



cc: CO

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Regional
Policy

10 DOWNING STREET

From the Private Secretary

29 October 1979

Inner Cities

The Prime Minister has considered your Secretary of State's minute of 15 October and the Secretary of State for Industry's letter of 3 October and minute of 24 October about a review of inner city policies.

She does not think that a major review of all the numerous Government policies which affect the state of the inner cities would be justified at present. Despite their shortcomings, much of the ground was covered in the Inner Area Studies of Liverpool, Birmingham and Lambeth, prepared by consultants commissioned by Peter Walker. There is better understanding, as a result, of the interplay of public policies as they affect inner areas, and greater recognition that some policies have actually worsened conditions. Any further wide-ranging analytical review would be of Royal Commission dimensions, taking several years. It would lead to a policy vacuum meanwhile, and there would be no guarantee that it would come up with better ideas than we have now.

In the short term, the best approach seems likely to be the re-shaping of inner city policy and machinery framed by the last Government to accord with the present Government's general philosophy and priorities. Your Secretary of State outlined the kind of reorientation that is needed in his statement on 14 September. He stressed the need for a simplification of the existing bureaucratic processes and much greater emphasis on the private sector and voluntary effort, with the public sector concentrating on creating the right climate and conditions for enterprise to flourish.

The Prime Minister would like your Secretary of State, in consultation with the Secretary of State for Industry, to continue working on the lines of his statement and to report to colleagues next summer on the policy changes which have been made or which seem desirable, and on any issues which require collective decision. The report might deal, among other things, with the coverage of inner city policy - whether the Government is attempting to give special assistance to too many authorities; with the respective roles of the public and private sectors, including the scope for voluntary initiatives and self-help; with the mix of

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schemes coming forward from local authorities; and with policies for housing and employment in inner city areas, including the mix of housing tenures, and the role of manufacturing industry, on which Departments have not always seen eye to eye in the past.

If the report throws up issues which call for further study, that will be the time to decide whether a review by outside members would be helpful.

I am copying this letter to Ian Ellison.

M. A. PATTISON

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Department of the Environment.