

PRIME MINISTERINNER CITIES LAUNCH

You have already seen the draft material for next Monday's launch, and I gather you are broadly content with it.

I will put in the weekend box final versions of the various elements. But for logistical reasons the Press Notices need to be finalised tomorrow, Friday. So you may like tonight to have a further look at the attached summary Press Notice pulling together the various announcements. This follows the same lines as the earlier draft with the main differences being:

- i) Expanding the list of Government initiatives to twelve by dividing Mr Fowler's announcements into three - Helping Business, Industry/Education Compacts and Helping Unemployed People.
- ii) Expanding the Notes for Editors to give a summary of the main area of existing inner city programmes.

Content?

Yes not

PRCG.

Paul Gray

3 March 1988

Attachment to PG → PM 4.3.88

ACTION FOR CITIES

SECRETARY OF STATE FOR THE ENVIRONMENT

My Department is involved with the inner cities in nearly all aspects of its work, and we work closely with the other Departments concerned both at headquarters and in the regions.

Firstly there is our range of grant programmes. I am announcing today a new one called City Grant which combines and streamlines three existing types of grant in the inner cities (UDG, URG and private sector DLG). This year these three grants have put about £30 million into the inner cities and attracted private sector investment of around £120 million. Then there is the Urban Programme totalling £295 million this year, and which is increasingly concentrated on local economic and environmental projects.

Secondly, I am announcing today a new initiative to increase the pressure on local authorities to publish details of the unused land that they own and to offer it for sale so that it can be put to good use. Our policies and programmes for environmental improvement, historic buildings, land reclamation and sport all have an inner cities dimension, often involving the voluntary sector. For example, we are the main source of funding for Operation Groundwork and UK 2000 although they are also attracting very substantial support from private sector sponsors.

Thirdly there are the Urban Development Corporations which are our most direct and positive contribution to solving some of the worst problems of urban decline and dereliction. We already have six UDCs in operation in England with three more in the process of setting up, and today I am announcing proposals for a new UDC in the Lower Don Valley in Sheffield and for a major extension of the Merseyside UDC. So we will soon have ten UDCs

on the go, with a total programme budget of £203 million in the coming year rising to £223 million in 1990/91 plus the huge private sector investment that they generate.

Fourthly, our new Housing policies are concerned very largely with the inner cities, improving the housing stock and increasing the range of choice for those who already live in the inner cities and those who would like to live there. Again the involvement of the private sector is essential and our proposed Housing Action Trusts will provide a new mechanism for achieving this.

All of these programmes in DOE are concerned with regeneration, reclamation, development and investment in the inner cities. That is my Department's distinctive contribution to the Government's urban policy.

MR CHAMBERLAIN SPEAKING NOTICE

CONFIDENTIAL

TRANSPORT IN THE INNER CITIES

* Good transport is essential for the development of our inner cities.

* Transport links them with the nation's commercial arteries. It stimulates new industries and helps create new jobs.

* New ideas in public transport are breathing new life into run-down areas.

- the Docklands Light Railway has drawn private sector investment into London's East End.
- Manchester is planning to follow this example.
- bus operators freed from 50 years of regulation have brought new minibus services to housing estates and inner areas, which were bus-free zones.

* We are assisting local authorities in improving inner city road links, so essential for enterprise and business growth. We are committed to paying them £300 million, half the cost of 120 schemes. The £32 million Bradford City Ring Road is one example.

* Two fifths - £2 billion - of my trunk road programme directly assists the development of the inner cities particularly:

- in the West Midlands;
- in Manchester;
- in Newcastle; and
- in London.

* More schemes will follow but today I am adding 2 major projects to my programme:

- a £50 million grant to build a road through the Black Country linking the Black Country Development Corporation area to the M5 and M6; and
- a £59 million improvement to the A13 between Limehouse and Dagenham, to assist the development of the Docklands.

An over £100 million vote of confidence in the Docklands and the Black Country.

A further example of our commitment to the regeneration of our cities.

SPEAKING NOTE FOR THE HOME SECRETARY:
ACTION FOR CITIES LAUNCH

Intensified work against crime is an essential part of our Action for Cities. It is in the inner cities that people suffer most from crime and anxiety about crime. The fact and the fear of crime can stunt the lives of those who live there - not least by discouraging the creation of jobs. A special effort is needed.

The police already give a high priority to the problems of inner city crime; they will continue to do so. Theirs will always be the primary role. But crime is not solely a matter for the police. They need, and they should be able to expect, the support of all responsible members of society. Passive support is not enough. I want to see an active partnership between the police and local agencies and concerned individuals - leading to a concerted and well-targeted programme of effective action in response to locally identified crime problems. That is what the Safer Cities initiative will provide and encourage.

The Safer Cities initiative will build on the successes already achieved by similar, smaller scale, approaches to local crime prevention. Safer Cities projects will be established in 20 local areas over the next three years. In each area, work will be guided by a local Steering Committee which will bring together representatives from the police and probation services, local authority services, the business community, and voluntary groups. To help the

Steering Committee the Home Office will fund a project co-ordinator - a locally recruited person who will be a key figure in developing effective local action - and a small administrative team.

In a Safer City project area, local people will identify particular crime problems, decide how they can most effectively be tackled, put those decisions into practice and measure the results.

The action taken will vary from area to area; but in each there is likely to be a combination of physical security measures, improved design, better management of property and services, and a range of constructive activities to engage the energies and interests of those who are most tempted to engage in criminal activity.

The programme will be steered nationally by the Home Office Crime Prevention Unit, which will be able to provide advice when necessary and some modest financial support to help promising local initiatives to get off the ground. We intend shortly to approach local agencies, including local authorities, in potential Safer Cities areas. I am confident that, with the goodwill and commitment of local people working together against crime, the Safer Cities initiative will help to restore confidence and provide new and much needed opportunities.

INNER CITIES 7 MARCH 1988

STATEMENT BY KENNETH BAKER, SECRETARY OF STATE FOR EDUCATION AND SCIENCE

Education can do a great deal for the inner cities. There - more than anywhere - youngsters need a decent education if they are to have a better future.

Our education reforms map out that future. We are establishing a NATIONAL CURRICULUM of basic subjects. That will set new standards of education for all our children, whatever their background, wherever they live. Parents in the inner cities can be confident that their children will get a basic mainstream education.

Many children in the inner cities do not have access to the kind of schools which measure up to their parents' reasonable expectations. The Government has a set of radical policies to extend parents' influence and choice.

OPEN ENROLMENT means popular schools will take in as many children as space allows.

OPTING OUT will give parents and governors the right to take over the running of their children's schools.

CITY TECHNOLOGY COLLEGES are another kind of new school, designed to give children in the inner cities high quality education with a technological bias. Private industry will help fund and run the new colleges.

The first one opens this September in Kingshurst, Birmingham; the second next year right in the heart of Nottingham. Prospective sponsors have already promised more than £16m to support the CTC Programme. Plans are in hand for CTCs in Middlesbrough, South London and Thamesmead.

A very encouraging start to a programme first announced just 16 months ago. And we are doing much more.

Our plans to give pupils and teachers DIRECT EXPERIENCE OF WORKING in industry and business will open up schools to the economic realities their pupils will have to face.

I'm delighted that my Department will be co-operating with the Department of Employment and the MSC in backing TWELVE NEW COMPACTS in inner city areas. Norman Fowler will be telling you about this invitation to get employers, schools and colleges working together. There are great mutual benefits to be had from this closer working relationship.

Getting that relationship right is a key factor in raising education standards and ensuring that children leave school with the qualifications they need for adult life.

Better prospects grow out of better education: that's what we intend to give the children who live in Britain's inner cities.

I shall use the resources of my Department and the Manpower Services Commission to encourage the development of 12 compacts between employers and schools. It will be for groups of employers to agree such compacts with schools and to bid for support. Up to £50,000 will be available at the development stage of each compact, followed by up to £100,000 per annum for 4 years for those approved.

The second series of initiatives seeks to ensure that all people in inner cities are aware of the job opportunities available, and of the range of help offered by employment and training programmes. More specialist staff will help both employed and unemployed people explore opportunities and develop the skills needed for the new jobs arising. New local information points will give immediate access to information on training and jobs in local centres such as libraries and community centres.

CONFIDENTIAL
UNTIL 12.00 MIDDAY ON 7 MARCH.

1 STATEMENT BY THE SECRETARY OF STATE
FOR EMPLOYMENT,

INNER CITIES POLICY DOCUMENT LAUNCH

Jobs are crucial to the development and prosperity of inner city areas, and to the people who live there.

The Government already spends over £1.1 billion a year in inner city areas providing unemployed people with skills, helping them find jobs, and encouraging small businesses to start up and grow.

We shall now build on our existing programmes, and focus our support on those who most need it. We shall take a number of important new initiatives.

The first of these is the development of new compacts between employers and schools in inner city areas. Our intention is that employers would guarantee a job with training to young people leaving schools in these areas who meet required standards of achievement.

DRAFT SPEAKING NOTES : NR CLARKE

There are two key themes in the Action for Cities Document which have been underlined by all the Ministerial announcements this morning.

- The first is the importance of co-operation between the private and public sector. The Government is anxious to encourage and assist more private companies to take a leading role in inner city revival. Our cities need business leadership and private sector investment.
- The second is the importance of co-ordinating the Government's activities, so that we get the maximum impact for what we put in by fitting our various policies together into one combined Government effort.

A major DTI contribution to co-operation between Government and the private sector will be made by a drive to provide more managed workspace for new business start-ups in inner city areas.

English Industrial Estates will lead for the Government and will receive up to £11 million in first year for the necessary physical conversion of suitable buildings. Private companies will contribute by offering financial and managerial backing to

The new training for employment programme will provide new help for long-term unemployed people who require basic skills such as literacy, numeracy and English as a second language.

Third, we are stepping up our support to small businesses in inner city areas. In Task Force areas, the guarantee to banks under the Loan Guarantee Scheme for loans to small businesses will be increased from 70 per cent to 85 per cent. More generally, we are increasing the help available by opening six extra offices run by the Small Firms Service, and specialist counsellors to work with ethnic minority businesses are also to be appointed.

New businesses will receive more help. Local Enterprise Agencies setting up new projects to help inner city businesses will receive special grants, and more business advice and training are to be given to those going into self-employment.

All these initiatives will build on our current substantial effort in the inner cities. They will encourage more investment, and create more opportunities. Most of all, they will help us secure more jobs for people living in inner city areas.

the workshop once the businesses start to move in. Our corporate partners will in effect "adopt a workshop".

The workshop programme will help to provide premises for small and new businesses and business advice to help them through the first difficult years of growth. Experience has shown that this is a very practical and effective way of encouraging enterprise in inner cities.

Wide range of today's announcements emphasises scale and scope of the Government's contribution.

Need to pull that whole effort together and concentrate it in on areas of greatest need.

Two new City Action Teams in Nottingham and Leeds will help us achieve that aim. Building on success of existing six. They will pull together the programmes and resources of DTI, DOE and DE. They will also have special top-up funds to make it possible for local projects - that would normally fall outside the national guidelines for Government programmes - to go ahead.

I have two further announcements which will help to carry forward all the programmes we now have and help more companies to become closely involved in our efforts.

Next month will see the beginning of a series of Action for Cities Breakfast meetings.

Ministers will make presentations - initially in six cities - to explain to businessmen how they can play their part in inner city revival in their city. We will explain how they can work with the Government in doing so. We will be presenting them with a 'menu' of ways in which they can become involved. We believe we can persuade even more businessmen that it is a sensible commercial activity for a successful company to play a leading role in regenerating the cities which are their trading base.

We are also setting up centrally a Freefone Action for Cities number to provide a single contact point for businesses interested in taking part. Our people in Whitehall will offer advice about the range of possibilities and ensure contact with the right Department on the ground in the right City to take the matter further.

Why this emphasis on businessmen? Because we believe that the key to getting life back into our inner cities - just as it has been in promoting national prosperity - is encouraging enterprise. Businessmen provided leadership in the past that

made their cities great. 'City Fathers'. They can do so again. Our businessmen today have the resources, expertise and, I believe, commitment to help the Government make lasting and worthwhile changes in our inner cities.

The new Government measures are

- * Urban Development Corporations: the Government is to build on the success of the Urban Development Corporations and double the area of the Merseyside Development Corporation, adding 800 acres on both sides of the Mersey. The MDC could spend between £50 million and £100 million over seven years in the new areas
- * There will be a new UDC in the lower Don Valley, Sheffield which will cover 2000 acres to the north east of the city centre. It will have a budget of about £50 million over seven years
- * City Grant: a new simplified grant to support private sector developments in inner cities will be introduced in May 1988. It will replace Urban Development Grant and Urban Regeneration Grant which will have levered over £580 million in investment, providing 28,500 jobs and over 7000 homes since 1982
- * Unused Land: the Government will step up the drive to bring unused and underused land onto the market. It will ensure publication of information about land in public ownership and follow up the Audit Commission's recommendations about local authority property management
- * New inner city roads: two new roads costing some £100 million - the £50 million improvement of the A13 between Limehouse and Dagenham and a £50 million spine route through the Black Country to the M5 and M6 - will directly benefit inner cities. They are in addition to the £[] million already planned to be spent on roads in urban areas
- * Safer Cities: a major new initiative to tackle crime and the fear of crime will be introduced in 20 inner cities over the next three years. £2.3 million will be made available in the first year to support the initiative, which has been successfully piloted in five urban areas
- * School-Industry links: school-industry Compacts give job opportunities to children reaching minimum standards of achievement and attendance. The Government will use MSC programme money to encourage the development of 12 new Compacts between groups of employers and schools and colleges in inner cities

- * Action for Jobs: more help will be given to businesses and people seeking jobs in the inner cities. This includes strengthening the Small Firms Service and inner city Local Enterprise Agencies and appointing additional specialist staff to help local unemployed residents
- * Managed Workshops: English Estates will be the focus of a new initiative to provide premises and business advice to enable people to start new businesses in run-down inner city areas. Up to £11 million of public funding will go into the programme in the first year
- * City Action Teams: two new City Action Teams will be set up, based in Leeds and Nottingham to add to the five established three years ago which have successfully pulled together Government support for enterprise and development in their areas

Alongside these Government measures, the private sector has launched a series of initiatives

*S. S. White
Lamp* * Business in the Community: BiC have announced eight teams headed by business leaders in a campaign to promote business involvement in inner city regeneration. They will focus on key areas of business involvement in education, training, small firms and investment

*S. W. John
Cudney* * Investors in Industry: the venture capital group 3i has launched a new phase in their inner city investment programme which has already put over £2 million into schemes in London, Birmingham, Leeds, Manchester, Newcastle and Cardiff. 3i announced their £10 million inner city fund last October

*S. W. Clifford
Chelwood* * British Urban Development Elevenco: the eleven largest British civil engineering and construction companies have formed a consortium which will seek out inner city sites to develop. The companies have pledged £55 million towards a rolling programme of development

The Government has also announced a single contact point - Freefone 0800 181518 - for information on Government inner city initiatives and, in particular, on what companies can do to help inner city regeneration.

ACTION FOR CITIES

DEFENSIVE BRIEFING

- **Nothing achieved since last June.** Measures described in booklet. But more fundamental change; confidence is returning on part of local people and companies;
- **Cosmetic exercise.** No. It is what companies, local authorities and others have been crying out for - a clear practical account of what the Government is doing and how business and local agencies can help;
- **Ignores local authorities.** Booklet contains many examples of projects where local authorities are involved - Salford Quays itself. But too many authorities do not take up opportunities, although many are learning the lesson that co-operation with the private sector is essential;
- **Ignores ethnic dimension.** Many examples of projects aimed at ethnic minorities. Pay tribute to Project Fullemploy and other bodies which train black youngsters;
- **No extra spending.** New measures like UDCs, new roads add up to massive spending over next few years. Steps like Safer Cities to cut crime are less easy to quantify but vastly improve inner city quality of life;
- **Glossy brochures not the answer.** Serves purpose of showing what can be achieved before and after. This is the acid test of inner city success. We will build up string of success stories, with help of private investment;
- **Too much emphasis on buildings.** Physical transformation essential to attract people and investment. People also have to be fitted to work. Our inner city programmes are aimed at people and places;
- **One off exercise.** No. We will track progress and build up momentum. Departments will continue to work together - Kenneth Clarke's role is to help pull together their efforts.

ACTION FOR CITIES EXPENDITURE 1988/89

	Estimated expenditure in the inner cities, England 1988/89 £m
Estate Action: involving tenants in management of their homes, and improving them. Housing capital expenditure by local authorities but borrowing approval only given by Government on strict conditions	140
Funding for Housing Associations through Housing Corporation and through local authorities (LA share £50m)	450
Training, and programmes to encourage enterprise, including support for small firms (Employment and MSC)	1100
Support for inner city business including Regional Selective Assistance, investment and innovation grants for small firms, and English Estates	200
Derelict Land Reclamation	25
Urban Programme including Urban Development and Urban Regeneration Grant	314
Urban Development Corporations	203
Task Forces, City Action Teams	21
Roads (DTp programme and TSG supported local authority roads)	250

Scotland and Wales (Scottish Development Agency, Urban Programme, UDC, housing associations, MSC)	300 (at 1e
	<u>3003</u>

ACTION FOR CITIES

Briefing for Prime Minister

BULL POINTS

Attracting Investment

- £3000 million Government drive to improve inner cities in 1988/89 in bringing in several times that in private investment
- London and Merseyside UDCs have brought in over £3000 million in private investment with £500 million in public money. This means 12,000 jobs
- Urban Development Grant of £145 million will bring in £580 million in private investment. Secretary of State for the Environment's plan to streamline procedures for UDC - new City Grant - will bring even greater success
- Business in the Community (Sir Hector Laing), Investors in Industry (Sir John Cuckney), Elevenco (Sir Clifford Chetwood) demonstrate the enormous contribution which private sector is making. Delighted to see them here today
- Booklet 'Action for Cities' shows success stories: Metrocentre, Gateshead (115 acres of marshland transformed); Royal Agricultural Hall, Islington; Wavertree Technology Park, Liverpool (30 companies, 800 jobs); IMI Holford, Birmingham (former chemical works, now 675,000 sq ft of industrial units)
- Public money not always needed. Ernest Hall at Dean Clough has created a 1.25 million sq ft complex employing 1700 people in a derelict mill.

ACTION FOR CITIES

HOUSING

Defensive briefing

Housing Bill

- **Housing Bill a yuppies' charter.** Housing Bill will ensure better supply of all kinds of rented accommodation. Policies on land will ensure better supply of inner city land for housing;

local authorities

- **Local authorities' role to be reduced.** Local authorities will in future be enablers rather than providers, using skills and resources at their disposal to help those in private sector and in housing associations meet housing needs;

Private rented sector

- **Deregulation of new lettings does not help those on low incomes.** Deregulation is essential if private landlords are to be encouraged to let property. Those eligible for housing benefit will have increases in rents up to market levels met in full;

Housing Associations

- **Housing Associations will have to raise rents about levels those on low incomes can afford.** Government grant will continue to be available to keep rents within reach of traditional clients;

Housing Action Trusts

- **When announced.** Before the Housing Bill receives Royal Assent. There will be 6/7 HATs on current plans;

Problem Estates

- **Government turning its back on council estates.** Resources to tackle run-down estates doubled from £75 million in 1987/88 to £140 million in 1988/89.

RATES REFORM: GENERAL BULL POINTS

Accountability

- Out of an adult population of 35 million in England, only 18 million are liable to pay domestic rates, and only 12 million pay rates direct and in full. In some areas - eg Manchester - fewer than one voter in four pays full rates.
- The community charge will spread the burden of payment more widely, giving voters a direct financial stake in the decisions of their Councils.

Fairness

- Domestic rates are unfair: property values bear little relation to people's ability to pay and even less to the use they make of local services. 40% of homes with above average rateable values are occupied by households with below average incomes.
- How can it be fair for a single pensioner to pay the same rates bill as a family next door with 3 or 4 working adults?
- Many of the poorest will benefit. The majority of single pensioners and one-parent families will pay less with the community charge than with rates.
- As with rates, those on low incomes will receive assistance in paying their contribution to the community charge through the income support system.
- The severely mentally handicapped; old people living in homes; those living in hospitals and prisons will be exempt. Students will pay only 20% of the charge in their college town.

Transition

- Considered the many representations made to us. Decided that for all but highest spending local authorities, the community charge should be implemented in full in 1990.
- Confirm that major changes in 1990 will be prevented by safety net. This will be phased out by 1994.

Alternatives

- Domestic rates are unfair, outmoded and discredited. The Labour Party says it wants to keep them, but has run away from the idea of a revaluation.
- The Alliance can only offer a half-baked proposal for local income tax. LIT would mean higher and higher taxes on income, in direct opposition to the Government's efforts to reduce income tax.

And LIT is bad for accountability. Out of 35 million adults in England, only 20 million pay income tax (compared with 18 million who pay rates). Only the community charge can restore local accountability.

- Banded community charge would have all the drawbacks of LIT (heavy burden on moderate income earners, greatly reduced accountability) plus pernicious earnings traps: a person earning £1 extra a year, who moved up one income band, might have to pay hundreds (in some cases thousands) of pounds more.

Labour Party accusation: no representation without taxation

- Right to vote will not depend on registration for, or payment of, the community charge.

- It will not be possible to avoid registration for the community charge by failing to register to vote.

- There will be separate registers compiled on a different basis for community charge and for electoral purposes.

Rich will pay same as poor

- Those on low incomes will receive rebates and will pay only part of the charge.

- Half of local services are funded from national taxation. The highest paid 10% of households will pay nearly 16 times as much towards the cost of local services as the lowest paid 10%.

- National redistribution of income is a job for the Chancellor.

Impact on business/the North-South divide

- If the National Non-Domestic Rate is set at the national average poundage, rates will fall in the high-rated areas - the areas where local spending and unemployment are high - and increase in low-rated areas.

- This means business rates would fall in most parts of the North: by 32% in Newcastle upon Tyne, by nearly 37% in Manchester and by almost 31% in Liverpool. Together with the revaluation of non-domestic property in 1990, businesses in the North stand to be better off by £700m every year.

- Clearly this is good news for commerce and industry in the depressed parts of the country, particularly the North. It will also remove a significant disincentive to redevelopment in the run down inner cities.

- Conversely, in most shire counties business rates would rise - typically by 5 to 15%. In Westminster they would rise by 38% and in Kensington and Chelsea by 91%.

- For the minority of businesses facing large increases from NNDR and revaluation combined, there will be generous transitional arrangements spread over 5 years.

TRANSPORT: BULL POINTS

Black Country Spine Route

- Will provide fast, easy access from Black Country Development Corporation area to motorway network (M5 and M6)
- Will help BCDC to stimulate new enterprise and jobs
- Will bring environmental improvement to a largely derelict area

A13 Improvements

- Improvements necessary to help local roads to cope with the success of Docklands
- part of a £1 billion effort to improve transport links to East London (road improvements and Docklands Light Railway)
- Complements LDDC's proposals for the "Docklands Highway" (an east-west spine road through Royal Docks, Isle of Dogs and Limehouse)

TRANSPORT: DEFENSIVE BRIEFING

General Policy

Q1. Why doesn't the Government do more for public transport? Why so much emphasis on roads?

A. The Government does do a great deal for public transport. Docklands Light Railway a good example of this. Proposals for similar in Greater Manchester well in hand. Others may follow. Bus deregulation has enabled operators to introduce minibuses and so new services to inner city areas and housing estates. And good roads mean faster, cheaper bus travel.

Q2. Why only helping Docklands and Black Country?

A. Government improving transport throughout the country. Two-fifths - £2 billion - of the road programme will help inner city areas. We are also paying half the cost of 120 current local authority schemes in urban areas. Today's announcement is just the latest addition to the programme. More schemes will follow.

Black Country Spine Route

Q3. When will the road be built?

A. Subject to statutory procedures. But if all goes well, could be completed by 1992.

Q4. Will the proposal involve compulsory purchase of private homes?

A. Not possible to say until the fine detail has been decided. Statutory procedures mean those affected will be able to express their views.

A13 Improvements

Q5. Why are these improvements needed?

A. The success of Docklands has brought quite severe congestion. We need to improve the A13 to cope with this and to allow for future traffic growth. We hope to complete by the mid-1990s.

TRANSPORT: MAIN FACTS

Black Country Spine Route

1. The Spine Road, 7km long, will link with Junction 1 of M5, and Junction 10 of M6, using the Black Country Route currently under construction. It will eventually form part of an extended trunk road network in the West Midlands. The Government has agreed to pay 100 per cent of the costs of the road (£50 million).

A13 Road Improvements

2. A package of six proposals, at a total cost of £59 million, to improve the ability of the A13 to cope with existing severe congestion in Docklands and predicted future traffic growth

- Widening of Ironbridge on the River Lea
- Improvements to the A13/Leamouth Road Junction
- Improvements to the A13/Blackwall Tunnel and Cotton Street Junctions
- Improvements to the A13/West India Dock Road Junction etc

These complement the LDDC's Docklands Highway and form part of a comprehensive road improvement strategy for East London.

SAFER CITIES: BULL POINTS

1. A local programme - operated by and for local people. Local crime problems can best be tackled locally.
2. Directly relevant to one of the Government's central objectives - making inner city areas places in which businessmen will wish to invest and people will want to live.
3. Based on experience gained by the Home Office in developing a range of local initiatives against crime. Particularly relevant is the recently completed Five Towns pilot programme (in Bolton, Croydon, North Tyneside, Swansea and Wellingborough) which used local co-ordinators. Substantial reductions were achieved in some crime figures (examples in Defensive Brief).
4. Provides machinery for co-operation between the police and the local community in a partnership against crime. It will bring together local authority services, voluntary organisations and private sector firms in a co-ordinated and well targeted endeavour to reduce local crime problems.

ACTION FOR CITIES

Briefing for Prime Minister

BULL POINTS

- £3000 million Government drive to improve inner cities in 1988/89 in bringing in several times that in private investment
- London and Merseyside UDCs have brought in over £3000 million in private investment with £500 million in public money. This means 12,000 jobs
- Urban Development Grant of £145 million will bring in £580 million in private investment. Secretary of State for the Environment's plan to streamline procedures for UDC - new City Grant - will bring even greater success
- Business in the Community (Sir Hector Laing), Investors in Industry (Sir John Cuckney), Elevenco (Sir Clifford Chetwood) demonstrate the enormous contribution which private sector is making. Delighted to see them here today
- Booklet 'Action for Cities' shows success stories: Metrocentre, Gateshead (115 acres of marshland transformed); Royal Agricultural Hall, Islington; Wavertree Technology Park, Liverpool (30 companies, 800 jobs); IMI Holford, Birmingham (former chemical works, now 675,000 sq ft of industrial units)
- Public money not always needed. Ernest Hall at Dean Clough has created a 1.25 million sq ft complex employing 1700 people in a derelict mill.

SAFER CITIES: DEFENSIVE

1. How will 'Safer Cities' bring down crime rates?

Based on an approach which has already worked. Examples of success in areas in which the recently completed 'Five Towns' pilot programme operated (with local co-ordinators and local steering groups) include

- 23% reduction in domestic burglary,
- 15% reduction in theft of vehicles, and
- 18% reduction in criminal damage.

2. Yet another example of central government imposing its ideas on local communities?

Programme is to be local. Will enable local people to tackle local problems more effectively. Projects will be established in selected areas after full consultation with local interests, local authorities, other statutory services, voluntary agencies and, it is hoped, the private sector. Staff will be recruited locally. Each project will be guided by a local committee.

3. Will 'Safer Cities' money be well spent?

Co-ordinators' work will be monitored by supporting Home Office unit. All locally devised schemes will have objectives and, wherever possible, measures of performance. Grant giving to selected local schemes will be monitored.

4. Police should be making our cities safer

Police already give a high priority to inner city crime problems. They will continue to do so. But crime not just a matter for the police. Will be tackled most effectively by an active partnership between police and the community, like Safer Cities.

5. 'Action for Cities' says little about special problems facing inner city residents and nothing about racial disadvantage of extending equal opportunities. Will Safer Cities be relevant here?

Yes. Government's inner city policies will benefit all inner city residents - improving opportunities for employment and enterprise and helping to break down areas of discrimination. Safer Cities in particular will provide opportunities for black and Asian residents, like others, to play a full part in making our inner cities a better place to live.

6. Where will Safer Cities start?

Approaches are to be made right away. We shall only set up projects where there is a positive favourable response from local interests.

EDUCATION: BULL POINTS

The national curriculum would -

- i. ensure all pupils have a good, broad and balanced education;
 - ii. help teachers set their expectations to stretch each child, yet realistic;
 - iii. check the progress of each child regularly.
2. The Education Reform Bill will do away with artificial ceilings on the number admitted at popular schools. So more parents will be able to send their child to the school of their choice.
3. True choice should not simply be the privilege of those who can afford to pay fees. Under opting out, parents will effectively be able to run their schools.
4. Work Experience
- i. In 1986 about 400,000 15 year old pupils in England (about two-thirds of the total) had attachments of two to three weeks with firms. Government aims to expand the programme to 600,000 attachments a year; within five years;
 - ii. The Government is encouraging enterprise activities in schools, and aims to develop economic awareness as a cross-curricular theme in the national curriculum.
5. Government aims by 1990 to have 10% of teachers a year gaining industrial experience.
6. Government makes special grants available to local education authorities for teacher training related to "industry, the economy and the world of work".

7. The Government will use the MSC machinery to stimulate education-business Compacts in, initially, 12 of the 57 urban programme areas. A compact is an arrangement between groups of schools and local firms, whereby - in return for attaining agreed performance standards in academic and personal skills - students are guaranteed priority recruitment with the firms involved. Grants will be used as an incentive, and MSC's extensive local office network would be deployed to ensure delivery to the right standard.

8. Following legislation in 1986, parents and local people, including people from the business community, will between them have the majority of seats on school governing bodies.

9. The Education Reform Bill will -

i. increase the proportion of businessmen and other employers on further education college governing bodies;

ii. require LEAs to delegate to colleges greater powers over the spending of budgets and the appointment and dismissal of staff.

10. Education and training for adults is available via PICKUP, REPLAN and adult literacy centres.

EDUCATION: GENERAL: DEFENSIVE

National Curriculum

1. How inner city areas have the funds to pay for the national curriculum?

1988/89 local authority spending plans for education represent an increase of over £1 billion in cash, or nearly 8 per cent, over 1987/88.

Opting Out

2. Won't grant maintained schools just provide a privileged education for the better off?

Grant maintained schools will provide free education just like local authority schools. No more and no less generously funded than local authority schools in their area. Admissions arrangements will have to be agreed with the Secretary of State.

Work Experience

3. Can industry provide the required number of placements?

Industry responded admirably to the challenge of Industry Year in offering placements to pupils. I am sure that companies will be keen to help.

Compacts

4. Isn't the Government backing an idea of ILEA's?

Compacts started in the United States. We believe it has wide potential here, especially in our inner cities. We welcome the decision of employers in London, with ILEA, to establish a London Compact.

CITY TECHNOLOGY COLLEGES: MAIN FACTS

MIDDLESBROUGH

1. The CTC Trust have bought the premises of the former St Michael's RC Secondary School, closed in 1981. The site borders both Middlesbrough and Stockton. The Department of Education and Science is negotiating with three possible sponsors: until these negotiations are successfully completed the names have to be kept confidential.

LONDON

2. A sponsor has undertaken to provide £1m towards a London CTC. The Department is actively looking into possible sites.

3. The Mercers' Company and Thamesmead Town announced on 14 December their intention of sponsoring a CTC in Thamesmead. A number of sites have been considered but no final decision has yet been taken.

SOLIHULL

4. Kingshurst will open in September 1988, less than two years after the programme was announced.

BULL POINTS

1. £16m already pledged by the private sector. More will be raised. Many other firms have pledged additional assistance such as gifts of equipment and industrial placements. Shows the value employers attach to the CTC programme.

2. Parents already voting with their feet. Kingshurst had more than twice as many applicants as places available.

3. CTCs offer a unique partnership with industry and commerce, which will be directly involved in their effective management.

EDUCATION: DEFENSIVE

City Technology Colleges

1. Why has the programme made slow progress?

Not true. Speed at which CTCs can be opened depends how quickly sponsors can be linked with suitable sites and the necessary groundwork completed. Experience of planning the first two CTCs will help accelerate planning in future.

2. Is it true the Treasury's contribution to capital costs will be larger than originally planned? Up to 80 per cent of the cost?

The Government is prepared to meet up to 80 per cent of the capital costs of a CTC. But sponsors will have to find a very substantial sum of money: at least £1 million.

3. Will the Government force LEAs to make available existing schools in London and elsewhere for the establishment of the CTC?

Entirely for local education authorities to decide whether they wish to make school premises available to the sponsors of a CTC. Any such proposal which falls to the Secretary of State for Education and Science to decide will be treated strictly on its merits.

DE/MSD: BULL POINTS

In the 57 UP areas

- DE/MSD spend over £1.1 billion
- over 500,000 people are involved in programmes
- 500 Employment Service offices.

2. Helping new and small businesses in the 57 UP areas

- About one-third of Enterprise Allowance Scheme entrants (nationally, 110,000 places in 1988/89)
- 11 200 Small Firms Service counselling sessions
- over 40,000 people had enterprise training in 1987/88, costing £5.8 million
- Around 80 Local Enterprise Agencies (including 5 in areas with high ethnic population) out of 400 nationally.

3. Changes in unemployment in 57 urban programme areas, January 1988/
January 1987

- overall, down 15.6 per cent
- long term, down 16.65 per cent
- youth unemployment, down 18.75 per cent

4. Helping individuals in 57 urban programme areas, 1987/88

- estimated 957,000 interviews and 37,000 Restart courses
- estimated 50,000 helped through Job clubs
- estimated 123,000 Community Programme participants
- estimated 21,500 Voluntary Projects programme participants

INNER CITIES: DE AND MSC
PROGRAMMES: DEFENSIVE POINTS

1 PROGRAMMES DO NOT PROVIDE REAL JOBS

- Successful businesses provide jobs
- Government sought to
 - provide a stable economic climate.
 - promote an enterprise culture
 - given direct help to new or expanding firms.

-As a result over 1 million new jobs and 500 small firms a week created nationally

-DE/MSD programmes give unemployed people skills and motivation to compete for jobs, encourage enterprise and help small firms.

2 JOBS NOT GOING TO INNER CITY RESIDENTS

-Yes they are:

- unemployment in UPAS has fallen by 188,000 in 12 months (-15%)
- over 30,000 people started a business under the Enterprise Allowance Scheme this year.

-MSD/DE programmes help 500,000 people annually in UPAS: giving them skills, enterprise, motivation or helping them start a business

3 EMPLOYERS DISCRIMINATE AGAINST INNER CITY RESIDENTS

- Not if they have the right skills
- Employers central to delivery of MSD training programmes
- DE/MSD mounting a campaign to encourage more firms to take on unemployed people.

4. INNER CITY RESIDENTS DON'T USE MSD/DE SCHEMES

- 500,000 will do this year.
- yet DE/MSD taking further steps to
 - improve information about programmes
 - make them more accessible
 - reach out with advice on how programmes can help
 - tailor programmes to give people sought after skills

5. DE/MSD SHOULD SPEND MORE ON PROGRAMMES TO IMPROVE QUALITY

-DE/MSD already spending £1.1bn pa in UPAs.

-First priority to use that money to best effect - it is an investment by all of us in the skills and enterprise of inner city people.

-New initiatives

6. PROGRAMMES DON'T PROVIDE THE RIGHT SKILLS

-Through involving employers DE/MSD makes sure they do.

-YTS provides 2 years of high quality training. Now well established.

-The new adult training programme will provide up to 12 months high quality training covering basic skills to high tech skills.

-Recognised vocational qualifications will be on offer, all participants to have a record of achievement

-Both programmes adopted to the needs of a rapidly changing labour market.

7. HOW WILL THE NEW PROPOSALS HELP

-boost existing support to small firms (over 80,000 helped in UPAs this year)

-make information/advice more widely available (6 new Small Firms Services Offices)

-Support projects directly helping small firms (up to 60 pa cost £600k)

-Encourage more people to consider self employment and help those that do with advice training and support.

Jobs -help unemployed residents get training or jobs

•provide better information about jobs and training

•provide special advice, out in the community to unemployed people

•tailor training for those needing literacy/numeracy or English as a second language skills

•engage more employers in programmes.

Tourism -stimulate new tourism projects which provide jobs, help business and improve rundown areas.

Overall -they aim to stimulate increased use of programmes and will lever more of the national MSD/ DE resource into UPAs.

INNER CITIES DE/MSD PROGRAMMES: MAIN FACTS

HELPING BUSINESSES SUCCEED

1. 6 New offices for the Small Firms Service; appoint 5 special small business advisers

Will make the service more accessible to inner city businesses and encourage more of them to use the Service which currently provides 11,000 counselling sessions pa in urban programme areas.

2. £600,000 fund for Local Enterprise Agency Special Projects

New fund, with matching private sector cash, will encourage private sector support for special projects such as managed workshops, training courses and big company local purchasing from small firms. It will complement BIC's efforts to expand/improve inner city LEAs (about 80 exist, providing advice and training to small business with private sector backing).

3. New advice and training for people on the Enterprise Allowance Scheme (EAS)

Will encourage more unemployed people to consider self employment, provide business training for those wanting to join EAS, provide facilities to enable people to develop and plan a business and will improve business advice. EAS pays £40 a week, and helps over 30,000 people a year in inner cities.

4. Increase Small Firms Loan guarantee to 85 per cent in Task Force areas

The 85 per cent guarantee in Task Force areas is designed to encourage more loans to small firms (which often experience problems getting finance) and complement other special loan funds now available. The Loan Guarantee Scheme normally provides a 70 per cent Government guarantee on loans made to small firms by banks.

PREPARING FOR WORK

5. MSC to support 12 industry/Education Compacts

Compacts between employers and schools/colleges guarantee jobs to students meeting agreed attendance, motivation and qualification targets. Building on YTS and TVEI, MSC will invite local employer/school/college groups to bid for development contracts and finance to run 12 new Compacts.

6. More Specialist staff to work in inner city communities: "outreach"

By providing information to unemployed people (especially black and Asian) specialist staff encourage more of them to use MSC programmes. Over 500,000 people in inner cities take part in DE/MSD programmes annually; the Employment Service provides nearly 1 million Restart interviews to unemployed residents in UPAs.

7. Information points to be set up in inner cities

Building on experiments using information technology as a means to provide up to date information about jobs or training to unemployed people, new information points will be introduced to UPAs.

8. New adult training programme to include literacy, numeracy and English as a second language training

MSC's remedial training programme is likely to offer around 200,000 places in UPA's at a cost over £500 million. The whole adult training programme will provide training for 600,000 unemployed a year.

9. Employers will be encouraged to provide more training places and collaborate in planning inner city training provision

MSC has 130,000 YTS training places and will need around 200,000 adult training places in the UPAs. New marketing will encourage more employers to provide training places, groups of employers will be helped to decide what training is needed locally and collaborate in training.

BETTER HOMES AND ATTRACTIVE CITIES

10. English Tourist Board (ETB) to stimulate new tourism developments

The new promotion initiative will bring private and public sector together in towns/cities where tourism potential exists, raise their awareness and stimulate new tourism projects to redevelop inner city areas.

CITY ACTION TEAMS: MAIN FACTS

Five City Action Teams (CATs) were set up in April 1985, covering the inner areas of London, Birmingham, Liverpool, Manchester/Salford and Newcastle/Gateshead. The Teams bring together the regional organisations of DTI, DOE and DE/MSD to co-ordinate Government action in those cities. A sixth Co-ordinating team, covering County Cleveland, was set up in February 1986. All the CATs were given a budget in 1987/8 (of £1 million each, with £0.25m for Cleveland) to promote special projects especially with the private sector.

2. CATs have succeeded in focusing departmental and private sector effort on the particular needs of their cities. As a result two more are being set up: in Leeds (covering Leeds/Bradford) and Nottingham (covering Nottingham, Leicester and Derby).

3. The three Departments which combine in CATs have main programme budgets totalling some £1,000 million a year in the six areas the Teams formally cover.

BULL POINTS

- Since the CATs received their special budgets in April 1987, around 100 projects have been supported, likely to commit all the available resources of £5.25 million
- CATs provide a focus for local business, as well as Government, action for cities.

MANAGED WORKSPACE PROGRAMME: MAIN FACTS

English Estates are the focus for the new programme, and have set up a subsidiary - English Estates Inner Cities - to run it.

2. Up to £11 million of public sector funding will go into the programme in the first year. Private sector involvement will also be substantial. Companies are being invited to adopt individual projects by providing land, buildings, investment or by seconding experienced managers to give business advice to tenant companies.
3. Projects are to be in England within Urban Programme Areas, with first preference to places within or immediately adjacent to the inner city task force areas. Projects are being considered in Manchester, Rochdale, Preston, Nottingham, Doncaster, Middlesbrough, Hartlepool, Spitalfields, Hackney and Peckham.
4. Projects will provide on-site or adjacent business advice and other support services, including training directed at the companies and their workforces. They will involve local interests to the maximum extent possible and will aim for a letting policy which gives preference to local people.

BULL POINTS

Managed workshops

- provide new and small businesses with back-up: switchboard, receptionist, training, conference rooms etc
- encourage the local economy (knock-on effect)

ENGLISH ESTATES: MANAGED WORKSPACE PROGRAMME

DEFENSIVE POINTS

Q1 Why can't any specific projects be announced now?

English Estates' negotiations with a number of private sector companies are at a sensitive stage and an announcement now could jeopardise those negotiations.

Q2 Will English Estates be able to offer incentives to companies willing to support projects?

For projects offering good value English Estates will be able to offer incentives to companies willing to make substantial commitments. (The terms of partnership between English Estates and private sector companies are a matter for individual negotiation.)

Q3 The Managed Workspace Programme will divert funds from English Estates' Assisted Areas programme

No. The resources for managed workspace do not affect the level of English Estates' expenditure in the Assisted Areas. Their forecast expenditure in the Assisted Areas in 1987/88 is £47 million and they have been authorised to increase that level to £49 million in 1988/89 if they can generate the necessary resources from asset sales.

Overtake - not done
to PM.

RA.

Reub

3/3

PRIME MINISTER

3 March 1988

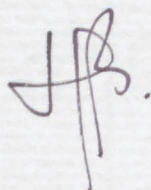
SPEECH NOTES FOR INNER CITY LAUNCH - MONDAY 7 MARCH

OUTLINE

- 1 The economy is successful but a problem which remains to be addressed nationally is the regeneration of derelict inner cities. You gave a pledge after the election. Since then time of serious thought. Today redeeming pledge.
- 2 Response jointly from all parts of the nation public sector (Government), voluntary sector (BIC, Phoenix and NAVS) and commercial sector (Elevenco/BUD). Welcome to all of these represented today.
- 3 Specific announcements from all parts of Government - list here.
- 4 Sound a chord of hope and confidence that regeneration can happen. Refer to your trip to Halifax last Friday. There valley filled with gloom. Largest carpet factory closed after the turmoil of the seventies. Today filled with new life, confidence and 200 businesses.
- 5 Not just about commercial regeneration through this is the keystone. It is about making places liveable - through education, through making towns attractive and people relieved of fear of crime. Above all, it is about the

creation of confidence of the British people in their own urban future.

Footnote BUD or British Urban Development is the trading name for Elevenco Ltd.

A handwritten signature in dark ink, consisting of stylized initials 'J.B.' followed by a period.

HARTLEY BOOTH