

Prime Minister

AB/UP

~~You have a copy of this report, but another is attached.~~

PRIME MINISTER

Agree to write as proposed? JWS 27/7.

27 July 1987

INNER CITIES INTERIM REPORT

Although Mr Sorenson's interim paper contains some useful material, it still has the hallmark of an unreformed 1960s style urban planner. The vocabulary of 'coordinated programmes' and 'delivery vehicles', together with the proposal to select 20 priority areas, speaks of grand Whitehall initiatives - not building on local enterprise and leadership.

In particular the analysis largely neglects the crucial problem of low motivation in many inner city populations. Economic decline reinforces social decline, creating a culture of welfare dependency. Over-emphasis on a top-down Government approach further reduces the opportunity for personal initiative; we need to anchor our approach on encouraging self-motivation if we are to find a permanent solution. The proposed 'priority action programme' contains little new to carry this forward.

We are preparing an alternative paper setting out practical proposals based on this philosophy. In the meantime we suggest giving Mr Sorenson clearer directions to help ensure crisper recommendations in his final report.

Policy Framework and Key Issues

To make things happen in inner cities, we need to tackle the spiral of economic and social decline through three major levers for change:

- realising development opportunities
- breaking the dependency culture



- encouraging local leadership

In each of these areas there are certain actions which Government - and only Government - can take to create a favourable environment. This includes the relaxation of planning restrictions, the provision of education and training and the reform of rates. Once the Government has established the climate, however, we also need to recognise the role of other organisations outside Government - eg Business in the Community - to act as the catalyst in stimulating the local community and business interests to take advantage of the opportunities.

To help direct the report towards a concrete and practical action programme, we suggest you ask Mr Sorenson to list initiatives - from both Government and private bodies - against each of the three headings above. In the process, you might ask him to tackle the following specific questions:

(a) Realising development opportunities

Land and planning policies are the key to unlocking substantial development potential of many inner city sites, and can be a powerful force for change.

- How can we cut through restrictions to allow any derelict land to be acquired for development on application by an interested party?
- What radical new proposals could be enacted to force the disposal of unused public land? (The paper avoids this issue).
- Are current incentives, together with development gain, sufficient to attract investment into all areas of dereliction if planning restrictions are removed?

(b) Breaking the dependency culture

In addition to tackling the physical environment, <sup>we need</sup> we need to capture the self-motivation and enterprise of the local population - weaning them off welfare dependency.

- Is it feasible to re-design all high-crime council estates along the lines suggested by Dr Alice Coleman? What would be a realistic programme to undertake within available funding?
- What can be done to bring Restart, training, enterprise and employment programmes more into the heart of inner city areas and council estates?
- How can we ensure that inner city communities take advantage of opt-out provisions in education and housing?
- What can we learn from our own experience and the US about the best way of link the local community interest to the economic gain from major developments?

(c) Establishing local leadership

The active leadership to rebuild our major cities can only come from committed local citizens with a personal stake in the success.

- What (if anything) can Government do to help encourage local business leaders to come together into active leadership groups?
- What can we learn from our own experience and the US about the conditions under which local leadership is likely to be successful?



These questions should give a flavour for the kind of specific recommendation that is needed in the final report.

Area Focus

*I suggest you say in this that you are not yet convinced. (Lord Yang favours the proposal for 20 areas.)*  
We disagree with the proposal to select 20 specific small areas on which to focus Government efforts. This assumes that developments will only occur in those areas where Government is the leader player; instead we should be encouraging local enterprise and leadership in every major city. We propose simply stating that our policy is aimed at all urban areas, but then internally trying to identify those areas where most progress is already being made - areas which we could then highlight as shop windows for the Government's policies.

Conclusions

There is clearly a danger in asking a Civil Servant who has been closely identified with urban policies of the last 20 years to now propose a new approach. While it is too early to judge, we are nervous that the result may simply be a re-hash of the traditional DoE approach.

We recommend that you ask Mr Sorenson to incorporate the framework and questions above in order to focus his research on the crucial areas.

*NRB*

NORMAN BLACKWELL



HARTLEY BOOTH



PRIME MINISTER

INNER CITIES INTERIM REPORT

You had a word with Lord Young this afternoon about Sorenson's interim report on the interim cities. But I think it would be helpful for you to give some comments to Sorenson to guide the next stage.

I recommend you to write as proposed by the Policy Unit. There is however a question over the identification of 20 specific areas. The Policy Unit are against this, proposing that the Government states that its policy is aimed at all urban areas then internally to identify those areas where most progress is already being made which could then be highlighted as shop windows for the Government's policies. Lord Young, however, is in favour of identifying the areas, which would be ones where specific initiatives are already being taken. They would not be identified publicly.

There is also a question whether you want to allow officials to plan for a White Paper on inner city policy.

I recommend:

- (i) you write generally as proposed by the Policy Unit;
- (ii) you agree to provisional identification of 20 areas but say that these must not be new - they must be areas where existing initiatives are already underway; you will want to consider the wisdom of identifying areas in this way at a meeting in the autumn and in any case your present instinct is that it would be wrong publicly to announce them;
- (iii) you are content provisionally to plan on a White Paper, which might help bring together the common threads of policy on education, housing and local

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authority finance, as well as policies more directly focussed on inner cities; ~~but again you will want to take a final decision in the autumn;~~

- (iv) you have asked for a meeting of E(UP) before the end of September and the final report must be ready in good time for this.

To encourage Sorenson in the face of all your comments I would also say that you think the interim report is a useful start, (though I am not myself sure that it is so very useful).

Content?

DRW

DAVID NORGROVE

28 July 1987

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