



GOVERNMENT OFFICE FOR THE NORTH WEST

FAX MESSAGE

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MESSAGE :

Please find attached a minute
from Alistair Burt.

Yours Sincerely,

Elise Parkin

Date : 21-06-96

Pages to follow : 6

To : Michael Heseltine

From : Alistair Burt

Date : 21 June 1996

We spoke in the lobby the other night, and you kindly agreed to look at any particular problem I had in Manchester that might require some co-ordination in Whitehall.

I am asking for your urgent assistance in relation to the attached memo from Marianne Neville-Rolfe.

Two issues arise :

In the first place, it is clear that some businesses uninsured or underinsured, are already in difficulties, and their numbers are expected to grow rapidly in the next few days. For them, hardship assistance now may be the difference between staying afloat or going under. Whilst it is right, for many reasons, to preserve a distinction in assistance between those insured and those not insured, surely a "half-way house" solution is possible ?

If an appeal fund, backed and supported by local business, banks, insurance companies etc, and Government, could provide hardship assistance, rather than full compensation, this may hit the mark. Manchester City Council has started the ball rolling by establishing the Lord Mayor's Emergency Fund. As I mentioned, I have spoken to David Trippier and I hope he will lead and encourage the right response from the private sector.

In this way we would not deviate from the existing Government line on insurance and compensation.

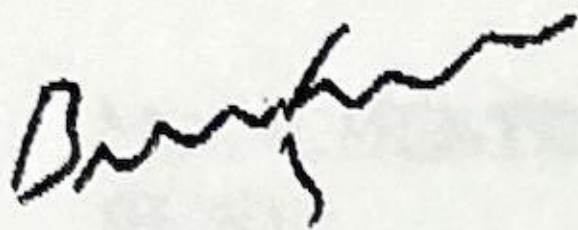
The second point is Presentational.

Manchester will not expect Government to stand by if small businesses are put out of business by the IRA. We will be told we bailed out the farmers, Maxwell pensioners and Lloyds brokers, but left Manchester unaided. A Manchester Evening News and Granada campaign will be seized on by obvious sources.

Not only would this be untrue, for we are planning to do much by way of regeneration, but it would be a disaster in terms of reputation. Whatever may be needed in the future, a modest lifeline now, with Government showing commitment, is what is needed.

An offer of £50,000 to the fund would do much to re-assure the city, and allow me to persuade the private sector to commit itself to a "Manchester Fight Back" strategy.

Can you help? I will phone and discuss later in the day if this is acceptable.



PP

ALISTAIR BURT

To: PS/Mr Burt

From: Marianne Neville Rolfe

Regional Director

Government Office for the North West

☎ 0161 952 (GTN 4301) 4002

Fax 4004

Date: 20 June 1996

MANCHESTER BOMB: THE LORD MAYOR'S EMERGENCY FUND

Issue

1. How to respond to a mounting need for assistance in the small business sector, affected by the bomb attack on central Manchester on 15 June 1996.

Recommendation

2. That you should pursue with your colleagues the need for an urgent contribution from Government to the Lord Mayor's Emergency Fund, set up by the Co-operative Bank on 20 June 1996.

Timing

3. Urgent - the speed of the response is more important than the scale of it at this stage.

Background

4. The IRA bomb attack in the centre of Manchester has devastated the heart of the city's principal shopping area, with severe damage to the Arndale Centre, the Royal Exchange and the Corn Exchange, all of which housed many small retailers. The full extent of the loss to the traders will not be fully known until the sealed off area is opened up but

it is already apparent that stock will be lost and that trading will be hard to sustain for these small businesses.

5. The Manchester Chamber of Commerce and Industry (MCCI) and the Manchester Business Link are providing advice and information to all businesses. Early calls indicate that financial loss and hardship are urgent concerns and the Manchester Evening News is beginning to give prominence to the emerging need for help to sustain small traders.

Argument

6. Insurance claims will help those with anti-terrorist cover to keep their businesses afloat. However, those without adequate cover will experience difficulties and some may have to cease trading altogether. The Government's policy on insurance is clear and in Manchester's instance there is no prospect of deviating from that policy, nor should there be.

7. However, the Co-operative Bank and the local authority are keen that as much help as possible is provided for the victims of the attack in these early days. The Emergency Fund has been opened with £10,000 from the Bank; the mainstream business community in the city is also gathering to work out its response and the TEC/MCCI/Business Link have instigated a number of businesses services in the past three days.

8. It is important that the Government Office can also be seen to be responding flexibly and positively to the emerging problems. We are backing up the Business Link efforts with access to advice; we have told them we would be sympathetic to any need for extra resource for their activities. However, there will be increasing clamour for Government financial assistance for small businesses - the Manchester Evening News article attached is typical of what we can expect. Whilst the medium to long term needs will not be fully understood for some time, it is the speed with which we contribute to the combined efforts to act in practical ways which will be examined in the next period of recovery.

9. The scale of the contribution to the Emergency Fund may be as small as to match the opening amount and it would not prejudice further assistance to Manchester. The contribution would not compromise the DTI position on business insurance since the fund's use is for hardship experienced by individuals and small businesses irrespective of the reasons for this.

Marianne Neville Rolfe

Marianne Neville Rolfe

Blitz traders' plea for a cash lifeline

Hero a team w needec one sec

By Alan Salter and Ray King

GOVERNMENT aid for Manchester's bombed-out small traders is needed within days to save them going to the wall.

As council chiefs strive to help businesses re-locate, senior sources indicated few were fully insured.

"Not all have bomb insurance by any manner of means," said a top official, "and many of the ones who do, face excesses of up to £100,000."

Hardest hit are traders in the Arndale's market and the Corn Exchange who may have lost all their stock.

Normal commercial insurance covers businesses for terrorism only up to a limit of £100,000. For cover beyond that, they have to pay extra premiums to the Pool Reinsurance Company Ltd, a government-guaranteed industry body formed to meet bombing claims in 1992.

For a typical building in Manchester, companies have to pay £7,200 for £10m worth of cover — though the insurance is not obligatory.

Worst-affected businesses have no way of knowing how badly damaged their premises are until the police let them into the inner area to see. Traders are attending twice-daily meetings in the town hall.

Among them is Don Wolstenholme, boss of the 30-bedroom Mitre Hotel. He said: "We were thrown out on Saturday and have not seen the place since."



JEANUS — boss Mick Stephenson outside first Market Street shop to reopen

Fund for victims

DONATIONS at any bank to: Lord Mayor of Manchester's Emergency Fund, Co-operative Bank, sort code 08-90-00, account number 61021617.

We have been told that there is substantial damage."

However parts of bomb-hit Market Street are opening for business again.

Across the street from the still-closed Arndale complex — and only a

few hundred yards from the spot where the mainland's biggest terror bomb exploded on Saturday — the first shop to open was 526 Jeans.

Debenhams store was also getting back to normal "extremely quickly" today.

And the Co-op Bank was opening its doors with a £10,000 gift to kick-start the city's emergency fund to help the bomb victims.

The shopworkers' trade union Usdaw today called on the government to help the thousands left in limbo by the bomb damage.

Postbag: Page 36

THE BOMB squad second of destroyi 3,300lb fertiliser

In a remarkat they broke throu the Ford Cargo robot to locate th anism inside and own explosives in

The method t cause their own e is just powerful t the mechanism in second without t entire bomb.

No attempt is an IRA device as tially far too d "destruct" metho much safer.

However, they until they recel from the police th fully evacuated be fire their system.

Police were ju last of 80,000 pec barrier when the without warning.

The size of the showers of splint dreds of feet in ti down on people b

An army spokes must wait for the police before we d were in a position

"Clearly we in the area has been our detonation set bomb and we do it them."

Other

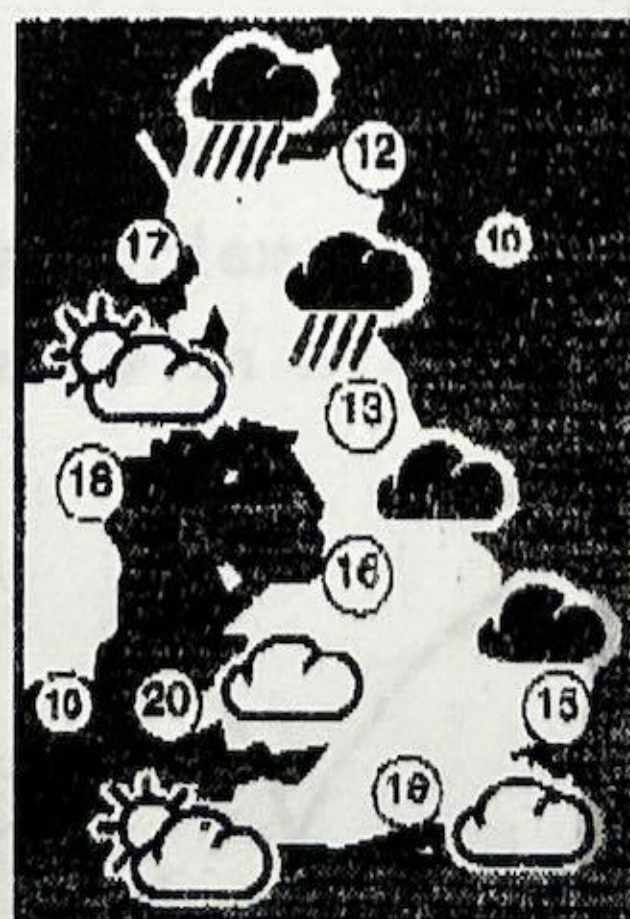
on CLEAR SKIES

• Bury
• MANCHESTER
• Stockport
• Macclesfield

1com CLEAR SKIES

The evening will end on a generally fine note, with some good cloud breaks to the west of Manchester. Areas close to the Pennines will have more cloud, and will remain rather cloudy throughout the hours of darkness. In the west, cloud breaks will allow temperatures to fall to a minimum of 60 (46F), with light north-easterly winds.

Across the nation



TOMORROW: Cloudy conditions are expected for much of northern and eastern Britain, with the cloud thick enough to give a little rain in places. Drier and brighter further south and west with some sunny spells. Feeling cool in the northerly breezes.
NEXT FOUR DAYS: The weekend should remain largely dry, and there will be some sunny spells. Monday and Tuesday will become warmer.

Ambleside	17	64	cloudy
Anglesey	18	64	sunny
Blackpool	20	68	fair
Bournemouth	18	66	sunny
Brighton	19	66	sunny
Cardiff	22	72	sunny
Cornwall Bay	17	63	sunny
Douglas	16	61	sunny
Guernsey	20	68	sunny
Glasgow	16	59	cloudy
Jersey	14	57	sunny
London	22	72	fair
Lowestoft	15	59	cloudy
Margate	21	70	bright
Morecambe	19	64	sunny
Newquay	20	66	sunny
Penzance	20	68	fair
Rhos-on-Wyn	21	71	bright
Scarborough	14	57	cloudy
Silly Isles	n/a	n/a	n/a
Shanklin	17	63	sunny
Shrewsbury	14	57	cloudy
Tenby	n/a	n/a	n/a
Torquay	19	66	sunny
York	12	54	cloudy

Midday tomorrow



The whole of the region will have a dry and bright day. As of late, the best of the sunshine will be found to the west of the city, with Oldham likely to remain fairly cloudy. Maximum temperature 18C (64F), with all parts having light northerly winds.

Information

Tides: High water: Blackpool Today: 2.07am and 2.29pm. Tomorrow: 2.43am and 3.07pm.
Rhyt Today: 1.57am and 2.18pm. Tomorrow: 2.32am and 2.58pm.
Temperature: 9am 14C (57F). Max yesterday 20C (68F); Min overnight 9C (48F).

Light: 9.42pm to 4.36am
Sun: Rises 4.36am
Moon: Rises 8.10a
Sunshine: Yesterday 172.4hrs.
Rain: 24 hrs to 10a
Month: 1.05ins.
Air Quality: Very g