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AD HOC MEETING AT 3.30 PM ON MONDAY 26 OCTOBER

**INNER CITIES: IMPROVING TARGETING AND PRESENTATION, AND
ENCOURAGING BUSINESS LEADERSHIP**

The Prime Minister held a meeting to discuss inner cities policy on Monday 26 October. There were present the Secretary of State for Employment, the Secretary of State for the Environment, the Secretary of State for Trade and Industry, the Chancellor of the Duchy of Lancaster and the Chief Secretary, Mr Richard Wilson, Mr Eric Sorensen and Mr Andrew Wells (Cabinet Office) and Mr Norman Blackwell (No 10 Policy Unit).

The meeting considered a report on inner cities prepared by Mr Sorensen of the Cabinet Office, previously circulated with a summary to E(UP) (E(UP)(87)5&6), and a separate Note on improving targeting and presentation, and encouraging business leadership, prepared by Mr Sorensen and circulated by the Prime Minister's Private Secretary on 22 October 1987.

THE PRIME MINISTER said that the Cabinet Office report required decisions in three main areas. First, there were detailed recommendations for changes in existing programmes or measures designed to deal with inner city problems. Each of the programmes or measures was the responsibility of a specific Minister. Second, the report highlighted the need for better coordination of all the separate initiatives, both at national and at local level. Third, there was the issue of targeting measures on areas where there was a real chance of success. The main matters for the present meeting to consider were the arrangements for coordination at national level, and the framework within which decisions on the other issues could be reached.

In discussion the following main points were made -

- a. The Government were already making an enormous contribution towards tackling inner city problems, through the programmes of a number of Departments. However there was a clear need for better coordination both at local level and nationally. Some improvements had been made at local level, particularly through the City Action Teams (CATs), but there still remained the need to improve coordination between Departments at national level, particularly with measures to encourage enterprise and industry in the inner cities. Officials from Departments could do the groundwork. But in view of the need to take decisions about priorities across the whole range of Government policies there also needed to be regular discussion between the Ministers responsible for the key Departments.

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b. Decisions would be needed about the areas where resources should be concentrated. It would be essential to select areas where there was a real prospect of success, particularly in the North West, Birmingham and the West Midlands, Teesside and Tyneside, the Leeds and Bradford area, and London. There might also be other candidates, eg in the South West. Within the chosen areas it might be necessary to concentrate on even smaller localities, eg individual estates where the situation could be changed dramatically if a coherent range of initiatives were to be deployed.

c. One crucial element for long-term success would be the development of local leadership, particularly from the business community. Initiatives in this area were under way, in cooperation with Business in the Community, although other bodies representing business interest also had a part to play. It would be important for Ministers to review regularly the opportunities for involving business in the Government's inner city policy. The attitude of the local authorities in an area would also be important, and different approaches would be needed in different areas depending on their willingness to cooperate with the Government. Certain initiatives, such as the proposed City Development Grant, could be developed in cooperation with local authorities where that was a possibility, or could be targeted directly on private landlords where local authority cooperation was not forthcoming.

d. Another need was for better presentation of the very substantial Government input to tackling inner city problems. The publication "Action for Cities" showed what could be achieved if the right approach was adopted. There was a good case for producing a new statement of Government policy in a similar format, possibly as a White Paper. It would also be important to support such a document with effective material which showed individuals how they could take advantage of the Government's various initiatives.

THE PRIME MINISTER, summing up the discussion, said that there was general agreement on the need for better co-ordination of Government policy towards the inner cities. This had been recognised in the setting up of the Ministerial Committee on Urban Policy. There was in addition a particular need to draw together at a practical level the work of those key Departments which were directly involved in encouraging enterprise and industry in inner cities. For this purpose she would chair a group which would include all the Ministers present as well as the Home Secretary and the Secretary of State for Transport. The first meeting should take place in about three to four weeks' time.

The Cabinet Office would coordinate contributions from Departments and prepare papers for this meeting. The group would wish to consider a selection of possible areas where Government effort could be intensified, including areas in the North West, Birmingham and the West Midlands, the Leeds and Bradford area, Tyneside and Teesside, and perhaps one area in the South West. Within the chosen areas it might be necessary to concentrate on particular

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localities, perhaps even on individual local authority estates which could benefit from a coordinated programme of housing, employment and other initiatives. It would be important to concentrate on places with potential where Government action was most likely to succeed, and to ensure that means would be available to evaluate and demonstrate their success. The Cabinet Office would need to prepare details of the input which each Department planned to make into each area over the next six months under existing programmes, and of any new initiatives which it planned in the areas in this period, so that Ministers could decide whether resources needed to be redirected; and it should also draw up a forward look at the proposals for action in these areas over the next twelve months. One key element in success would be the development of local leadership, particularly from the local community, drawing as appropriate on Business in the Community and other groups representing business interests. The Cabinet Office should bring forward details of their involvement and how it might be strengthened. They should also bring forward outline proposals for a new statement of the Government's inner cities policy, building on the successful presentation used in "Action for Cities", possibly in the form of a White Paper. Finally the Cabinet Office should draw up a list of Ministers' visits to inner city areas over the next three months, so that the group could consider the scope for greater co-ordination.

On the remaining proposals by Mr Sorensen in the papers before the meeting, the group noted that the Secretary of State for the Environment had already set in hand work on the new City Development Grants, and that the other Ministers concerned were similarly considering those recommendations which affected their responsibilities.

The Meeting -

Took note, with approval of the Prime Minister's summing up of their discussion, and invited the Cabinet Office to be guided accordingly.

28 October 1987

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b.c. BG.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

28 October 1987

Dear Nick,

INNER CITIES

I am circulating herewith a record prepared by the Cabinet Office of a meeting the Prime Minister held on Monday 26 October to discuss Inner Cities.

I am copying this letter to Robin Young (Department of the Environment), Timothy Walker (Department of Trade and Industry), Peter Smith (Chancellor of the Duchy of Lancaster's Office), Jill Rutter (Chief Secretary's Office, HM Treasury), Philip Mawer (Home Office), Jonathan Cunliffe (Department of Transport) and Trevor Woolley (Cabinet Office).

Yrs,

Daniel

D R NORRGROVE

Nicholas Wilson, Esq.
Department of Employment

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From: R T J Wilson
28 October 1987

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MR NORGROVE

1. I attach the minutes of the Prime Minister's meeting on Inner Cities which you may wish to send out under a brief covering letter to the Private Secretaries of Ministers who attended the meeting and of the Home Secretary, Secretary of State for Transport and Sir Robert Armstrong.
2. You will note that in the summing up I have attempted to distinguish this group from E(UP), so as to enable us to fend off any queries from other Ministers who may want to come to the group's next meeting. I have also omitted any reference to breakfast: this seems to me a matter of logistics which does not need to be dealt with in the minutes.
3. I have discussed the follow-up action with Mr Sorensen and he has already set to work to pull the material together.
4. We are envisaging the next meeting of the group taking place in the second half of November; but perhaps I could come back to you on this when we have a clearer idea of when papers will be ready .

R T J WILSON

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