

SUBJECT  
c. Master Set



10 DOWNING STREET

*From the Private Secretary*

16 November 1984

MEETING WITH THE ARCHBISHOP AND BISHOP OF LIVERPOOL

The Prime Minister met the Archbishop and Bishop of Liverpool yesterday evening. Your Secretary of State was also present. The Prime Minister said her visit to Liverpool had left her with mixed feelings of both hope and depression. Much of what she had seen had been encouraging. The Cooperative Housing Development at Grafton Street, Barratts' redevelopment of Minster Court, the Cathedral Precinct Development had shown what could be done by a partnership of the public and private sectors and the voluntary movements. The restoration of the Albert Dock was a most impressive project and the Wavertree Technology Park showed what could be done if industrialists such as Sir John Clark at Plessey were prepared to demonstrate their faith in the region. Against this, the abandonment of the Netherley Estate years before the end of its economic life had been deeply depressing. She had been shocked at the state of disrepair of the council estate she had visited - she could not understand how it had ever been allowed to get into such a condition.

The meeting with the City Council had produced no meeting of minds whatsoever. They were determined to follow their policy of a 100 per cent municipal solution for the city's problems. She had detected no signs whatsoever that the council were prepared to come to grips with its financial crisis.

The Archbishop said the Garden Festival had given a boost of confidence to Liverpool and he added that the assurances given about the future of the site had been very well received. There were many in Liverpool who wished to capitalise on a new post-Festival spirit. He and the Bishop had got together a group of businessmen called the 'Michaelmas Group' to consider further initiatives. The group had shown a great deal of enthusiasm and would be reconvening soon. But at some point almost all initiatives ran into the problem of the city council. But they gave the

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city a bad image but they were also antagonistic to cooperation with the private sector. In this respect the record of the Merseyside County Council had been very much better. The Prime Minister said that if it proved impossible to work with the council, efforts would have to be made to work round it, eg. through the Merseyside Development Corporation, though she recognised that this was not always easy. The Prime Minister praised the work of the Task Force.

The discussion then turned to race relations in Liverpool. The Bishop said that the black community was deeply alienated and in moving to Liverpool, he had been shocked to discover that expectations among blacks were even lower than he had encountered in inner London. The council had acted with great insensitivity in appointing as a race relations officer a Londoner who was a supporter of the Militant Tendency, rather than a local person. This had not only angered the black community but surprisingly had created divisions within the local authority unions. The danger of communal riots was always present.

The Bishop said that the council's insistence on municipal solutions was doing serious damage to the voluntary sector which would contract sharply. The Archbishop gave the example of a Mission run by Mother Theresa's nuns for homeless women which was being closed down and replaced by a council hostel. Both the Archbishop and the Bishop supported cooperative housing developments but these no longer received encouragement from the council. The Secretary of State said that the initiatives for improved housing management, for which additional UP money had been set aside, had made no progress.

The Prime Minister asked whether the universities and the polytechnics were involved in the wider community. The Secretary of State said that there were a number of research projects, though these were largely of a technical kind. There was little involvement in the city's social problems. The discussion then turned to the problem of unemployment. The Archbishop was disturbed by the impact longterm unemployment was having on family life. There had been a large rise in the number of children born out of wedlock as young girls sought motherhood as a way of securing accommodation. The growth in one-parent families would create problems for the future.

The Bishop asked the Prime Minister about the prospects for unemployment about which he was extremely gloomy. The Prime Minister said she could not promise any early relief for Liverpool - reducing unemployment would be a very long haul even for the country as a whole. Generating new jobs in Liverpool was extremely difficult as the area lacked

"self-starters" who would create new enterprises. Areas like Merseyside had a poor record in taking up the various Government schemes. The policy of industrial development certificates had originally been a great benefit to Liverpool as the area was frequently the next choice if certificates for the Midlands and the South East were refused. It was disappointing that so few of the enterprises created had taken root. She raised the question of whether young people should be encouraged to leave the area though she recognises that this could exacerbate the outflow of people with initiative.

The Bishop was worried that the emphasis on employer-led training schemes would disadvantage Liverpool. Use of "output measurement", ie. allocation of resources for training according to the record of success in finding jobs on the completion of training, would take resources away from Liverpool as its record was naturally very poor. For example, only 8 per cent of school leavers in Kirby succeeded in finding a job. He put in a plea for more Mode B places. The Prime Minister undertook to raise these questions with Lord Young. The Bishop was concerned that, with the rise of unemployment since the mid 1960s, a whole generation of people who had never worked was being created, and whose children were now about to enter longterm unemployment. The places allocated to Liverpool under the community programme were tiny in relation to the scale of the problems. Though he made no specific suggestion, he urged the Government to tackle the problem.

The Prime Minister thanked the Archbishop and Bishop for coming to talk to her about the problems of Liverpool. The Archbishop said that, despite the difficulties, there were many hopeful developments to be built upon.

I am copying this letter to David Normington (Department of Employment), Leigh Lewis (Office of the Minister without Portfolio) and Alex Galloway (Paymaster General's Office).

Andrew Turnbull

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Department of the Environment