

From: THE PRIVATE SECRETARY

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15 February 1996


*Dear Mark*

**VISIT TO DOWNPATRICK AND MEETING WITH LOCAL COMMUNITY  
REPRESENTATIVES**

Mr McGrady MP wrote to the Prime Minister on 11 January raising four issues which he had discussed with the Prime Minister during his visit to Downpatrick in December. The issues covered were: the lack of inward investment and job creation in the South Down area; the reduction in the General Grant for 1996/97 (on which Mr McGrady had written to the Prime Minister separately); allocation of funds by the Department of Health and Social Services for the new Downe Hospital; and the lack of funding for upgrading the existing roads structure in his Constituency.

**Inward Investment/Job Creation**

IDB has 22 client companies employing approximately 2300 people in Mr McGrady's constituency of South Down. Over the past five years IDB has offered £4.2m in support of £16.1m promised investment. The former Economy Minister, Mr Smith, gave Mr McGrady an assurance that IDB would make special efforts to include South Down on the itineraries of prospective investors when they were looking at potential sites throughout Northern Ireland. During 1995, 30 representatives from 15 overseas companies visited the constituency. Four of these were repeat visits.



There have been three recent IDB-backed investments in Newry offering the prospect of over 660 new jobs and, although these are located just outside Mr McGrady's constituency, it is important to recognise the potential job opportunities which they offer and their economic impact on the area as a whole.

Twenty-three acres of land at Downpatrick are currently available to IDB for industrial development and there are also plans to acquire a further 77 acres. Mr McGrady has been kept informed about IDB's efforts to acquire further land and regular contact continues to take place between Mr McGrady and IDB's Chief Executive.

#### General Grant

When the Prime Minister met the Chairman and Chief Executives of District Councils in January 1995, he announced an additional £2m for General Grant in 1995/96 to kick-start extra spending power being given to District Councils to promote local economic development; this brought the grant provision up to £42.226m. Both the Prime Minister and DOE made it clear to District Councils that the £2m was a once only addition. Mr McGrady (and Councils) are now claiming that General Grant provision for 1996/97, set at £40.226m, has been reduced because it no longer includes the £2m added for 1995/96.

Mr McGrady had also written to the Prime Minister (on 8 January) specifically about the reduction in the General Grant; and he had written to Malcolm Moss on 22 December on the same issue, followed by a further letter on 9 January requesting a meeting with Mr Moss.





The Prime Minister's Office asked that a NI Minister should respond to Mr McGrady's letter of 8 January. Mr Moss's reply of 31 January also covered Mr McGrady's letters of 22 December and 9 January, and offered a meeting with Mr McGrady. It is therefore suggested that the Prime Minister need only make a passing reference to the issue of the General Grant in his reply to Mr McGrady's letter of 11 January.

#### **Downe Hospital**

The need for capital investment in redevelopment of the Downe Hospital was included in the strategy for acute hospital services in the Eastern Board. An outline Business Case for a scheme estimated at £10.5m has been formally approved and the Trust has been given approval to test its proposals for private finance.

It is understood that there has already been an informal expression of interest from a prospective private partner. If however private finance is not forthcoming the timescale and funding will then have to be considered along with other priorities in the capital programme.

#### **Roads Infrastructure**

Mr McGrady has consistently lobbied for increased expenditure on the road network in the constituency of South Down. He is particularly exercised about the roads linking the area to Belfast, the Downpatrick/Castlewellan/Hilltown/Newry Road and the roads to Warrenpoint port. Mr McGrady argues that the South Down area has not benefited



from a major road scheme for many years. This is not the case as considerable amounts have been spent on various sections of the A1 Belfast/Border route which runs through the constituency. Mr McGrady discounts these as being for the benefit of all road users and not specifically for improving traffic conditions for his constituents.

#### Conclusion

A draft reply to Mr McGrady for the Prime Minister's signature is attached, which has been cleared by my S.G.S.

Yours ever  
David Kyle  
C D KYLE



SCANNED

DRAFT REPLY FOR PRIME MINISTER'S SIGNATURE

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Your Ref: ID/C/MCG/1/96

February 1996

Thank you for your letter of 11 January about various issues which we touched on during my visit to Downpatrick in December.

One of the points which you raised was the level of the General Grant, and you had written to me on this specific issue on 8 January. You had also written to Malcolm Moss, and his reply of 31 January offered you a meeting to discuss the matter further.

You stated in your letter that South Down had been ignored in terms of inward investment and job creation. While no recent inward investment projects have been located within your constituency, 3 projects have recently been announced for Newry, offering the prospect of over 660 new jobs, some of which will no doubt be taken up by your constituents. Ideally we would like to see a good spread of projects throughout Northern Ireland. The reality, however, is that not enough projects have yet been attracted to make this possible. I can assure you that considerable effort continues to be made towards persuading investors to consider the merits of investing in, for example, Downpatrick. There are 23 acres of land currently available at Downpatrick for industrial development purposes and IDB is in the process of acquiring a further 77 acres. This is

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clearly an important factor in presenting the area as an industrial development location.

I know that you maintain contact with the Minister for the Economy, Jean Denton, and IDB's Chief Executive, Bruce Robinson, on industrial development matters in your constituency and that you have been kept informed about IDB's plans for further land acquisition at Downpatrick.

You urged that DHSS should allocate funds for a new hospital at Downpatrick. I understand that the outline Business Case for the replacement of the Downe Hospital has now been accepted, and Down/Lisburn Health and Social Services Trust can now move to the next stage, which involves testing for private finance. The Trust is being encouraged to pursue this vigorously as a significant opportunity to carry the scheme forward. The Trust, of course, is aware that, if private finance is not forthcoming, the timescale and funding for the scheme will have to be considered alongside the other major pressures in Malcolm Moss's capital programme.

Finally, you referred to a lack of funding for the upgrading of the roads infrastructure in your constituency. There are many pressures on the roads budget and the Department of the Environment (NI) must prioritise its work, directing its resources to where the need is greatest. As the road network in the South Down area is considered capable of carrying the volumes of traffic it attracts without the need for major upgrading, it would simply not be possible to justify the allocation of funding for major road schemes in the area when compared with the needs of other busier routes across the Province. The importance of the port of Warrenpoint is appreciated and it is linked to the main road



network by the A2 Newry-Warrenpoint route which is a high quality dual carriageway. The other routes to the port are less heavily trafficked and, while there are no major work proposals planned for these, their needs will be addressed through the minor road works and road maintenance programme.

May I also take this opportunity to say how greatly I enjoyed my visit to Downpatrick.