

cc/b



TO:

PRIME MINISTER

FROM:

KENNETH CLARKE

30 November 1987

## INNER CITIES

1 Since the General Election, one of the most encouraging developments in inner city policy has been the willingness of the private sector to assume a higher profile. In our sixteen Task Force areas, for example, we have already secured the involvement of over two hundred companies, yet the flow of new offers of help remains strong. I am sure that this is also the experience of other Departments with a responsibility for urban policy. It certainly confirms that we were right to argue that the private sector should - and can - do more to give a lead in our inner cities.



2 I am, however, concerned that at present we are not making full use of this resource. I am afraid that it is now becoming increasingly commonplace to hear private companies complain that they are willing to make a commitment to an inner city area, but no one is telling them clearly how to go about doing so. Indeed, it is often the case that they are approached almost simultaneously by three or four different Departments aiming to persuade them to participate in their own pet projects. This not only creates a thoroughly unhelpful impression of inter-Departmental rivalry and confusion, it also runs the very real risk that companies will be discouraged from taking part at all.

3 I believe, however, that there is a simple solution to this problem. What is needed is a central contact point which could present companies with a 'menu' of ways in which they could contribute, and then direct them to the Government Department or private sector organisation where that contribution would be most effective. The best person for such a job would be a senior 'Board level' secondee from the private sector. I would envisage that the right person should be attached to the Cabinet Office as the Prime Minister's adviser on private sector initiatives. This is, incidentally, the kind of system that has been adopted in America.



4 We have so far been successful in arguing that the private sector - rather than local government - is our natural ally in urban regeneration. I know that we have all been contemplating ways of making this alliance more effective but I believe that it is now urgent that we take a decision in order to maintain momentum and retain private sector interest. I believe that this simple proposal will fit the bill and should now be put in hand.

5 I am copying this to members of E(UP) and to Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to be 'L' followed by a flourish.

K C

PRIME MINISTER

INNER CITIES

Mr. Clarke, in his minute at Flag A, suggests that the Government needs to do more to use private sector enterprise in helping revive the inner cities. Specifically, he suggests that you should appoint a senior "board level" secondee from the private sector, located in the Cabinet Office, as the Prime Minister's adviser on private sector initiatives.

I suggest that the time has come for you to talk to Mr. Clarke about the possibility of giving him some additional responsibilities for the co-ordination of Government policies on inner cities, and for their presentation. Agree, therefore, to have an early meeting with Mr. Clarke?

If you agree to see Mr. Clarke, I suggest that you tell him that you would like him to take on the responsibilities set out in the draft Press Notice at Flag B. (I have amended this draft, in the light of your talk with Mr. Ridley, so as to try to take account of Mr. Ridley's worries. In particular, you will see the insertion, in the first Note for Editors, of the words "day-to-day" before "management", and the substitution of "provide a focus" for "co-ordinate and direct".)

*Yes - after the other matters on steel are decided*

Points that you could make to Mr. Clarke are:

- (i) There is a need for a Minister to co-ordinate the detailed work involved in implementing and presenting Government policies on inner cities. This can only be carried out by a Cabinet Minister. He is ideally placed to do this as Chancellor of the Duchy.
- (ii) Departmental responsibilities will remain unchanged. Nor would he be given any additional financial resources. He would not be a "supremo" nor an "overlord".

- (iii) There has been much too much talk in the Press about interdepartmental rivalries on inner city policies. It will be very important that your announcement should not be interpreted as a "victory" for anyone.
  
- (iv) You will want Mr. Clarke to keep you in the closest touch with his work, and will want the occasional bilateral with him (in addition to those you hold regularly with Lord Young and Mr. Ridley). You are ready to have ad hoc meetings with Mr. Clarke and the other two key Ministers, Lord Young and Mr. Ridley, as well as E(UP) whenever that is necessary.

On Mr Clarke's proposal for a Prime Minister's adviser on private sector initiatives, I suggest that you say that you doubt whether this post would be necessary if Mr Clarke discharges his new responsibilities as you hope. But you would be willing to consider the proposal again in 6 months or so.

*N.L.W*

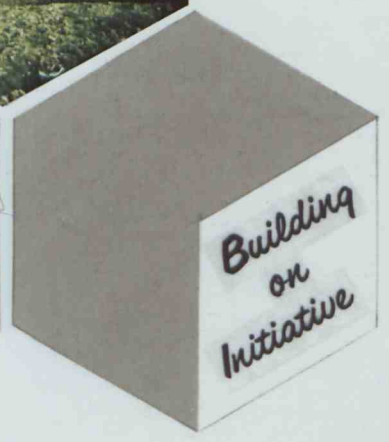
N. L. Wicks

30 November 1987

# ***ACTION*** FOR CITIES



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**FOREWORD** *page 2*



**1 INTRODUCTION** *pages 3-4*



**2 BETTER HOMES AND SCHOOLS** *pages 5-6*



**3 ACTION FOR BUSINESS** *pages 7-9*



**4 ACTION FOR JOBS** *pages 10-11*



**5 ACTION FOR DEVELOPMENT** *pages 12-17*



**6 CONCLUSION** *pages 18-25*



**GRANTS AND INCENTIVES** *pages 26-29*





## FOREWORD

Cities have risen and declined throughout history. Risen by responding to the opportunities, the markets, the technologies of their day have offered. And declined when they clung to old outdated ways and new markets passed them by. Their decline has been aggravated by the worst form of post-war town planning—social vandalism carried out with the best of intentions but the worst of results.

To give back heart to our cities we must give back hope to the people. It is beginning to happen. I have seen the start of recovery in Teesside, in Gateshead, in Wolverhampton, in the West Midlands. And the spectacular turnaround of rundown areas like London Docklands speaks for itself.

Our reforms to give tenants choice in housing and parents choice in education will have a

major impact in our cities. By encouraging enterprise and rewarding initiative we are giving people in the inner cities the opportunity to improve their own lives and, most importantly, the belief that they can do it.

To speed recovery we have—as this booklet describes—a battery of special measures and programmes to clear derelict land, encourage enterprise, change council estates for the better and regenerate city centres.

These measures work best if they are effectively combined. This booklet brings out how initiatives are linked. They cannot work without the involvement and commitment of local people and business who often find confusing the sheer range of what is on offer through grants and incentives. So this booklet includes a comprehensive guide to the ways in which the Government is helping people to help themselves in our cities.

*Margaret Thatcher*

## 1 INTRODUCTION

Where are the inner cities—conurbations, older manufacturing towns, urban fringes and outlying estates? All have seen change in the last 25 years. Their problems vary. Economic change, management crisis in local government, disastrous post-war housing. These affect morale and motivation.

There is no single solution. All parts of the mosaic are important—individual enterprise, sound education, effective training, company involvement, voluntary effort, efficient local government and well directed Government programmes.

### URBAN POLICY INITIATIVES IN ENGLAND

As at July 1987

#### URBAN DEVELOPMENT CORPORATIONS

- |                    |                 |
|--------------------|-----------------|
| a London Docklands | d Teesside      |
| b Merseyside       | e Tyne and Wear |
| c Trafford Park    | f Black Country |

#### ENTERPRISE ZONES

- |                   |                     |
|-------------------|---------------------|
| A Corby           | J Salford/Trafford  |
| B Dudley          | K Scunthorpe        |
| C Glanford        | L Speke (Liverpool) |
| D Hartlepool      | M Telford           |
| E Isle of Dogs    | N Tyneside          |
| F Middlesbrough   | O Wakefield         |
| G N.E. Lancashire | P Wellingborough    |
| H N.W. Kent       | Q Workington        |
| I Rotherham       |                     |

#### \* Areas with Task Forces

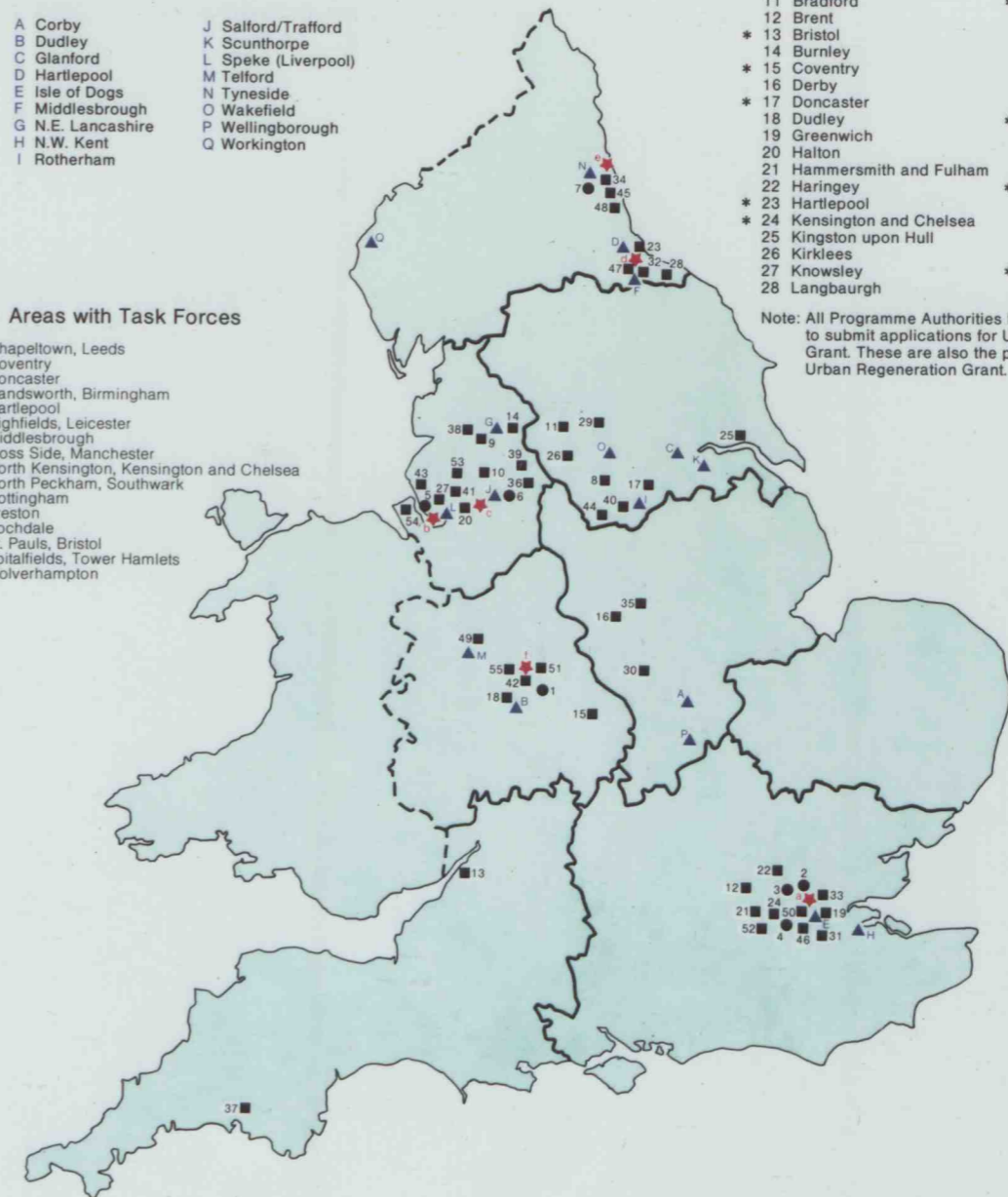
- Chapeltown, Leeds
- Coventry
- Doncaster
- Handsworth, Birmingham
- Hartlepool
- Highfields, Leicester
- Middlesbrough
- Moss Side, Manchester
- North Kensington, Kensington and Chelsea
- North Peckham, Southwark
- Nottingham
- Preston
- Rochdale
- St. Pauls, Bristol
- Spitalfields, Tower Hamlets
- Wolverhampton

#### ● CITY ACTION TEAM AREAS

#### ■ URBAN PROGRAMME AREAS:

- |                             |                     |
|-----------------------------|---------------------|
| * 1 Birmingham              | * 29 Leeds          |
| 2 Hackney                   | * 30 Leicester      |
| 3 Islington                 | * 31 Lewisham       |
| 4 Lambeth                   | * 32 Middlesbrough  |
| 5 Liverpool                 | * 33 Newham         |
| * 6 Manchester/Salford      | * 34 North Tyneside |
| 7 Newcastle/Gateshead       | * 35 Nottingham     |
| 8 Barnsley                  | * 36 Oldham         |
| 9 Blackburn                 | * 37 Plymouth       |
| 10 Bolton                   | * 38 Preston        |
| 11 Bradford                 | * 39 Rochdale       |
| 12 Brent                    | 40 Rotherham        |
| * 13 Bristol                | 41 St. Helens       |
| 14 Burnley                  | 42 Sandwell         |
| * 15 Coventry               | 43 Sefton           |
| 16 Derby                    | 44 Sheffield        |
| * 17 Doncaster              | 45 South Tyneside   |
| 18 Dudley                   | * 46 Southwark      |
| 19 Greenwich                | 47 Stockton on Tees |
| 20 Halton                   | 48 Sunderland       |
| 21 Hammersmith and Fulham   | 49 The Wrekin       |
| 22 Haringey                 | * 50 Tower Hamlets  |
| * 23 Hartlepool             | 51 Walsall          |
| * 24 Kensington and Chelsea | 52 Wandsworth       |
| 25 Kingston upon Hull       | 53 Wigan            |
| 26 Kirklees                 | 54 Wirral           |
| 27 Knowsley                 | * 55 Wolverhampton  |
| 28 Langbaugh                |                     |

Note: All Programme Authorities have been invited to submit applications for Urban Development Grant. These are also the priority areas for Urban Regeneration Grant.





A great deal is already happening, both with Government encouragement and independently. Chapter 4 looks at the remarkable range of achievements which a combination of Government support, private investment and local commitment has brought about over recent years. This is a time of unprecedented vitality and imagination in urban renewal. Government has developed a wide range of instruments to encourage regeneration. This has been matched by willingness by industry and developers to look again to the inner cities for opportunities. It has



been matched by enthusiasm and voluntary effort on the part of local people. This momentum must be sustained by ensuring that public money is effectively used, that local initiatives support each other to achieve the maximum impact and that local people are aware of the growing opportunities open to them.

Government's role is to support and encourage initiative, to remove unnecessary restrictions on growth – to create the right conditions. Nothing can be achieved without the spark of individual enterprise.

## Government policy

The *aim* of Government policy for the cities is to help people meet the challenge of new opportunities and encourage enterprise, and make cities better places in which to live and work.

Government can help to

- involve and motivate people by raising skills and encourage self-help and individual enterprise;
- create the right conditions for business investment and development;
- widen and encourage individual choice, especially in education and housing;
- make cities safe and secure.

These objectives are interdependent. They have to be put into practice in every city. But the emphasis placed on each will vary from place to place. There is no mechanistic formula. The key to success will lie in the flexible use of policies and programmes to achieve the right response in different areas. In some a drive to encourage choice in housing may be the priority, elsewhere the urgent need may be to tackle industrial dereliction. Public and private money has to be used in the most effective way to secure lasting improvement.





*Building on Initiative*