



CCBG
 Prime Minister (4)
 for reference only.
 MEA 4/8

PRIME MINISTER

INNER CITIES: INTERIM REPORT E(UP)(87)3

Although substantive discussion of the matters raised in this interim report is to be arranged when the final report is available, I would like to offer some comments at this stage.

I think that the general approach outlined in the report for the overall direction and presentation of the Government's policy objectives for the inner cities is right. It emphasises that Government action is bound to be broad-based and involve various Departmental programmes and other agencies, and that this is potentially a strength not a weakness. It identifies certain unifying themes and recognises that action can be taken on a variety of fronts, both short-term and long-term. It confirms that we have a good range of policy instruments to deploy but that these can be made more effective if there is agreement between Departments on the main objectives and on the priority areas in which resources and new initiatives should be concentrated. My own Department's policies and programmes contribute directly or indirectly to each of the main policy themes (para 5). I suggest that these should include specific reference to our housing policies: to tackle the problems of run-down council estates by involving tenants in the management and maintenance of their homes, and by offering choice of tenure. These policies need to be reinforced by action to improve local educational and employment opportunities.

The UDC's and mini-UDC's, and our grants for urban regeneration, urban development and derelict land are all designed to stimulate private developer and investment interest in urban renewal. By improving the physical environment they help to restore confidence in the local economy and among the local community. The Urban Programme will continue to have an important part to play in helping those local authorities who are willing and able to co-operate in the implementation of the Government's urban policy



objectives. It will also enable us to demonstrate continuing assistance to those areas that are not selected for special priority but which have undeniable urban problems.

While I endorse the need to agree on certain areas where action should be concentrated, I think that the report is right in suggesting (para 46) that we should be wary of letting this be seen as yet another "area initiative" rather than the basis for the future development of our urban policy. I doubt that we should publicise such a list of areas but it can be used as a means of focusing Department activity. For the same reason I would be doubtful about preparing or publishing "action plans" (para 58) for each of those areas. The danger would be, as the report recognises, that bureaucratic attempts to devise co-ordinated programmes would become an impediment rather than a spur to action. Ways must be found to provide the right degree of coherence and concentration while leaving Departments plenty of scope to manage their own programmes effectively.

It is not clear what is implied by "a good local framework to encourage business" (para 4 iv). I agree that BIC, local enterprise agencies and the more enterprising Chambers of Commerce have a useful part to play. But such organisations need to be locally based and to represent well established local business interests; artificially created bodies with no existing local presence or resources of their own tend to be mere talking shops or aspire to direct the efforts of those who are better able to get things done.

I agree with what the report has to say about the need for an authoritative statement on the Government's urban policy objectives and programmes, to which all the Departments concerned can contribute. This is essential if we are to get across both what the Government has already done in the inner cities and our intentions for the future.



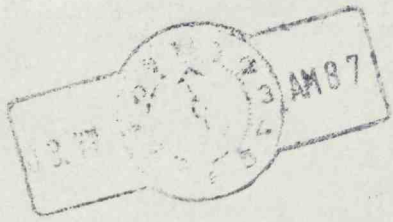
Finally, I think that the report demonstrates the need for the overall policy direction and presentation of Government action on the inner cities to come from the centre rather than be based in any individual Department. I will certainly want to ensure that my own Department's activities contribute fully and effectively to our objectives.

A handwritten signature in blue ink, appearing to be 'NR'.

N R

31 July 1987

PS I am sending a copy of this minute to the other members of E(UP) and to Sir Robert Armstrong.



REG POL Inner Cities
PV 10.

Faint, illegible text, possibly bleed-through from the reverse side of the page.

COMMUNICATIONS SECTION