

PRIME MINISTER

Meeting arranged
for 5 o'clock on
Monday 23rd Nov.

INNER CITIES

We would like to talk to you tomorrow about the joint minute from the Secretaries of State for Trade and Industry and Environment (at Flag A) about the appointment of a Minister of State for inner city policies. Mr. Wilson has provided a useful analysis in his minute at Flag B, in which he expresses some scepticism about the proposal. Brian Griffiths' comment is at Flag C.

Some particular points:

(i) Everyone(!) - the Secretaries of State, Robert Armstrong, Brian Griffiths, Mr. Wilson, Bernard and myself - agrees that there is a gap to be filled for:

- vigorous presentation of the Government's inner city policies;
- getting departments to work together both on general policy and on the implementation of that policy in particular inner cities.

Your Chairmanship of EUP, and the breakfast meetings (the first is arranged for 30 November) are key elements here. But I do not believe that you can carry the load by yourself. You cannot be expected, for example, to carry out the sort of programme outlined in Brian's minute at Flag C. Nor is it really your job to carry out the detailed work of making sure each department's policies fit into a coherent whole nor to oversee translation of those policies into plans for individual inner cities. We need a strong Departmental Minister to do this, good at presentation, vigorous and able to sort out conflicts of priorities between departments.

(ii) I share Mr. Wilson's doubts about the Ridley/Young proposal, and would add a further consideration. There could hardly be a place for Mr. Clarke in this machinery - two Secretaries of State and the central Minister of State would not leave much room for Mr. Clarke.

(iii) I do not like Richard Wilson's suggestion that the two Secretaries of State should set up their own coordinating arrangements, by designating a Minister of State in one department with a supporting Parliamentary Secretary in the other. This might work if the "designated Minister of State" was the Chancellor of the Duchy, but I doubt whether that would be acceptable to Mr. Ridley or perhaps even to Lord Young. Who else could be the designated Minister of State? Hardly the DTI Minister of State, Mr. Alan Clark; and Mr. Howard and to a lesser extent Mr. Waldegrave, from DoE are already hard-pressed.

(iv) Another course would be to give DoE complete responsibility for inner city policy, transferring DTI's responsibilities to that Department. Mr. Ridley, with his great interest in inner city policies, would no doubt welcome that; Lord Young would probably not mind losing his inner city responsibilities; but Mr. Clarke who has put a lot of work into this area over the last two years and has been a good soldier as the junior Cabinet Minister in a department, would probably be very disappointed. In any event, DoE are already over-burdened and that department's traditional ethos may not put sufficient emphasis on the enterprise/local leadership element so crucial for inner city regeneration.

(v) Yet another course is the Ridley/Young proposal but with the Minister a Cabinet Minister. Presumably, you would not wish to create a new Cabinet Minister just for this job. That means finding an existing Cabinet Minister who could take on the task. The only one that I can see is Mr. Clarke. Conceivably he could retain his functions in DTI (for steel, shipbuilding, etc) but have a central role, perhaps attached in some way to the Cabinet Office for the presentation and

coordination of inner city policies, with the terms of reference outlined in paragraph 6 of Mr. Wilson's note. DTI's existing inner city responsibilities, particularly for the city action teams could remain in that department (where they would remain Mr. Clarke's responsibility) or he could take them with him to the Cabinet Office; paragraph 13 of Mr. Wilson's note seems to indicate that Sir Robert Armstrong would prefer that those responsibilities, and the staff and expenditure that go with them, should remain in the DTI.

In many ways, this would seem to be to be the best solution. But it may have one considerable difficulty. Mr. Ridley may find it an uncomfortable arrangement. His relations with Mr. Clarke are not good, partly because their approaches to inner city policy are different.

We should be glad to discuss this with you tomorrow when you return at 1030.

N. L. W.

(N. L. WICKS)

17 November 1987



10 DOWNING STREET

Prime Minister,

I put this in
tonight for Monday's
meeting, in case
you want any
more work to be
done before then.

N. L. W.

19.11



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P 02923

From: R T J Wilson
17 November 1987

MR WICKS

INNER CITIES

You asked for advice on the joint memorandum of 10 November which the Secretaries of State for the Environment and for Trade and Industry have sent the Prime Minister.

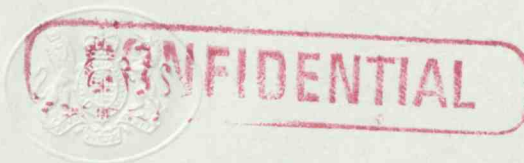
Objectives

2. The Prime Minister as chairman of E(UP) is in the lead on policy towards the inner cities. The question is whether the present organisational arrangements give her enough support in this role.

3. Both the Sorensen report and Sir Robert Armstrong in his minute of 18 September suggested that the arrangements need strengthening. I agree. The Government in its various parts is doing a great deal in the inner cities and is putting a lot of resources into them. But there is no one below the level of the Prime Minister and E(UP) responsible for pulling the work of Departments together and making sure that the sum total of their efforts is well directed, well presented and effective.

a. Co-ordination. There may be a case for the Prime Minister designating a Minister of State without departmental responsibilities to assist the Prime Minister in the oversight and co-ordination of departmental policies, and in making sure that the mix of policies is focused on the areas

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to which Ministers wish action to be directed and properly reflects Government policies for encouraging local enterprise and initiative.

b. Presentation. Each department can publicise its own work. But there is no one to support the Prime Minister in giving an all-round picture of what is going on or in making sure that Ministerial publicity is co-ordinated.

c. Point of contact. A new Minister of State without departmental responsibilities could be an additional point of contact for business interests wanting to play a constructive role in inner cities, and for those who want to know what Government support is available.

Minister of State, Privy Council Office

4. The appointment of a Minister of State in the Cabinet Office is not the only option but it would certainly be possible.

5. Formally, he would be a Minister of State in the Privy Council Office, like Mr Luce. I have checked that there would be no formal difficulty in having two Ministers with this status and that the creation of such a post would not run into problems under the Ministerial and Other Salaries Act 1975. The Minister would report to the Prime Minister and, with his staff, would be part of the Cabinet Office proper, not a sub-department. His Accounting Officer would be the Secretary of the Cabinet. It would be technically possible for the Minister concerned to be a Parliamentary Under Secretary of State, Privy Council Office.

6. The Minister's terms of reference might reflect the headings set out in paragraph 3 above. Thus he could be responsible for:

a. assisting the Prime Minister in the oversight and co-ordination of Governmental policies towards the inner cities;



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b. co-ordinating and directing the presentation of Government policies towards the inner cities, under the Prime Minister. This would include making regular visits to the areas chosen for special attention and co-ordinating the speeches and visits of other Ministers, with appropriate briefing;

c. being available as an additional point of contact for business interests and others wishing to contribute to or know about Government policies towards, and support for, inner cities.

7. In personal terms this would require a Minister with strong presentational skills; sufficient diplomatic ability and political weight to persuade his departmental colleagues to work with him; and a good eye for ways of achieving results.

8. The Minister would need to be supported by an Information Officer and, if he had policy co-ordination functions, by one or two Administrative Officers. Including secretarial staff he might need a unit of seven or eight people. On the financial side, he might require a small publicity budget - no more than, say, £1 million - to pay for presentational material. It would be for consideration whether he should take over from Lord Young and Mr Clarke responsibility for City Action Teams. My understanding is that this would not require the transfer of any funds or staff since the role is a co-ordinating one. The point would need further exploration if the Prime Minister wished to pursue the point.

9. In Parliamentary terms, the Minister would be answerable for his specific functions. He could therefore be asked PQs about his co-ordinating role although not about matters which were the responsibility of an individual Minister. There might well be some attempt to bring him under Select Committee scrutiny: this would be an unwelcome precedent for Select Committee entry into the secretariat functions of the Cabinet Office, and we should need to resist any attempt to extend it.

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Issues

10. The question is whether such an appointment would work. I have a number of concerns.

11. First, there is the problem of finding the right person for the job. The combination of qualities in paragraph 7 might not be easy to find. Having the wrong person would merely compound the present difficulties.

12. Second, I am not sure that it would be a full-time job. The Minister would have no department to run and little or no executive responsibility of his own. A job consisting solely of presentation and co-ordination without the substance of power could well be too thin to support a full-time Minister as well as being frustrating for the individual concerned. There would also be a risk that the job would fade away after an initial flurry of activity, with consequent embarrassment to the Government.

13. Third, leading on from that, I suspect that a Minister of the right calibre would soon start searching round for ways of strengthening his role so that he could actually run something: for instance, he might plausibly argue for a takeover of the DTI's Task Forces (100-120 staff, £16 million expenditure) or the Urban Programme (programme expenditure of £338 million per annum). Quite apart from the politics of such a bid and the risk of heightened tensions between the Ministers concerned, we would then be in the business of setting up a new sub-department within the Cabinet Office with its own Accounting Officer, like the Office of the Minister for the Civil Service, or even a new "small" Department like the Office of Arts and Libraries.

14. Finally, while Departmental Ministers might be willing to accept a Minister of State with an active role in co-ordinating presentation, they might be less willing to accept a Minister of State with a policy co-ordinating function. He would have no departmental power-base of his own. There must be some risk that he would be squeezed out by his senior colleagues with no recourse

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except to appeal to the Prime Minister.

Other Options

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15. Sir Robert Armstrong analysed a number of other options in his minute of 18 September. These included the possible creation of a 'Ministry for Inner Cities'; a machinery of Government change to give the main weight of responsibility to one or other of the main Departments dealing with inner cities; and identifying one department clearly as the lead department. He concluded by recommending:

- a. no formal changes in machinery of government;
- b. designation of the Secretary of State for the Environment as the 'lead' department with responsibility for the co-ordination, over-view and presentation of Governmental policies and programmes on the inner cities;
- c. the setting up of an official committee on urban policies, to keep under review inter-departmental co-ordination of programmes and policies and to report progress to the Ministerial Committee.

16. The joint memorandum from Lord Young and Mr Ridley confirms that there is a gap to be filled. Their proposal is not necessarily the best way of filling it, not least because it would concentrate press and public attention on the role of the Centre, and specifically of the Prime Minister, in relation to policy towards inner cities, rather than on the policy itself and the success which it is having. It might be preferable to avoid this risk by inviting the two Secretaries of State to set up their own co-ordinating arrangements. These might take the form of a joint unit of co-located staff drawn from both Departments and reporting to a designated Minister of State in one of them (who could if necessary be supported by a Parliamentary Secretary from the other). The job of co-ordination would then be firmly rooted in executive responsibility, which is where it belongs. If the Prime

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Minister would like this alternative further pursued, I suggest that Sir Robert Armstrong (who returns on 19 November) could be asked to work out, in consultation with the Permanent Secretaries concerned, detailed proposals which could then be put to the Prime Minister and the two Secretaries of State.

17. I have consulted Sir Robert Armstrong about this reply.

RM

R T J WILSON

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MR WICKS

12 November 1987

Minister with Special Responsibility for
Inner Cities

An increasing number of people, especially businessmen, are beginning to ask "Whatever's happened to the government's inner city policy?" While there are legitimate reasons for not having gone public, these will soon begin to wear thin especially if nothing is done until well into the New Year.

At the same time various private bodies (BIC, CBI etc) are beginning to take initiatives - but in a framework which remains ill-defined.

The Opportunity for a Major Launch

One can imagine that by early February a number of activities could be organised around which the government could launch its Inner Cities Policy; for example,

- the publication of a glossy White Paper including a menu of practical ideas for community leaders, businessmen, heads;
- a roadshow of presentations to business/media audiences and the country (like the Action for Jobs breakfasts);
- tours of inner city areas over a few weeks by a few key Ministers including the Prime Minister;

- announcements by some major companies (McDonalds, BT, BBC?) of what they might plan to do;
- BIC's new local leadership initiative;
- something from the CBI Working Party under Tom Frost;
- announcements by other private sector groups (Phoenix, Eleven-co;
- Safer Cities from the Home Office;
- Cities and Schools with Kenneth Baker;
- etc.

A series of events such as this would attract a great deal of media attention and debate, and certainly draw attention to the government's policy - and in particular the reality of private sector leadership.

The need for a Minister

However if this is to be done in say 3 months' time it requires someone of Ministerial level to start organising and co-ordinating it.

The Prime Minister cannot do it. Various alternatives have been put forward. The two indispensable qualities for this post are communication and leadership.

It is however important that someone is appointed as soon as possible. But this immediately raises questions of terms of reference, budget, staff, location and accountability.

(a) Terms of Reference

A crucial part of the Minister's task would be presentation, motivation, inspiration and the championing of inner cities. The Minister would relate directly to those individuals in inner cities identified as the outstanding local leadership. The Minister would attempt with and through others to raise the morale and self-esteem of those communities.

(b) Budget and staff

We are not creating a Ministry of Inner Cities. The budget under the Minister's discretion would therefore be very small but as the Minister would be highly visible and have the patronage of the PM, the leverage could be very high. The main element of the budget would be marketing/promotion.

It may be that over time some of the spending by large departments could be influenced by these local leaders who report to the Minister.

It is important however that control of public spending is not the key to doing this job effectively.

(c) Location

Best located in the Cabinet Office, in order to avoid departmental conflicts.

(d) Accountability

In his capacity as Minister with special responsibility for Inner Cities, he would report directly to the PM and be Deputy Chairman of E(UP).

Brian Griffiths

BRIAN GRIFFITHS



10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

Mr. Wilson,
Cabinet Office.

INNER CITIES

I shall be glad for advice on the proposition in the joint minute attached from the Secretaries of State for the Environment and Trade and Industry that the Prime Minister should appoint a Minister of State in the Cabinet Office to present Government policy on inner cities, and to coordinate details between all the Departments concerned. It would be useful to have your advice by close of play on Tuesday evening, 17 November. As you see, the joint minute is classified Confidential and Personal. You should therefore confine your consultations on it to the Cabinet Office Secretariat, Machinery of Government Division, and Mr. Sorensen. No mention of the minute should be made outside the Cabinet Office.

I suggest that your advice should start from an analysis of the objectives of the joint proposal, and an assessment of whether the Secretaries of State are right in their criticisms of present arrangements. It might then go on to consider the following particular questions regarding their proposal:

- (i) The terms of reference/job description of the proposed Minister of State, together with an assessment of whether there is a full-time job here. An indication of the sort of qualities that the Minister of State concerned would need to have would be helpful (though, of course, you would not wish to mention personalities here).
- (ii) How the Minister of State would be integrated into the machinery of government, including his reporting arrangements to the Prime Minister, his location in the Cabinet Office structure, the possibility that he might be required to have a slot for oral Parliamentary Questions, and so on.
- (iii) The Minister of State's requirement for resources, both staff and money. This should include an indication of how many staff he would require and whether he would need to have a budget to pursue his functions.

You may wish to consider whether there are other ways of meeting the objectives of the joint proposal. Sir Robert Armstrong's minute of 18 September on the machinery of government consequences of Mr. Sorensen's report is very relevant here.

I leave it to you to decide whether to include this material in one note or in several.

I am sending a copy of this minute to Mr. Woolley in Sir Robert Armstrong's Office.

NLW

11 November, 1987.