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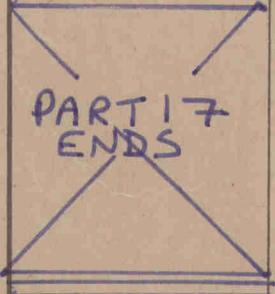
Inner Cities Policy and Problems  
Regeneration of Liverpool and London  
Docklands  
Urban Development Corporation

REGIONAL POLICY

pt 1: July 1979

pt 17: Aug 1989

In attached folder: "Task forces in Action"

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>4.8.89</del>		12.4.91					
<del>8.8.89</del>		 <p>PART 17 ENDS</p>					
<del>15.8.89</del>							
<del>30.8.89</del>							
<del>13/9/89</del>							
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PREM 19/3512

PART 17 ends:-

J. Hill to BP 12.4.91

PART 18 begins:-

M. Dennis to AT 13.6.91.





MR POTTER

12 April 1991

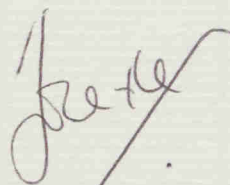
LETTER FROM PAUL REICHMANN

I gather that Paul Reichmann has written in asking for 15 minutes with the Prime Minister at some point between 15-25 April.

I know that the diary is even more ghastly than usual at present, and I also don't believe that Mr Reichmann has anything in particular to raise. That said:

- Olympia & York are investing vast sums in Docklands and are very sensitive about the attitude of the Government towards them. It would be helpful to reassure them that our commitment to Docklands is undimmed;
- it would give the Prime Minister an opportunity to hear about the transport problems in Docklands from the horse's mouth rather than sanitized by DTp;
- Canary Wharf is a high profile development symbolic of the urban regeneration policies we have pursued. We may well want to highlight it during an election campaign.

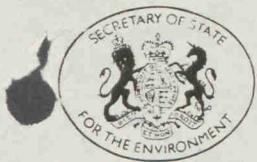
If it is not possible to fit Mr Reichmann in, can I ask that he at least gets a warm and friendly reply which holds out the prospect of a meeting at a later date?



JONATHAN HILL

330.JH





n.b.P.M.  
BHP  
4/3

a PLT

2 MARSHAM STREET  
LONDON SW1P 3EB  
071-276 3000

Roger Freeman Esq MP  
Minister for Public Transport  
2 Marsham Street  
LONDON SW1

My ref:

Your ref:

28 February 1991

*De Roger*

PROGRESS REPORT ON DOCKLANDS TRANSPORT

Thank you for your letter of 23 January, covering your progress report on transport provision for London Docklands.

Your efforts in prompting and co-ordinating the various agencies are paying real dividends. I am impressed by the progress being achieved in a wide range of road and rail improvements.

I visited Docklands on 8 February. My assessment of the priorities for further action is:-

- improving the reliability of the Docklands Light Railway (DLR). It is absolutely vital to the success of Docklands to achieve a reliable 2-minute service to the Isle of Dogs when the new DLR Bank Extension opens in July 1991. We shall need contingency plans to achieve this if LRT fail to convince us that they can hit the target.
- keeping to timetable with London Regional Transport's Private Bill for the new Jubilee Line Extension - and planning for expedited construction of the line. The way it has been handled by LRT so far inspires little confidence.
- keeping construction of the Limehouse Link Road on timetable for completion in 1993.
- expediting progress on improvements to the A13 trunk road, particularly the scheme to widen the Canning Town Flyover.
- encouraging private bus operators. Docklands needs diversity and choice in transport provision. The recent closure of Docklands Minibus was very unfortunate, and LRT's attitude to competition deeply disturbing.

In my view these items are critical for the continuing success of our Docklands initiative. I know that you already have the issues firmly in your sights, and that you are keeping up the pressure on all concerned. But please let me know if any further assistance from me or Michael Portillo would help.

I am copying this to the Prime Minister, Kenneth Baker, David Mellor, Malcolm Rifkind, Michael Howard, Peter Lilley, Richard Ryder, Michael Portillo, Robert Key and Sir Robin Butler.

*Yours ever*  
*MHE*

MICHAEL HESELTINE





REG for: Finner  
C. J. H.

MR BRIGHT

Can you recall if the question of some MOD jobs being transferred to the Teesside Development Corporation area was raised by Tim Devlin at a colleagues' lunch here on 28 January? And, if so, can you remember what was said?

Kate Bush at DOE has rung to ask, because Tim Devlin mentioned the topic to Michael Heseltine in the House earlier this week.

WILLIAM CHAPMAN

22 February 1991

c:\home\mod (kw)

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*a Miss Hoyle*  
This was mentioned at the PM's meeting with Patten et al. Not very lively and not well handled by the PM with. Despite the Prime Minister's reluctance to call a spade a spade, the underclass seems to me to be a phenomenon that is very much with us. I don't have enough to bring every night and my wife struggles with it the problem familiarly day.  
AT 11/2

Ref. A091/379

MR TURNBULL

'The Underclass'

---  
You asked for a note for the Prime Minister on the consideration which had been given to the concept of the 'underclass' and on the action now in hand. The background is perhaps most conveniently set out in a paper which Mr Portillo submitted to the Ministerial Group on the Development of Urban Policy - MISC 116 (now GEN 3) - last November, a copy of which I attach.

2. The concept of an 'underclass' has been used by some political and social commentators, mainly drawing on experience in American cities, and was the subject of some media comment last year. It relates to people who are locked into a pattern of unemployment, poor housing and welfare dependency, with a high incidence of single parenthood, juvenile delinquency and crime, drug dependence and so on. As you will see from the note, Permanent Secretaries from relevant Departments met to discuss the issue last year and, while they concluded that the term 'underclass' should be discarded, they identified the need to look at what might be done for particular areas with high concentrations of social and economic problems.

3. Following discussion in MISC 116 the Department of the Environment were asked to work up proposals for the selection of a small number of areas for pilot study, and to consider how the policies and programmes of various Departments would be brought effectively to bear on them. This work is now in hand, and is expected to reach a conclusion sometime after Easter. I envisage that the outcome would be considered in the first instance by GEN 3, under the chairmanship of the Secretary of State for the Environment.

18 February 1991

*R.R.B.*  
ROBIN BUTLER

CONFIDENTIAL



pa



Prime Minister  
Centre for me to set this  
by asking the Health to stay behind  
after Cabinet next Thursday?  
I think we should avoid doing  
this often - GFM 8 when feelings  
might be running high.

Thanks!  
/

No. 11. refer / AT  
14/2

Ref.AO91/208

MR TURNBULL

Machinery of Government: Responsibility for Inner City Task Forces

*at trap*  
Thank you for your minute 24 January. This is to record that I have spoken to Sir Terry Heiser and have asked him to urge on his Secretary of State the case for not pressing for transfer of responsibility for Inner City Task Forces to the DOE now, in the expectation that this will be tackled as part of wider Machinery of Government changes involving the transfer of responsibilities of the Department of Energy to the DTI after the next Election. The way is therefore open for the Prime Minister to speak to Mr Heseltine when convenient, but I suggest that you might make sure that Sir Terry Heiser knows when that conversation is to take place.

F.R.B.

ROBIN BUTLER

25 January 1991





REG. Pa: Inner Cities  
P17





10 DOWNING STREET  
LONDON SW1A 2AA

MEETING RECORD  
subject cc MASTER

*From the Principal Private Secretary*

SIR ROBIN BUTLER

MACHINERY OF GOVERNMENT:  
RESPONSIBILITY FOR INNER CITY TASK FORCES

The Prime Minister discussed with the Secretary of State for Trade and Industry and yourself the proposal to transfer responsibility for Inner City Task Forces to the DOE.

The Secretary of State said he was reluctant to give up this responsibility. He acknowledged that the arrangements would be tidier if the Task Forces came under a single Department. But there were two arguments against; first, the present arrangements placed strong emphasis on enterprise; and secondly the Task Forces were run on a loose rein with the maximum devolution of responsibility. This was very much the culture of DTI. He doubted whether there would be as much devolution under DOE. He had visited the Task Force in Southwark and was encouraged by the work it was doing. The staff clearly appreciated the scope they were given. Having approached the issue with an open mind, he had come to the conclusion that the arguments above outweighed that of administrative tidiness.

The Prime Minister said the arguments went beyond mere tidiness. To the outside world the arguments looked complex and confusing. There was a political gain to be had from bringing the whole inner city effort under strong leadership in a single Department. The Secretary of State countered that this would tend to weaken the enterprise/business orientation at the expense of building/planning.

You too thought there were both administrative and presentational gains from making the change. The present arrangements had come about in an ad hoc way, reflecting the particular preferences of former Secretaries of State.

Summing up the discussion, the Prime Minister acknowledged the arguments put forward by the Secretary of State and said he was reluctant to press forward with the change if the latter was reluctant to cede responsibility for the Task Forces. An alternative approach would be to leave the matter until there was next a major reorganisation of responsibilities affecting DTI. This was likely to be after the next Election. He said he would talk further to Mr. Heseltine about the matter.

ANDREW TURNBULL  
24 January 1991





THE DEPARTMENT  
OF TRANSPORT

2.6. P.M.  
JHP  
25/1



CCPU  
TPH

FROM THE MINISTER FOR PUBLIC TRANSPORT

2 MARSHAM STREET LONDON SW1P 3EB  
TELEPHONE (01-276 3000) ~~XXXXXX~~ 071-276 3000

The Rt Hon Michael Heseltine MP  
Secretary of State for the Environment  
Room N16/05  
2 Marsham Street  
LONDON  
SW1A 0AA

My Ref:

Your Ref:

23 January 1991

Dear Michael.

You will be aware that Michael Portillo, as my predecessor, was given special responsibility for coordinating Docklands transport in January 1989. Much of the work on providing access roads and some public transport - for example new bus services and the DLR Beckton extension - has been promoted by LDDC, but trunk roads and other rail schemes (notably the Jubilee Line Extension) are of course a matter for my Department and its agencies. Michael Portillo made it his practice to give colleagues periodic reports, and I now attach one for the period since I took over from him here in May.

You are, of course, uniquely placed to recognise how much has been achieved in the last nine years towards connecting Docklands with London's two traditional business districts of the City and the West End.

The Steering Group which Michael Portillo set up comprising transport operators, utilities, boroughs, developers, the police and fire brigade, the LDDC and our Departments has met twice under my chairmanship with Colin Moynihan and latterly David Heathcoat Amory in attendance. I look forward to welcoming Robert Key to the next one on 28 February 1991.

I shall aim to give you another Progress Report in the middle of this year, when the celebrations for the tenth birthday of the London Docklands Development Corporation will help focus attention on our transport achievements.



Copies of this letter and enclosure go to the Prime Minister, Kenneth Baker, David Mellor, Malcolm Rifkind, Michael Howard, Peter Lilley, Richard Ryder, Michael Portillo, Robert Key and Sir Robin Butler.

*Handwritten signature*  
ROGER FREEMAN

DRAFT PROGRESS REPORT ON DOCKLANDS TRANSPORT: JANUARY 1991

Michael Portillo made his last report on 9 May, and I thought that an update would be appropriate at the start of the New Year, to show how great has been the progress in the year since the then Prime Minister performed the Limehouse Link site-start.

The highlights are:-

- the Jubilee Line Extension Bill has received its Second Reading and will go into Commons Committee shortly;
- we have authorised the deposit of a Bill for a private sector extension of the DLR to Lewisham;
- DLR enhanced their services in November 1990, further improvements are expected in 1991. Canary Wharf Station is due to open in April, and Phase 1 of the City extension in July 1991.
- unreliability of the initial DLR has caused serious concern at your Department, LDDC and Olympia and York. They believe that the DLR's performance is damaging commercial confidence in Docklands. I agree that it is imperative for the DLR to provide a reliable two minute service to Canary Wharf by next Summer, and I have asked LRT to set out their action plan for achieving that key target.
- LDDC's impressive network of major new highways at the eastern end of Docklands (ie the Royal Docks) is now virtually complete.
- LDDC's western network of major roads is now under construction, with one scheme already completed. The Corporation's project management resources became stretched by this large programme in 1990, and delays and potential cost overruns began to occur on the crucial Limehouse Link scheme. With advice from our Departments, the Corporation has now strengthened its project management and cost-control arrangements - including the appointment to senior posts of expert staff from Bechtel Ltd. LDDC will now aim to claw-back the lost time on the Limehouse Link, and to keep the other schemes to timetable and to budget.
- the first of our DTp trunk roads schemes has also started on site.

The positive publicity attracted by LDDC's current advertising campaign draws attention to the £3,000 million programme of transport investment for Docklands. Michael Portillo's topping-out of the Canary Wharf Tower on 9 November will be followed up soon by publication of the third edition of the Corporation's brochure "Transport in Docklands".



## RAIL

### London Underground

The Jubilee Line Extension Bill has received its Commons Second Reading, and will enter its Committee Stage on 19 February. A further Bill providing additional powers has been found to be necessary, and was deposited in November. Approval has been given for the incorporation of stations at Southwark and Bermondsey and London Underground Limited has now met the three conditions stipulated by the House Services Committee regarding the station at Westminster. It has also put revised proposals to the New Building Sub-Committee which avoid the need to use Parliament Square as a work site. The Sub-Committee are understood to be content with these proposals. These steps should help reduce opposition to the Bill and ensure that good progress is made in Committee.

### East London Line

The peak hour frequency has been increased from eight to ten trains per hour. Developers have offered a contribution towards the cost of extending the line through an interchange at Bishopsgate but their offer would do little more than pay for new platforms there on the Central Line. LT have concluded that they have at present other more pressing priorities and have decided, with our agreement not to deposit the necessary Bill this session. Discussions with the developers are continuing.

### Docklands Light Railway

We have authorised London Transport to deposit a Bill for a private sector extension of the DLR to Lewisham. This is a new departure, involving the private sector in the extension of London's rail system. The extension will run from Mudchute through a deep level station at Island Gardens and under the river to connect with Network SouthEast's Kent Link lines at Greenwich and Lewisham. The successful bidder to emerge from a competitive tendering exercise will be charged with designing, building and operating the extension. It will be worked as an integral part of the DLR with through services from Lewisham to both Stratford and Bank.

The reliability of the initial railway, which runs from Tower Gateway and Stratford to Island Gardens, is still giving cause for concern because of the high level of vehicle faults coupled with operating problems. O&Y and LDDC fear that the railway's poor reputation is deterring companies from re-locating to Docklands. Urgent action is in hand to improve the railway's performance and an enhanced service was introduced in November which has reduced the time passengers have to wait between trains in the peak.

Action already taken to improve the DLR's reliability includes the replacement of an inadequate power supply on the southern leg of the railway and the completion of comprehensive studies into the poor reliability of the first two tranches of vehicles and into alternative ways of operating the railway. 70 new vehicles are on



order from a Belgian company and the whole railway is to be re-signalled with a more flexible and higher capacity system by the end of 1992, when the Beckton Extension is due to open.

1991 is a very important year for the DLR. The first services on the new City extension are due to start in July by which time it is imperative that a reliable 2-minute service is being operated to Canary Wharf Station (which opens in April). I have therefore asked Wilfrid Newton, Chairman of London Transport, to set out for me the actions that are being taken to achieve that key target, including the reinforcement of DLR management either from within London Transport or by selective use of external contractors in specific areas. I expect to receive his substantive reply shortly.

#### Network SouthEast

The go-ahead has been given for the East-West Crossrail, which will permit through running from Stratford to Reading and Aylesbury. A new direct train service has been introduced from the Lea Valley line to Stratford. Phasing in of new rolling stock on the Great Eastern electric service has been completed. LDDC have now agreed to fund renovation of the Connaught Tunnel next winter so as to improve the reliability of the North London Line. A new station building has been completed at Silvertown/London City Airport station.

#### BUSES

A new D1 Docklands Express bus service from Waterloo and London Bridge to Wapping and the Isle of Dogs has been inaugurated by LRT and LDDC with financial support from a consortium of Docklands employers.

Due to financial difficulties linked to their inability to gain access to the London Travelcard and concessionary fares scheme, Transit Holdings have unfortunately closed down their Docklands Transit minibus network.

A study is in hand by LDDC and LRT into possible extension of bus priority measures in the Isle of Dogs area. The 276 bus route from West Ham is being marketed as London City Airport's link to the Underground.

#### RIVERBUS

The sole partners in this venture are now Olympia & York and P & O. Improvements continue in pier facilities and ticketing arrangements, including the new Riverbus Explorer ticket. A new maintenance vessel has been acquired. From April 1991 London City Airport's service frequency will be tripled by its inclusion in the 20-minute core service, which will be extended to Chelsea Harbour when three new 62-seater catamarans enter service in the autumn of 1991.

#### AIR

The Public Inquiry into the planning applications for possible use of London City Airport by BAe 146 jet aircraft has now concluded its public sittings. There has been some restructuring of



services following the merger of London City Airways into British Midland, and Brymon have withdrawn from the Amsterdam route to increase their service on the Paris one from seven to ten flights daily. The number of flights to Brussels has been increased from four to seven.

## ROADS

### LDDC

LDDC's new road network at the eastern end of Docklands is now virtually complete. This includes completion of the Eastern Gateway Access Road, linking the Royal Docks to the A13; the Royal Albert Dock Spine Road; the new Connaught Crossing; and the North Woolwich Road Widening scheme. This eastern road network, together with the Beckton Extension of the DLR, will provide a high quality transport system to service the existing communities in the Royal Docks, and London City Airport and the major dockside development sites. It will be particularly advantageous to LDDC to have this new network in place before the main development programme begins.

At the western end of Docklands, where the regeneration process, including Canary Wharf, is very advanced, one minor new road scheme has been completed. The contracts for all the major schemes have now been let (the last one, relating to the South Poplar Link, was let in December) and all these schemes are programmed for completion during the course of 1992 and 1993. The programme includes two cut-and-cover tunnels (the Limehouse Link and the East India Dock Link) and a new road crossing over the River Lea.

It became apparent in 1990 that the size and complexity of this programme was placing a strain on LDDC's Operations Directorate and that delays and potential cost-overruns were beginning to occur on the largest scheme - the Limehouse Link. In response to those problems the Corporation has now strengthened its project management and cost-control arrangements by restructuring the Operations Directorate, by increasing the number of managers dedicated to each project and by the appointment of expert consultants (Bechtel Ltd) to fill all the senior posts. These new arrangements aim to ensure that delays and cost-overruns on all schemes, including the Limehouse Link, will be minimized; and DoE and DTp will be monitoring events to confirm that they are effective.

### Trunk Roads

The first of the A13 National Schemes has started on site to improve the junction with Leamouth Road, where a second carriageway has already been brought into use. Following completion of advance service diversions, DTp invited tenders for the West India Dock road junction interim improvement, and have made preferred route announcements on the West India Dock Road final improvements and the Cotton Street/Blackwall Tunnel junction improvement, and are in negotiation with LB Tower Hamlets for an agreement to improve the Butcher Row junction. Public consultation has been completed on



options for improving the A13/A112 junction, draft orders have been published for the A13/A117 scheme, and the improvements of the A13 from West of Heathway to the M25 have been considered at a Public Inquiry. A signalled junction has been provided at Tollgate Road.

Another Public Inquiry is about to complete its consideration of design changes to the proposed East London River Crossing. Renovation of the existing northbound Blackwall Tunnel is now well underway. A line has been safeguarded for the proposed third Blackwall Tunnel, on which a preliminary study has considered the option of a bore or an immersed tube: and a full commission will be issued shortly. Terms of reference for the proposed study into possible needs for additional cross-river road capacity between Blackwall and Tower Bridge are being drawn up. The City's Bill to allow construction of the A12 Hackney Wick to M11 Link Road through Epping Forest has received Royal Assent.

The total value of the trunk road improvements in hand for Docklands is now £1,000 million.

#### Environment

A company is now being set up to run the Eastgate Project for environmental improvements on the A13 Tower Hamlets, and discussions are in hand with the Groundwork Foundation about its possible establishment as a Groundwork Trust. I have written to David Trippier asking him to support its inclusion in the Department of the Environment's forthcoming expansion of the Groundwork programme.

#### Traffic Management

The West Docklands Traffic Management Study has proposed kerb and signal alterations to optimise use of the existing local road network once the Limehouse Link opens. LB Tower Hamlets and LDDC are now addressing funding issues on the proposed extension of the Controlled Parking Zone to Wapping, Poplar and Limehouse. Operation of the vehicles removals units in Docklands has been handed over to private contractors. The pilot Red Route which commenced on the A1 trunk road on 7 January 1991 will be extended along the A13 to Butcher Row in February. Construction of the new East London Traffic Control Centre has begun. The understanding between Highway Authorities and the Statutory Undertakers on conduct of streetworks in Docklands continues in operation, and several of its provisions have been matched by powers in the New Roads and Streetworks Bill.

#### PUBLICITY

A new poster series launched by the Docklands Light Railway throughout the underground network aims to increase general awareness of London Docklands as well as promoting off-peak usage of the DLR.



Cecil Parkinson contributed an article on Docklands Transport for "First" magazine. LDDC with financial support from the Department of Transport are updating their transport brochure "Transport in Docklands" to provide a successor to our Information Pack; we hope to launch the new edition in January.

#### CONCLUSION

During my first eight months in this post, I have been impressed by the excellent team spirit which manifests itself as much in day-to-day contact behind the scenes as it does in say the meetings of the Docklands Transport Steering Group. There are undoubtedly some continuing causes for concern, such as DLR reliability or delivering Statutory Undertakers aspects of road schemes, but I am confident that with much patience and hard work these are being overcome. In particular, I welcome the recent establishment of a Docklands Works Coordination Group meeting fortnightly under LDDC Chairmanship with representatives of DTp, the Metropolitan Police, LB Tower Hamlets and Olympia & York to trouble-shoot traffic management problems in the Isle of Dogs area.

I believe that the place of Docklands is assured as London's third business district, and expect that the importance of our transport successes will be featured in next year's tenth anniversary celebrations for LDDC. With Canary Wharf also commencing occupation next year, I hope that the achievements of the Docklands miracle will receive due attention during the UK Presidency of the EC Council of Ministers in the second half of 1992.

ROGER FREEMAN  
23 January 1991





10 DOWNING STREET

Prime Minister

Mr Lolley will be at  
OPD and has been warned  
you may want a word  
afterwards.

AT  
23/1



*Not really a good time. They are on O.P.D. To have another time?*

*Prime Minister  
Should ask Mr Lilley to stay behind after the O.P.D. meeting on Thursday (which itself follows Cabinet)*

Ref. A091/152

*f (P.1)*

MR TURNBULL

*Thank you. U. help full. f (P.1)*

*AT  
181*

Machinery of Government, Responsibility for Inner City Task Forces

The Prime Minister said that he would have a word with the Secretary of State for Trade and Industry about the case for transferring responsibility for Inner City Task Forces to the DOE which has the rest of the responsibility for inner city policy. He might like to have some points to make.

Background

2. There are 16 inner city task forces, each covering two or three wards in some of the worst inner city areas. They each consist of five or six people drawn from various Government Departments, private sector, local government and voluntary bodies. Their job is to improve employment opportunities and increase enterprise by new initiatives which may embrace a wide variety of activities, eg: environmental improvements, crime prevention projects, community and housing initiatives. Although responsibility for the rest of inner city policy was transferred from DTI to DOE in 1989, the task forces were left with DTI.

Points to make to Mr Lilley

(i) Task forces involve a number of Departments, not only DTI. The DTI is not therefore the only place for them. Bringing all the inner city initiatives under the direction of a single Minister would co-ordinate policy and end confusion outside about the Government's arrangements. Few outsiders understand why City Action Teams and the rest of inner cities policy is sponsored by DOE while Inner City Task Forces remain with DTI.





(ii) The work of the task forces involves action by local authorities as well as by the private sector. The importance of local authorities is a stronger argument for giving DOE responsibility than the private sector relationship is for giving it to DTI.

(iii) The unification of work under one Minister and one Accounting Officer would promote value for money by making it easier to compare the cost effectiveness and impact of different inner city initiatives.

(iv) Inner City Task Forces did go together with the rest of the inner city initiatives when Ken Clarke was Minister for Inner Cities in DTI. The separation of inner cities policy only happened when David Hunt took over inner cities in DOE in 1989.

#### Defensive Arguments

#### 3. Mr Lilley might argue:

(i) The fact that responsibility for task forces was retained with DTI in 1989 when the rest of inner cities policy was transferred to DOE shows that there are good reasons for keeping it in DTI. The answer to this is that the reason for keeping it in DTI in 1989 was a more personal one, namely that Mrs Thatcher did not want to take all inner cities policy away from Mr Ridley.

(ii) The function of the task forces is to stimulate and develop enterprise and economic activity: this is DTI's rather than DOE's forte. The answer to this is that, as pointed out above, stimulating and developing enterprise in inner city areas involves the interest of several Departments, not just DTI.



(iii) Task forces are now well-bedded down in DTI and the cost and disruption of moving 40 staff from DTI and DOE, for purposes of administrative tidiness, is not worthwhile. The answer to this is that there is a positive gain in removing the appearance of split responsibilities for inner cities policy and bringing it all together under Mr Heseltine who has a particular interest and experience in this area.

4. Finally, the Prime Minister could make the point to Mr Lilley that the DTI can expect before long to have its remit widened by inheriting the Department of Energy. There is therefore no reason to suppose that its workload and responsibilities are about to diminish: on the contrary, there is a danger that unless we take some steps to rationalise the distribution of responsibilities, the portfolio of the DTI will become too diverse to be manageable.

R.B.

ROBIN BUTLER

18 January 1991





File  
File  
Econ/Finance

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

25 October 1990

**INNER CITIES**

Thank you for your letter of 24 October recording the revised Ministerial responsibilities for the various City Action Teams (CAT) and Task Forces sponsorships.

I submitted your letter and attachment to the Prime Minister yesterday evening. The Prime Minister is content with the revised arrangements.

BARRY H. POTTER

Trevor Beattie, Esq.,  
Office of the Minister for Local Government,  
Department of the Environment.

K



Minister for Local Government  
and Inner Cities

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone 071-276 3000

Prime Minister  
Content with new  
distribution of responsibilities?

ITP  
29/10

CGP

*[Handwritten signature]*

24 OCT 1990

Dear Barry

**INNER CITIES**

Mr Hunt wrote to the Prime Minister on 21 December 1989 about the linking of individual Ministers to City Action Teams and Task Forces. The arrangement has worked well. The CATs have benefited from the close interest which Ministers have given to their work and we have had some useful local publicity as a result.

Following the redistribution of Ministerial responsibilities earlier this year, some changes in the CAT and Task Force sponsorships were needed. I attach a list of the new Team proposed by Mr Portillo in his capacity as Minister for Inner Cities which has been agreed by Mr Patten, Chairman of MISC 116; by Mr Hogg, who is responsible for the DTI Task Forces, and by all the other Ministers concerned. The only points to note are:-

- i) DES will have two sponsor Ministers; Tim Eggar, who asked to retain his sponsorship of the Leeds/Bradford CAT following his transfer from the Employment Department, and Alan Howarth, who sponsors the Birmingham CAT.
- ii) now that Mr Heathcoat-Amory has taken over Mr Atkins' former inner cities duties he will also become the sponsor Minister for the Manchester CAT and the Manchester (Moss Side and Hulme) Task Force.

It has taken some time to get everyone's agreement to these arrangements and Mr Portillo would like, if possible, to announce the new team before the major UDC event on 30 October.

*I hope that this will be possible - sorry for the short notice*

*Yours sincerely*

*Trevor Beattie*

TREVOR BEATTIE  
Private Secretary

Barry Potter Esq



RECYCLED PAPER



MINISTERS RESPONSIBLE FOR CITY ACTION TEAMS AND TASK FORCES

- Christopher Chope will advise the Bristol Task Force.
- Timothy Eggar will advise the Leeds/Bradford CAT and the Leeds and Bradford Task Forces.
- David Heathcoat Amory will advise the Manchester/Salford CAT and the Manchester/Moss Side and Hulme Task Force.
- Lord Henley will advise the Derby Task Force and concentrate on inner city issues in Derby.
- Douglas Hogg will advise the Newcastle CAT, the Cleveland Action Team and the Hartlepool and Middlesbrough Task Forces.
- Baroness Hooper will advise the Nottingham/Leicester/ Derby CAT and the Nottingham Task Force and concentrate on inner city issues in Nottingham and Leicester.
- Alan Howarth will advise the Birmingham CAT and the East Birmingham and Coventy Task Forces. He will also advise the Birmingham Sandwell Task Force when it opens in March 1991.
- Robert Jackson will advise the London CAT and the Deptford and North Peckham Task Forces.
- Michael Portillo will advise the Liverpool CAT and the Granby/Toxteth and Wirral Task Forces.
- Angela Rumbold will advise the West London and Spitalfields Task Forces.



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NOTE OF A MEETING HELD IN THE PAYMASTER GENERAL'S OFFICE ON  
23 OCTOBER WITH MR PAUL REICHMANN OF OLYMPIA AND YORK

Those present: Paymaster General  
Mr G H Phillips  
Mr Hansford  
Mr Carpenter

Mr Paul Reichmann - Olympia and York  
Mr Robert John

The Paymaster General explained that over the previous 10 years, the Government had relocated a large number of departmental posts out of London to cities such as Liverpool and Bristol. The priority had been to move people out of London and the South East. The positive relocation within London that he knew of was the recent announcement of the ECGD's move to Docklands. The problem with some of the London sites was that it was important that certain groups of civil servants were close to Ministers, who themselves needed to be close to Westminster.

The Paymaster General explained that twenty managers of government departments had been down to Docklands with the London Docklands Development Corporation on 3 October, to consider the potential for relocation. He was determined that all departmental heads knew of the advantages of locating in Docklands, including Canary Wharf. The Paymaster General added that although the Treasury was responsible for overall relocation policy, it was not in a position to instruct departments to relocate.

The Paymaster General said that although the relocation policy had been very successful already, there would be still more to follow.

Mr Reichmann asked what the reaction of the Whitehall visitors to Canary Wharf. Mr Hansford said that they had seen both advantages and disadvantages in relocating to the site. He did not envisage that whole departments would move, but there was a possibility that parts of departments could move. The transport difficulties of Docklands had been noted by the visitors.

Mr John asked whether the motives in selecting sites for relocation had been primarily ones of regional policy or of cost-savings. The Paymaster General said that the cost factor had been the most important. Improved technology had made relocation to sites a long way from London feasible and these had brought cost savings. Mr John said that the private sector shared the same incentives. Olympia and York now found that private sector companies were doing cost/benefit analyses that showed that Docklands could be as cost effective as provincial sites, particularly when the disruption to a company's business was taken into account.

Mr Reichmann said that he was sure that the Government would find that Canary Wharf offered cheap, high quality accommodation, with an efficient layout that allowed more people per square foot. The site from an economic point of view was compelling. He pointed out that the site would in future be 20 minutes travelling time from Westminster.

The Paymaster General explained that a further problem the Government had was the use of sites that had been vacated on relocation. Often once a part of a building had been vacated, another department would move to take up that space. This involved the rationalisation of other sites in London.

Mr Reichmann asked how provincial locations were selected for consideration as relocation sites. Mr Phillips explained that often part of a department had already relocated to a site and it was logical for other parts of a department to follow. For example, the Central Statistical Office had staff in South Wales, so for its future moves it would probably be looking at South Wales again. The Paymaster General added that the Ministry of



Defence moves to Bristol and Bath were because it already had bases in the West Country.

The Paymaster General said the 1990's could see a recruitment problem for departments, which could make the regions more attractive for relocation than London. Mr John explained that he had carried out a relative costs survey of London. He had split London into east and west, with a line passing through Ludgate Circus. The eastern side of the line contained 51% of the population but 55% of the school leavers. Furthermore, alternative employment was not as available in East London as in West. In East London house prices were between 20 and 25 per cent cheaper than in West London. The Jubilee Line would make access to London much quicker.

Mr Reichmann said that he was aware that the two transport developments currently in progress - the extension to the Docklands Light Railway and the Limehouse Link - would not convince people to relocate until they were complete.

The Paymaster General said that he hoped to have feedback from departments about any possible relocation to Docklands in the next couple of months. The Treasury had to ensure that the taxpayer received value for money, and decisions had to be justified to Parliament. But he was very anxious that departments should seriously consider Docklands as a site for some of their London activities. This was particularly important because recent crosscurrents in the property market had changed the relative attractiveness of some other locations.

pmg.to/gh/4.24.10

Mr Reichmann offered to take the Paymaster General around the Canary Wharf site. The Paymaster General readily accepted Mr Reichmann's invitation.

*Gina Haskins*

**GINA HASKINS**  
Private Secretary

cc PS/Chancellor  
PS/Chief Secretary  
PS/Sir P Middleton  
Mr Phillips  
Mr Monck  
Mr Hansford  
Mr Carpenter  
Mrs Chaplin  
Mr Lightfoot

Ms Slocock - No.10  
Mr A Atherton - Property  
Holdings



dti

the department for Enterprise

*ccps*  
n.b.p.m.  
BHP  
19/9

Douglas Hogg QC MP  
Minister for Industry and Enterprise

Michael Portillo Esq MP  
Minister for Local Government  
and the Inner Cities  
Department of the Environment  
2 Marsham Street  
LONDON  
SW1P 3EB

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Enquiries  
071-215 5000

Telex 8811074/5 DTHQ G  
Fax 071-222 2629

Direct line 215 5147  
Our ref  
Your ref  
Date

17 September 1990

*Dear Michael*  
*will request  
if required*

Thank you for your letter of 10 September about changes proposed to sponsor Minister arrangements for Task Forces and City Action Teams. After considering your proposals, I am content that we should announce the new arrangements you have suggested, later this month.

I have also seen a copy of your letter of 10 September to Alan Howarth. You asked for my comments on the position of Task Forces. At present, my officials ensure that relevant Task Force and CAT sponsor Ministers are informed about all Task Force projects I have approved, in advance of any announcement. I agree with you that it is important that Departmental Ministers are seen to answer for the funds voted to them. In addition, I always make a point of writing to local MPs notifying them of projects which I have approved. For these reasons, to avoid confusion, I would wish to continue the practice of making it clear in the Press Notice which Minister has taken the decision.

However, I am in favour of the idea that Press Notices about Task Force project approvals should include, as appropriate, a comment from the relevant sponsor Minister, welcoming the decision and explaining why it is good news for the area. I have asked my officials to make the necessary arrangements.





the department for Enterprise

You also suggest that it would be helpful if all CAT and Task Force Ministers were to meet in the near future to discuss progress and the role of sponsor Ministers, and to meet CAT Leaders. I agree that such a meeting would be timely. Perhaps your Diary Secretary could contact mine, Sandra Roberts, on 071 215 5147 to arrange a suitable date.

I am copying this letter to members of MISC 116 and Tim Eggar.

A handwritten signature in black ink, which appears to read 'Douglas Hogg', is written over a faint pink rectangular stamp. The signature is fluid and cursive.

DOUGLAS HOGG

ING4250



dti

the department for Enterprise

CCP

n. 5. P.M.  
BHP  
3/9

Douglas Hogg QC MP  
Minister for Industry and Enterprise

Michael Portillo Esq MP  
Minister for Local Government  
and Inner Cities  
Department of the Environment  
2 Marsham Street  
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Enquiries  
071-215 5000

Telex 8811074/5 DTHQ G  
Fax 071-222 2629

Direct line

Our ref 215 5147

Your ref

Date

3 September 1990

Dear Michael

*will. remit if  
wanted*

CLEVELAND CO-ORDINATING TEAM

Thank you for your letter of 17 August, requesting my agreement to the Cleveland Co-ordinating Team's proposal that the CCT should be given full CAT status and renamed the Cleveland Action Team.

I am happy to give my approval to the proposal, and also to accept the invitation to take part in the relaunching ceremony on 4 September. I understand that Richard Bell, the Leader of the Cleveland Co-ordinating Team will be providing my Private Office with more information about arrangements in due course.

I am copying this letter to MISC 116 colleagues.

*Yours  
D.H.*

DOUGLAS HOGG

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Recycled Paper

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A: / Canary Wharf

CC DOE  
DOE Min Loc Govt

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

23 August 1990

**SUBJECT CC MASTER**

Visit to Canary Wharf: the Docklands Light Railway

Mr. Paul Reichmann took the opportunity yesterday, partly at the instigation of the Prime Minister, to discuss briefly the transport problems faced by Canary Wharf.

Mr. Reichmann made a point of saying that both Mr. Portillo and Mr. Freeman had been extremely helpful in tackling these problems but he set out a fairly bleak picture about the Docklands Light Railway. He said that half of the population at Canary Wharf using the DLR had stopped using it because of its unreliable service and every road around Canary Wharf was now clogged with cars. In his view, it might be better to close down the railway for three months to sort out these problems; this would be less likely to lead to the loss of confidence being experienced by its customers at the moment. The new Canadian system would be installed by 1992, he explained. He was happy with the system which had been tried out in Vancouver and other European cities and had demonstrated a good track record. But he thought that with some effort the system could be installed a year earlier and he considered that it would be better in the meantime to go on to a manual system. He said that the Chairman of LRT, Mr. Newton, was excellent but necessarily his main priorities lay with London Transport as a whole. Mr. Beasley was working only part time on this problem and although Mr. Reichmann considered he was good on buses he had no technical background. Mr. Reichmann saw this as a difficulty. The Prime Minister mentioned that a new head of DLR had been appointed and said that she hoped this was a step forward. Mr. Reichmann said that he recognised that he had only been in post three weeks and was prepared to give him the benefit of the doubt. But he was concerned that the early signs were that he was not prepared to take a radical look at DLR - something which in Mr. Reichmann's view was clearly necessary.

Mr. Reichmann said that he would not have raised this issue unless the Prime Minister had referred to it and he did not appear to be seeking any particular action from the Prime Minister. He said he would be seeing Mr. Newton to discuss these issues after returning from holiday. But the Prime Minister did promise Mr. Reichmann that she would follow up the various issues he raised during the course of the visit. Your Minister may therefore like to note these points and take them into account where appropriate.

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- 2 -

I am copying this letter to Kate Bush (Department of the Environment) and Trevor Beattie (Office of the Minister for Local Government.)

CAROLINE SLOCOCK

Steve Gooding, Esq.,  
Department of Transport.

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SUBJECT CE MAST6K

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WO

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

22 August 1990

Dear Phillip,

**MERSEYSIDE**

During the course of discussions about another matter with Frank Field MP today, three points about the future development of the Merseyside and Wirral areas emerged. I thought it might be useful to bring these to your attention.

First, Mr. Field said that Merseyside Development Corporation had not been as effective as had originally been hoped. He put this down to an absence of sufficient people on the board with business flair. A new chairman was to be appointed at the end of this year. His preference would be for either Graham Day or Lord Runciman: both were high-calibre candidates who would bring the necessary business experience and flair to the post.

Second, it appears that Wimpey have a large area of land designated for house-building in the Wirral. But no development is proceeding. Mr. Field urged the Prime Minister to speak to Sir Clifford Chetwood to see whether further progress in developing the site might be made.

Third, Mr. Field suggested that the key to encouraging private sector development in Merseyside and the Wirral was for the Government to show more confidence in the area. One possible method was the transfer of Government, ie. civil service jobs to the area. Discussions were proceeding with MAFF on the transfer of some research facilities. But it would be desirable to bring other employment into the area; and the Wirral, in particular, with its good countryside and excellent schools had much to offer.

I am copying this letter to Martin Stanley (Department of Trade and Industry) and to Gina Haskins (Paymaster General's Office).

Yours ever,

Barry

BARRY H. POTTER

Phillip Ward, Esq.,  
Department of the Environment

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*file*

*FR*

10 DOWNING STREET . .

LONDON SW1A 2AA

*From the Private Secretary*

22 August 1990

*Dear Miss Turton,*

MISC 116: ACTION FOR CITIES PRESENTATION

I agreed earlier with Muir Russell (Cabinet Office), that it might be appropriate to check whether the Prime Minister was broadly content with Mr. Portillo's proposed approach to the Action for Cities presentation next year.

I submitted the relevant papers to the Prime Minister yesterday evening, including the description of the proposed line on presentation contained in the Cabinet Office record of MISC 116(90) second meeting.

I can confirm that the Prime Minister is content for an approach along the lines put forward by Mr. Portillo to be worked up further.

I am copying this letter to Trevor Beattie (Mr. Portillo's Office, Department of the Environment) and to Muir Russell (Cabinet Office).

*Yours sincerely,*

*Barry H. Potter*

BARRY H. POTTER

Miss E.C. Turton,  
Inner Cities Division,  
Department of the Environment.

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*JT*

PRIME MINISTER

MISC 116: ACTION FOR CITIES PRESENTATION

MISC 116 is the Ministerial group on the development of urban policy. The group is chaired by Mr. Patten; and Mr. Portillo has the lead for DOE on inner city policy.

In each of the last few years, there has been an annual presentation on the Government's work under the Action for Cities programme.

These previous presentations have concentrated on the total amount of money being spent by central Government in inner cities; and, when Mr. Portillo took over this portfolio, the proposal was for an even grander international conference to mark the third anniversary of Action for Cities.

Instead, Mr. Portillo now proposes a more modest, yet hopefully more effective, presentation:

- i) A shift of emphasis from the costs to the outputs from the programme.
- ii) A steady flow of publicity throughout the year, rather than one "big bang" event.
- iii) One press conference - probably in the early part of next year - which you would chair in a location that would demonstrate the success of the Government's inner city policies. The proposed location is Teesside.

Before working up these proposals further, Mr. Portillo would be grateful for an indication of your preliminary reaction.

Are you broadly content with Mr. Portillo's proposals?

BHP

BARRY H POTTER

21 August 1990

Yes



K0255



FROM: A M RUSSELL  
DATE: 6 August 1990

MR BARRY POTTER (on return)

**MISC 116: ACTION FOR CITIES PRESENTATION**

*attach*

1. The ~~first~~ item of the minutes of the meeting of MISC 116 held on 3 July records the Group's conclusions about the most appropriate way to celebrate the third anniversary of Action for Cities next spring. DOE tell me that Mr Portillo will wish to put formal recommendations to the Prime Minister based on those conclusions, but will not be in a position to do so until after he has visited Teesdale, the most likely site for a visit by the Prime Minister, towards the end of September. DOE are concerned to know whether there is any need for an earlier approach from Mr Portillo.

2. I recall from our earlier conversation that you had it in mind to show the Prime Minister the minutes of MISC 116 and I asked you to let me know if any problems arose. Having heard nothing from you on this I have taken the line with DOE that I have no reason to believe the Prime Minister is unhappy with the broad lines of what is emerging on presentation. But I said that I would check with you and let them know if there was any need for the Prime Minister's agreement in principle to the general approach to be sought explicitly at this stage.

3. I am leaving this note for you because our holiday periods overlap. Perhaps you would contact Miss Genie Turton, the Under Secretary in DOE responsible for Action for Cities (telephone 276 4473) to let her know whether or not Mr Portillo need put anything on this to the Prime Minister now.

A handwritten signature in dark ink, appearing to be "A M Russell".

A M RUSSELL



10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

13 July 1990

*Dear Trevor,*

LONDON DOCKLANDS DEVELOPMENT CORPORATION:  
LONDON DOME PROJECT

The Prime Minister has seen your further letter to me of 7 July and Carys Evans' letter of 9 July.

The Prime Minister is very unhappy with the way in which this matter has been handled. She appreciates that the fault in very large part lies with London Docklands Development Corporation (LDDC) management. The Prime Minister also appreciates that, even though JH Laing plc appear to have been seriously misled by LDDC on the prospects of grant support, it is the view of both Treasury and DOE ministers that a grant is not justified on the basis of the available financial information.

Accordingly, the Prime Minister would be most grateful if your Minister could give the strongest possible reprimand to LDDC management: to emphasise how unsatisfactory their handling of this case has been; and to make clear to LDDC that there must be no future recurrence of this kind of behaviour.

I am copying this letter to Carys Evans (HM Treasury).

*Yours,*

*Barry*

BARRY H. POTTER

Trevor Beattie, Esq.,  
Office of the Minister for Local Government,  
Department of the Environment.



PRIME MINISTER

LONDON DOCKLANDS DEVELOPMENT CORPORATION: LONDONDOME PROJECT

Your manuscript note on my earlier minute suggested that the Government should reconsider giving grant to Laings for the Londondome project.

I have spoken further to Mr. Portillo's office - to the officials in DoE with responsibility for Docklands, and to the Treasury. The only new correspondence is a letter from the Chief Secretary: this, diplomatically, states that the project does not justify grant; but that, if grant is given, it will have to be found from within existing DoE provision.

The basic story is as contained in my earlier minute (attached). But there are two useful pieces of elaboration.

- (i) The project was first mooted as long ago as 1985. It is beyond question that LDDC negotiated most unprofessionally with Laings, hinting at several times that grant would be made available. It was only in May this year that Mr. Moynihan first made clear that the project was unlikely to attract grant - though he agreed to reconsider. Mr. Portillo confirmed to Laings last month that grant was unlikely to be forthcoming.
- (ii) But Laings have not behaved well either. First (no doubt responding to the poor negotiating tactics from LDDC) they progressively raised the bid for grant - ultimately to a level of £18 million. Second, they are using absence of grant as a threat to discontinue the (limited) development of the Royal Docks. Third,

COMMERCIAL IN CONFIDENCE

realising more recently that their negotiating position was less strong than previously perceived, the demand for grant has been cut in eight weeks from £18 m to £7 m - without apparently any change in the project itself.

However bad, unprofessional and disingenuous LDDC's treatment of Laings, it cannot justify giving grant for a project that does not qualify on objective criteria. (The DoE Accounting Officer could not of course defend such action.) Both DoE and Treasury do not believe grant is justified or necessary. Laings may go ahead without the grant. They have already undertaken some of the work. (It also needs to be remembered that Laings have had an implicit subsidy for the project earlier through a free transfer of land and rights to develop an adjoining site.)

There seem to be two ways forward.

- (i) Content to instruct Mr. Portillo to give the strongest possible reprimand to LDDC management: but reject grant for Laings?
- (ii) Or ask DoE, in consultation with Treasury, to investigate whether a small grant - less than £7 m and back-loaded into future years - could genuinely be justified in support of the project.

BHP

BARRY H. POTTER

11 July 1990

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Course (ii). but I fear  
we shall be accused of  
bad faith  
not

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Prime Minister  
To note (you saw  
the earlier correspondence): a  
suitably robust response from the CST.  
BHP  
11/7

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Christopher Patten  
Secretary of State for the Environment  
Department of the Environment  
2 Marsham Street  
London  
SW1P 3EB

9 July 1990

Dear Chris

**1990 SURVEY: ACTION FOR CITIES PROGRAMME**

ALG WITH BP.

Thank you for your letter of 29 June. I have also seen Nick Ridley's response of 3 July; and Barry Potter's minute of 22 May noting that the Prime Minister endorsed my initiative.

2. I am pleased that you agree that we can argue convincingly that our policy of private sector led regeneration has paid off. However I am disappointed that both you and Nick are reluctant to reduce the role of the public sector in the inner cities. As I said in my letter of 21 May, our strategy in these areas is based on private sector led economic regeneration in contrast to the interventionist public sector strategies of the past and I had hoped that colleagues would have been prepared to see the public sector take a more selective approach in the funding it provides, now that the ground has been prepared by the success of our policies over the past decade. I note, however, that you see scope for working on improvements in targeting and I hope that this will lead to reduced requirements sooner rather than later.

3. I am still sure that it is right to look for public expenditure savings in this area, and I was disappointed that you instead felt it necessary to bid for an extra £100 million a year. The baselines for the Action for Cities programmes are very large throughout the Survey period (in your own case, although the baseline for your Urban Block is declining, this is entirely the result of the very high expenditure this year and next year on special infrastructure projects in Docklands). It is by no means clear that every element is as effective or efficient as it might be and there must be considerable scope for value-for-money improvements.

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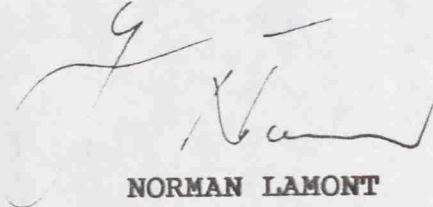
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4. Both Nick and yourself note concern about the impact of the economic slowdown on inner city areas. But the main impact of higher interest rates seems to have been on the prosperous South East whereas the Urban Programme areas are mainly in the North and Midlands. More generally, we should not base our long term Action for Cities strategy unduly on short term cyclical movements of the national economy.

5. Furthermore, I was disappointed that neither Nick nor yourself acknowledged my point that Government help to the inner cities is not solely delivered through expenditure programmes. I gave the important example of the Uniform Business Rate which will in aggregate benefit the Urban Programme areas by £½ billion, and of course the success of our supply side policies.

6. Given the particular difficulties of this year's PES round, it will be essential to make savings in some areas and the choices will inevitably be hard ones. I must therefore ask colleagues, between now and our discussions in the Autumn to look harder for savings to offer up and I will wish to put forward proposals in my Agenda letters.

7. I am copying this letter to the Prime Minister, Geoffrey Howe, Malcolm Rifkind, David Hunt, Nicholas Ridley, Cecil Parkinson, Michael Howard, David Waddington, John MacGregor, Kenneth Clarke and to Sir Robin Butler.

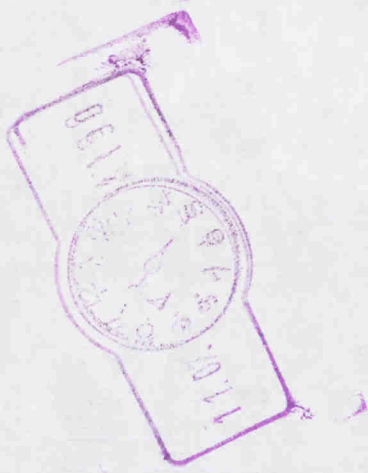


NORMAN LAMONT

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Rec. for: Union Census 1977.





Treasury Chambers, Parliament Street, SW1P 3AG

Barry Potter Esq  
Private Secretary  
10 Downing Street  
London  
SW1

9 July 1990

Dear Barry

**LONDON DOCKLANDS DEVELOPMENT CORPORATION:  
LONDONDOME PROJECT**

I am grateful to both Trevor Beattie and yourself for copying me your correspondence on the Londondome project.

2 The Chief Secretary feels that whilst it is clearly regrettable that LDDC appears to have encouraged Laings to expect that grant would be available, the case against it on value-for money grounds seems strong. He further notes that LDDC apparently does not have the necessary provision. Given the pressures on public spending this year, if the grant were to be made the Chief Secretary would expect it to be financed by offsetting savings from LDDC or elsewhere within DOE's programme.

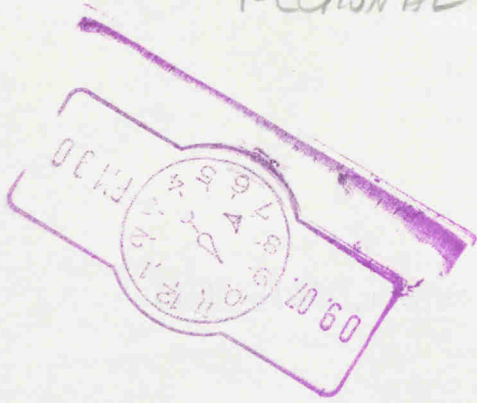
3 I am copying this letter to Trevor Beattie at DOE and to Sonia Phippard at the Cabinet Office.

Yours  
Carys

MISS C EVANS  
Private Secretary



REGIONAL POL : Inmigración PF 17.





ShH

be: RC

DOE (M. Portillo)

10 DOWNING STREET  
LONDON SW1A 2AA

(C:/home/sainsbury)

*From the Private Secretary*

9 July 1990

Thank you for your letter of 5 July to the Prime Minister.

I had a chance to speak to the Prime Minister about this before she went to Houston. The Prime Minister said that she is grateful to you for responding so promptly to her letter and understands the reasons you set out for not wishing to pursue this suggestion. However, she is sure that the Dean of Liverpool would find it helpful to meet your Development Director, Ian Coull, as you suggest. I have spoken to the Dean, who would welcome this opportunity, and he is expecting Mr. Coull to get in touch with him as soon as convenient.

CAROLINE SLOCOCK

The Lord Sainsbury of Preston Candover



PRIME MINISTER

LONDON DOCKLANDS DEVELOPMENT CORPORATION: LONDON DOME PROJECT

You saw earlier the letter from Mr Portillo's Private Secretary about the Londondome Project at the Royal Docks (FLAG B). You asked whether John Laing plc had been encouraged to believe that a grant for the project would be forthcoming.

I attach a letter (FLAG A) from Mr Portillo's Private Secretary responding to the points raised earlier. It is not a very satisfactory story. The main points are as follows.

- i. John Laing plc sought transfer of land from London Docklands Development Corporation (LDDC) for the project (at nil cost) plus grant assistance.
- ii. LDDC were content to give the land to John Laing plc on this basis. Any grant would have to come from LDDC. Both LDDC and John Laing plc took the view that such a grant would be necessary to make the project viable.
- iii. LDDC did make clear to John Laing plc that a final decision on grant funding was for the Secretary of State for the Environment. And Mr Patten made clear to the LDDC Board last November that he had doubts about the need for the grant (not the land at nil cost) but would consider the matter on the basis of a fully detailed case.
- iv. But the LDDC Board failed to pass on that message to John Laing plc.
- v. The final figures on the project convinced the Department of the Environment that there was no case for grant: indeed in their view the project was viable without grant.
- vi. As is clear from X in the letter, John Laing plc have "just cause for complaint" that LDDC did not make them aware much earlier of the DOE's doubts and concerns.

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Content for Mr Portillo to speak to the LDDC Chairman; to emphasis how unsatisfactory the handling of this case has been; and to ensure that there is no future recurrence of this kind of behaviour?

I do not think this is enough. Lang's were misled by those who are agents of fact. I think you must consider how when the franchise was the basis of their involvement in this project, not

BHP

BARRY H POTTER

6 July 1990

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Minister for Local Government  
and Inner Cities

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone 01-276 3000

PO/PSO/28138/40/90

05 JUL 1990

Dear Barry

LONDON DOCKLANDS DEVELOPMENT CORPORATION: LONDONDOME PROJECT

*File with case 100*

Thank you for your letter of 27 June, seeking further background on John Laing plc's request for grant for the Londondome. I am sorry to have missed your deadline.

LDDC has consistently supported Laing's view that this project would need grant to proceed, and both parties negotiated on that basis. Clearly this has encouraged Laings to expect a favourable outcome. But LDDC made it clear to Laings from the outset that the final decision on grant funding would be for Ministers.

The Department has always been doubtful about the likelihood of a successful case for direct grant being made for this prime Dockland site, given LDDC's associated proposal to transfer the 35 acres of land to Laings at nil cost. Mr Patten made this clear to the LDDC Board last November. But equally it has also been made clear that Ministers would consider the matter openly on the basis of the full detailed commercial and regeneration case once LDDC had submitted it. In undertaking their preparatory work Laings evidently were not made aware of our initial misgivings, and therefore appear to have good reason to be unhappy with LDDC now.

You sought clarification on the statutory background. LDDC can pay grants under the wide-ranging regeneration power of S136(3)(e) of the Local Government, Planning and Land Act 1980. It may do so either within the established procedures and criteria of the regime relating to City Grant; or on a more flexible basis related to particular circumstances. Londondome falls into the latter category and so LDDC and Ministers have very wide discretion in determining it. Had this been a City Grant case it would have fallen short on 2 key criteria - the cost per job is over 4 times the norm; and the grant sought is very small in relation to the total cost of the project (a ratio of 1 to 11).

Ministers here believe that Londondome is a good project, and they would like to see it go ahead in order to make a start on private development in the Royal Docks. They think it justified for LDDC, as the Government's statutory regeneration authority, to give Laings an initial subsidy by providing 35 acres of land at nil cost (subject to a profit-sharing arrangement). But they have concluded that, on the basis of detailed financial projections supplied by Laings and LDDC, additional public funding by way of direct grant would not be justified because, with the favourable arrangement on land, the project has a reasonably sound commercial basis. Laings should therefore take a normal commercial judgement on whether to proceed.

Your letter also raises resource considerations. LDDC does not have resources within existing provision to cover the proposed direct grant to Laings. Had it been decided that there was a funding gap on Londondome which justified direct LDDC grant, Ministers here were doubtful additional resources could be found from within Departmental programmes to fund it; or that Londondome merited priority for any spare resources which could be found from within Departmental programmes.

4 We do not believe that LDDC's handling of this case was essentially a bidding ploy. Clearly, however, that handling has given Laings good cause for complaint. My Minister will wish to speak to LDDC's Chairman about this to prevent any unwelcome future recurrences.

I am copying this letter to Carys Evans (Chief Secretary's Office) and Sonia Phippard (Cabinet Office).

*Yours sincerely*

*Trevor Beattie*

TREVOR F BEATTIE  
Private Secretary/Mr Portillo

Barry Potter Esq  
Private Secretary  
To The Rt Hon Mrs Margaret Thatcher MP



RES No:

Lover A17  
C. H. H.



Lord Sainsbury  
of Preston Candover  
Chairman & Chief Executive

Prime Minister<sup>①</sup> cc Mr Gifford  
Content for us to  
pursue (X) below?  
This is rather disappointing

J Sainsbury plc  
Stamford House  
Stamford Street  
London SE1 9LL

071-921 6000

Telex 264241  
Fax: 071-921 7581

**SAINSBURY'S**

CAS

S/7

CAS  
S/7  
K517.  
CF

5th July, 1990

The Rt. Hon. Margaret Thatcher MP,  
10, Downing Street,  
LONDON,  
SW1A 2AA

P

Dear Prime Minister,

con attached

Thank you for your letter of 28th June about the possibilities of a Sainsbury Supermarket in the Granby/Toxteth area of Liverpool.

I have discussed this with my colleagues and have to say that our position in Liverpool is that we already have stores in the Woolton and Crosby areas and shortly will be building a new store on the East Prescott Road.

This store is within about 12 minutes driving time of the Toxteth area. As a result we believe that another store in the Toxteth area could not be viable as it would need to draw customers from areas that will be served by the East Prescott Road store.

Thus, I fear, we cannot respond positively to the proposition that the Dean wishes to put forward. However, if it would be helpful, our Development Director, Ian Coull, would be very happy to meet with the Very Reverend Derrick Walters to amplify the points I have made, and to give any advice which would be of assistance.

X

Should you think this is a good idea, perhaps your staff would let me know and we can then make the necessary arrangements.

I think it would

Yours  
J Sainsbury



PRIVATE AND CONFIDENTIAL

cc: LIVERPOOL (MJ)



*CF to  
well*

bcc Robin Catford  
JCE

*Rite*

*F*

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

3 July 1990

*Dear Dean,*

I believe that Robin Catford has had a word with you about your request for help in approaching the Sainsbury family about the possibility of one of their prestige supermarkets being built on your site in the Toxteth area. As Robin will have told you, the Prime Minister has written to Lord Sainsbury suggesting that she might introduce you to him here at No.10 and, should he wish to pursue the matter, that Mr Portillo should help in taking this forward. Lord Sainsbury has not yet replied to the Prime Minister but we will certainly let you know as soon as he does.

As you know, the Prime Minister will be visiting you on 27 July and I would be delighted to hear from you if you would like to discuss the arrangements in more detail.

*Yours sincerely,*

*Caroline Slocock*

Caroline Slocock

The Very Reverend the Dean of Liverpool

PRIVATE AND CONFIDENTIAL

*MCM*

dti

the department for Enterprise

*CEPU*

The Rt. Hon. Nicholas Ridley MP  
Secretary of State for Trade and Industry

The Rt Hon Norman Lamont MP  
Chief Secretary to the Treasury  
Parliament Street  
LONDON SW1

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Enquiries  
071-215 5000

Telex 8811074/5 DTHQ G  
Fax 071-222 2629

Direct line  
Our ref  
Your ref  
Date

071 215 5623  
PB1AOW

3 July 1990

*Dear Norman*

1990 SURVEY: ACTION FOR CITIES PROGRAMME *seap*

You copied to me your letter of 21 May to Chris Patten and I have since seen Barry Potter's letter of 22 May to Carys Evans as well as Chris Patten's reply to you.

I share Chris's concern that we should not put into reverse our previous policy of targeting help on the inner city. Although there has been a noticeable improvement in these areas, due in part to our policies and in part to the performance of the national economy, that improvement as Chris has pointed out is both partial and fragile.

There are still sizeable pockets even in our most prosperous areas, of those, such as the unskilled and the ethnic minorities, who have not benefitted sufficiently from increased prosperity. Some parts of London are cases in point. A number of our Action for Cities policies, including the Task Forces which are my responsibility, are designed to bring these people into work and, as you say, reduce the culture of dependence which is still prevalent in the inner city. The evidence suggests that Task Forces have been most cost effective in this respect.

It is also these inner city areas which are likely to be the worst hit by a slow down in the economy. We cannot be confident that, in the short term, total activity in these areas will continue to rise. For that reason it is important that, over the next two years, we do not relax our efforts to stimulate a more enterprising and highly skilled workforce.



Recycled Paper





the department for Enterprise

Overall expenditure on DTI programmes in Action for Cities is likely to decline. However, I should point out that, apart from Task Force expenditure, the other programmes attributed to the Action for Cities package are programmes in their own right with their own criteria, which happen to include some inner city areas. For financial control purposes they do not fall under the Action for Cities umbrella.

As agreed with colleagues, the Task Force programme will continue with openings and closings matching each other, concentrating on the most needy areas, using a budget projected to be stable in real terms. Task Forces are clearly focused on reducing the dependence to which you refer in your letter, so this objective is more likely to be achieved by continuing the programme on a rolling basis than by running it down.

I am copying this letter to recipients of yours.

*John*  
*Andrews*



Recycled Paper

REG POL: Inner cities dr 17





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2 MARSHAM STREET  
LONDON SW1P 3EB  
01-276 3000

Prime Minister

Tax does not bode well for  
the Survey. DOE do not  
acknowledge the large increase in the Action for Cities Programme.

My ref:

Your ref:

The Rt Hon Norman Lamont MP  
Chief Secretary  
HM Treasury  
Parliament Street  
LONDON  
SW1

Treasury will no doubt send a vigorous response.

Content to wait until

29 June 1990

Treasury reply received?

BHP

29/6

Dear Chief Secretary,

1990 SURVEY: ACTION FOR CITIES PROGRAMME

Your letter of 21 May suggested that we should look at the scope for reducing the requirement for public expenditure in the inner cities. I agree that we must examine this carefully; but I think we should be cautious about assuming that we can start cutting back spending significantly before the mid 1990s.

I understand of course the general and very real problems of this year's PES round. I have cut back my own bids for that reason. But, even with the bids I have made, the combined baseline for my own Urban Block programmes falls substantially in 1992/3. The Action for Cities total is itself likely to fall in real terms in 1991/2. Presentationally, I agree that we can argue convincingly that our substantial investment in private sector-led regeneration has paid off. By targeting resources on the inner cities we have achieved real and visible changes. But the recovery is still fragile, and the current slowdown in economic growth could badly knock the new confidence we have built up.

I am particularly concerned about the impact of the economic slowdown on the most run down areas of our inner cities. We have already lost some key private investments in urban development areas in the North (eg from Sheffield Canal Basin and Trafford Park Wharfside) and there are concerns in the Midlands too. The slowdown is bound to affect private confidence in the inner cities, both in development and business. To withdraw our own investment at this stage could lose us much of the ground we have gained.

My preferred strategy, which is reflected in my bids, is to make selective adjustments to my own programmes to reflect changing needs and priorities, while we work on improvements to targeting which may

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REG POL: Inner cities Pt 17

CONFIDENTIAL

- as long as there are no sharp setbacks in progress meanwhile - allow us to consider the scope for larger reductions later in the decade. We should certainly include in that work a review of the 57 areas in the light of information from the 1991 census; and we must of course continue to monitor the relative effectiveness of the different programmes. I hope that over the next few years we shall be able to get a much better picture of the combined impact of all our efforts in the inner cities.

I am copying this letter to the Prime Minister, Geoffrey Howe, Malcolm Rifkind, David Hunt, Nicholas Ridley, Cecil Parkinson, Michael Howard, David Waddington, John MacGregor, Kenneth Clarke and to Sir Robin Butler.

Yours sincerely  
A. D. L.

PP CHRIS PATTEN

(Approved by the Secretary of State & signed in his absence)

REC'D  
MR. PATTEN  
2  
1990

CONFIDENTIAL







file  
DCA

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

28 June 1990

*Dear Lord Salisbury,*

I have been approached by the Very Reverend Derrick Walters, Dean of the Liverpool Anglican Cathedral - a rather remarkable man - to ask if I could put him in touch with you. He is proposing a major new development in the Granby/Toxteth area of Liverpool and believes that a prestige supermarket is essential to give confidence to the private sector. Whether or not this would be a good commercial proposition is not for me to judge but I am sure the Dean would profit from your advice.

The site he has in mind is a 55 acre one, adjoining Upper Parliament Street, which was the seat of the 1981 Toxteth riots. I understand that Upper Parliament Street is a prime site on a major access road into Liverpool City Centre; and the nearest other major supermarket development is two and a half miles away. The site, which is owned by the City Council, is derelict at the moment; and the Dean proposes to use it for housing, both low cost for sale and for rent, a science park, leisure and commercial/retail uses. Liverpool City Council are in principle prepared to sell it to the Dean, and are co-operating informally on the planning brief.

The Merseyside Task Force is co-operating with Liverpool City Council and the Granby/Toxteth Task Force to develop a more co-ordinated approach towards tackling the problems of the Granby/Toxteth area. That initiative, coupled with the Dean's proposals, could bring about a transformation of a severely deprived area of Liverpool.

KW

If you feel able to pursue this, I could perform the necessary introductions at No.10 and he could perhaps give you more details. I would then leave Michael Portillo in charge should you wish to look further into this matter. Perhaps your secretary could get in touch with Robin Catford in my office to let me know your reaction.

I am sure the Dean would be most grateful for your interest and advice. I shall be seeing him on 27 July when I am laying the foundation stone for Cathedral Chambers in the Cathedral precinct.

Kind regards,

Yours sincerely

Nagant Khetan

The Lord Sainsbury of Preston Candover



ECL

File



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

27 June 1990

Dear Trevor,

**LONDON DOCKLANDS DEVELOPMENT CORPORATION:  
LONDONDOME PROJECT**

Many thanks for your letter of 21 June which I submitted to the Prime Minister yesterday evening.

The Prime Minister is concerned that John Laing plc may have been encouraged to believe that a grant for the Londondome project at the Royal Docks would be forthcoming. Accordingly the Prime Minister would be grateful for a further explanation of the circumstances which led to the decision not to award grant to John Laing in support of this project.

Over the telephone we discussed the need for this account to cover the following:

- (i) under what statutory authority might the project have qualified for grant support, and, if so, how much;
- (ii) was the decision to reject the grant application because the project did not qualify; because the LDDC/Central Government had insufficient resources available; or because, within the resources available, the project was deemed to be of insufficiently high priority;
- (iii) did LDDC lead John Laing plc into believing grant would be made available - and then use that expectation to put pressure on Central Government to make the resources available either directly or via LDDC.

I would be grateful if you could provide the further account the Prime Minister is seeking by no later than Friday 29 June.

086

I am copying this letter to Carys Evans (Chief Secretary's Office) and Sonia Phippard (Cabinet Office).

Yours,  
Barry

(BARRY H. POTTER)

Trevor Beattie,  
Minister of State's Office,  
Department of the Environment.



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①

PRIME MINISTER

LIVERPOOL

The Dean of Liverpool has written to Robin Catford asking for help in approaching a member of the Sainsbury family to ask them to build a new prestige supermarket on a site of a potential new development in the Toxteth area. The Dean is hoping to use this area for a major private sector development at a total cost of £50 million. On this site he hopes to provide 400 new low cost houses as well as new commercial and retail property. The Dean feels a prestige supermarket is essential to give confidence to the private sector to take part.

I took DOE advice on this proposal, who suggest that you might write to Lord Sainsbury in the terms of the attached. This strikes me as rather unusual and perhaps not something that you would like to do in quite this way.

How would you like to take this forward? Do you want to write yourself or would you prefer Mr Portillo or officials to make some kind of approach to Lord Sainsbury?

CS

Caroline Slocock  
22 June 1990

*W20 unit*

*As amended*

*[Handwritten arrow pointing right]*

*[Handwritten signature]*

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10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

21 June 1990

COMMUNITY ENTREPRENEURS: THE NEXT STEP

As you may know, Ian Whitehead from the No.10 Policy Unit, together with officials from the Department of the Environment and the Department of Trade and Industry, recently visited America to look at the work of community entrepreneurs there. He has now given the Prime Minister a report of his visit and she shares his view, in the light of what he saw there, that there may be advantage in the Government doing more to encourage community entrepreneurs in Britain. In particular he suggests that further encouragement might be given to Community Enterprise Trusts, the most notable examples of which are Leonard Johnson's Bridge Park and Tony McGann's Eldonians. Their main characteristics are that they are rooted in the community; their Board includes prominent businessmen; they have clear goals geared towards providing specific services and facilities in an unbureaucratic way; they have proper management and business plans and their long term aim is to achieve self-sufficiency. Ian Whitehead has suggested two possible ways of giving greater support to these Trusts, based on experience in the USA:

- the possibility of redirecting some of the resources from existing programmes so that they can be used more flexibly and effectively. The Urban Programme may be one example;
- a provision of some seed finance, alongside private sector funding, to help identify and start up potential Community Enterprise Trusts. This could be channelled through a new organisation which would work with Business in the Community. A particularly successful example in America of such an organisation is the Local Initiative Support Corporation (LISC).

You will recall that the Prime Minister held a lunch and discussion with some community entrepreneurs in the summer of last year; and I know that the Minister for Inner Cities has been considering what further help, if any, might be given to encourage entrepreneurs in the light of that discussion. As part

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of this work, the Prime Minister would be grateful if he could give consideration to these ideas; and prepare a paper for her consideration before the summer recess. The Prime Minister has asked me to stress that any additional money for assisting community entrepreneurs would have to be found by reordering priorities within existing allocations rather than through additional PES bids. || BF

I am copying this letter to Alan Ring (Department of the Environment), Anne-Marie Lawlor (Department of Employment) and Rosalind Cole (Department of Trade and Industry).

Caroline Slocock

Trevor Beattie Esq  
Department of the Environment

COMMERCIAL IN CONFIDENCE

Prime Minister

①

Contact for DOE to  
reject ~~the~~ grant application

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

as Mr Portillo  
proposes?

BHP

Telephone 01-276 3000

26/6



Minister for Local Government  
and Inner Cities

B

Have they been encouraged  
to think that a grant  
would be forthcoming?

21 JUN 1990

Dear Mr Potter

**LONDON DOCKLANDS DEVELOPMENT CORPORATION: LONDONDOME PROJECT**

The purpose of this letter is to let you know of my Minister's decision to reject an application by John Laing plc for grant to help finance the Londondome project in the Royal Docks. Laings may seek to lobby the Prime Minister.

Londondome is a £133 million project to provide 23 million square metres of exhibition space and a 20,500 seat arena on a 35 acre site to the north of the Royal Victoria Dock. LDDC have been working on the scheme since 1985. Given current market conditions the scheme is the only major development proposal in the Royal Docks on which detailed negotiations are continuing. The developer has sought:

- a grant of £12 million (originally £18 million);
- transfer of the LDDC owned land (today's value £3.5 million) at nil cost; and
- an option agreement for the development of the neighbouring 65 acres.

Ministers here are obviously keen on projects that help the regeneration of the Royal Docks. But whilst they are content to provide land - subject to profit sharing arrangements and the option agreement, they do not believe that grant would provide good value for money or that it is necessary to provide a reasonable return on the project given forecast revenues and likely capital growth. They have therefore decided to reject the application.



RECYCLED PAPER



Laings may decide to proceed without grant. Whether they do or not they are likely to feel aggrieved because they believe LDDC has led them to expect that a grant would be provided. This is entirely a matter between Laings and LDDC.

Before his decision is passed to Laings, my Minister felt the Prime Minister should be aware of the position in case representatives of Laings seek to raise it with her.

I am copying this letter to PS/Chief Secretary and PS/Sir Robin Butler.

*yours sincerely*

*Trevor Beattie*

TREVOR BEATTIE  
Private Secretary

*to Mr Partillo*

Barry Potter Esq  
Private Secretary  
To Rt Hon Mrs Margaret Thatcher MP

①  
PRIME MINISTER

## COMMUNITY ENTREPRENEURS: THE NEXT STEP

In your meeting a year ago with Community Entrepreneurs ways of encouraging potential local entrepreneurs and of giving them effective support were discussed. You asked the Minister for Inner Cities to reflect on the discussion and come back to you in due course. DOE gave an interim report some time ago but have yet to come back formally.

I attach a long but very clear and readable note from Ian Whitehead which draws on a visit he recently made to the USA to look at community entrepreneurs there. He has come back feeling strongly that Community Enterprise Trusts in Britain should be encouraged. Examples of these are Leonard Johnson's Bridge Park and Tony McGann's Eldonians. These projects have in the past received some Government support through various grants. But Ian suggests two specific proposals for making Government support more systematic and effective:

- a redirection of some of the existing programmes which tend to be rather rigid (he mentions the Urban Programme);
- provision of some seed finance - alongside private sector sponsorship - to help identify and start up potential Community Enterprise Trusts. This might be channelled through a new organisation which would work with Business in the Community.

Ian suggests you should ask Mr Portillo to consider these and any other ideas and report to you by the summer recess. These proposals might well mean additional resources, with implications for the budgets of DE and DTI, and you might also wish to stress that any new money would have to be found from within existing allocations. ✓



Content to commission a paper on these ideas before the summer recess?

Yes

Do you want it to be stressed that any additional resources would have to be found by reordering priorities?

CBS

Yes

Caroline Slocock  
20 June 1990

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PRIME MINISTER

15 June 1990

COMMUNITY ENTREPRENEURS

THE NEXT STEP

Last year's Downing Street seminar with community entrepreneurs - such as Tony McGann and Leonard Johnson - helped enormously to give more confidence to these leaders. And at last week's conference for community entrepreneurs, arranged by Business in the Community, the Prince of Wales spoke about the encouraging signs that more and more entrepreneurs are emerging to help turn around depressed communities.

But there is a real danger that the Government will not be seen to be taking the lead on this issue. The Labour Party may well hijack our ideas and include their own brand of community enterprise policy in their Manifesto. A front bench Labour spokesman (Tony Blair) attended the BiC conference. And there is still a mistaken belief that the Government has no real interest in community entrepreneurs. The Prince expressed this view to me personally.

This note describes the Government's present involvement with community entrepreneurs; it reflects on my recent ten day visit to the USA to meet community entrepreneurs, sponsors and government officials; and then suggests a way forward.

What is a Community Enterprise Trust (CET)?

Community entrepreneurs cannot operate alone. They need the strong support of their local community and on-going advice from the private sector. The entrepreneurs believe that community enterprise trusts are the best delivery mechanism

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to achieve regeneration in the most deprived areas - to create new businesses and jobs, to improve the environment, and to motivate and train young people. In short they aim to create wealth and improve the quality of life in run-down, crime ridden areas.

The main characteristics of such trusts are:

- they are rooted in the community. The Boards of the CETs are represented by a majority of local people;
- also a quarter to a third of the Board appointees are prominent businessmen;
- they have clear goals and the emphasis is on providing services and facilities rather than campaigning;
- their long-term aim is to achieve self-sufficiency to ensure the viability of the organisation;
- they put together - with the help of development funding - management and business plans which underpin their operations. (This critical ingredient has often been lacking in the past);
- and they avoid the bureaucracy which usually surrounds the provision of services by outside bodies and which does not involve communities in decision-making.

Examples of CETs include:

Bridge Park, Brent (Leonard Johnson)

- workspace for business start-ups
- computer training for young people
- leisure centre
- entertainment centre

Eldonians, Liverpool (Tony McGann)

- housing (250 completed)
- market garden
- plan for workspace units and training centre

Chapelton, Leeds

- workspace units for business start-ups

What is the Government's involvement so far?

While we have not announced any formal policy statement about community enterprise trusts, the Government has been quietly helping these groups wherever possible. Using the examples above, urban programme money was used to refurbish the old bus garage in Bridge Park, Brent. Housing Corporation money was used to build the houses in the Eldonian community. Also, the Merseyside Development Corporation have paid for two part-time staff to support Tony McGann. And the Chapelton workspace units were funded by the local DTI Inner City Task Force, and given to a new community trust, as an income generating asset.

The reasons why funds were given are clear in each case:

Bridge Park

- The project was seen as a calming influence in the community and a ray of hope, in what was a potentially riotous area.



Oldonians

- The housing project was seen as the important first step to encourage enterprise in the community. The wholesale market garden has provided job training for local people.

Chapletown

- DTI task forces move on after two or three years. They wanted to leave behind something tangible to encourage and finance new businesses in the future.

Each one has been a success. But Government support has been very patchy.

Pros and Cons of Community Enterprise Trusts

Pros

- stimulates enterprise in the most difficult areas;
- helps to build a partnership between a community in an area of severe deprivation and the private sector, Government and the wider voluntary sector (especially where there is no UDC or inner city task force);
- provides a focus for action and a framework within which enterprising community leaders can emerge;
- can help to combat problems of crime and dereliction more effectively by promoting a sense of local responsibility over the problems (ie if the community 'owns' the problem, they will want to do something about it);

# CONFIDENTIAL

- from the Government's perspective, our support would help to counter the criticism that many people have been left behind in our worst inner city areas.

## Cons

- in some groups, there is a danger that enterprise and wealth creation could be replaced by ideological campaigning;
- most trusts will need some percentage of public money for some time;
- there is a danger that community based enterprise could substitute for normal market based enterprise in their area;
- community entrepreneurs often lack management skills
  - an essential ingredient.

We can avoid some of these problems by building on the experiences found in the USA over the last 20 years.

## What can we learn from the USA?

During my trip to the USA with two senior officials in the DOE and DTI, I was particularly struck by the broad level of support for community enterprise trusts (usually called community development corporations over there). When I asked why?, the usual response was 'they work'.

It has to be said that the main focus for many North American CETs is housing, mainly due to the federal housing cutbacks of the 1980s. But this housing base has broadened to encompass workspace units for new businesses, small commercial developments and training.



Our meetings are especially worth mentioning:

1. Lloyd Smith - Marshall Heights Community Development Organisation, Washington.

For me, this was the most impressive group I met. Marshall Heights is a run down 'black' area of Washington, slowly getting back onto its feet. There is no doubt that Lloyd Smith's big personality and skills have made the difference. He has been able to wheel and deal on the one hand, yet remain accountable to a board of local people on the other.

One of his comments remains etched on my memory:

"community self-sufficiency can lead to family and individual self-sufficiency".

Examples of what can be achieved:

- They took over an old derelict furniture department store, renovated it, and leased the space to Safeway, the food chain. Profits from the \$200,000 annual lease are ploughed back into community projects. Lloyd Smith used his own home as collateral to make sure the deal went ahead several years ago.
- Private house builders find they cannot operate profitably in the area because household incomes are too low to meet mortgage payments. Marshall Heights have set up a development company to sell affordable houses by using small local contractors under strong supervision. Again, the profits (\$5,000 a house) are recycled into other projects.

# CONFIDENTIAL

- Marshall Heights delivers some of the local social services on behalf of the city.

## 2. Michael Eichler - Local Initiative Support Corporation (LISC)

Intermediary 'advisory' organisations are often criticised for their lack of value on the ground, with some justification. LISC is an exception. Launched in 1979 with \$9 million from the Ford Foundation and six corporate sponsors, LISC supplied loans, grants, equity investments and technical assistance to community enterprise trusts. It targetted 'areas of concentration' in selected cities and states (22 by the late 1980s).

Their greatest strength is their ability to encourage entrepreneurs to take the lead in the local community. But at the same time, they will advance loans to the project for business ventures, if they are viable propositions. This has paid dividends. LISC raised over \$200 million from over 500 corporations and foundations by early 1989 had generated over \$1 billion in direct investment in 500 projects.

Michael Eichler has been extraordinary successful in spawning the 'Mon Valley Initiative' outside Pittsburgh, after the collapse in the steel industry in that area:

- he is a quietly spoken man
- but his confidence shines through
- he found leaders in 14 towns who were not part of the local leadership 'mafia'. His only criteria was that they should have a vision, be respected, and action-orientated.



- early on he made the mistake of looking for experienced social workers to work with the groups. But they were not enterprise orientated. After that failure, he moved on to young enthusiasts who wanted to spend a few years working with people in communities. This worked well.
- in each town, LISC loans were then used to help finance one or two tangible 'flagship' projects.

3. Amy Anthony

Secretary, Executive Office of Communities and Development, State of Massachusetts.

There are over 60 trusts in the state, including 30 or so in Boston itself. The state gives core funding to cover start up expenses and help with the office costs for the first few years. Again, this money is not given automatically to any group that knocks on the door. Community Trusts have to demonstrate:

- local accountability to the community (board representation);
- private sector involvement on the board;
- a defined geographical area;
- proper legal structure;
- well defined objectives and business plan.

The next step for us

I strongly believe that community enterprise trusts should

CONFIDENTIAL

be encouraged. We could do this by:

- redirecting some of the existing grant programmes, which tend to be rather rigid (the urban programme money for Bridge Park was fairly unique);
- provide some seed finance - alongside some major corporate sponsors - to start up a LISC-type intermediary organisation with help from Business in the Community.

DOE and DTI officials are working on a paper to present to Michael Portillo. But I suspect they will need some encouragement if the paper is to see the light of day.

Some DOE officials are apprehensive about the implications for their own grant programmes.

#### Recommendations

1. In November, David Hunt sent you a note saying 'we need to find more ways of encouraging potential entrepreneurs to come forward - and to find ways of backing them effectively, both with whatever practical help can best be provided by Government, and with publicity for their achievement.'

Chris Patten and Michael Portillo should be asked to present a paper before the summer recess.

2. You may want to mention your interest on this to Secretary Jack Kemp when he comes to see you shortly. He has been instrumental in directing federal grants towards the community entrepreneurs.

*Ian Whitehead*

IAN WHITEHEAD

CONFIDENTIAL





Caroline Slocock  
Private Secretary to  
The Prime Minister  
10 Downing Street  
LONDON  
SW1A 2AA

R31/S  
2 MARSHAM STREET  
LONDON SW1P 3EB  
01-276 3000

My ref:

Your ref:

30 May 1990

Dear Caroline

Thank you for your letter of 25 April, enclosing this one of 11 April from the Dean of the Anglican Cathedral, Liverpool, about a major commercial development he is proposing to undertake in the Toxteth area. I am sorry not to have come back to you sooner, but Mr Portillo was visiting Liverpool on May 14th, for lunch with the Dean, when this was to be discussed.

I think it would be helpful to agree to the request by the Dean to write to the Sainsbury family, and ask them to take a personal interest in his proposal.

The Dean is seeking to develop a 55 acre site in the Granby/Toxteth area of Liverpool, alongside Upper Parliament Street - which you will recall was the seat of the 1981 Toxteth riots. The site is currently owned by the City Council and is derelict. On the other side of Upper Parliament Street, is the Granby area, which is the heart of black Liverpool, and still suffers from major deprivation, unemployment, dereliction and poor housing. The extent of the difficulties was recognised by the establishment last October of the Granby Toxteth Task Force; and the Merseyside Task Force is currently liaising with that body and the City Council, to develop a more co-ordinated approach to tackling the area's problems.

The Dean's proposals would be a very important source of support for that initiative, and could make a major contribution to tackling the problems of Granby. He proposes to build some 400 houses, for low cost sale or rent (eg to the University or Polytechnic, which are also close to the site); provide a science park and leisure facility; and attract a major supermarket chain. The site is well located for the latter, on a major distribution road into central Liverpool, and there is no other supermarket for 2 1/2 miles. The whole development could provide 1400-1600 new jobs, in a very deprived area of Liverpool. The housing and leisure elements may require City Grant, but preliminary discussions between DOE and the Dean have been promising.

We are satisfied that the Dean has a sufficient track record to carry this forward. He has brought the very successful housing development below the Cathedral close to completion; and was recently awarded a £1.3m City Grant, levering in an additional £6m of private sector finance, for an office development on the perimeter of the Precinct. He is well advised, and seems to have secured good commitments of private sector finance for this new development, through ANZ.

It would be very helpful if a letter of support could be sent to Lord Sainsbury, asking him at least to give the Dean and his advisers a favourable hearing. I attach a draft reply to the Dean, and a letter to Lord Sainsbury.

Yours

Kate

KATE BUSH  
Private Secretary



SCANNED

DRAFT LETTER FROM ~~PS/PM~~ TO LORD SAINSBURY

*I have been approached by*

~~I would be very grateful if you or your colleagues would agree to meet personally the Very Reverend Derrick Walters, Dean of the Liverpool Anglican Cathedral, who is seeking to undertake a major development in the Granby/Toxteth area of Liverpool.~~

*He has suggested to me that Michael [unclear] who can approach you about this; [unclear] has asked for my help.*

~~Portillo, Minister with responsibility for inner cities, would be pleased to attend such a meeting or to brief you further on the matter, or to attend, if you so wished.~~

(X)

A key part of the Dean's proposal is to locate a prestige supermarket on the site, and although any judgement on such a proposal must be entirely for your commercial decision, *I think* there are wider advantages in the Dean's proposals which lead us to support his aims.

The site ~~he~~ *he* has in mind is a 55 acre one, adjoining Upper Parliament Street, which you will recall was the seat of the 1981 Toxteth riots. *I understand that* Upper Parliament Street provides an opportunity for a prime site on a major access road into Liverpool City Centre. *and* The nearest other major supermarket development is *two and half* 2 1/2 miles away.

~~The Dean proposes to carry out a complete transformation of the site, which is currently derelict and owned by the City Council, into housing, both low cost for sale and for rent, a science park, leisure and commercial/retail.~~ *The site, which is [unclear] at the moment; and the Dean proposes to use it for* *uses* The site is currently owned by Liverpool City Council, *are* who in principle are prepared to sell it to the Dean, and are co-operating informally on the planning brief.

The housing proposals may well require City Grant, and the Merseyside Task Force is discussing this with the Dean. The Dean already has a track record, with the successful major housing development below the Anglican Cathedral. Furthermore, in January, the Government, acting through the Task Force, awarded the Dean and Chapter a £1.3m City Grant, for an office development on the perimeter of the Precinct, for which the Dean had secured £6m of private investment. ANZ McCaughan are advising the Dean and are confident of securing private funding for much of the proposed further development.

The Merseyside Task Force is also co-operating with Liverpool City Council and the Granby/Toxteth Task Force to develop a more co-ordinated approach towards tackling the problems of the Granby/Toxteth area. That initiative, coupled with the Dean's proposals, could bring about a transformation of a severely deprived area of Liverpool.

I do hope you will agree to receive a presentation of the Dean's proposals.

*Should you be willing to do so, I have that [insert (b)]*



7  
1

SCANNED

a. WALTERS

Date  
for Man

DRAFT LETTER FROM PS/PRIME MINISTER TO THE DEAN, LIVERPOOL CATHEDRAL

Thank you for your letter of 12 April to Robin Catford; I am sorry not to have replied ~~sooner~~ sooner, but you were of course able to have an opportunity to discuss your plans with Mr Michael Portillo on 14 May, and we wished to take account of that meeting. *which he has passed to me*

*I understand that*

Mr Portillo was impressed by your proposals, and affirmed the support being given to you by the Merseyside Task Force and the Department. If successful, *he believes that* your ideas would make a major contribution to the regeneration of the Granby/Toxteth area, and the Government very much welcomes the initiative you have taken.

You will appreciate that any question of putting a major supermarket development on the site must be a matter for the commercial judgement of the retail chain involved. Nonetheless, *the P.M. has* I have, as you requested, written to Lord Sainsbury, asking ~~if~~ *if* he would agree to meet you and your advisers, so that you may make a presentation to him of your proposals. *Mr* Michael Portillo has offered to be present *and to attend the* at this meeting *and is*, I know, *he is* anxious to help you in any way he can. *if he so wishes; and*

*I hope this is helpful.*

CONFIDENTIAL



*me SAH  
CPCU*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

22 May 1990

*Dear Carys,*

**1990 SURVEY: ACTION FOR CITIES PROGRAMME**

The Prime Minister has seen a copy of the Chief Secretary's letter to the Secretary of State for the Environment of 21 May on the Action for Cities programme.

The Prime Minister has noted that the Action for Cities programme has become a large and rapidly growing area of public expenditure. She has noted the increase in spending of around one-third over the last two years and that the economic situation appears to have improved markedly over the last two years in many inner city areas.

Given the very difficult public expenditure situation, she has noted that the Chief Secretary's proposals represent a useful cross-programme initiative to help keep down public spending.

I am copying this letter to Tim Sutton (Lord President's Office), Phillip Ward (Department of Environment), Jim Gallagher (Scottish Office), Stephen Williams (Welsh Office), Martin Stanley (Department of Trade and Industry), Simon Whiteley (Department of Transport), Martyn Waring (Department of Employment), Colin Walters (Home Office), Stephen Crowne (Department of Education and Science), Andy McKeon (Department of Health) and Sonia Phippard (Cabinet Office).

*Yours ever,*

*Barry*

BARRY H. POTTER

Miss Carys Evans,  
Chief Secretary's Office,  
H. M. Treasury

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CONFIDENTIAL



Prime Minister

*ccph*  
A useful cross-programme  
initiative to keep down costs  
on urban development spending.

Treasury Chambers, Parliament Street, SW1P 3AG

BHP

21/5

The Rt Hon Christopher Patten MP  
Secretary of State for the Environment  
Department of the Environment  
2 Marsham Street  
London  
SW1P 3EB

21 May 1990

*Dear Chris*

**1990 SURVEY: ACTION FOR CITIES PROGRAMME**

Our strategy for the inner cities is rightly based on private sector led economic regeneration, in contrast to the interventionist public sector led socially oriented strategies of the past. Notwithstanding this, as you of course are aware the Action for Cities programme is a large and rapidly growing area of public expenditure. Expenditure has increased by around £1 billion (or one third) over the last two years. At the same time economic conditions in the inner cities have greatly improved with unemployment falling by one third since March 1988 and rates of new company formation exceeding the national average. Moreover the recent slowdown in economic growth has been felt particularly in the South East whereas the Urban Programme areas are concentrated to a large extent in the regions.

2. In the light of this and of the very difficult public expenditure position which the Government faces in the 1990 Survey, I should be grateful if you and colleagues would look very carefully at the scope for reducing the role of the public sector and improving value for money, with corresponding reduced requirements in public expenditure. This is particularly important given the pressures on the local authority AEF settlement generally. I will need to consider the individual elements of the Action for Cities programme bilaterally with colleagues in the normal way. However I hope that all colleagues will look wherever possible at the scope both for simplifying and streamlining policies and for incorporating public sector withdrawal strategies into their programmes in order to reduce the dependency culture which has been the hallmark of much inner city

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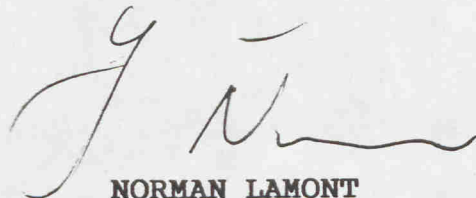
policy of the past. I understand that this process has already began, for example, with the withdrawal of a number of Task Forces, and I look forward to seeing this general process gathering pace.

3. Presentationally we need to emphasise not a rising public expenditure line but trends in improvements in inner city conditions and public and private sector outputs, on which I understand officials are preparing a paper for MISC 116. I would expect the Action for Cities public expenditure programme to level off and decline over time as our strategy succeeds. But of course total activity, whether stimulated by the public or private sector, would continue to increase.

4. It is also important to emphasise that Government help to the inner cities is not solely delivered through expenditure programmes; for example the 57 UP areas will in aggregate benefit by £½ billion from the introduction of the Uniform Business Rate. More generally, our supply side policies play a vital role in creating more flexible and self-reliant local economies.

5. Finally I am not convinced that the wide coverage of the 57 UP areas continues to be justified in the light of the improvements noted above. We will need to consider narrowing the focus of the Initiative, particularly when the 1991 Census data is available.

6. I am copying this letter to the Prime Minister, Geoffrey Howe, Malcolm Rifkind, David Hunt, Nicholas Ridley, Cecil Parkinson, Michael Howard, David Waddington, John MacGregor, Kenneth Clarke and to Sir Robin Butler.



NORMAN LAMONT

CONFIDENTIAL





the department for Enterprise

*ccp*

*n. b. P. M.  
JHP  
10/5*

The Hon. Douglas Hogg MP  
Minister for Industry and Enterprise

Michael Portillo Esq MP  
Minister for Local Government  
and Inner Cities  
Department of the Environment  
2 Marsham Street  
LONDON SW1P 3EB

**Department of  
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Direct line 215 5147  
Our ref  
Your ref  
Date 10 May 1990

*Dear Michael*

*with request  
if required.*

Your predecessor, David Hunt, wrote to me on 4 April giving an account of action proposed following the meeting he had earlier this year with Tim Eggar about the Department of Employment's contribution to Action for Cities.

David suggested identifying projects which would merit the special attention of Godparents, with a "partnership and people" theme. I am myself already involved in a number of projects suggested by the Tyne and Wear CAT and the Cleveland Co-ordinating Team, and will certainly continue to do what I can to help further, during my regular visits to the North East region.

I am, however, a little uncertain as to how appropriate this treatment would be in relation to Task Forces: since detailed discussion of projects is already part of the Task Force Action Planning process involving Godparents and, to a certain extent, what David was proposing is already taking place. I am, for instance, taking an active interest in projects put forward by the Hartlepool and Middlesbrough Task Forces, and I know that Tim Eggar has already agreed on a particular approach to training which he wants the Training Agency and the Task Force Leader to follow through at Bradford. I imagine that you yourself, in your new role, and other Task Force Godparents will be acting in the same way. I am therefore reluctant to promote a separate exercise on this.



Recycled Paper



the department for Enterprise

I certainly agree with David, however, about the importance of communication between Departments, at every level. We have been giving a great deal of thought to approaches to TEC Chairmen and Chief Executives, and have discussed plans for these with both ED and the Training Agency (who are anxious to avoid too much pressure on TECs from too many sources). Individual Task Forces are also setting up meetings with representatives of TECs as they emerge locally, and I am pleased to be able to report some very positive contacts with established TECs, already.

As for the training video mentioned in David's letter, I think this a sound idea and am very willing for DTI to be involved with its planning; about which my officials are in touch with yours. We would certainly consider offering a small financial contribution, if this is required.

One final point, whilst on the theme of inter-Departmental liaison. With my responsibilities for Task Forces I am very conscious of the value to the inner city of the range of experience which is brought to bear by staff from various Departments. I am grateful to you, Tim Eggar and others for continuing to provide staff for Task Forces and I hope very much that, even with the current pressures on complements, it will be possible to maintain that contribution. I believe that staff gain a great deal from their time in a Task Force.

We will certainly keep you in touch with further initiatives we may ourselves propose.

I am copying this letter to Tim Eggar, and other Ministers for CATs and Task Forces.

*Yours*  
*D*  
DOUGLAS HOGG

ING2513



Recycled Paper



V. Rev. Derrick WALTERS  
8/5

FILE KK

① 15/5

② 22/5

③ 30/5



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

25 April 1990

I attach a copy of a letter received from the Dean of Liverpool Cathedral, the Very Reverend Derrick Walters.

I should be grateful for your advice on how best to respond. It would be helpful to have this by Tuesday 8 May please.

(CAROLINE SLOCOCK)

Alan Ring, Esq.,  
Department of the Environment.

A handwritten signature in dark ink, appearing to be 'ASR' or similar initials.

24 April 1990

I apologise for not replying before now to your letter of 11 April about the sale of inner city land to the Dean and Chapter and your suggestion for the development of the site.

We are taking advice and will come back to you as soon as we can.

ROBIN CATEFORD

The Very Reverend Derrick Walters



LIVERPOOL CATHEDRAL, Liverpool L1 7AZ

051 709 6271

From the Dean: The Very Reverend Derrick Walters

R Catford Esq.,  
10, Downing Street  
London

11 April 1990

Dear Robin,

As ever I need your help. It looks as if the City is going to agree to sell the Dean and Chapter some 55 acres of Inner City land in the Toxteth area, in order that there can be a major private sector development, with the possibility of a significant Government City Grant. The DoE via Task Force and Marsham Street are being very supportive and ANZ McCaughan will arrange the private funding.

The total scheme will cost some £50 million, provide some 400 good quality, low cost houses on 25 acres of the site and the remaining part of the site will be used for commercial and retail elements, providing facilities to serve the local community and creating new jobs.

The commercial site is a prime one on a major access road into the City Centre. The development will transform the Inner City in the Upper Parliament area but I do need a prestige supermarket to give confidence to the private sector. I don't know any of the Sainsbury family. Am I being presumptuous in asking you to help?

I will willingly come to London with some members of the development team but ideally we would like to show the Sainsburys the site and what is possible here.

I have no doubt that the scheme is commercially viable and should bring prosperity to a sad part of the City. The Church will be seen to be acting in a positive way in partnership between private sector, the Government and, in this instance, the Local Authority! It is probable that these proposals will become public some time next week.

Every good wish for Easter.

Yours,

*Derrick*

P.S Ian Urquhart at Task Force can brief you!

*Ms Slocock  
Something for you - or Barry - to handle?  
You may remember that Paul Gray (or even  
David Norgrave?) had exchanges with  
the Dean at an earlier stage.  
DRC.  
12/4*



file DAS

10 DOWNING STREET  
LONDON SW1A 2AA

see Policy Unit

From the Private Secretary

9 April 1990

Dear Trevor,

INNER CITIES: TEESIDE DEVELOPMENT  
CORPORATION (TDC)

The Prime Minister was grateful for your Minister's minute of 5 April reporting progress on developing Teesdale.

I am copying this letter to Roger Bright (Department of the Environment), Martin Stanley (Department of Trade and Industry), Clive Norris (Department of Employment), Carys Evans (Chief Secretary's Office) and to Sir Robin Butler.

Yours,  
Barry

BARRY H POTTER

Trevor Beattie, Esq.  
Office of the Minister for Local Government  
Department of the Environment

X



TEESSIDE DEVELOPMENT COPORATION

I would like to echo David Hunt's encouraging comments on the progress of the Teesdale site. When I visited this area a month ago, I was impressed by the momentum behind the development. There is no doubt that Duncan Hall, Chief Executive of the TDC, views this project as his main priority.

There are a few additional points of interest to append to David Hunt's progress report on Teesdale:

- In July this year, building will start on a nursing home for 70-100 sufferers of Alzheimer's Disease.
- The construction of a four star 100 bed hotel will start early next year.
- The first show houses will be ready by October this year. One in four of the new houses on the site will be lower cost 'social' housing. The rest will be privately owned dwellings.
- 320 people will be employed in the first office block to be completed later this year. And by May 1992, Duncan Hall believes there could be as many as 9,000 jobs on the site.

*Ian Whitehead*

IAN WHITEHEAD

Prime Minister

Despite the delay when the Private Bill was blocked, progress is now better. The attached note from the Policy Unit provides useful additional information on progress at the Teesdale site.

BHP 6/4

Prime Minister

INNER CITIES : TEESIDE DEVELOPMENT CORPORATION (TDC)

When I reported to you last August about progress on developing Teesdale, the derelict site on Teesside which you had visited in September 1987, I said that I had arranged to see the site for myself and intended to monitor this closely. I visited the site and have kept in touch with developments. I am now able to report more definitely on the scale and pace of development.

Before I deal with the specific site, I would like to say something about the work of the Teesside Development Corporation. In many ways, of the UDCs established in 1987, this Corporation was faced with the most difficult task. The economy of Teesside had been slower to recover than most other parts of the country and nearly all of the large sites included in the Development Corporation's area required massive reclamation and major infrastructure. I am delighted to say that the Corporation has already made considerable progress; essential preliminary works necessary before development are well under way and a number of substantial private developments are already under construction. There is a new spirit of confidence abroad on Teesside and this is in great part due to the efforts of the Corporation. The speed of development on Teesside will now very much be subject to the resources that can be made available but that is a separate issue which we can address in the forthcoming public expenditure round.

At Teesdale, progress has been substantial. The problems here were enormous massive dereliction, inadequate access and the River Tees where unsightly mudflats are exposed at low tide. The area where you walked in September 1987 was in fact only a very





small part of the 230 acres which comprise the Teesdale development. (This is three times bigger than Canary Wharf in London Docklands). In order to reclaim the site it has been necessary to remove heavy foundations and significant quantities of contaminated material. To date in excess of 2 million tonnes has been excavated and replaced with suitable infill material.

Reclamation is now virtually complete on 50 acres of the site, beginning where you walked. The first stage of the link road from Victoria Bridge is almost complete. This provides the major initial access to the whole site.

The main problem recently has been over progress with the River Tees Barrage and Crossing Bill. This Bill, being promoted privately by the Development Corporation, is essential for the building of the new bridge and weir (crucial elements in the Teesdale development scheme). This was one of a number of private bills blocked by back-benchers earlier this year in a dispute over the Government's response to the Joint Committee on Private Bill procedure. This problem has been resolved and, following its successful passage in the Lords, the Bill has now had its first reading in the Commons. Because the new bridge and weir are essential to the successful development of the Teesdale site, the main developer (Murray International Holdings) delayed the start on the first office block until the Bill problem was solved. However, I am now pleased to say that, not only Murray International, but also a number of major builders and commercial interests have reached in principle agreement to develop specific parcels of land on the site. Barratt, Wimpey and Lovells are all negotiating to buy land at around £250,000 per acre, ten times what the Corporation paid for it. This is a major success in itself.



Teesside Development Corporation are now ready to let contracts for the vital road distribution system within the site. This is the key to the speed with which development can take place. Once the main contracts are let Barratt and Wimpey will start building almost immediately thereafter. The first office block, will be finished by the end of this year. By September 1991 the major site infrastructure will be substantially complete together with 200 dwellings, 258,000 square feet of office space, and 2½ km of road will be built and open. By May 1992 the barrage should be commissioned and further phases of housing and offices under construction.

It is too soon to form a final assessment of the total private sector investment TDC will secure on this site, but on only part of the site they have already secured as much development as they had expected for the whole 230 acres at a minimum gearing of 1:3. They remain confident that they will be able to secure the development of the remainder within the authorised contribution of the Corporation to the project and substantially sooner than the seven years they had predicted it would take them in last year's Corporate Plan. This is all very satisfactory but I shall continue to keep you in touch with progress.

I am sending a copy of this report to Chris Patten, Nicholas Ridley, Michael Howard, Norman Lamont and Sir Robin Butler.

DAVID HUNT

SH April 1990



Rev. Pol; Inner Cities

1417



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dti

the department for Enterprise

The Hon. Douglas Hogg MP  
Minister for Industry and Enterprise

10/3/90  
DAS

David Hunt Esq MP  
Minister for Local Government  
and Inner Cities  
Department of the Environment  
2 Marsham Street  
LONDON  
SW1P 3EB

Department of  
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1-19 Victoria Street  
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Direct line 215 5147

Our ref

Your ref

Date

2 April 1990

Dear David

Thank you for copying to me your letter of 12 March to the Prime Minister concerning the one-day conference on Urban Development Corporations (UDCs) planned for 30 October.

I agree entirely that this event will provide an ideal opportunity not only to heighten awareness of the important role that UDCs are playing in regenerating our inner cities but also to amply demonstrate how our Action for Cities strategy is drawing-in, in a co-ordinated way, all the key players.

I would certainly like to participate in the conference. As you know, in those areas where our inner city Task Forces are located in, or close to, UDC's there is already co-operation; this has directly benefitted local people living in some of our most difficult urban areas. I do, of course, wish to see even more co-operation and I am sure that the conference will provide the necessary impetus for this.

I am copying this letter to the Prime Minister and the other recipients of your letter.

Yours  
Douglas Hogg  
DOUGLAS HOGG

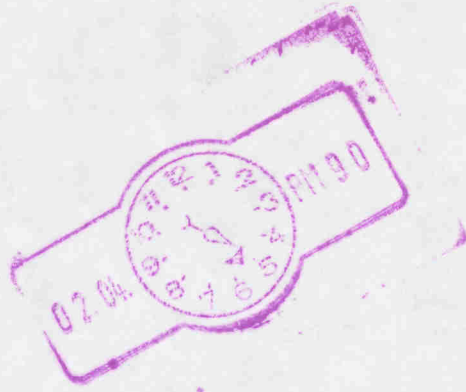
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R69. Pa inner Cube P77



CONFIDENTIAL



*File to  
a: UDC*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

27 March 1990

The Prime Minister was grateful for your Minister's letter of 12 March in which he suggested that the Prime Minister might attend a one day event staged this autumn by the Urban Development Corporations.

The Prime Minister was interested to hear about this conference, but regrets to say that, given her very heavy commitments at that time of year, and her participation in the second anniversary celebrations for Action for Cities earlier this year, she feels she really cannot fit this into her diary. She is sorry to have to send a disappointing reply, and hopes that Mr. Hunt will understand.

CAROLINE SLOCOCK

Trevor Beattie, Esq.,  
Office of the Minister for Local Government,  
Department of the Environment.

*hw*



R2613



Minister for Local Government  
and Inner Cities

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone 01-276 3000 3190

26 March 1990

Dear ~~Caroline~~ Sloccock

You will recall that Mr Hunt wrote to the Prime Minister on 12 March, inviting her to attend a one-day event to be staged by the Urban Development Corporations.

You will wish to note that the event has now been fixed for Tuesday 30 October at Lancaster House; it will start with a Press Conference at 11am, followed by a video presentation at noon and by lunch, with the invited guests at 1pm. Ministers would therefore be free to leave by 2pm, if they wished, for other afternoon engagements.

I am copying this letter to the Private Secretaries of Mr Clarke, Mr Howard, Mr Parkinson, Mr Ridley, Mr Waddington, Mr Walker, Mr Atkins, Mr Eggar, Mr Hogg, Lady Hooper, Mr Howarth and Mr Moynihan.

Yours sincerely

Lorraine Ginger

LORRAINE GINGER  
ASSISTANT PRIVATE SECRETARY

Caroline Sloccock



RECYCLED PAPER



Minister for Local Government  
and Inner Cities

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone 01-276 3000

P/PSO/4162/90

12 MAR 1990

12/3  
1. Mr Gray <sup>Feb 6</sup> (M)  
2. NDA <sup>12/3</sup>  
OBS

Dear Prime Minister

Chris Patten has recently agreed to host, with me, a one-day event to be staged this Autumn by the Urban Development Corporations. This idea was originally suggested by Nick Ridley last year and has been given new impetus by Ron Norman, Chairman of Teesside Development Corporation, who has offered to take the lead in organising the day.

There is now rapid action on the ground in UCD areas, especially at Teesside which I visited last week. The Event will be a good opportunity to raise public awareness of UDCs and their commitment. The proposed timing also fits neatly between Action for Cities anniversaries and gives us a chance to demonstrate how our inner city policies work to involve all the key players in the renewal process; and how we are meeting the challenges of improving the urban environment and delivering clear benefits for the local people. If you were able to join us on the day that would of course give the event an important boost. We will aim to settle a suitable date shortly.

I am copying this letter to Ken Clarke, Michael Howard, Cecil Parkinson, Chris Patten, Nick Ridley, David Waddington, Peter Walker and to the City Action Team Ministers, Robert Atkins, Tim Eggar, Douglas Hogg, Lady Hooper, Alan Howarth and Colin Moynihan. I hope as many Ministers as possible will be able to join in on this positive demonstration of how we are working together to benefit inner cities.

Yours ever

DAVID HUNT

The Rt Hon Mrs Margaret Thatcher MP





*also  
(let's write)*

The Hon. Douglas Hogg MP  
Minister for Industry and Enterprise

David Hunt Esq MP  
Minister for Local Government  
and Inner Cities  
Department of the Environment  
2 Marsham Street  
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Direct line 215 5147

Our ref

Your ref

Date

28 February 1990

*WBM**REC**28/2*

*Dear David*

*WILL REQUEST IF REQUIRED*

When I wrote on 16 February I mentioned that, as part of my 28 February Action for Cities package I would be announcing the publication of the Task Force report, "Task Forces in Action".

*IN ATTACHED FOLDER*

I enclose for your information a copy. It shows, as I know you will agree, that the Task Forces are playing an important role in our strategy to regenerate the inner cities. Arrangements are in hand to circulate the report very widely including copies to the Chief Executives of the 57 Urban Programme Authorities and the Urban Development Corporations. I myself have sent copies to all MPs whose constituencies include Task Force areas.

I hope you find the report of interest. Please let me know if you require additional copies.

I am sending a copy of this letter and the Task Force report to MISC 116 colleagues.

*Yours*  
*D Hogg*  
DOUGLAS HOGG

ING1742



CONFIDENTIAL

file 1

PRIME MINISTER

cc Mr Ingham

ACTION FOR CITIES PRESENTATION: 28 FEBRUARY

You agreed during the week that you would use a prepared text to launch the new publication "People in the Cities" when you go to Bradford next week.

The plan is that you should speak for about five minutes. This would be followed by a three minute video showing the range of achievements, with examples from each CAT area: a five minute talk from David Hunt incorporating a range of minor announcements of new initiatives; and finally a few comments from Tim Eggar about Bradford CAT.

I now attach a draft of your speech. It is a joint effort by Bernard and me, drawing on some DoE material.

Bernard and I stand ready to discuss it with you at 1700 on Monday.

PAUL GRAY

23 February 1990

C:\ECONOMIC\ACTION.DAS

CONFIDENTIAL



①  
PRIME MINISTER

## ACTION FOR CITIES PRESENTATION, BRADFORD, 28 FEBRUARY

As you know you will be giving a short presentation at Bradford to launch the new publication, "People in Cities," and to commemorate the second anniversary of Action for Cities. I would like to check whether you are happy with the proposed format.

It is suggested that you should speak for about five minutes stressing your personal enthusiasm and commitment to Action for Cities, and the enormous economic and social improvements which have been achieved in cities throughout the country. You can also announce the £4 billion being devoted to Action for Cities in 1990/91. Your speech will be transmitted live by video link to each of the City Action Team Areas, where the responsible Minister will be giving his own presentation to an invited audience.

The speech would be followed by a 3 minute video which would illustrate the range of achievements of Action for Cities, using examples from each of the CAT areas. This would be given with a commentary from a professional presenter (who will also be the link man for the presentation). This video would also be transmitted to the other CAT presentations.

It is then proposed that Mr Hunt should speak for about 5 minutes, making a range of minor announcements of new initiatives. Mr Eggar (who is the Minister in charge of the Bradford/Leeds CAT) would follow him with a few words about Bradford. Mr Hunt's speech would be relayed to the other presentations.

Are you happy with this format?

Would you like to speak to a prepared speech (this may be preferable for a presentation of this kind, but is not essential)?

CAS

Caroline Slocock  
20 Februrary 1990





LPO

bcc TP  
Ms Charman  
PG  
Jets.

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

19 February 1990

Dear Douglas,

ACTION FOR CITIES SECOND ANNIVERSARY

I am writing to record the main points which emerged from our meeting on Friday afternoon about the arrangements for the presentation of the Second Anniversary of Action for Cities. Paul Gray and Sarah Charman were also present from No. 10, together with Jane Peretz, David Lifton-Jones, George Bennett and Sue Jones from the Department of the Environment.

You explained that the video link-up with the other City Action team areas on the 28th would be one-way only, rather than two-way, as we had been assuming here. The aim would be to broadcast the Prime Minister's opening remarks to the other areas. You also intended to show a "loop" of photographs at the beginning of the presentation so that all of the City Action teams could "tune in".

We suggested that the Prime Minister's opening remarks should demonstrate her continuing commitment and enthusiasm for Action for Cities and stress the enormous amount which had been achieved in cities throughout the country and in a comprehensive range of ways, both economic and social. She would certainly want to stress the £4 billion which is now to be devoted to Action for Cities.

We had originally hoped that the Prime Minister's speech might be followed and illustrated by examples from each of the CAT areas, presented through a two-way video link. We discussed alternatives. A solution might be to use the video of photographs that you had originally intended for the opening of the presentation with a live commentary given by the professional presenter who would be taking part in the presentation. Careful selection of the photographs would be needed so that they illustrated a range of achievements from the various cities concerned. Mrs. Peretz said that she needed to reflect further on whether it would be possible to produce such a video in the time available and would come back to us early next week.

We agreed that the sequence of events in the presentation would be as follows, subject to the views of the Ministers concerned:

ca



- the presenter would introduce the Prime Minister, and throughout would provide a link between the speakers;
- the Prime Minister would then speak for approximately five minutes (followed by a three-minute film, if available);
- Mr. Hunt would then speak for five minutes, giving a series of announcements for Action for Cities;
- Mr. Eggar would wind up with some remarks about Bradford.

Once we have confirmation about the video we will ask the Prime Minister whether she is broadly happy with this arrangement; and in particular that Mr. Hunt should make the major announcements. You kindly gave us a draft speech on which we can ask for her reactions at the same time. We will ask her whether she wishes to read out an agreed text rather than to speak "off-the-cuff". We would aim to let you know this by the middle to end of this week.

We have allowed half an hour for the presentation overall which may be rather lavish, but we agreed to err on the side of caution.

Some confusion had arisen over the part Sir Hector Laing might be taking in this presentation. Mrs. Peretz explained that an earlier idea had been for Business in the Community to issue a publication of their own at the same time. Officials had thought this might be presented on the same platform; and Sir Hector's office had therefore pencilled into his diary the date of 28 February. This had been misinterpreted as an invitation from No.10 by some officials in DOE. BIC were not now planning to issue their own document; and we agreed at the meeting that it would not therefore be appropriate for Sir Hector to appear on the platform. Since then, we had learned from Mrs. Peretz that Mr. Hunt's office have - through an error - formally invited Sir Hector to the presentation. We have spoken to Sir Hector's office (Sir Hector himself is in America) and explained the background to this. We have said that the Prime Minister would be delighted for Sir Hector to be there but that it does not now seem appropriate that he should take part formally in the presentation. Sir Hector's office was perfectly happy with this and planned to contact him in the USA. However, Mr. Hunt, who we understand will be meeting Sir Hector in the USA later this week, may also care to have a word to explain that, although he will be very welcome to attend the presentation, there would be no formal role for him.

There were a number of points which we discussed on the rest of the programme for the day. We agreed that the presentation should start firmly at 1115 and that you could plan on that basis. On the lunch time arrangements, you said that you were unclear whether the Ministers had been invited; and that you thought that Tim Eggar had other arrangements. I said that I would speak to Mr. Whittingdale about this and make sure that the position was clear.



We also discussed the visit to Lister's Mill. It was agreed that the Prime Minister would visit the project and the Mill operations before the reception (which would take about 40 minutes). The reception itself would take about half an hour, although the Prime Minister might stay a little longer as this is the last event of the day. You said that Manningham ET trainees would bake a cake to celebrate the Second Anniversary; and we thought this was an excellent idea. I am sure the Prime Minister would like to thank the trainees as she leaves.

You also asked whether the Prime Minister would like to say a few words at the reception; and we thought this was a good idea. She will need a dais and might speak just before she leaves. An alternative would be for her to say a few words as she cuts the cake and on reflection this seems the better option. You were going to arrange for a COI photographer to be present.

Lister's wish her to unveil a plaque at the Mill to commemorate her visit. We agreed that she should do so after leaving the reception; and that the plaque should be in that part of the building, not in the new project area as this might compromise the application currently in for extra funds. I agreed that we would arrange this separately with the owners of Lister's Mill.

It was agreed that you would liaise closely with Sarah Charman about the "event brief". Sarah will of course be producing the programme notes for the Prime Minister but it is important that ours should be consistent with yours. Mrs. Peretz and Mr. Lifton-Jones agreed they would be providing us with some question and answer and bull point briefing which the Prime Minister might use in press interviews throughout the day and particularly in her interview with Yorkshire Television after lunch.

I am copying this letter to Trevor Beattie (Office of the Minister for Local Government), Jane Peretz, David Lifton-Jones, George Bennett and Sue Jones (Department of the Environment).

Yours sincerely,  
Caroline Slocock

CAROLINE SLOCOCK

Douglas Hollis, Esq.,  
Department of the Environment.



dti

the department for Enterprise

ccph

The Hon. Douglas Hogg MP  
Minister for Industry and Enterprise

David Hunt Esq MP  
Minister for Local Government and  
the Inner Cities  
2 Marsham Street  
LONDON  
SW1P 3EB

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Enquiries  
01-215 5000

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 215 5147  
Our ref  
Your ref  
Date

16 February 1990

NB  
RAG  
23/2

Dear David

With 28 February fast approaching I need to bring you up-to-date on where matters stand on Task Force openings and closures.

As you will recall, when we discussed my Memorandum on this subject at January's MISC 116 meeting, you and colleagues agreed that, subject to successful negotiations with the local authority, a new Task Force should be set up in Derby. While I also proposed to set up a second in Knowsley the feeling of the meeting was, as you know, that consideration ought to be given to locating the other one in the Wirral. I agreed to look into this and, after taking further advice and speaking with Lynda Chalker, I decided in fact to go for the Wirral rather than Knowsley. Again, this was subject to a favourable reaction from the local authority. You will be pleased to learn that in the case of both Derby and the Wirral, the local authorities have warmly welcomed the prospect of Task Forces and have pledged to do all they can to ensure that they succeed. I intend, therefore, to go public on these new Task Forces as part of my 28 February package of announcements.





the department for Enterprise

You will also be pleased to learn that things have gone smoothly on the closures front. Both the Rochdale and Doncaster local authorities accept that, having succeeded in achieving their objectives, it is now time for the two Task Forces to wind-down and close towards the end of this year. While I will be saying something about this in my 28 February announcements, the emphasis will, of course, be very much on the two new openings.

I did, as you know, initially consider closing the North Kensington Task Force but in the light of discussions, including those with Dudley Fishburn, I now consider that the Task Force still has some useful work to do, possibly over a wider area. On this latter point I have also spoken with Matthew Carrington and propose, subject to a favourable reaction from the local authority, to extend the boundaries of the Task Force into neighbouring Hammersmith and Fulham. I have kept John Patten, the Task Force "Godparent" in the picture on this and understand that he is fully in agreement with this proposal. I would also hope to go public on this on 28 February; but this will depend on whether discussions with the local authority can successfully be concluded before then.

Finally, the following will be among the other items I will be announcing on 28 February: the publication of the Task Force Report, "Task Forces In Action" (I will be sending you and colleagues copies), recently approved Task Force projects, and an increase in the overall Task Force budget.

I am copying this letter to MISC 116 colleagues.



DOUGLAS HOGG

ING1707





SF 15. 2:40 - dear BF am Friday

SF 16. 2:40 - reached +



messengers  
we coffee + room + let TP know



10 DOWNING STREET *which room*

SMITH  
DINING  
ROOM  
10

Meeting at  
4.00 on Friday

Yes.  
*reception* totals + George Bennett  
Jane Peretz

Daphne Hollis  
David Lipton Jones  
Sue Jones

from DOE

~~and Terry Peretz~~

+ myself  
+ Sarah CHARMAN  
+ Paul GRAY.

Please tell Terry  
the meeting will now  
be here and arrange  
a room and coffee.

08777 2119



~~219~~



CCPS

Papers removed from file

Date 2-2-90

DOE to CAS 31-1-90

REG Pol: Inner Cities

A17

CONFIDENTIAL



*Handwritten initials*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

12 February 1990

*Dear Trevor,*

**SECOND ANNIVERSARY CELEBRATIONS FOR THE  
ACTION FOR CITIES PROGRAMME**

Thank you for your letter of 9 February setting out a possible programme for 28 February and a number of options. The Prime Minister had a chance to consider this over the weekend and has agreed the following programme:

- 1115 Action for Cities presentation at the National Museum of Photography, Film and Television.
- c1145 Tour Museum.
- c1215 Depart.
- c1220 Visit Safer Cities Campaign projects:
  - visit control room in the City Council Offices to see new surveillance equipment and new City Centre Safety Corridor for pedestrians; and perhaps walk along the route itself;
  - meet ET employees who install security systems and see display of the Council's Home Security Project;
  - see a special Homerunner bus and meet passengers.
- c1255 Depart.
- c1300 Party Lunch.
- c1430 Yorkshire TV interview.
- c1515 Depart.
- c1520 Reception at Listers Mill for 100 representatives of the private and voluntary sectors, central and local government, involved in Action for Cities.
- c1600 Visit Listers plc.
- c1630 Depart.



CONFIDENTIAL

- 2 -

You suggested that the Prime Minister might meet local people outside the National Museum of Photography, Film and Television; and that this could be achieved by her visiting one of the Life Education Centre's mobile classrooms and a Job Action Training vehicle, both of which would be parked outside. The Prime Minister has decided that the connection of these two buses with Action for Cities is not sufficiently strong and she would prefer to spend time looking at the museum itself and concentrate on meeting people in connection with the Safer Cities Campaign. She thinks that the Safer Cities Campaign visit would be better done in the morning - morning engagements generally get more publicity; and she would prefer to carry out the reception in the afternoon.

You mentioned two training schemes which the Prime Minister might visit. If these were to be included, the programme would become extremely cramped and she has decided that she would prefer to have time to carry out each engagement properly rather than rush through and try to fit too much in. She is also doubtful about visiting these schemes as they do not appear to have much employer involvement. She has also visited many training schemes before.

I intend to get in touch with the contacts today and our detectives and a press officer will be carrying out a recce on Wednesday. You can take the start time for the presentation as fixed, but until we have done the recce we cannot be absolutely precise about the other times in the programme, although I imagine they will only vary by five minutes or so when the programme is finalised.

We will need to discuss the form of the presentation and the briefing needed. We may also need briefing for the Yorkshire TV interview. Although this will be wide-ranging, the Prime Minister may want to make some remarks about Bradford. It might be helpful if your officials were to have a meeting with me and Terry Perks about this as soon as possible.

*Yours sincerely,*

*CS Slocock*

CAROLINE SLOCOCK

Trevor Beattie Esq  
Department of the Environment



①  
PRIME MINISTER

File

## VISIT TO BRADFORD, 28 FEBRUARY

As you know, you are to open Dewsbury District Hospital on 28 February and then carry out a presentation to celebrate the 2nd anniversary of the Action for Cities Initiative in Bradford.

A problem has arisen with the venue for the presentation. Originally, Mr Hunt had suggested that this should take place at Grattans - a mail order catalogue business owned by Next with a new factory on a major reclamation site. However, the company is now making redundancies, and this is seen locally as the direct effect of high interest rates.

DOE are therefore suggesting the alternative venue for the presentation of the National Museum of Photography, Film and Television (a branch of the Science Museum) at Bradford, which is situated next to the restored Alhambra Theatre. This was featured in the Action for Cities 1st Anniversary booklet - you may like to look at the photograph which is attached. It will be an attractive and interesting venue, which will illustrate the rejuvenation of Bradford - and, as the photograph shows, the skilful blending, architecturally, of the best of the old (the Alhambra) with the new. We hope the Museum will be able to feature photographs of Bradford "before and after."

We have been looking for a project which would illustrate the social dimension to Action for Cities. The best idea put forward is I think a visit linked to the Safer Cities Campaign. Alternatives might be two training schemes suggested by DOE - a YMCA scheme in an old church and a new "Business Simulation Unit," a City Council training centre with ET and YTS trainees. I am not sure these are quite right, especially as they are not employer-led. Other ideas were for a visit to a Life Education Centre mobile classroom and to a Job Action Training bus giving job advice to the unemployed. You launched the first initiative and recently gave a cheque toward one in Wales. The link of both of these ideas to Action for Cities seems flimsy - and I think they are too insubstantial to illustrate the transformation of a city.



I would suggest the following programme for the day (you are already committed to certain elements in it:

c. 9.00 Open the new Dewsbury District Hospital.

c. 10.45 Depart

c. 11.15 Action for Cities presentation to launch the new publication "People in Cities," which celebrates the programme's 2nd anniversary. Presentation will be in front of about 30-40 media, with a live video link to the City Action Teams and the Ministers concerned. To be held in the National Museum of Photography, Film and Television.

c. 11.45 Tour Museum.

c. 12.15 Depart

c. 12.20 Visit Safer Cities Campaign projects;

- visit control room in the City Council Offices to see new surveillance equipment of the new City Centre Safety Corridor for pedestrians; and perhaps walk along the route yourself;

- meet ET employees who install security systems and see display of the Council's Home Security Project;

- see a special Homerunner bus and meet passengers. The bus provides a special door to door service for women which can be booked in advance (see attached brochure).

c. 12.55 Depart

c. 13.00 Party Lunch at Town Hall.

c. 14.30 Yorkshire Television interview at Town Hall.

c. 15.15 Depart

c. 15.20 Reception at Lister's Mill for 100 representatives of the private and voluntary sectors, central and local government involved in Action for Cities. Part of Lister's Mill - which is a Grade II listed building built as a silk mill in 1873 - is still used by Lister PLC. But the remainder is empty - a mixed development of business premises, a hotel, shops, restaurants and accommodation for the Victoria and Albert Museum's Indian collection and for the Bradford Task Force is now being planned.

c. 16.00 Visit Lister Plc, which is a spinner, dyer and finisher of cotton, silk, wool yarns and fabrics. It now employs 500 at this site.

c. 16.30 Depart

This is a full day, but I think you need to carry out a range of functions in Bradford to illustrate the regeneration of the city.

Content with the above programme?

CS

Caroline Slocock

9 February 1990



NOTE FOR THE FILE

---

cc: Mr Perks  
Mr Whittingdale  
Detectives

**ACTION FOR CITIES PRESENTATION**

I had a word with the official who is arranging the detailed programme for the Action for Cities presentation about my letter to DoE on the problems we believe Grattans are experiencing. He confirmed that there had been job losses at Grattans - he referred to a figure of 200 rather than 400. In his view, the presentation could not now go ahead at Grattans and he had been looking at alternatives, which he planned to put to Mr Hunt tonight.

He thought the main presentation might take place instead in the hall of a YMCA-run training scheme in the inner city area of Bradford. This has 300 ET trainees and CAT and Task Force money. He also mentioned some ideas he had for a visit to show the improvement being made by the 'Safer City' campaign in Bradford. He thought the Prime Minister might visit the 'Safer City Corridor' - a walkway through the City where cameras and extra lighting are being installed. She might visit the control room (this might make a good photograph) and then meet some ET trainees who are installing locks and other safety devices for elderly people. The Prime Minister might then meet the passengers of Bradford's Home Runner Bus and announce funding for a second bus.

I said that I did not think that the idea of a YMCA-run training scheme was as effective a platform for the presentation as Grattans would have been, had it not been experiencing job losses. But there does not seem to be any particularly good alternative. I like the ideas for the 'Safer City' campaign and I think we might try and fit that into the morning programme if at all possible.

I await advice from Mr David Hunt's Office.

CAS  
CAROLINE SLOCOCK

5 February 1990



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

30 January 1990

Dear Jane,

PEOPLE IN CITIES

Thank you for your letter of 25 January.

The Prime Minister has considered the proposed draft foreword. She wanted to make some drafting amendments and I now enclose a revised version, duly signed. On the assumption that the accompanying photograph will actually be on the same page as the text of the foreword, the Prime Minister would prefer the close-up head and shoulders shot. As requested, I am returning all four photographs you supplied.

As you will be aware, there was some discussion at today's E(UP) meeting about the text of the main part of the report.

I am copying this letter and enclosure to Trevor Beattie (Department of the Environment) and to Sonia Phippard (Cabinet Office).

Yours,  
Paul

PAUL GRAY

Mrs Jane Peretz  
Department of the Environment

EA

RG  
EOM  
bc Jan  
Whitehead





76  
cc: Ian Whitehead

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

Two years ago I launched the Government's Action for Cities initiative. Our aim was to bring new hope and a better quality of life to our inner cities. Their revival, like their decline in the past, will be measured over decades. But already a great deal has been achieved. Confidence has returned, new hope has been generated, and the environment and facilities are improving.

The Government believes that the regeneration of our inner cities can only come from within their communities themselves. It cannot be imposed from outside. Consequently we see our job as being to give the people who live there the chance to take the initiative on their own behalf. Through Action for Cities and major reforms in education, health and housing, people are discovering more choice, new opportunities and the ability to exercise control over their own lives. This report shows some of the ways in which they are realising their ambitions and bringing a new spirit and zest to our inner cities.

Inner city regeneration that will last requires co-operation and partnership between all those involved - the Government, private companies and voluntary organisations as well as local people.

SM

As we move through the 1990s we shall, by working together, transform our previously run down inner cities. We shall also ensure that the cities of the next century are places where people will choose to live, work and bring up their families.

We have made an excellent start, as this report shows. I am determined we shall keep up the momentum.

*Nargant Rafter*

January 1990



PRIME MINISTER

MEETING OF E(UP): 30 JANUARY

You saw the main papers for tomorrow's E(UP) meeting over the weekend, as summarised in my note immediately below.

I have also now added one or two other items in the folder:

Flag E - Cabinet Office handling brief

Flag F - Today's publication on the latest report of the Archbishop of Canterbury's group "Living Faith in the City", together with the press releases. (Publication was brought forward from Thursday to today, following the weekend leak). I do not propose you spend time at tomorrow's meeting on this, but you will wish to be aware of it.

I also attach to this minute a possible foreword for your signature to the People in Cities publication. This reflects a re-draft by Bernard of an original DoE effort. Content to sign the foreword and for it to be accompanied in the booklet by the attached photo taken when you went to the Limehouse Link Road?

*Plc.*

PAUL GRAY

29 January 1990

c:\economic\eup (kk)



KK  
C/Economic/People

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

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January 1990

PRIME MINISTER'S FOREWORD TO THE PEOPLE IN CITIES PUBLICATION

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E

PRIME MINISTER

P 03618

## MINISTERIAL SUB-COMMITTEE ON URBAN POLICY (E(UP))

## STEERING BRIEF

1. Two papers have been circulated for this meeting, both by the Minister for Inner Cities, Mr Hunt, reporting progress on the Action for Cities initiative at the end of its second year and setting out his proposals for the anniversary event planned for 28 February. Also on the agenda is a progress report by the Secretary of State for Scotland on Urban Regeneration in Scotland. We expect the Secretary of State for Wales to make an oral Report on developments in Wales.

2. There are no major decisions to be taken. The meeting gives you the opportunity to review progress. The aim of the Action for Cities initiative is to produce a string of success stories on the ground in inner cities. Its progress is likely to attract increasing attention as commentators judge the Government's performance against the expectations raised two years ago. You will wish to satisfy yourself that the momentum is being maintained and that the presentation is convincing.

3. Mr Hunt is seeking your agreement to the publication of a new report "Progress for Cities" to mark the second anniversary of the Action for Cities initiative, for which you would supply the foreword. The report is to be launched in Bradford on 28 February. You have been invited to attend this launch, and to visit local inner city projects during the day. You may wish to focus on these anniversary arrangements in particular.

4. I attach separate handling briefs on the two agenda items.

R.T.J.

R T J WILSON

29 January 1990

but you  
should  
avoid  
creating  
you  
plans to  
E(UP)  
file.

## MINISTERIAL SUB-COMMITTEE ON URBAN POLICY

## ITEM 1: PROGRESS ON URBAN REGENERATION

Memorandum by the Minister for Local Government and the Inner Cities (E(UP)(90) 1)

Memorandum by the Secretary of State for Scotland (E(UP)(90) 3)

## ISSUES

1. These papers by Mr Hunt and Mr Rifkind review progress with inner cities north and south of the border and set out plans for taking forward the Action for Cities and New Life for Urban Scotland initiatives. Mr Walker is expected to report orally on developments in Wales. You may wish to invite each Minister to comment on his own department's contribution and his plans to produce positive results in inner cities.

## DISCUSSION

2. You may wish to structure the discussion as follows:

i. progress in the past year. Mr Hunt's report states that the spiral of decline is being reversed in the major cities, reflecting the continued success of the Action for Cities initiative and the scale of resources committed by Government and by the private sector. Mr Rifkind's report also paints a picture of growing success. We expect Mr Walker to refer to the success in Wales of the Government's efforts to regenerate Cardiff and of the Valley's Programme.

ii. plans to keep up the momentum. Mr Hunt stresses the successes of the past 6 months in keeping unemployment on a downward track, reducing crime (although in some areas it is now rising again) and creating the framework for urban renewal. The record shows a promising series of developments across the Government's programmes which will



be picked up in the anniversary document "People in Cities". Key developments are listed in paragraph 4 of Mr Hunt's paper.

iii. Scotland. Mr Rifkind reports the good progress of partnership initiatives in Scotland, with major private sector projects in train, significant improvements in tackling unemployment, better choice of housing and more signs of local communities participating in plans for the future of their areas.

3. You may then wish to invite Ministers in charge of other Departments to say what specific things they can contribute. Mr Howard may wish to report on TECs and other employment initiatives, Mr Waddington on the Safer Cities initiative, and Mr Parkinson on progress in improving transport facilities. You may wish to invite Mr Hunt to comment on whether the private sector remain committed to Action for Cities, and are likely to continue to give positive assistance. You may also wish to ask whether the encouragement of community entrepreneurs is beginning to bear fruit.

4. A key task for the Government is to ensure that the programmes of individual departments are properly coordinated and that business and local people are fully involved. You may wish to check that Ministers are confident that their plans for better coordination and presentation will be enough to counter recent criticism from the Audit Commission and National Audit Office of a patchwork quilt approach to inner city problems.

5. You may also wish to explore the tentative suggestion of a major inner cities conference in March 1991 (paragraph 8 of Mr Hunt's note). You will wish to be sure that a high profile conference would attract strong speakers who would give a positive account of the success of Government policy.



HANDLING

6. You might first ask the Secretary of State for the Environment, as chairman of the Ministerial Group on Urban Policy (MISC 116), to say a few words by way of introduction to the discussion, and then invite the Minister for Inner Cities, Mr Hunt to present his paper. You may then wish to invite the Secretary of State for Scotland to speak to his paper, and the Secretary of State for Wales to report on the position in Wales.

7. Other Ministers will wish to comment. In particular the Employment Secretary, the Home Secretary, the Education Secretary, the Health Secretary, the Transport Secretary and the Parliamentary Under Secretary of State, Department of Trade and Industry (Mr Forth).





PRIME MINISTER

P 03619

## MINISTERIAL SUB-COMMITTEE ON URBAN POLICY

## ITEM 2: ACTION FOR CITIES ANNIVERSARY: 28 FEBRUARY

Memorandum by the Minister for Local Government and the Inner Cities

## OBJECTIVES

1. The Sub-Committee are invited to endorse Mr Hunt's plans for the Action for Cities anniversary. These involve a new report "People in Cities" and a media presentation in Bradford on the morning of 28 February, attended by Mr Hunt and Mr Eggar, to launch it.

## THE DISCUSSION

2. A draft of "People in Cities" is annexed to Mr Hunt's paper. You have been invited to sign the foreword. The report documents the Action for Cities' successes, stressing the objectives and themes for the future. It is intended to give a number of specific examples of successful inner city projects. The printing and publication schedules are tight. The draft has been seen and approved by MISC 116 Ministers. You will wish to decide whether to endorse it.

3. You may wish to emphasise the importance of the visual impact of the report, and to seek Mr Hunt's reassurance that the final version will include some telling pictorial examples of success.

4. The launch of the document is to be in Bradford, followed by a programme of visits to various projects in Bradford and Leeds. The main presentation will be transmitted by video link to parallel presentations in each of the CAT areas, which will be led by MISC 116 CAT Ministers. In order to achieve the maximum impact, Mr Hunt is asking colleagues to volunteer announcements of new developments for the day. You will wish to ensure that

announcements are forthcoming. It might for instance be possible to announce the location of the new Department of Health offices in Leeds. It would also be possible to announce the opening of new Task Forces in Derby and Knowsley.

**HANDLING**

5. You may wish to invite the Minister for Inner Cities, Mr Hunt, to introduce his paper and the Secretary of State for Wales to make any comments from the Welsh viewpoint. Other E(UP) Ministers may also wish to comment. You might also invite the Secretary of State for Scotland to indicate what plans he has for marking the anniversary of New Life for Urban Scotland.





Minister for Local Government  
and Inner Cities

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone 01-276 3000

29 JAN 1990

Dear Paul

LIVING FAITH IN THE CITY

- / I enclose a copy of this report - the follow-up to 'Faith in the City' - released this morning by the Church of England, plus a
- / copy of the Press Notice. The Church had apparently intended to put it under embargo until formal publication on Thursday, 1 February, but in view of the Sunday Times report over the weekend and the report in the Telegraph this morning (copies attached) I understand they have now lifted the embargo.

Officials here have not yet had time to take more than a cursory look at the report. But it is clear that Chapters 14 to 20 cover urban policy in a very broad sense indeed, taking in for example tax and social security matters. The coverage ranges much wider than DOE matters, and also well beyond the coverage of Action for Cities as presented in both the original 'Action for Cities' publication, and its successor 'Progress on Cities'.

As far as my Minister's inner cities coordinating role is concerned, his line will be to emphasise the success of Action for Cities in achieving its central objective of economic regeneration. The reconstruction is there on the ground for all to see, and levels of investment remain high. The fall of more than a third in inner city unemployment since Action for Cities was launched in March 1988 shows that the benefits of physical regeneration are reaching the people living in the inner cities.

- / I will let you have our lines on the specifically DOE matters
- / and I am copying this letter to the private secretaries of E(UP)
- / and <sup>116</sup> Ministers whom I imagine will want to do the same for the subjects their departments cover. I am also copying it to
- / Phillip Mawer in the Cabinet Office.

Yours sincerely

*Trevor Beattie*

TREVOR BEATTIE  
Private Secretary

Paul Gray  
Private Secretary to  
The Rt Hon Mrs Margaret Thatcher MP



**EMBARGOED UNTIL:** 0001 HOURS , THURSDAY, 1 FEBRUARY 1990**"FAITH IN THE CITY" FOLLOW-UP**

Progress in Britain's inner cities has been encouraging during the four years since the publication of "Faith in the City", says the latest Church of England report on the subject.

"Living Faith in the City", to be published on February 1, was prepared by an advisory group set up by the Archbishop of Canterbury, who himself commissioned the original report on Urban Priority Areas (UPAs).

The new report, reviewing the response to "Faith in the City", lists some of the positive results and also spells out what still needs to be done.

On the plus side, say the writers, are : the setting up of the Church Urban Fund and the more than £5 million which has already been allocated to inner city projects; the Committee for Black Anglican Concerns, established by the General Synod's Standing Committee; and the appointment of a link officer for UPA matters in every diocese.

"There has been a great deal of public discussion about the situation of the 'inner cities' and many more people are aware of the issues involved," say the writers.

"There have also been some significant changes in the life and environment of many deprived urban communities and of the local church which exists to serve them.

"We believe that some adrenalin from the report has entered the bloodstream of the Church at all levels," they continue.

The report goes on to warmly welcome the major public commitment made by the Government to the problems of inner cities, and the special attention being given to these issues by local authorities, the

Continued...

**01-222 9011**



Confederation of British Industry, the Association of British Chambers of Commerce, the Trades Union Congress, the National Council of Voluntary Organisations and others.

"The Church of England has been glad to be associated with all of them, particularly in matters of education, training and the development of local projects," says the report.

Yet, it continues, movement has been slow and in some respects even regressive. There are still very wide areas of grave and fundamental injustice and these generate anger among those concerned and those (including those in the Church) who live alongside them.

It describes the situation in many UPAs as a tale of two (inner) cities - on one hand the shining new workshop units sprouting on sites which until recently were derelict eyesores...on the other hand decaying terraces or council estates where a large proportion of the residents are unemployed, lacking decent health care and educational facilities.

"To deal with these issues effectively requires, in the CBI's telling phrase, 'initiatives beyond charity.' We wish to encourage churches to help their members bring a robustly theological critique to bear upon market capitalism - as they should also do in regard to bureaucratic socialism," says the report.

It recommends that a small group of theologians be commissioned by the Archbishops to produce a textbook on urban theology which would try to ask key questions, introduce some of the resources for tackling them and also risk doing some constructive theology for the future. A companion volume would contain some of the best that has already been written on the subject by theologians and others.

Turning to wider, national issues, the report is particularly critical of the housing situation in inner cities and devotes the longest section in the report to this topic.

"The number of homeless people has increased, more dwellings have become unfit for habitation and new legislation has, for many people, rendered their continuing occupation of their current accommodation uncertain," it says.

The report also has much to say on poverty and employment, health, education and what "Faith in the City" called order and law.

Continued...

It ends with fifty-seven priorities for further action by the Church concerning its own internal life and the task of working for changes in society at national and local levels.

A significant theme in these recommendations is the importance of the Decade of Evangelism. "The Synod's Board for Mission and Unity should encourage imaginative and sensitive evangelical outreach within the UPAs during the Decade through local Church campaigns in the community," says the report.

Some examples are given in the appendices of projects to help unemployed people which have been undertaken in Bristol, Salford, Rochdale and Teesside.

Members of the advisory group which produced the report include ten Anglican clergymen, a Church Army sister, a Member of Parliament, several General Synod members, a Roman Catholic and a Baptist. Six of the 21 are women.

The Chairman is the Rt. Revd. Dr. Thomas Butler, Bishop of Willesden.

For further information, please contact

The Revd. Alan Davis,  
Archbishop's Officer for  
Urban Priority Areas,  
ext. 346

Press: Susan Curtis-Bennett, ext. 364/365

Broadcasting: The Revd. John Barton, ext. 356/357

"Living Faith in the City", GS 902, price £5.50, and published by the General Synod of the Church of England, is available only from Church House Bookshop, 31 Great Smith Street, London, SW1P 3BN. There is an extra charge of 90 pence (single copy) for post and packing.

ENDS



'LIVING FAITH IN THE CITY'

SUMMARY

"This is in no sense a re-write of Faith in the City. It is rather a further chapter in a continuing story. The original report stands as a comprehensive analysis of the human problems - social and economic as well as spiritual - which confront people living in old industrial inner cities and post-war housing estates. Its basic message - that those who live there are important to God, to the Church and to the Nation, and that their needs must be met - is as urgent as ever. Our role is to report to the Church on what still needs to be done, as summarised in our final chapter, to get that basic message across."

So say the Advisory Group set up by the Archbishop to monitor progress in their report Living Faith in the City published today (Thursday 1 February 1990).

The Response in the Church

"By comparison with some other matters of concern within the Church of England, progress during the past four years has been encouraging" says the report. Specifically:

- "a concern to earth theological thinking in the rough and tumble of life in a UPA has given impetus to more 'grassroots' forms of theological study" (para 2.3)
- "the Church Urban Fund has been set up and dioceses are well on their way to raising their target of £18 million. More than £5 million has already been allocated towards the funding of over 200 projects. The Church Commissioners have taken further steps in the steady if slow process of re-allocating the Church's historic resources more equitably." (Introduction. para 6)
- "the Standing Committee of the General Synod has established a special Committee for Black Anglican Concerns" (Introduction. para 7)
- "Every diocese has appointed a Link Officer for UPA matters, and nine dioceses have full-time or part-time urban officers. Over thirty dioceses have established some kind of co-ordinating committee for following up the report." (Introduction. para 8)

- "The identification of UPA parishes is well advanced ... The need for relevance to, and regular contact with, community concerns is now much more widely recognised" (Introduction. para 9)
- "There has been significant re-development of human and financial resources ... and notable developments in training arrangements ... many ecumenical initiatives." (Introduction. para 10)

### The response in the nation

"The whole social and economic climate as it affects UPAs is very different from what it was when Faith in the City was being written. We warmly welcome the major public commitment made by the Government to the problems of inner cities, and the special attention being given to these issues by local authorities and their associations, the Confederation of British Industry, the Association of British Chambers of Commerce, the Trades Union Congress, the National Council of Voluntary Organisations, and others. The Church of England has been glad to be associated with all of them ... Yet movement has been slow and in some respects even regressive. The facts are detailed later in this report." (Introduction. para 12)

"We are disturbed that the situation to be found in many UPAs today is in reality a tale of two (inner) cities ... There are signs of greater understanding ... but it has to be recognised that there are still very wider areas of 'grave and fundamental injustice' and that these generate anger amongst those concerned and those (including those in the Church) who live alongside them. Some of this continuing anger inevitably finds its way into our report." (Introduction. paras 17 & 18)

### The content of the report

The main substance of the report is set out in four main sections, amounting to over a hundred pages of detailed facts and figures:

#### I Living in Faith

- describes in their own words the responses of people living in UPAs and other areas (Chap. 1)
- examines the theological basis for the Church's involvement (Chap. 2)



- describes developments in patterns of worship in UPAs (Chap. 3)
- considers the special challenges of and opportunities for evangelism in UPAs. (Chap. 4)

## II Living in the Church (together with Appendices C - G)

- identifies the main concentrations of UPA parishes; five dioceses (Southwark, London, Birmingham, Liverpool and Manchester) account for over half the total (Chap. 5)
- reports that over 30 of the 43 Church of England dioceses are actively encouraging parishes to undertake 'audits' of their church life and of the area and community they serve, with a view to becoming more 'local', more outward looking and more participative (Chap. 6)
- after reviewing developments to meet the special needs and make space for the special gifts of minority ethnic groups in the Church, urges Christians to listen much more and actively seek to understand the issues underlying the racial scene in Britain today (Chap. 7)
- affirms what women are already doing in UPAs and indicates what more needs to be done to maximise their contribution (Chap. 8)
- finds 'very encouraging' evidence of progress in reducing disparities in the ratios of clergy to population in UPAs in different parts of the country and between UPAs and other parishes (Chap. 9)
- points to a 'clamant need' for models of education and training for both clergy and laity which hold together experience, context, theology and the traditions of the Church (Chap. 10)
- comments on the sharing of church buildings with other Christians, with people of other faiths, the building of new Churches in UPAs and the adaptation of existing buildings, their replacement and repair, and disposal of redundant property (Chap. 11)
- reports a considerable improvement in the share of the historic resources of the Church, administered by the Church Commissioners, going to dioceses with high proportions of their populations in UPAs, and £12 million raised by dioceses by September 1989 towards their target for the Church Urban Fund of £18 million (Chap 12)
- urges caution, and offers advice, on the establishment of 'links' between UPA parishes and parishes in other areas. (Chap. 13)

### III Living in the Nation

Reviews developments in policy and in the practical situation since 1985 with regard to

- urban regeneration, including the Church's co-operation in local projects, stressing the need for partnership between all concerned including local authorities (Chap. 14)
- poverty and employment, concluding that "for a considerable number of poor people the picture looks bleaker than it did in 1985. For some at least this is because, in real terms, they have actually less cash in their pocket now than then. For many it is because their relative position is now much weaker." (Chap. 15)
- housing, examining in detail Government policy and legislation since 1985 and its effect on the housing matters with which Faith in the City was very much concerned, and highlighting the need for further action on the supply of low-cost accommodation to rent, the position of minority ethnic groups, the treatment of homeless people, the accessibility and accountability of housing management, the preservation and refurbishment of the housing stock and housing finance (Chap. 16)
- health, examining the relevance to UPAs of the White Papers of 1987 and 1989, and of the Griffiths Report and the Church's response and urging close monitoring of developments (Chap. 17)
- social care and community work, urging that the churches should continue to maintain and develop their traditional involvement in these fields in the light of Faith in the City (Chap. 18)
- education and young people, setting out recent developments in public education policy and the stresses and opportunities to which these give rise in UPAs in both Church and LEA schools, examining recent developments in Church Colleges of Higher Education, and giving relevant examples of the work of the recently established 'Church of England Youth Service Development Group' (Chap. 19)
- order and law, covering relevant developments in crime prevention, juvenile and young adult crime, policing, the magistracy, prisons (with particular reference to the treatment of black people), victim support schemes and the provision of legal services, and urging closer involvement of local churches in these issues particularly in UPAs (Chap. 20)



#### IV LIVING IN PARTNERSHIP

This highlights the theme, drawn out of the preceding sections, of developing partnership between the Church of England and secular organisations both nationally and locally (Chap. 21), other denominations (Chap. 22), people of other faiths (Chap. 23), and internationally (Chap 24).

Introducing this Part the report says:

"This [partnership] has a significance beyond mere convenience and efficiency. It goes to the heart of the basic message of the report [Faith in the City] - the need for the Church to be fully involved in, and relevant to, the life of the community in which it is set; to be fully 'in', though not 'of' the world".

The report concludes with Part V Living for the Future. This sets out the Advisory Group's conclusions as to priorities for further action by the Church, both with regard to its own internal response and with regard to the concerns which Faith in the City addressed to the Nation.

This is in the form of an agenda for further action by the Archbishop's Officer for UPAs, the bishops, the Church Commissioners, the Church Urban Fund, the Committees, Boards and Councils of the General Synod, the dioceses deaneries and parishes and individual Church members.

It comments "To achieve results within the limits of the material resources available requires concentration of effort. We therefore list them in each case in what seems to us a desirable order of priority."

The Appendices include, in addition to those referred to in the body of the report, a list of the members of the Advisory Group (App. A), of the Diocesan Link Officers (App. B), and a bibliography, including a list of relevant videos (App. I).

**EMBARGOED UNTIL:** 0001 THURSDAY 1 FEBRUARY**STATEMENT BY THE ARCHBISHOP OF CANTERBURY**

I warmly welcome this report on progress since the publication of Faith in the City in 1985. I should like to thank the Advisory Group under the chairmanship of the Bishop of Willesden who produced it, and especially my Officer for Urban Priority Areas, Prebendary Patrick Dearnley for his devoted and effective work over the past four years.

The report sets out in a very positive way all that has been achieved both in the Church and in the Nation by way of response to Faith in the City and the whole range of inter-related issues bearing upon the condition of our inner-cities and post-war urban housing estates to which that report drew attention.

For its part the Church has at least begun the process of gearing its ministry more closely to the needs of the urban Christian congregations and their local communities. Social and economic conditions for some have greatly improved, and the Church has been glad to be associated with many local projects, including over 200 so far supported by the Church Urban Fund set up as recommended by Faith in the City.

But as this progress report makes clear, much remains to be done. There remains a very clear challenge both to the Church and to the Nation, to see this thing through until what Faith in the City called "a grave and fundamental injustice" is remedied.

This will be achieved, as this report particularly emphasises, only by partnership between all religious and secular bodies concerned, both nationally and locally.

The report sets out in a very practical way its view of the priorities for further action by the Church of England. I trust that these will be closely studied and acted upon as appropriate by all concerned.

I pray that the Spirit of Almighty God may guide and strengthen us all in this continuing endeavour.

**01-222 9011**



Date: 29 January 1990

Embargo Date: 00.01 Thursday 1 February 1990

'LIVING FAITH IN THE CITY'

**Statement by the Bishop of Willesden, The Rt Revd Dr Thomas F Butler,  
Chairman of the Archbishop's Advisory Group on Urban Priority Areas**

When Faith in the City was published four years ago, the Church of England realised that it raised issues which would be of importance for a decade or more. Living Faith in the City is a progress report to the Archbishop of Canterbury, the General Synod of the Church of England, and indeed all concerned, on the follow up to Faith in the City.

This progress report has been prepared by the Advisory Group set up under my chairmanship by the Archbishop, to monitor and as necessary stimulate discussion and action on all the issues which Faith in the City addressed to the Church and the Nation, to deal with what it described as the "grave and fundamental injustice" of the situation in urban priority areas - not just inner cities but also some of the vast post-war urban housing estates.

The Advisory Group includes some members of the original Archbishop's commission, some from the dioceses, some from the General Synod Boards and Councils principally concerned and, like the original Commission, some from other churches.

We work with and through the Archbishop's Officer for Urban Priority Areas, Preb Patrick Dearnley and a nation-wide network of Link Officers in each of the 43 dioceses of the Church of England. So this progress report comes from a body which is well rooted in the Church, both nationally and in the localities.

And, as our report makes clear, we also seek to work in close partnership with the many others concerned for people living in urban priority areas - government bodies both national and local, employers, chambers of commerce, trade unions and other voluntary organisations as well, of course, with other denominations and people of other faiths. Indeed 'Partnership' is the theme of our message.

The main content of the report is summarised in the Introduction, and set out in the Press Summary you have. I should just like to emphasise one or two points:

- it is sometimes overlooked that Faith in the City had most to say about what the Church should be doing to reform its own activities in UPAs; we are able to report progress on that front - We report a general 'bending' of the Church's major resources - finance, buildings, clergy deployment, training - in the direction of the inner cities. The 'icing on the cake' - the creation of the Church Urban Fund - the appointment of a central Committee for Black Anglican Concerns - whilst being important in themselves, also signal an interaction of the Church to focus more sharply on the presence of the Church in the Inner City - although there is of course plenty left to be done.
- as regards the economic and social issues which Faith in the City addressed to the Nation, we do our best to report factually on the present position; there is much to be happy about - unemployment generally is much lower, for example.
  - but there is a lot that remains depressingly the same, and some things which are even worse - homelessness, for example.
  - our main aim has been to record the position and encourage the Church in playing its part with others in improving the situation.
  - but because our report is often a 'tale of two inner cities inevitably there are places where some of the frustrations still felt by all too many in our inner cities and the outer estates show through.
  - I hope all this will be received in the constructive spirit in which it is intended, and that we can continue to play our part with national and local government, business, commerce, and other agencies in developing the partnership necessary for the remaining urban problems to be tackled and resolved.



CONFIDENTIAL



*cc J. Whittingdale  
Detectives  
T. Perks  
file*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

29 January 1990

*Dear Trevor,*

SECOND ANNIVERSARY CELEBRATIONS FOR THE  
ACTION FOR CITIES PROGRAMME

Thank you for your recent letter setting out some detailed proposals for these celebrations; and in particular the suggestion that they should now be centered in Bradford rather than Leeds.

The Prime Minister has considered her programme for the day, which as you know includes a number of other engagements. She is content to hold the main celebrations in Bradford rather than Leeds and, in view of the tightness of her programme for the day, has decided that she would not now carry out any Action for Cities engagements in Leeds. You suggested a programme which covered the whole morning of 28 February. I am afraid that she has other engagements on that day which would make such a long programme in the morning impossible. She has agreed that she would like to do the presentation to launch "People in Cities" at Grattans plc and then tour the premises. This would take approximately 50 minutes in total. She would also like to attend a reception at Listers Mill, as suggested. As I have mentioned before, she does particularly want to visit Listers Plc to see their mills in operation; and she would plan to do that after the reception. I imagine she would spend about 20 minutes to half an hour at the reception and half an hour touring Listers plc.

There may be scope for one further Action for Cities engagement in Bradford on that day, possibly in the afternoon. I think the Prime Minister might have, say, 45 minutes to visit a scheme. She is particularly attracted to the idea of visiting something with a strong social element in it and which involves local people. However, she did not much like any of the proposals put forward in your letter and I would be grateful if you could give some further thought to anything she might find suitable. I have heard that Bradford has a particularly successful safer cities campaign and this might be something which would make an interesting visit. I should be grateful for your advice on this as soon as possible.

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- 2 -

You may wish to know that we have informally floated the idea of the Prime Minister's visit to Grattan to Sir David Wolfson who is the Chairman elect of Next, which owns Grattans, and he is looking into this.

*Yours sincerely,*

*CSlocock*

CAROLINE SLOCOCK

Trevor Beattie, Esq.  
Department of the Environment.

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D

PRIME MINISTER

26 January 1990

ACTION FOR CITIES ANNIVERSARY

The Anniversary Publication and Progress Report

- The arrangements for the Action for Cities anniversary on 28 February appear to be proceeding smoothly. Ministers are trying to bunch together as many success stories as possible around that time along with any new announcements.
- The draft of the anniversary publication 'People in Cities' is a good one. The booklet links the string of success stories back to each of our four main Action for Cities' objectives.
- David Hunt's progress report is also encouraging. There is no doubt that many inner city residents are benefitting through a combination of the stronger economy, higher government expenditure and enormous investment by the private sector. Perhaps most importantly, attitudes have changed. More and more businessmen and community entrepreneurs are taking the lead in tackling the problems.

The Problem

But the whole approach is far too bland, and will not convince the electorate that the Government is taking seriously your pledge on inner cities after the last election.

Media attention has now been diverted away from dereliction,



unemployment and inner city riots. But there is one question that can be heard time and time again:

Why are residents in some inner city areas not benefitting at all?

Over the last 20 months or so, unemployment in our 57 inner city target areas is down by over a third. And long-term unemployment has fallen by almost 40%.

But there are pockets of very high unemployment, sometimes located near a thriving urban development corporation. Vauxhall and Toxteth in Liverpool are good examples.

The Audit Commission stressed this point in its recent report 'Urban Regeneration and Economic Development'. While the overall unemployment rate in Bradford is 14%, unemployment by local council ward ranges from 4% to 27%.

The problem is accentuated if a nearby factory closes, leaving a residue of unskilled workers. Confidence falls; young people become captive in a despondent environment and wealth ebbs from the community.

Locally based DTI task forces have been successful. Armed with an annual budget of £1 million each per year, they are able to encourage enterprise in the community. New teams have been announced recently in Bradford and Toxteth. But they are limited in number, short term in nature and sometimes ineffective in some areas such as Moss Side in Manchester.

One Answer: Community Entrepreneurs and Local Development Trusts

One answer may be to empower the emerging group of community



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entrepreneurs by encouraging the formation of more local development trusts. So far trusts have centred their activities on housing development and management, training, business development and workshops for company start-ups.

In effect the trusts are a vehicle to enable local people to take responsibility for solving their own problems with financial support and professional expertise from outside. Residents and professionals are likely to safeguard what they have achieved together.

Support for community entrepreneurs and local development trusts is growing:

- Your Downing Street seminar with community entrepreneurs in September showed what can be achieved.

- Recently, the DTI's inner city unit commissioned a report from a specialist firm of consultants to address this issue. The 'draft' report (Attachment 1) concludes that local development trusts may be capable of a significant contribution to urban regeneration in the UK. They believe early evidence has shown the trusts meet Government objectives -

'in a way which engages difficult communities' interest; promotes private sector involvement; coordinates public, private and voluntary sector effort/ and may offer a mechanism to deliver public programmes to traditionally hard to reach communities. In many respects, they resemble mini-TECs.

- An influential Ditchley Foundation conference on urban regeneration last year - chaired by Lord Rippon - took the same view.

- And Business in the Community have been actively pursuing the concept on the ground in Finsbury Park and Spitalfields in London, and in some provincial centres such as Walsall, Hartlepool and Wolverhampton.

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- In addition, BiC hopes to see at least 300 major companies adopt a series of working guidelines which will encourage companies to be far more pro-active in inner city communities (Attachment 2).

## What Government Can Still Do

David Hunt has embraced the theme of community enterprise. And he has committed to address the issue in the cabinet sub-committee on urban policy in April. But I sense that DOE officials are reluctant to develop specific proposals. They believe:

- (1) A new initiative may steer funds away from existing programmes such as the Urban Programme.
- (2) DOE officials may lose some direct control if programmes are tailored so that community organisations can play a bigger part.
- (3) These initiatives may be risky.

The first and second are the response of a bureaucrat. The third has some validity. But the risk can be contained by involving local businesses and by setting quantifiable objectives and clear business plans.

I suspect that few tangible ideas will emerge unless colleagues are given a firm steer to give this issue top priority.

David Hunt must be asked to address three key questions

- How can we identify and train community entrepreneurs?

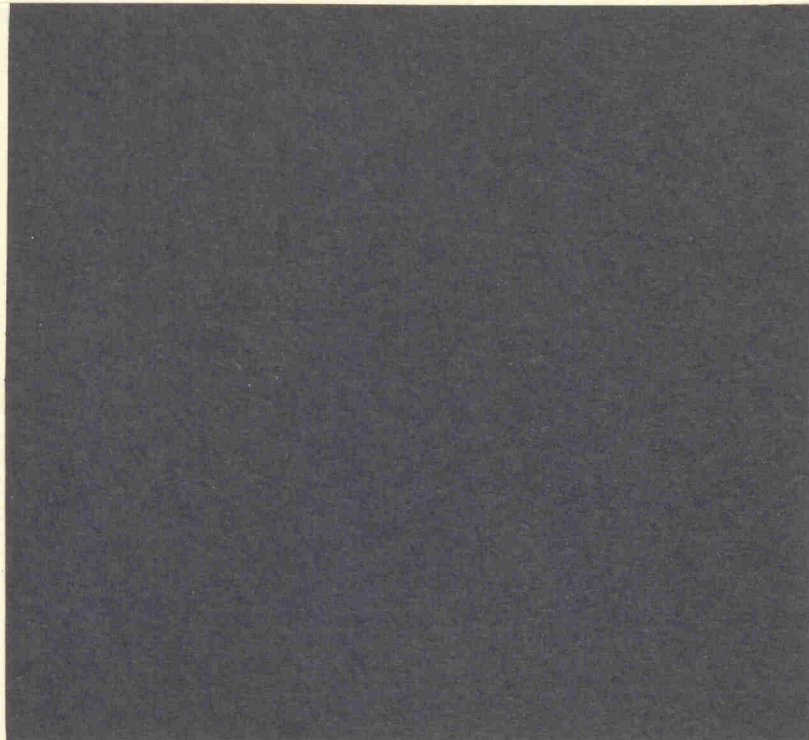


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- How can we pump prime more local development trusts  
in partnership with local businesses?
- How can we tailor existing Government programmes  
to empower local development trusts?

*Ian Whitehead*

IAN WHITEHEAD



## **Victor Hausner & Associates**

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London WC2A 2JR  
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**DRAFT**

**LOCAL ECONOMIC DEVELOPMENT TRUSTS:**

**A VEHICLE FOR LONG TERM  
INNER CITY REGENERATION?**

**Victor Hausner & Associates  
16 Bell Yard  
London WC2A 2JR**

**Tel: 405 6788**

**Fax: 01 - 831 1633**

**November 1989(2)**

**Local Economic Development Trusts:**

**A Vehicle for Long Term Inner City Regeneration?**

**Summary and Conclusions**

- 1. INTRODUCTION**
- 2. DEVELOPMENT TRUSTS OUTLINED**
- 3. LOCAL ECONOMIC DEVELOPMENT TRUSTS IN THE INNER CITY**
- 4. OVERSEAS EXPERIENCE**
- 5. FUTURE DEVELOPMENTS AND POLICY IMPLICATIONS**

**This report has been prepared by the Department's independent consultants, Victor Hausner and Associates.**

**The views expressed are those of the consultants and do not necessarily represent the views of the DTI.**



## SUMMARY AND CONCLUSIONS

Great emphasis is placed within the Inner Cities Initiatives on the development of long-term local economic development capacity. In a number of areas Task Forces are supporting local economic development trusts as successor organisations to continue the work of local regeneration after the Task Force has departed. Trusts undertake a variety of functions including physical development, training activities, business development, and housing management. They are still young, and, in some areas, experiencing teething troubles. Nevertheless it meets Governments objectives and should be assisted wherever possible. Moreover the early evidence suggests they do so in a way which engages difficult communities' interest; promotes private sector involvement; co-ordinates public, private and voluntary sector efforts; and may offer a mechanism to deliver public programmes to traditionally hard to reach communities. In many respects they resemble mini-TECs.

The successor bodies established through the Initiative, although still young, indicate local trusts' potential. In Leeds, Chapeltown and Harehills Enterprise Limited (CHEL) combines the local community and prominent local business-people on its board. It operates an ET scheme, and manages a major workspace which helps provide its running costs. A similar organisation is under development in Moss Side, while in Spitalfields a trust is emerging through a dialogue, facilitated by the Task Force, between developers and the local community.

Embryonically these trusts resemble US Community Development Corporations which, after almost three decades, are now significant players in the urban development field. The largest control property and other investments worth hundreds of millions of dollars; most however have had substantial long-term public funding; receive fees for the local delivery of 'public' services; and benefit from an extensive network of publicly-funded support organisations.

With adequate support local development trusts may be capable of a significant contribution to urban regeneration in the UK. The emergence of TECs in particular offers major opportunities. However there already exists a range of measures available to departments to assist with trusts' development. Major examples include

- \* public funds (through the Urban Programme for example) could purchase premises for use as workspace and to provide long-term rental income.
- \* housing associations in inner city areas could be encouraged to extend their activities to the field of economic development.
- \* local trusts could be contracted to deliver public services to hard-to-reach communities including:
  - Training (as manager and/or agent)
  - JobCentres
  - Job Clubs
  - Restart Programmes
- \* grant funding should be better co-ordinated to provide continuity and stability.
- \* secondments of officials would assist with organisation development.
- \* locating outreach offices (eg Job Centres or benefit offices) in trust premises.
- \* amend Section 11 rules to locate posts directly with trusts.



## 1. INTRODUCTION

1.1 When the Inner Cities Initiative was launched in February 1986, along with its main substantive objective of enhancing the economic opportunities available to disadvantaged inner city residents, it was also required by Ministers to adopt a number of operational objectives. Importantly the Initiative was expected:

"to strengthen the capability of local organisations to undertake long-term economic and enterprise development activity".

1.2 The emphasis on 'capacity building' is partly a recognition that Task Forces are essentially transitory and should seek to bestow on their areas a legacy which will survive. More specifically it is also an acknowledgement that a defining characteristic of those areas, along with the more generally recognised symptoms of multiple deprivation, is the relative absence of that infrastructure of collective professional skills and competence which characterises the white middle class suburb. An important part of Task Forces' contributions to these areas has been the direct injection of these skills, directing main programmes more effectively to target disadvantaged groups, and promoting better provision of service (by securing the location of a Job Centre in a Task Force area for instance).

1.3 To ensure the continued provision of this kind of capacity and to help fill the gap created by their withdrawal, in a number of areas Task Forces have promoted or supported locally based successor organisations. Since such organisations tend to reflect local circumstances, there is no single model; however, a number of instances Task Forces are seeking to build their successor bodies round the framework of a development trust.

1.4 For all their local variation, the trusts emerging in Task Force areas have much in common, including, crucially, difficulties in securing long term sources of core funding. Yet the early evidence from this country, supported by much more extensive US experience, suggests that potentially this kind of organisation can make a significant contribution to the regeneration of difficult inner city areas, reaching the parts conventional programmes cannot reach.

1.5 This paper:

- \* outlines the concept of local economic development trusts, especially as it is developing in inner city areas;
- \* describes the experience of the Initiative in the promotion of local bodies;
- \* draws on some lessons to emerge from American practice;
- \* and discusses future options by which locally based economic development trusts may be encouraged in this country.



## 2. Development Trusts Outlined

2.1 Although the local development trust has emerged as an appropriate institutional form for inner city successor organisations, it is not necessarily nor by origin either urban or economic. Over the last 15 years development trusts have been adopted in rural and urban areas, and for a variety of purposes, including heritage activities, environmental renewal, and in a few cases, economic development.

2.2 With this variety of activity and organisation it is difficult to define development trust. Indeed many are not trusts in a formal legal sense. The Department of the Environment's handbook Creating Development Trusts offers the following definition:

"Development trusts are independent not-for-profit organisations which take action to review an area physically, socially and in spirit. They bring together the public, private and voluntary sectors, and obtain financial and other resources from a wide range of organisations and individuals. They encourage substantial involvement by local people and aim to sustain their operations at least in part by generating revenue."

2.4 Given their diverse objectives, the services and activities undertaken by trusts vary. Some of the more important include:

- \* management of physical and environmental development.
- \* provision of vocational skills training.
- \* business development and support services.

- \* housing development and management.
- \* acting as industrial landlord, providing workspace.
- \* development of community businesses

2.5 From the public policy perspective, the **manner** of local trusts' operation is as important as the substantive activity.

Operationally local development trusts demonstrate the following characteristics:

- \* they appear to be effective vehicles for engaging even traditionally hard-to-reach communities in their own regeneration.
- \* early examples suggests that trusts may be effective vehicles for engaging **practical** private sector support.
- \* few other vehicles appear to combine public, voluntary and private sectors so effectively.
- \* they are capable of delivering public programmes to difficult communities.
- \* their structure and methods of operation is in line with overall policy since in many respects they resemble 'mini-TECs'.



## LOCAL ECONOMIC DEVELOPMENT TRUSTS IN THE INNER CITY

### 3.1 Introduction

3.1.1 Although many of the local development trusts which are emerging in Task Force areas demonstrate the characteristics outlined above, they also have their own quite distinctive flavour and preoccupations.

3.1.2 First, they seek predominantly to pursue economic objectives. Other trusts have adopted economic objectives as a result of other activities: for instance environmental improvement which is undertaken by local people and eventually spawns new businesses. But few elsewhere have started with the regeneration of local economies as the main goal. In terms of specific services and activities, this requires local economic development trusts to acquire the skills and resources to:-

- \* set up and manage employment projects;
- \* promote and manage training programmes which directly link inner city residents to specific vacancies with identified employers;
- \* provide business counselling, advice and assistance services, including perhaps the management of a small finance scheme;
- \* direct environmental and community improvement schemes, especially where they employ local residents and small businesses.

3.1.3 Secondly, in Task Force areas development trusts are designed to continue Task Force activities in relation to main programme delivery. Task Forces were set up in part to improve the targeting and delivery of main programmes in areas which have traditionally been hard to reach. As a minimum therefore local trusts must understand local departments and programmes, and be able to liaise effectively with officials. But they have the potential go beyond advocacy and liaison, and play a role in the management and delivery of public programmes.

3.1.4 Thirdly, local trusts must establish credibility with and secure support from the private sector. While this is true of all development trusts, in inner city areas economic regeneration is not feasible without private sector support and investment.

3.1.5 Fourth, like all development trusts, local economic development trusts seek to involve local communities; but in difficult inner city areas the nature of local communities is quite distinctive. They are often fragmented, with a variety of discrete ethnic groups. The skill base, including the professional and managerial skills needed for effective voluntary group activity, tends to be low.

3.1.6 The lessons emerging from some of the early local economic development trusts suggest they are potentially valuable vehicles which could offer a locally based, long-term focus for urban economic regeneration. In particular they may be able to provide:



- \* a delivery mechanism for government services and programmes in difficult areas which have traditionally been resistant;
- \* a focus for private sector involvement;
- \* a coherent voice to keep disadvantaged communities on the agenda of TECs.

### **3.2 Development Trusts and the Initiative**

3.2.1 The Initiative has only been operating for three years, and only seven of the current Task Forces have been in existence since the start. Moreover, the importance of designated successor organisations has been recognised only recently. All the bodies sponsored by Task Forces are at early stages of development, but nevertheless demonstrate trusts' potential.

#### **a) Chapeltown and Harehills Enterprise Ltd (CHEL)**

3.2.2 CHEL was launched in October 1987 as a community-business partnership, designed to continue the long-term economic regeneration of the area after the Task Force's departure. Funding from the Task Force worth more than £1.4m has provided for the purchase and conversion of an empty warehouse into managed workspace.

3.2.3 As it operates currently, CHEL's main functions are:

- \* industrial landlord: the bulk of its 60 workspaces are targeted at newly-established local businesses;

- \* training manager: it runs (through a separate company, at TA's insistence) a 140 place ET programme covering:
  - childcare
  - construction
  - computing
  - clerical
  - catering
  - enterprise training
  
- \* manager of the Industrial Society's Headstart programme.

3.2.4 From the beginning CHEL has successfully pulled together on its board community representation and prominent representatives of the local private sector. It also secured a chief executive on two years' secondment from ICI. These private sector links have given the organisation significant credibility and business expertise which will be needed if it is to move successfully to long-term self-sufficiency.

3.2.5 Progress to date is impressive. It is on target to achieve the 85% occupancy levels it requires to break-even (discounting capital costs), and is about to commission a development options study on an empty third of an acre plot which it owns. Nonetheless prevailing rent levels suggest that it will be difficult to build reserves for further development work or as a cushion against set-backs. Significant additional expansion will require further public pump-priming.



**b) Moss Side and Hulme Community Development Trust**

3.2.6 At an earlier stage of development than CHEL, MSHCDT has sprung from a local consultative Steering Group which has worked alongside the Task Force since its inception. The Steering Group, together with the TF and a representative from BiC, have developed a constitution for the Trust and are currently negotiating a timetable for the achievement of development 'milestones'.

3.2.7 At present MSHCDT lacks CHEL's blend of private sector and community interest. However, preliminary discussions are under way with the Business Support Group; a sub-group of the (private sector) North-West Business Leadership Team.

3.2.8 The energies of those involved, including the recently appointed chief executive, are currently committed to the Trust's formal establishment. However the Trust expects to develop a broad range of economic-related projects, covering

- \* enterprise development
- \* training and employment opportunities
- \* housing and the environment

It expects to inaugurate its portfolio by assuming responsibility for appropriate Task Force projects both to ensure their long-term survival and to generate its own income stream for the Trust. Currently under consideration are a Construction Skills Training Centre, in association with Jarvis, and a managed workspace project.

**c) Spitalfields Trust**

3.2.9 An initiative to create a similar successor organisation in Spitalfields is at an even earlier stage. Its genesis is of interest however and may point to similar opportunities elsewhere.

3.2.10 Two large proposed property developments within the Task Force area have generated a dialogue between the developers and the local community. The intention is to develop a trust out of the community interest thus stimulated, and in the expectation that assistance with the costs of the trust will be provided by the developers.

3.2.11 The Task Force is supporting a Community Planning Consultation Exercise over plans for the sites. It is envisaged that a development trust might eventually undertake roles in relation to the site developments, including housing management; development, if the commercial developers decide to make a land or financial bequest to the trust; in training management or as a workspace manager.

3.2.12 Business in the Community are currently funding two posts to facilitate consultation with the community, the site developers, and the local authority.



## OVERSEAS EXPERIENCE

- 4.1 There are examples of local economic development organisations to be found throughout Europe: the French Boutiques de Gestion for example, publicly-stimulated agencies harnessing private sector resources to generate enterprise and local economic development; or Barcelona City Council's outreach 'task forces', designed to implant publicly funded local economic development programmes into local communities. The principle source of overseas experience of locally based economic development bodies is inevitably the US however.
- 4.2 An enormous range of community-based economic development organisations has sprung up in the US in the last 25 years: some estimates suggest there may be more than 2000 currently operating. The format and scope of 'community development corporations' (CDC's) are products of American fiscal, administrative and cultural circumstances, and it should not be assumed that the concept will necessarily survive the transatlantic crossing; however CDC's have much in common with the UK's nascent local economic development trusts (or more precisely, with what the trusts aspire to be).
- 4.3 CDC's share many of the characteristics of trusts described earlier:
- \* they operate within geographically defined low-income target areas;
  - \* they are controlled by the residents of these areas;
  - \* they seek to mobilise both public and private capital for the physical and economic regeneration;

- \* they embrace a wide of economic development activities including training, job creation, business development and built environment projects.

4.4 The most striking difference between CDC's and their British counterparts is one of scale, reflecting the fact that some of the largest were established in the sixties. New York's Bedford/Stuyvesant Restoration Corporation, founded with assistance from Robert Kennedy in 1966, controls an investment portfolio worth hundreds of millions of dollars. Most CDC's are much smaller, however, and a recent US study found that fewer than 25% were financially self-sufficient, the remainder relying on public funds or charitable donations. Nevertheless the cumulative record of their achievement is considerable. If British local economic development trusts are to emulate the CDC's, some key lessons from US experience must be understood.

- \* even the largest and most successful CDC's depended for their establishment on substantial, long-term core funding;
- \* most CDC's earn fees for performing 'public' services (eg training or housing management);
- \* CDC's are highly business-like: this is critical for the generation of private sector support;
- \* 'soft' private funds, from the foundations or other charitable sources are used to lever 'hard' private investment;
- \* there is an extensive network of public intermediary support organisations providing training, technical assistance, consultancy, information and in some cases, core funds.



- 5.1 Although local economic development trusts promoted by the Initiative are too young for formal evaluation, and, in some areas trusts are experiencing teething troubles, early signs are generally promising - as described in Section 2.5. Other Task Forces are likely to encourage (or be asked by the local community to support) the formation of development trusts, and it is likely that they will spread and develop in other areas as well. In conclusion, what is the likely direction of trust development? What are the implications for government policy in relation to urban regeneration? What measures are available by which departments can encourage and support trust development?
- 5.2 The emergence of TECs may help the spread of trusts with an economic orientation. Although TECs are charged, inter alia, to direct resources to disadvantaged areas and address inner city issues, concern has already been expressed that deprived areas may lose out to the requirements of the wider labour market. In Scotland, small areas are already establishing enterprise trusts to articulate local requirements to the Regional Enterprise Companies established under Scottish Enterprise. The same issue is likely to arise in England, both to secure resources for inner city communities, but perhaps too because the resources available are more flexible and therefore more susceptible to local delivery.
- 5.3 This raises significant issues about the provision of revenue funding. Most of the Initiative's potential successor organisations aspire to financial self-sufficiency, though the logic of funding criteria, with the emphasis on leverage and pump-priming, lends an inevitably optimistic quality to the projections. Although American experience confirms the importance of local development organisations assuming a commercial approach, it also suggests that financial self-sufficiency takes time, and may only ever be

possible for a minority of cases. Meanwhile, in the US as in the UK, local organisations devote considerable energy and ingenuity to the task of staying on the funding merry-go-round, bouncing from one time expired source to another.

- 5.4 Clearly Task Forces or any other public agency associated with development trusts must insist that medium and long term funding sources are considered at an early stage. A short review of current options may indicate ways in which departments could assist within existing programmes or, more ambitiously programmes could be modified.

### **Earned Income**

- 5.5 While trusts' aspirations to financial self-sufficiency are based on assumptions about rental income or payment for services, their ability to generate this kind of revenue depends largely on public pump-priming. One route employed by the Initiative (inter alia) is the purchase of premises for conversion to workspace: ownership is vested in the trust which thus benefits from subsequent rent. The economics of managed workspace do not guarantee profitability, particularly in disadvantaged areas where the competition may include directly subsidised units provided by the local authority. Nevertheless, the right building, properly converted and managed, can provide a significant contribution to long term revenue. Similar capital funding has occurred in the past through the Urban Programme (although ownership has usually been vested in local authorities). DOE could examine ways in which this device could systematically be directed to the long term development of inner city based trusts. *delete*

- 5.6 The other major area where public funds purchase capital assets whose revenues support 'third sector' organisations is housing. One of the most successful local trusts (operating outside the Initiative)



is the Eldonians in Liverpool. Although its various activities are kept separate, underpinning the organisation and its economic activities is a major housing co-operative development which attracts Housing Corporation funding. Many of the American CDC's have their origins in housing, and consideration has been given within the Initiative to stimulating an economic development role for housing associations. In some areas housing associations already undertake economic development activities, and opportunities in the light of the 1988 Housing Act have increased. Housing associations could undertake mixed developments in which revenues from commercial rents could be used for economic development activities. The Housing Corporation may wish to consider how such activities might be encouraged in inner city areas. (delete)

- 5.7 In addition to rental, local trusts often expect to generate revenues from the provision of services - for example business advice. The development of an entrepreneurial style is clearly to be encouraged, but in difficult inner city areas, local businesses are typically unwilling or unable to pay for business consultancy or training. The main sources of service-related revenues are likely to come directly or indirectly from the public purse.

**Payment for provision of 'public' services.**

- 5.8 As has been shown local development trusts are well-placed to assist with or directly provide the delivery of publicly-funded services, and many already do. CHEL is an ET Manager, and a number of trusts (including the Eldonians) operated CP schemes. With imagination and flexibility the principle could be extended to other spheres of activity, particularly where conventional delivery mechanisms encounter difficulty. Potential examples include:

- \* Job Centres: local outreach could be run by or in association with local trusts.

- \* Job Club: DE/ES could seek to locate Job Clubs in trusts.
- \* Restart: trusts could develop the ability to run Restart training.

*is DE  
entirely with  
clubs?*

## Grants

5.9 On the basis of American experience, few development trusts can be expected to achieve self-sufficiency in the short-term. Moreover, newly formed organisations require pump-priming grant funding to enable them to establish the track record on which their opportunities to earn fee income depends. For example Task Force funding has gone to assist with the establishment of black housing associations for exactly that purpose: to help them build credibility with the Housing Corporation.

5.10 Development trusts, in keeping with other parts of the voluntary sector, have historically experienced difficulty with grant funding. First, the main grant providers (UP, DOE Special Grants, the Initiative, Home Office VSU, CATs, and in some cases UDCs) are insufficiently co-ordinated. Secondly, grants are usually awarded annually. Thirdly, there is invariably some form of time limitation. This, together with periodic shifts in policy and changes in programme rules, inevitably means that trusts devote considerable energy and resources to the annual funding round. Indeed it is not unusual for such organisations to become funding-led, shaping their objectives and activities to match funding opportunities.



## 5.11 Other assistance

If departments accept the value of local economic development trusts in principle, there is a variety of mechanisms available by which departments could make assistance available.

- \* **staff secondment:** these organisations would benefit from the injection of officials' expertise, particularly to help them develop an understanding of public policy development and implementation;
- \* **locating outreach offices in trusts' premises:** a mini Job Centre or benefit office in a trust building would assist service delivery, enhance the trust's status and provide rental income;
- \* **for Home Office: amend S11 rules:** to allow voluntary organisations such as Trust to apply directly for Section II funding, rather than through local authorities.
- \* **technical assistance:** departments should consider whether the technical advice, training and consultancy currently supported (through eg Community Projects Foundation or Project Fullemploy) is adequate. Support for management training in the voluntary sector in particular should be a priority.

# ***BUSINESS in the COMMUNITY***

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## ***COMPANIES IN THE COMMUNITY***

***Guidelines for company boards  
on how they can contribute  
to community regeneration  
through mainstream  
business activity***

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**Companies which join Business in the Community or take a lead in their local communities recognise that being actively involved in the community is good for business.**

Building prosperous communities and ensuring that all members of the community have access to opportunities and a stake in the success of the local economy, requires special action by business in partnership with local and central government and the voluntary sector.

Companies of all sizes can do something. They can provide a range of resources, specialist expertise, time and finance to a variety of practical initiatives which together make communities more lively and prosperous.

This requires commitment by companies which goes beyond altruism and philanthropic support. The most significant contribution that companies can make to local regeneration is to ensure that communities obtain full benefit from wealth creation activity of business.

The following recommendations for company boards are based on practical experience by companies in membership of Business in the Community. They were endorsed by a meeting of the President's Committee of Business in the Community chaired by HRH The Prince of Wales in February 1989. Subsequently they were presented to the Annual General Meeting on 23 November.

### **Recruitment, Education and Training**

Companies contribute to the local economy through creating jobs and providing training. Company boards can act to increase the direct benefit to local communities by:

- targeting recruitment and customised training at the longer-term unemployed and those with disadvantages in the labour market
  - collaborating with local training organisations and initiatives to build their effectiveness
  - joining education/business partnerships, Compacts and other link initiatives which enable employers to understand the education system, provide work experience, build the experience of teachers and improve prospects of school-leavers
  - promoting training, re-training and enterprise programmes in areas where the company is expanding or contracting
-

## **Purchasing and Sub-Contracting**

Purchasing and sub-contracting from local firms is a major contribution to the local economy. Greater local sourcing brings many advantages and can complement the over-riding requirements to obtain prompt and reliable service, competitive prices and high quality products and services.

Companies can:

- ☛ initiate reviews of purchasing procedures to enable smaller local firms to compete for contracts by providing information and positive assistance
- ☛ advise smaller suppliers on improvements in their quality standards, management and marketing
- ☛ support local purchasing initiatives operated by enterprise agencies and chambers of commerce which aim to improve contact between small and large firms

## **Investment**

Corporate decisions to increase or reduce investment have considerable impact on the economic health of local communities. Subject to the overall requirements of profitable business performance, such decisions should take into account and include advance planning of initiatives to assist the community adapt to change. Company boards may:

- ☛ review the probable impact of major investment decisions on the environment and economy of a community
- ☛ invest in small enterprises, business growth and innovation in a location where the company has a major presence
- ☛ invest in the development of property for new and smaller business, in affordable housing and mixed use developments which bring life to town centres where companies operate
- ☛ consider environmental improvements, upgrading of shop-fronts and refurbishment of properties within their portfolios in less prosperous areas where regeneration activities will increase confidence and investment

## **Management Development**

Management assistance to community initiatives can provide invaluable management development experience as well as contributing to the community. Companies can:

- ☛ consider community assignments for staff on a short-term or secondment basis as part of management and staff development programmes, often in partnership with local organisations such as enterprise agencies, education and training initiatives.
-



## Marketing and Communications

Active involvement in community activities can contribute to a company's positive reputation and the marketing of its products or services. Companies could:

- ☛ consider the opportunities for product marketing linked to sponsorship of social projects
- ☛ publicise company support for community initiatives through reports to employees, shareholders, customers and other stakeholders

## Setting a Climate for Employee Community Involvement

Employees themselves make a considerable contribution to the success of the local community and to the many civic and voluntary organisations which foster community spirit. Companies can do a great deal to set a climate at the workplace to recognise and support the efforts of staff by:

- ☛ providing facilities which enable staff to organise, and play a part in, community activities such as voluntary organisations, parents associations and civic associations
- ☛ running payroll giving schemes where staff are keen to enhance their charitable giving through tax rebates
- ☛ providing matching support for the fund-raising efforts of employees
- ☛ making redundant equipment and other marginal resources available for use by voluntary and community organisations in which staff are involved

Company boards which adopt these recommendations as part of their community involvement policy are recommended to set clear targets under these headings and to ensure that responsibility lies with appropriate senior managers.

It will also be necessary to keep local managers, subsidiaries and managers operating companies overseas fully informed of these ideas and policies.

Companies should consider publicising their progress and achievements under these headings.

Business in the Community can help companies develop ideas and practical activities to make community involvement a natural part of business practice.

PRIME MINISTER

MEETING OF E(UP): 30 JANUARY

You have your first meeting for about a year next Tuesday of E(UP), the senior Inner Cities Committee. This follows several months' experience of the operation of the new subordinate committee, MISC 116, chaired by Chris Patten. The meeting is also timely with the run-up to the next Action for Cities Anniversary on 28 February. (You are planning to participate in the anniversary celebrations at Bradford, although, for security reasons, you should not mention this in the full E(UP) meeting.

There is no particular business that needs to be transacted in the meeting. So you should regard it as an opportunity to take stock of progress and raise any particular points of concern to you.

The three formal papers tabled for the meeting are:


Flag A - E(UP) (90)1 - a summary paper on progress thus far.

Flag B - E(UP) (90)2 - a short note by David Hunt attaching the latest draft of the proposed anniversary document, to be called "People in Cities". I do not suggest you use Tuesday's meeting as a detailed drafting session, and we can feed in any detailed points outside the meeting. I will be clearing separately early with you next week a foreword to the document for your signature.

Flag C - E(UP) (90)3 - a progress report by Malcolm Rifkind on Urban Regeneration in Scotland (where the problem is not in the Inner Cities but in the ~~outlined~~ outlying council estates).



Ian Whitehead has provided some comments at Flag D. While welcoming the progress achieved, he suggests you use the meeting to press for a more vigorous approach to encourage local entrepreneurs and introduce more local development trusts.

  
\_\_\_\_\_  
Deputy Clerk

† PAUL GRAY

26 January 1990

C:\ECONOMIC\E(UP).DAS



## ACTION FOR CITIES UNIT

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Paul Gray Esq  
PS/Prime Minister  
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25 January 1990

*Dear Paul*

### PEOPLE IN CITIES

As you may know the Government is planning to publish a new inner city report entitled 'People in Cities' on 28 February to mark the second anniversary of Action for Cities. As with previous publications - 'Action for Cities', issued in March 1988 and 'Progress on Cities' published in March last year - we should very much like to include a signed forward by the Prime Minister, with an accompanying photograph.

I attach a draft forward for you to consider. I also attach a copy of the draft of the full text of the report, which has been circulated separately to members of E(UP) for the meeting on 30 January.

Your press office suggested that the Prime Minister's attendance at the Limehouse Link ceremony in Docklands last December might provide a suitable photograph to go with the forward. I enclose four slides from that occasion. Could you let me know which, if any, of these photographs is suitable and return it straight away for use? (I'd like the others back also please since they are on hire from an agency.) If none of the photographs are suitable I would be grateful if you could provide an alternative.



Could you please let me have the text of the forward back, with any revisions, by 31 January if at all possible - and your choice of photographs by the same day. We also need a signature - black on white. I apologise for the tight timetable but we are getting very close to our printing deadlines.

I am sending a copy of this to Trevor Beattie in Mr Hunt's office, to Ian Whitehead who we have been consulting on the text of the publication and to Joan Bailey in Cabinet Office.

*Yours sincerely*  
*Jane Peretz*

MRS JANE PERETZ



Scanned: Action

## PRIME MINISTER'S FORWARD TO THE PEOPLE IN CITIES PUBLICATION

Two years ago I launched the Government's Action for Cities initiative. Our aim was to bring new hope and a better quality of life to inner city communities. Two years is a short time in the life of a city. The revival of our cities, like their decline in the past, will be measured over decades. But already a great deal has been achieved. New hope and confidence has emerged.

Regeneration must come from within the community - it cannot be imposed from outside. The Government's job is to give people the chance to take the initiative. Through Action for Cities and through major reforms in education, health and housing we are giving people more choices and new opportunities. We are empowering them to take charge of their own lives. The examples in this report show some of the ways in which local people are doing just that and, at the same time, helping to regenerate their communities.

Long lasting regeneration also requires co-operation and partnership between all those involved. The development of a successful inner city project can require help from government, from companies and from voluntary organisations as well as local people.

As we move through the 1990s we will, by working together, ensure that the cities of the next century are places where people will choose to live, to work, and to bring up families.



## PEOPLE IN CITIES

1. A new confidence has emerged in the inner cities. The spiral of decline is being halted, and reversed. Unemployment has fallen - by over a third since Action for Cities was launched in March 1988. Investment in new roads, housing, offices, factories and shopping centres is taking place on a massive scale. New businesses are springing up creating wealth and jobs.

2. The Government's commitment to the inner cities is clear. Its Action for Cities programme amounts to some £4 billion in 1990/91 compared to around £3 billion in 1988/89. It has created the conditions in which private sector led regeneration can flourish.

3. Most important of all, people in inner cities are benefitting from the new opportunities being created. This report is about people in cities - people of all ages and all races. It is about those who live there and those who work there. It is about those in organisations working to regenerate the cities. The message which emerges is an optimistic one. Where the energy and enthusiasm of local people is given the chance to flourish remarkable results can be achieved even in the most deprived communities. The challenge now is to find ways of making this happen in all inner city communities. The examples in this report show how it can be done.

#### GOVERNMENT PRIORITIES FOR ACTION

4. The main objectives of the Government's Action for Cities initiative are to bring about lasting private sector led economic regeneration and to improve the quality of life for local people. When the Government launched Action for Cities, therefore, it put forward four priorities for action. These are to:

- \* encourage enterprise and new businesses, and help existing businesses to grow stronger
- \* improve people's job prospects, their motivation and skills
- \* make areas attractive to residents and to business by, for example,
  - tackling dereliction
  - bringing buildings back into use
  - preparing sites and encouraging development
  - improving transport infrastructure and services
  - improving the quality of housing
- \* make inner city areas safe and attractive places to live and work by, for example,
  - reducing crime
  - improving education and health care
  - developing better facilities for the arts, recreation and sport.



This section reviews the action taking place to tackle these priorities, and the progress being made. In particular, it looks at the way people, particularly inner city residents, are benefitting.

### Encouraging Enterprise and Business

5. Starting a new business can be a daunting prospect, especially for those who are unemployed and living in an inner city area. But that has not deterred many would-be entrepreneurs from taking the plunge. In 1988/89, 30,000 inner city residents took advantage of the Government's Enterprise Allowance Scheme, which gives unemployed people a year's financial assistance towards starting their own businesses.

6. The Government also helps existing small businesses to grow stronger with a comprehensive range of advice, grants, loans and loan guarantees. In 1988 the Small Firms Service opened six inner city sub-offices which have so far dealt with over 32,000 enquiries and held over 4,500 counselling sessions. The Enterprise Initiative helps business to increase their efficiency and there is a higher rate of grant in the 57 cities on which the Government targets its Action for Cities programmes ( known as the inner city Target Areas ). Private companies are helping by sponsoring the 90 Local Enterprise Agencies in the Target Areas which give free advice to new and existing businesses. Special efforts are being made to ensure that these services reach ethnic minority businesses. Many of the City Action Teams and Task Forces have established, with the help of the banks, development funds to help local people set up their businesses and grow.

7. The figures for VAT registration of new businesses are encouraging. In the 57 Target Areas the number of VAT registered businesses has increased by [18%] from the end of 1979 to the end of 1988. The increase in 1988 was [ x,000 ] compared to [y,000] in 1987.

8. Managed workspace helps new businesses develop by providing vital support and facilities in the early stages. The last few years have seen a rapid increase in the number of managed workshops, many assisted by Government through English Estates, the Urban Programme or inner city Task Forces.

#### Improving Job Prospects, Motivation and Skills

9. There has been a marked improvement in job prospects over the last 2 years. Unemployment fell by over a third - 340,000 people - between March 1988 and November 1989 in the 57 areas. Particularly encouraging has been the fall in long term unemployment approaching 40% over approximately the same period.

10. But despite the encouraging trends, there remain areas in our cities where levels of unemployment are much too high. There are many reasons for this including inappropriate skills, lack of an enterprise tradition, prejudice against people from certain estates and districts and loss of confidence caused by long periods of unemployment. People often need help to seek out the job opportunities being created in their city. The Government's Employment Service provides that help in several ways. For example, a Job Interview Guarantee (JIG) initiative is being piloted in twenty inner city areas, with the aim of encouraging employers to consider inner city residents for their vacancies. It provides opportunities for longer-term unemployed applicants to prepare for specific jobs for which they are guaranteed an interview. Results so far have been very encouraging, with 43% of those taking part finding employment. The Employment Service runs over 430 Jobclubs in the 57 Target Areas which helped 55,000 people in 1988/89. There is extra help for those for whom English is not their first language. There are also about 220 outreach staff who work in inner city communities helping local unemployed people with advice on jobs, training and benefits.



11. Lack of motivation in inner city youngsters can start while they are still at school. The introduction of the National Curriculum with its attainment targets and programmes of study will increase motivation by setting challenging, but achievable, goals for pupils of all abilities. The increasingly close links between schools and business are also helping to motivate young people. In particular Schools/Industry Compacts - under which school leavers who meet agreed standards are guaranteed jobs - give pupils confidence that employment will be available when they complete their studies. The Compacts scheme was launched as part of Action for Cities in March 1988. Today there are 40 being developed by inner city schools, employers and local education authorities. Firms can also help young people acquire business skills by, for example, offering work experience to pupils through the Government's Enterprise and Education Initiative and the Technical and Vocational Educational Initiative.

12. For some, it is not motivation which is needed but training in marketable skills. Around 500,000 inner city residents are helped each year by Employment Department Programmes such as Employment Training and the Youth Training Scheme. The National Curriculum and the introduction of City Technology Colleges will help prepare young people for the world of work. Over 630,000 people attend further education colleges in inner cities each year, most on courses leading to qualifications. Employment training, YTS and Government funded Open Learning Centres help people to improve their basic skills in literacy and numeracy - essential for enabling some adults to take advantage of new employment opportunities. And customised and prerecruitment training schemes, as pioneered by the Task Forces, are helping to match the skills of local inner city residents to new jobs in their communities. The Government hopes that wider use will be made of positive action to encourage and train members of ethnic minorities to compete for professional jobs and management positions where they are under-represented.

13. Training will be crucial to the country's competitiveness in the 1990s and in April the new private-sector led Training and Enterprise Councils will begin taking responsibility for the delivery of the Training Agency's training and enterprise programmes. Each TEC will have an annual budget averaging some £20 million. By April 1991 there will be 80 such Councils covering the whole country. The Government has asked them to give particular attention to the training needs of inner city residents in their areas. But the role of TECs will be much wider than training alone. They have enormous potential for contributing to community regeneration by stimulating enterprise and business growth. The Government is looking to TEC chairmen and their boards to make this wider role a key element in their plans from the outset.

#### Making areas attractive to business and to residents

14. Derelict sites, empty buildings, poor environment are the most obvious indications of a depressed local economy. Clearing dereliction, encouraging redevelopment and improving the environment are vital to raising confidence in an area. Impressive progress is being made. For example, the 10 English Urban Development Corporations are working to regenerate some 40,000 acres of rundown inner city areas. This year, the Corporations aim to create 16,000 jobs, build 3,700 homes and reclaim 700 acres of derelict or underused land. In 1990/91 they will be spending a record £542 million. In 1988/89, the London Docklands Development Corporation alone attracted over £2 billion of private investment, completed 2,700 homes, 320,000 sq. metres of industrial and commercial floorspace and provided 7,000 new jobs. In areas where it is most difficult to attract new industry, Enterprise Zones and, more recently, Simplified Planning Zones, have been created to give extra encouragement for new investment. In these areas firms are able to take advantage of much simpler administrative and planning requirements.



15. The new City Grant was announced at the launch of Action for Cities in March 1988. Since then over 100 projects have been approved. £81.2m grant will attract over £344m private investment, providing 13,000 jobs, 2,100 homes and nearly 4.7 million sq. ft. of commercial and industrial space.

16. Local and Central Government, working together through the Urban Programme, have been improving the environment of the inner cities by, for example, building new urban parks and carrying out environmental schemes in housing areas. Last year schemes were underway improving the environment around nearly 100,000 homes. In total the Urban Programme, working through local authorities, funded over 10,000 projects in 1988/89, creating or preserving more than 37,000 jobs, improving 6,000 vacant or underused buildings and over 2,000 hectares of derelict or unsightly land.

17. A survey of derelict land carried out in 1988, to be published soon, showed an 11% decline in the total amount of derelict land in England from 45,700 hectares in 1982 to 40,500 hectares in 1988. This compares with an increase of 6% in the period 1974-82. 17% of this derelict land is in the 57 inner city Target Areas. Derelict Land Grant is making a significant contribution to the tackling of dereliction. In 1988/89, 178 schemes were completed in the inner cities, resulting in the reclamation of more than 300 hectares.

18. Good **transport** infrastructure is vital to inner city regeneration. National trunk road schemes worth £3 billion are under construction or planned to assist the inner cities. And over 100 major local inner city road schemes worth £1 billion are supported by Transport Supplementary Grant. For many inner city residents public transport is of greatest importance. Bus mileage has increased and improvements are being made to inner city train services across the country. In some areas new

innovative forms of public transport are being introduced such as the Docklands Light Railway and the Manchester Metrolink. The Government has just given the go-ahead for a Bill for the extension of the Jubilee Line to Docklands. As well as supporting regeneration there, this will improve accessibility to other parts of South and East London.

19. The Government's twin housing priorities for the inner cities are to:

- secure a wider range of good quality housing available for rent or sale
- improve conditions and opportunities for people living on local council estates and in private housing.

20. Over the last 2 years new legislation has been enacted which will give inner city residents a much better deal. In particular

- council tenants who wish to go on renting their existing homes can change their landlord
- deregulation of new private lettings is increasing the choice of rented housing
- new mandatory renovation grants are being made available for owner occupiers living in unfit housing who cannot afford to pay for repairs
- the new local authority capital finance system will allow better targeting of resources on inner city authorities with the greatest needs. An additional £100 million is being allocated to the 57 Target Areas in 1990/91 on top of their main allocations.



21. The quality of life on run-down council estates is being improved by Government and local authorities through the Estate Action programme. Resources allocated to the programme have more than doubled since 1987/88 to £190 million this year. Over 350 schemes, many in inner city areas, are receiving support this year. Physical works are rarely enough on their own to solve the problems of run-down estates. They need to be accompanied by a package of measures the most important of which are the strengthening of local management and arrangements giving residents much greater influence over the way their estate is looked after. It is proposed to tackle some of the worst estates through the establishment of Housing Action Trusts, for which £164m has been allocated over the next 3 years.

22. The Government is making more money available to provide new homes for rent and houses for sale which are affordable by people on low incomes. Expenditure by housing associations funded through the Housing Corporation is planned to double over the next 3 years rising from £818m in 1989/90 to £1736 million in 1992/93 and enabling the Corporation to approve over 100,000 new homes in the next 3 years. About half of this expenditure will take place in inner city areas.

23. A major priority is to reduce the number of homeless families in unsatisfactory temporary accommodation. Under a special homelessness initiative, an extra £250 million will be made available to local authorities and housing associations over the next 2 years for schemes to tackle homelessness; much of this will go to inner city areas especially in London.

Making inner city areas safe and attractive places to live and work

24. Overall recorded crime fell by 5% in the metropolitan police force areas over the last two years. But there is no room

for complacency. In some areas, including London, crime is now rising again and levels of crime, and in particular violent crime, in many inner city areas are still far too high. The Government's Safer Cities Projects, which aim to reduce both crime and the fear of crime, are being set up in 20 inner city Target Areas. 16 are already operating, supporting 220 new local crime prevention initiatives with the help of £1.6million Home Office grant. Each project brings together the police, the probation service, the local authority, voluntary bodies and the private sector who use their local knowledge to tackle crime in their areas. Involvement of the local community is a central feature of all the projects.

25. The **Drug Prevention Initiative** announced by the Home Secretary in October 1989 will also harness the energy and experience of local people, groups and organisations. Some 30 drug prevention teams will be set up, mainly in inner city areas, to inform, encourage and support communities to resist drug misuse. The teams will be drawing in those who are 'new' to the drug field but who have a crucial role, for example parents, churches and businesses.

26. In education, the Government's major programme of reform will raise standards, promote choice and increase business and community involvement over the country as a whole. Taken with the specific initiatives such as City Technology Colleges and Open Learning Centres mentioned earlier, these measures will greatly improve education opportunities for both children and adults in inner cities.

27. **Health Care** in the inner cities will benefit from the changes to health care proposed in the White Paper "Promoting Better Health". The revised contract for GPs which comes into effect in April will introduce a new payment related to patients living in deprived areas. It will also allow doctors greater freedom in the appointment of practice staff and so provide a



wider and better service. Steps are being taken to promote a better distribution of dentists and a special fund is being set up to attract pharmacies to, or improve their services in, inner cities. Action to make health services more accessible to ethnic minority communities has included promoting the use of link-workers to overcome the cultural and linguistic barriers between patients and health professions.

28. **The Arts** are making a major contribution to the regeneration of the inner cities. Major projects, such as the Tate Gallery of the North in Liverpool, or the refurbishment of the Alhambra Theatre in Bradford have made an enormous impact in their areas by providing direct and indirect employment, raising morale and boosting confidence, making it easier to attract inward investment and proving a magnet for tourists and visitors. The Tate of the North alone has had a million visitors since it opened its doors in 1988. Just as important as the major projects are the development of small community based Arts groups which when established by local residents on, for example, a large inner city council estate, can help rebuild and strengthen local communities.

29. Preserving the national heritage is as much a part of inner city regeneration as redevelopment. Many fine inner city buildings have been restored with the help of Government funding. Like the Arts projects, their restoration boosts confidence and attracts visitors.

30. The Minister of Sport's review group on sport and the inner cities, foreshadowed in the Action for Cities publication, published its report in December 1989. The group made 53 recommendations to everyone involved in sports provision, including central and local Government, the Sports Council and the voluntary sector. While generally there are sports facilities available in inner cities these are often under-utilised. It is vital that local communities are consulted on

the types of facility they want and that effective information and advice is produced about what is available.

31. Tourism is also making a big contribution to regeneration in many cities. The tourist industry generates some £19 billion for the UK economy, supports around 1.5 million jobs and is experiencing record levels of investment. In 1989 the Minister for Tourism launched the "Vision for Cities" initiative as part of the Action for Cities campaign, to help bring tourism investment opportunities to the attention of the private sector.



## PARTNERSHIP IS THE KEY TO SUCCESS

32. Inner city problems cut across the interests and responsibilities of many different organisations and agencies. No single organisation acting on its own has, or could have, the breadth of responsibility, knowledge and expertise needed to bring about lasting regeneration. That is why the Government is seeking to promote a spirit of co-operation, of partnership, between all those involved - between central and local government, local business, the voluntary sector and local people.

33. If central government is to be an effective partner at the local level then it must have an effective mechanism for co-ordinating the delivery of its main programmes. This is a particularly complex task in the major conurbations and that is why the Government has established the 8 City Action Teams. The main task of each CAT is to ensure that the various programmes and initiatives from different Government Departments reinforce and complement each other. The CATs also provide a single point of contact in Government for those wanting to become involved in inner city regeneration. In December last year the Government announced the formation of a new team of Ministers to help the CATs and the Task Forces in their work. Each City Action Team and Task Force now has a Minister who by liaising with local business people, community groups and local councillors is able to reinforce the partnership.

### Partners in Business

34. Over the last 2 years the involvement of business in inner city communities has increased enormously. The private sector has realised the enormous commercial opportunities which exist and invested heavily in new factories, offices, housing, leisure facilities and shopping centres.

35. But it is not just direct investment. Many firms are coming to realise that it is also in their commercial self interest to get involved in many other ways. For example, over 500 companies are working with the 16 inner city Task Forces, 1,000 companies have supported Schools/Industry Compacts, about 140 companies have pledged sponsorship for City Technology Colleges and over 250 employers are playing their part in recruiting inner city residents into jobs through the Job Interview Guarantee. Over 270 companies have joined the Per Cent Club in which they agree to devote at least  $\frac{1}{2}\%$  of their profits to work in the community. Senior business leaders are playing a much greater part in working with others in shaping the future of their cities. Many have joined local business leadership teams, often based on the model of the Newcastle Initiative described in the CBI's report Initiatives Beyond Charity. Business in the Cities, an organisation set up to promote more involvement by business leaders estimates that there are now about a dozen business leadership teams in operation in England.

36. The introduction of Training and Enterprise Councils is bringing about a very significant development in the partnership not only between business and central Government but also between business, local authorities and community groups. TEC Boards will include senior business leaders and others from the community who will have the opportunity to make a very real and positive impact on the provision of training in their areas. As mentioned earlier they will also have a vital role in stimulating enterprise and business growth. And in nearly all TECs the local authorities will be represented on the board.

#### Partners in Local Government

37. Local authorities play a key role in the inner cities. They are involved in the direct provision of many services to local people, in planning decisions and land assembly, as



landlords of rented housing, in building roads to open up inner cities, in drawing up Inner Area Programmes under the Urban Programme and in many other ways. They also work in partnership with local business to plan and shape the future of their cities. Inner city authorities are developing ever closer links with the private sector and it is this growing relationship which provides the foundation for sustained regeneration.

38. On measures such as Estate Action and the Urban Programme central and local government work together to target resources more effectively to where they are most needed. In some circumstances where the problems are particularly severe it is not reasonable to expect local authorities to cope on their own, and central Government needs to act directly. Urban Development Corporations have been set up where single minded action is needed to clear derelict land and get regeneration under way. And the inner city Task Forces work directly with local business and community groups to stimulate enterprise in some of the worst pockets of deprivation. But even where there are UDCs and Task Forces working directly in the community they do so in close consultation with their local authorities.

#### Partners in the Community

39. Voluntary and community organisations are vital because of their flexibility and closeness to local people. The variety and vigour of community organisations to be found in a typical multi-racial inner city area is striking. Often the key to the revitalisation of a particular local community is the existence of individuals who have, or can develop, the skills and commitment to act as catalysts in restoring the self-confidence of the community. In every community people can be convinced that there are opportunities to be grasped, and that they are capable of taking advantage of those opportunities. Community groups can provide the vehicle for such catalysts to emerge. Once identified and with support, encouragement, experience and

training they can help to create a new partnership between Government, business and local people.

40. As cities become more prosperous, inner city problems are increasingly concentrated in small areas - often quite close to areas of relative prosperity - where the local community have not been able, for a variety of reasons, to benefit from the new jobs and other opportunities created around them. Local community groups will become increasingly important as the means of focusing the energy and ideas of local people and of representing their wishes and plans to government and business.



## MINISTER'S STATEMENT

41. As someone who was brought up in an inner city area - in Toxteth in Liverpool - I have always been personally committed to the need to find ways of regenerating our great cities. As Inner Cities Minister I have travelled widely, visiting inner city areas up and down the country. I have seen many outstanding projects, spoken to key people in voluntary and community groups, local business people, local authority Members and officials and of course local residents themselves.

42. Nobody who visits some of the most deprived areas can fail to be struck by the scale of the task we face. Decades of decline have laid some areas literally to waste. But invariably I find myself heartened and encouraged by my visits. Over the last few years a new spirit of optimism and confidence has emerged. People I speak to do feel things are getting better. The projects highlighted in this report show just some of the ways in which this new confidence is being expressed.

43. I believe that the policies which the Government has followed have made a major contribution to this turn round. Eight years of sustained economic growth have provided the foundation. Our Action for Cities programmes - up from about £3 billion in 1988/89 to some f[ ] billion in 1990/91 - have targeted help where it is most needed.

44. This progress is the result of all our efforts - business people, local authorities, community groups and local people. Most important of all it has, I believe, been the growing spirit of partnership between those working for regeneration which has quickened the pace of progress. I will do all I can to foster that spirit. We will not be able to achieve any lasting regeneration unless we work together.

45. For its part the Government is determined to improve still further the delivery and co-ordination of its programmes on the ground. This is, of course, the job of the City Action Teams in our major cities. Last December I announced the formation of a new team of Government Ministers which is working to assist the CATs in their work. Each City Action Team now has its own Minister who will take a particular interest in the regeneration of that CAT's area. Already they have visited their areas and are speaking to local people and groups about what needs to be done. Periodically we meet to discuss progress and look at ways of speeding the pace of regeneration still further.

46. I am also determined to ensure that all those who live and work in the inner cities should benefit from the new opportunities. Many are already benefitting from the new jobs being created, the new shopping and leisure facilities being provided, the improvements being made to their environment and from the range of Government programmes available such as Employment Training and the Enterprise Allowance scheme. But there remain areas, often quite small, where the local people have not yet been able to take advantage fully, where their self-confidence remains low and where their expectations and aspirations are modest.

47. Through its Action for Cities initiative the Government is helping to rebuild community pride and release the energy and enthusiasm of local people. Sometimes it needs only the emergence of a committed individual to start the process of regeneration. What those outside - in government, business and the voluntary sector - can do is create the conditions in which this process is encouraged.

48. Two years into Action for Cities and we can report that excellent progress has been made. We must now redouble our efforts and ensure that all those living in our inner cities have the chance to benefit from the opportunities being created



through regeneration. I believe that the progress highlighted in this report shows that we are on the right path. Let us have more "Action for Cities"!

Action for Cities Unit



## ACTION FOR CITIES UNIT

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Paul Gray Esq  
PS/Prime Minister  
10 Downing Street  
LONDON SW1

25 January 1990

*Dear Paul*

### PEOPLE IN CITIES

As you may know the Government is planning to publish a new inner city report entitled 'People in Cities' on 28 February to mark the second anniversary of Action for Cities. As with previous publications - 'Action for Cities', issued in March 1988 and 'Progress on Cities' published in March last year - we should very much like to include a signed forward by the Prime Minister, with an accompanying photograph.

I attach a draft forward for you to consider. I also attach a copy of the draft of the full text of the report, which has been circulated separately to members of E(UP) for the meeting on 30 January.

Your press office suggested that the Prime Minister's attendance at the Limehouse Link ceremony in Docklands last December might provide a suitable photograph to go with the forward. I enclose four slides from that occasion. Could you let me know which, if any, of these photographs is suitable and return it straight away for use? (I'd like the others back also please since they are on hire from an agency.) If none of the photographs are suitable I would be grateful if you could provide an alternative.



Could you please let me have the text of the forward back, with any revisions, by 31 January if at all possible - and your choice of photographs by the same day. We also need a signature - black on white. I apologise for the tight timetable but we are getting very close to our printing deadlines.

I am sending a copy of this to Trevor Beattie in Mr Hunt's office, to Ian Whitehead who we have been consulting on the text of the publication and to Joan Bailey in Cabinet Office.

Yours sincerely  
Jane Peretz

MRS JANE PERETZ

# Scanned: Action

## PRIME MINISTER'S FORWARD TO THE PEOPLE IN CITIES PUBLICATION

Two years ago I launched the Government's Action for Cities initiative. Our aim was to bring new hope and a better quality of life to <sup>on</sup> inner <sup>cities</sup> city communities. ~~Two years is a short time in the life of a city.~~ The ~~revival of our cities,~~ like their decline in the past, will be measured over decades. But already a great deal has been achieved. ~~New hope and confidence has~~ <sup>returned</sup> emerged. ~~It~~ <sup>Confidence has returned, and new hope has been generated.</sup> ~~and the environment~~ <sup>and facilities are improving</sup>

<sup>The Government believes that the</sup> ~~Regeneration must come from within the community,~~ <sup>concern of</sup> ~~it~~ <sup>communities</sup> cannot be imposed from outside. ~~The Government's job is to give~~ <sup>confidence and we see our</sup> ~~people~~ <sup>the</sup> the chance to take the initiative. ~~Through Action for~~ <sup>and the opportunity to</sup> Cities and ~~through~~ <sup>through</sup> major reforms in education, health and housing we are giving people ~~more choices and new opportunities.~~ <sup>and the opportunity to</sup> We are empowering them <sup>able to become emboldened</sup> to take charge of their own lives. ~~The examples~~ <sup>they</sup> in this report show some of the ways in which local people are ~~doing just that and,~~ <sup>realising their ambitions</sup> at the same time, helping to regenerate their communities. ~~and bringing a new spirit and zest to their communities,~~ <sup>and bringing a new spirit and zest to their communities, or</sup>

<sup>lawfully</sup> ~~Long lasting regeneration~~ <sup>in our cities</sup> also requires co-operation and partnership between all those involved. ~~The development of a~~ <sup>national level</sup> successful inner city project ~~can require help from government,~~ <sup>and</sup> ~~from~~ <sup>private</sup> companies ~~and from~~ <sup>and</sup> voluntary organisations as well as local people.

<sup>ow previous</sup> ~~As we move through the 1990s we will,~~ <sup>shall</sup> by working together, ~~ensure that the cities of the next century are places where~~ <sup>transform</sup> people will choose to live, to work, and to bring up families.

<sup>made</sup> ~~We have set off~~ <sup>an excellent start,</sup> as this report shows. ~~I am delighted we shall keep~~ <sup>up the momentum.</sup>



dti

the department for Enterprise

CCP

The Hon. Douglas Hogg MP  
Minister for Industry and Enterprise

David Hunt Esq MP  
Minister for Local Government  
& Inner Cities  
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Your ref  
Date

25 January 1990

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record at final

Dear David,

**TASK FORCE CLOSURES: ANNOUNCEMENT**

As you know, when we discussed Task Force openings and closures at last week's MISC 116 meeting I mentioned that I was thinking of announcing the closures after the 28 February anniversary event.

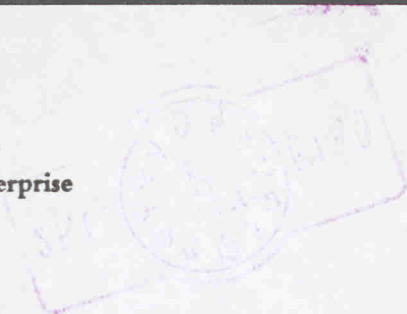
Since the meeting I have considered this question further and have concluded that on balance my original intention, as outlined in my Memorandum, of simultaneous announcements of Openings and Closures is the best approach. Uncoupling the closure from the anniversary event would have had the advantage of ensuring that there were no "bad tidings" among the announcements to be made on that day. However, a separate closure announcement is more likely to attract adverse press comment than one which is wrapped up with the good news about openings.

Furthermore if the 28 February announcement referred only to openings the question of whether any Task Forces are to be closed is bound to be raised. It will be necessary for them to acknowledge that there will be closures. This would result in speculation in all the Task Force areas. Task Force Leaders have a difficult enough job to do as it is; I would not wish to see them being questioned by the local authority anxious to know whether they are candidates for closure.

An announcement of closure immediately after 28 February would look disingenuous. The local elections then prevent an announcement until early May. This would leave the Task Force Leaders in the closure areas the unsatisfactory position of



Recycled Paper



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trying to prepare for closure without formally admitting the event. I considered the possibility of announcing closures before 28 February but time is too short to allow the ground to be prepared with the local authority and local groups. Moreover simultaneous announcement of openings and closures emphasises the rolling nature of the Task Force programme.

Last year Tony Newton announced Openings and Closures at the same time, placing the emphasis firmly on the Openings. This worked well and I am sure such an approach will be equally successful this year.

I am copying this letter to colleagues on MISC 116.

*James*  
*D. Hogg*

DOUGLAS HOGG



TPA

SUH  
c:reconfinner



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

22 December 1989

*Dear Trevor,*

**INNER CITIES**

The Prime Minister was grateful for your Minister's minute of 21 December, which she has noted.

I am copying this letter to Graham Pendlebury (PUSS, Department of Transport), the Private Secretary (Minister of State, Department of Employment), Gareth Jones (Minister of State, Department of Trade and Industry), Marianne Dempster (PUSS, Department of Social Security), the Private Secretary (PUSS, Department of Health), Kevin Mullany (PUSS, Department of Education and Science), Claire Craig (Minister of State, Home Office), and Philip Stamp (PUSS, Department of the Environment).

*Yours,  
Paul Gray*

**PAUL GRAY**

Trevor Beattie, Esq.,  
Minister of State,  
Department of the Environment

*me*

ow

CCP

Prime Minister<sup>2</sup>

To Mr.

mt

rec 6  
21/12

Prime Minister  
INNER CITIES

I spent yesterday morning visiting Spitalfields with the Prince of Wales.

TEMPORARILY  
RETAINED  
G. Gray  
25/3/2017

THIS IS A COPY. THE ORIGINAL IS  
RETAINED UNDER SECTION 3 (4)  
OF THE PUBLIC RECORDS ACT.

As you will know, the City Action Teams bring the key departments together to co-ordinate the Government's action for regeneration in the major English cities, while the Task Forces (run by DTI), are small groups of officials and others who work with local people in particularly run down areas to bring about positive change. A similar link of individual Ministers to Task Forces has been in operation for some time, and has proved a considerable support to them. The new arrangements extend that to the larger scale of the CATs. I attach a list of the team.

It is, of course, crucial that the process of regeneration should benefit and involve local people. When I announced the initiative earlier this month I said that I hoped colleagues would not only be working with the CATs and Task Forces to help them judge priorities and present their work effectively, but would also be getting out into the communities, talking and listening to local people. I am sure the new arrangements will prove an effective means of stimulating community interest and enterprise. This has already been reflected in a higher profile in the national and regional press.

Finally, may I say how delighted I am that we have now settled that this year's Action for Cities event will be on 28 February, and that you have been able to reserve time for it in your diary.

I am copying this note to the colleagues named in the attached list.

DAVID HUNT  
21 December 1989





MINISTERS RESPONSIBLE FOR CATS

- Robert Atkins will advise the Manchester/Salford CAT and the Rochdale, Manchester/Moss Side and Hulme Task Forces.
- Tim Eggar will advise the Leeds/Bradford CAT and the Leeds and Bradford Task Forces.
- Douglas Hogg will advise the Tyne and Wear CAT, the Teeside CCT and the Hartlepool and Middlesbrough Task Forces.
- Lord Henley will advise Doncaster Task Force.
- Lady Hooper will advise the Nottingham/Derby/Leicester CAT and the Nottingham Task Force.
- Alan Howarth will advise the Birmingham CAT and the Coventry and East Birmingham Task Forces.
- John Patten, will advise the North Kensington and Spitalfields Task Forces.
- Colin Moynihan will advise the London CAT and the Deptford and North Peckham Task Forces.
- David Hunt will advise the Liverpool CAT and the Granby/Toxteth and Bristol Task Forces.

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Oddi wrth Ysgrifennydd Gwladol Cymru The Rt Hon Peter Walker MBE MP From The Secretary of State for Wales

CONFIDENTIAL

15 December 1989

*Dear Secretary of State,*

**REGIONAL SELECTIVE ASSISTANCE: REVIEW OF GUIDELINES AND CONTROL OF EXPENDITURE**

Thank you for your letter of 30 November. *with request if required*

I am, however, very concerned that there should so soon after the Autumn statement be a suggestion that a particular sector of public expenditure should be subject to cash limits.

During the discussions on the Autumn statement, it was rumoured that DTI had agreed with the Treasury that this should take place but I was relieved that no such suggestion was made and therefore, agreed figures with the Treasury upon the basis that cash limits would not apply.

I do find it sad that two of the Departments that engaged in the review of RSA guidelines should have been excluded from the discussion which your officials have been conducting with the Treasury around the conclusions of the initial report. As a great deal of what is involved is in Scotland and Wales and we are very active in the whole business of attracting international investment, I would have thought we should have been fully involved in all of these discussions.

I believe that our immediate priority must be to create a programme in which we obtain the largest possible proportion of all inward investment coming into Europe between now and 1992. We will have added difficulties due to the present levels of interest rates and the higher inflation from which we are suffering and therefore it is no time in which to be indicating that we are in any way weakening our regional policy.

The Rt Hon Nicholas Ridley MP  
Secretary of State for Trade and Industry  
Department of Trade and Industry  
1-19 Victoria Street  
LONDON  
SW1H 0ET

/My own.....





CONFIDENTIAL

My own view, therefore, is that it would be much better if our officials met together to discuss what further measures could be taken to attract inward investment during 1990 and 1991. The higher the level of RSA offers that result from our success the better.

1992 will be a much better time to review the progress achieved and any adjustments in either cash limitation or regional policy.

/ I am copying this letter to the Prime Minister,  
Malcolm Rifkind and Norman Lamont

*Yours sincerely,*

*A. Coleman*

Approved by the Secretary of State  
and signed in his absence

CONFIDENTIAL

R4/4



Minister for Local Government  
and Inner Cities

RBM

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone 01-276 3000

4 December 1989

Dear Caroline

I am writing to let you know that my Minister has organised the grouping together of a number of announcements on inner cities to coincide with his speech to the Business in the Cities conference on 6 December at the World Trade Centre.

The most important announcement involves an extension of the existing arrangements whereby individual Ministers on MISC 116 act as 'godparents' for individual Task Forces to cover City Action Teams as well. CAT Ministers will help the City Action Teams draw up their Action Plans, develop links with the local business community and generally take an interest in the work of their CAT. MISC 116 discussed the proposal at their meeting in October and my Minister has written to his colleagues to seek agreement to the announcement in the terms of the attached letter.

The text of the press notice reporting the speech and its announcements is being sent separately by Press Office here to the No.10 Press Office.

/I am copying this letter to Philip Mawer at the Cabinet Office.

yours

Trevor

TREVOR BEATTIE  
Private Secretary

Caroline Sloccock  
PS/Prime Minister





Minister for Local Government

and Inner Cities

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone 01-276 3190

cc ~~Bernad Lyle~~  
Cassie Stovock

Follow up the dynamics  
of the 1990 day meeting.

Dear Paul

REC 6 October 1989  
G.O.

We spoke yesterday about progress on the derelict site on Teesside in which the Prime Minister has expressed a personal interest since her visit in September 1987. I promised to send you the enclosed copy of Mr Hunt's report to the Prime Minister of 24 August about this site.

Mr Hunt is very aware of the importance of this site and he will be visiting it on 6 November. He will then make another progress report to the Prime Minister.

Yours sincerely

Trevor Beattie

TREVOR BEATTIE  
Private Secretary

Paul Gray Esq  
Private Secretary  
Downing St.

→ Mr. Beattie (NKO)  
—  
To see: the note  
none given about  
"without comment"  
signature!

CONFIDENTIAL  
Mr. P. R. ...  
Mr. H. ...  
Mr. P. ...  
(FO)



1. Mr. Butler 1/6  
2. Mrs. Peretz  
3. Mr. ...  
for information

10 DOWNING STREET  
LONDON SW1A 2AA

DB 2901/89

From the Private Secretary

29 August 1989

Dear Trevor,

25 SEP 89

**INNER CITIES: TEESSIDE DEVELOPMENT CORPORATION**

I am writing to let you know that the Prime Minister has seen your Minister's minute of 24 August giving a progress report on the development of the Teesside site which she has visited in September 1987. She has noted this without comment.

I am copying this letter to Ben Slocock (Department of Trade and Industry), Bryony Lodge (Department of Employment) and to Trevor Woolley (Cabinet Office).

Yours sincerely,  
Caroline Slocock

CAROLINE SLOCOCK

Trevor Beattie, Esq,  
Department of the Environment.

CONFIDENTIAL



CONFIDENTIAL

PRIME MINISTER

INNER CITIES: TEESSIDE DEVELOPMENT CORPORATION

Following Tony Newton's minute of 17 July reporting on developments in inner city initiatives, you asked me for a progress report on development of the derelict site on Teesside which has been the subject of considerable press and media attention since your visit in September 1987. Development of the site is in the hands of the Teesside Development Corporation (TDC) and there is considerable progress to report. I have arranged to see the site for myself on 6 November.

You will recall not only was the site derelict but had problems of poor access and an unsightly river, particularly at low tide when mud flats are exposed. The TDC has agreed the comprehensive development of the site with Murray International Holdings, involving private sector investment of around £135M. However, before much of the development can take place substantial reclamation and infrastructure works must occur. The Development Corporation has proposed:

- (a) a weir across the river to maintain the level of the River Tees;
- (b) reclamation and site preparation works.
- (c) a new road bridge over the Tees providing a link from Stockton across the site to a new junction on the A66 trunk road.
- (d) an improved access and link road replacing the present inadequate access.

CONFIDENTIAL

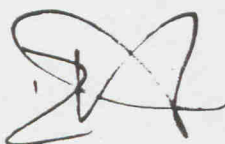
(e) a pedestrian bridge with shops providing access from the site to the main shopping areas in Stockton on Tees High Street.

With the agreement of the Treasury, we have now issued formal approval to TDC for expenditure of £57M on development of the Teesdale site. In order to construct the weir and bridges over the river, it is necessary for a Private Bill both Houses of Parliament. This Bill was introduced on 18 January and reaches Committee stage in the House of Lords on 10 October. The first phase of reclamation is now complete. Further site preparation works are well advanced. Construction of the new interchange on the A66 is about to commence. The improvements to the present site access and first phase of a new road at that end of the site will be complete by the end of the year. The second phase of this road will be completed by mid-1990.

There is therefore substantial progress to report on all the essential work necessary to develop the site. This has given Murray International the confidence to proceed with development. They have agreed to go ahead with 100,000 sq ft of high quality office development on the site. This will commence in October and will be completed in September/October 1990.

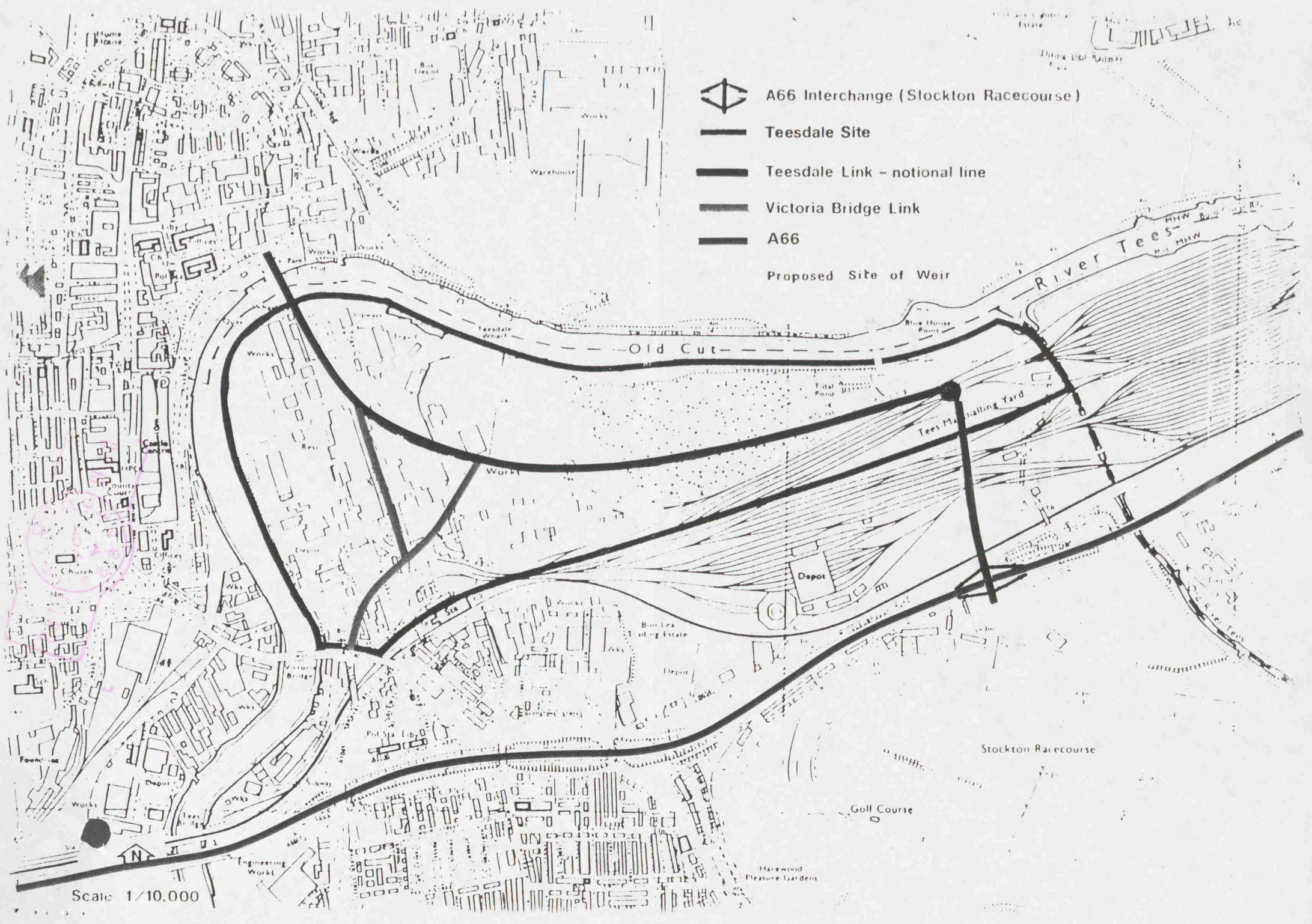
I am therefore delighted to be able to report that there promises to be major development completed on the site by the third anniversary of your visit with substantial other infrastructure and development work in progress.







I intend to keep closely in touch with progress on the site. I am sending a copy of this minute to Nicholas Ridley, Norman Fowler and Sir Robin Butler.



DAVID HUNT  
24 August 1989





-  A66 Interchange (Stockton Racecourse)
-  Teesdale Site
-  Teesdale Link - notional line
-  Victoria Bridge Link
-  A66
-  Proposed Site of Weir

Scale 1/10,000





DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-276 3000

My ref:

Your ref:

*cc/b*  
(letter only)

Dominic Morris Esq  
Prime Minister's Office  
10 Downing Street  
London SW1A 2AA

*a Small Chairman  
Press Office  
(letter only)*

20 SEP 1989

*Dear Dominic,*

AUDIT COMMISSION REPORT ON URBAN REGENERATION AND ECONOMIC DEVELOPMENT

In the Secretary of State's absence in Brussels, Mr Moynihan has asked me to alert you and Private Secretaries in Departments involved in Action for Cities to a report by the Audit Commission on urban regeneration and economic development. The report, of which I attach a copy of the Commission's "review" along with their Press Notice, is due to be published on Thursday, 21 September.

The report is not helpful to the Government's drive to regenerate the inner cities: it concentrates on past friction between central and local government and criticises the coherence and co-ordination of our policies and programmes, though it also acknowledges that tackling the problem of urban decay is not easy and that the overall situation as regards constructive co-operation between central and local government is improving. The report is likely to be seized on eagerly by the press, by the Opposition and by local authorities.

We propose to issue a press notice (copy attached) setting out some initial reactions, focussing on findings which we can welcome, but flagging up that there are points on which we would want to take issue with the Commission. Thereafter we will set about analysing the report in greater depth and detail and considering what action we need to take in the light of it.



I am copying this letter to the Private Secretaries to members of MISC 116, and Sir Robin Butler.

*Yours sincerely,*

*Alastair McIntyre*

ALASTAIR MCINTYRE  
Private Secretary

# A·U·D·I·T COMMISSION

## NEWS RELEASE

EMBARGOED FOR PUBLICATION OR BROADCAST  
UNTIL 0001 HOURS, THURSDAY 21 SEPTEMBER 1989

16 September 1989

### FRICION BETWEEN CENTRAL AND LOCAL GOVERNMENT HAMPERING URBAN REGENERATION

Friction between central government and the local authorities is hampering initiatives designed to regenerate the inner cities, says the Audit Commission in a report\* to be published on Thursday 21 September.

The report finds that local authorities increasingly see themselves on the fringes of urban regeneration. They think their role is undervalued by central government, whose complex network of inner city agencies and schemes is confusing to local authorities and business alike.

These schemes are not structured to harness the energies of local authorities effectively and as a result do not promote adequate co-ordination of local strategies. Central and local government resources are not therefore being used to best effect – the totality of government effort in the inner cities is less than the sum of its parts.

Despite these problems, the overall picture emerging from the report is that the situation is improving. The report cites many examples of constructive co-operation taking place throughout England and Wales. Twenty-five authorities in England and Wales were visited in the course of the study (see list attached).

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\* Urban Regeneration and Economic Development – The Local Government Dimension. Available from HMSO. Price £8.20.

.../more



It also makes four major recommendations to reduce areas of friction, and focuses on how existing plans and programmes can be made to work better.

- o Firstly, the Commission believes that before any action is taken to help a deprived urban area there should be a clear assessment of the current state of the local economy, likely trends, and the constraints on its development. This would best be achieved by a 'local regeneration audit', carried out by the local authority in conjunction with the private sector and the local offices of central government departments.

The audit would examine how far and how fast the functioning of the market on its own would bring about regeneration, whether this sort of regeneration would be in the interests of the local community, and whether the market needs to be supplemented with public sector help. The audit would provide the essential background against which the efforts of all partners could be better co-ordinated.

- o Secondly, the government should co-ordinate its own approach to inner city redevelopment to make it more consistent and less idiosyncratic and bureaucratic.
- o Thirdly, the government should be more willing to recognise the appropriate role of local authorities in urban regeneration and allow them to respond to local circumstances.
- o Fourthly, local authorities should organise their own initiatives more effectively and acknowledge that their role is enabler and catalyst rather than 'prime mover'. They should develop only strategies which they have a realistic chance of achieving.

Howard Davies, Controller of the Commission said, "Local authorities have now, by and large, come to accept the Government's view that private sector led growth is the main long-term answer to urban deprivation. But the Government do not seem to realise that they have won the argument; their rhetoric about the inadequacies of local authorities does not help to create a climate for co-operation. Both sides should recognise that they do agree on the essentials and acknowledge each others legitimate role."

ENDS

.../more

NOTES TO EDITORS

1. The Audit Commission for Local Authorities in England and Wales is an independent body established under the provision of the Local Government Finance Act 1982. Its duties are to appoint auditors and to help local authorities bring about improvements in economy, efficiency and effectiveness directly through the audit process and through value for money studies. It also appoints auditors to all provincial probation services and regional police authorities in England and Wales.
  
2. More recently the Government has decided to extend the Audit Commission's powers to carry out the external audit of the National Health Service.

For further information please contact Deborah Bruce or Mark Oaten on 01-930 6077 (AC/PRS/55).

0384A



# A·U·D·I·T COMMISSION REVIEW

The Audit Commission  
for Local Authorities  
in England and Wales

September 1989

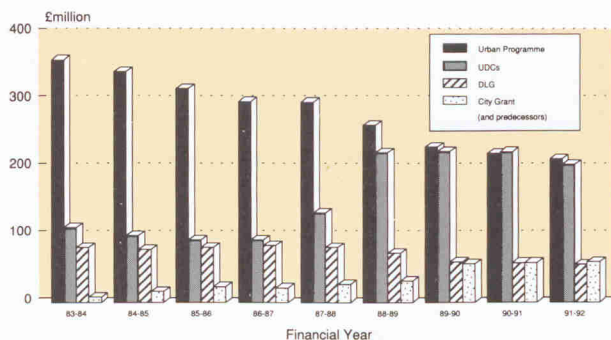
## URBAN REGENERATION AND ECONOMIC DEVELOPMENT: THE LOCAL GOVERNMENT DIMENSION

Although the UK economy continues to grow rapidly, urban problems remain. They differ from place to place in character and intensity. Sometimes whole inner cities are affected, in other places there are deep pockets of deprivation alongside prospering communities, elsewhere the problem is located in urban fringe estates. Some of the most intractable problems are as much social as economic. There is now little argument about the proposition that private sector-led growth is the main long-term answer to urban deprivation. But there remains a case for intervention by both central and local government.

The three major actors in urban regeneration - central government, local government and the private sector - must pull together. This does not always happen now. There are important sources of friction, particularly in the relationship between central and local government. Local authorities believe that their role is undervalued by central government. They see themselves as increasingly marginalised. There is a continuing switch of central government resources towards schemes outside the direct control of local government, such as Urban Development Corporations and City Grant (Exhibit 1). Government support programmes are seen as a patchwork quilt of complexity and idiosyncrasy (Exhibit 2). They baffle local authorities and business alike. The rules of the game encourage compartmentalised policy approaches rather than a coherent strategy. Key organisational structures have fallen into disrepair.

The Audit Commission report examines how these problems can be overcome. To do so requires a greater consistency of approach and coordination by central government, and a willingness to recognise the appropriate role of local authorities. Local authorities themselves must organise their urban regeneration efforts more effectively. The report recommends that there should be a clear-sighted assessment of the needs of each deprived urban area: a local regeneration audit, carried out by agreement between local government, the private sector and local offices of central government departments. This should be the essential background against which the well-intentioned efforts of all sides can be better coordinated.

Exhibit 1  
URBAN GROUP RESOURCES: ENGLAND (March 1988 prices)  
There is a continuing switch of resources to the UDCs and City Grant

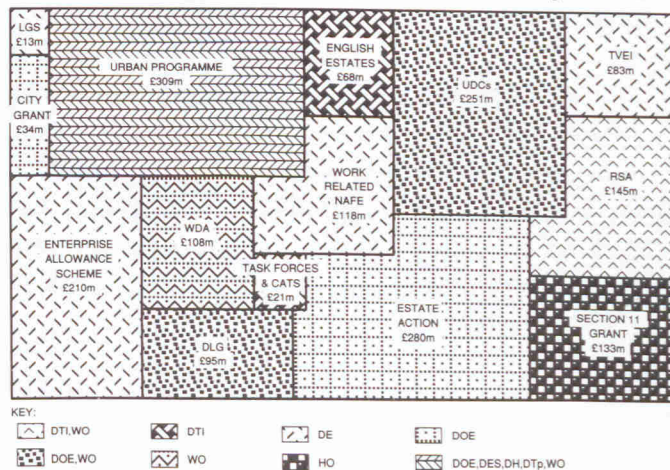


### CONTEXT

The particular current problems of the inner cities have their roots in a shift in the nature of Britain's industrial base. Between 1951 and 1981 (the most recent date for which this breakdown is available) over a million manufacturing jobs were lost in the inner areas of the six largest urban areas in Great Britain. Compensating increases in the service sector occurred mainly in small towns; the inner cities actually lost service sector jobs. Recent falls in unemployment have not solved the problem.

There are important physical indicators of urban problems, too. Despite the significant achievements of the derelict land grant programme, provisional results from the DOE's 1988 derelict land survey show that since 1974 there has been only a 6% net fall in derelict land justifying reclamation. Much of the currently derelict land is in urban areas.

Exhibit 2  
PUBLIC EXPENDITURE ON RELEVANT PROGRAMMES 1988-89  
A patchwork of central government programmes assist urban regeneration





# FRICIONS

The CBI Inner Cities Report, *Initiatives Beyond Charity*, published at the end of 1988, says

'one of the clearest messages to emerge is that the efforts to turn around Britain's cities will be shackled so long as the present uneasy relations between central and local government persist'.

The overall picture to emerge from the Commission's work was of an improving position. The era of confrontation between government and local councils on inner cities policy is fading rapidly. But problems remain. Four stand out:

## CLIMATE FOR COOPERATION

Government rhetoric, allied to some specific changes designed to cut down the local authority role, has adversely affected the climate for cooperation.

## MULTIPLICITY OF AGENCIES

The multiplicity of governmental agencies and schemes generates confusion in the minds of local authority decision-makers and business leaders alike. Relevant government programmes in England are spread across several government departments. An example of the burdens this imposes on local government is provided by Wolverhampton council's scheme to set up a clothing industry training centre. Government assistance was available from three programmes controlled by three different departments, each requiring separate applications and negotiations (Exhibit 3).

## INDIVIDUAL PROGRAMMES

Individual programmes do not harness the energies of local authorities as effectively as they could; some are too constrained and bureaucratic. For example, the administration of Urban Programme in England:

- puts too much weight in assessing local authority bids on the balance between various categories of project, as against their contribution to achieving the authority's regeneration strategy;
- results in late decisions on bids: for 1989-90 three out of four decision letters were issued after the beginning of the year in which the money had to be spent (local authority delays are partly to blame for this);
- involves over-detailed control of small projects: for example, 15 days of local authority officer time taken to secure agreement to 12 projects worth a total of just over £5000.

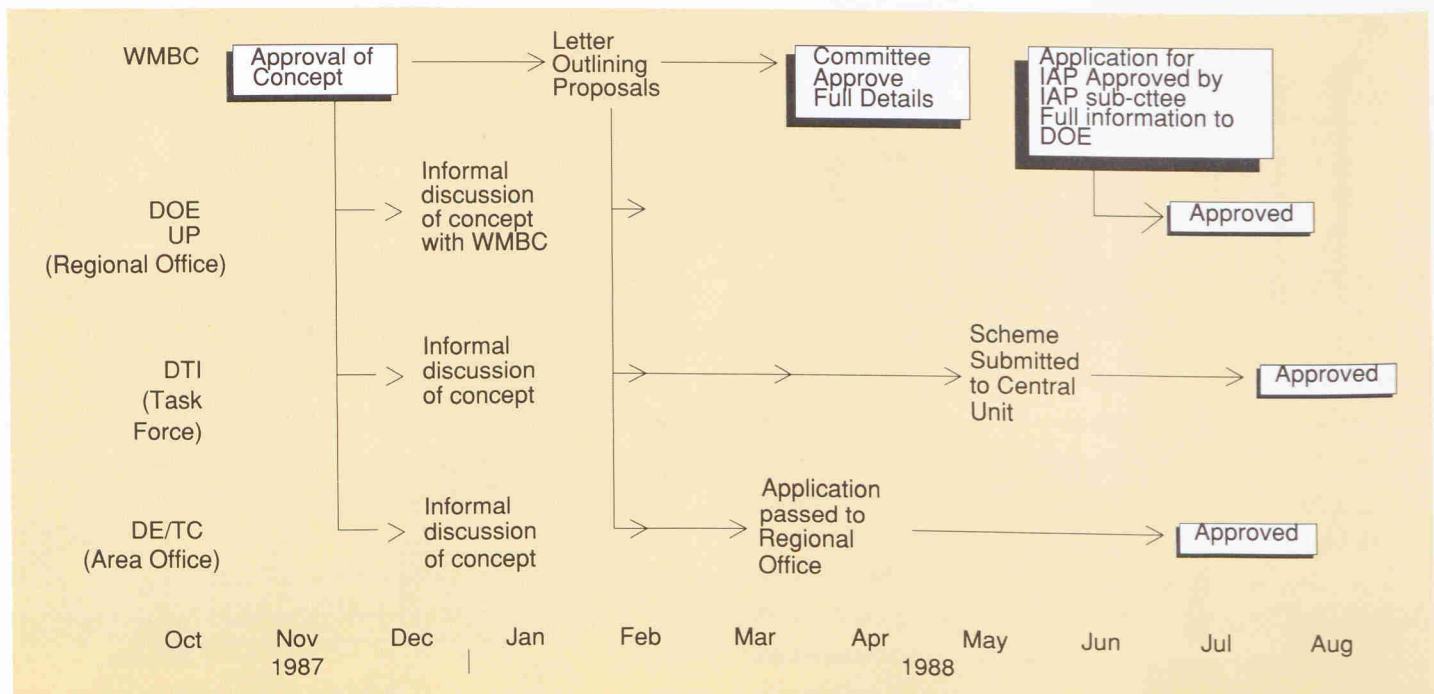
## INADEQUATE COORDINATION

As a result, there is - in spite of improvements in some areas - inadequate coordination of local strategies. The totality of government effort is less than the sum of its parts. Some initiatives - City Action Teams and task forces - have been conceived in response to observed problems of poor coordination and are playing a role in bringing different agencies together. But it is hard to escape the conclusion that at the level of the individual city there can be programme overkill within a strategic vacuum.

Exhibit 3

### WOLVERHAMPTON CLOTHING INDUSTRY TRAINING CENTRE

The need to seek three separate approvals imposed extra administrative burdens





# THE LOCAL GOVERNMENT ROLE

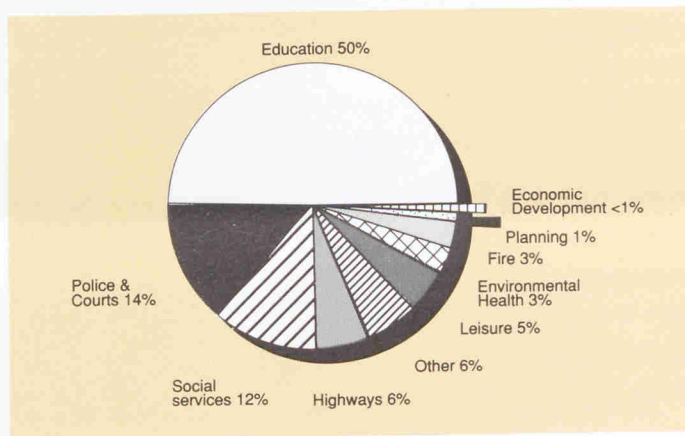
## WHAT THEY DO NOW

Local authority members and officers in urban areas argue that everything they do can be seen as supportive of urban regeneration. Relevant local authority activities fall under two heads: main programme contributions and activities specifically targeted at urban regeneration and economic development. Of their main programmes, education, planning and highways and transportation are the most significant (together with housing which is not covered by the study). Local authority services specifically targeted at economic regeneration include: provision of land and premises, of advice and financial assistance to business and promotion of their areas as business locations. The sums involved in targeted services are small in relation to total local authority expenditure; less than one per cent in aggregate (Exhibit 4).

Exhibit 4

### LOCAL AUTHORITY CURRENT EXPENDITURE 1989-90

Less than 1 per cent of current expenditure goes directly towards economic development, but main services also contribute to urban regeneration



## HOW THEY ARE ORGANISED

Policy coordination is not easy, but is assisted where economic development is seen by the whole council as a central part of its strategy and where all service committees are also involved. In the five years from 1982-83, the proportion of councils with a committee concentrating on economic regeneration nearly doubled. In the metropolitan authorities, over two-fifths had a responsible committee in 1987-88.

But there is still evidence of a lack of coordination within some local authorities. A potential developer is likely to go elsewhere if he is faced with the need to deal with several different departments, or even different councils serving the same area.

## RELATIONS WITH THE PRIVATE SECTOR

In spite of some residual problems, relations between local authorities and the private sector are now, by and large, positive.

Local authorities generally have recognised the advantages to their areas of working with the private sector. For the most part they no longer regard business as antipathetic to their activities. Sheffield is a good example. The Association of British Chambers of Commerce says: 'Years of antagonism and mutual distrust had always stood in the way of cooperative ventures'. The City Council is now working very actively in partnership with the private sector and the UDC 'in a new atmosphere of confidence'.

## CONSTRAINTS ON EFFECTIVENESS

Three elements of central government control constrain local authorities' ability to assist urban regeneration:

- Capital controls, which inhibit joint public/private sector development projects even where no expenditure is incurred by the local authority;
- Application of capital controls to assistance from the European Regional Development Fund. No special capital allocations are given for projects assisted by the ERDF (unlike projects assisted by central government's own grant schemes). If an authority is making full use of its spending powers and wins ERDF funding for a project it can only proceed if it drops other projects;
- Local Government and Housing Bill. The Bill provides a new 'general but circumscribed' legal power for economic development and new controls over local authority involvement in companies. Current DOE proposals on the detailed application of these provisions generally appear justified, but important issues remain where local authorities may be unnecessarily inhibited: the areas within which local authorities will have powers to give significant financial assistance to businesses; local authority representation on the boards of companies given equity assistance; and the ability of local authorities to set up or participate in companies promoting economic regeneration, especially those established jointly with the private sector.

The constraints on local authority effectiveness are by no means all externally generated. Some arise from the way they are organised, and from weaknesses in staffing and skills. But the most important weaknesses derive in many places from the lack of a coherent strategy within which to evaluate and position individual proposals. There is often a need to orient the plans of a number of different departments around a particular regeneration project; this is not easily achieved. And it is especially difficult when there is no clear consensus, either within the council or outside it, on the direction of effort for the city as a whole.

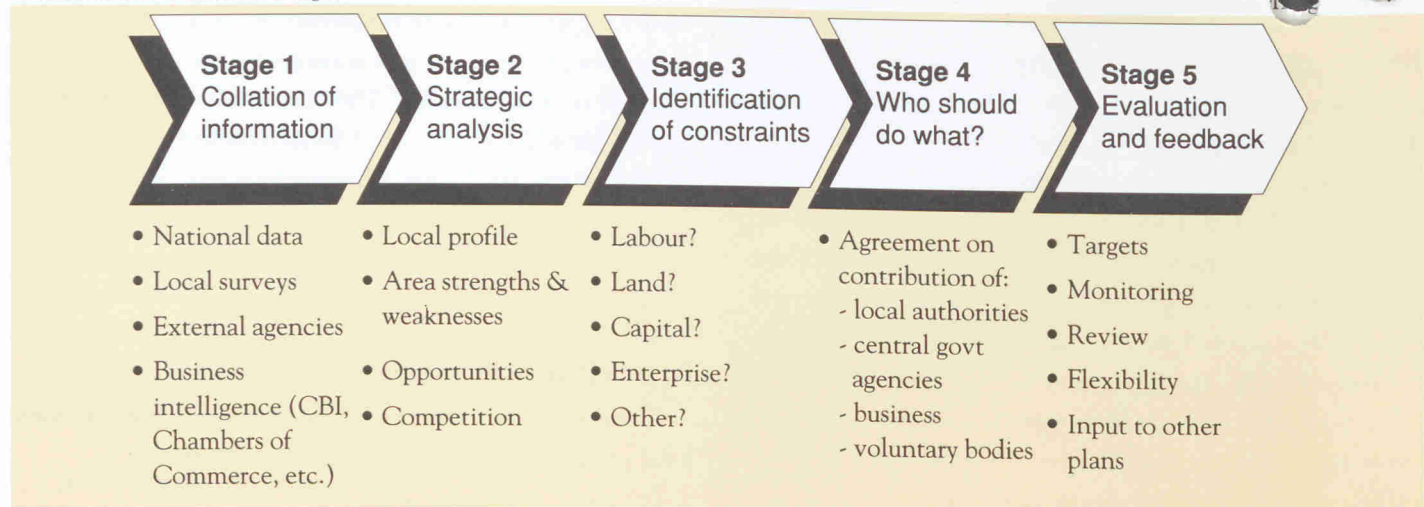


# COORDINATING LOCAL STRATEGIES

Exhibit 5

## THE REGENERATION AUDIT

The audit should consist of five stages



It is not realistic or appropriate to think of a common organisational solution to the problem of coordination of public sector responses to inner city decline.

But in all cases the response should be founded on a wide ranging and objective assessment of the state of the area and the opportunities available. Furthermore, the conclusions of this assessment must be shared by all key participants in the regeneration effort. The process of forming such a common view is here referred to as a *local regeneration audit*. The Commission believes that participating in such an audit would help many authorities to develop a coherent approach to their regeneration efforts.

The audit will not result in a detailed blueprint for redeveloping the area. But it should give guidance on activities specifically related to the economic aspects of urban regeneration, pointing the participating organisations towards action that stands the greatest chance of securing the area's success.

Who takes the lead in the audit? This must be a matter for local decision. The CBI report *Initiatives Beyond Charity* advocates one approach, led by prominent members of the local business community. In some areas the local authority might be most appropriate, or a special joint private/public body might be set up to do the work. But whoever takes the lead it is essential that they work in concert with all other parties, so that everyone concerned has a commitment to the outcome. Central government has a special role in the process; not only is it a partner at local level but it also has responsibility to set a national framework for regeneration.

The aim would be to create an understanding of the current state of the local economy, likely future trends and opportunities, and the constraints on its development. The audit should consist of five stages (Exhibit 5).

The distinctive features of the approach which are vital to its success are that it should be:

- *comprehensive*: embracing all the supply side needs of the local economy and carrying the commitment of the main organisations involved;
- *flexible*: able to adapt to local circumstances and function with different types of leadership;
- *forward looking*: in that it concentrates on opportunities for the local economy and not narrow answers to immediate problems.

### THE NEXT STEPS

In its work the Commission has identified a body of good practice in strategy development and programme implementation at local level. Some is outlined above, but Commission staff are now preparing a guide which its auditors will use with those authorities who think they could benefit from a review of their economic development activities. The guide will be available by the end of 1989 and auditors will be ready to use it from early 1990 onwards.

### IF YOU WANT TO KNOW MORE....

The findings of the Audit Commission study are contained in its recent report *Urban Regeneration and Economic Development: the Local Government Dimension*. Complimentary copies have been sent to each local authority. Further copies can be obtained from HMSO, price £8.20.

Audit Commission publications are available from HMSO, PO Box 276, London SW8 5DT, Tel: 01-622 3316; from HMSO bookshops in London, Birmingham, Bristol, Manchester, Edinburgh and Belfast; and from HMSO bookshop agents throughout the UK (see Yellow Pages).



# ***ACTION* FOR CITIES**

## **NEWS RELEASE**

DEPARTMENT OF THE ENVIRONMENT

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EMBARGOED. NOT FOR PUBLICATION OR BROADCAST UNTIL 0001 HOURS  
ON THURSDAY 21 SEPTEMBER 1989.

493

20 September 1989

GOVERNMENT RESPONDS TO AUDIT COMMISSION REPORT ON  
URBAN REGENERATION AND ECONOMIC DEVELOPMENT

The Government's initial comments on the Audit Commission's report on urban regeneration and economic development were given today by Colin Moynihan, Parliamentary Under Secretary of State, DOE.

The Government will be considering this report along with the report of the study which the National Audit Office is also conducting in this area.

Commenting on the report, Mr Moynihan said:

"I welcome the endorsement the Report gives to the central thrust of the Government's inner city policies, which is that private sector-led growth is the key.

"I also welcome the Audit Commission's finding that the overall position as regards constructive co-operation between central and local government is improving.



"The Report notes "instances of quite remarkable changes of heart on the part of council leaders who were previously implacably hostile to government policy".

"This encouraging development was noted in Progress on Cities, published last March, which also emphasised that partnership between business, local government and voluntary bodies was essential to inner city revival.

"There are, however, features of the Audit Commission's Report with which the Government does not agree. The Commission's depiction of Government measures as a patchwork quilt misrepresents the range of well-targetted programmes each meeting specific needs.

"And the Government does not accept the criticism implied in the Commission's references to the allocation of resources to programmes outside the control of local authorities, such as Urban Development Corporations and City Grant.

"Local authorities have an important part to play in the task of urban regeneration, but they are not the only participants: the private and voluntary sectors also have a major role, as have directly driven Government measures.

"The Government is looking for co-operation and partnership among all those involved in the revival of our cities - including local authorities, and we will continue to make this our first priority, building on the significant successes which have already been achieved. The Government is always prepared to listen to what the Audit Commission has to say."

Press Enquiries: 01 276 0910  
(Out of Hours: 01 276 4120)  
Public Enquiries: 01 276 3000  
(Ask for Public Enquiries Unit)





10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBIN BUTLER

RESPONSIBILITY FOR THE INNER CITIES UNIT

The Prime Minister has seen your minute of 13 September. She took the view that while responsibility for City Action Teams should be transferred to DOE, the Inner Cities Unit should remain within DTI to continue to operate the Task Forces. She did, however, stress that for this arrangement to work effectively, it was essential that the Inner Cities Unit in DTI should give DOE and Mr. Hunt the fullest possible support.

I am copying this minute to Neil Thornton (DTI) and Roger Bright (DoE).

AT

ANDREW TURNBULL

14 September 1989



Ref. A089/2305

PRIME MINISTER

Prime Minister  
This sets out F&TB,  
own view. The minute  
below, which has gone to  
be two Secretaries of State.  
sets out the arguments.

AT  
1319

Location of the Inner Cities Unit

The question of whether or not the DTI Inner Cities Unit should be transferred to the DOE needs to be resolved, following the appointment of Mr David Hunt, Minister of State at DOE, as co-ordinating Minister for Inner Cities Policy in succession to Mr Tony Newton. I attach a minute setting out the issues and the views of the Mr Ridley and Mr Patten.

2. I had hoped that, after time for further reflection during the Recess, I could have given you advice agreed by both parties. I am afraid that I cannot do that, although I have the impression that both Secretaries of State are fairly relaxed about the issue. Mr David Hunt feels more strongly.

3. I showed the minute in draft to Mr Tony Newton, since I felt that he would be able to see the issue from both sides: he had exercised the co-ordinating role, but he had served in DTI. He feels that the key point is the established close and direct link between the Inner Cities Unit/Task Forces and the Minister with co-ordinating responsibility for inner city policy as a whole. He sees the Task Forces themselves as unusual, perhaps unique, both in their interdepartmental nature and in having a direct reporting line to the co-ordinating Minister, outside the normal structure of any of the individual Departments from which the officials are drawn. Mr Newton thinks that this has been a crucial ingredient in the Task Forces' undoubted success, and that it points very strongly to the Inner Cities Unit being located, with Mr Hunt as co-ordinating Minister, in DOE.





4. I must say that this is also my view and Mr Wilson's. Although it is not impracticable for the Inner Cities Unit to be in DTI while the co-ordinating Minister is in DOE, I believe that, for the purpose of achieving the most effective Government Inner Cities policy overall, the balance of argument is in favour of bringing the instruments of that policy as close as possible to the Minister with the co-ordinating responsibility. If, however, you decide that the Inner Cities Unit should remain in DTI, I recommend that you should ask Mr Ridley to make clear to the Unit that they should give Mr Hunt their full and unstinting support.

R.B.B.

ROBIN BUTLER

13 September 1989

CeBuckup



Ref. A089/2309  
PRIME MINISTER

Responsibility for the Inner Cities Unit

At your request, I have discussed further with the Secretaries of State for Trade and Industry and for Environment the allocation of responsibilities for the Department of Trade and Industry (DTI) Inner Cities Unit.

2. It has already been agreed and announced that the co-ordinating Minister for Inner Cities will be David Hunt, MP, a Minister of State at the Department of the Environment (DOE). In addition, the small Cabinet Office Urban Policy Unit, which previously supported Mr Newton's co-ordinating role, has now transferred to DOE to support Mr Hunt.

3. The question then arises of the future location of the DTI Inner Cities Unit (ICU), which has as its main function the manning, funding and strategic direction of 16 inner city Task Forces, but which also provides HQ support and funds to 8 interdepartmental City Action Teams (CATs). The Unit was created in the Department of Employment (DE) by Lord Young and Mr Clarke in 1985/6, and moved with them to DTI in June 1987; Mr Clarke took on co-ordinating responsibility for inner cities matters in December 1987. The two main options for locating the Unit's functions now are either to leave them in DTI or to transfer them to the DOE, alongside the lead Inner Cities Minister.

City Action Team (CATs)

4. The CAT role is to co-ordinate Government programmes in selected city areas. Their members are the regional directors of DTI, DOE and DE in eight of the main conurbations. The ICU provides a headquarters, co-ordinating and accounting function,





comprising about 1 man/year per year, with expenditure of about £6 million per year for co-operative projects falling outside main departmental programmes.

5. The ICU's role of co-ordinating CATs would be difficult to divorce from the role of the co-ordinating Minister and his accounting officer. Since the public expenditure associated with CATs is specifically aimed to lubricate co-ordination and to cover gaps between departmental programmes, leaving this with DTI would put the DTI Accounting Officer in an anomalous position vis-a-vis a co-ordinating Minister in a different Department. Responsibility for this work and the associated staff and expenditure (which will need to be agreed between the two Departments following a decision in principle) should therefore transfer to DOE.

#### Task Forces

6. Somewhat different considerations apply to the question whether the Task Forces (and hence the whole of the ICU) should be transferred from DTI to DOE.

7. The 16 Task Forces operate in smaller and precisely defined inner city areas (eg North Peckham; Highfields/Leicester), and are made up of small teams (5-8 people) of civil servants from several Departments, together with secondees from the private, voluntary and local government sectors. The Task Forces and their central management comprise 140 staff, and account for some £19 million of programme expenditure (plus running costs).

8. The Task Forces' primary objectives are economic; they aim to improve the employability of local people; encourage enterprise development; bring the private sector back to their areas; and, as they are not permanent, to strengthen the capacity of local organisations to take over when they leave. They work directly with local businesses and residents, with local authorities and area offices of Government Departments. The projects they support are varied but many relate closely to



DE, especially Training Agency, main programmes. They have taken advantage of their location in DTI to strengthen their focus on enterprise and, as opportunities arise, encourage the DTI to make its own programmes, sensitive to inner city needs. Task Forces also have some involvement in community business and social, housing and environmental projects similar to, and sometimes partly funded by, the DOE Urban Programme; and with some City Grant and UDC projects.

9. In favour of retention of the Task Forces in DTI it can be argued that:

(i) The Task Forces are now well bedded down in DTI, and work effectively from that location, both with other parts of DTI and with other Departments. Positive benefits would need to be demonstrated for any change, especially in view of the disruption inevitably caused by the transfer.

(ii) The function of the Task Forces is to stimulate and develop enterprise and economic activity. This overall approach, and the entrepreneurial methods which have been appropriate, have sat well with the main DTI responsibilities and its private sector orientation, and has had a beneficial cross-fertilising effect on other DTI work.

10. Against this, and in favour of a transfer of the Task Forces to DOE, it can be argued that:

(i) As explained in paragraph 7, the Task Forces carry out work involving a number of Departments and not only DTI. They therefore logically support the responsibilities of the co-ordinating Minister for the inner cities. Moreover, a transfer of the Task Forces to DOE would bring together under one Minister the responsibility for the main policies aimed specifically at inner city regeneration (ie - the existing DOE responsibilities for the UDCs, City Grant, and the Urban Programme; and the current DTI ICU responsibilities). This would enable Mr Hunt to combine the





co-ordinating responsibilities for inner cities, previously held by Mr Newton, with the lead functional responsibilities; this is normally the most effective arrangement where it can be achieved. It would give the greatest actual and presentational clout to the Government's lead Minister - a point of consequence given some press comment to the effect that Mr Hunt's position outside the Cabinet signals a downgrading of inner city policy. This argues for him assuming all the specifically inner city responsibility of the former Chancellor of the Duchy.

(ii) The Task Forces seek to encourage local action involving local authorities, the private and voluntary sectors and the programmes of other Government Departments, in particular those of DOE (and DE), which have themselves put increased emphasis on private sector led economic regeneration. Concerting this work with DOE's existing programmes under one Minister and one Accounting Officer should enhance effectiveness and promote value for money in their operation. Given the increased private sector involvement in all inner cities programmes, a DTI location does not now offer unique advantages in terms of private sector contacts.

11. It should be noted that whatever the final outcome, both DTI (through its regional policy and enterprise initiative functions) and DOE (through its inner cities programmes as well as its general responsibilities towards housing and local government) will continue to have an important role in the Government's inner cities policies, which they and the several other Departments with inner city responsibilities will continue to need to prosecute vigorously.

#### Ministers' Views

12. The Secretary of State for Trade and Industry is content that the small co-ordinating support given by the ICU to the CATs



should pass to the DOE. But he considers that the Task Forces should remain in the DTI. The DTI responsibility emphasises the enterprise nature of the Task Forces, which he considers should be kept distinct from the DOE programmes for regenerating the physical environment. He sees a plurality of Ministerial and departmental contributions including a business orientated input as a positive advantage in the important task of inner city regeneration. Continued DTI responsibility for the ICU will ensure that the inner cities remain a genuine priority for DTI Ministers and in other DTI programmes.

13. The Secretary of State for the Environment and the Minister of State with responsibility for the co-ordination of inner cities policy consider that the arguments for keeping the ICU in DTI are greatly outweighed by those in favour of transferring it to DOE. They appreciate that some upheaval would be involved, but believe that the advantages of transfer, as recorded above, are far too great to miss; and that the actual and presentational disadvantages of not transferring to Mr Hunt all of the specifically inner cities responsibilities of the former Chancellor of the Duchy are too substantial to risk. They believe that failure to transfer the previous co-ordinating Minister's responsibilities would send all the wrong signals. They also consider that to separate the ICU from the co-ordinating Minister would deprive him of a source of support and resources which have been available to his predecessors.

#### Conclusion

14. The Secretaries of State are agreed that the ICU's co-ordinating role in relation to City Action Teams should transfer to DOE. They disagree over the future location of the major part of the ICU's work, relating to inner city Task Forces: The Secretary of State for Trade and Industry believes that this work should stay in DTI, while the Secretary of State for Environment believes that it should transfer to DOE. You will need to decide between these two views.





15. I am sending copies of this minute to the Secretary of State for Trade and Industry and the Secretary of State for the Environment.

R.B.

ROBIN BUTLER

13 September 1989



CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Christopher Patten MP  
Secretary of State for the Environment  
Department of the Environment  
2 Marsham Street  
London  
SW1P 3EB

30 August 1989

*Dear Chris*

**LONDON DOCKLANDS DEVELOPMENT CORPORATION: 1989-90 BUDGET**

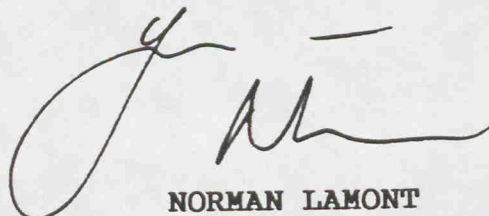
Thank you for your letter of 2 August.

You asked for an early response to your request for an additional £34 million for the LDDC in 1989-90. As you will be aware, my predecessor agreed in the Spring to increase the grant to LDDC by £102 million from £86 million to £188 million. This further proposed increase would take the central government contribution this year to £222 million, 2½ times the level originally planned.

I was interested to note that £3 million of the projected overspend is the estimated cost of insuring against cost overruns on the Limehouse Link project. I must say that the Government has not normally found insurance of this kind to be good value-for-money and I trust that your officials will let mine have a thorough look at any proposal before it is too late to pull back.

As my predecessor made clear at the Prime Minister's meeting of 19 July, savings must be found to offset the LDDC increase. Our latest assessment indicates that our overall public expenditure position is extremely tight. Accordingly I am afraid that I must ask you to take another hard look at your departmental priorities to see to what extent you can find the resources to fund the increase you judge necessary from your existing provision.

I am copying this letter to the Prime Minister and Cecil Parkinson.



NORMAN LAMONT





Minister for Local Government

*File*

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone

HU/PSO/26033/89

29 AUG 1989

*Dear Caroline*

THE PRIME MINISTER'S MEETING WITH COMMUNITY  
LEADERS, 30 JUNE

*- flap p 16*

Thank you for your letter of 27 July reporting the outcome of the Prime Minister's meeting with community leaders on 30 June. Officials are following up the points which arose and my Minister will respond to the Prime Minister's request for advice as soon as possible.

*Yours sincerely*

*Trevor Beattie*

TREVOR BEATTIE  
Private Secretary

Caroline Slocock





Minister for Local Government

Department of the Environment  
2 Marsham Street  
London SW1P 3EB

Telephone

HU/PSO/26033/89

129 AUG 1989

Dear Caroline

THE PRIME MINISTER'S MEETING WITH COMMUNITY  
LEADERS, 30 JUNE

Thank you for your letter of 27 July reporting the outcome of the Prime Minister's meeting with community leaders on 30 June. Officials are following up the points which arose and my Minister will respond to the Prime Minister's request for advice as soon as possible.

Yours sincerely

*Trevor Beattie*

TREVOR BEATTIE  
Private Secretary

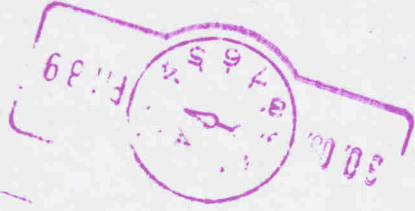
Caroline Slocock



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RECYCLED PAPER



REG POR: Inner tubes  
pt 17.



FUE KK

CONFIDENTIAL



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

29 August 1989

**INNER CITIES: TEESSIDE DEVELOPMENT  
CORPORATION**

I am writing to let you know that the Prime Minister has seen your Minister's minute of 24 August giving a progress report on the development of the Teesside site which she has visited in September 1987. She has noted this without comment.

I am copying this letter to Ben Slocock (Department of Trade and Industry), Bryony Lodge (Department of Employment) and to Trevor Woolley (Cabinet Office).

CAROLINE SLOCOCK

Trevor Beattie, Esq,  
Department of the Environment.

CONFIDENTIAL

MEM



(5) Prime Minister

CPB  
25/8



2 PPS

CPB

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CONFIDENTIAL

PRIME MINISTER

INNER CITIES: TEESSIDE DEVELOPMENT CORPORATION

flap PT16

Following Tony Newton's minute of 17 July reporting on developments in inner city initiatives, you asked me for a progress report on development of the derelict site on Teesside which has been the subject of considerable press and media attention since your visit in September 1987. Development of the site is in the hands of the Teesside Development Corporation (TDC) and there is considerable progress to report. I have arranged to see the site for myself on 6 November.

You will recall not only was the site derelict but had problems of poor access and an unsightly river, particularly at low tide when mud flats are exposed. The TDC has agreed the comprehensive development of the site with Murray International Holdings, involving private sector investment of around £135M. However, before much of the development can take place substantial reclamation and infrastructure works must occur. The Development Corporation has proposed:

- (a) a weir across the river to maintain the level of the River Tees;
- (b) reclamation and site preparation works.
- (c) a new road bridge over the Tees providing a link from Stockton across the site to a new junction on the A66 trunk road.
- (d) an improved access and link road replacing the present inadequate access.

  
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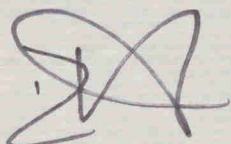
(e) a pedestrian bridge with shops providing access from the site to the main shopping areas in Stockton on Tees High Street.

With the agreement of the Treasury, we have now issued formal approval to TDC for expenditure of £57M on development of the Teesdale site. In order to construct the weir and bridges over the river, it is necessary for a Private Bill both Houses of Parliament. This Bill was introduced on 18 January and reaches Committee stage in the House of Lords on 10 October. The first phase of reclamation is now complete. Further site preparation works are well advanced. Construction of the new interchange on the A66 is about to commence. The improvements to the present site access and first phase of a new road at that end of the site will be complete by the end of the year. The second phase of this road will be completed by mid-1990.

There is therefore substantial progress to report on all the essential work necessary to develop the site. This has given Murray International the confidence to proceed with development. They have agreed to go ahead with 100,000 sq ft of high quality office development on the site. This will commence in October and will be completed in September/October 1990.

I am therefore delighted to be able to report that there promises to be major development completed on the site by the third anniversary of your visit with substantial other infrastructure and development work in progress.

I intend to keep closely in touch with progress on the site. I am sending a copy of this minute to Nicholas Ridley, Norman Fowler and Sir Robin Butler.



DAVID HUNT  
24 August 1989





THE DEPARTMENT  
OF TRANSPORT



R17/8

*Handwritten scribble*

FROM THE MINISTER FOR PUBLIC TRANSPORT

2 MARSHAM STREET LONDON SW1P 3EB  
TELEPHONE 01-276 3000

The Rt Hon the Earl Ferrers  
Minister of State  
Home Office  
50 Queen Anne's Gate  
LONDON  
SW1A 9AT

My Ref:

Your Ref:

15 AUG 1989

*Dear Robin* *clear pr 16*

Thank you for your coming with the Deputy Assistant Commissioner Wyn Jones on 25 July to discuss matters arising on our correspondence on Docklands parking which culminated in my letter of the previous day.

You explained that while the Commissioner can apply to vire funds for traffic wardens' overtime so as to step up enforcement, there may at present be no cash available due to pressures on his overtime budget for police officers. However, since the wardens' salaries budget makes provision for the full complement, yet the Commissioner is currently 400 wardens short, it might be possible to draw on this provision to supplement the traffic wardens' overtime budget. Deputy Assistant Commissioner Jones agreed urgently to investigate the scope for this and report back to us.

Of course, wardens can only enforce existing regulations and while I have urged the London Borough of Tower Hamlets to look at yellowlining - in particular streets such as Marsh Wall in advance of the rest of the Isle of Dogs - I am afraid that the need for public consultation on the outcome of LDDC's current study, along with agreement on cost-sharing for any protective measures, will put back yellowlining of the island as a whole until 1991.

In the meantime, the Corporation's whitecapped security personnel can exert much moral influence on the redbrick roads, and the police's enforcement on the basis of obstruction will be greatly assisted by the deployment from 31 July of a second removals unit to be based at least initially, at the existing pound north of the A13 at Upper North Street. I greatly welcome this move, not least for the psychological effect it may have on motorists's behaviour throughout Docklands. I am pleased to see the police collaborating with LDDC to ensure maximum publicity through the Corporation's "Keep the Traffic Moving" Bulletin, the local press and notices to traders. I know the police will be reviewing in

due course with the Corporation the possible desirability of relocating the pound to the Isle of Dogs, should towing across the A13 prove to add to our problems. I agree that effective enforcement of waiting and loading restrictions on the trunk road can only commence when, within the next couple of months, the borough bring in on our behalf the proposed rationalisation of waiting times, so that all waiting will be banned on Mondays to Saturdays between 7am and 7pm and loading permitted only outbound until 1pm and inbound after that time.

Each removals unit comes complete with its own police officer, and the arrival of a second one will, therefore, provide some spare capacity among the four officers presently stationed on the A13 trunk road in Tower Hamlets so they should be able to undertake other enforcement work in Docklands. LDDC and the borough are now devising a list of traffic management measures which would require additional police enforcement. I hope the Commissioner will be able to consider sympathetically any resultant bid by the Limehouse or traffic police, for resources over and above those the removals unit will release.

You asked about our progress in tackling the A13's capacity problems and I mentioned that with three interim schemes due for implementation in 1990/91, all our permanent schemes in Docklands will be completed by 1993, apart from the Ironbridge widening and Prince Regent Lane junction improvement. In the meantime, we are improving liaison with the utilities and hope that they will shortly sign a voluntary agreement with the highway authorities on coordination of streetworks.

I hope that Deputy Assistant Commissioner Jones will come back to me shortly - hopefully confirming that the funds for viring into the wardens' overtime budget can be found. I trust that Home Office and DTP officials will keep in continuing contact about the situation in Docklands. I am sufficiently reassured by what you had to tell me that, unless Deputy Assistant Commissioner Jones' response is disappointing, I feel I need not now press for the meeting sought in my 24 July letter to the Commissioner.

/ I am copying this letter to the Prime Minister, Nicholas Ridley, Chris Patten, Cecil Parkinson, Norman Lamont, David Trippier, the Commissioner and DAC Jones.

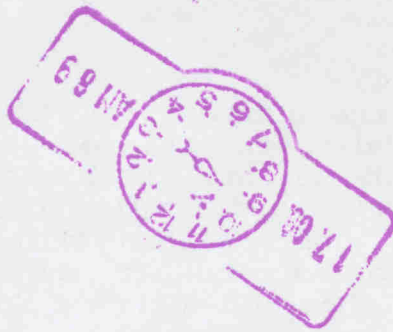
Yours ever

Michael.

MICHAEL PORTILLO



REA POC: 1mm ahier pr 17



CONFIDENTIAL



THE DEPARTMENT  
OF TRANSPORT



FROM THE SECRETARY OF STATE

2 MARSHAM STREET LONDON SW1P 3EB  
TELEPHONE 01-276 3000

Paul Gray Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 2AA

Note

No need for  
any response to this letter unless  
other Reports given X.

My Ref:

Your Ref:

Dear Paul

Rec'd 10/8

8 AUG 1989

DOCKLANDS

Your letter of 19 July to Roger Bright, recording that day's discussion says that the public expenditure consequences of the various Docklands infrastructure projects (discussed on that occasion) would need to be considered in the 1989 Survey discussions.

Shortly afterwards Alan Ring recorded his Secretary of State's view that the additional resources required should not be found from the remainder of DOE's Urban Block. Carys Evans subsequently reported the Chief Secretary as rejecting any such exemption, whilst confirming his view that savings would have to be found from a number of possible sources including the nationalised industries IFRs.

X None of this gives us any difficulty in principle, provided that there is no change in the position agreed collectively by E(A) in March 1987 that LDDC should fund LRT's capital expenditure on the Beckton extension of the DLR. It would be inconsistent with that decision to look to LRT to contribute directly or indirectly to the funding of the Beckton extension. I am sure my Secretary of State at the time did not suppose that any such proposal was being made.

I am copying this letter to Carys Evans (Chief Secretary's Office), Alan Ring (Environment), Colin Walters (Home Office), John Alty (Chancellor of the Duchy of Lancaster's Office), Fenella Adams (Home Office), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

John Roy

R J GRIFFINS  
Private Secretary

CONFIDENTIAL



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ccpu



THE DEPARTMENT OF TRANSPORT

NB PM  
at his  
step  
OAS  
7/8



FROM THE SECRETARY OF STATE

2 MARSHAM STREET LONDON SW1P 3EB  
TELEPHONE 01-276 3000

The Rt Hon Norman Lamont MP  
Chief Secretary to the Treasury  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

My Ref: C/PSO/10511/89  
C/PSO/10567/89  
Your Ref:

- 4 AUG 1989

Dear Norman,



EAST LONDON RAIL STUDY

Asap

Thank you for your letter of 26 July.

I have noted the points you have made on the negotiating brief and will ensure that our negotiators take these into account.

In particular I appreciate the point you make about the uncertainties attaching to the cost estimates produced by our consultants at this stage in the definition of the project. It must be our objective to avoid the acceptance of risk of real cost escalation. My officials, accordingly, will be exploring with our advisers how developers' contributions might be linked to the actual costs rather than estimates, and will keep your officials in touch with progress.

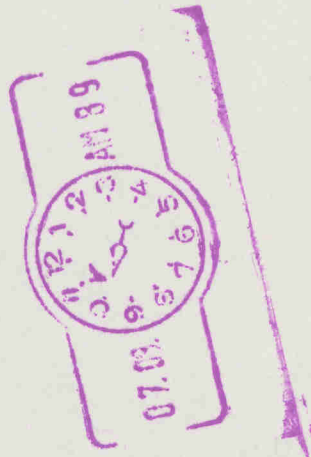
I am copying this letter as yours, to the Prime Minister, Chris Patten, Nicholas Ridley and Sir Robin Butler.

*Cecil Parkinson*

CECIL PARKINSON



Rec. for: Union Cities PTTB.



PART 16 ends:-

PG to DOE 31.7.89

PART 17 begins:-

SS (Transport to CST 4.8.89