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cc B/48

Plans

P 02881

PRIME MINISTER

Inner Cities
AD HOC MEETING

DECISIONS

The purpose of the meeting is to discuss the overall shape and direction of inner cities policy in the light of Mr Sorensen's report and his more recent supplementary note on improving targeting and presentation and encouraging business leadership.

2. It will not be possible to reach decisions on all 25 detailed recommendations in the Sorensen report at this meeting. It must be for each of the responsible Ministers to look at the recommendations which affect his business and consider them on their merits. A breakdown of the recommendations showing which Minister is responsible for which recommendation is attached to this brief.

3. You may prefer to concentrate the discussion on drawing the threads together, looking at the picture across Departments and deciding in practical terms what the main lines of action should be to carry forward Government policy on the inner cities. As a final outcome to the meeting you may wish to consider reaching decisions on:

i. follow-up to the Sorensen report. It might be helpful to confirm that each of the Ministers is considering the detailed recommendations for which he is responsible. The Cabinet Office - or the lead Minister on inner cities, if one is appointed - could be responsible for putting together a summary of departmental responses, possibly for E(UP).

City Development Grants

ii. simplifying and clarifying Government assistance to inner cities. For instance, the Secretary of State for the Environment is considering whether he could bring together the various grants which encourage land reclamation and building refurbishment into "City Development Grants" (paragraph 5 of the supplementary note).

Co-ordination

iii. strengthening Departmental co-ordination. You may wish to focus on the proposal that Departments should agree geographical areas in which to concentrate their efforts in response to local initiative (paragraphs 4 and 5 of the summary note); and the proposal that City Action Teams should be extended to other cities and strengthened by bringing in other departments (paragraphs 6 and 7 of the summary note).

Local

iv. supporting local business leadership. Business in the Community (BiC) propose to identify and support 5 or 6 business leaders who would put together leadership teams to agree on the needs and potential of their cities (paragraphs 8 and 9 of the summary note). Should the Government endorse this?

v. presentation. The Government does not get the credit for what it does in the inner cities. Should there be a public campaign based on an 'Action for Cities' package to present a coherent picture of the Government's programmes and to market it locally in inner cities, in particular to businesses (paragraph 24 of the supplementary note)? and some form of authoritative statement, for instance a White Paper, to bring together in one document the Government's policy and programmes for Inner Cities (paragraph 17 of the supplementary note)?

4. Underlying this discussion there are the organisational issues which Sir Robert Armstrong set out in his minute of 18 September to Mr Wicks, in particular the question of a 'lead' Minister. But this is not for discussion at this meeting, where



the main contenders will be present.

BACKGROUND

5. Mr Sorensen's report was commissioned at the first meeting of the Sub-Committee on 7 July (E(UP) 1st Meeting). He has since prepared a supplementary note which looks at ways in which the Government's programmes can be better targeted and presented and how local business can be more involved in urban regeneration. These papers have been circulated to everyone at the meeting.

MAIN ISSUES

6. There are perhaps three broad points which emerge from the papers before the meeting.

Co-ordinated Approach

7. First, they illustrate the extent to which inner cities policy is really a whole series of policies pursued by different Departments on matters which relate to inner cities.

Mr Sorensen's report makes useful suggestions about how each might be further sharpened; but there is a further important question, addressed in his supplementary note, which is how the various policies can be welded together into a single coherent approach which has the right impact on the people at whom it is directed.

- To some extent this is a question of simplifying and clarifying programmes within individual Departments. Mr Ridley's idea of 'City Development Grants' which would bring together Urban Development Grants, part of the Urban Programme, Urban Regeneration Grant and Derelict Land Grant, is a prime example: it should provide a good basis for marketing Government policy to entrepreneurs and developers. You may wish to explore it (does it need legislation?) and to ask whether other Ministers see similar scope for streamlining.



- To some extent it is a matter of reading across Departments and co-ordinating their priorities to get better results from the effort which Government puts into inner cities. One good example of this is the proposal that Departments should agree between themselves a number of areas where there is enough potential and local initiative to justify a concentration of Government action. This does not necessarily mean the Government arbitrarily imposing its choice of areas to receive special attention. It would still be possible to have a 'bidding' approach, with an element of self-selection on the part of local inner city areas, putting themselves forward. The key point is that, however areas are chosen, Government departments should pull together in their efforts to help them and not follow different priorities. One way of securing this might be to extend and strengthen City Action Teams which at present comprise regional direction from the DTI, DE/MSD and DoE.

Presentations

8. Second, Mr Sorensen makes the point that the Government does not get sufficient credit for all the things which it does in inner cities: hence the emphasis on presentation in his supplementary note. This points to considering action locally and nationally to publicise Government programmes more effectively.

ACTION for CITIES

- The note proposes a new Action for Cities package which would bring together all the things which the Government is doing to stimulate enterprise under four headings:

- Houses and Schools
- Business
- Jobs
- Development

- This could be backed up by some form of authoritative statement, for instance a White Paper, setting out the Government's policy overall.



9. Third, there is the need to concentrate Government effort, not just on need alone, but on those areas which have the potential and the local initiative to respond.

- This ties in with the approach which Lord Young is taking in his review of DTI's aims and programmes.

- It also ties in with the approach which Business in the Community have proposed to you for building ~~an~~ local business leadership.

HANDLING

10. You might find it helpful to focus the discussion on the organogram at the back of Mr Sorensen's latest paper, headed 'ACTION FOR CITIES' and invite each of the Ministers to talk to the heading for which he is responsible, in the light of Mr Sorensen's proposals for better co-ordination, presentation and strengthening of Government policy:

Better Homes: SECRETARY OF STATE FOR THE ENVIRONMENT

Action for Business: SECRETARY OF STATE FOR TRADE AND INDUSTRY

Action for Jobs: SECRETARY OF STATE FOR EMPLOYMENT

Action for Development: SECRETARY OF STATE FOR DEVELOPMENT.

???
ENVIRONMENT

R.T.J.

R T J WILSON
Cabinet Office
23 October 1987

cc Blue

INNER CITIES MEETING: 26 OCTOBER

We broadly endorse the thrust of Mr Sorensen's latest note for this meeting, with its emphasis on improving packaging and presentation of schemes and working with local business leadership, as well as simplifying and improving specific programmes.

The proposal to second a single individual at regional level to promote the whole range of policies under Action for Cities is particularly significant. Individuals of the right calibre could be very effective in drawing proposals together and promoting local interest - and might work closely with emerging business leadership groups.

Key next steps now are to:

1. Confirm support for BICs approach in building local leadership, and ask for a specific brief on how the Government can best support this effort.
2. Assign responsibility for pulling together the Action for City package and local promotional activities. Instead of a White Paper we could produce a promotional document which would act as an introduction to the individual components of the proposed package.
3. Ask individual Departments to take away the specific recommendations from the E(UP) report and report back to the Committee before Christmas. The attached list summarises various ideas not included in the E(UP) report which you may feel are also worth asking to be considered.

NRB

NORMAN BLACKWELL

HB.

HARTLEY BOOTH

POSSIBLE ADDITIONAL MEASURES TO BE INCLUDED IN INNER CITIES
POLICY FRAMEWORK

Land

- 1 Re-introduce rates on empty land. *No*
- 2 Require land values on company balance sheets to be updated to reflect current disposal value. (Some companies are believed to be reluctant to dispose of land which is on their balance sheet at a high historic cost).

*An extra
regulation
we are trying to
put them down*

Housing

- 1 Redirect housing grants and some urban money to provide specific grants outside of HATs for redesigning estates along Alice Coleman lines.
- 2 Encourage mixed use planning permission on large estates to allow business development within the estate.
- 3 Enable tenants and landlords to set up trusts to manage common areas on their estates and realise development opportunities (opt out provisions will not necessarily provide for effective management of common areas).

Enterprise/Employment

- 1 Provide financial incentives to encourage development of small starter units on industrial property.
- 2 Provide a back up fund to underwrite insurance for companies trying to operate in "red line" districts.
- 3 Expand and market EAS in inner city areas, with help to

overcome the £1000 barrier.

- 4 Copy the scheme run by the SDA in Scottish inner cities, which provides grants to assist employers to take on and train the long term unemployed.
- 5 Provide BES tax relief to Local Enterprise Companies which pool investments from individuals to provide small equity/loan sums to businesses in specified development areas.
- 6 Provide tax concessions for corporate funds donated to social projects (requested by Hector Laing).

Can it be
done by
the Community
Programme?

Too many new regulations.

23 October 1987

- DRW
23/10.
1. MR NORGROVE
 2. PRIME MINISTER

INNER CITIES - PRESENTATION

In connection with your meeting with Ministers on Monday, I would like to remind you of the two most urgent presentational needs.

First - a lead Minister. Monday's meeting may not be the appropriate forum to discuss this, but it remains the outstanding requirement. After all, the problem is largely presentational given that a major deficiency is getting credit for what has already been done.

You are the lead Minister for coordination of policy through E(UP). But we need a Minister who pulls the presentation of a very untidy area together and is seen to be doing so.

The Heads of information meeting which I set up with your approval agree with me that the best solution would be for Kenneth Clark (DTI) to be working with David Trippier (D/Environment). And the ideal route for this outcome would be for Nicholas Ridley, the heaviest worked Cabinet Minister in terms of legislative programme, to suggest to you that Mr Clarke should do so.

Inner Cities is felt to have gone a bit flat as a subject. I have had no difficulty in holding impatience at bay by pointing to your absence at the conference and in Vancouver/Dallas for more than a fortnight. But we need to recover momentum soon. We shall not do so if presentation is not brought together in a single Cabinet Minister; a junior Minister would not suffice.

Second, regional organisation. We shall never get presentation right, even with a lead Cabinet Minister, if we don't get the organisation behind presentation right in the regions. The prime need here is to nominate a lead official with responsibility for:

- i. co-ordinating the overall effort within the region and identifying the good story to be told; and h
- ii. charging the Regional Director of COI with responsibility for formulating and executing an inter-departmental presentation programme. 1

This minor but vital organisational point could - and should - start tomorrow. You could demand the action.


BERNARD INGHAM



CE/UP

Mr Norgrove

INNER CITIES: MEETING ON 26 OCTOBER 1987

1. I attach a copy of Eric Sorensen's note for Monday's meeting, together with 6 copies of the coloured Annex A. You may wish to send copies to the Private Offices of those attending Monday's meeting.

R T J WILSON

Cabinet Office

22 October 1987

CC

Mr Sorensen

MEETING ON 26 OCTOBER 1987 : SUMMARY NOTE

IMPROVING TARGETING AND PRESENTATION, AND ENCOURAGING BUSINESS LEADERSHIP

1. The Government's major reforms in housing and education, together with the drive to encourage enterprise and improve skills are national but will bring particular benefit to the inner cities. This note summarises how these reforms and initiatives can be better targeted and presented, and how local business leadership can be more involved in urban regeneration.

Targeting Government programmes

2. Changes in the direction or organisation of DTI's business support programmes and DE/MSD's training and employment programmes, together with DOE initiatives on bringing land and buildings into use, should provide an important opportunity for joint effort in the cities. They will enable better targeting on the needs of small and medium inner city firms.

Presentation

3. The Government's record of achievement and plans for the future in the cities does not get sufficient credit. There should be a clear authoritative statement to replace the 1977 inner cities White Paper. This needs to be complemented by a new Action for Cities package, presented nationally and locally, with four components

- Better Homes and Schools
- Action for Business
- Action for Jobs
- Action for Development

This would build on work already carried out by Departments.

IMPLEMENTING TARGETING AND RELOCATION, AND ACCORDING RIGHTS
TO RESIDENCE

The Government's policy of targeting and relocation
is designed to assist the most vulnerable and to
ensure that the benefits of the program are
distributed equitably. This policy is based on
the principle of targeting and relocation, and
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Targeting and Relocation
Action for Business
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Areas

4. Government should not direct its inner city grants and incentives solely on the basis of perceived need in an area. The priority should be to bring out potential and reward local initiative. Projects and programmes work better and make more local impact if they support each other. For example, an initiative targeted on the longterm unemployed on a council estate could combine with a project to involve tenants in improving their homes and action on crime prevention.

5. Departments should where possible agree on the location of initiatives so that the total impact of Government action can be better assessed and proper credit taken.

City Action Teams

C. A. Teams

6. City Action Teams are the Regional Directors of DTI, DE/MSD and DOE in the major conurbations. They help make sure that the left hand knows what the right is doing. They provide a focus locally for Government contact with business. They could be extended to other cities and strengthened by the addition of other Departments.

7. City Action Teams could play an important role in getting across the Action for Cities package in their areas.

Local Business Leadership

Local Leadership

8. Local business is confused about what Government support is on offer and what they can do to help regeneration. The authoritative statement, Action for Cities package, reorientation of key programmes and strengthening of City Action Teams will help.

9. There is a need for Government to support good business leadership where it emerges, but there is no one rigid model for such support. Business in the Community (BiC), with City Action Teams, could provide flexible and responsive support for local business leadership. It would be for the private sector to assess the needs and potential of their area and talk through their proposals with BiC and City Action Teams.

10. BiC are proposing to start this process by identifying 5 or 6 business leaders who could put together firm proposals to, for example, sponsor managed workshops, develop school/business links, sponsor training.

E(UP) Report recommendations

11. The detailed recommendations of the E(UP) Report are grouped by the Action for Cities themes in Annex B of the attached paper. The key recommendations are reflected in this summary.

Decisions needed

12. Decisions are invited on whether

- there should be an authoritative statement
- there should be a new Action for Cities package, with national and local follow-up
- BiC's proposal to identify and support 5 or 6 business leaders, in co-operation with Government, should be endorsed
- City Action Teams should be extended and strengthened.

INNER CITIES: NOTE FOR PRIME MINISTER'S MEETING
ON 26 OCTOBER 1987

IMPROVING TARGETING AND PRESENTATION, AND ENCOURAGING BUSINESS
LEADERSHIP

1. The Government's major reforms in housing and education, together with the drive to encourage enterprise and improve skills, are national but will bring particular benefit to the inner cities. The reforms and initiatives, with those which only apply to the inner cities, will:

- make radical changes in housing and education and give tenants and parents more choice;
- encourage enterprise, open up local markets and encourage more competition;
- foster a better-trained and motivated workforce;
- tackle dereliction and encourage investment and development.

2. This note summarises how these reforms and initiatives can be better targeted on the inner cities. Improving knowledge of and access to Government programmes and grants is as important as making them straightforward to use, so the note also proposes how programmes can be better presented. The involvement of local business leadership is essential and the note suggests how this can be done. The note draws on the detailed recommendations in the E(UP) Report (summarised in Annex B) and brings together work already underway in the Departments concerned.

BETTER TARGETING

Business Support

3. The major review ordered by the Secretary of State for Trade and Industry of DTI's aims and programmes will shortly be completed. The proposed targeting on smaller and medium firms to improve their management, design, marketing and exports will present a different emphasis. These firms will be more directly encouraged to improve their performance and it will be clearer that entrepreneurship and business skills are the key issues. As part of this new emphasis it would be possible to target greater support on businesses in the inner cities. This would improve the compatibility between DTI business support programmes and the targeted Department of Environment programmes which help bring cities' land and buildings into use. It would also effectively answer the assertion that there is a conflict between regional and urban policies.

4. The introduction of more competition in the provision in local services will also open up new opportunities for business in the cities and elsewhere.

Land and Development

City Development Grants

5. The Secretary of State for the Environment is considering whether the various grants which encourage land reclamation and building refurbishment by the private sector - Urban Development Grant, part of the Urban Programme, Urban Regeneration Grant, Derelict Land Grant - can be brigaded together in what might be called "City Development Grant". Such a grant could be operated under the wide powers in the Housing and Planning Act 1986. This would make administration simpler, and it would be easier to market grants to entrepreneurs and developers. If this were combined with further steps to help free the land market in cities and get local authorities and others to sell land, the

Government would have a much improved land and development package.

Time Limits on Decisions

6. Individuals and businesses have to wait for decisions on grants and planning applications before they can proceed. Much attention has already been given in Scrutinies and Efficiency Studies to making these processes as speedy as possible. Deregulation initiatives, such as Simplified Planning Zones will also help. Departments should consider the possibility of giving special priority to decisions on key inner city projects since delays with these mean that vital regeneration opportunities may be lost.

NSK
the
same
thing

Training and other schemes

TRAINING

7. National training and employability programmes need to be applied with special emphasis in those city areas where willingness to train and the scale of long-term unemployment present particular problems. The E(UP) Report welcomed the changes already introduced by the MSC to improve the marketing of their training programmes to reach inner city young people, and made proposals which built on that more intensive approach.

8. Three specific commitments - on YTS, training and other places for the unemployed between 18-25, expansion of Restart - were made in the Manifesto. A balance has to be struck between meeting national commitments on training and employability schemes and the need to improve the quality of those programmes in the inner cities.

9. In addition the changes now being introduced to combine responsibility for Unemployment Benefit Offices and Job Centres will help target effort on the long-term unemployed. Given that the long term unemployed are concentrated in inner cities (and in inner cities)

out of town Council estates) these and other steps now being taken to improve their prospects clearly support the Government's inner city priorities. They include better links between schools and businesses and between training organisations and employers, as proposed in the E(UP) Report.

Choice for Tenants and Parents

10. The E(UP) Report covered the implications of the major radical changes proposed in housing and education. These will improve quality and variety in homes and schools in the cities. The Report recommended that steps should be taken to advise parents and tenants about new opportunities on offer and to encourage them to take them up.

11. The threat of financial collapse in selected local authorities, particularly in inner London, reinforces the need for examination of the potential for alternative means of providing local services. The Government's proposals for housing, education and other services will help to develop this alternative structure.

Next Steps

12. The improvements being made and the reviews in hand in the Departments concerned - DTI, DOE, DE/MSD - will, in different ways, both improve administration and target effort better on key inner city issues. Work on the review of DTI's aims should be completed soon, as should setting the framework of DOE's City Development Grant. The results of this work, and the changes in DE/MSD can then be fed into the new Action for Cities presentation package.

PRESENTATION

13. The Government needs to present its reforms and programmes for the inner cities positively and coherently. The individuals and businesses who should take up the grants, incentives and other opportunities on offer need information, advice - good signposting - on what to do.

14. The major Government reforms and initiatives are reflected in the responsibilities of Departments:

DES, DOE: Better schools and parental choice; better homes and more choice for tenants. Competition and accountability in local government.

DTI: Encouraging enterprise and business growth.

DE/MSD: Better trained and motivated workforce, small firms and self employment;

DOE: Tackling dereliction and encouraging development.

15. Several Departments play a part in meeting each objective. For example, though DTI is concerned with firms and business enterprise, DE have particular responsibility for small firms and self-employment. Both DES and DE/MSD are concerned with adult education and training. Links between businesses and schools are fostered by DES, | by DE/MSD | and by DTI.

16. Other Departments also have an important role. For example, the Home Office has responsibility for crime prevention and maintaining social order. In this note the boundaries of the Action for Cities package have been drawn to include homes, schools, jobs, businesses, development. This list, of course, could be extended.

17. The E(UP) Report proposed that the Government should publish an Authoritative Statement/White Paper because the previous White Paper of 1977 was wholly out of date and inappropriate. Such a Statement or White Paper would set out the Government's policies and complement an Action for Cities package. It would be important to emphasise in such a Statement the continuity and substantial achievements of the Government's inner cities' policies and programmes. The Government have been taking action for many years without getting the credit; a Statement and accompanying package would help to put this right.

The Action for Cities Package

ACTION for CITIES.

18. The Action for Cities package would comprise the national initiatives, related to individual Departments' work. The package would be:

- Better homes and schools;
- Action for Business;
- Action for Jobs;
- Action for Development.

The new Action for Cities package would:

- (a) present a coherent picture of the Government's programmes which help to regenerate cities;
- (b) demonstrate that different programmes, run by different Departments, each make their contribution to the wider regeneration aim;
- (c) emphasise that national programmes, as well as specific inner city programmes, are important in the inner

cities. The inner cities are not a world apart requiring separate policy prescriptions. What is required is effective targeting and marketing, and particular effort to tackle the concentration of problems and unlock opportunities.

/ A diagram of the Action for Cities package is at Annex A.

Areas

19. Action for regeneration makes more impact if effort is concentrated on specific areas where there is clear potential and local initiative to support or reward. By concentrating effort, projects can be mutually supporting - for example involving council tenants in improving their homes might be combined with local shop front improvement or a crime prevention initiative. Adopting an area approach also enables progress and achievements to be tracked and assessed and lessons learnt to be applied elsewhere. But an area approach should respond to potential; targeted public investment in areas or projects where there is minimal potential for lasting regeneration raises expectations and is not usually cost-effective.

Local Marketing

20. There are complaints, especially from businessmen, that not only are they unclear about the Government's policies for cities, but they do not know where to get advice and assistance. This reinforces the need for clear local presentation of the Government's policies. This needs to be done on a continuous basis. The programme for better local presentation should include:

- (a) Ministerial roadshows and seminars to launch the Action For Cities package in each city;

- (b) distribution of the promotion and information publications to local businesses, professional organisations and other local groups;
- (c) temporary secondments of either a civil servant from a Regional Office or a person from a local company whose sole task for, say, 3 months would be get across to, as many local interests as possible what the Government's policies and programmes were and how best they could be used;
- (d) using Local Enterprise Agencies, Job Centres, and similar outlets to distribute and market the Action for Cities package, alongside their other services.

21. The secondee with responsibility for getting across the Government's programmes would report to the City Action Team so that the Team had good feedback about the marketing effort and what could be done to improve the administration of programmes locally. The COI Regional Director would also be involved in organising publicity and promotion through the local media.

City Action Teams

22. City Action Teams are the Regional Directors of the key Regional Departments - Employment/MSD, Environment, Trade and Industry. They were set up in early 1985 in each of the major conurbations. They help to make sure that the left hand knows what the right hand is doing. They develop useful joint projects, combine their efforts to encourage the private sector. They also provide an important focus for Government contact at city level with the private sector.

23. City Action Teams are an important resource in promoting the Government's policies locally. The E(UP) Report, proposed that

the teams might be extended to other areas and their membership broadened and strengthened. The 16 inner city Task Forces should be closely associated with the relevant City Action Team to ensure effective liaison.

Next Steps

24. It is proposed that an Action for Cities information and presentation package is prepared comprising 4 parts:

- Better homes and schools;
- Action for Business;
- Action for Jobs;
- Action for Development.

Some parts of the package would be prepared earlier than others. For example the existing Action for Jobs material may only require modest adaptation to highlight inner city initiatives whereas the final version of Better Homes and Schools may need to wait until Parliament has passed the relevant legislation. It would not be necessary to delay the preparing and launching the package until all the component parts were in their final form.

25. It is proposed that an Authoritative Statement/White Paper is prepared setting out the Government's achievements and policies, against which the Action for Cities package would be presented.

26. Intensive efforts are required to get the Government's programmes across at local level and the City Action Teams should play a key role to ensure that this is done.

LOCAL BUSINESS LEADERSHIP

27. Successful Victorian cities combined business with civic responsibility. The civic leaders and leading local businessmen were often one and the same. The civic leadership's commitment to the overall success of the city was bound up with their interests as local entrepreneurs. A gap has now opened up between civic leadership in major cities and the local business community with the former more interested in the provision of services, often disregarding steps which could be taken to improve the health of local business. Also, structural changes in business have meant the loss of the direct link between local businesses and a city. The corporate headquarters are often in London and in many cities all that remains is a branch plant or office.

28. Chambers of Commerce - directly representing the local business community - could provide a network of local business interests. But they operate as defensive lobbies rather than providing leadership. Therefore other organisations have been developed to fill the gap. Business in the Community (BIC) is a national private sector-led organisation which encourages local businesses to set up enterprise agencies to support start up businesses and is also developing a wider programme to encourage business commitment. BIC is not the only means through which such business commitment is developed. Glasgow Action, for example, was set up independently by leading businessmen there.

29. There is a need for Government to support good business leadership where it emerges, but there is no one model for local business commitment. Effective local business commitment is crucially dependent on individuals of stature as they will, unlike a local authority leader, have no statutory authority or control over financial resources.

30. Local business can be involved in:

- school/business links;
- sponsoring training;
- local enterprise agencies;
- sponsoring managed workshops;
- large/small firm contacts and local purchasing;
- marketing the city.

- DEVELOPMENTS → ENTERPRISE.

The mix of activity will vary according to local needs and the particular strengths and enthusiasms of local businessmen.

31. Local business leadership can also play a crucial role in developing a high level "vision" for the commercial and environmental regeneration of the city. Such a vision would tie together the various initiatives listed above and increase confidence and commitment in the community as a whole. A business-led leadership group can often successfully forge consensus between local government, central Government, and the community than a Government agency and will carry with it the commitment of the business community to deliver on the proposed initiatives.

32. BIC are proposing to start by identifying 5 or 6 business leaders who would put together leadership teams to agree on the needs and potential of their cities. They would develop firm proposals based on but not confined to the list in paragraph 30.

33. The teams of businessmen would no doubt wish to talk through their ideas with Government Departments and therefore the City Action Teams will need to be receptive to their proposals.

34. BIC does not, of course, have a monopoly in fostering local business leadership. There are many examples of businessmen taking initiatives of the kind listed in para. 30 quite independently. Therefore the City Action Teams' range of contacts with local business is wide and the effect of the Action for Cities package and presentation should be to make these contacts even wider and more effective.

Next Steps

35. It is for BIC and local businessmen to take the initiative in setting up local leadership teams to make progress on the initiatives listed in para. 30. City Action Teams should be positive and receptive to the proposals put to them. The Action for Cities package will be actively marketed by City Action Teams and that too should encourage local businessmen to play a greater part in inner city regeneration, both on a commercial and on a charitable basis.

E(UP) REPORT : RECOMMENDATIONS

ANNEX B

Better Homes and Schools

MARRONETS

1. DoE and DES should bring forward proposals to ensure that inner city council tenants and parents are aware of the opportunities open to them to change landlord and have more say in the running of schools. Special bodies may be needed to get the message across where local authorities and other bodies will be resistant or hostile to change. (Recommendation 2)

LONDON COMPACT

2. The London Compact, through which companies offer job interviews to pupils reaching minimum standards of attainment and attendance, is an important model which DES should pursue. (Recommendation 5)

3. City Action Teams should take the lead in organising joint projects on rundown council housing estates to reach the unemployed, prevent crime, improve housing management and encourage local enterprise. This need not involve additional expenditure. (Recommendation 9).

Action for Business

4. Companies are involved in urban regeneration in many ways. Government should produce a succinct account of existing activity to provide signposts for firms as to how they might direct their effort. This would also help to inform Government Departments and local authorities about the importance of business involvement. An account could supplement a Government policy statement. (Recommendation 12)

5. Local Enterprise Agencies (LEAs), which specialise in small business support and are funded by companies, Government and local authorities, should be strengthened. Business in the Community (BIC), which has an overall sponsorship responsibility for LEAs, intends to target on 20 inner city LEAs to improve their effectiveness. Government support should complement this initiative. (Recommendation 11)

Action for Jobs

6. MSC programmes do not always reach inner city residents effectively. Annex D of the E(UP) report described ways in which they might, for example, encourage closer employer involvement in YTS. MSC need to balance the quality of provision against fulfilling targets. (Recommendations 3 & 8)

7. The combination of rules restricting the area of subsidised travel for jobseekers and low travel allowances may be inhibiting the takeup of employment opportunities by the unemployed, particularly blacks. DE should bring forward proposals. (Recommendation 4)

8. There is a mismatch in many areas between skills and jobs, for example in London Docklands. The London City Action Team (the Regional Directors of DoE, DE/MSD, DTI and the Home Office) should examine with the LDDC, employers and training organisations how training could be better matched with jobs and report to Ministers. (Recommendation 6)

9. DE/MSD and DES should bring forward proposals for a more intensive follow-up of the long-term unemployed identified by DE's Restart programme, through which everyone unemployed for more than six months is interviewed. This is particularly important in identifying those who cannot read and write. (Recommendation 7)

Action for Development

Report for LAMU Ownership?

10. The current system of identifying and bringing into use underused public land is inadequate. DoE should bring forward proposals to require public sector landowners to make public what land they own and consider the need for a land disposal agency and further measures to require local authorities to dispose of land. (Recommendations 13, 14 & 15)

Improving links between Departments

CAT's

11. City Action Teams have improved the delivery of DOE, DTI and DE/MSD programmes in the conurbations, especially through supporting joint projects. Similar teams should be established in other areas and the private sector should be more closely involved. (Recommendation 17)

Task Forces local initiatives

12. The 16 inner city Task Forces have helped to launch significant local employment projects. Their main task should be to build up the ability of local business and community organisations to take over this work. (Recommendation 18)

13. Despite efforts by City Action Teams, there is a need for better exchange of information between Departments about area-based initiatives, and about the potential of different areas, so that projects can be effectively packaged to make the most effective local impact. There should be better evaluation of the impact made by projects on a particular area. (Recommendation 19)

Presentation

14. There should be a new authoritative policy statement. (Recommendation 22)

15. Ministers should have regularly updated bull points about urban policy. (Recommendation 18)

16. Every Government-supported project should be clearly identifiable with the Action for Cities logo. (Recommendation 19)

17. City Action Teams and COI should prepare local briefing for journalists and others. (Recommendation 20)

Other recommendations

18. The Home Office and other Departments should consider the purposes for which voluntary organisations are funded, with particular reference to the Government's inner city objectives and the need to build up effective local groups. (Recommendation 10)

ACTION FOR CITIES

BETTER HOMES AND SCHOOLS

To give tenants and parents more choice and improve homes and schools

Right to Buy
Right to Transfer
Rent Deregulation
Home Improvement Grants

Opt out
Delegation to Governors

Developers and Landlords
Local Authorities
Estate Action
Housing Associations
Housing Action Trusts

Parents, Governors and Heads
Local Authorities
City Technology Colleges

ACTION FOR BUSINESS

To encourage business starts and expansion of companies

Grants to businesses

Private companies through Enterprise Agencies
City Action Teams
English Estates
Task Forces
Local Authorities

ACTION FOR JOBS

To improve skills and reduce local unemployment

Youth Training Scheme
Job Training Scheme
Community Programme
Adult training
Enterprise Allowance
Restart

Employers
MSC
City Action Teams
Voluntary Organisations
Task Forces
Local Authorities

ACTION FOR DEVELOPMENT

To make better use of land and buildings and encourage private sector development

City Development Grant
Urban Programme
Land Registers
Simplified Planning Zones
Enterprise Zones

Developers
Urban Development Corporations
City Action Teams
Local Authorities

Grants & Incentives

Agents

File



cc: Mr. Blackwell

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

22 October 1987

INNER CITIES: IMPROVING TARGETING AND PRESENTATION AND
ENCOURAGING BUSINESS LEADERSHIP

BA

I enclose a copy of a note prepared by Eric Sorensen, Cabinet Office, which will be discussed at the Prime Minister's meeting on Inner Cities on Monday. The other paper for discussion is of course Mr. Sorensen's report, already circulated to E(UP).

I am copying this letter and enclosure to Peter Smith (Chancellor of the Duchy of Lancaster's Office), Robin Young (Department of the Environment), Jill Rutter (Chief Secretary's Office, HM Treasury), and Richard Wilson (Cabinet Office).

David Norgrove

DN

Tim Walker, Esq.,
Department of Trade and Industry.

Note by Eric Sorensen. CCB/UP
20/10/87.

BUSINESS IN THE COMMUNITY

1. Business in the Community (BIC) is a business-led association and charity with membership from 270 UK companies. Founded in 1981 by a handful of major companies, it promotes and demonstrates corporate involvement in local economic regeneration initiatives. BIC has a core team in London and directors in each region.

2. Membership of BIC involves:

- payment of subscription to meet operating costs;
- the company Chairman or Chief Executive being on the BIC Governing Council with an intention to play an active role;
- active commitment to corporate community involvement as part of business practice;
- support for local partnership initiatives to help economic regeneration by giving cash, secondments, and other business resources.

Local Enterprise Agencies

3. Priority was first given to promoting the involvement of some 3,000 companies in setting up about 300 Local Enterprise Agencies (LEAs). These assist start up firms and provide other support for local businesses. It is believed that LEAs help to create over 80,000 jobs each year. Financial support to LEAs is given by companies, local authorities, and central Government.

4. BIC are proposing to target 20 inner city LEAs and expand their business support activity.

The Percent Club

5. BIC also runs the Percent Club which comprises the Chairman or Chief Executive of just over 100 companies. Each company is committed to providing at least $\frac{1}{2}\%$ (growing to 1%) of pre-tax profits, or 1% of net dividend, to community involvement schemes. Community involvement is broadly defined and ranges from traditional charitable giving to companies becoming more closely involved with schools and education standards. From November the joint Chairman of BIC (at present Lord Carr) and its associated Percent Club will be Sir Hector Laing.

Target Areas

6. BIC member companies support a wide variety of activities:

- small firm/large firm links, and local purchasing;
- support for start up firms;
- encouraging youth enterprise;
- school/employer partnerships;
- sponsorship of training schemes with the MSC;
- targeted recruitment policies to help inner city residents;
- secondments to voluntary and other organisations.

Leadership Teams

7. BIC are proposing to identify 5 or 6 business leaders who might develop such activity in selected cities. They would be part of a team of committed local businessmen who would agree what an area needed and what practical steps could be taken to realise their vision. These local leadership teams would be backed up by BIC's national organisation which would offer information, for example, about project types and access to funding. The local teams would work closely with the public sector - for example City Action Teams.

CONFIDENTIAL



Mr Norgrove
No 10

INNER CITIES

1. Eric Sorensen has asked me to let you have the attached draft note on Grants and Local Leadership for the Prime Minister for the meeting on 26 October, on which he would welcome any comments.
2. We are also preparing a note summarising under key headings the various recommendations made in the E(UP) report.

Andrew Lean

A C W LEAN

Room 306, 70 Whitehall
270 0020

19 October 1987

CONFIDENTIAL

INNER CITIES: NOTE FOR PRIME MINISTER'S MEETING ON 26 OCTOBER

STREAMLINING GRANTS AND ENCOURAGING BUSINESS LEADERSHIP

1. This note proposes how the administration and presentation of inner city grants and incentives can be improved, and how local business leaders can be more closely involved.

SIMPLIFYING ADMINISTRATION

2. There are two main ways to improve support and encouragement for those regenerating cities: simplifying where possible grants and other incentive schemes on offer, and improving knowledge of and access to them.

Support for Enterprise

3. The major review ordered by the Secretary of State for Trade and Industry of DTI's aims and programmes is still underway and any conclusions at this stage must be tentative. The new targeting on smaller and medium firms to improve their management, design, marketing and exports will contrast with the present emphasis on different business sectors. Instead, firms across the board will be encouraged to improve their performance and it will be much clearer that entrepreneurship and business acumen are the key issues. It would be possible under these emerging proposals to give greater support to businesses in the inner cities. This would greatly improve the compatibility between DTI enterprise support programmes and the targeted DOE programmes which help bring cities' land and buildings into use.

4. The introduction of much more competition in the provision in local services will also open up new opportunities for business in the cities and elsewhere.

Development

5. The Secretary of State for the Environment is considering whether the various grants which encourage land reclamation and building refurbishment by the private sector - Urban Development Grant, part of the Urban Programme, Urban Regeneration Grant, Derelict Land Grant - can be brigaded together in what might be called "City Development Grant", using the wide powers in the Housing and Planning Act 1986. Not only would this make administration simpler, but it would make the marketing of grants to entrepreneurs and developers easier. If this were combined with further steps to help free the land market in cities and get local authorities and others to sell land, then the Government would have a much improved land and development package.

Training and other schemes

6. The key issue for inner cities is to make national training and employability programmes as relevant as possible in those areas where willingness to train and the scale of long-term unemployment present particular problems. The E(UP) Report welcomed the changes already introduced by the MSC to improve the marketing of their training programmes to reach inner city young people, and made proposals for more intensive follow-up of Restart to tackle adult illiteracy. Three specific commitments - on YTS, training and other places for the unemployed between 18-25, expansion of Restart - were made in the Manifesto. Significant changes are being introduced very shortly to help target effort on the long-term unemployed by combining responsibility for unemployment benefit offices and job centres.

Choice for Tenants and Parents

7. The E(UP) Report covered the implications of the major radical changes proposed in housing and education. These will improve quality and variety in homes and schools in the cities.

The Report recommended steps to encourage parents and tenants to take up these new opportunities.

Time Limits on Decisions

8. Individuals and businesses have to wait for decisions on grant applications, on planning applications before they can proceed with development. Much attention has already been given in Scrutinies and Efficiency Studies to making these processes as speedy as possible. It may well be useful however to give more attention to this and for the public sector to commit itself on the speed of giving decisions.

National Initiatives

9. The national initiatives are to:

- encourage enterprise, open up local markets and encourage more competition;
- make radical changes in housing and education and give tenants and parents more choice;
- foster a better-trained and motivated workforce;
- tackle dereliction and encourage investment and development.

These major reforms are designed for the whole country but they will be of particular benefit to inner cities.

Action for Cities: Departments' Programmes

10. The key themes of the Government's programme for cities are reflected in the responsibilities of Departments.

Department of Trade and Industry

Encouraging enterprise and business growth.

Department of Education, Department of Environment

Better schools and parental choice; better homes and more choice for tenants.

Department of Environment

Tackling dereliction and encouraging development.

Department of Employment/MSD

Better trained and motivated workforce.

11. Other Departments also have an important role in creating the right conditions. For example, the Home Office has responsibility for crime prevention and maintaining social order.

12. There are some overlaps: Employment also sponsor small firms and encourage enterprise through the Enterprise Allowance Scheme. Links between businesses and schools are encouraged by Education, by Employment (TVEI) and by Trade and Industry (educating school children about the world of business).

13. These national priorities, grouped by Departments, might be presented as:

- Action for Enterprise;
- Action for Development;
- Action for Jobs;

- Better homes and schools.

They could be put together as the Action for Cities package. This would help get across the different but mutually supporting contributions that programmes from different Departments bring to the task of regenerating the cities, and also helpfully challenge the assertion that the inner cities are in some sense a world apart.

PRESENTATION AND MARKETING

14. The main purpose in making programmes simpler is to make them easier to understand, cheaper and speedier to administer, and to encourage their take-up, especially by entrepreneurs and businesses. Simplification is not sufficient by itself; what the Government has to offer needs to be clearly presented and marketed to target groups. The E(UP) Report proposed that the Government should issue an Authoritative Statement so that people knew what the policy was. This could be linked with more detailed proposals on marketing what is on offer.

15. They would have different audiences. Action for Jobs is addressed to school-leavers, the unemployed, and those wishing to set up in business or change careers. Action for Development would be addressed to developers, surveyors, land-owners. Action for Enterprise would be targeted on new and existing businesses to help them start up, grow, and become more productive. Better marketing of itself would clarify the policies and make them more effective.

Local marketing

16. There are constant complaints, especially from businessmen, that not only are they unclear about the Government's policies for cities, but they do not know where to get advice and assistance. That problem has begun to be tackled by the setting

up of a network of Local Enterprise Agencies (LEAs). These are private sector led local organisations, financed jointly by larger companies, central and local government to give business advice to start-ups and small firms. They are variable in quality. The E(UP) Report proposed that they should be reviewed, with the good ones made better and the bad ones closed down or merged with better ones.

17. Job Centres represent another outlet. These could be used not only for Action for Jobs marketing, but also Action for Cities generally, providing an office for individuals, probably seconded from companies, whose task would be to tell local Chambers of Commerce, local professional organisations, and other organisations in each city about what is on offer. They would report to City Action Teams so that Departments could get feedback directly about the marketing programme and could begin to monitor progress in the local area.

Inter-Departmental links: City Action Teams

18. There needs to be some means by which Departments can keep each other informed, develop useful joint projects, combine their efforts to encourage the private sector. City Action Teams are the Regional Directors of the key Regional Departments - Employment/MSD, Environment, Trade and Industry. They were set up in early 1985 in each of the major conurbations. They help to make sure that the left hand knows what the right hand is doing. They also provide an important focus for Government contact at city level with the private sector.

LOCAL BUSINESS LEADERSHIP

19. Successful Victorian cities combined business with civic responsibility. The civic leaders and leading local businessmen were often one and the same. The civic leadership's commitment to the overall success of the city was bound up with their

interests as local entrepreneurs. A gap has now opened up between civic leadership in major cities and the local business community with the former more interested in the provision of services, often disregarding steps which could be taken to improve the health of local business. Also structural changes in business have meant the loss of the direct link between local businesses and a city. Often, the corporate headquarters are elsewhere and in many cities all that remains is a branch plant of some much larger conglomerate.

Involving Business

20. Ideally, Chambers of Commerce - directly representing the local business community - should provide a network of local business interests. But they operate as defensive lobbies rather than providing leadership. Therefore other organisations have been developed to fill the gap. These include Local Enterprise Agencies which specialise in small business support. Business in the Community is a national private sector-led umbrella body which not only encourages local businesses to set up enterprise agencies but is developing a wider role to encourage a broader business commitment to city issues. In some cities businessmen have got together and set up local organisations, such as Glasgow Action to encourage business commitment to particular development projects and other initiatives.

Identifying Business Leaders

21. There is no universally applicable structure for business support, but there is a need for Government to support strong leadership where it emerges. An effective local business organisation is crucially dependent on individuals of stature they will, unlike a local authority leader, have no statutory authority or control over financial resources.

22. There are three possible ways of involving local businessmen

more closely in public sector decisions:

- (a) as formal member of the administrative machine e.g. as temporary civil servants;
- (b) as members of joint advisory committees;
- (c) as leaders of freestanding private sector led organisations with good links to the public sector.

Possible role of the leader

23. The leader might not set out to lead a body which represented all shades of opinion, nor which had the aim of tackling urban problems comprehensively. He might concentrate on one or more of the following:

- sponsoring training;
- Local Enterprise Agencies;
- encouraging development on key sites;
- marketing the city;
- school/business links;
- large/small firm contacts.

DSG

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bc: 8g

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

MR. SORENSEN

CABINET OFFICE

INNER CITIES

We have, as you know, arranged an ad hoc meeting for 26 October to discuss your Report on Inner City Policy.

This meeting is not intended to be one at which firm decisions will be taken. The Prime Minister rather felt that it would be useful to hold a meeting smaller than E(EP) in which the shape of the proposals could be better discussed and perhaps some of the undergrowth cleared away.

I should also record that you are preparing for this meeting a note on how local leaders might best be brought into the work in particular areas and whether and how the Government's administrative arrangements and system of grants might best be adapted to help this.

I am copying this letter to Tim Walker (Department of Trade and Industry), Peter Smith (Chancellor of the Duchy of Lancaster's Office), Robin Young (Department of the Environment), John Turner (Department of Employment), Jill Rutter (Chief Secretary's Office) and Richard Wilson (Cabinet Office).

DRN

David Norgrove

8 October 1987

DSG