

PRIME MINISTER

3 July 1987

THE INNER CITY
E(UP) 7 July 1987

While the objective has some worthy targets, the terms of reference of Cabinet office officials who will perform them are completely lacking in imagination.

We agree the objectives:

- 1 Yes, rebuilding economies in inner cities E(UP)872, para 2.
- ✓ 2 Yes, giving those living in inner cities maximum choice and opportunity while supporting those who need help E(UP)2 para 2.
- ✓ 3 Yes, achieving this through private sector activity and growth E(UP)2 para 2.

You might add:

achieving this as far as possible by tapping local leadership and initiative within the city community (bottom up approach).

But most of the questions posed by the paper are solely about the need for more "co-ordination" and "coherence". Similarly the terms of reference for Eric Sorensen - who is to spearhead Cabinet Office work on these objectives - are a wholly unpromising naval contemplation exercise. (E(UP)2 para 10):

- 1 Summarise existing Government programmes
- 2 Analyse current Government programmes

- 3 Propose how current programmes can be improved by Government departments working jointly.
- 4 Propose target areas where programmes can be focussed.
- 5 Present it all better.

Items 1,2,4 and 5 clearly need to be covered, but the implication is that item 3 - improving co-ordination of government departments - is the only significant value provided by the review.

In our view, the review should spend almost no time on this civil service shuffling. We should recognise that with notable exceptions such as our London Docklands and Right to Buy, we have failed with existing policies because they:

- rely too much on injections of Government money
- fail to exploit the full possibility of partnership with the private sector/working with the grain on private sector development
- inadequately address "climatic" changes
- fail to catalyse entrepreneurial leadership
- fail to excite the imagination of the local community.

These considerations should be central to the review.

We should start with the simple proposition that the combination of property development, | new enterprise, | education, | training, | employment | and housing renovation can release tremendous economic gains for all involved. The key is finding the right leadership (or catalyst) to provide the local energy, enterprise and initiative to make it happen.

We are currently working on our thoughts of how to achieve this. We suggest the Cabinet Office review should also be explicitly asked to consider the same agenda:

- 1 How can local private sector leaders be found and involved? (For example, using the kind of initiative released by existing organisations like Phoenix or BIC.)
- 2 What marketing programme is needed to enlist every private sector, corporate or voluntary body (eg Rotary Club, Round Table) willing to lend personnel time, money or equipment?
- 3 How can we best ensure that every available parcel of unused land and waterway be sought and released?
- 4 What rules and mechanisms are needed to exploit "planning gain" to provide incentives to private developers in tackling squalor and dereliction in the environment and improving housing choice?
- 5 How (where possible) can we best get co-operation from the local authority without diluting our objectives?
- 6 What is needed to provide a climate in which local, small business start-ups are encouraged in inner cities (though not to the exclusion of big business)?
- 7 How can the culture of "dependence on the state" be addressed and removed?

|| The exercise should be carried out speedily, with an action plan ready for review in September.

Conclusion

The current papers for Cabinet office are dangerously close to "more of the same". We need to give attention to the missing ingredients.

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