CONFIDENTIAL

lib ECL

cc BG

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 January 1987

Dear Robin,

TAKE UP OF CENTRAL GOVERNMENT PROGRAMMES IN INNER CITIES

The Secretary of State for Employment at a recent meeting with the Prime Minister referred to the fact that a number of local authorities in inner cities were choosing not to take up their entitlement to resources which were available to them through Central Government programmes. Southwark for example was taking no advantage of the Community Programme or YTS and the ILEA had refused money under TVEI. Your Secretary of State referred to the fact that some Inner London Boroughs had refused to take money under the Urban Housing Renewal Programme.

The Prime Minister believes that it would be useful to bring together available examples of this kind and I should be grateful if you could take this on, on the basis of your own figures and contributions from the Departments of Employment and Education (and any others if appropriate). The Prime Minister will wish to consider how best to make use of the material when it has been compiled.

I am copying this letter to Tony Kuczys (H.M. Treasury), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office), John Turner (Department of Employment) and Rob Smith (Department of Education and Science).

Yours,

David.

DAVID NORGROVE

Robin Young, Esq.,
Department of the Environment.

CONFIDENTIAL

887

CCBG

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6460
Switchboard 01-213 3000 GTN Code 213
Facsimile 01-213 5465 Telex 915564

D Norgrove Esq
Private Secretary
to the Prime Minister
10 Downing Street
London SW1

2nd March 1987

Dear David

TAKE UP OF CENTRAL GOVERNMENT PROGRAMMES IN INNER CITIES

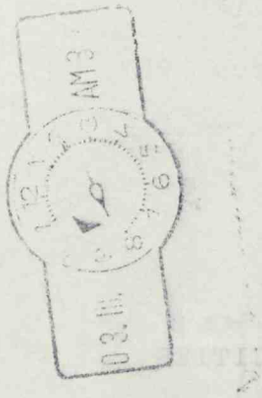
I thought you would like to know that since my Secretary of State's recent minute to the Prime Minister on the above, we have been informed by the Manpower Services Commission that Sefton has written indicating an intention to bid to participate in the Technical and Vocational Education Initiative (TVEI) in 1988.

I am copying this to Tony Kuczys (Treasury), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office), Robin Young (Environment), Bill Fittall (Home Office), Rob Smith (DES), Jon Shortridge (Welsh Office) and Robert Gordon (Scottish Office).

Yours sincerely

Peter Baldwinson
Private Secretary

REG. POL ; Inter Cités Pt 9



file

LPO (47)

bc BG

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

2 March 1987

Dear Robin,

TAKE UP OF CENTRAL GOVERNMENT PROGRAMMES IN INNER CITIES

The Prime Minister has seen your Secretary of State's minute of 18 February about the take up of DOE grants and resources by inner city local authorities, and the minute (undated) from the Secretary of State for Employment which discussed take up of the community programme, TVEI and the inner cities initiative.

These minutes illustrate the way in which some inner city local authorities do not make full use of the resources available to them. The Prime Minister hopes that Mr. Ridley, Lord Young and other colleagues will draw attention to this in their speeches.

I am copying this letter to Tony Kuczys (H.M. Treasury), John Turner (Department of Employment), Stephen Boys Smith (Home Office), Rob Smith (Department of Education and Science), John Shortridge (Welsh Office) and to Robert Gordon (Scottish Office).

Yours,

David

DAVID NORGROVE

Robin Young, Esq.
Department of the Environment

BM

47

2

PRIME MINISTER

TAKE UP OF CENTRAL GOVERNMENT PROGRAMMES IN INNER CITIES

The minutes below list the local authorities which do not take up their full entitlement under DOE and DE/MSC programmes.

The position is complicated and some authorities refuse to participate in some programmes and others refuse to participate in others. But there clearly is a basis for pointing to Labour local authorities which do not take up the money to which they are entitled.

I suggest you urge Mr. Ridley, Lord Young and other colleagues to make use of this material in their speeches so that it can be brought to public notice and also used by Government backbenchers in their own speeches.

David Norgrove

27 February 1987

DG2BTG

DC/C14

CC/G

SECRETARY OF STATE FOR EMPLOYMENT

PRIME MINISTER

TAKE UP OF CENTRAL GOVERNMENT PROGRAMMES IN INNER CITIES

Following David Norgrove's letter of 20 January to my Private Secretary, my officials have considered the extent of cooperation of local authorities with the Community Programme (CP), the Technical and Vocational Education Initiative (TVEI), and the Inner Cities Initiative.

Liverpool and the London Boroughs of Southwark, Newham and Waltham Forest will not involve themselves as managing agents for the Community Programme. I understand that Tower Hamlets, Islington and Hackney will not act as managing agents, although they do provide premises for non-LA CP projects. Sheffield is only a very recent convert with one small project.

There were 18 local authorities who did not run a TVEI pilot, thereby forfeiting £2m each. Of those, ILEA, Haringey, Brent, Sefton and Kirklees have so far neither submitted proposals for a 1987 start nor indicated an intention to bid for 1988, although I hope ILEA may well participate.

All the Inner City Task Forces regard it as most important that they have at least working relationships with their local authorities, and generally those Task Forces that have made most progress are those where relations are reasonable or good. These are the Task Forces in Bristol (Bristol City and Avon), Birmingham and Middlesbrough.

In other areas the local authority is publicly unwelcoming but in fact there is working-level co-operation. These are Leeds, Manchester and Southwark. In Leicester, the City Council is hostile publicly and privately in its dealings with the Task Force. It has not co-operated in projects. The County Council, where there is no one party control, has been ambivalent though there are now signs of some co-operation.

Finally the one Conservative-controlled authority, Kensington and Chelsea, has been simply indifferent, a disappointing response.

I am copying this to Nigel Lawson, Norman Tebbit, Nicholas Ridley, Douglas Hurd, Kenneth Baker, Nicholas Edwards and Malcolm Rifkind.

Regional Polymer cities PT9.

OD

CORR

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

David Norgrove Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON
SW1A 2AA

20 February 1987

Dear David

TAKE UP OF CENTRAL GOVERNMENT PROGRAMMES IN INNER CITIES

As I told you on the telephone, there was an error of drafting in the minute which my Secretary of State sent to the Prime Minister on 18 February.

The first sentence of the first paragraph should read:

> "So far as UDG is concerned, in the last 2 years 7 authorities who could have bid have not done so - list at A".

I should be grateful if this amendment could be noted and I am sorry for any inconvenience this may cause.

I am copying this letter to Alex Allan, (HMT) Andew Lawley (C of Duchy), John Turner (DEmp), Stephen Boys Smith (HO), Rob Smith (PES), John Shortridge (WO), Robert Gordon (SO).

Yours ever

Isobel

pp B H LEONARD
Private Secretary

CYBG

SECRETARY OF STATE FOR THE ENVIRONMENT

PRIME MINISTER

TAKE UP OF CENTRAL GOVERNMENT PROGRAMMES IN INNER CITIES

Following David Norgrove's letter of 20 January to my Private Secretary, my officials have analysed the take up of DOE grants and resources by inner city local authorities.

We have also consulted other relevant Government departments. DEmp/MSC will report separately. DES and Home Office have no substantial evidence to contribute (Private Secretary letters of 29 January and 4 February refer).

So far as our programmes are concerned, there are two main areas of non take up - Urban Development Grant and Estate Action (UHRU) initiatives; and under utilisation of grant, to the full, under the Urban Programme and Derelict Land.

So far as UDG is concerned, in the last two years 7 authorities who could have bid had ~~never~~ not done so - list at A. Not merely have these authorities forgone the extra Government resources reprsented by UDG: they have also forgone the extra private sector investment - typically four times as much - which it would bring about.

So far as Estate Action is concerned, I attach a schedule - at B, showing take up. There are four authorities - predictably, Liverpool; and also Lambeth, Doncaster, and Leeds. This latter may, however, not be a particularly useful example. And so far as Liverpool is concerned, it is fair to point out that schemes have now been put forward, and although one had to be rejected on cost grounds, the other is still under discussion.

Turning to the Urban Programme, a schedule is at C. Again, Liverpool features, as unwilling to promote economic schemes or support local firms. Hackney and Brent both underspend, as a result of poor management.

Turning to DLG, Liverpool again features, with Walsall: schedule at Flag D.

Ideological or philosophical reasons had been given in the case of Doncaster, and Lambeth in declining to take up Estate Action; the same is true of Liverpool with economic and voluntary sector schemes under the UP; but Hackney and Brent are poor managers of their UP, though there is also some reluctance to support particular types of schemes.

Taken together this package shows that there is some real basis for illustrating the non-take-up of grant by inner city local authorities. Most of the reasons for this are not defensible - certainly they go deeper than the usual claims that shortage of resources prevent take-up.

I am copying this to Nigel Lawson, Norman Tebbit, David Young, Douglas Hurd, Kenneth Baker, Nicholas Edwards and Malcolm Rifkind.

NR

18 February 1987

URBAN DEVELOPMENT GRANT

Some authorities have made extensive use of UDG. The front-runners in terms of projects approved are:-

	Applications	Approvals	UDG
Birmingham	53	17	£12.9m
Nottingham	27	11	£4.4m
Dudley	16	10	£4.2m
Leeds	22	10	£3.2m

On the other hand, 12 of the authorities invited to bid for UDG have never had a project approved. The following authorities who were invited to put projects forward have not even submitted an application in the last two years:-

Brent	Liverpool
Doncaster	North Tyneside
Hammersmith & Fulham	Rotherham
	St Helens

Not merely have these authorities foregone the extra Government resources represented by UDG: they have also foregone the extra private sector investment - typically four times as much - which it would bring about.

Key UDG statistics

57 authorities invited to bid. (List recently revised: 8 authorities added and 14 dropped.)

228 projects have been approved representing £106m Government grant.

These will bring about £441m private investment, 2,400 jobs, 12,500 man years of construction activity, nearly 5,000 houses and flats, and recycle 900 acres of urban land.

Estate Action

Doncaster	HIP/UP	potentially up to £1m in 1987/88 but depends on schemes submitted	no response to repeated invitations to meet Estate Action because of disagreement with EA's philosophy of localised estate management
Leeds	HIP	approval in principle to additional HIP allocation of £¾m in 1986/87 given on 26 March 1986 new unlikely to be used	unexplained delays in seeking tenders for approved works. Scheme has recently been resubmitted with substantially increased costings
Lambeth	HIP	not quantifiable	Refusal to apply for additional HIP allocation for EA projects for ideological reasons. No response to EA's homelessness initiative either
Liverpool	CRS/UP	not quantifiable	present administration had no interest in CRS schemes. But 2 schemes now put forward: one rejected on cost grounds, other still under discussion
Liverpool	privatisation/UP/DLG	not quantifiable	expression of interest by Barretts in redevelopment of Myrtle House. Non-cooperation by council and the block of flats concerned now demolished.

Urban Programme

Liverpool	UP		unwilling to promote economic schemes (eg designate Industrial Improvement Areas) or offer local firms grant under IUAAct powers. Resistance to making such grants now seems to be moderating. Unsympathetic to voluntary sector and this year have refused to submit 20 voluntary schemes for continued support
Hackney	UP	underspend about £¾m out of £11.6m allocation 1986/87	programme poorly managed. Unwilling to support economic and environmental schemes enough
Brent	UP	underspend about £½m out out of £4.5m allocation 1986/87	programme poorly managed. Projects not fully worked up or in accordance with Ministerial Guidelines.

Derelict Land Grant			
Walsall	DLG	£2m	schemes poorly managed. But also difficulties in acquiring derelict land from private landowners
Liverpool	DLG	£½m out of possible allocation of £¾m	low take-up mainly because of failure to meet Department's requirements to submit bills of quantity. Requirement regarded as onerous.
Transitional Grant			
Liverpool	Transitional Grant		grant designed to help fund voluntary groups in period following abolition. Liverpool only Council not to have taken full allocation because of unwillingness to make 25% contribution. Finally agreed to join scheme, but year 2 contribution is 50% so continued cooperation questionable.

Community Programme (Manpower Services)

Southwark, Islington, Hackney, Tower Hamlets	MSC/CP and UP	unknown	all decline to act as managing agents although all except Tower Hamlets will support, with UP, CP schemes run by voluntary organisations
Newham	MSC/CP	unknown	will not take part in CP because of ideological objections

REGIONAL
POLICY

INNER CITIES

PTY

NA

CONFIDENTIAL

ce BG

1

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

NBPN.

Robin Young Esq
Private Secretary
Department of the Environment
2 Marsham Street
LONDON
SW1

29 January 1987

Dear Robin,

TAKE-UP OF CENTRAL GOVERNMENT PROGRAMMES IN INNER CITIES

d Flap

David Norgrove copied to me his letter to you of 20 January. We have looked at the take-up by inner-city authorities of the two specific grants paid by this Department - for the in-service training of teachers (INSET grant) and Education Support Grant (ESG). TVEI and MSC programmes generally are for D/Emp.

All local education authorities are taking up the INSET grant. If there is a distinction between inner-city and other authorities, it is the former group which is more likely to use allocations in full. For the new grant scheme starting in April, all authorities have submitted bids and received allocations. There is no sign of lower enthusiasm among inner-city authorities.

All the inner city LEAs have bid and received approval for projects assisted by ESG. In some cases the amount of the bid has been greater, and in others smaller, than we should have expected from an LEA of the size in question. But there is no consistent pattern of under or over-bidding; and no evidence that bids which seem low were so pitched because of a wilful decision not to take advantage of the grant.

I ought also to mention that some inner-city authorities are participating in the Programme for Lower-Attaining Pupils (LAPP) funded through the Urban Programme. Again, we have no reason to suspect bad motives in those inner-city authorities which did not apply.

I do not think therefore that we can offer any material concerning DES grants to put in your compilation.

Copies of this letter go to David Norgrove (No 10), Tony Kuczys (HM Treasury), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office), John Turner (Department of Employment) and to Bill Fittall (Home Office).

Yours sincerely

Robert Smith

R L SMITH
Private Secretary

CONFIDENTIAL

Regional Polymer Cities PT9