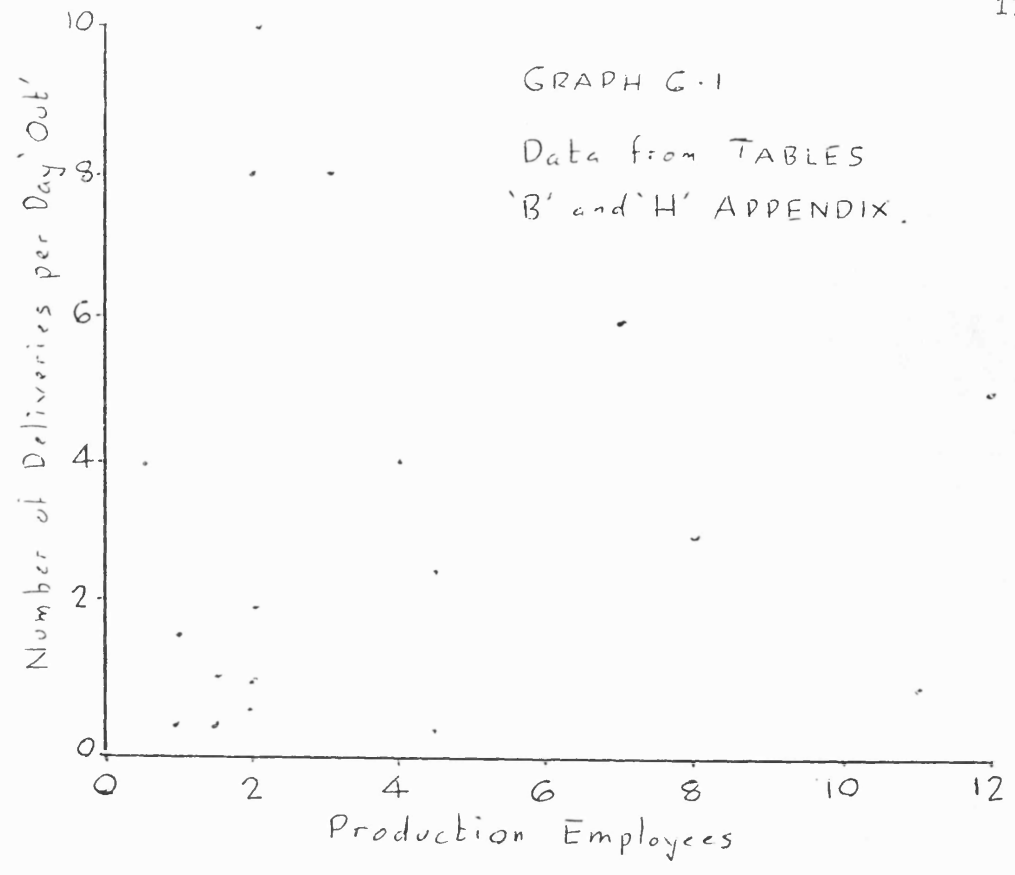
Scatter graphs of data from the first 24 Questionnaires were constructed, the 54 variations exhibiting no association between variables. A selection from this total are depicted in GRAPHS 6.1, 6.2 [log], 6.3, 6.4 [log] and 6.5, 6.6 [log] which were typical of all combinations.

The lack of association between the variables can be explained by data obtained from a diverse number of small industrial involvement. From this trip generation analysis relative to industrial characteristics was not pursued.

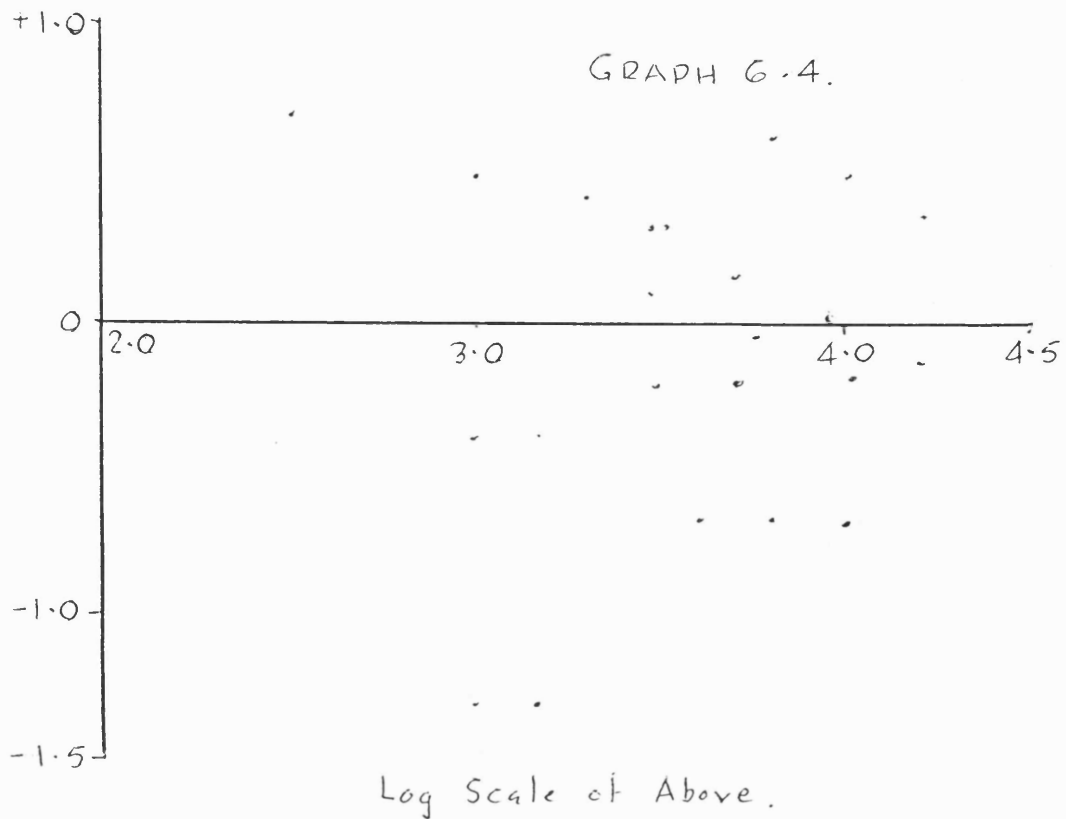
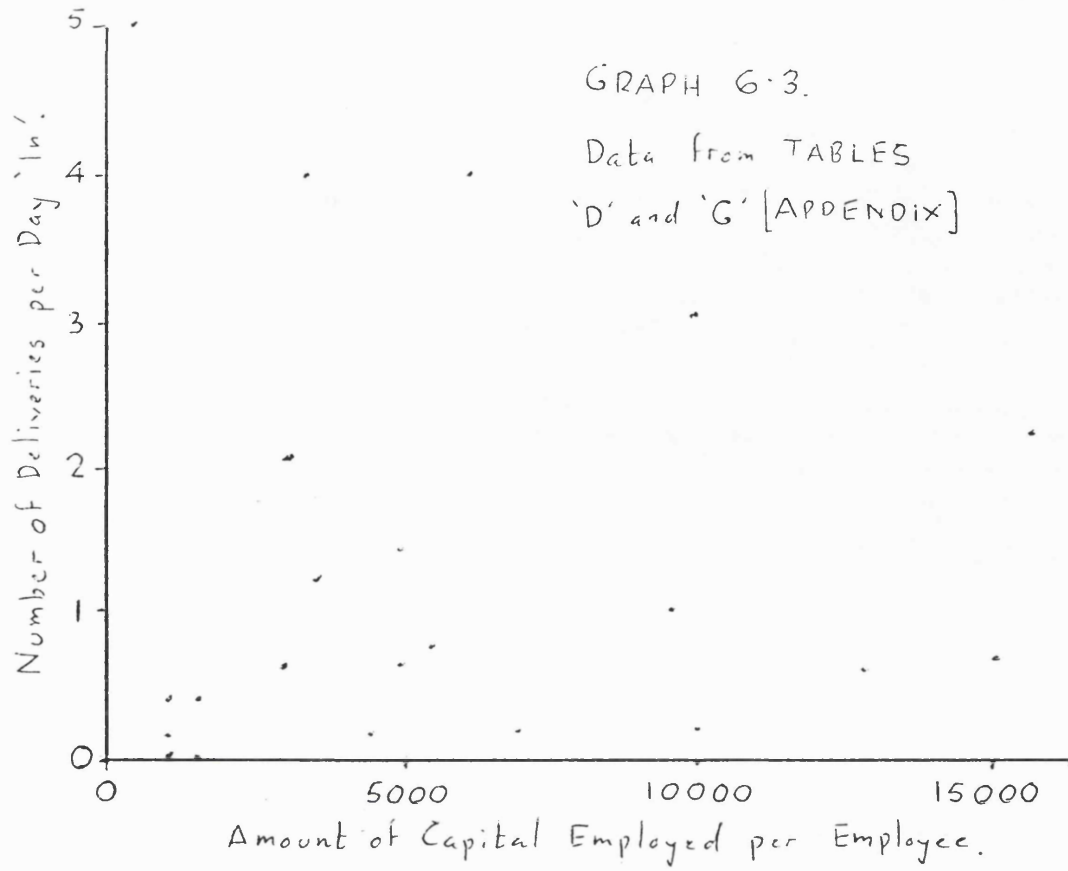
Questionnaire construction cannot possibly embrace all factors associated with business functioning and thinking. As the field work progressed social and environmental matters arose during discussions. Chapters 7,8, and 9 will consider this additional information together with the analysis of all quantitative data as obtained.

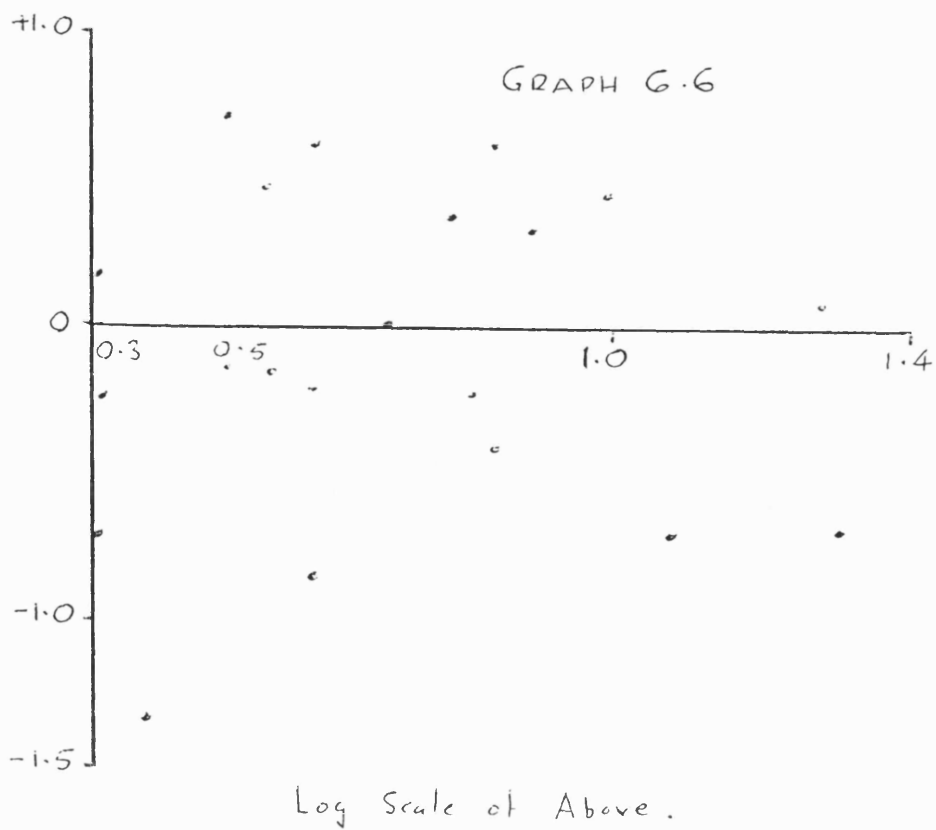
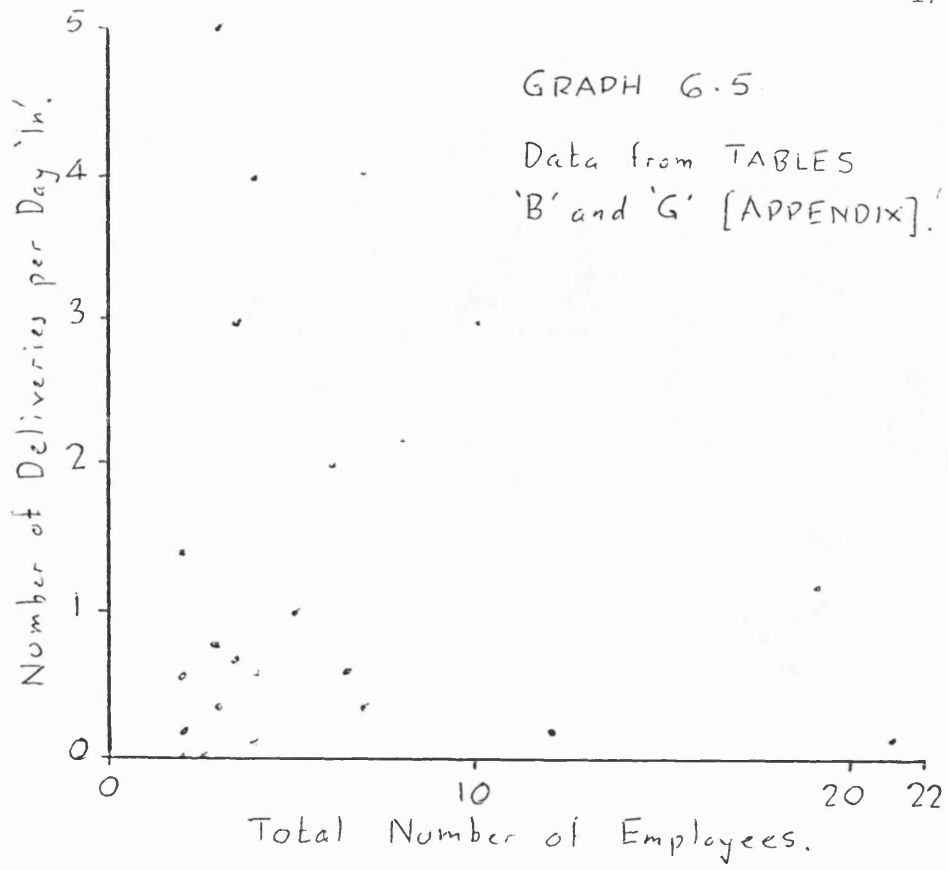
6.3 Corby and the Isle of Dogs

Investigations of the Corby and Isle of Dogs Enterprise Zones was restricted to daily visits, the studies were limited to observations and interviewing.



Log Scale of Above





6.3.1 Corby

Public transport journeys to and from Corby were in excess of six hours, this travel time left but little time to carry out investigatory work in one day. In May, 1987 on a third visit a diesel multiple unit service was operating from Kettering Station to the town, having commenced the previous month, on the 13th April. As an experimental venture, this shuttle service had received a £100,000 subsidy from Corby District Council¹⁰, and at the time the service was popular.

The town centre consists of shops and stores associated with the cheaper end of the retail trade. The design and layout was devoid of any architectural value closely resembling other post war shopping precincts including that of Salford all of which are drab and affected by concrete decay. The local people have an affinity with Kettering with its more varied type of stores with correspondingly wider choice of goods despite the opening of a large ASDA superstore during the late Autumn, 1986¹¹ on part of the site of the demolished iron and steel works - the Phoenix Centre which is outside the Enterprise Zone boundaries.

In the town centre there is an awareness of Scottish accents, in shops and public buildings the legacy of immigration by people seeking employment during the growth period.

The main library in the shopping area had a small

reference section excluding files of newspaper cuttings. An extensive number of old newspapers were available for perusal which would have been time consuming. It was suggested¹² that local information might be available in the County Library at Northampton, with limited facilities in the larger sub-library in Kettering, but these suggestions were not followed through.

To compensate for the non-availability of newspaper cuttings there were available two free local tabloids - 'Corby Words' issued twice or three times yearly and 'Corby News' issued monthly. These papers published accounts of land clearance, industrial change and developments, employment statistics and details of revenue and expenditure amongst other items relating to the town.

The Earlstrees Industrial Estate and Enterprise Zone situated to the north of the town centre was, in 1981, a green field site. By 1983 one million square feet of factory floor space had been developed¹³. Two miles east of Corby near the village of Weldon are the North and South Weldon Enterprise Zones. From being a green field site in 1981 the North Zone had several firms operating by 1983¹⁴. On the north side of the A427 Weldon Road are the British Steel Corporation's Tube Mills employing 2,500, the remains of Corby Works which at its peak employed about 13,000. A sister company on Tees-side provides steel strip for conversion into tubes obtaining

iron ore from Sweden¹⁵.

During the third visit to Corby interviews were held with the leader of Corby Council [K.Glendenning] and the Chief Executive [D.Hall]. The ensuing discussions gave detailed information of the Enterprise Zone together with floor space areas and employee numbers in individual factory units. This information revealed a wider range of industrial unit areas when compared with the Salford data to be discussed in Chapter 8.

6.3.2 The Isle of Dogs

During March, 1982 a visit to the Isle of Dogs Enterprise Zone disclosed the absence of any shipping activity, the large expanse of dock water was deserted apart from one small sailing ship. The scene was a complete transformation from that experienced in March, 1950 when dock berths were fully occupied¹⁶. The River Thames as a once busy shipping channel was also deserted apart from a few riverside wharves engaged in cargo transfer.

New access roads of red brick construction lead south from the zone's north west entrance. This particular type of road paving has become increasingly popular, its durability being suspect especially when subjected to the passage of heavy goods vehicles when manoeuvring tight turning circles, but adequate for use by private cars, small lorries and vans.

By late Spring 1985 a summary of major developments within the zone indicated that a considerable amount of commercial development had or was taking place which when fully established would require a large total amount of parking space for private cars rather than a requirement for heavy lorry accessibility. Details within the summary showed that nearly 1.8 million square feet of floor space had been completed or was under construction representing the requirements of an excess of 160 companies who had elected to operate in the Zone. Unit floor areas ranged from 550 square feet to the large 285,000 square feet Daily Telegraph printing works. Building construction consisted of housing, media related businesses, offices, restaurants and bars, a Satellite Earth Station, a sports arena and others. The Heron Quay development alone having 600,000 square feet of commercial space plus 200 dwellings¹⁷.

A second visit in January, 1985 commenced with a meeting with the public relations officer for the London Docklands Development Board [Dr. A. Williams]. The journey from Mile End underground station, by the Docklands' Clipper bus service followed a route designed to link local work places¹⁸. On return the bus stopped across a busy main road from the station which presented difficulties in crossing.

In 1986 a large development was planned at Canary Wharf by an American - G. Ware Travelstead. This

development was conceived because of the zone's close proximity to the City of London and its large financial market. The prospect of expansion followed the deregulation of trading [October, 1986[]] when it was anticipated that extra office space would be required which the City was incapable of satisfying¹⁹. The plan was estimated to cost £2 billion²⁰ providing employment for 50,000 in the financial service sector²¹, a type of employment completely different in character from traditional riverside jobs which in early 1986 constituted nearly one third of the Isle's working population²². The majority of these new jobs would go to those living outside the area who possessed financial dealing skills travelling to the Isle by private car. Anticipating this 8,000 to 11,000 parking spaces were planned although it was expected that some commuters would travel by the Docklands Light Railway or by high speed river bus²³.

Besides assisting in the regeneration of docklands the Enterprise Zone package was not creating employment opportunities for local residents. Community leaders were against the development although 1,000 job places were promised together with retraining of the unemployed under the age of twenty five²⁴.

The Borough of Tower Hamlets, although opposed to employment in the financial sector, welcomed the development as they estimated that rateable income would

double at the end of the Zone's ten year period²⁵.

Before 1981 local Labour politicians had envisaged a return of shipping to alleviate the unemployment problem or alternatively to build council houses on redundant dock areas²⁶.

In contrast to large scale developments the Director of the London Docklands Corporation [Torlik, 1987], stated that "Docklands is the home of small businesses - of 300 companies moving into the Zone, 250 had twelve or less number of employees."²⁷

6.3.2.1 Road Linkages

The British Road Federation [1984], referred to the necessity of capital investment, as a priority, in improving road networks. This would alleviate traffic congestion in conurbations, improve accessibility, enhance the environment, all of which would assist in combating urban decay.²⁸

Within urban areas new road construction costs per unit distance are high. Any new road link between the East End of London and the Motor Way network would cost more [in real terms] than the £8 million average cost per mile of the M25 Outer Orbital Road. New link roads will be necessary to meet the requirements of commuters employed in the offices of large scale developments and not for local residents.

During late 1985 a 3.7 mile long road, of 'cut and

cover' construction connecting the M11 motorway at Redbridge with the A102M road at Hackney Wick was proposed and approved by the Government²⁹. Although the cost was estimated at £33 million per mile, the link was considered as essential in reducing congestion and delays, besides assisting industrial development in a key area of East London. Even more costly was a proposed dual carriage way connecting the City of London and the Isle of Dogs, serving the Canary Wharf development. This linkage aligned along Narrow Street in Limehouse was estimated to cost £40 million for a 0.7 mile length also of 'cut and cover' construction.

Within the Road Building Programme of Central Government such roads receive priority to ensure the viability of industrial areas which previously had relied on freight transfers by ship and rail³⁰.

6.3.2.2 The Docklands Light Railway

With a design capacity of 2,500 passengers per hour in both directions the Docklands Light Railway has contributed in improving passenger transport facilities between the City, the North and the Isle³¹. In part the route has utilized disused railway track³² which converges at West India Quays from where an elevated track, above the docks and wharves leads to Island Gardens across the River from Greenwich. One branch commences at Tower Gateway [Fenchurch Street] whilst the

other commences at **Stratford** - British Rail / London Underground Central Line. The system consists of 16 stations along a total track length of 7 and a half miles³³ and was opened to the public on 31st August, 1987³⁴.

When approved in 1982 the construction cost limit was £77 million, by November 1987 the developers of Canary Wharf had contributed £45 million³⁵. They also contributed a further £67 million towards an extension to the 'Bank'³⁶, costing £90 million as planned in 1986³⁷. When operating it was estimated that the extended service would only take 10 minutes from the City to Canary Wharf.

Chapters 7, 8, and 9 will analyse the data obtained from the research.

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CHAPTER 7 Employment Analysis

7.1 Introduction

This Chapter will analyse employment variables: and opinions as expressed during research investigations. Comparisons will be made between the Zones and also with County and National data wherever this is considered to assist in assessing the impact of each venture with regard to employment.

7.2.1 Employment¹

TABLES 7.1, 7.2 and 7.3 give details of employment with the classified Economically Active and Inactive in Corby, Salford and Tower Hamlets urban areas in which the three Enterprise Zones are situated. Groups selected were

- a) All Persons.
- b) All Men
- c) All Women,

of working age to 65 years.

Because of the different populations, numbers have been transferred to percentage figures for comparisons. TABLE 7.1 shows that particular category percentages are almost identical, with Salford having the highest percentage of women employed [40.1%] and the lowest percentage of men [59.9%]

The percentage figures of the Economically Active

EMPLOYMENT CHARACTERISTICS - I

TABLE 7.1

CORRY

CATEGORY	ECONOMICALLY ACTIVE	ECONOMICALLY INACTIVE
ALL PERSONS: to Age 65 years	24828	8950
Percentage of Total	73.5%	26.5%
ALL MEN: to age 65 years	15002	1760
Percentage of Total	60.4%	19.7%
ALL WOMEN: to age 65 years	9826	7190
Percentage of Total	39.6%	80.3%

SALFORD

CATEGORY	ECONOMICALLY ACTIVE	ECONOMICALLY INACTIVE
ALL PERSONS: to Age 65 years	112806	37337
Percentage of Total	75.1%	24.9%
ALL MEN: to age 65 years	67593	7945
Percentage of Total	59.9%	21.3%
ALL WOMEN to age 65 years	45213	29392
Percentage of Total	40.1%	78.7%

TOWER HAMLETS

CATEGORY	ECONOMICALLY ACTIVE	ECONOMICALLY INACTIVE
ALL PERSONS: to Age 65 years	68331	21726
Percentage of Total	75.9%	24.1%
ALL MEN: to age 65 years	41734	4282
Percentage of Total	61.1%	19.7%
ALL WOMEN: to age 65 years	26597	17444
Percentage of Total	38.9%	80.3%

Data and Percentages calculated from original data.

Source: Office of Population Censuses and Surveys, 1981

EMPLOYMENT CHARACTERISTICS - 2

TABLE 7.2

CORBY

ECONOMICALLY ACTIVE: SECTION TOTAL- 24828		
CATEGORY	Working Full Time	Working Part Time
ALL PERSONS: to Age 65 years	16075	2941
As Percentages of 24828	64.7%	11.8%
ALL MEN: to Age 65 years	10286	208
As Percentages of 15002	68.6%	1.4%
ALL WOMEN: to Age 65 years	5789	2733
As Percentages of 9826	58.9%	27.8%

SALFORD

ECONOMICALLY ACTIVE: SECTION TOTAL-112806		
CATEGORY	Working Full Time	Working Part Time
ALL PERSONS: to Age 65 years	80599	16251
As Percentages of 112806	71.4%	14.4%
ALL MEN: to Age 65 years	55714	530
As Percentages of 67593	82.4%	0.8%
ALL WOMEN: to Age 65 years	24885	1521
As Percentages of 45213	55%	34.8%

TOWER HAMLETS

ECONOMICALLY ACTIVE: SECTION TOTAL-68331		
CATEGORY	Working Full Time	Working Part Time
ALL PERSONS: to Age 65 years	49779	7714
As Percentages of 68331	72.9%	11.3%
ALL MEN: to Age 65 years	33095	622
As Percentages of 41734	79.3%	1.5%
ALL WOMEN: to Age 65 years	16684	7092
As Percentages of 26597	62.7%	26.7%

Data and Percentages calculated from original data:
Source Office of Population Censuses and Surveys 1981

PERSONS ECONOMICALLY ACTIVE

TABLE 7.3

WORKING FULL TIME			WORKING PART TIME		
All Persons	All Men	All Women	All Persons	All Men	All Women
Tower Hamlets: 72.9%	Salford: 87.4%	Tower Hamlets: 62.7%	Salford: 14.4%	Tower Hamlets: 1.5%	Salford: 34.8%
Salford: 71.4%	Tower Hamlets: 79.3%	Corby: 53.9%	Corby: 11.8%	Corby: 1.4%	Corby: 27.8%
Corby: 64.7%	Corby: 69.6%	Salford: 55%	Tower Hamlets: 11.3%	Salford: 0.8%	Tower Hamlets: 26.7%

RANK ORDERS OF PERSONS CATEGORIES IN: CORBY, SALFORD and TOWER HAMLETS.

Data from TABLE 7.2

[TABLE 7.2] are shown ranked in TABLE 7.3 with no set pattern emerging. The Corby percentages for 'All Persons' and 'All Men' indicate the highest unemployment levels, whilst the Salford data reveals the highest percentage of persons working part time, influenced by the 34.8% figure for women.

The percentage data [TABLE 7.2] shows fairly close relationships whilst [Chi] x^2 tests of association of employee numbers, formulated on a null hypothesis, between the three districts and their gender sub-groups, gives real differences at 0.001 levels. This is to be expected with the wide difference in numbers involved making statistical comparisons difficult to assess.

7.2.2 Further Comparisons of Employment Data

A coarse distribution of employees working in the Manufacturing and Service Industries applicable to those regions in which the Enterprise Zones are situated is shown in TABLES 7.4 and 7.5² for the years 1979 and 1985 respectively. Between this period the numbers employed in manufacturing decreased whilst service employment increased, a trend which was referred to in Chapter 1.5.

TABLES 7.6 and 7.7³ are gender based. Females predominate in the service industries, in numbers and percentages accounted for by the tendency for females to gravitate to jobs in the catering and hotel industries, departmental stores and shops together with clerical jobs

INDUSTRIAL DISTRIBUTION OF EMPLOYEES IN EMPLOYMENT BY SEX.

TABLE 7.4

Note: In all TABLES Numbers are $\times 10^3$.

MALES and FEMALES: Numbers Employed with Percentages, 1979

AREA	All Industries and Services	Coarse Groupings	
		Manufacturing	Services
England: Total	19504, 100%	6124, 31.4%	11449, 58.7%
East Midlands	1555, 100%	606, 39.0%	749, 48.2%
North West	2676, 100%	932, 36.7%	1491, 55.7%
South East	7473, 100%	1883, 25.7%	5029, 67.3%

TABLE 7.5

MALES and FEMALES: Numbers Employed with Percentages, 1985

AREA	All Industries and Services	Coarse Groupings	
		Manufacturing	Services
England: Total	18136, 100%	4806, 26.5%	11807, 65.1%
East Midlands	1428, 100%	496, 34.7%	738, 51.7%
North West	2384, 100%	682, 28.6%	1531, 64.1%
South East	7320, 100%	1552, 21.2%	5270, 72.0%

TABLE 7.6

MALES: Numbers Employed with Percentages, 1985

AREA	All Industries and Services	Coarse Groupings	
		Manufacturing	Services
England: Total	10144, 100%	2891, 28.5%	5427, 53.5%
East Midlands	800, 100%	219, 27.4%	332, 41.5%
North West	1292, 100%	401, 31.0%	652, 50.8%
South East	4065, 100%	992, 24.4%	2553, 62.8%

TABLE 7.7

FEMALES: Numbers Employed with Percentages, 1985

AREA	All Industries and Services	Coarse Groupings	
		Manufacturing	Services
England Total	7993, 100%	1207, 15.1%	6402, 80.1%
East Midlands	627, 100%	156, 24.9%	434, 69.2%
North West	1092, 100%	173, 15.8%	875, 80.1%
South East	3255, 100%	394, 12.1%	2721, 83.6%

Source: Annual Abstract of Statistics; HMSO, 1987

in the financial sector. Male service employment in the South East is the highest in the regions quoted, a reflection of the concentration of financial sector work.

A finer industrial classification for Enterprise Zones is shown in TABLE 7.8⁴. The data indicates a close relationship between the industrial breakdown in the English zones and the total for Great Britain, giving a bivariate regression coefficient of 0.999 - significant at 0.001. Manufacturing employment percentages [56.3%] in the English zones is more than double the percentage figure for England at 26.5% [TABLE 7.5], although the office complex at Canary wharf will eventually increase service sector employment overall.

Male and female employment statistics [1986] for the three Enterprise Zones are inconsistent in their presentation of S.I.C. groupings. Expressed as percentages and total numbers this data is shown in TABLES 7.9, 7.10 and 7.11⁵. Few comparisons can be made with the data in TABLE 7.8 as S.I.C. 3 and 4 are grouped together. The Isle of Dogs data is an exception having 72% employees in the S.I.C. range 5 to 9 which is double the 35.3% total for the English Zones [TABLE 7.8]. Common to all data is the preponderance of workers employed in the highest S.I.C. groups, which is to be expected as the lowest S.I.C. group 1 and 2 are linked to primary industries. Also common is the small number of part time employees - as derived from total

Employment by Industrial Activity in Enterprise Zones.
September 1984

Activity (1980) S.I.C. Division.	English Zones Employment	Great Britain Employment.
0-2	8.7%	7.7%
3-4	56.3%	55.0%
5	5.9%	6.4%
6	18.5%	18.5%
7	3.9%	5.6%
8-9	7.0%	6.8%
TOTAL	100%: 35,700	100%: 48,200.

TABLE 7.8

The 1980 Standard Industrial Classification.

- 0- Agriculture, Forestry and Fishery.
- 1- Energy and Water Supply Industries.
- 2- Extraction of Minerals and Ores other than fuels, manufacture of metals, mineral products and chemicals.
- 3- Metal Goods, Engineering and Vehicle Industries.
- 4- Other Manufacturing Industries
- 5- Construction
- 6- Distribution, Hotels and Catering, Repairs.
- 7- Transport and Communications.
- 8- Banking, Finance, Insurance, Business, Services and Leasing.
- 9- Other Services.

Source: Enterprise Zone Information

D.O.E., H.M.S.O-1986.

numbers.

An alternative analysis of the data in TABLES 7.9, 7.10 and 7.11 is presented in TABLE 7.12^o, which on examination shows no set pattern in gender employment figures and their respective percentages. The figures do however show that the average employment size of firm is highest in the Corby zone. This zone also has the highest percentage of females employed which appears rather odd considering the large number of males made redundant following the closure of the steel works, or possibly employment opportunities as created were female orientated.

7.2.3 Size of Firm by Employment Numbers

Employment statistics from the three Enterprise Zones indicate that small firms dominate. To determine whether individual firm employment size differs from the districts in which the zones are situated TABLES 7.17, 7.18., 7.19 and 7.20⁷ give establishment numbers for four employment number groups, the basic data having been derived from TABLES 7.14, 7.15 and 7.16. The Greater London Area 6 [TABLE 7.17] shows that firms employing 1 to 10 people dominate with 54.03% of the total. This compares favourably with the Arithmetic Mean value of 10.64 [TABLE 7.12] for the Isle of Dogs enhanced when the employee band of 11 to 25 [TABLE 7.18] is taken into consideration. These groups have employee indices of 122

Enterprise Zone Information 1984 - 1985
D.O.E. H.M.S.O. 1986

Employment and Establishments : September, 1984

CORBRY

TABLE 7.9

Activity 1980 S.I.C. Division	Establishments Percentage of Total	Total Employed Percentage	Males Percent	Females Percent	Full Time Percent	Part Time Percent
0-3	38.5	17.1	25.0	5.9	17.9	0.0
4-9	61.5	82.9	75.0	94.1	82.1	100.0
TOTAL: %	100.0	100.0	100.0	100.0	100.0	100.0
Numbers	91	4100	2400	1700	3900	200

ISLE of DOGS

TABLE 7.10

Activity 1980 S.I.C. Division	Establishments Percentages of Total.	Total Employed Percentage	Males Percent	Females Percent	Full Time Percent	Part Time Percent
0-4	25.5	28.0	26.3	33.5	27.3	33.3
5	11.1	12.0	15.8	0.0	13.6	0.0
6-9	63.4	60.0	57.9	66.7	59.1	66.7
TOTAL: %	100.0	100.0	100.0	100.0	100.0	100.0
Numbers	235	2500	1900	600	2200	300

CITY of SALFORD / TRAFFORD M.B.C.

TABLE 7.11

Activity 1980 S.I.C. Division	Establishments Percentages of Total	Total Employed Percentage	Males Percent	Females Percent	Full Time Percent	Part Time Percent
0-1	0.0	0.0	0.0	0.0	0.0	0.0
2-3	23.0	19.4	20.9	14.3	20.7	0.0
4-9	77.0	80.6	79.1	85.7	79.3	100.0
TOTAL: %	100.0	100.0	100.0	100.0	100.0	100.0
Numbers	187	3100	2400	700	2900	200

Enterprise Zone	Number of Establishments	TOTAL Employed	Average Employment per Establishment	MALES Percentage of TOTAL	FEMALES Percentage of TOTAL	Full Time Percentage of TOTAL	Part Time Percentage of TOTAL
CORBY	91	4100	45.05	58.53	41.47	95.12	4.88
Isle of Dogs	235	2500	10.64	76.00	24.00	38.00	12.00
SALFORD	187	3100	16.58	77.42	22.58	93.55	6.45

TABLE 7.12

Basic Data from Enterprise Zone Information 1984-85, D.O.E., H.M.S.O. 1986,
as detailed in TABLES 7.9, 7.10 and 7.11.

TABLE 7.13

Zone with Number of Establishments	Zone with TOTAL Employed	Zone with Average Employment per Establishment	Zone with MALES - percentage of TOTAL	Zone with FEMALES - percentage of TOTAL	Zone with Full Time percentage of TOTAL	Zone with Part Time Percentages of TOTAL
Isle of Dogs 235	Corby 4100	Corby 45.05	Salford 77.42	Corby 41.47	Corby 95.12	Isle of Dogs 12.00
Salford 187	Salford 3100	Salford 16.58	Isle of Dogs 76.00	Isle of Dogs 24.00	Salford 93.55	Salford 6.45
Corby 91	Isle of Dogs 2500	Isle of Dogs 10.64	Corby 58.53	Salford 22.58	Isle of Dogs 38.00	Corby 4.88

Data from TABLE 7.12 in Ranked Order.

INDUSTRIAL PROFILE BY SIZE.

GREATER LONDON G.: including Tower Hamlets TABLE 7-14

SIZE: Number of Employees	Establishments.			
	Number	Percentage by size	Index	National Average
1-10	2198	54.03	122	44.11
11-25	962	23.65	99	23.94
26-50	508	12.49	89	13.97
51-100	217	5.33	66	8.13
101-250	126	3.10	54	5.70
251-500	39	0.96	39	2.44
501-1000	14	0.34	33	1.06
Over 1000	4	0.10	15	0.65
All Sizes 4068	4068	100.00	[100]	100.00%

GREATER MANCHESTER: including Salford TABLE 7-15

1-10	1034	37.25	84	44.11
11-25	681	24.53	102	23.94
26-50	436	15.71	112	13.97
51-100	245	8.83	109	8.13
101-250	192	6.92	121	5.70
251-500	120	4.32	177	2.44
501-1000	44	1.58	150	1.06
Over 1000	24	0.86	133	0.65
All Sizes 2776	2776	100.00	[100]	100.00%

NORTHAMPTONSHIRE: including Corby. TABLE 7-16

1-10	507	37.81	86	44.11
11-25	297	22.15	93	23.94
26-50	191	14.24	102	13.97
51-100	171	12.75	157	8.13
101-250	100	7.46	131	5.70
251-500	47	3.50	144	2.44
501-1000	18	1.34	127	1.06
Over 1000	10	0.75	115	0.65
All Sizes 1341	1341	100.00	[100]	100.00%

Note: an index of 100 is equivalent to the National Average.

Source: Industrial Market Location; Market Location Ltd.,

RANKING of INDUSTRIAL PROFILE by Size

NUMBER of EMPLOYEES: 1-10 TABLE 7.17

AREA	ESTABLISHMENTS			
	Number	Percentage by Size	Index	National Average
Greater London (6)	2198	54.03	122	44.11
Northamptonshire	507	37.81	86	
Greater Manchester	1034	37.25	84	

NUMBER of EMPLOYEES: 11-25 TABLE 7.18

AREA	ESTABLISHMENTS			
	Number	Percentage by Size	Index	National Average
Greater Manchester	681	24.53	102	23.94
Greater London (6)	962	23.65	99	
Northamptonshire	297	22.15	93	

NUMBER of EMPLOYEES: 26-50 TABLE 7.19

AREA	ESTABLISHMENTS			
	Number	Percentage by Size	Index	National Average
Greater Manchester	436	15.71	112	13.97
Northamptonshire	191	14.24	102	
Greater London (6)	508	12.49	89	

NUMBER of EMPLOYEES: 51-100 TABLE 7.20.

AREA	ESTABLISHMENTS			
	Number	Percentage by Size	Index	National Average
Northamptonshire	171	12.75	157	8.13
Greater Manchester	245	8.83	109	
Greater London (6)	217	5.33	66	

Note: an index of 100 is equivalent to the National Average
Basic Data from TABLES: 7.14, 7.15 and 7.16.

and 99 respectively with 100 the National Average index.

An Arithmetic Mean of 45.05 [TABLE 7.13] employees per establishment for the Corby Enterprise Zone has a close association with Northamptonshire when considering the 26 to 50 [TABLE 7.19] which has an index of 102.

The Greater Manchester employee indices of 102 for the 11 to 25 employee band [TABLE 7.18] compare favourably with the Salford Enterprise Zones Arithmetic Mean value of 16.58 [TABLE 7.13] employees per firm.

These comparisons of firm employment size exhibit close relationships, however where any large complex becomes operative especially in the Isle of Dogs average employment per firm will change upwards.

7.2.4 Employment Changes in the Three Zones

Since their designation employment statistics in Enterprise Zones have been available, TABLES 7.21⁸, 7.22⁹ and 7.23¹⁰ presenting such data. Changes in individual zones over the time periods considered are unequal, Corby and the Isle of Dogs having larger employment increases than Salford / Trafford and the English Total [TABLE 7.21]. Males dominate the employment scene although Corby had 40% women in jobs a figure which agrees with previous observations of 41.47% [TABLE 7.12], The employment in all zones was mainly Full Time.

TABLE 7.23 shows continued employment growth in the Isle of Dogs with an apparent slow down in the Salford /

EMPLOYMENT: Enterprise Zones: Corby, Isle of Dogs, Salford/Trafford

Employment Changes, designation to September, 1984.

TABLE 7.21.

ZONE	Employment as at designation	Employment as at 31st May, 1983	Employment as at September, 1984	% Change designation - Sep. 1984.	% Change May 1983 - Sep. 1984
Corby	Not known	1591	4100	Not known	+158
Isle of Dogs	641	994	2500	+290	+152
Salford/Trafford	2454	3306	3100	+35	-6
England: Total	17939	21448	28500	+36	+14

Note: the England: Total figures excludes Corby data.

Employment: September, 1984

TABLE 7.22

ZONE	Male Employment as % of Total	Full Time Employment as a % of Total	Total Employment
Corby	60	95	4100
Isle of Dogs	75	90	2500
Salford/Trafford	80	95	3100
England: Total	70	95	28500

Note: in TABLES 7.21 and 7.22 the England: Total figures are for the 1st Round of Enterprise Zones - 8 in number

Source: Enterprise Zone Information 1984-1985.

D.O.E. H.M.S.O., 1986

Employment Changes: Designation to December, 1985. TABLE 7.23

ZONE	Year designated	Percentage change in Employees from designation to December, 1985
Corby	1981/82	Not Available
Isle of Dogs	1981/82	321
Salford/Trafford	1981/82	86
Great Britain: Total		70

Note: the Great Britain Total includes data from all 25 E. Zs.
Source: Regional Trends 22, 1987 Edition Central Statistical Office. H.M.S.O.

Trafford zones. Growth comparisons are distorted because of the difference in their base figures, 641 and 2454 respectively [TABLE 7.21]. Employment increases between September, 1984 and December 1985 were 47.2% for Salford / Trafford and 7.92% for the Isle of Dogs derived from employment numbers of 4564 and 2700 respectively.

7.2.5 Employment in the Corby Enterprise Zone

As at May, 1987 employment numbers per firm situated in the Corby Enterprise Zone are shown in TABLE 7.24. The distribution of this data is heavily positively skewed because of the dominance of firms having a small work force, with an arithmetic mean of 25.42 employees per firm, which differs appreciably from the 45.05 value [TABLE 7.12] indicating that during the period between the two surveys there has been a trend towards the establishment of small firms. The 1985 data having been collected from 91 firms compared with 137 in 1987. A further analysis of the 1987 data shows that the total employed by a large number of small firms is smaller than the total employed by a few large firms.

7.2.6 Employment in the Salford Enterprise Zone 1

Employment data for males and females from fifty firms who actively participated in the research is detailed in TABLE 7.25. Numbers employed are arranged in

Employment in the Corby Enterprise Zone according to
Groupings of Employment Numbers

TABLE 7-24

Groups Numbers Employed	Number of Firms in Group	Numbers Employed with Percentages of TOTAL	Group: Numbers Employed.	Number of Firms in Group	Numbers Employed with Percentages of TOTAL
1	4	4 0.11	31	1	31 0.89
2	6	12 0.35	33	1	33 0.95
3	8	24 0.69	34	1	34 0.98
4	5	20 0.57	35	3	105 3.02
5	5	25 0.72	36	2	72 2.07
6	5	30 0.86	41	1	41 1.18
7	7	49 1.41	42	2	84 2.41
8	8	64 1.84	45	2	90 2.58
9	6	54 1.55	46	1	46 1.32
10	3	30 0.86	48	1	48 1.38
11	1	11 0.32	51	1	51 1.46
12	5	60 1.72	53	2	106 3.04
13	5	65 1.87	59	1	59 1.69
14	4	56 1.61	64	2	128 3.68
15	2	30 0.86	66	1	66 1.9
16	3	48 1.38	67	1	67 1.92
17	5	35 1.01	70	1	70 2.01
18	5	90 2.58	75	1	75 2.15
20	1	20 0.57	79	1	79 2.27
21	4	84 2.41	83	2	166 4.77
22	1	22 0.63	85	3	255 7.32
23	3	69 1.98	99	1	99 2.84
25	1	25 0.72	101	1	101 2.9
26	3	78 2.24	102	1	102 2.93
27	2	54 1.55	150	1	150 4.31
28	1	28 0.80	190	1	190 5.46
		TOTALS	137		3482 100%

Basic Data supplied by CORBY DISTRICT COUNCIL.

INDIVIDUAL NUMBERS EMPLOYED by SEX GROUPINGS, then
 multiplied by NUMBER of FIRMS with PERCENTAGES of PRODUCTS.

MALES plus FEMALES	Product and Percentage	MALES	Product and Percentage	FEMALES	Product and Percentage
1 3	3 0.76	1 3	3 0.93	1/2 3	1 1/2 2.03
2 8	16 4.04	2 8	16 4.97	1 9	9 12.16
2 1/2 1	2 1/2 0.63	2 1/2 1	2 1/2 0.78	1 1/2 4	6 8.11
3 4	12 3.03	3 6	18 5.59	2 2	4 5.41
3 1/2 2	7 1.77	3 1/2 1	3 1/2 1.09	2 1/2 1	2 1/2 3.38
4 3	12 3.03	4 3	12 3.73	3 2	6 8.11
4 1/2 1	4 1/2 1.14	4 1/2 1	4 1/2 1.4	4 1	4 5.41
5 2	10 2.52	5 4	20 6.21	5 2	10 13.51
5 1/2 1	5 1/2 1.39	6 6	36 11.18	5 1/2 1	5 1/2 7.43
6 1	6 1.5	6 1/2 2	13 4.04	8 1/2 1	8 1/2 11.49
6 1/2 1	6 1/2 1.64	7 2	14 4.35	17 1	17 22.97
7 3	21 5.3	8 1	8 3.49	TABLE 7.25	
7 1/2 2	15 3.2	9 1	9 2.8		
8 1	8 2.02	11 1	11 3.42		
8 1/2 1	8 1/2 2.14	12 2	24 7.45		
9 1	9 2.27	12 1/2 1	12 1/2 3.88		
9 1/2 1	9 1/2 2.4	14 2	28 8.7		
10 1	10 2.5	15 1	15 4.66		
11 2	22 5.6	20 1	20 6.21		
11 1/2 1	11 1/2 2.9	24 1	24 7.45		
12 1	12 3.03	28 1	28 8.7		
15 1/2 1	15 1/2 3.91				
17 2	34 8.59				
18 1	18 4.55				
19 1	19 4.8				
21 1	22 5.3				
22 1	22 5.6				
25 1	25 6.3				
30 1	30 7.58				

Totals: MALE plus FEMALE 396

MALE 322

FEMALE 74

Basic Data from APPENDIX: TABLE B.

SALFORD ENTERPRISE ZONE.

ascending order with their respective percentages of the product of employee numbers and associated number of firms. From a total employment number of 396, 322 [80.8%] were males. The largest number employed in any firm was 30, three other firms employing one each. This data gives a Total Employee Arithmetic Mean of 7.52 which is lower than the 16.58 value from TABLE 7.12. An explanation for this difference is because the 1985 data was obtained from 187 firms employing 3100 workers - 7.83 times greater. A positively skewed distribution is apparent, and similar to Corby shows the dominance of small firms.

7.2.7 Employment in the Salford Enterprise Zone 2

The number of females employed was small with an Arithmetic Mean of 2.74 per industrial unit, from a total of 74. From these statistics females have little impact on the employment scene. Two firms did discuss female employment which differed according to the production process and skills involved.

CASE STUDIES

'A' One owner / principal referred to the employment of females on commencing operations. Their productivity was high but the quality necessitated the employment of inspectors as any faults affected adversely the products

ability to function, besides being detrimental to the business in a competitive market. As an experiment the work force was replaced by males and although productivity dropped the quality of the output was sufficiently high to dispense with the inspectors. The change eventually became permanent because of lower production¹¹ costs per batch.

'B' The second firm commenced operations with an all male work force engaged in repetitive component assembly. Three weeks after opening output began to fall as boredom developed which led to their dismissal and immediate replacement by females. The assembly work followed a simple pattern of operations whereby mistakes were impossible. With improved dexterity the females increased productivity even though the management moved employees at set intervals to other work stations to counter monotony. The women appeared happy and content with the undemanding intellectual work talking freely despite the noise and very pleased on receipt of their pay packets which occurred during the visit. Males were employed as labourers moving components from the stores to assembly areas and the assembled units to the dispatch section¹².

End on to the discussion on female employment
[Chapter 5.3] Wild and Hill [1970]¹³ refer to attitudes

associated with females employed on repetitive productions methods. Such employment is divided into tiny elements which only use a small percentage of an operator's ability requiring a minimum of concentrative effort, placing no constraints on conversations with other workers thus countering boredom inherent in the work.

In the two instances quoted semi-skilled production work appears to be more suitable for female labour. In contrast two female graduates were interviewed, one employed as a public relations officer whilst the other was responsible for business administration besides being the fiancée of the owner / principal's son.

On occasions local employment has experienced setbacks by events beyond the control of management, external influences affecting manufacturing output. The following Case Study is one example.

CASE STUDY

Farmer Norton, a Salford manufacturer of textile machinery refers to the many occasions when politics have interfered with exports. The Wilson Government placed an embargo on the export of goods to Rhodesia [now Zimbabwe] after which the company was left with a considerable amount of machinery with no offer from the British Government to pay. Another setback happened

during the Yom Kippur War [1973] between Egypt and Israel when a large consignment of machinery was left uncovered in the desert for two years before it could be assembled. The deterioration resulting from this exposure adding 'untold costs' to the company [Norton, D.E.P., 1990]¹⁴. Despite the company having £11 million of orders on their books such occurrences led to cash flow problems, with them going into the hands of the receiver. On learning of this dilemma Salford Corporation leased two thirds of the factory's buildings, which unfortunately was too late to prevent a decrease in the work force. A grant was also made by the Corporation which was investigated by a Central Government appointed District Auditor because of a complaint lodged by another party, more favoured - in certain circles - than Farmer Norton, who wanted to establish a textile manufacturing works in the Enterprise Zone. To save Farmer Norton from complete demise the Local Authority injected capital into the Company, with some repayment as their cash flow improved¹⁵.

Employers discussed freely the attitudes of their employees to a particular work environment with reasons for their selections.

Three case studies are quoted :

'A' Under the auspices of the Youth training Scheme a firm employed a sixteen year old youth who lived close

by, the management augmenting his Government grant. Although having a pleasant nature he would neither conform nor obey orders preferring to execute his light duties in a slipshod manner. This attitude was unacceptable and not just because the firm was engaged in food production. On a return visit his employment had been terminated after pasting the wrong labels on packed food products, compounded by a repeated plea from a co-owners adopted daughter to 'sack him'.¹⁶

'B' A small precision engineering firm advertised on numerous occasions for an intelligent young person to serve an apprenticeship. Those who applied were not considered to have the necessary aptitude and intelligence to fill the vacancy. Eventually a school leaver was employed following a recommendation to the firm's owner with respect to his suitability for the post. As a resident of Barton, five miles distant from the Zone, his appointment did not diminish local unemployment numbers¹⁷.

'C' The owner of a bakery business employed labour from Scotland because of the absence of skilled bakers on the local unemployment register¹⁸.

Discussions held both inside and outside the Enterprise Zone disclosed a high level of local unemployment giving cause for concern to those affected

some of whom have accepted their plight with resigned equanimity. A docker¹⁰ with twenty years service seemed reconciled to being permanently unemployed whilst another male in his late thirties²⁰ having worked in the textile industry had been unemployed for three years with no hope of obtaining work for the wage he asked during interviews, continually being told that to ask for £100 per week was unreasonable especially when there were younger men who could be hired at a lower wage.

At this stage it is appropriate to mention the Corby experience [May, 1987] in that "all the employable were in employment"²¹. Similar conclusions could be levelled at some of the Salford unemployed.

7.2.8 The Influence of the Enterprise Zone on Job Creation

The majority of units visited were small in size as detailed in CHAPTER 8, a factor which suited the immediate requirements of the occupiers. Movements to the Zone were influenced by the immediate availability of small floor space area units - a scarce commodity in the Greater Manchester Area - with large industrial units readily available. Several principals ceased production elsewhere in Greater Manchester to recommence activities in an Enterprise Zone unit. One business closed two shops within two miles of the Zone amalgamating them into a larger unit, the rationalization reducing outgoing

costs²².

Principals expressed an unwillingness to expand their business activities because with an increased work force there would be labour relation difficulties, and also a decrease in personal involvement in the production process.

The concentration of activity within industrial estates would be expected to give birth to 'spin off' jobs. During all visits to the Salford Enterprise Zone there were few signs that employees in the units generated externally based employment. Exceptions were two young women visiting the units carrying large wicker baskets containing sandwiches and pies for sale and taking orders for future deliveries. A local public house had an increase in lunch time trading, but most employees brought their own pre-packed lunches, supplemented by hot drinks on business premises.²³

A discussion, as witnessed, was between an unemployed young man, accompanied by his Alsatian dog, and two principals whose unit had been subjected to internal vandalism. He enquired if there was any opportunity for himself and his dog to work on security, visiting their units at irregular intervals, adding "I am on the dole. I can't find work, and there is only me and the dog'" A request sympathetically considered²⁴.

Vandalism together with breaking in and entry was not uncommon in the Zone and will be discussed in greater

detail in Sub Chapter 9.4 a criminal activity which caused concern amongst employers.

7.2.9 Other Employment Characteristics

Extracts from Government Employment Statistics [1984] are shown in TABLE 7.26, indicating a decrease of 2.17% in total employment⁷ in the whole economy, with manufacturing employment showing a decrease of 12.07% whilst service employment increased by 3.32%. From the data the numbers involved in the service industries represents 64.9% of the total with manufacturing at 25.6%

Data from four S.I.C. divisions [TABLE 7.27] show that between 1981 and 1984 two manufacturing divisions experienced percentage decreases in employment of 14.99% and 11.05% whilst the two service divisions showed increases of 2.32% and 2.57%.

Salford research data [TABLE 7.28] shows a slightly lower percentage of Manufacturing employees [49.7%] than employment percentages for the combined Distributions, Service and Other Work sectors [50.3%]. This analysis suggests that from a micro field analysis there are indications that service industry employment predominates.

Industrial production statistics²⁵ give details of the numbers of administrative, technical and clerical employees. Between 1948 and 1970 this employee category,

All Figures x 1000

TABLE 7-26

Division	Revised 1981	Census 1984	Change
Whole Economy	21309	20846	-463 [2.17%]
Manufacturing	6058	5327	-731 [12.07%]
Services	13109	13542	+435 [3.32%]

Employees in Employment in Great Britain in
September, 1981 and September, 1984.

EMPLOYMENT ANALYSIS BY INDUSTRIAL DIVISION

All Figures x 1000

TABLE 7-27.

S.I.C. Division	Revised 1981	Census 1984	Change
3. Metal Goods, engineering and Vehicles	2862	2433	-429 [14.99%]
4. Other Manufacturing	2281	2096	-185 [11.05%]
6. Distribution, hotels, catering, repairs	4100	4196	+95 [2.32%]
9. Other Services	5880	6031	+151 [2.57%]
Whole Economy	21309	20846	-463 [2.17%]

Source for TABLE 7-26 and TABLE 7-27: CENSUS OF EMPLOYMENT

H.M.S.O. January, 1987.

* ALL-Total Number of Employees according to
Work Sector Classification.

TABLE 7-28.

Work Sector Classification	Employees	Percentage	Grouping
Manufacture	197	49.7	49.7
Distribution	89	22.6	50.3
Service	95.5	24.1	
Other	14.5	3.6	
Totals	396.0	100.0	100.0

All individual Sector Totals obtained by linking the
Sector breakdown from Question 1 as given on the
Questionnaire with corresponding Total Number of Employees
for individual firms as given in Question 4,

APPENDIX TABLE 'B'.

in relationship to the total number employed, increased from 16.12% to 25.85%. This increase can be explained by the increase in the number of technicians required by modern industry and the decline in the number of manual workers because of increased usage of automated production machinery.

None of the researched factory units in Salford were involved in scientific research. With the exception of one draughtsman no other employees could be placed in technician category work, employees ranging from managers, clerks, salesmen, operatives to labourers.

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CHAPTER 8 Factory Floor Space Areas, Capital and Costs

8.1 Floor Space

Floor space is directly related to the volume / output of industrial productivity which will vary according to the type of activity with no set pattern applying. Between 1964 and 1982 official statistics¹ reveal that the number of manufacturing employees per unit area of industrial floor space decreased steadily which would eventually reach a minimum below the 1982 statistic of 22 employees per 1000 square metres or 45.5 square metres per employee.

An analysis by Eveleigh [1982]² for varied S.I.C. organisations suggested a relationship between employee numbers and floor space area: In the survey firms varied considerably with two occupying 47% of the floor space total of all firms whilst four firms employed 36% of the total work force. Averaging therefore can be misleading but from the data each employee occupied 91.56 square metres [1004 square feet] which becomes 2014 square metres per 22 employees, double the figure of the D.O.E. survey. Data from the Salford research gives an employment density of 370 square feet or 34 square metres, as derived from a floor space area of 146,422 square feet [TABLE 8.1] and 396 employees [TABLE 7.25] associated with 50 firms. This density figure indicates

TABLE 8.1

Floor Areas of Industrial Sites according to the
 research data collected from the SALFORD Enterprise Zone,
 Grouped in TOTAL Floor Space Area Class Intervals
 TOTAL Floor Space Area 146422 Sq. Ft. from 50 units
 Data collected from APPENDIX TABLE 'A'

Floor Space Class Intervals : Sq. Ft.			Number of Units.	
14030	500-1000	9.58%	16	32%
8030	1001-1500	5.48%	6	12%
9750	501-2000	6.66%	5	10%
21717	2001-2500	14.83%	9	18%
2800	2501-3000	1.91%	1	2%
	3001-3500			
4000	3501-4000	2.73%	1	2%
4500	4001-4500	3.07%	1	2%
9900	4501-5000	6.76%	2	4%
	5001-5500			
12000	5501-6000	8.2%	2	4%
6300	6001-6500	4.3%	1	2%
20720	6501-7000	14.15%	3	6%
7500	7001-7500	5.12%	1	2%
	7501-8000			
	8001-8500			
	8501-9000			
	9001-9500			
	9501-10000			
10835	10001-10500	7.4%	1	2%
	10501-11000			
	11001-11500			
	11501-12000			
	12001-12500			
	12501-13000			
	13001-13500			
	13501-14000			
14340	14001-15000	9.79%	1	2%

high floor space utilization, higher than the previous figures of 45.5 and 91.56 square metres respectively.

8.1.1 The Salford Study

Floor space area data as obtained from the Salford research is presented in class intervals within TABLE 8.1. this data indicates a positive skewness with small firms predominating giving an all firms Arithmetic Mean of 2922 square feet. As referred to previously Arithmetic Means can be misleading as the 16 smallest units accounting for 32% of the total, accounted for only 9.58% of the total floor space area of 50 units. In direct contrast the largest unit, whilst accounting for 2% of the total number of units, occupied 9.79% of the total unit floor space area.

Floor space area for 119 units from nine industrial estates was obtained from developers' brochures [TABLE 8.2]. This data also indicates a positively skewed distribution but with a higher Arithmetic Mean size of 3636 square feet. There is however a more even distribution of floor space in particular class intervals with the smallest group of 34, representing 28.6% of the total, occupies 7.2%, whilst in the class interval 10,501 to 11,000 square feet five units occupied 12.4% of the total.

TABLE 8.2

Floor Areas of Industrial Sites according to Developer's Brochures.

1. King William Enterprise Park,	- 13 units
2. Langworthy Enterprise Park,	- 12 units
3. Oakwood Estate,	- 4 units
4. Regent Enterprise Park,	- 6 units
5. Stowell Technical Park,	- 14 units
6. Willan Enterprise Zone, 1,	- 44 units
7. Willan Enterprise Zone 2,	- 8 units
8. Willan Enterprise Zone 3,	- 5 units
9. Sovereign Enterprise Park,	- 13 units
TOTAL FLOOR SPACE AREA 432697 SQ. FT. - TOTAL - 119 units	

Floor Space Class Intervals; Sq. Ft.			Number of Units.	
30976	500 - 1000	7.2%	34	28.6%
12393	1001 - 1500	2.9%	9	7.6%
19658	1501 - 2000	4.5%	10	8.4%
18995	2001 - 2500	4.4%	8	6.7%
24803	2501 - 3000	5.7%	9	7.6%
9688	3001 - 3500	2.2%	3	2.5%
11450	3501 - 4000	2.6%	3	2.5%
42116	4001 - 4500	9.7%	10	8.4%
19059	4501 - 5000	4.4%	4	3.4%
5490	5001 - 5500	1.3%	1	0.8%
22932	5501 - 6000	5.3%	4	3.4%
25298	6001 - 6500	5.8%	4	3.4%
6975	6501 - 7000	1.6%	1	0.8%
7435	7001 - 7500	1.7%	1	0.8%
8000	7501 - 8000	1.8%	1	0.8%
41301	8001 - 8500	9.6%	5	4.2%
	8501 - 9000		/	/
27900	9001 - 9500	6.4%	3	2.5%
	9501 - 10000		/	/
20542	10001 - 10500	4.7%	2	1.7%
53961	10501 - 11000	12.4%	5	4.2%
	11001 - 11500		/	/
11625	11501 - 12000	2.7%	1	0.8%
12100	12001 - 12500	2.8%	1	0.8%

8.1.2 Corby Floor Space Data³

Individual industrial floor space areas in the Corby Enterprise Zone extends over a wider range than that for the Salford data. TABLE 8.3 gives details of one large unit of 100,380 square feet which represents 7.27% of the total, with 45.36% of units within the 20,001 to 20,500 square feet class interval. The dominance of large firms is apparent as units having floor space less than 6000 square feet, although representing 54.4% of the total number of firms, only occupy 20.67% of total floor space area. This data suggests a positive skewness but not as skewed as the Salford data.

8.1.3 Trafford Park and Allerdale [Workington] Floor Space Data, with comparisons

Floor space data for both the above Zones was also available.

Trafford Park data⁴ gives a total floor space area of 978,444 square feet from 128 firms giving an Arithmetic Mean of 7,644 square feet with a range varying between 944 and 160,000 square feet.

In contrast to Corby, data for Workington⁵ revealed a number of small units, a total of twelve having floor areas of 500 square feet or smaller, the smallest having an area of 106 square feet. The largest unit having an area of 9,817 square feet contributed to a total of 56,912 square feet which gives an Arithmetic Mean of

TABLE 8.3

Floor Areas of Industrial Sites according to data supplied by Corby District Council, Grouped by Floor Space Class Intervals.

Floor Space Class Interval: Sq. Ft.			Number of Units	
3500	0-500	0.253%	10	5.49%
7083	501-1000	0.513%	9	4.95%
10437	1001-1500	1.407%	17	9.34%
16940	1501-2000	1.326%	10	5.49%
8252	2001-2500	0.597%	4	2.2%
11432	2501-3000	0.828%	4	2.2%
19190	3001-3500	1.389%	6	3.3%
33451	3501-4000	2.421%	9	4.95%
	4001-4500			
19014	4501-5000	1.376%	4	2.2%
	5001-5500			
147240	5501-6000	10.668%	26	14.28%
285539	SUB TOTALS	20.67	99	54.4%
39694	6001-10000	2.873%	6	3.3%
153952	10001-15000	11.144%	40	21.93%
84238	15001-20000	6.098%	5	2.75%
626671	20001-25000	45.36%	29	15.93%
40000	35001-40000	2.895%	1	0.55%
51033	50001-55000	3.694%	1	0.55%
100380	1100001-1050000	7.266%	1	0.55%
1381507	OVERALL TOTALS	100%	182	100

1,428 square feet from forty units. The preponderance of small size units could indicate a lack of enthusiasm for industrialists to establish a business in such an area which is more remote from the market when compared with Corby.

Arithmetic means of Floor space [square feet] within the Zone are ranked as follows:

Trafford Park	7644	as at June, 1985.
Corby	7590	1987.
Salford	3636	from developers brochures.
Salford	2925	from the research.
Allerdale	1428	as from June, 1985.
[Workington]		
Isle of Dogs		Data not available.
[Tower Hamlets]		

The data for Corby, Trafford Park and Workington were for populations as supplied by Enterprise Zone officials.

In comparison to the above ranking. Government floor space statistics [TABLE 8.4] are given for the districts in which the Enterprise Zones are situated.

Arithmetic means of this data [square feet] are ranked:

Trafford	21,725.4
Salford	14,978.4
Corby	12,370.2
Allerdale	11,073.7
Tower Hamlets	6,436.4

These Arithmetic Means are higher than the means for the Enterprise Zones indicating a policy of providing accommodation for small business ventures.

FLOOR SPACE STATISTICS
ESTIMATED NUMBER OF HEREDITMENTS AND STOCK OF FLOOR SPACE AS AT 1st APRIL, 1984

TABLE 8.4

DISTRICT	INDUSTRY			WAREHOUSES (COVERED)			OVERALL AVERAGE.
	Number of Units	Total Floor Space Area	Average Floor Space Area	Number of Units	Total Floor Space Area	Average Floor Space Area	
Corby	240	3899700	16248.8	210	1666870	7937.5	12370.2
Salford	710	17754142	25006.8	1260	11754288	9328.8	14978.4
Tower Hamlets	2210	12830004	5805.4	2030	14462510	7124.4	6436.4
Trafford	390	29022973	74417.9	1010	1392643	13785.6	21725.4
Altrincham - Wokington	150	6477134	43180.9	710	3046212	4290.4	11073.7

Note: Floor Space Areas in Square Feet.

Source: Commercial and Industrial Floor Space Statistics England 1982-1985, Number 14, Department of the Environment, A Publication of the Government Statistical Service, HMSO 1986.

8.1.4 Floor Space Statistical Comparisons

Official Floor Space Statistics for 1984 are divided into six groups:

- i) Industry,
- ii) Warehouses, [Covered]
- iii) Warehouses, [Open land storage]
- iv) Shops with Living Accommodation,
- v) Shops and Restaurants,
- vi) Commercial Offices.

With the exception of three firms in the Salford research all were engaged in some aspect of manufacture or sold goods direct to the public from covered warehouses. Comparisons were made between personal research data and official statistics of floor space areas of the two groups which have a close association with a) Manufacture and b) Distribution, Service and Others.

Floor space areas as percentages within the five districts are detailed in TABLE 8.5 which shows that Corby, Trafford and Allerdale are close in numerical value for both groups. The Tower Hamlets percentages show a slight dominance in Covered Warehousing when compared with Industry, whilst the Salford data has a tendency to be associated with that of Tower Hamlets, both districts having been once closely associated with shipping and overseas transport.

A coarse work classification of the Salford research [TABLE 8.6] gives Manufacturing floor space area at 56.2% of the total with Distribution, Services and

FLOOR SPACE AREAS AS PERCENTAGES

TABLE 8.5

DISTRICT	INDUSTRY	WAREHOUSING [COVERED]
CORBY	70.06	29.94
SALFORD	60.17	39.89
TOWER HAMLETS	47.01	52.99
TRAFFORD	67.57	32.43
ALLERDALE WORKINGTON	68.01	31.93

Figures derived from TABLE 8.4

ALL - Total Floor Space Areas according to
Work Sector Classification

TABLE 8.6

Work Sector Classification	Area Sq. Ft	Percentage	Grouping
Manufacture	82338	56.2	56.2%
Distribution	28162	19.2	
Service	31833	21.7	43.7%
Other	4089	2.8	
Totals	146422	≈100.0	≈100.0%

All individual Sector Totals obtained by linking the Sector breakdown from Question 1 as given on the Questionnaire with corresponding Total Floor Space Areas for individual firms as given in Question 3, APPENDIX TABLE A.

Other embracing the remainder. Although this data was not derived from a population the percentages show a relatively close relationship with the percentages in TABLE 8.5.

Office floor space is shown in the grouped frequency distribution [HISTOGRAM 8.1] which gives an arithmetic mean allocation of 23.45% of total floor space, the smaller the unit the lower is the allocation. Office floor space grouped data [TABLE 8.7] shows a wide range from zero to 100%. The zero value originated from a manufacturer who utilized all floor space for production whilst the 100% was from a unit used solely for administrative purposes.

Salford research employment densities ranged from 1 to 8.55 per 1000 square feet with the distribution shown in HISTOGRAM 8.2 which gives an arithmetic mean of 3.56 employees per 1000 square feet which is $3\frac{1}{2}$ times smaller than the arithmetic mean of 985 square feet [91.56 sq.m.] per employee [CHAPTER 8.1]. Possible reasons for this high average density can be attributed to owner principals wanting to optimally utilize floor space for which they pay rent, according to size.

8.2 Capital Invested in Plant

Capital employed per employee is shown in the reversed 'J' shape grouped frequency distribution [HISTOGRAM 8.3] which has an arithmetic mean of £12,525

Office Floor Space Area as a percentage of Total unit
Floor Space Area.

TABLE 8.7

FIRM NUMBER	1	2	3	4	5	6	7	8
Office Floor Space as a Percentage	25	50	0	54.7	94.3	15	2	10

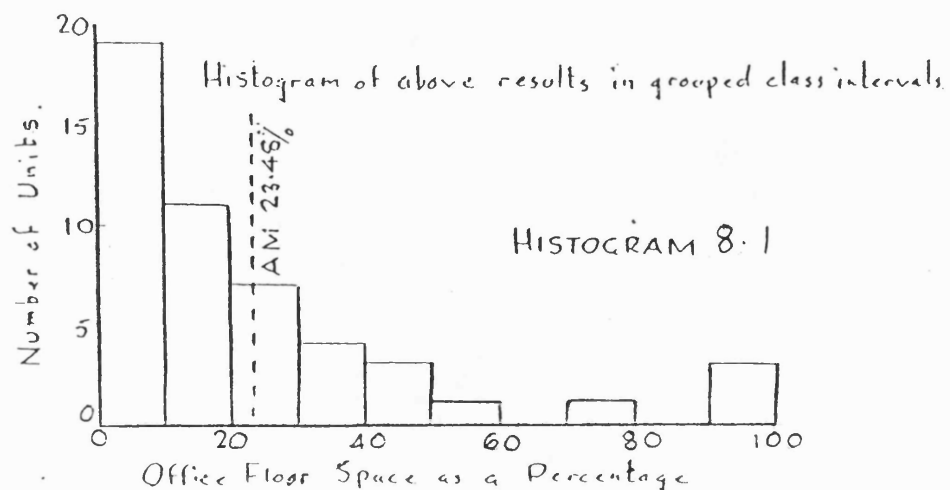
9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
24	33	7	5	5	5	8	/	12	10	13	33	43	18	25

24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
33	7	16	32	75	28	24	13	20	29	16	11	18	16	10

39	40	41	42	43	44	45	46	47	48	49	50
3	7.5	3	5	7	4	48	11	22	100	0	100

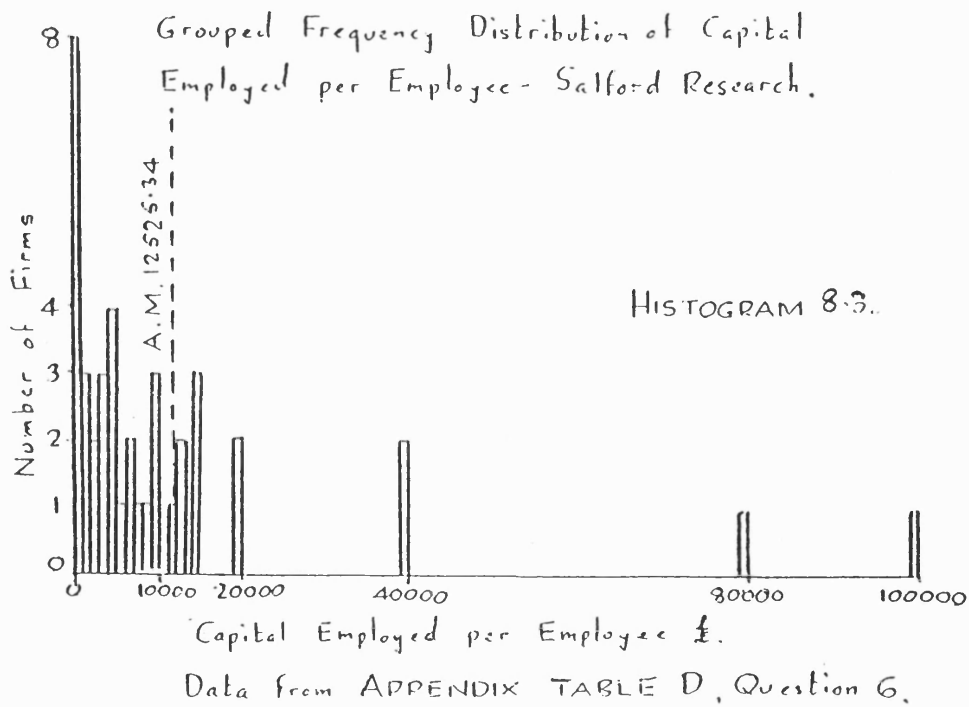
Basic Data from APPENDIX TABLE A, Question 3.

Floor Space Area Sq. Ft.





Grouped Frequency Distribution of Employment Density from the Salford Research. Data from TABLE 8-8



of equipment utilized for business functioning. Equipment ranged from a filthy settee, desk, chair and telephone, to a unit with an expensive food baking oven. Stock was also considered : e.g. a small warehouse selling ball bearing races worth £50,000 in total.

Management assessments on whether or not a firm's production output was capital or labour intensive is shown in TABLE 8.8. Data obtained from the answers to Question 5 [APPENDIX TABLE C] gives no correlation with the answers to Question 6 [APPENDIX TABLE D]. Examples are Firm 3 considered themselves capital intensive at £5,000 investment per employee whilst Firm 25 considered themselves as labour intensive at £40,000 investment per employee. Thus any assessment will vary not just with the work process and degree of mechanisation; an automatic muffin baking machine at £80,000 invested per employee was considered capital intensive whilst another firm assessed investment per employee at £100,000 considered the work as labour intensive. Such widely diverse assessments appear a subjective owners decision, and not giving any guidelines to job evaluation.

Two approaches are quoted which refer to labour and capital and the effect on the economy by a) Sir Francis Tombs⁶ and by b) MERG⁷ a research organisation associated with Manchester Polytechnic:

Tombs considered that the major factors of

EMPLOYMENT CHARACTERISTICS

Employment Density: Employees per 1000 Sq. Ft. of
Industrial Floor Space Area

TABLE 8.8.

FIRM NUMBER	1	2	3	4	5	6	7	8
EMPLOYMENT DENSITY	3.5	2	4	4.7	4.7	2	4.8	3
LABOUR a) or CAPITAL INTENSIVE b)	a	a	b	a	a	a	a	b

9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
4	5.3	8.7	1.5	1	4	3.9	3	3.5	2	5.7	5	2.7	2.9	5.71
a	a	/	a	50/50	/	a	a	b	/	b	a	a	a	a

24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
8.55	5.17	6.25	4.55	5.75	1.6	6.8	2.9	1.8	1.21	2	0.91	7.5	4.4	5.23
a	a	a	a	a	a	b	a	b	b	a	b. (edge)	a	a	a

39	40	41	42	43	44	45	46	47	48	49	50
7.5	1	2.53	3	1.23	1.75	2.85	1.43	2.03	1	1	1
b	b	b	a	b	a	a	a	a	a	c	a

Data from APPENDIX:

TABLE 'A', Total Floor Space Area Sq. Ft.

TABLE 'B', Total Number of Employers

TABLE 'C', Labour Intensive a) or Capital Intensive b) Employment

Arithmetic Mean Employment Density: 3.56 Employees per 1000 Sq. Ft.
of Industrial Floor Space.

production are quality control, design, innovation, reliability and delivery. Investment in labour saving equipment may look attractive in the short term but the accompanying reduction in manpower requirements for a given level of output only serves to increase the national overhead and not significantly improving the nation's overall competitiveness. Any reduction in the work force correlated to increases in capital intensiveness imposes an economic burden on an ailing economic base and unless the surplus labour force can be re-employed unemployment benefits have to be paid by profitable manufacturing and service industries including revenue from North Sea Oil sales.

The MERG publication discusses job losses in Greater Manchester, the authors considering that unemployment in the area was the result of several factors:

- i) the introduction of new technology,
- ii) low investment on new production machines and equipment,
- iii) bad management,
- iv) cut-backs in research and development,

[factors i) and ii) being contradictory]

From eighteen case studies it was concluded that all or a combination of the above factors had compelled local firms to purchase production plant of advanced design from abroad enabling them to achieve industrial competitiveness. The purchase of this foreign made machinery and plant had been accompanied with production

losses to local firms together with redundancies.

Tombs referred to industrial lethargy and inferior industrial management all more applicable to large scale organisations rather than the type of business venture in the Salford study.

The Enterprise Zone concept was designed to create employment initiative with assistance from Central Government for the purchase of new equipment and machinery essential for competitiveness. From the foregoing the injection of capital does not necessarily create employment as with a United Biscuits example of a work force of five controlling machines for all the Country's requirements of 'Rich Tea' biscuits^a.

8.3 Production Costs

Enquiries into the cost of production were divided into three categories: Labour Costs, Running Costs and Transport Costs, answered in Question 7 [APPENDIX TABLE E]. These costs expressed as percentages vary according to the type of industrial activity, arithmetic means having been calculated for comparative analysis with official statistics.

8.3.1 Labour Costs

Only nine firms gave information relating to labour and running costs, the latter embracing the costs of power, lighting, rent, insurance and other fixed and

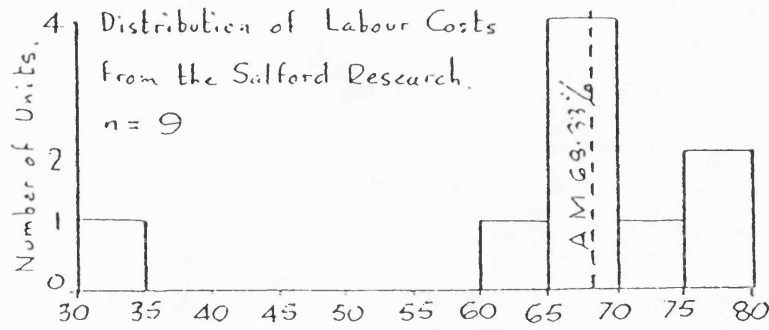
variable costs derived by deducting labour and transport costs from the total.

Labour costs are shown in HISTOGRAM 8.4 giving an arithmetic mean of 68.33% , of total production costs, values varying between 35% and 80%. Official statistics for all United Kingdom Industries⁹ give a figure of 52.57% of net output. Later statistics [1985]¹⁰ for manufacturing S.I.C. Divisions 2-4 give a lower figure of 43.7%. The research analysis from the Salford sample shows that firms on the Enterprise Zone are on average labour intensive although Fothergill, Kitson and Monk [1985]¹¹ concluded that average local labour costs deviate but a few percentage points from the National Average.

National data indicates a positive correlation between wages and salaries per unit of output and output per person employed¹². From a base of 100 in 1980 the rate at which wages and salaries increased was lower than the rate at which output increased. Figures for 1985 give index value of 124.5 and 130.6 respectively, whilst figures for 1987 give values of 137.1 and 143.1. Thus from a 1-1 ratio in 1980 there was an increase to 1.049 in 1985 widening to 1.0925 in 1987. These statistics indicate a progressive increase in output per worker weighted to the organisational structure of large firms. Increases in productivity within the small non-technical units in the Salford Enterprise Zone to match the

Grouped Frequency

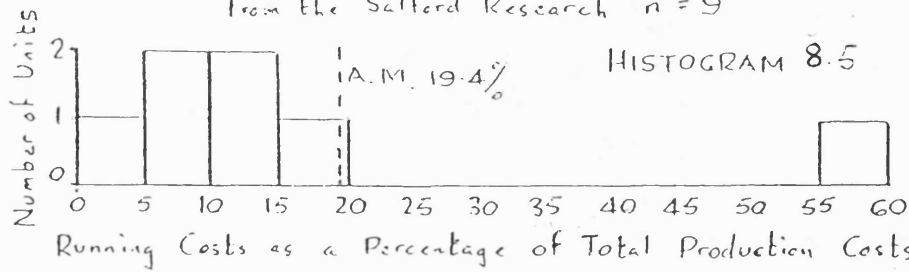
HISTOGRAM 8.4



Labour Costs as a Percentage of Total Production Costs

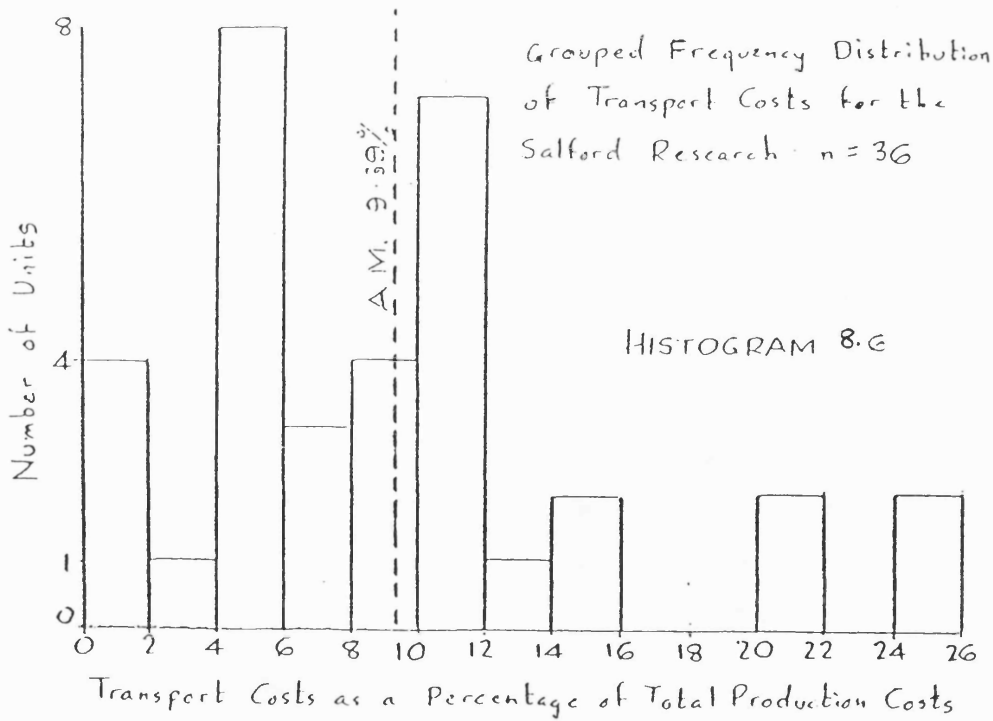
Grouped Frequency Distribution of Running Costs

from the Salford Research $n = 9$



Running Costs as a Percentage of Total Production Costs

All Data from APPENDIX TABLE E, Question 7.



Transport Costs as a Percentage of Total Production Costs

national increases is highly improbable, although during the ten year operating period the non-payment of rates has a positive effect in reducing production costs.

8.3.2 Running Costs

Running cost data is shown in HISTOGRAM 8.5 with a range of values varying between 5% and 57% of total production costs giving an arithmetic mean of 19.4%. This mean is far less than the 68.33% value for labour costs indicating that the highest cost of production are apportioned to labour. This fact agrees with industrial organisation research in the District of Chiltern [Eveleigh]¹³

8.3.3 Transport Costs

Transport Costs as a percentage of production costs was given at 3% by Dawson [1973]¹⁴. If however the percentage costs of raw materials is subtracted from total costs, transport costs increase to 8.11% which compares favourably with the 9.39% value obtained from the Salford data [HISTOGRAM 8.6], although there are wide variations ranging between small values and high percentage values of total costs. As applicable to all manufacturing industries official statistics [1970]¹⁵ give transport costs at 3.89% for both outward movement of finished goods and the inward transport of materials and fuel. Transport costs in 1948 were 2.55%¹⁶ of net

output, the 1970 figure showing a rising trend.

Transport costs for 75% of the United Kingdoms' manufacturing industry were as low as 3% [Gudgin, 1978]¹⁷, comparable with Dawson who refers to transport costs as a variable according to the product transported.

The general response to transport costs was that although they are an indispensable part of business operation, they are not as high as labour costs - the highest of the three categories considered.

References Chapter 8

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CHAPTER 9 Distribution, Transport and Site Situation

9.1 Distribution

This sub-chapter covers aspects of distribution from details asked in Questions 8, 9, 10, 11, 12, 13, 14, 15, and 16 [APPENDIX TABLES F, G, H, J, K, L and M], with subsequent sub-divisions to simplify presentation. In consequence there may be overlapping of topic areas. This aspect of the research is important as even with small firms management should have an appreciation of the transportation of goods and costs involved [Edwards, 1970]¹.

9.1.1 Enterprise Zone Siting.

This section deals with the opinions of industrialists who may choose to remain in the Zone after the expiration of the initial ten year period [Question 8]. If as predicted by the Institute of Physical Distribution Management² transport costs rise above the level of inflation compounded by eventual extra operating costs, financial viability may compel management to move elsewhere where total operating costs are lower. From forty six replies to the Question twelve considered that there could be disadvantages in staying, five unsure with a majority of thirty giving an emphatic 'No'.

Forty one managers gave extra information expressing varying attitudes and opinions regarding commercial

activity functioning in the Zone. Brief summaries are presented under five general headings.

'A' - Suitability of Site Location

Seventeen managers were pleased with the site generally because of the closeness to a large market, with one retort - 'Happy with a ten year lease.' Two replies did express concern at the then [1985 and 1986] number of empty units.

'B' - Dissatisfaction with Site Location

From ten replies the question of rates, eventually payable, caused some concern, which with the addition of rent could become prohibitive, inducing firms to move elsewhere if financially rewarding.

The lack of the opportunity to expand together with the light construction of the units was considered as a disadvantage by four managers.

'C' Accessibility - Transport Infrastructure

Extracts from nine responses stated that with the existing transport infrastructure there is no place better situated, being easy to find and centrally situated with excellent access to the motorway and trunk road networks via the M602 spur, and apart from morning and afternoon peak periods there were no traffic congestion problems, reducing journey times to and from

customers.

'D' - Transport Costs

Transport costs were the subject of concern amongst four respondents - having 'rocketed' during the last few years, although any increase could be minimized by 'shopping around', switching trade to the cheapest haulier's tariff. One other respondent stated that these costs were unimportant as they were low in comparison to other costs.

'E' - Vandalism and other Disadvantages

Although the Zone is in a good position for small business ventures a disadvantage with the Enterprise Zone Package was expressed in that there was a lack of financial assistance from banks without collateral. Another disadvantage widely expressed was the subject of vandalism and the lack of security to control theft.

The above extemporaneous additions to Question 8 can be linked with additions to the first two sub-questions of Question 2. In many instances these additions were complementary to location and attitudes to the local road network:

Question 2 i) Closeness to the market and related benefits.

More detailed accounts of site suitability than those reasons given in Question 8 were : closeness to

local hospitals and University Medical Schools; an intimate knowledge of the market within a ten mile radius, and near to where other company premises were located. Other views expressed were there was no option with the previous firm closing down, with another instance of a move after a compulsory purchase order on previous premises; also with the Enterprise Zone package there was no possibility of becoming established. Summing up - 'a godsend - just enterprise'.

Question 2, ii) Availability of good road connections with particular accessibility.

Amongst opinions expressed were the benefits accruing from good road network availability which was not appreciated until moving into the Zone. Good road links are an advantage, especially to Manchester Airport, but it was considered that was not the main criterion although very suitable for distribution, previous premises lacking accessibility.

9.1.2 Further Reactions to Enterprise Zone Location.

Another positive comment on the Zone was the immediate availability of possession of a factory unit without planning permission providing that production methods excluded chemical and metallurgical industries associated with toxic waste and odours.

A main concern was the eventual payment of rates at the end of the Zone's ten year period. Rents paid were

considered to be high giving little financial benefit. Despite this, discussions with an Enterprise Zone official in Corby [1987]³ referred to several small business operators who costed the selling price of their products by excluding rates from fixed costs. Such costing procedures assisted in undercutting prices charged by competitors. However as customers dislike price increases to compensate for increases in total operating costs several firms operating with small margins had ceased operating.

Considerable dissatisfaction was levelled against developers as only bare unit shells were provided with inadequate electrical supplies for industrial use, also offices and other furnishings with suitable type flooring had to be fitted after occupation. Firms engaged in food manufacture or processing had to undertake wall tiling and the purchase and installation of necessary hygiene and cooking equipment. Building fabric was criticized as being of too light a construction for industrial use - "we are not able to knock a 6" nail into the wall without causing structural damage".

Other complaints were the conditions imposed by the lessor on the lessee, whereby if vacating a tenancy it was the responsibility of the lessee to find another tenant. Several tenants remarked that if they had been aware of such transfer conditions, they would have had second thoughts with respect to seeking an occupancy.

Two young entrepreneurs who had made a success of their business by working a seven day week in twelve hour daily shifts were moving out of the Zone [1986] because of an increase in business. In order to get the premises off their hands they were willing to pay six months rent for a new tenant's occupancy.

Several principals stated that since moving into the Zone their businesses had expanded rendering their existing unit size as inadequate. One co-owner, with increased turnover, had planned to operate a split shift system operating a 24 hour working day. If such adjustments in working conditions were insufficient to meet demand larger premises would have to be sought preferably within the Zone. Other principals expressed no desire to expand their business, as they considered any increase in workforce would decrease their personal involvement and increase any existing labour problems.

9.1.3 Transport Infrastructures

The replies to Questions 2, ii) and 8 relevant to good road connections, accessibility and reduced journey times indicate that an overwhelming response considered that the local road network was adequate for requirements.

The Government brochure 'Action for Cities' [1988]⁴ gives brief detail of their programme for upgrading a total of 120 inner urban roads at a cost of £600 million.

A further £2,000 million was to be allocated to improving linkages between inner city roads and the national road network. Such improvements should assist regional development and the economic viability of a district, which endorses the discussion in Chapter 4.3.6 - Accessibility.

A Corby interview [1986]⁵ disclosed that the upgraded A6003 road to Kettering [MAP 4.1.1] with other main roads comprised an adequate transport infrastructure necessary for the increase in lorry movements to the town's new industrial estates, where previously freight movement of the town's major employer had been undertaken by rail freight.

A London firm of Chartered Surveyors and Planners [1983]⁶ referred to the 'rather poor' single carriageway serving Corby, whilst in comparison the nearby Wellingborough Enterprise Zone "enjoys excellent road connections to the new A45 dual carriageway linked to the M1 motorway fifteen miles due west"; the firm being involved in the Corby Enterprise Zone development. These statements were mentioned to a senior employee of Corby District Council⁷ who contradicted the statement regarding Corby's relative inaccessibility by road. Another official, when in previous employment, had found road journey times to London from both Corby and Wellingborough were about equal⁸.

Conflicting views exist regarding the construction of urban motorways such roads 'acting as dynamos for urban congestion'⁹, whilst the British Road Federation¹⁰ considers such roads as essential to allow unimpeded traffic flows in reducing costs. Other arguments against road transport operations have been made by Tyme [1978]¹¹ and Adams [1982]¹² who consider that road building is influenced by business interests, improved mobility not being synonymous with progress. The Enterprise Zones visited depend upon road transport not only for goods but also for their work force. The latter being especially critical when the huge Canary Wharf development commences operations, "Here there has been a complete lack of strategy going ahead without any guiding framework, only market led opportunism. The result is an out-of-control shambles which is unforgivable in a country that reckons to know about planning" [Tibbalds, F. Nov.1990]¹³.

The M602 spur in Salford ending abruptly at a roundabout [MAP 4.2.2] was planned to connect with the Mancunian Way via an extended upgraded route along Regents Road where a considerable amount of property had been demolished. This scheme was rejected [c1981] after which another route was planned aligned parallel with Regent Road to accommodate increased traffic volumes seeking access to Central Manchester from both the M62 motorway and the Enterprise Zone¹⁴

9.1.4 Transport Costs

Transport costs as a percentage of total production costs have already been discussed in Chapter 8.3.3. Additional information regarding these costs is available from responses to Questions 15 and 16 which include the movement of goods 'IN' and goods 'OUT'. Answers revealed that practically all goods transport was by road, exceptions being modal split with sea and air transport, with rail transport seldom used.

Responses to the two questions were extracted from APPENDIX TABLES Land M, which have been grouped into four categories:

'A' - Built in charges

Apart from one firm who charged extra for consignments of 5 tonnes or greater, goods produced from four other respondents had in-built delivery charges.

'B' - Variable charges in weight or volume lifted

From a total of six respondents charges were variable ranging from charges for small amounts to discounts for large amounts.

'C' - Variable charges - distance moved

In general responses from seven firms said charges depended upon distance moved, although one firm charged an extra 50% above their delivery base rate for 'out of

the way' places whilst another firm had charges built into price for purchases greater than £100.

'D' - Parcel Post

Only two respondents charged according to Post Office tariffs.

'E' - Miscellany or intuitive assessment

Five responses, with two firms charging what the market will bear, whilst another firm had no direct charges providing there was a quantity order, another firm had charges based as an average for reasonable size shipments. The fifth firm referred to inputs stating although bulk purchases were preferred any price saving was offset by interest charges payable on large stock holdings.

CASE STUDY

The manufacturer of muffins had built in costs for deliveries within a radius of 60 miles. For greater distances there was imposed an added delivery charge to the product cost. If however there existed a competitor who could deliver to retailers outside his cost boundary two alternatives would be options:

a) would deliveries be sufficiently large to absorb the extra mileage costs? or

b) would additional delivery charges make his

product more expensive than the equivalent as supplied by the competitor? If so he would have to consider the situation, as in such instances there may arise opportunities to expand his business.

Unscientific procedures in transport cost fixing are not just peculiar to small business operators. A survey by Ingersoll Engineering [1988]¹⁵ of 250 large and relatively small firms with annual turnovers less than £20 million indicated that 25% of firms expressed ignorance of the costs of transport. Other investigatory work has been undertaken by the National Freight Consortium [1988]¹⁶, concluding that distribution accounts for up to 20% of the total costs of a finished product. Only two firms from the Salford study expressed concern at the rising cost of transport, even if they and others 'shop around' for the cheapest transport they may forfeit a quality of service given by other professional hauliers in what is a highly competitive industry.

9.2 Freight Transport Distances

Distances travelled by freight for both inward and outward trips are contained in responses to Questions 9,10,11 and 12.

9.2.1 Freight Transport Trips Inwards

Data from APPENDIX TABLE G [Questions 9 and 10] is grouped into distance bands for loads lifted per week by

both public and own account operators. Public haulage represents 91.3% of all journeys made with the distribution a pronounced 'J' curve as shown in HISTOGRAM 9.1 which illustrates the predominance of short haul trips. Values in the final column of TABLE 9.1 of 'Total load moved, kg.km.' were derived by obtaining the product of each mean distance by its accompanying total load lifted. These values are shown in HISTOGRAM 9.2 indicating a predominance of short haul trips, with a mode value of 77.5 km.

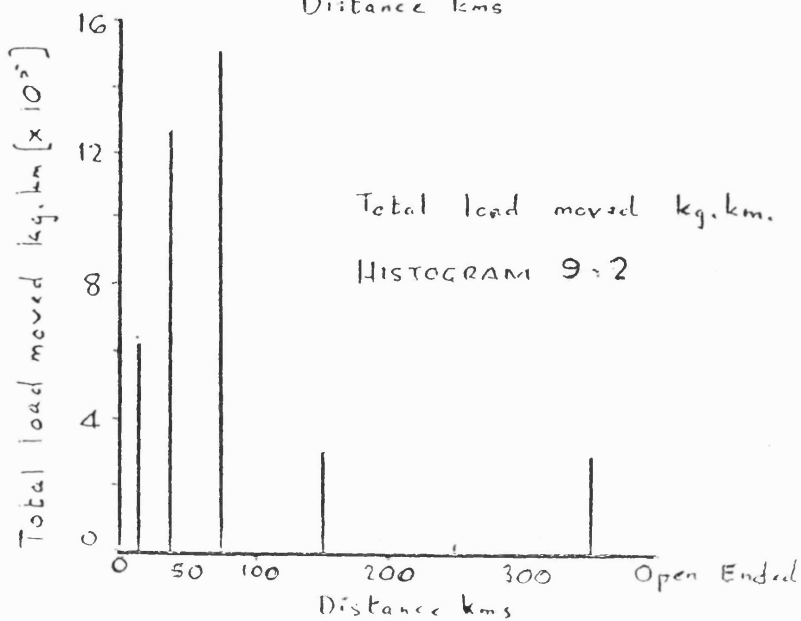
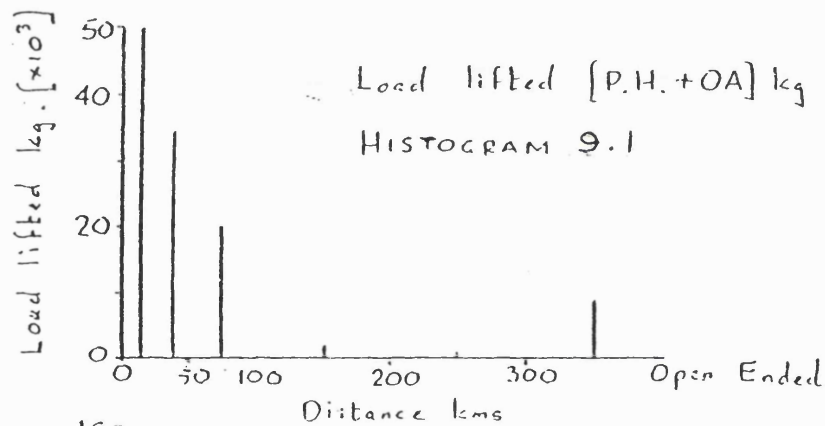
The arithmetic mean distance from the 'Total' data of TABLE 9.1 gives a value of 32.7 km, which should be greater than the modal value. This discrepancy arises because of the open ended distance band being insufficiently wide. Some inward trips were dispatched from the E.E.C., Brazil, the Far East and other places abroad, all of which are greater in distance than the final open ended 350 km assumed mean. If long distances were involved in the analysis the data would give a more heavily skewed distribution than that shown in HISTOGRAM 9.2 giving a higher arithmetic mean distance than 32.7 km, which would be greater than the value for the mode, for statistical correctness.

In comparison a mix of four industrial groups involving 2097 firms Wallace [1974]¹⁷ obtained a mean road transport distance of 59.3 km. including Inward and Outward trips. Data was obtained from a variety of road

Loads lifted kg. and distance moved kg.km. - Inwards.
Data collected from APPENDIX TABLE G.

TABLE 9.1

Distance Bands	Load Lifted per Week 'kg		Total load moved kg.km.
	Public Haulier	Own Account	
Not over 25km.	49240	200	618000
25 km to 50km.	33380	225	1260190
50 km to 100km.	20220	75	1516500
100 km to 200km.	1950	200	292500
200km to 300km.	10		2500
Over 300 km	8170		28590
Totals	112970	700	3718280



haulage organisations with inward trip distances varying between 31.4 and 75.3 km., giving an arithmetic mean of 51.56 km., a value greater than that of the Salford research [32.7 km.] also less than the mode value of 77.5 km. which suggests a positively skewed distribution where local trips dominate the scene. this may not be the case with Corby which is somewhat isolated from major markets. This investigation referred only to vehicle size, loadability and percentage vehicle utilization the analysis varying from the analysis of the Salford studies, although the conclusions have some agreement.

Since the publication of Bayliss and Edwards' study [1970]^{1*} and that of Wallace amongst others, the average length of haul of goods by road has increased. Official statistics [1986]^{1*} endorse this trend with mean haulage distances increasing from 64.8 km. in 1976 to 72.9 km. in 1986.

9.2.2 Freight Transport Trips Outwards

The distance which freight moves has to have some effect on selling price of a product, transport cost details could give an indication as to whether the Salford Zone is an optimum location. However the previous analysis shows that distances are local in character.

Only a small amount of data was contained in the responses to Questions 11 and 12 [APPENDIX TABLE H], so

quantitative analysis similar to that undertaken for Inward Trips was not possible for academic credibility. Data given did reveal that own account transport, including the use of cars, predominated, with loads carried varying from small parcels to a maximum of 22 tonnes per week. In contrast professional hauliers can collect many small consignments on a single trip, giving high vehicle utilization with a cost advantage to the customers in lower charges. There are exceptions where public haulage cannot be used and in particular a technician visiting patients in hospital to obtain eye socket moulds for artificial eye manufacture, and returning the finished product.

Distances as detailed in APPENDIX TABLE H indicated nationwide travel with overseas dispatches by sea or air transport. Airports used were Manchester, Leeds / Bradford and Heathrow with flights to Northern Ireland, Switzerland, Ethiopia, Saudi Arabia, India and the United States of America, consignments weighing not more than 3 kg. The port of Felixstowe was used for transshipments to Malta, Cyprus and Beirut, the average consignment weight being 80 kg. 95% of the total of one firm's output was delivered nationwide, the remaining 5% for abroad with no indication of transport mode used.

What is indicated from the above findings is the wide range of destinations of goods manufactured in the Zone, showing a degree of specialization unmatched

elsewhere.

9.3 Local Transport Facilities and the Labour Market

This section of research analysis covers the last six sub-questions of Question 2. Answers to sub questions 3 to 6 asked for details of transport mode used in pursuance of a firms' commercial activity. responses were practically nil apart from three firms who referred to rail freight transport as rarely used but useful regarding the availability of the Red Star Service used for urgent deliveries.

The seventh sub-question concerned the availability of labour from a large unemployed work force and whether this had influenced a move to the Zone. This had a zero return but the subject has been discussed at some length in Chapter 7.

The final sub-question asked for details of how staff travelled to and from work. Frequent bus services are time tabled along Eccles New Road and also along Trafford Road which skirt the North and East boundaries of the Zone. Since the deregulation of passenger service vehicles in 1986, public transport services have been augmented with mini-bus services which in the Manchester area are very much in evidence. Besides the introduction of mini-buses Salford has experienced a rapid growth of privately owned mini-cabs which are operated by people who have purchased them with redundancy payments²⁰. This

type of entrepreneurship can be compared with Corby where taxi-cabs were purchased with steel workers redundancy money.

One Salford minicab owner stated that there were about 1000 licensed taxis in the City [Dec. 1987]²¹ an increase from 200 over a four year period. A taxi control centre, situated in the Enterprise Zone²², had experienced an increase from one to seventy five individual firms who participated in facility financing. In consequence of Salford City Council issuing licenses to almost all who applied, a buyers' market has developed with capacity greater than demand. This elastic situation gives financial benefits to customers, especially when travelling with a full complement, when costs per passenger are less than the comparative journey by public transport with the extra benefit of door to door transport. Market saturation could occur because of this intense competitiveness, taxi owners will either operate for lower profits or again become unemployed when outgoing costs are greater than revenues received. In turn public transport could benefit.

Apart from the above mentioned private car hire options, from a total of thirteen responses eight firms stated that all employees travelled to work by car with five others referring to staff travelling by either car, bus, bicycle or walking.

Investigations into travel to work characteristics

in the Manchester Area Dasgupta [1987-1988]^{23, 24, 25} refers to the good access of public transport and the reliance of low wage earners on such transport. The use of motor and pedal cycles was popular amongst young males because of their inability to afford the initial cost and running of a private car besides in some instances being under age.

In the Salford study only one young person had been employed, with the remaining male adult employees having sufficient disposable income to own a car,. In the Salford area disposable income as a proportion of net pay is often higher than in the south as living costs are low, two bedroomed flats as renovated off Eccles New Road selling for £18,000 [1988]²⁶.

9.4 Vandalism

Acts of vandalism within the Salford Enterprise Zone have caused concern amongst unit tenants in relationship to damage and criminal entry into their premises. This anti social behaviour has been evident in other areas of the Borough as revealed from a perusal of Council Minutes²⁷ and local newspapers²⁸. Complementary to these investigations is an analysis of unemployment statistics in Postal Districts in Salford with especial reference to those Districts adjacent to the Zone²⁹.

The cost of vandalism to the Borough for the 1977/78 financial year³⁰ amounted to £238,000 a sum which

excluded acts of arson to schools. This sum rose to £424,000 during the 1981/82 financial year, with some of the increase attributable to inflation. One area under constant attack was near the north east corner of the Enterprise Zone along Regents Road where the number of burglaries increased between 1982 and 1983³¹. A nearby Health Centre was wrecked in 1985 after which the District Works Officer stated that "the Centre looked inwards with no houses to look after it"³², which endorses the views of Jacobs and local residents as discussed in Chapter 3.

Mottershaw stated [August, 1985]³³ that Enterprise Zone vandalism "was no worse than vandalism in other areas where council estates and high rise flats were situated, where the economically classified 'C' and 'D' were resident"³⁴. Vacant land outside the north eastern corner of the Zone became an itinerants' encampment [1988], their presence causing local concern, with the City Council in a dilemma as it adversely affected the attractiveness of the area; unfortunately there were no legal procedures which could be invoked to compel the squatters to move elsewhere³⁵.

An interview held with the divisional police superintendant [Kenyon, July, 1986]³⁶ revealed that "his force was kept busy" having no statistics pinpointing specific trouble areas nor the number of crimes committed. From this he had no figures of Enterprise

Zone crime as a separate entity simply because of the non-existence of boundary fences with adjoining areas. High local crime rates were associated with the high concentration of people living in tower blocks compounded by the 'dumping of bad eggs'. The duty of himself and his force was to combat crime and not inquire into the reasons or causes of such anti-social behaviour; he himself being neither a sociologist nor a psychiatrist.

The subject of vandalism was also raised and discussed with Council Officials in Corby³⁷. Their response was that few acts of vandalism were committed in the Enterprise Zone or elsewhere in Corby, possibly because unlike Salford local people had a strong sense of community spirit being proud of their town and its resurgence following the closure of the steel works.

During late Spring, 1985, the Greater Manchester Council published a Policy Background Paper³⁸ on the local unemployed presenting two sets of statistics relating to Postal Code Areas of i) Percentage of the Labour Force unemployed by gender and ii) Percentage of the Labour Force unemployed by age groupings. This data shows that the highest rate of unemployment existing amongst the young, and especially among young males, being as high as 48% in one 20-24 years of age group. The Salford unemployment rate for January, 1985 was 17% consisting of 21% males and 17% females. By the time the

Paper was published unemployment rates had risen to 18% representing 14,000 males and 5,100 females. The highest rates were in those Postal code Areas³⁹ in the old inner City close to the Enterprise Zone as referred to by Superintendent Kenyon.

To counteract vandalism Salford City Council organised anti vandal patrols [early 1978]⁴⁰ receiving financial backing from Central Government through the auspices of the Manpower Services Commission⁴¹.

In the Salford Enterprise Zone, feeder roads are devoid of pedestrians with only the occasional vehicle seeking access, apart from work start and finishing times. During the night the Zone is deserted apart from one firm operating a twenty four hour working day.

Murphy⁴², Kelly⁴³, and Jacobs⁴⁴, amongst others, have expressed concern at the attitude of planners who design industrial estates without the presence of housing nearby or interspersed within the factory layouts. As Jacobs argued, people living within industrial estates act as a deterrent to vandals simply by their presence, who otherwise would have no interruptions in a 'ghost area' whilst engaged in their anti-social activities. The Enterprise Zone concept ~~does not consider~~ private housing in their development strategy. From observations, only one industrial estate had entry gates fitted [Willans Enterprise Zone 1, Photograph 9.1)



Photograph 9.1 : Willan Enterprise Zone 1, June, 1990
looking west from West Ashton Street. [SITE PLAN 6.1]

The gates were never used and, even if they were closed during non-working hours, they would not act as a deterrent to young children from climbing onto the low roofed single storey buildings from where they could commit various nefarious acts.

High security would entail the construction of fences with the addition of full time security staff which would add to production costs, similar in concept to high security in new shopping malls.

Property upgrading by a process of refurbishment has been undertaken by many local authorities to improve the image of 'run down' areas. Williams [1985]⁴⁵ referred to the 'gentrification' of houses in Hammersmith, Salford Corporation having emulated this strategy. Housing surrounding the Zone has been refurbished including the Langworthy Estate described in Chapter 6.2.2 as a forbidding group of buildings.



Photograph 9.2: The refurbished centre of the Langworthy Estate. June, 1990.- looking north west through security railings from Eccles New Road.

This transformation proved a success as, after completion, queues of local people formed seeking occupancy⁴⁶. Well laid out gardens with security railings give a pleasant vista.

Across Eccles New Road, eastwards from the Langworthy estate flat complex, is the land site once occupied by itinerants which has become a privately owned housing estate.

This property was sold quickly after completion, one resident remarking 'how nice' the area has become⁴⁷. The tree and shrub planting along Regent Road⁴⁸ and the impressive Salford Quays development together with private housing has assisted in transforming the area upgrading its socio-economic rating.

9.5 A Summary

Unemployment data [Chapter 7] together with personal observations as detailed lead to several conclusions.

i) Female attitudes to a work environment may account for their low percentage unemployment rates, an indication of a willingness to accept repetitive employment work.

ii) Inactivity and the lack of involvement in any work process assists in developing negative attitudes towards society [Murphy and Kelly]. Criminal acts however are not just the preserve of the unemployed as high wage earners can also be a public nuisance^{49, 50, 51} as 'short

run hedonists'. [Morris, 1988]^{5 2}

iii) The refurbishment of council built property leading to home ownership reduces the number of bases from which vandals operate, making the area more attractive for both business people and house occupiers. One developer considered the effects of vandalism when choosing a location in the Zone, and the consequences which such acts would have on prospective clients. Falconlease Ltd [1985]^{5 3} chose a site in a Postal Code Area where unemployment was less than the Salford average 'because of its quiet location and freedom from vandalism'.

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CHAPTER 10 Enterprise Zone Functioning: Investments, Grants and Developments

10.1 Introduction

The Chapter includes other issues pertinent to the research, which have affected the national economy and Enterprise Zone management.

Enterprise Zone functioning has been monitored at periodic intervals especially by Roger, Tym and Partners in 1982, 1983 and 1984 followed publication from the Department of the Environment [1987]¹. The information contained together with that in other publications is very comprehensive especially when added to the Inner Cities Research Programme [1987] - An evaluation of the Enterprise Zone Experiment'².

Nine years have elapsed [1990] since the first round of Enterprise Zones commenced operations and until mid 1990 the whole Country experienced a reduction in unemployment with a growth of work availability in the Service sectors. The decade also experienced a decline in Trade Union restrictive practices which many have considered contributed to the decline and uncompetitiveness of British manufactured goods during the nineteen seventies.

A Labour Force Survey [November, 1988]³ disclosed that the total number of unemployed had fallen to the

lowest band since December, 1980. Whilst employment in the manufacturing industries decreased by 1,723,000, banking, insurance and financial institutions increased their staffing levels to 2,438,000 with retail distribution and public administration experiencing rises in staff numbers in excess of two million. Throughout the 1980's the catering and leisure industries created 30,000 jobs each year with the total employed rising to 1,144,000⁴.

10.2 Capital Allowance and Investment in Enterprise Zones

TABLE 10.1 gives details of investment qualifying for capital allowances between 1st April, 1983, and 31st October, 1984 for two unequal time periods, the first of 12 months duration and the second of 7 months duration. Despite these time span differences the data shows that allowances for Corby and Salford / Trafford decreased as percentages of the total sum allotted to England and Wales and also the total sum allotted to the English first round Zones. Zero returns were entered for the Isle of Dogs Enterprise Zone.

The first time period occurring shortly after the establishment of the Zones indicates that Corby received 45.1% [TABLE 10.1] of the English 'Total' allotment probably indicating initial input to expedite the programme of development and re-construction of the designated sites. Monies as received by Local

ENTERPRISE ZONE Information : 1986 HMSO

Investment Qualifying for Capital Allowance 1st April, 1983-31st Oct. 1984

Enterprise Zone	12 months, 1st April, 1983 to 31st March, 1984.		7 months, 1st April, 1984 to 31st October, 1984.			
		% T.	% E.		% T.	% E.
Corby	£6281600	34.7	45.1	£386200	3.7	12.5
Isle of Dogs	Zero Return	/	/	Zero Return	/	/
Salford / Trafford	£3096800	17.1	22.1	£387700	3.73	12.8
Total [T.] England and Wales	£18118500	/	/	£10383500	/	/
England [E.] First Round	£13932000	/	/	£3029200	/	/

TABLE 10.1

Public Sector Infrastructure Investment in Enterprise Zones

Enterprise Zone	Designation to Autumn 1984
Corby	£5,499,000
Isle of Dogs	£11,340,000
Salford/Trafford	£1,335,000

TABLE 10.2

Investment in Property; 1st April, 1983 to 31st October, 1984
at August, 1983 prices

Enterprise Zone	1st April, 1983-31st Mar, 1984	1st April, 1984-31st Oct. 1984
Corby	£12953500	£622,800
Isle of Dogs	Zero Return	Zero Return
Salford/Trafford	£3661700	£1658300

TABLE 10.3

Authorities for Enterprise Zone Development are outlined in TABLES 10.2, 10.3, 10.4, 10.5 and 10.6 at differing time periods. The data in TABLES 10.2 and 10.3 indicate amounts invested in infrastructure improvements and property development from designation to October, 1984. In these formative years infrastructure investment in the Isle of Dogs was more than twice the sum attributed to Corby [TABLE 10.2] and eight and a half times the sum to Salford / Trafford. Data for Property Investment was not available for the Isle of Dogs, Corby and Salford / Trafford receiving substantial amounts of £13.5763 million and £5.32 million respectively between April, 1983 and October, 1984. [TABLE 10.3]. The Corby data giving a much reduced sum in the second period, the high initial sum of £12.9535 million would have been the result of the cost involved with green field site development. In comparison the Salford / Trafford allotment remained relatively constant on evaluating average monthly amounts.

For the 12 month period March 1985 to March, 1986 [TABLE 10.4 and 10.5] Public Sector Investments for land acquisition remained static for the Isle of Dogs with the Salford / Trafford sum increasing by 11.7%. TABLE 10.6 gives increases of 36.8% and 15.8% for the Isle of Dogs and Salford / Trafford respectively over the two year period March, 1986 to March, 1988.

From designation to March, 1986 the total

Investment and Monies Received: Regional Trends 22 H.M.S.O. 1987

Enterprise Zone	Public Sector Investment from Designation to March 1985 (£000)		Investment in Building from Sep. 1984 to Oct. 1985 (£000)	Monies Received Designation to March, 1985 (£000)		
	Land Acquisition	Infrastructure Investment		Urban Programme	Derelict Land	Other Grants
Corby	/	5910	/	/	/	/
Isle of Dogs	14400	22680	2214	/	/	/
Salford/Trafford	2522	3172	16593	1879	3297	603

TABLE 10.4

Investment and Monies Received: Regional Trends 23 H.M.S.O. 1988

Enterprise Zone	Public Sector Investment from Designation to March, 1986 (£000)		Investment in Construction from Nov. 1985 to Oct. 1986 (£000)	Monies Received Designation to March, 1986 (£000)		
	Land Acquisition	Infrastructure Investment		Urban Programme	Derelict Land	Other Grants
Corby	/	6570	19775	/	19	/
Isle of Dogs	14400	25161	10240	/	/	/
Salford/Trafford	2816	7532	40027	4005	3703	19

TABLE 10.5

Investment and Monies Received: Regional Trends 25 H.M.S.O. 1990

Enterprise Zone	Public Sector Investment from Designation to March, 1988 (£000)		Investment in Construction from Nov. 1987 to Oct. 1988 (£000)	Monies Received Designation to March, 1988 (£000)		
	Land Acquisition	Infrastructure Investment		Urban Programme	Derelict Land	Other Grants
Corby	/	6835	/	/	19	59
Isle of Dogs	19700	45365	34987	/	/	/
Salford/Trafford	3261	8752	18669	5920	4313	956

TABLE 10.6

infrastructure Investment amounted to £39.263 million from which the Isle of Dogs received 64.8% [TABLE 10.5] Statistics to March, 1988 [TABLE 10.6] show that this figure had risen to £60.95 million, the Isle of Dogs share increasing to 74.43% with Salford and Corby at 14.36% and 11.21% respectively indicating decreases in investment. Calculations for the Isle of Dogs indicate the importance attached to improving the local infrastructure and how inadequate it was to cope with ensuing developments

Data for the three periods : September, 1984 to October, 1985; November, 1985 to October, 1986; and November, 1987 to October, 1988 [TABLES 10.4, 10.5 and 10.6] give investments allocated to Construction / Building, with Salford / Trafford receiving the major share during the first two periods. During the last period however from a total of £53.656 million the Isle of Dogs received 65.2% with the Salford amount showing a slowdown when compared with the second period, the final Corby zero amount indicating a cessation of new constructions.

Under the three headings : Urban Programme, Derelict Land and Other Grants, Salford / Trafford received a total of £11.189 million from designation to March 1988 with Corby only receiving £78,000 [TABLE 10.6]. No data is available for the Isle of Dogs as any schemes funded by the London Docklands Corporation are included in the

Acquisition Totals⁵. The Government's "Action for Cities" programme amounted to an estimated £3.02 million during 1988-1989, from which £300 million was allocated to areas in Scotland and Wales with £25 million allocated to Derelict Land Grant⁶.

10.3 Additional Grant Awards

10.3.1 Corby

Hall⁷, the Chief Executive of Corby District Council, [July, 1987] gave details of assistance received from the European Community which amounted to a sum in excess of £130 million. Although unable to provide an annual breakdown of this amount aid had been received from the European Development Fund [E.R.D.F.] both Quota and Non Quota, the European Coal and Steel Community [E.C.S.C.] and the European Social Fund [E.S.F.]. The money received had been used in improving the local environment such as industrial landscaping, training needs, soft loans to Companies and also direct grants. Major contributions for infrastructure improvements had also been made through E.R.D.F.

Plans submitted to the Council for the establishment of business enterprises both inside and outside the Enterprise Zone boundaries have been considered on individual merit, with the proviso that employment opportunities would be created, " the Council having no

truck with trade unions regarding employment conditions."*

10.3.2 Allerdale [Workington]

Workington situated on the coastal area between the Irish Sea and the Cumbrian Mountains is less favourably placed economically than Corby. The main transport infrastructure connects the town with Carlisle, 34 miles distant, linking with the motorway network and the north - south intercity rail route.

Thomas [1984]*, the manager of the Enterprise Zone, stated that the "benefits of an industrial location in West Cumbria were almost unique and arguably the best financial package in the United Kingdom. A detailed list of benefits comprised:

- Regional Selective Grant
- Regional selective Assistance
- European Coal and Steel Loans
- British Steel Low Interest Loans
- County and Local Authority Grants and Loans

During 1985, Cox¹⁰ the County Development Officer gave details of these grants which included Development Area Status which from November, 1984 the Workington Area became eligible for the maximum level of Government assistance. Other grants included the Cumbria Employment Scheme, operated by the County Council, which subsidizes wage payments to people generally under the age of twenty five, and an Enterprise Trust 'Mobet' which was available in assisting industries to become established and expand

in West Cumbria.

Details of actual grants were given by Thompson¹¹, the Assistant Programmer to Cumbria County Council [1987]:

i) £10 million received through the Derelict Land Grant, assistance which covered 100% of eligible land reclamation costs,

ii) £1.5 million approved by E.R.D.F. for work on the site with an application for a further £2.65 million.

Thompson emphasised that the grants from E.R.D.F. and D.L.G. could not be added together, the County having to fund a substantial part of a £15 million project from its own resources. Further grants from the Non Quota section of E.R.D.F. have been awarded to assist in environment improvement work. A third to a half of this award was spent in improving Derwent Howe, the site of the old Workington steelworks.

As a proportion of total grants to all Enterprise Zones, Officials at Allerdale [November, 1989]¹² stated that they did not have access to the breakdown of grants to individual Enterprise Zones, nor were they aware of any source from which such breakdowns could be obtained.

Other regions benefitting from European Economic Community grants include Greater Manchester and other districts in which Enterprise Zones are situated, these grant awards changing in character from 1st January, 1989 [Chapter 1.8.4]

10.3.3 Trafford Park

Trafford Park situated on the south bank of the Manchester Ship Canal opposite to the old Salford Dock complex, is situated within the boundaries of the Borough of Trafford considered to be one of the richest Boroughs outside the London area¹³. In consequence the Enterprise Zone was initially at a disadvantage with Salford which was part of the now defunct Greater Manchester Inner City Partnership receiving aid from the provisions contained within the Inner Urban Areas Act.

In line with Corby's official attitude, the Trafford Park Enterprise Zone ruling body deemed that prior to awarding any grants to a prospective business body there must exist a genuine disposition towards creating a substantial amount of job opportunities.

CASE STUDY

The amount of capital involved in grant awards has caused Trafford Park some concern. Interested business parties compared the Enterprise Zone package with packages offered by Other European Economic Community bodies. An example quoted related to Italy where allowances given were equivalent to 10.4% of profit which meant that costs attributed to wages were effectively reduced between 35% and 40%. Some industrialists

visiting the Trafford Park Enterprise Zone referred to such advantages, anticipating that the Authority would increase grants above those contained within the Enterprise Zone package. Although receiving sympathetic hearings locations elsewhere were chosen where overall costs were lower¹⁴.

10.4 Grants, Investment and Development -Salford Quays.

The industrial vacuum caused by the closure of the Salford Dock complex prompted Salford City Council [1981]¹⁵ to form a plan involving the complete redevelopment of a 225 acre redundant site which included 75 acres of open water and three miles of waterfront¹⁶. This site abutts the western boundary of the Enterprise Zone, work commencing in May, 1985 at an estimated total cost of £150 million - "The development would improve the attractiveness of the area giving added appeal to the Enterprise Zone¹⁷".

Initial funding was by Central Government^{18, 19} who also awarded further amounts of £25 million²⁰, with other money supplied by the European Economic Community to assist in clearing the site and assistance towards the construction of new roads and a promenade. Following some demolition and site clearance at a cost of £650,000²¹, Patten [Dec., 1985]²² Minister for Housing, Urban Affairs and Construction, announced a £3½ million grant award, with a promise of further

substantial sums under a rolling reclamation programme. Patten announced that the Government would give strong support for the "Salford Quays" project because there was considerable potential for revitalizing that particular part of Salford, which could only be good news for the Inner City areas of both Salford and Manchester²³.

During October, 1986 Patten pledged a further £7 million of Government aid as Derelict Land Grants²⁴ spread over a two year period, which would assist in transforming the area into a huge leisure and housing complex. In addition £600,000 were given as an Urban Development Grant with an extra £160,000 towards the construction of walkways along the River Irwell to Salford Quays and a further £610,000 to assist in completing the project by 1989²⁵. A European Economic Community Grant of £155,000 contributed towards the costs of construction of interconnecting canals between the old docks and promenade²⁶.

Site clearance spoil has been used to dam the entrance of docks seven, eight and nine, [MAP 4.2.2] isolating their water from the polluted Manchester Ship Canal²⁷, creating yachting marinas and water sport areas.²⁸ Assisting in enhancing the 'Quays' attractiveness is the Manchester Copthorne Hotel situated at the north east quayside area of Dock 6, opened in May 1987, after construction costs of £6 million²⁹.

In 1986 the John Carrol Group³⁰ became involved in the construction of a £15 million business park on a

27½ acre site. The development "would consist of 400,000 square feet of buildings designed for light industries, warehouses and offices which were expected to create 1000 jobs ". By 1988 the private sector had invested a total of £250 million in various projects³¹, which with Government and other grants was estimated to eventually create a total of 6000 jobs by 1991³², a figure which is double the number of dock workers once employed.

Private house occupation has taken place on the Quays [June, 1990]³³, with many executives buying second homes because of the easy access to water sport activities. During June, 1989³⁴ investigations revealed that several properties had changed hands during the building stage realizing quick profit for investors. The Salford research gave no indication of any Enterprise Zone employer or employee living locally, as was the case with dock workers.

During early October, 1988 the Manchester Ship Canal Company unveiled plans to construct an international business centre on the borders of the Salford Dock 9, with initial costs of £100 million with an extra £300 million from outside sources. This 500,000 square foot 'Harbour City' development had its initial stage constructed in the Enterprise Zone where planning permission was not required³⁵. More than half of businesses operating are involved in computing,

telecommunications or consultancy, 75% having office space smaller than 10,000 square feet. Companies include A.G. Software of West Germany, Company Computing [relocated from Surrey] and the Midland Bank, whilst in the Autumn of 1990 B.A.A. signed a contract for the building of an hotel. Employment in this development stood at 2000 [October, 1990] with an estimated maximum of 7,000 by 1992³⁶.

A Salford interviewee³⁷ stated that at the commencement of Enterprise Zone operation, site placement policies favoured those businesses who were most sympathetic to creating job opportunities. One particular application rejection applied to Carrefour who wanted to build a hypermarket in the Zone. This application was rejected by Salford City Council on the premise that "fierce objections" had been voiced from other stores and shopkeepers throughout Greater Manchester who were concerned about the cost advantage such a siting would give. This example is identical to the refusal of an ASDA hypermarket planned to be constructed in the Isle of Dogs Enterprise Zone, [but not with Swansea Enterprise Zone out of town shopping area Chap 3.4]. However with the Salford Zone there were inconsistencies with several individual wholesalers and retailers dealing in a wide range of foodstuffs, and although not developments in the original spirit of Enterprise Zone philosophy, they occupy sites which

otherwise might not be occupied. The Manchester Business School³⁸ [1981] considered that the two local Enterprise Zones greatest attraction was for low labour intensive warehousing and cash and carry stores.

Strict adherence to the initial policy of only allowing vetted firms to commence activities in the Zone was abandoned shortly after inauguration, as this procedure had resulted in a slow take-up of available site units. In consequence a more liberal attitude was adopted which appealed to a wider range of industrial activities and organisations, a policy which accelerated the rate of development and also that of job opportunities. This change of attitudes also enhanced the competence of a local authority in developing Zone activities, implying that development and occupancy was progressing in accordance with original plans.

CASE STUDY

Holt [1987]³⁹ expressed concern about the attitude of developers who deciding on the suitability of clients, quoting an example of a package wrapping firm who wanted to establish a branch in the Salford Enterprise Zone. After much wrangling the Directors of the firm involved decided that the objections with attendant subsequent delays in becoming established were causing them production loss problems considering the final package

offer as unweildy relative to their operations. In consequence the rejection was a lost opportunity to bring work to the Zone.

Interviews with Salford officials and civic dignitaries revealed they were fully aware of the large sums of Government money developers had obtained from the planning and construction of industrial estates, with 100% allowances set against tax after the first year of building completion. Councillor Holt⁴⁰ held views antipathetic towards developers stating that "public funds should only be used for the benefit of the public and not for the benefit of the developers." Mottershaw [1985]⁴¹ considered that without this backing the Salford Enterprise Zone would not have received the scale of industrial development as experienced between inauguration and 1985. Salford Corporation however had constructed a small unit estate off King William Street backing on the eastern boundary of the Zone, the development being completed twelve to eighteen months prior to Enterprise Zone designation in August, 1981⁴².

10.5 Canary Wharf - Investment and Development

The magnitude of the development taking place with the Canary Wharf project [1990] dwarfs the Salford Quays and any other Enterprise Zone and in consequence any comparisons are distorted. Olympia and York, a large Canadian Property Group, are involved in the construction

of a grandiose Italianate - Manhattan type mix of buildings situated within a landscaped area at a cost of between £3 and £4 billion, at early 1988 prices. All buildings are linearly situated along the Wharf's half mile length, commencing from a large piazza at its western end. In this complex there is accommodation for 60,000 office workers, with additional employment in shops, restaurants and other service industries⁴³. The London Docklands Development Corporation estimate that the number of job prospects in the whole Enterprise Zone will be 100,000 [1990] increasing to 200,000 by the turn of the century⁴⁴.

P.Reichmann, Chief Executive of Olympia and York stated [October, 1988]⁴⁵ that as 1992 approaches Europe is going to need a capital, with London as the ideal choice, quoting as reasons the primary use of English as a business language together with the stability of English Democracy and Institutions as key factors - "London will be in the absolute forefront of a united Europe; International Companies wanting facilities unobtainable elsewhere will ensure the inevitable success of Canary Wharf".

Even prior to the Stock Market crash [19th October, 1987] the scramble for foreign business house establishment in London had slowed. 'The Economist' [February, 1988]⁴⁶ considered that speculative building in inner cities was a tangible act of faith, but as a

result of the recession [1990] Olympia and York had probably lost the best part of £1 billion on the Canary Wharf project [Fallon, December, 1990]⁴⁸.

Despite a considerable amount of marketing by Olympia and York, the six month period prior to April, 1990 realized only a handful of lettings to companies not already represented in the Enterprise Zone. Some offer terms have included fully air-conditioned office premises, two years rent free together with fitting out allowances of £50 per square foot⁴⁹. The developers initially set office rents at £30 per square foot⁵⁰ which even when Enterprise Zone status ends would be 25% below top London rates. At September 1990, rents when payable ranged from £20 to more than £30 per square foot in prestigious tower sites. These charges compare favourably with rents charged in the Manchester area and rents up to £50 per square foot in the City and the West End of London. Even with the special offers the first phase of the development, due to be completed by May, 1991, only thirteen prospective tenants had signed to occupy 2.2 million of the 4.2 million square feet of the available floor space. For the additional phases 2,3,4, and 5, with the planned addition of 6.2 million square feet to be completed over the next seven years, any occupancy is questionable especially with regard to the existing glut of new building projects⁵¹.

Following beneficial financial agreement with

Olympia and York, a future tenant includes 'The Daily Telegraph, p.l.c.' who are moving a short distance from South Quay⁵². Merrill Lynch one of Wall Streets' largest financial houses announced on the 9th March, 1988 they had become the first prospective tenant to take possession in 1991 to 1992. By November, 1990 other prospective tenants included Credit Suisse First Boston, Bear Stearns International and Hanover Trust⁵³.

Even prior to the Canary Wharf development the nature of industrial activity on the Isle of Dogs changed between the period 1981 to 1986, with manufacturing industries decreasing from 31.9% of the total to 17%, whilst office based industries increased from 3.4% to 17%. In 1981 the average sized firm employed nineteen, which dropped to fifteen by 1986, even though the total was heavily weighted by the inclusion of one large firm⁵⁴. A Memorandum from Roger, Tym and Partners stated that many small firms with only one or two employees were engaged in a wide range of industrial activities⁵⁵ similar to the field study experiences in the Salford Enterprise Zone.

The non-payment of rates has enabled many small organisations to establish a business venture, although there has been concern that individual principals had not considered the impact on end costs which the eventual payment of rates would have on their profits. This topic was discussed by the House of Commons

Employment Committee [May, 1988]⁵⁶ as applicable to the Isle of Dogs. In evidence Robbins⁵⁷ stated that "there was cause for concern with small firms especially when rates besides rents become payable. Since the conception of the Enterprise Zone rents had rises substantially after initial low prices to encourage industry, but now as the Zone in development terms has been a success, rents has risen substantially," although in her evidence . Robbins did not refer to the effects of inflation on these increases.

10.6 Changes in Attitudes

Previous discussions have shown that unit occupiers have in the majority benefitted financially from the various packages on offer. It is not evident from this research nor from expressed opinions that local inhabitants have benefitted to the same extent. Because of its isolation Corby industrialists have had but little option to employ local labour because excessive transport costs incurred by employees would erode net wages received.

Until 1990 numbers unemployed expressed as percentages were the lowest since November, 1979 a decrease which cannot be fully attributed to any increased employment opportunities from the establishment of the Enterprise Zones as their contribution to the total is small. This upturn in the economy can be linked

to the decline in the number of days lost through industrial disputes, indicating a positive change in the attitude of workers, with Trade Union membership declining from a peak of 13.3 million in 1979 to 10.4 million in 1987⁵⁸. Over the last five years there has been a tendency for the establishment of small size organisations and in such instances there seems little point in belonging to a Trade Union. Metcalf [1989]⁵⁹ considered that Conservative Government legislation promotes individualism replacing collectivism - the Government perceiving that this is the way to improve economic performance. The small industrial units visited during field work studies displayed contented work atmospheres - a positive work attitude experienced in small business organisations and in agreement with the Thatcher preference⁶⁰.

10.7 Employment Consideration

Employment statistics for the three Zones from designation to December, 1988 are shown in TABLE 10.7, the Isle of Dogs having the highest percentage change [898.4%] for a 5759 employment increase. This percentage figure is 4.36 greater than the Salford / Trafford percentage change [206.1%] although this Zone was not designated until a year after the Isle of Dogs, also with a larger number initially employed. Comparisons with Corby cannot be made because there were no official

Sources: Enterprise Zone Information 1984-85 HMSO 1986.
 Regional Trends 11.6 Enterprise Zones, Regional Trends 22, 1987 HMSO.
 Regional Trends 12.11 Enterprise Zones, Regional Trends 23, 1988. HMSO.
 Regional Trends 13.9 Enterprise Zones, Regional Trends 25, 1990. HMSO.
 Numbers Employed in Enterprise Zones: Designation to December, 1990.

Note: Corby Numbers Employed at Designation 'Not Available'

Zone	Year Designated	Numbers Employed at Designation		Numbers Employed at December, 1985.	Numbers Employed at December, 1986.	Numbers Employed at December, 1988.	Net Change since Designation.	
		Number	Percent.				Number	Percent.
Salford/Teafford	1982	2254	4200	5154	6900	4646	206.1	
Isle of Dogs	1981	641	2700	3741	6400	5759	898.4	
Corby	1981	Not Available	3600	Increase from Designation 5500	5500	5500	N.A.	

TABLE 10.7 Numbers Employed in the Three Enterprise Zones.

numbers employed at designation, the 1986 statistics however indicate a more rapid pace of development than the others with employment remaining static between 1986 and 1988, an indication of full occupancy.

Employment data derived from official Enterprise Zone statistics obtained from 688 firms situated in 'Round One Zones' can be tested for association with similar data obtained from the Salford field work, the data being obtained approximately at the same time between 1984 and 1986. The official number may be considered as representing a population or a very large sample, occupational characteristics therefore can be compared using sampling distribution techniques with significance testing at the 5% level associated with a null hypothesis that there is no difference between the two sets of data.

The placing of employees into particular work groups can be somewhat subjective according to individual principal's assessment; adjustments had to be made to enable pairings with official groupings. In borderline job descriptions some discrepancies may arise as, for example, when does an unskilled worker become classified as semi-skilled? The official data grouping had to be accepted and there were no reasons to suspect that the Salford groupings were false.

The data is shown in TABLE 10.8, the numbers employed in each group varying according to work

Employment Comparisons between the Phase 1 E.Zs and SALFORD.

TABLE 10.8

Employment	Phase 1 E. Zs.	Salford Survey	Number in Survey	Significance Level
Professional/Managerial	17.8%	22.3%	44	0.78 N.S. at 5%
Clerical	13.8%	18.3%	35	0.772 N.S. at 5%
Skilled	29.5%	35.2%	31	0.69 N.S. at 5%
Unskilled	38.5%	24.1%	30	1.64 Sig. at 5%

Note: The SALFORD 'Unskilled' data includes semi-skilled, unskilled and Part-Time workers.

SALFORD Figure: Unskilled Workers only

TABLE 10.9

Unskilled-only	38.5%	3.7%	4.5	8.79 Sig. at >0.1%
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Grouping of Skilled and Unskilled Workers.

TABLE 10.10

Skilled plus unskilled	68.0%	59.3%	61	1.45 N.S. at 5%
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SALFORD survey data from Employment figures contained within APPENDIX TABLE B.

Phase 1 Enterprise Zone data obtained from Inner Cities Research Programme: An Evaluation of the Enterprise Zone Experiment, H.M.S.O. 1987.

classification, calculations showing that with the exception of the unskilled group the other three groups do not exhibit any statistical differences at the 5% significance level. Official percentages of unskilled workers at 38.5% is high suggesting that semi-skilled workers were also included. In comparison the Salford research data for unskilled workers is low at 3.7% representing 4.5 workers. When these two sets of data are compared [TABLE 10.9] a very real difference exists statistically significant at a value greater than 0.1%. Skilled and unskilled workers predominate in the work force totals at 68% for the official data and 59.3% for the Salford research data [TABLE 10.10]. These figures show that there is no difference, not significant at 5% level.

This analysis indicates that there is a probability that there is no real difference in percentages associated with work classification groups between the two sets of data concluding that percentage work classification in the other Enterprise Zones follow a similar pattern. With the pending increase in managerial and clerical workers in the Isle of Dogs, and also to some extent applicable to Salford, following the completion and occupation of the extensive office buildings, the extra number of employees will weight service sector employment in the Enterprise Zones, generating a quantum leap in the total numbers employed.

The United Kingdom summary unemployment statistics for the total workforce reached a minimum of 5.5% in May, 1990 rising to 6.1% by November¹. Unemployment percentages of employees and the unemployed giving slightly higher value, but during the period December, 1987 to November, 1990 unemployed numbers decreased in all three districts [TABLE 10.11], with Female unemployment exhibiting the highest percentage decreases. The data indicates that prior to the present recession [1990-1991] unemployment was decreasing although at unequal rates; Tower Hamlets in particular having the lowest value set of overall percentage changes.

The Isle of Dogs statistics for December, 1988 [TABLE 10.7] give 5759 as the number of extra jobs attributed to the Enterprise Zone whilst there were 13227 unemployed in Tower Hamlets in September 1988 [TABLE 10.11], these figures being the most recent set of statistics available for any comparison. Enterprise Zone jobs created in Corby have remained static at 5500 [TABLE 10.7], the town itself seeing unemployment drop from 2124 [September, 1988] to 1488 [November, 1990] a positive change of 30% [TABLE 10.11] which gives an indication of the prosperity of Corby, backed by various aids and grants, in its relatively isolated position and linked to the low overall Northants. 4.1% unemployment figure.

Research carried out by Jones Lang Wotton [early 1990]² indicated the the East London district housed

Unemployment Changes in Enterprise Zone Localities

Sources: UNEMPLOYMENT Area Statistics:
Employment Gazettes for February and
November, 1988 also January, 1991.

TABLE 10.11
District Corby.

Date of Survey	Gender			Unemployed as a percentage of employees and unemployed.
	Male	Female	All	
10th December, 1987	1817	948	2765	Northants: 7.2%
8th September, 1988	1293	831	2124	Corby: 8.7%. Northants: 5.5%
8th November, 1990	1068	420	1488	Northants: 4.1%
Overall Percentage Change	-41.2%	-55.7%	-46.2%	

District of Tower Hamlets.

10th December, 1987	11129	3114	14243	Greater London: 8.6%
8th September, 1988	10256	2971	13227	Greater London: 7.6%
8th November, 1990	7971	2149	10120	Greater London: 5.9%
Overall Percentage Change	-28.4%	-31%	-28.9%	

Salford.

10th December, 1987	11407	4074	15481	Greater Manchester: 12.3%
8th September, 1988	10072	3579	13651	Greater Manchester: 11.6%
8th November, 1990	7776	2068	9844	Greater Manchester: 8.1%
Overall Percentage Change	-31.8%	-49.2%	-36.4%	

between 43% and 44% of London's professional workers, however there has been concern amongst residents and church leaders that developments and employment prospects will pass them by. The Secretary of the Isle of Dogs Tenants Association [July, 1988]⁶³ stating that developments taking place had done nothing for ordinary people. As no jobs had been created for a new way of life as promised by the London Docklands Development Corporation [L.D.D.C.] and Central Government. Earlier [M.Denis, May, 1988] a Director of Olympia and York⁶⁴ stated that up to 500 local people would be employed during the construction stage of the Canary Wharf development rising to 2000 when the development was completed, there are however problems as unfortunately local people do not possess the relevant skills. By the Spring of 1990 about 30% of 4000 construction workers were Isle of Dogs residents⁶⁵. The Borough of Tower Hamlets announcing [18th May, 1988] that as unemployment levels in the Borough exceeding 17% agreements had been made with Olympia and York, the Construction Industry Training Board and the L.D.D.C. to train 400 jobless people a year.⁶⁶

The development would eventually create a considerable number of jobs but there existed a local skills mismatch and in consequence the Canary Wharf project would not create jobs for local inhabitants, 76% of new jobs being associated with the service and

retailing sectors [Bishop of Stepney. March, 1988]⁶⁷. A survey commissioned by the Isle of Dogs Neighbourhood Committee, undertaken by Roger Tym and Partners [March, 1987]⁶⁸ endorses the previous comments as in the Borough of Tower Hamlets only 10.5% of local residents were employed on the Isle with a further 9.5% living elsewhere in the Borough. These low employment percentages were the outcome of any newly created jobs tending to be non-manual and office work orientated, therefore totally unsuitable for the local unemployed.

Warehousing and distribution handling techniques have some association with traditional dock labour skills, although the introduction of capital intensive handling equipment has led to a reduction in manpower requirements to handle a specific amount of goods. A survey of the storage, transport and distribution sectors revealed that of all jobs created two fifths were clerical. [Robbins, May 1988]⁶⁹. Before a Committee of Public Accounts [March, 1988]⁷⁰ a member [Park, P.] was informed that according to a 1983-84 analysis 46% of all land had been allocated to warehousing [Heiser, T.M.]⁷¹, a type of activity that although having a low labour input is a function of the nature of changes in economic activity.

Generally modern warehouses are of one storey construction utilizing vertical space with high stacking storage bins. Such buildings cover large floor areas

employing few workers which does not help the Enterprise concept of creating employment. Employment density comparisons can be made between two industrial classifications from the Corby Enterprise Zone. Development objectives within the Corby and Weldon Draft Local Plan [1984]⁷², considered that a density of 30 employees per hectare [one employee per 3,588 square feet] should be the aim. Later 1985/86 statistics⁷³ give an employment density of 51.43 square metres [544 square feet] for all industries with a range between 23.2 square metres [250 square feet] for manufacturing industries and 74.19 square metres [799 square feet] for the service and distribution industries. The figures indicate that on average service and distribution industries require three times the land area when compared with manufacturing industrial requirements.

Employment density of 0.0333 hectares [3588 square feet] from the Corby Draft Plan data considers areas allocated to roads and parking apaces. Besides having to allocate parking space for employees and visitors, warehouses require large tracts of land for road freight vehicle movements inwards and outwards, with other ground space for the parking of containers and trailers. One large distribution centre in the Trafford Park Enterprise Zone occupied by N.F.C.⁷⁴ has a total site area of thirteen acres, 566,280 square feet, with a covered warehouse space of 133,248 square feet in which

there are 211 employees. The two areas give a ratio of 4.25 to 1 with 74.7% of the total site area allocated to vehicle access, parking and storage facilities. These figures give a warehouse employment density of 631 square feet and 2684 square feet respectively. Both sets of employment density are lower than the average site density of 498.3 square feet [45.5 square metres] as calculated from the D.O.E. data in Chapter 8.1, which is in agreement with the previous discussion, and not helpful for generating work opportunities.

10.8 Road Transport Linkages

Freight travelling long distances by road to and from Enterprise Zones from supply and to the market assist in increasing traffic volumes thus exacerbating road congestion especially applicable to convergent traffic flows. This congestion acts as a catalyst stimulating demand for more and more road capacity which is evident in the feeder roads to the Isle of Dogs, according to the extent of Government investment.

May [Autumn, 1988]⁷⁵ discussed how road linkage improvements had reduced distribution time and costs accompanied by the closure of small labour intensive distribution depots in favour of large centralized capital intensive 'hub' depots. Such systems increase transport costs offset by costs payable to a reduced labour force and other fixed costs associated with a

fragmented distribution system. Compounding the adverse effects on manpower is the introduction of capital intensive material handling techniques. Rowntree - Mackintosh at their Warrington distribution depot reduced work force requirements from 200 to 40 following the implementation of automated warehouse equipment.⁷⁶

The construction of new roads causes land severance⁷⁷ which is very much in evidence in Salford after the construction of the M602, aligned north of Eccles New Road, restricting access to and from the Enterprise Zone in that direction. Referring to the Isle of Dogs and London's Dockland May considers that new roads as planned give access to areas without improving general traffic movement in the area. Thus besides giving grant aid to Regions, Development and Intermediate Areas together with the Enterprise Zones the Government has had to re-appraise the road network plan so that all areas are equally accessible - ignoring distances.

The movement of goods can also be undertaken by rail and canal transport providing that accessible locations are available whilst people have the choice of public transport or private car the latter requiring car parks adjacent to their work place. The Salford research revealed that the majority of employees travelled to work by car as could those who eventually will have employment in the high concentration of activities with the Canary Wharf development, which in particular has given cause

for concern amongst planners when considering the inadequacy of existing transport systems.

Public expenditure on transport with money allocated to the National Road System in England, Scotland and Wales is shown in TABLE 10.12. Annual growth rates between 1981/1982 and 1987/1988 [TABLE 10.13] indicate that England has the highest growth rate at 7.05% with an accompanying lowest growth rate at 1.62% for local transport systems. The construction of the urban tram route in Manchester and Salford linking the Enterprise Zone assisted by an initial grant of £50 million and road works planned in the Isle of Dogs costing £200 million due for completion in 1992^{7*}, will increase the low growth rate percentage. The Isle of Dogs project is essential for improved accessibility to Canary Wharf, the old road network being totally inadequate to cope with projected traffic volumes. In addition to the road improvements is the planned extension of London Transport's underground network. The Dockland's Public Transport Strategic Plan, 1988^{7*} commenting that "Docklands is poorly served by roads the capacity of the existing highways system limited." The River Thames is the chief cause of the relative inaccessibility imposing a barrier between the Isle of Dogs and the South Bank which requires travel through Central London; "penetration of public transport systems to the Isle has historically been poor."

Public Expenditure on Transport [£million] TABLE 10.12

PERIOD		1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
ENGLAND	TOTAL	2824	3256	3383	3607	3300	3390	3458
	National Road System	606	728	704	796	811	854	976
SCOTLAND	TOTAL	473	507	517	532	562	564	602
	National Road System	104	110	107	114	120	116	129
WALES	TOTAL	263	287	316	270	275	300	331
	National Road System	108	119	148	105	99	112	125

Source: Transport Statistics, HMSO, 1988

Growth and Change in Public Expenditure on Transport
1981/82 - 1987/88. TABLE 10.13

		Allocation	Average Annual Growth Rate	Percentage Change 1981/82 - 1987/88
ENGLAND	TOTAL		2.94	22.45
	National Road System		7.05	61.1
	Local Transport		1.62	11.9
SCOTLAND	TOTAL		3.5	27.27
	National Road System		3.1	24.04
	Local Transport		3.61	28.18
WALES	TOTAL		3.33	25.86
	National Road System		2.1	15.74
	Local Transport		4.15	32.9

NOTE: Local Transport includes monies allocated to Roads, Car Parks, Revenue Support to Public Transport Concessionary Fares, Professional and Technical Services, Ports and Airports.

10.9 Transport and the Isle of Dogs

The high density of total floor space area in the Isle of Dogs and the inadequacy of the existing transport infrastructure in meeting projected needs is giving rise to concern to the developers. This concern also applies to prospective tenants: "large corporations only willing to make firm decisions to move to Docklands when they see a firm commitment at Government levels to solve the looming transport problems" [Terry, October, 1988]⁸⁰. Indeed many organisations are unmoved at the level of incentives offered because of construction activities of buildings and road improvements especially with Limehouse Link and the A13 Blackwall Tunnel approach Road⁸¹.

According to Ward [April, 1986] Chief Executive of the London Docklands Development Corporation⁸², "Government grants may influence the location of blue collar industry, but play only a small part in the decision making process of knowledge based industries seeking a suitable location". Research undertaken by Debenham, Tewson and Chinnocks indicated that 52% of companies in the latter category regarded the transport infrastructure as important, 49% regarded the availability of specialized staff as a major influence on location and 28% specified a good residential requirement with proximity to an international airport affecting 25% of firm location decisions.

The Docklands Public Transport Strategic Plan [October, 1988]⁸³ contained proposals for improved access at a cost of £900 million, referring to the problem that building development was occurring at a faster pace than the provision of transport improvements. The Ministry of Transport having announced [July, 1987] that Olympia and York were to pay £67 million half the cost of extending the Docklands Light Railway westward to Bank Station to improve transport facilities to and from the City of London⁸⁴. By 1990 the cost of construction had increased to £150 million with services commencing, hopefully, mid 1991⁸⁵. In addition Reichmann stated that the future of Canary Wharf depends upon the construction of a Jubilee Line eastern extension⁸⁶ of London Underground from Green Park via Westminster and Waterloo Station along the South Bank of the River Thames with an extension to Stratford via North Greenwich, expected to be operating 1996⁸⁷. At North Greenwich a £1 billion development parking space for 2000 cars would be constructed. This proposed park and ride development [late 1990] is causing local concern as its prime purpose is to serve Canary Wharf and not the local community.⁸⁸

The Association of London Authorities [September, 1989]⁸⁹ commented that the Canary Wharf project had not been planned with any prior anticipation that existing road network and public transport capacity would be unable to cope with peak problems of an estimated 60,000

workers, equivalent to the entire population of a town the size of Cambridge. The Authority was also critical of the Government's White Paper "Roads to Prosperity"⁹⁰ arguing that the proposals favoured inter urban road building programmes in preference to inner urban roads 'which was a major blow to inner city renewal' - a view also expressed by the Council for the Preservation of Rural England.⁹¹

The problems associated with inadequate transport facilities will eventually ease because Central Government is committed to ensuring that by the mid 1990's Docklands should have one of the best transport systems in the Country after spending more than £2.5 billion⁹² on new and improved roads together with the Docklands Light Railway to which development Olympia and York are contributing considerable sums; also there is the Jubilee Line extension which a House of Commons Committee will consider in early 1991; potential tenants in the area see this line as crucial to attracting and keeping staff after moving in to Docklands⁹³.

10.10 Rates Foregone

From the previous discussions Enterprise Zone Local Authorities have become beneficiaries of Central Government patronage with money allocated to improving local environments and transport infrastructures. A big disappointment for these Local Authorities has been the

outcome of a Government direction which distributes rate income equitably to all communities.

Rate revenues foregone by the three Enterprise Zone occupants between 1981 and 1986 are shown in TABLE 10.14 with values projected to the end of each ten year period calculated at 5% and 10% to represent a band of inflation rates. This gives some indication of what each Authority could anticipate in rate revenue; however the implementation of the Local Government Finance Act 1988 has adversely altered this anticipated windfall.

According to Dodsworth [December, 1988]⁹⁴ Government procedures referred to the non payment of rates, by an occupier of an Enterprise Zone site, as a 'rates holiday', even though during the lifetime of a Zone the Local Authority does not itself forego any rate income. Rate accounts are prepared and forwarded to all Enterprise Zone premises with a direction to the occupier not to pay. A schedule of such rates as foregone is then transmitted to the Treasury who then reimburse the Local Authority the appropriate total amount. This system was confirmed by the Leader of Corby District Council [December, 1988]⁹⁵ who added that properties within the Enterprise Zones were valued by the District Valuer then multiplied by the "rate poundage" in force for a particular financial year.

The Public Relations Officer of Tower Hamlets also gave details of rates foregone by Enterprise Zone

TABLE 10.14

Zone	Year Designated	Rates Revenue foregone £'000					Total Rate Revenue foregone £'000 1981-1986
		1981-82	1982-83	1983-84	1984-85	1985-86	
Corby	1981	126	508	1146	1688	2155	5623
Isle of Dogs	1981	0	1254	1486	2430	2324	7494
Salford/Trafford	1982	473	1196	1592	2097	3094	8452

Projected Rate Revenue foregone £'000 at end of initial ten year period cumulative as from 1986	
at 5% annually	at 10% annually
7176	9055
9564	12069
10787	13612

Sources: Enterprise Zone Information, H.M.S.O. 1987

Enterprise Zones, Regional Trends 23, H.M.S.O. 1988

Rates Revenue foregone in Enterprise Zones from designation to 1986 with projections to the end of a ten year period.

tenants amounting to £6.3 million for the year 1087/1988 [January, 1989]⁶⁶. This sum represented 9.33% of the total rate income of £67.52 million or 2.03% of the £307.5 million income from all sources⁶⁷. Reference was made to the changes in the rate collection system as introduced in April, 1990 to comply with the Local Government Finance Act of 1988. This new legislation has altered the way in which the rate system is operated as instead of Local Authorities retaining business rates as raised, they act as rate collectors paying monies received into a national pool.

Besides being a disappointment the denial of "rates income" to Local Authorities after the expiration of an Enterprise Zone's ten year period, the legislation as outlined could act as a damper, reducing enthusiasm towards any future initiative from Central Government to assist in rectifying depressed urban economies.

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Chapter 11 Conclusion

Advantages contained within the Enterprise Zone package together with other grants have proved financially attractive to developers and business organisations, large and small, many of whom are foreign based. Their involvement in job creation has assisted in transforming areas of dereliction and despair to areas which during the working day bustle with activity. These developments may not be in the spirit as envisaged by Hall and Howe in the late 1970's with their visionary plans to regenerate run down localities alleviating their unemployment problems and to assist in establishing those principals / entrepreneurs, who moved into a Zone with some form of business activity; and not necessarily to create wealth for developers.

Government grant aid does not necessarily generate prosperity, if it does then other Regions not so favourably considered could become uncompetitive and in consequence a new Government aid strategy would probably have to be implemented to correct the imbalance. To achieve fair competition between Regions and also between Nations it might be wise to abandon all subsidies as they assist in creating inefficiencies, improved performance acting as a spur. Many of the Government's financially aided sites operate in areas removed from the market. Additional costs imposed by transportation with

the accompanying need for road improved linkages are additional costs which the consumer and taxpayer have to bear. The Common Market supports a policy of uniformity in employment based on socialist principles. In Chapter 1 the Mezzogiorno d'Italia was referred to as a grant aided region with Professor Enrico Walleb [Financial Times, 23rd October, 1990] expressing grave misgivings concerning the corruption which this aid has fostered in an area dominated by that corruption. Such attitudes exist elsewhere especially in large urban areas, with one commentator referring to aids as bribes. Assistance given to industrialists in other European Economic Community Countries has been outlined in Chapter 1, a mishmash of benefits devised to entice business establishments¹ to the detriment of establishing elsewhere and in particular applicable to at least one United Kingdom Enterprise Zone.

Grant aid has had some positive effects especially for those entrepreneurs in the Salford Enterprise Zone who took advantage of the grants available as the only opportunity of starting a business, working long hours to achieve success. Firms already established on sites which were included in Zone boundaries have benefitted considerably due to the non payment of rates since designation date, such an anomaly has not benefitted the local unemployed nor the local community to the extent of the advantages of lower fixed costs of such firms.

Investigations show that the Salford, Telford and Trafford Park Enterprise Zones have experienced the establishment of firms from districts adjacent to Zone boundaries. In these instances the movement has not created any local new job opportunities as a benefit to the local unemployed, but has been of financial benefit to site tenants or owners who relocated, with an accompanying disbenefit to those localities from which they moved.

The Corby and Allerdale [Workington] Enterprise Zones situated on or near the demolished iron and steel work areas are some distance from other population centres. These Zones have assisted in reducing local unemployment levels having no competition from other industrial areas. Within Corby there still exists some resentment regarding the steel works closure despite the job opportunities created both inside and outside the Enterprise Zone boundaries.

Developments which have created employment are notably in the service sector which includes finance houses and clearing banks. At present [1990/1991] this sector is experiencing staff reductions either because of a downturn in the economy or rationalization, with office requirements having peaked, a factor causing concern to developers. Large scale office development has been undertaken in the Isle of Dogs and, to a lesser extent, in the Salford Enterprise Zone. Without extensive

training in modern office techniques any employment created in these office blocks would be unsuitable for the local unemployed and also for those living in the immediate hinterlands.

Enterprise Zone planning catered for the establishment of manufacturing industries the benefits available being used to assist production. Such planning has not materialised either in the Isle of Dogs or the Salford / Trafford Park Zones, although the Salford brochure discussed the establishment of Scientific Parks. Field work investigations revealed a preponderance of small semi-skilled type of organisation, food manufacturers, and cash and carry warehouses, none of which could be classified as being high tech. Warehouses occupy large ground surface areas with an accompanying low density labour force reducing any possibilities of creating job opportunities.

The Salford Enterprise Zone and its immediate locality has been interspersed with private dwellings and the gentrification of old established property all of which has largely removed the problem of vandalism committed by those who literally once lived across the road. The developments have created the kind of environment which makes it a desirable place in which to live and work giving the City a nucleus from which upmarket environs can expand to the benefit of citizens, so different from the environs of the majority of other

Salford constituent districts.

Operating costs of the Salford Quay offices will be highly competitive with offices in the Canary Wharf development. Also in competition with Canary Wharf are the large number of office developments either untenanted or in the course of construction in the London outskirts where operating costs are lower. Developers of office space facilities have planned as if demand is infinite for a market in which demand is decreasing.

Opinions expressed amongst principals of small size units was that the transport of goods was of minor importance, costs involved only representing a small proportion of total production costs, any problems of accessibility being left to a public haulier. Low density labour requirements and the relative nearness of corporation housing estates to the Salford Enterprise Zone has minimized dependence on public transport facilities, and for those living some distance away transport to work was invariably undertaken by car.

Corby with a labour force drawn from the large estates surrounding the town possesses good road access to outside areas linking the town with suppliers of raw materials and components for manufacture and the transfer of finished products to the market.

The transport system necessary for optimum functioning of industry in the Isle of Dogs is somewhat different from that of Salford and Corby, as if, and when

fully operational the offices there will require large amounts of stationary material, especially The Daily Telegraph newspaper group requiring large amounts of newsprint on a daily basis, with 'out' accessibility for vehicle newspaper consignments to distributors.

Transport facilities for workers and business people, will either be by public transport or by private car, many of whom will be travelling outside the boundaries of the Borough of Tower Hamlets. If these facilities are inadequate to cope, especially with peak demands, an adverse effect on both the viability and attractiveness of the area will occur.

The improvement of the local road infrastructure is causing concern [October, 1990], the Government's revitalization strategy for London's Dockland having been questioned by persistent projected cost increases. The one mile stretch of a docklands link road estimated at £300 million is double the 1988 estimate. Such increases are causing grave concern to the L.D.D.C. community programme which during 1989 / 1990 experienced a loss of more than £4 million.

Eventually public transport linking the Salford Enterprise Zone will be improved after the introduction of the planned rapid transit road transport tramway between Salford and the wider Greater Manchester Area. From the research investigations this innovation will not influence worker transport preferences to and from the

Enterprise Zone to any large extent, unlike the old over-crowded trams operating during peak periods to Trafford Park in its heyday.

Any assisted development in the more prosperous regions is a paradox to Central Government plans of increasing work opportunities in other areas receiving financial aid. This philosophy is in conflict with the objectives of the Enterprise Zone experiment and moreso when aid is given to districts close to where an Enterprise Zone is situated. During the formative years of the Enterprise Zone establishment grant aid given elsewhere had adverse effects on the attractiveness which Enterprise Zone occupancy might give. In response Zone officials have expressed consternation at alternative Government Policies at giving grants to other areas as being counter productive to the financial and other inducements associated with establishing a business within a geographical area especially if disadvantaged by being dependent upon an inferior transport communication network when compared with an industrial site elsewhere which has good accessibility to the main road networks.

The Enterprise Zone visionaries considered that by setting business free giving capitalism a free reign with the minimum of restrictions, tax and rate burdens, job creation would solve the problem of unemployment in areas blighted by decay and the collapse of surrounding

industries.

Job creation should precede the creation of real wealth in the form of facilities to mankind created from raw materials with efficient use of energy and manpower to raise all living standards. In contrast finance houses make money by dealing, with gains for only those involved in such transactions, which is a selfish rather than a socially advantageous process. Economic geography is a constantly changing dynamic subject, any research investigation end-on to this work should investigate the outcome of speculative building and the infrastructure essential for their viability. Aid grants to the different Regions could also be analysed to determine whether monies received are spent wisely or unwisely in promoting ideological concepts, despite the many failures of past state intervention in moving industry to areas which industrialists favour least or supporting employment associated with an unwanted product.

APPENDIX TABLES

APPENDIX: TABLE A and TABLE B, Continued,

FIRM NUMBER		1	2	3	4	5	6	7	8	9	10		
Question 3 Floor Space Square Feet	Offices	250	500	-	820	500	150	50	100	120	250		
	Manufacturing/Assembly	750	500	500	500	30	850		900	380	500		
	Storage				180								
	Loading and Parking												
	Total	1000	1000	500	1500	530	1000	2500	1000	500	750		
Question 4 Numbers Employed	Managerial	Male	2	1		3	1		1	1		2	
		Female		1									
	Clerical	Male											2
		Female				1				1			
	Skilled Manual	Male			2	2	1	2	11	1	2		
		Female											
	Semi- Skilled	Male	1			1							
		Female											
	Unskilled	Male						1/2					
		Female											
	Part Time	Male	1										
		Female											
	Totals	Male	3 1/2	1	2	6	2 1/2	2	12	2	2	4	
Female			1		1				1				

APPENDIX: TABLE A and TABLE B Continued,

FIRM NUMBER		11	12	13	14	15	16	17	18	19	20	
Question 3 Floor Space Square Feet	Offices	50	100	100	50	100		120	100	220	400	
	Manufacturing/Assembly	700	1050		880		100	880		1230		
	Storage		850	1900	70	1180	900		900	300	800	
	Loading and Parking											
Total		750	2000	2000	1000	1280	1000	1000	1000	1750	1200	
Question 4 Numbers Employed	Managerial	Male	1	1	1	2 1/2	2	1	2	2	1	
		Female										
	Clerical	Male	1	1	1/2	1	2 1/2	1			1	
		Female							1/2		1	
	Skilled	Male	1	1	1/2	1			2		5	2
		Female										
	Manual	Male	3			1					2	1
		Female										
	Unskilled	Male										1
		Female										
	Part Time	Male	1									
		Female										
Totals	Male	6 1/2	3	2	4	5	3	3	2	9	6	
	Female							1/2		1		

FIRM NUMBER	21	22	23	24	25	26	27	28	29	30
Offices	3000	500	350	800	100	650	380	1500	700	600
Manufacturing/Assembly		2300			1350	1350			1800	1900
Floor Space	14000			1200			820	500		
Square Feet				457						
Question 3										
Offices	21	22	23	24	25	26	27	28	29	30
Managerial	Male	8	2	2	1	2	3	2	3	4
Managerial	Female							2		
Clerical	Male	2		1-Sales	7-Sales	1-Sales				
Clerical	Female	5	1	1	1	1	1	6	1	3
Skilled	Male		1		11	3	20	2		10
Skilled	Female									
Semi:	Male	3	2	3		1				2
Semi:	Female						Driver			
Skilled	Male	1	1							
Skilled	Female									
Unskilled	Male	1	1							
Unskilled	Female									
Part	Male		1							
Part	Female					Cleaner		1	Cleaner	
Time	Male	14	6 1/2	6	20	7	24	4	3	14
Time	Female									
Totals	Male	5	1 1/2	1	1	1	1 1/2	1	1	3
Totals	Female							8 1/2		

APPENDIX: TABLE A and TABLE B, continued,

APPENDIX: TABLE A and TABLE B, Continued,

FIRM NUMBER		31	32	33	34	35	36	37	38	39	40	
Question 3 Floor Space Square Feet	Offices	600	1000	2000	400	250	900	400	14.40	200	150	
	Manufacturing/Assembly	13900		15000	12100	11950	2000		112900			
	Storage		4000				2000	2100		5800	1850	
	Loading and Parking											
	Total	4500	5000	7000	2500	2200	4900	2500	with M ₂ 14346	6000	2000	
Question 4 Numbers Employed	Managerial	Male	2	3	2	1	1	3	1	1	1	1
		Female			2							
	Clerical	Male	Dr ⁿ man 1	1						1-Sales		1
		Female		3				2	2	1		
	Skilled Manual	Male	11		2	2	1	15	5	3	3	
		Female										
	Semi- Skilled	Male		1	2	1		8	1-Y.T.S	1-Driver		
		Female										
	Unskilled	Male	1-Y.T.S	1		1-Y.T.S		2				
		Female										
	Part Time	Male									1-Y.T.S	
		Female	1-Cleaner		1				4	1		
	Totals	Male	15	6	6	5	2	28	7	6	4 1/2	2
Female		1/2	3	2 1/2			2	4	1 1/2			

APPENDIX: TABLE A and TABLE B, Concluded.

FIRM NUMBER		41	42	43	44	45	46	47	48	49	50	
Question 3 Floor Space Square Feet	Offices	220	300	500	225	1170	240	2367	1000		1000	
	Manufacturing/Assembly	6500	6300	7000	6075	1290	120	8468		1000		
	Storage						1740					
	Loading and Parking											
	Total	6720	6000	7500	6300	2460	2100	10935	1000	1000	1000	
Question 4 Numbers Employed	Managerial	Male	4	3	1	1	2	2	1		1	
		Female										
	Clerical	Male	1- Buyer						1	1		
		Female	1	5	1		2		2			1
	Skilled Manual	Male	7		7		3					
		Female										
	Semi Skilled	Male		9		10		1				
		Female	3						15			
	Unskilled	Male							3			
		Female										
	Part Time	Male		1								
		Female	2	1	1-Cleaner							
	Totals	Male	12	12½	8	11	5	3	5	1	1	
Female		5	5½	1½		2		17			1	

Question 5: Is your firm a) Labour Intensive or b) Capital Intensive?

APPENDIX:
TABLE C, Continued,

FIRM NUMBER	1	2	3	4	5	6	7	8	9	10
a) Labour Intensive	✓	✓		✓	✓	✓	✓		✓	✓
b) Capital Intensive			✓					✓		

Question 6: Is it possible to give some indication of the amount of capital employed per employee?

APPENDIX TABLE D, Continued,

FIRM NUMBER	1	2	3	4	5	6	7	8	9	10
Amount £	1000	6250	5000	1000	15000	30000	10000	6000	1000	1000

Question 7: What percentage of total production costs attributed to the following:

APPENDIX:
TABLE E, Continued,

FIRM NUMBER	1	2	3	4	5	6	7	8	9	10
a) Labor Costs										
b) Running Costs										
c) Transport Costs	5%	10%	2%	0.9%	/	4%	/	6%	7½%	11%

Question 8: Opinion regarding the Enterprize Zone and Distribution Costs - a possible disadvantage: Yes, No?

APPENDIX: TABLE F, Continued,

FIRM NUMBER	1	2	3	4	5	6	7	8	9	10
Yes or No	Highly Probable	No	?	No	No	No	No	Yes	Yes	Yes

Question 5: Is your firm a) Labour Intensive or b) Capital Intensive?

APPENDIX:
TABLE C, Continued,

FIRM NUMBER	11	12	13	14	15	16	17	18	19	20
a) Labour Intensive	/	✓	50%	/	✓	✓		/		✓
b) Capital Intensive	/		50%	/			✓	/	✓	

APPENDIX: TABLE D, Continued,

Question 6: Is it possible to give some indication of the amount of capital employed per employee?

FIRM NUMBER	11	12	13	14	15	16	17	18	19	20
Amount £	/	1500	4000	13000	9000	350	15000	/	10000	3000

APPENDIX:
TABLE E, Continued,

Question 7: What percentage of total production costs attributed to the following:

FIRM NUMBER	11	12	13	14	15	16	17	18	19	20
a) Labour Costs										
b) Running Costs										
c) Transport Costs	4½%	<5%	/	14%	10%	10%	10%	/	12%	15%

APPENDIX: TABLE F, Continued,

Question 8: Opinion regarding the Enterprise Zone and Distribution Costs - a possible disadvantage: Yes, No?

FIRM NUMBER	11	12	13	14	15	16	17	18	19	20
Yes or No	Yes	Yes	/	Yes	No	No	No	No	Yes	Yes

Question 5: Is your firm a) Labour Intensive or b) Capital Intensive?

APPENDIX:
TABLE C, Continued,

FIRM NUMBER	21	22	23	24	25	26	27	28	29	30
a) Labour Intensive	✓	✓	✓	✓	✓	✓	✓	✓	✓	
b) Capital Intensive										✓

Question 6: Is it possible to give some indication of the amount of capital employed per employee?

APPENDIX: TABLE D, Continued,

FIRM NUMBER	21	22	23	24	25	26	27	28	29	30
Amount \$	3500	15620	3570	3000	40000	2000	Difficult	1000	15000	✓

Question 7: What percentage of total production costs attributed to the following:

APPENDIX

TABLE E, Continued,

FIRM NUMBER	21	22	23	24	25	26	27	28	29	30
a) Labour Costs										
b) Running Costs										
c) Transport Costs	12%	10%	20%	Variable	2%	5%	No idea	No idea	10-11%	<5%

Question 8: Opinion regarding the Enterprize Zone and Distribution Costs - a possible disadvantage: Yes, No?

APPENDIX: TABLE F, Continued,

FIRM NUMBER	21	22	23	24	25	26	27	28	29	30
Yes or No	No	Yes	✓	No	No	No	No	No	No	No

Question 5: Is your firm a) Labour Intensive or b) Capital Intensive?

APPENDIX:
TABLE C, Continued,

FIRM NUMBER	31	32	33	34	35	36	37	38	39	40
a) Labour Intensive	✓			✓		✓	✓	✓	✓	
b) Capital Intensive		✓	✓		edge					✓

APPENDIX: TABLE D, Continued

Question 6: Is it possible to give some indication of the amount of capital employed per employee?

FIRM NUMBER	31	32	33	34	35	36	37	38	39	40
Amount £	5000	/	12500	4400	20000	/	40000	100000	500	1000

APPENDIX:

Question 7: What percentage of total production costs attributed to the following: TABLE E, Continued,

FIRM NUMBER	31	32	33	34	35	36	37	38	39	40
a) Labour Costs							75%	70%	70%	
b) Running Costs							15%	20%	25%	
c) Transport Costs	Small	25%	/	<5%	1%	/	10%	10%	5%	7.3%

APPENDIX: TABLE F, Continued,

Question 8: Opinion regarding the Enterprise Zone and Distribution Costs - a possible disadvantage: Yes, No?

FIRM NUMBER	31	32	33	34	35	36	37	38	39	40
Yes or No	No	No	No	No	No	No	No	No	No	Yes

Yes or No	No	No	No	No	No	No	No	No	No	Yes	Yes
FIRM NUMBER	41	42	43	44	45	46	47	48	49		

Question 8: Opinion regarding the Enterprise Zone and Distribution Costs - a possible disadvantage: Yes, No?
 APPENDIX: TABLE F, Concluded.

FIRM NUMBER	41	42	43	44	45	46			
a) Labour Costs	80%	80%	70%	70%	35%	65%			
b) Running Costs	15%	5%	18%	10%	57%	10%			
c) Transport Costs	5%	15%	12%	20%	8%	25%			

Question 7: What percentage of total production costs attributed to the following: TABLE E, Concluded.
 APPENDIX

FIRM NUMBER	41	42	43	44	45	46	47	48	50
Amount £	12000	low	80000	5500	6900	5000	20000	2000	8000

Question 6: Is it possible to give some indication of the amount of capital employed per employee?
 APPENDIX: TABLE D, Concluded.

FIRM NUMBER	41	42	43	44	45	46	47	48	49	50
a) Labour Intensive		✓		✓	✓	✓	✓	✓	✓	✓
b) Capital Intensive	✓		✓							

Question 5: Is your firm a) Labour Intensive or b) Capital Intensive?
 APPENDIX: TABLE C, Concluded.

QUESTION NUMBERS 9 and 10: Freight Trips Inward per Week APPENDIX: TABLE G, Continued.

FIRM NUMBER		1		2		3		4		5		6		7		8		9		10				
Length of Haul		Haulier Type and Weight of Consignment																						
Over	Not Over	2 kg		100 kg /load		Parcels - 1/2 tonne In total		8 kg/ delivery		Total of 50 kg - Average /Week		Small lots Total 50 kg/ Week		0.166 of a tonne - Average /Delivery		1600 kg /Week		10 kg /load		Average 14 kg/ Week		Between 75 kg and 175 kg		
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	
	25 km [15.5 miles]				5				7					0.25		3								
25 km [15.5 miles]	50 km [31 miles]										0.2													
50 km [31 miles]	100 km [62 miles]																1				0.25		0.5	
100 km [62 miles]	200 km [124 miles]							20																
200 km [124 miles]	300 km [186 miles]																							
300 km [186 miles]			10								1.8												A Few by Post	0.25

QUESTION: NUMBERS 9 and 10 - Freight Trips Inward per Week. APPENDIX: TABLE G, Continued,

FIRM NUMBER		11	12	13	14	15	16	17	19	20	21													
Length of Haul		Haulier Type and Weight of Consignment																						
Over	Not Over	Each Load 10 kg		Total 25 kg /Week		200 kg		1½ tonne /load		¼ tonne /load		Average 75 kg /Day		Total 75 kg		Total 10 tonne /Week		Total 2500 kg		Loads 15 kg-150 kg; Variable		Difficult to Assess.		
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	
	25 km [15.5 miles]		1		1										23			3½						6
25 km [15.5 miles]	50 km [31 miles]														1					1				
50 km [31 miles]	100 km [62 miles]														1									
100 km [62 miles]	200 km [124 miles]						1							5										
200 km [124 miles]	300 km [186 miles]		1		1 by car																			
300 km [186 miles]			1											1										10

QUESTION NUMBERS 9 and 10 - Freight Trips Inward per Week. APPENDIX: TABLE G, Continued,

FIRM NUMBER		22	23	24	25	26	27				28	29	30	31										
Length of Haul		Haulier Type and Weight of Consignment																						
Over	Not Over	Total 325 kgs		Daily 7kg → 50 kg		Total 75 kg		Small: 35 kg/Day		Small- ½ tonne, max		20 kg Weekly		400 kg Weekly		15 tonne		Vehicle Repair Work		½ tonne		Varies 50-150 kg Maximum		
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	
	25 km [15.5 miles]										16				5					1	2½		2	
25 km [15.5 miles]	50 km [31 miles]																							
50 km [31 miles]	100 km [62 miles]										2		5		1									
100 km [62 miles]	200 km [124 miles]					20																		
200 km [124 miles]	300 km [186 miles]																							1
300 km [186 miles]																								
				</																				

QUESTION NUMBERS 9 and 10 - Freight Trips Inwards per Week. APPENDIX: TABLE G, Continued,

FIRM NUMBER		32	33	34	35		36		37		38		39		40		41							
Length of Haul		Haulier Type and Weight of Consignment																						
Over	Not Over	5 tonne / Week		Small Quantities		Parcel Post Av. 50kg / Day		25kg		3 tonne		Av. Weight of Total - 250kg		Av. Weight of Total - 300kg		10 tonnes / Week		Varies: ½ tonne - 18 tonnes		Total 2½ tonnes / Week		Total 30 tonnes / Week		
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	
	25 km [15.5 miles]													10										19
25 km [15.5 miles]	50 km [31 miles]																							
50 km [31 miles]	100 km [62 miles]																							
100 km [62 miles]	200 km [124 miles]																							
200 km [124 miles]	300 km [186 miles]																							
300 km [186 miles]																								

50 - Deliveries from E.F.C. Far East to London Airport to sites without transport.

10 - Various Distances, No set pattern.

12 - Distances not given

From Abroad
1

From Abroad
1

From Abroad
1

QUESTION NUMBERS 9 and 10 - Freight Trips Inward per Week.

APPENDIX: TABLE G, Concluded.

FIRM NUMBER		42	43	44				45				46													
Length of Haul		Haulier Type and Weight of Consignment																							
Over	Not Over	No Weight given		Total 20 tonnes		0.4 tonne Weekly		1.6 tonnes Weekly		½ kg /delivery		Total ½ tonne													
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH		
	25 km [15.5 miles]								1				5												
25 km [15.5 miles]	50 km [31 miles]				9																				
50 km [31 miles]	100 km [62 miles]												3												
100 km [62 miles]	200 km [124 miles]						1					3													
200 km [124 miles]	300 km [186 miles]																								
300 km [186 miles]																								2	

QUESTION NUMBERS 11 and 12 Freight Trips Outward per Week.

APPENDIX: TABLE H, Continued.

FIRM NUMBER		1	2	3	4	5	6	7	8	9	10													
Length of Haul		Haulier Type and Weight of Consignment																						
Over	Not Over	Total: 110 kg		Parcels: ½ tonne in total		Small amounts: 3kg each		Total of 50kg on average		Parcels up to 10kg		Total 100 kg		Between 6-10 kg		Average 280 kg		Small Parcels		2½ kg / Delivery		Average 170 kg / Delivery		
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	
	25 km [15.5 miles]		1	3			5 or 4					4		6		5			8	9				
25 km [15.5 miles]	50 km [31 miles]																							
50 km [31 miles]	100 km [62 miles]										5 by Post													Nationwide
100 km [62 miles]	200 km [124 miles]										1 by Post													Nationwide
200 km [124 miles]	300 km [186 miles]										1 by Post													
300 km [186 miles]																							1	

QUESTION NUMBERS 11 and 12 Freight Trips Outward per Week

APPENDIX TABLE H₂ Continued,

FIRM NUMBER		11	12	13		14		15		16		17		19		20								
Length of Haul		Haulier Type and Weight of Consignment																						
Over	Not Over	Total of 20 kg		Total of 20kg.		Variable open to the public		2000kg /week		Total of 7 tonnes /week		Not over 10kg		10kg - 1/2 tonne		Total of 375 kg		Total of 9 tonnes		Average 80kg /Delivery		Small lots by post		
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	
	25 km [15.5 miles]							10		5		20		10		10	40		18					
25 km [15.5 miles]	50 km [31 miles]	1															3		4					
50 km [31 miles]	100 km [62 miles]	1														2			2					
100 km [62 miles]	200 km [124 miles]															4			2					
200 km [124 miles]	300 km [186 miles]																							
300 km [186 miles]										3														

2-Deliveries ranging between short and long distances

4-Deliveries: small lots via ship from Felixstowe - Furness Wilby - Beirut, Cyprus and Malta

To Blackpool and Scotland

QUESTION NUMBERS 11 and 12 Freight Trips Outward per Week

APPENDIX: TABLE H: Continued,

FIRM NUMBER	21	22	23	24	25	26	27	28	29	30			
Length of Haul	Hauler Type and Weight of Consignment												
											OA	PH	OA
Over	Not Over	10 kg - 1/2 tonne	1/2 tonne - 1 tonne	Total 325 kg	Not over 10kg /Delivery	5 kg /Delivery	Small to 35 kg	Small to 1/2 tonne maximum	Total 25 kg	Total 15 tonne	Vehicle Repair Week	Total 1/2 tonne	
25 km [15.5 miles]	50 km [31 miles]			10	40			13					
50 km [31 miles]	100 km [62 miles]	95% of total						2					
100 km [62 miles]	200 km [124 miles]	5% of total						2					
200 km [124 miles]	300 km [186 miles]	Transport Nationwide:						1					
300 km [186 miles]		Transport Nationwide:											
		25-Deliveries: Staffordshire to Scotland		Variable Distances:		5-10 Deliveries per week split between Bedford Farnborough, Newcastle, Edinburgh and Glasgow		Collection by Customers		Small lots		1-Delivery per month anywhere in the North of England	
		None: Customers bring vehicles and take away										2-3 Deliveries within 50 miles of the site.	

QUESTION NUMBERS 11 and 12 Freight Trips Outward per Week APPENDIX: TABLE H₂ Continued;

FIRM NUMBER	31		32		33		34		35		37		38		39		40		
	Length of Haul		Variable Weights		Not Available		Variable Goods In → Out		25 kg. 2 tonnes		Total 300 kg.		Total 7½ tonnes		Each Delivery ¾ tonne		Total 3 tonnes		
Over	Not Over	Not over 10kg	10kg - ½ tonne	10kg - ½ tonne	Variable Weights Available	Not Available	Variable Goods In → Out	25 kg. 2 tonnes	Total 300 kg.	Total 7½ tonnes	Each Delivery ¾ tonne	Total 3 tonnes	10 kg - ½ tonne.	Haulier Type and Weight of Consignment					
OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH
25 km [15.5 miles]		3	2																
50 km [31 miles]		2	1						45										
50 km [31 miles]		2	1					15											
100 km [62 miles]																			
200 km [124 miles]																			
200 km [124 miles]																			
300 km [186 miles]																			
300 km [186 miles]																			

Deliveries to Airports: Manchester, sometimes to Leeds/Bradford, Speke and Heathrow
 As far distant as Carlisle, but 90% local.
 2 Deliveries per Week - Anywhere.
 To London but infrequently
 Also, Customers collect in own vehicles
 Seasonal Fluctuations: eg. Christmas and Easter.
 8 - Deliveries Weekly split between England and Northern Ireland, Switzerland and Grand Isle W.I.

QUESTION NUMBERS 11 and 12 Freight Trips Outward per Week. APPENDIX: TABLE H, Concluded.

FIRM NUMBER		41	43	44	45	46	Haulier Type and Weight of Consignment												
Over	Not Over	Total of 22 tonnes	Total of 19 tonnes Max. 2 times /Customer	Total 1.8 tonnes	Total 1.4 kg	305 kg	OA		PH		OA		PH		OA		PH		
		OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH	OA	PH		
	25 km [15.5 miles]					5	Small lots												
25 km [15.5 miles]	50 km [31 miles]			Granada T.V. Area															
50 km [31 miles]	100 km [62 miles]						Very												
100 km [62 miles]	200 km [124 miles]			Flint and Marscombe Mail Order			Parcel Post												
200 km [124 miles]	300 km [186 miles]			50-Deliveries Destinations Totally Random															
300 km [186 miles]																			

Haulier Type and Weight of Consignment

Personal Customers: Trade Counter

QUESTION 15: What are your Costs for Goods Transport Inwards?

APPENDIX: TABLE L, Continued,

FIRM NUMBER.		1	2	3,4,5,6,7,8	9	10					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km [15.5 miles]										
25 km [15.5 miles]	50 km [31 miles]	Costs based on sales value	Road	1% of Goods by Parcel Post - a charge Remainder of Deliveries, - no charge.	Road	Costs included in Price	Road	Discounts given on large consignments More expensive for small lots	Road	Because of importing some extra costs included for transport.	Initial journey by sea, then by road
50 km [31 miles]	100 km [62 miles]		All Distances by Road								
100 km [62 miles]	200 km [124 miles]										
200 km [124 miles]	300 km [186 miles]										
300 km [186 miles]											

QUESTION 15: What are your Costs for Goods Transport Inwards?

APPENDIX: TABLE 1, Continued.

FIRM NUMBER.		16		17		19		20, 21, 23		24	
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)										
25 km (15.5 miles)	50 km (31 miles)	Price of goods Bulk purchases kept	Road	included in Price Bullock beef from Brazil		included in Price from a break-bulk depot.	Road	included in Price	Road	included in Price	
50 km (31 miles)	100 km (62 miles)	Price of goods Bulk purchases preferred - but stocks kept low because of interest charges	Distances by Road	included in Price Bullock beef from Brazil	Road	included in Price from a break-bulk depot.	Distances by Road	included in Price	Distances by Road	included in Price	Road
100 km (62 miles)	200 km (124 miles)	Costs included in Price Bulk purchases preferred - but stocks kept low because of interest charges	All Distances	included in Price Bullock beef from Brazil	Sea and Road	Costs included in Price from a break-bulk depot.	All Distances	Costs included in Price	All Distances	Costs included in Price	Sea - Road
200 km (124 miles)	300 km (186 miles)	Costs included in Price Bulk purchases preferred - but stocks kept low because of interest charges	All Distances	Costs included in Price Bullock beef from Brazil	By Sea and Road	Transport Costs included in Price from a break-bulk depot.	All Distances	Transport Costs included in Price	All Distances	Transport Costs included in Price	Road
300 km (186 miles)		Costs included in Price Bulk purchases preferred - but stocks kept low because of interest charges				Transport Costs included in Price from a break-bulk depot.		Transport Costs included in Price		Transport Costs included in Price	

QUESTION 15: What are your Costs for Goods Transport Inward?

APPENDIX: TABLE L, Continued,

FIRM NUMBER.		25	29	30	31	32					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)										
25 km (15.5 miles)	50 km (31 miles)	Costs included in Price	Road	Transport Costs built into Price	Road	Transport Costs included in Purchasing Costs	Road	Costs included in Price	Road	Transport Costs inclusive of prices built up by Parent Company	Road
50 km (31 miles)	100 km (62 miles)	Costs included in Price	All Distances by Road	Transport Costs built into Price	All Distances by Road	Transport Costs included in Purchasing Costs	All Distances by Road	Costs included in Price	All Distances by Road	Transport Costs inclusive of prices built up by Parent Company	All Distances by Road
100 km (62 miles)	200 km (124 miles)	Costs included in Price	All Distances by Road	Transport Costs built into Price	All Distances by Road	Transport Costs included in Purchasing Costs	All Distances by Road	Costs included in Price	All Distances by Road	Transport Costs inclusive of prices built up by Parent Company	All Distances by Road
200 km (124 miles)	300 km (186 miles)	Costs included in Price	All Distances by Road	Transport Costs built into Price	All Distances by Road	Transport Costs included in Purchasing Costs	All Distances by Road	Costs included in Price	All Distances by Road	Transport Costs inclusive of prices built up by Parent Company	All Distances by Road
300 km (186 miles)											

QUESTION 15: What are your Costs for Goods Transport Inwards? APPENDIX: TABLE L, Continued,

FIRM NUMBER.		35,37		38		39		40		43	
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)										
25 km (15.5 miles)	50 km (31 miles)		Road		Road		Road		Road		Road
50 km (31 miles)	100 km (62 miles)		by Road		by Road		by Road		by Road		by Road
100 km (62 miles)	200 km (124 miles)		All Distances		All Distances		All Distances		All Distances		All Distances
200 km (124 miles)	300 km (186 miles)		All Distances		All Distances		All Distances		All Distances		All Distances
300 km (186 miles)											

Costs included in Price

Sometimes suppliers charge especially for small amounts

Fixed Prices for bulk deliveries from eg. Barker and Dobson, Maynards, Tanners.

Buy in bulk - delivered to main distribution warehouse on Thames Estuary, Essex. Air Flight for urgent deliveries - then by Road to Salford.

QUESTION 15: What are your Costs for Goods Transport Inwards? APPENDIX, TABLE L, Concluded.

FIRM NUMBER.		44		45		46					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)										
25 km (15.5 miles)	50 km (31 miles)	Price	Road	Price	Parcel Post	Price	Road				
50 km (31 miles)	100 km (62 miles)	Costs included in	All Distances by	Costs included in	All Deliveries by	Costs included in	All Distances by				
100 km (62 miles)	200 km (124 miles)										
200 km (124 miles)	300 km (186 miles)	Costs included in	All Distances by	Costs included in	All Deliveries by	Costs included in	All Distances by				
300 km (186 miles)											

QUESTION 16: What are your Costs for Goods Transport Outwards?

APPENDIX: TABLE M, Continued,

FIRM NUMBER.		1	2	3	4	5					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)	Volume									
25 km (15.5 miles)	50 km (31 miles)	Sales	Road	Price	Road	irrelevant as	Road:	weight.	Road	special deliveries	Road.
50 km (31 miles)	100 km (62 miles)	Based on	Distances by	included in	Distances by	Transport	Distances by		Distances by		
100 km (62 miles)	200 km (124 miles)	with a Public	All Distances	Costs	All Distances	Costs irrelevant as	All Distances		All Distances		
200 km (124 miles)	300 km (186 miles)	Haulier				goods delivered en-route for other business	except small parcels by Air abroad.				
300 km (186 miles)		Transport Costs						Variable Costs based on weight.		Charges only made for special deliveries	
		Hased on	All Distances by						All Distances by		All Distances by
		with a Public									
		Haulier									

QUESTION 16: What are your Costs for Goods Transport Outwards? APPENDIX: TABLE M, Continued,

FIRM NUMBER.		6		7, 8		9		10		11	
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)	by customers									
25 km (15.5 miles)	50 km (31 miles)	by customers	Road	included in Price	Road	included in Price Local Deliveries Only	Road	less than six parcels at carriers rates Carriage paid for a greater number.	Road	included in Price - made with respect to regarding distance.	Road
50 km (31 miles)	100 km (62 miles)	collections made by	Distances by	included in Price	Distances by	included in Price Local Deliveries Only	Distances by	less than six parcels at carriers rates Carriage paid for a greater number.	Distances by	included in Price - made with respect to regarding distance.	Distances by
100 km (62 miles)	200 km (124 miles)	all collections made by	All Distances	Costs included in Price	All Distances	Costs included in Price Local Deliveries Only	All Distances	charged for less than six parcels at carriers rates Carriage paid for a greater number.	All Distances	Transport Costs included in Price - allowance made with respect to a large volume order regarding distance.	All Distances
200 km (124 miles)	300 km (186 miles)	all collections made by	All Distances	Costs included in Price	All Distances	Costs included in Price Local Deliveries Only	All Distances	charged for less than six parcels at carriers rates Carriage paid for a greater number.	All Distances	Transport Costs included in Price - allowance made with respect to a large volume order regarding distance.	All Distances
300 km (186 miles)		all collections made by	All Distances	Costs included in Price	All Distances	Costs included in Price Local Deliveries Only	All Distances	charged for less than six parcels at carriers rates Carriage paid for a greater number.	All Distances	Transport Costs included in Price - allowance made with respect to a large volume order regarding distance.	All Distances

QUESTION 16: What are your Costs for Goods Transport Outwards? APPENDIX: TABLE M, Continued.

FIRM NUMBER.		12	13	14	15	16					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)	up to weight of the lble of Ireland.									
25 km (15.5 miles)	50 km (31 miles)				Road.				Road		Road
50 km (31 miles)	100 km (62 miles)	to any distance to Northern Man and to Ireland.	Air or Road								
100 km (62 miles)	200 km (124 miles)										
200 km (124 miles)	300 km (186 miles)		By								
300 km (186 miles)											

QUESTION 16: What are your Costs for Goods Transport Outwards?

APPENDIX: TABLE M, Continued,

FIRM NUMBER.		17	19	20	21	23					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)	Costs included in Price independent of Distance - however maximum distance of delivery is 30 miles to Burnley	Road	Costs to keep							
25 km (15.5 miles)	50 km (31 miles)		Road	to bear to customer. £4.25 standing cost plus 0.25/kg anywhere in the U.K. for next day delivery. 30g per mile up to 5 miles							
50 km (31 miles)	100 km (62 miles)				By Rail used but seldom because of high cost and problems with modal split. Overseas via Felixstowe for small lots						
100 km (62 miles)	200 km (124 miles)				Costs charged according to G.P.O. tariffs						
200 km (124 miles)	300 km (186 miles)				Postal Services						
300 km (186 miles)					Fixed Price Contracts						
				All Distances by Road							
				Costs included in Price							
				All Distances by Road							

QUESTION 16: What are your Costs for Goods Transport Outwards? APPENDIX: TABLE M, Continued,

FIRM NUMBER.		24	25	26	30	31					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)										
25 km (15.5 miles)	50 km (31 miles)	out of the "basic"	Road	service given	Road	each travel with associated costs	Road	delivery costs		majority of deliveries being within 50 miles of H. Zone.	Selling Price.
50 km (31 miles)	100 km (62 miles)	charged for "out of the basic" plus 50%	Distances by	of the service given	Distances by	together with associated costs	Distances by	our delivery costs			included in
100 km (62 miles)	200 km (124 miles)	way places"	All Distances	inclusive of the service given	All Distances	distance	All Distances	part of our delivery costs			
200 km (124 miles)	300 km (186 miles)		All		All			Transport		By Road	Transport
300 km (186 miles)		An extra		Costs		An		part of our		the majority of deliveries being within 50 miles of H. Zone.	Costs

QUESTION 16: What are your Costs for Goods Transport Outwards?

APPENDIX: TABLE M, Continued,

FIRM NUMBER.		32		33		34		35		36	
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)										
25 km (15.5 miles)	50 km (31 miles)	only	Road	for Airports	Road	included in Price		2 tonnes	Road		
50 km (31 miles)	100 km (62 miles)	weight	Distances by	to Airports	Distances by	included in Price	mainly local by	25kg - 2 tonnes	Deliveries by		
100 km (62 miles)	200 km (124 miles)	based on	Distances by	Customers use - inclusive of charge	Distances by	included in Price	Own Account Vehicles	included in Price	Deliveries by	No trips Out	
200 km (124 miles)	300 km (186 miles)	Costs based on	All Distances by	Transport of trucks to Airports	All Distances by	Costs of Transport included in Price	90% of trade mainly local by		All Deliveries by		
300 km (186 miles)				Customers use - inclusive of charge		Data Post for small items	Own Account Vehicles				

QUESTION 16: What are your Costs for Goods Transport Outwards?

APPENDIX: TABLE M, Continued.

FIRM NUMBER.		37	38	39	40	41					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)										
25 km (15.5 miles)	50 km (31 miles)	Charges	Road	Yorkshire £5		providing				'bill in'	by
50 km (31 miles)	100 km (62 miles)	Depends upon Competition	Distances by	Local Deliveries £2; Yorkshire £5	All Distances by Road	is a 'quantity' order	Road	Distances		Costs 'bill in'	and Ireland by
100 km (62 miles)	200 km (124 miles)	made according to tonne/kms.	All Distances by	Any Cost in excess of £100 - bill into Price	All Distances by Road			variables relating to charges		Chargest P.H. available	
200 km (124 miles)	300 km (186 miles)		All Distances by		All Distances by Road						Jersey and Ireland by
300 km (186 miles)											sea or air.
											UK.

QUESTION 16: What are your Costs for Goods Transport Outwards?

APPENDIX: TABLE M, Concluded.

FIRM NUMBER.		43	44	45	46	49					
Length of Haul.		Cost / Tonne and Transport Mode									
Over	Not Over	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode	Cost / tonne	Mode
	25 km (15.5 miles)										Road
25 km (15.5 miles)	50 km (31 miles)	Delivered - but a	Road.	Price - with consideration	Road	Parcel Post Charges	Road	overall costs	Road	Collect	Road.
50 km (31 miles)	100 km (62 miles)	Goods Delivered - but a	Distances by Road.	to cost of fuel, wear and tear and time taken.	Distances by Road	Parcel Post Charges	Distances by Road	overall costs	Distances by Road	Customer's collect	
100 km (62 miles)	200 km (124 miles)	Price for Goods Delivered - but a	Distances by Road.		Distances by Road	Parcel Post Charges	Distances by Road	overall costs	Distances by Road	Customer's collect	
200 km (124 miles)	300 km (186 miles)	Price for Goods Delivered - but a	All Distances		All Distances	Parcel Post Charges	All Distances	overall costs	All Distances	Customer's collect	
300 km (186 miles)		Price for Goods Delivered - but a									