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the department for Enterprise

TO:

PRIME MINISTER

FROM:

KENNETH CLARKE

18 January 1988

INNER CITIES

You will wish to know how I propose to carry out my inner cities work with the Cabinet Office Unit. The immediate tasks are to publish the White Paper and link this with Ministers' Action for Cities Roadshows. This will help get the Government's message across and encourage yet more private sector commitment and involvement. Work is also well under way on the area profiles and the other items commissioned at your 30 November meeting. I will report to you shortly on this.

2 My aim is to publish the White Paper no later than the beginning of March. Contributions have been requested from other Departments. I hope to circulate a draft to colleagues for comment very shortly.

JA4AAF



3 I am aware that several colleagues are currently working up specific proposals that will have an impact on inner cities. I hope it will be possible for colleagues to announce them at the same time as the White Paper. This would make a valuable additional contribution to the work in hand. It would demonstrate the co-operation between Departments and that our policies and programmes are coherent.

4 The possible announcements I would invite colleagues to consider making on the same day as the launch of the White Paper are:

- the unified City Grant;
- the location of Housing Action Trusts;
- encouraging enterprise in areas of high local unemployment (William Waldegrave's minute to you of 21 ~~18~~ December);

at Reg C |
See also at |
Reg D Mr.
Clarke's response
of 15 January
which helpfully
reiterates your
earlier concerns about Mr.
Waldegrave's paper.
JA4AAF
PRCB.

- greater targeting of Department of Employment and Manpower Services Commission's programmes to motivate the unemployed, to raise skills and to support start-up businesses and small firms;
- managed workshops, notably the English Estates and private companies Adopt a Workshop scheme;
- Safer Cities campaign.

5 I emphasise that this is only an initial list. Colleagues will of course have their own views about what might be included. I hope we can add to it.

6 Success in the inner cities depends on expanding and strengthening local enterprise. The support of major companies is essential and the White Paper and Roadshows will reflect this. The Action for Cities Roadshows will be introduced by Ministers from a number of Departments (DTI, Environment, Employment, Home Office), supported by prominent businessmen. They will explain to an invited audience of senior executives how the Government encourages business confidence and enterprise and how they

themselves can help. The presentations and the associated exhibition will be held in about half a dozen cities starting with Manchester in the second half of March.

7 A great deal of constructive work is already underway involving private companies both to encourage commercial investment and their wider support for regeneration. I hope to build on existing programmes and developments and to strengthen the links already established between Departments and the private sector. But there is much more to be done. I am meeting John Banham on 25 January. Under his direction the CBI are becoming more effective in their contribution to inner cities. I shall also be having early discussions with Business in the Community, and the Industrial Society which is doing work in encouraging enterprise amongst young people. I am also much encouraged by the willingness of individual business leaders to offer their help. One particular point I shall stress is that there is a "menu" of practical ways in which companies can commit themselves. These include school/business links, supporting local enterprise agencies, local purchasing initiatives, managed workshops and targeted training for local people.

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8 I am copying this minute - which I hope could serve as an agenda for your meeting on 20 January - to Douglas Hurd, Norman Fowler, Nicholas Ridley, David Young, Paul Channon, John Major and to Sir Robin Butler.

Peter Smith

PP KENNETH CLARKE

*(Approved by the Chancellor and
signed in his absence)*

JA4AAF


the
Enterprise
initiative

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+ 14 W.



MR GRAY

Tesse

Perhaps I could tell Hartley
she is ready in brief.

18/1

14 January 1988

Rec'd
18/1

Inner City Meeting with the Prime Minister Next Week

I met Kenneth Clarke today. He is now content with the meeting next week. He now sees the meeting as an opportunity to prepare the final ground for the White paper, synchronise the timing of work between Departments and defuse potential "out of step" proposals from the Home Office and DoE. He is writing in today.

We support the meeting with this agenda. We suggest and Clarke agrees that it is critical if the meeting is ^{to be} a success for a note from the Private Office to go out today or tomorrow asking for the first draft, or at least the headings for work for the ^{White} draft paper, to be sent in by Tuesday next week. This should not be a tall order. Departments have known about the White paper since November.



HARTLEY BOOTH

~~Local Gov. - Ames City~~
Reg Pd.



11 January 1988

11/11/88

Ames City Meeting with the Police Director

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10 DOWNING STREET

Prime Minister

Inner Cities Meeting

There are 6 papers:

A - Mr. Clarke's state of
play report and suggested
agenda.

B - a very helpful Cabinet
Office brief which you may
like to use as your main
agenda note.

C + D - exchanges on Mr.
Wedderburn's "Housing,
Enterprise and Employment"
initiative

E - Policy Unit note

F - record of your 30
November meeting.

RRCG 19/1

INNER CITIES1 Timing

The Cabinet Office and Kenneth Clarke's proposal to co-ordinate work in the White Paper is timely. There is a danger however that the announcement may slip into March from its original place in the middle of February. As the budget will take place on the 15th of March there is now a high risk that the Inner City announcement will be lost in pre-budget speculation. Even more likely to be lost will be the adjacent announcements which will follow immediately after it such as the Safer Cities Paper. We urge you to insist on a February announcement. This issue has been dragging on for far too long.

True. But
is mid-February
now remotely credible for a good White Paper. PRCG

2 Employment

Cabinet Office fear that Department of Employment are keeping back some of their more imaginative proposals for a separate White Paper shortly before the Inner City Paper. Department of Employment say they are putting a section into the Inner City White Paper as well as issuing their own White Paper on the 17th of February. They also say that their paper is standard material on MSC and Youth Training and that all inner city material is to be in the Inner City Paper. This must be watched carefully.

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having
write
Paper

3 Housing Action Trusts

No selection of sites has been made by DoE. They fear that any early announcement will allow hostile councils time to damage the policy. This seems sensible.

However, you may want to insist that this key issue is trailed in the inner city paper.

4 Local Leadership

This is mentioned by Cabinet Office but you will want to ensure it occupies a prominent place in the White Paper. We have a list of local leaders who might be used in any initiative. More important is a statement of philosophy which recognises their key importance and encourages them to come forward. This must be included. You could go further to call for a culture change in which it is automatic when corporate promotion is considered to check how much community involvement is on the young executives curriculum vitae! A mention of this in the White Paper would be useful.

No - we
need strengthening
at this crisis
even more so

Janet Erison .

pp. HARTLEY BOOTH



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PRIME MINISTER

INNER CITIES

Ad hoc group on 20 January 1988

DECISIONS

1. The purpose of the meeting is to review what needs to be done next on inner city work, following your announcement about Mr Clarke's new role on 18 December.

2. Matters for decision. You may wish to use Mr Clarke's minute of 18 January as an agenda. The main issues relate to the timing, format and content of a White Paper. In particular, is it agreed that:

i. on timetable, the aim should be to publish a White Paper no later than the beginning of March?

ii. on format, the White Paper should be a readable and colourful document with diagrams and photographs on the lines of the mock-up circulated at the meeting on 30 November which aims to get across the Government's message and the resources which it is putting into the inner cities, rather than a lengthy, conventional statement of policy?

iii. on presentation, publication of the White Paper should coincide with the list of announcements by other Ministers set out in Mr Clarke's minute, eg unified City Grant, Safer Cities and the location of Housing Action Trusts?

3. In addition, you may wish to sound out Mr Clarke on his ideas about the content of the White Paper. If there are differences between him and the Secretary of State for the

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Environment, it might be better to bring them out now, before drafting goes any further.

BACKGROUND

4. At its last meeting on 30 November the Ministerial Group asked the Cabinet Office to put in hand further work on the booklet "Action for Cities". A possible summary (not circulated generally) is attached. Work is proceeding under the supervision of the Chancellor of the Duchy.

5. The Group identified on 30 November several geographical areas where close Departmental co-operation was essential in order to achieve results. The Urban Policy Unit of the Cabinet Office is preparing profiles of these areas to help Departments intensify their efforts and to enable progress and results to be checked and evaluated.

OPENING REMARKS

6. You might like to begin the meeting by reminding the Group of the main themes which emerged from its discussions before Christmas, as groundrules for future work:

a. the aim is to achieve a string of success-stories and solid achievements in inner city areas which the Government can point to in two to three years' time;

b. the emphasis is to be on supporting local enterprise and initiative, with better co-ordination between Departments and a greater effort in areas of promise, but not more interventionist policies;

c. where possible, grants and organisation should be simplified and streamlined, and bureaucracy should be reduced, not increased;

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d. none of this is intended to imply greater public expenditure overall. The Government already spends roughly £2 billion on specific grants and initiatives in the fifty-seven areas covered by the Urban Programme. This should be enough to produce results.

MAIN ISSUES

7. Timing. Mr Clarke is proposing that:

i. the White Paper should be launched no later than the beginning of March;

and ii. this should be followed by a series of 'Action for Cities' Roadshows in about half a dozen cities starting with Manchester in the second half of March.

You may wish to check that the Treasury see no difficulty about this timing in relation to the Budget. We understand that the Environment Secretary has no objection. Subject to the Treasury's views, therefore, you may wish to confirm that this timetable is acceptable to the Group.

8. Co-ordination with other announcements. Mr Clarke lists a number of other forthcoming Ministerial announcements which, he proposes, should be made on the same day as the launch of the White Paper. His point - which is a powerful one - is that this would demonstrate co-operation between Departments and the coherence of Government policies and programmes. You may however wish to explore whether he envisages other Ministers' announcements being incorporated in the White Paper; or whether he is simply proposing that they should be timed to take place on the same day. It may be that other Ministers would find the latter approach more palatable, since it would allow them to retain control over their own announcements. There may also be some interest in whether you envisage the White Paper being launched by Mr Clarke, or whether you will handle the launch yourself.

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9. You may wish to run through the announcements listed in Mr Clarke's letter to see whether they can be timed to coincide with the White Paper.

a. unified City Grant. We understand that Mr Ridley may be ready to announce this;

b. the location of Housing Action Trusts. We understand that Mr Ridley may have reservations about announcing this in advance of legislation because of the risk of wrecking action by local authorities;

c. encouraging enterprise in areas of high local unemployment (Mr Waldegrave's letter of 18 December). You could ask Mr Ridley about this;

d. better targeting of training. You could ask Mr Fowler about the scope for tying in his announcement on this;

e. managed workshops, English Estates, Adopt a **W**orkshop scheme. This is a matter for Lord Young;

f. Safer Cities campaign. We understand that the Home Secretary is ready to announce this initiative. Mr Bearpark's letter of 21 December asked him to hold it back until the White Paper. There may be some reluctance in the Home Office to do this.

10. You might then want to ask whether there are any other Ministerial announcements which could be tied in with the White Paper. For instance:

g. Roads. We understand that the Transport Secretary may refer to discussions which he is having with the Treasury about a new tranche of road schemes, some of which are relevant to the inner cities;

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h. Scotland and Wales. The Scottish and Welsh Secretaries of State have urban packages of measures which they wish to announce soon.

11. It may be that the right answer would be:

a. for the White Paper to refer to as many of the forthcoming Ministerial announcements as possible, placing them in context without stealing their thunder;

and b. for as many as possible of those Ministerial announcements to follow in quick succession in the days after the White Paper is launched, so that each has its proper impact.

12. Format. Previous discussion has suggested that the White Paper should not follow the traditional format but should be more presentable with greater use of colour, diagrams and photographs. The intention is that it should be a readable, coherent account of the Government's policies relating to inner cities, concentrating on business, enterprise and development but also reflecting wider policy developments such as the community charge and radical changes in housing and education. It is also intended to be a practical document, setting out clearly what grants and schemes are available to support people with initiative. You may wish:

a. to confirm that this is the right general approach (we do not for instance plan splitting it into two on the lines of the DTI White Paper and its more colourful summary);

b. to invite members of the Group to give their views on what they would particularly like the White Paper to say - or not to say - as guidance to the drafters.

13. Private Sector. It will be important that the White Paper should draw on any new developments in the private sector which could be publicised within the next few months. Both Business in the Community and the CBI are working up proposals for a new inner

5
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NB
See
Attached
summary
prepared
by Cabinet
office.

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city drive, based on particular types of project and themes. The Industrial Society are also active. The major civil engineering contractors intend to launch a new company in March to undertake inner city projects. All this needs to be pulled together and reflected in the Government's policy Statement.

HANDLING

14. You may wish to invite the Chancellor of the Duchy to speak first on his proposals for the White Paper. The Environment Secretary, Employment Secretary, and Home Secretary all have forthcoming announcements and might be invited to speak next. The Trade and Industry Secretary might comment on the relevance of the proposals in the DTI White Paper for inner city business. You might also wish to invite the Transport Secretary to comment on his package of road schemes.

RJW

R T J Wilson

Cabinet Office
19 January 1988

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WHITE PAPER : SUMMARY

Purpose and Audience

1. The White Paper will be aimed at those who live, work and invest in the inner cities. It will be particularly addressed to business leaders, both locally-based and larger companies. It will answer those who are calling for a comprehensive statement of Government policy combined with a practical guide to action which can be taken in the cities.
2. The White Paper will be the first full policy statement for ten years. It will underline Government achievements and the fundamental shift from reliance on local authorities as the means of regeneration to policies based on individual choice and encouraging business confidence. The radical changes in housing and education provision based on consumer choice and market disciplines will be covered.
3. It will also refer to the complementary measures which Departments are promoting in the inner cities, including Urban Development Corporations, Safer Cities, Task Forces and school/industry compacts.

Core Sections

4. The White Paper will open with two sections setting the frame. The first will be a short analysis of what the inner cities are and why they are uncompetitive. This will be expressed not in terms of deprivation or need (symptoms) but as the result of failure to adapt to industrial change, the pernicious effects of the dependency culture, the municipal dominance of housing, slow to change labour practices etc. These problems come together in certain urban areas.
5. This section will stress that inner cities are heterogeneous; the response to their problems has to reflect local circumstances. Indiscriminate, large-scale expenditure has only made matters worse. This section will mention the paradox of a thriving London Docklands alongside areas of high unemployment and social stress, and the need to ensure that inner city areas and their residents are given the opportunity to benefit from national prosperity and economic growth.

The second core section will set out the framework for action. It will stress that the impetus for regeneration comes from business; Government helps to create the right conditions. The main headings will be

- the relevant programmes : targeted and main programmes
- the impact of wider policies : housing and education choice, Community Charge, uniform business rate
- attracting private investment : levering and pump-priming
- the mix of programmes : improving training, encouraging business confidence and development, motivating local people
- changes in grants : more responsive, rewarding initiative
- promotion : getting the message across, speed of decision
- agencies : role of local authorities, need for a more pluralist approach
- local action : City Action Teams, Task Forces, Local Enterprise Agencies directly involving local business

Other sections

7. The other chapters of the White Paper will cover the broad themes developed for the meetings of the Ministerial Group - Action for Jobs, Action for Business (Enterprise Initiative, Action for Development and Better Homes and Schools. In each the unifying themes of promoting choice, bringing in private investment, responding to local needs and encouraging cost effectiveness will be emphasised.

8. Each section will be illustrated with case studies, maps, tables and photographs, which will be keyed in with those in the Roadshows. They will illustrate the range of activity - from large-scale redevelopment of large derelict areas through Urban Development Corporations to individual projects to motivate local people through the Task Forces. The aim will be to emphasise that these initiatives are complementary and form part of a wider policy.

9. There will be a pullout Guide to Action listing relevant grants and incentives, giving examples of projects and initiatives and illustrating what businessmen can do to support urban regeneration in the form of a 'menu' of options eg school/employer links. The Guide will list contact points.

URBAN POLICY UNIT

19 Jan 88 -