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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster
Department of Trade and Industry
1 - 19 Victoria Street
London
SW1H 0ET

22nd February 1988

Dear Ken,

ACTION FOR CITIES

FILE WITH PG.

At today's meeting with the Prime Minister I promised to let you have a note of the points which concerned me about the text of the Action for Cities document you circulated under cover of your minute of 19 February.

There are four substantive points on the document where the proposals have yet to be agreed with the Treasury. On page 15 in the employment section the document refers to "relaxing the rules of the youth training scheme": I understand that DE are not now proposing any reductions so this should be deleted. On page 21, I am still in correspondence with Nicholas Ridley about the size of the extension to the Merseyside Development Corporation and we need to have resolved that by Thursday. On managed workshops (paragraph 9) I am still in correspondence with David Young. On page 36, paragraph 4 refers to the "valleys initiative". No detailed proposals have yet been given to the Treasury so I would want the wording to be less specific along the following lines: "The valleys will be the focus of further initiatives for urban regeneration."

There are some references within the text to proposals which are currently before Parliament. In each of these cases the text needs to make it clear that the proposals are subject to Parliamentary approval. You will obviously want to check through the document as a whole, but I was concerned by the references on page 5 of the second paragraph to the uniform business rate, on page 10, second paragraph to education reform; in the box on page 12, fourth indent, to the change to education governing bodies and on page 29, second paragraph, to the reform of the private rented sector.

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I had four minor factual points on the text. I suggest our officials discuss these if they cause any problems. On the reference to take-up in the Enterprise Allowance Scheme, on page 6, I think that the correct figure for entrants in 1986-87 is 87,000; here you could go on to mention that about a third of these were in Urban Programme areas. On page 12, in the penultimate indent, the reference to "18 to 25 year olds" should be to "18 to 24 year olds". On page 17, paragraph 3 the area covered by Urban Development Corporations should be "about 40,000 acres" not "over 45,000". And, finally, on page 35, in the first paragraph, the figures in the last two lines should be "over £2 million" and "£39.0 million".

My last comments relate to some points on the tone and style of the document.

I am slightly concerned at the tone of the third paragraph on page 1 of the main document. I think it would be better to redraft it:

"But perhaps, even more crucially, a fundamental change of attitudes has begun to take place. We are increasingly rediscovering enterprise and resourcefulness. Over the last 8 years"

Similarly, I think we should omit the sentence: "It is this activist style which more and more characterises the Government's approach," from the third paragraph on page 3. I also think it would be wise to delete the last clause in the section on the uniform business rate, "And they have to pay what councils demands," which adds nothing to the text.

On page 12, in the reference to the Training programmes I would take out the reference to "revolutionised training" and replace it with the more neutral "expanded and improved". Similarly on page 16 I think we should take out the reference to UDCs "already transforming inner cities" and replace it with a reference to the two long established UDCs: "the LDDC and MDC are already transforming parts of inner London and Liverpool." On page 23 the reference in the box to the "spinal road" is bald as it stands and need some elaboration.

My final point is a minor one. The third paragraph on page 36 where I think it would be better to say that "the Welsh Development Agency will spend £75,000."

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We also need to make up our minds on the distribution and pricing of the document. I would be grateful to have your proposals on this.

I am copying this letter to the Prime Minister, and Nicholas Ridley, to Richard Wilson and Eric Sorenson at the Cabinet Office, and to Bernard Ingham at No. 10.

*Yours Ever,
John*

JOHN MAJOR

Reg. Pol: Unan Ciria PT12

TO:

PRIME MINISTER

FROM:

KENNETH CLARKE

19 February 1988

ACTION FOR CITIES

You have convened a meeting for 22 February to carry forward preparations for the 7 March launch of Action for Cities.

2 I enclose:

FLAG B

(a) the mock-up of the design which I think is a considerable improvement on previous attempts;

FLAG C

(b) the latest draft of the text which I have improved and edited;

FLAG D

(c) a first draft, which still needs a lot of work upon it, of "Guide to Action". This will be bound in with the Action for Cities booklet and will also be

published separately. Businessmen need clear and simple guidance both on how the Government encourages investment and enterprise in cities and on how they can commit themselves to support the regeneration task;

NB NOT
ATTACHED
- will be available on Monday.

(d) an example of one of the many press notices to be issued at the same time. Each Department's press notice will have the same heading, as shown.

3 **The list of announcements for 7 March is much the same as we previously discussed:**

- a new Urban Development Corporation in the Lower Don Valley, Sheffield;
- a major extension of the Merseyside Development Corporation;
- City Grant;
- Two new City Action Teams;



the department for Enterprise

- new measures to encourage local authorities to sell unused land;
- private companies' and English Estates' support for start-up businesses in managed workshops;
- more training for people starting businesses through the Enterprise Allowance Scheme, special grants to help Local Enterprise Agencies, expansion of the small firms service in the inner cities and more help through the loan guarantee scheme for small businesses in the Task Force areas;
- a City Technology College in Middlesbrough (only a possibility, the private sponsor may not be ready);
- better targeting of training programmes in the inner cities;
- new inner city road schemes;
- safer cities.

4 There will also be some simultaneous and important announcements by the private sector, notably from Business in the Community, Investors in Industry (3i's), and the major developers/contractors - Elevation.

5 I am copying this to Nicholas Ridley and John Major.

Peter Smith

PP KC

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

CEBG



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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

25 February 1988

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*NBB
RCC
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Dear Jill

ACTION FOR CITIES

My Secretary of State has now seen the Chief Secretary's letter of 22 February to the Chancellor of the Duchy of Lancaster in which he commented on the text of the "Action for Cities" document.

This letter is to confirm that Mr Walker is content with the drafting changes proposed for the sections dealing with Wales, subject to the third paragraph on page 36 being amended to say (correctly) that "the Welsh Development Agency will spend £75m."

I am copying this letter to Paul Gray at No 10, the Private Secretaries to the other members of E(UP) and to Trevor Woolley.

*Yours sincerely
Jon Shortridge*

J D SHORTRIDGE

Ms Jill Rutter
Private Secretary to
The Chief Secretary

REGA POL - Inner Cities
Pr 12

