RIME MINISTER INNER CITIES LAUNCH I attach the papers for Monday's launch at the QEII Conference Centre. Immediately below this note is one from Bernard concerning basic mechanics and logistics for the day. You will wish to check you are content with Bernard's proposals. Then below that is: Flag A - Your opening statement plus the statements by your six colleagues; Flag B - Some briefing material for the questions session IN prepared by the Cabinet Office. This is FOLDER organised in the order of the opening statements by your colleagues; Flag C - The final version of the document and the various press releases. Bernard is also working on a list of the main difficult questions you might face, and he will be putting this in for your return from Chequers on Sunday. RReG. PAUL GRAY 4 March 1988 DASAIV

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 <u>massive</u> 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 <u>before</u> and <u>after</u>. 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

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

Countability

- 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 llion 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 permicious 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 nondomestic 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. Doc765

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? 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? Subject to statutory procedures. But if all goes well, could be completed by 1992. Q4. Will the proposal involve compulsory purchase of private homes? 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 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 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. HE9AAK

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. HE9AAK

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. '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. HE9AAK

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
- 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 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 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. 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.

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/MSC 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.

-MSC/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 MSC training programmes -DE/MSC mounting a campaign to encourage more firms to take on unemployed people.

4. INNER CITIY RESIDENTS DON'T USE MSC/DE SCHEMES

-500,000 will do this year.

-yet DE/MSC taking further steps
to -improve information about
programmes

-make them more accessable
-reach out with advice on
how programmes can help

-tailor programmes to give people sought after skills

5. <u>DE/MSC SHOULD SPEND MORE ON</u> PROGRAMMES TO IMPROVE QUALITY

-DE/MSC already spending £1.1bn pa in UPA's.

-First prority 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

FROGRAMMES DON'T PROVIDE THE RIGHT SKILLS

-Through involving employers DE/MSC 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 lit@racy/numeracy or English as a second language skills

•engage more employers in

•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 MSC/ DE resource into UPAs.

DE/MSC: BULL POINTS In the 57 UP areas - DE/MSC spend over £1.1 billion - over 500,000 people are involved in programmes - 500 Employment Service offices. Helping new and small businesses in the 57 UP areas 2. - 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. 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/MSC 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/MSC 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/MSC 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. 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). 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 SECATS 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. 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. 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. 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.

ACTION FOR CITIES EXPENDITURE 1988/89

Estimated expenditure

in the inner cities, England 1988/89 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 140 strict conditions Funding for Housing Associations through Housing Corporation and through local authorities (LA 450 share £50m) Training, and programmes to encourage enterprise, including support for small firms (Employment and 1100 MSC) Support for inner city business including Regional Selective Assistance, investment and innovation grants for small firms, and English 200 Estates 25 Derelict Land Reclamation Urban Programme including Urban Development and 314 Urban Regeneration Grant 203 Urban Development Corporations 21 Task Forces, City Action Teams Roads (DTp programme and TSG supported local 250 authority roads) Scotland and Wales (Scottish Development Agency, 300 (at least) Urban Programme, UDC, housing associations, MSC) 3003

• ACTION FOR CITIES

7 MARCH 1988

PRIME MINISTER LAUNCHES ACTION FOR CITIES

The Prime Minister, the Rt Hon Margaret Thatcher FRS MP, today launched a new drive to bring the benefits of Britain's economic success to the inner cities.

She announced 12 new Government initiatives and commended three major private sector developments at a press conference to mark the publication of "Action for Cities", an illustrated booklet which sets out the Government's inner city policies and programmes.

Mrs Thatcher was joined at the launch in The Queen Elizabeth II Conference Centre, London, by six Cabinet Ministers - Douglas Hurd (Home Secretary), Norman Fowler (Employment), Nicholas Ridley (Environment), Kenneth Baker (Education), Kenneth Clarke (Chancellor of the Duchy of Lancaster) who has special responsibility for day-to-day coordination of inner city policies, and Paul Channon (Transport).

The Prime Minister said:

"The Government is determined to build on a strong economy a new vitality in our inner cities.

"In partnership with the people and the private sector, we intend to step up the pace of renewal and regeneration to make our inner cities much better places in which to live, work and invest.

"The new initiatives being taken by the Government and announced by the private sector show that we all mean business and that we are releasing the talent, enterprise and energy that is at the service of our inner cities.

"We are embarked on a great enterprise which will leave its mark on Britain for decades and carry our towns and cities into the 21st century in much better shape."



Issued by Cabinet Office Press Office

Contact John Bretherton on 270 6447 or 270 6354/5/6

Adding to existing major regeneration programmes, the new Government measures are: Urban Development Corporations: A new UDC in the Lower Don Valley, Sheffield, and the extension of the existing UDC on Merseyside. The new UDC in the Lower Don Valley, Sheffield, will cover 2,000 acres to the north east of the city centre. It will have a budget of about £50 million over seven years. The area of the Merseyside Development Corporation is to be doubled by adding 800 acres on both sides of the Mersey. The enlarged MDC could spend between £50 million and £90 million over eight to nine years in the new areas. Two new City Action Teams are to be set City Action Teams: up in Leeds and Nottingham. This adds to the five established three years ago which have successfully pulled together Government support for enterprise and development in their areas. City Grant: A new simplified grant to support private sector developments in inner cities is to be introduced from May 1988. It will replace Urban Development Grant and Urban Regeneration Grant which have produced from the private sector over £580 million in investment, providing 28,500 jobs and more than 7,000 homes since 1982. Unused Land: The drive to bring unused and underused land onto the market is to be stepped up by requiring publication of information about land in public ownership. New Inner City Roads: Two new roads costing £109 million, both of which will directly benefit inner cities - a £59 million improvement of the Al3 between Limehouse and Dagenham and a £50 million spine route through the Black Country to the M5 and M6. 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 is being made available in the first year to support the initiative, which has been successfully piloted in five urban areas. Helping Businesses: More help for small businesses including six new offices for the Small Firms Service, a fund to support Local Enterprise Agency projects helping businesses, an 85% guarantee on bank loans to firms in Task Force areas, and help to encourage people into self employment. Employer-School Compacts: The MSC will give financial and other support to 12 inner city Compacts in which groups of employers work with schools to guarantee a job with training for all young people aged 16-18 leaving school who meet agreed motivation and achievement standards. 2

Helping Unemployed People: More MSC and Employment Service staff working in local communities advising and helping residents, new information points to guide people on training and jobs, special training in literacy and numeracy and English as a second language. New measures to increase the involvement of employers in training. Managed Workshops: Extra provision of premises for new businesses in rundown inner cities. English Estates in partnership with private companies will set up managed workshops. Up to £11 million of public funding will go into the programme in the first year. Working with the Private Sector: the Government is organising a series of breakfast meetings up and down the country, starting in Newcastle on 13 April. A free telephone link 0800 181518 has been set up today so that businesses can find out from a single contact point how they can play their NOTES TO EDITORS 1. The private sector is separately announcing three new initiatives today. In summary these are: Business in the Community: BiC is establishing 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. Investors in Industry: The venture capital group 3i is launching a new inner city investment programme to expand its existing venture fund which has already put more than £2 million into schemes in London, Birmingham, Leeds, Manchester, Newcastle and Cardiff. Elevenco: The eleven largest British civil engineering and construction companies will seek out inner city development sites. The companies have pledged £55 million for a development programme. The Government measures announced today build on the programmes and initiatives introduced since 1979 to tackle urban dereliction and inner city decay, and to raise skills and encourage enterprise. In all about £3000 million will go to support urban regeneration in Britain in 1988/89, bringing in several times that total in private investment. 3

Background about existing programmes in England which are the subject of new initiatives is given below.

<u>Urban Development Corporations</u>: have powers to acquire, reclaim and service land, bring land and buildings into effective use, promote new development and housing and support community facilities.

1981: London Docklands (LDDC)

Merseyside Docklands (MDC)

1987: Trafford Park

Teesside

Tyne and Wear Black Country

announced Bristol December 1987: Leeds

Central Manchester

Extension of Black Country

announced Lower Don Valley, Sheffield March 1988: Extension of MDC

The English UDCs have a budget of £203 million, excluding receipts, in 1988/89.

City Action Teams: bring together the relevant programmes of the Department of Trade and Industry, the Department of Employment and Manpower Services Commission and the Department of the Environment. The City Action Teams are based in Birmingham, Liverpool, London, Manchester, and Newcastle.

Unused Land: Land Registers of unused and underused land owned by public authorities are held by DoE to help prospective developers obtain the release of particular sites. Public owners can be directed to sell land which is registered on the open market. The Land Registers currently contain over 90,000 acres; nearly 50,000 acres have been removed from the Registers since they were introduced in 1981.

Inner City Roads: The new roads announced will be in
addition to the existing £2000 million programme of national
roads benefiting inner cities.

Action for Jobs: MSC and DE spend over £1100 million annually on employment, training and enterprise programmes in the inner cities serving over half a million people. Programmes available in inner cities include:

Youth Training Scheme

Community Programme)
Job Training Scheme)

to become new training programme from September 1988

Enterprise Allowance Scheme

Small Firms Service

Employment Service (with new network of nearly 500 offices)

Managed Workshops: give small businesses access to premises together with advice and support, often from on-site management teams. These small premises contain many units, which can share services such as typing and a canteen. There are over 300 managed workshops, mostly in inner cities.

• ACTION FOR CITIES

7 MARCH 1988

NORMAN FOWLER ANNOUNCES BOOST FOR INNER CITY BUSINESS

New measures to encourage enterprise and help business prosper in inner city areas were announced today by Norman Fowler, Secretary of State for Employment as part of the Government's inner city initiative.

- Six additional inner city offices for the Small Firms Service are to be set up, improving access to business advice and counselling. Specialist counsellors will be appointed, to work in the local small business community, particularly with ethnic minority businesses.
- A new fund of £600,000 per annum has been established, to be used to match private sector contributions to local enterprise agencies' projects specially designed to help inner city firms.
- More encouragement, better training and advice for wouldbe entrepreneurs will be offered through increased marketing, more "enterprise days" in inner city Jobcentres and a new training course particularly suited to people on the Enterprise Allowance Scheme.



The flow of finance to inner city business will be encouraged by increasing the guarantee to banks for the loans they make to small businesses under the Government's Loan Guarantee Scheme. This will be raised from 70% to 85% in the 16 Inner City Task Force areas. Greater emphasis on the option of self-employment will be included in YTS and the new training for employment programme. Commenting on the measures, Mr Fowler said: "The package I am announcing today will reinforce existing small firms measures which have already benefited inner city businesses. Last year over 30,000 unemployed inner city residents started a business through the Enterprise Allowance Scheme; 40,000 people were trained in business on our Training for Enterprise Programme 11,000 advice sessions were given through our Small Firms Service; and over 3,000 employers were helped by grants to enable them to identify and meet their training needs. We also provided financial support to nearly 80 Local Enterprise Agencies active in the inner cities. "Today's announcement tailors existing help more closely to the particular needs of inner city areas. It reflects our confidence in the potential of our inner cities to nurture new businesses and provide the environment in which they can flourish and grow." -2-

• ACTION FOR CITIES

7 MARCH 1988

NORMAN FOWLER ANNOUNCES MORE HELP FOR INNER CITY JOBLESS

New plans to help unemployed people in inner city areas acquire the skills they need to take advantage of the new jobs now available were unveiled today by Norman Fowler, Secretary of State for Employment, as part of the Government's inner city initiative.

- More than 100 specialist staff will work in local communities giving information and advice about the Government's training programmes building on the help already being provided through 500 Jobcentres and Unemployment Benefit Offices.
- People living in inner cities will be given more immediate access to information on jobs and training programmes, for example in community centres or libraries, in some cases using new technology.
- Training in literacy, numeracy and English as a second language will be included in the Government's new training for employment programme. Special Restart assessment courses will be set up for people lacking these basic skills.



- A campaign to recruit more employers as training providers, particularly for the new programme, will be mounted.
- The Manpower Services Commission will encourage employers to provide more training places and collaborate in planning inner city training programmes.

Commenting on the plans, Mr Fowler said: "Our central concern in inner cities is that those who have the most difficulty returning to employment should be helped to take advantage of the new jobs now available.

"We already spend over £1.1 billion a year on enterprise, training and employment programmes. The initiatives I have announced today will reinforce our efforts to improve the employment prospects of people in inner cities."

• ACTION FOR CITIES

7 MARCH 1988

NORMAN FOWLER ANNOUNCES SUPPORT FOR 12 EMPLOYER - SCHOOL COMPACTS

The Department of Employment and the Manpower Services
Commission will give financial and organisational support to
12 inner city Compacts for their first four years, said
Norman Fowler today during the announcements on Government
action for the inner cities.

Compacts are agreements, pioneered in Boston USA, between employers and local schools and colleges in which employers give priority in recruitment to school leavers who have reached agreed standards of achievement and commitment at school. The first British Compact is already operating in London's Docklands and employers and educationalists in other parts of the country are beginning to show an interest in this new form of inner city partnership on education, training and jobs.

Mr Fowler said: "The basic aim of compacts would be for employers to guarantee a job with training to young people from inner city schools who meet agreed standards of achievement and motivation, and for this to be set down in an agreement or compact between employers and schools.





"I now propose to deploy the resources of my Department to encourage the development and execution of 12 new Compacts within Inner City target areas. I shall do this in full cooperation with the Department of Education and Science and the Department of Trade and Industry. I am setting aside £3 million a year over the next 4 years to promote the Compact initiative. "Local groups of employers would seek to agree the principle of a Compact with schools and colleges, and in cooperation with local education authorities would then bid for support in developing the proposal. We would provide up to £50,000 for this development work. Once developed, proposals for Compacts which meet our criteria would receive up to £100,000 a year for four years to support their operation. And YTS and the Technical and Vocational Education Initiative will provide additional support to participating employers and schools. "I am today asking the Manpower Services Commission to make available immediately staff and programme resources to help get these Compacts off the ground. My aim is to help launch 12 first class Compacts which can transform the prospects of young people in these areas and help employers find the young people they need to revitalise business and social life in the inner cities. "We now want to hear from any group of local employers and schools who wish to develop Compacts. We stand ready to help potential Compact partners in the target areas who need assistance to put together a full Compact proposal". - 2 -

• ACTION FOR CITIES

7 MARCH 1988

MANAGED WORKSHOPS - ENCOURAGING ENTERPRISE IN THE INNER CITIES

A major new programme providing more managed workshops for business start-ups in the inner cities was launched today by Trade and Industry Minister Kenneth Clarke.

The initiative will:

- be run jointly by the private and public sector, with English Estates in the lead for the Government;
- receive public sector funding of up to £11 million in the first year;
- receive financial and managerial backing from private sector companies which will "adopt" a workshop in the town or city of their choice.



Managed Workshops -2 Announcing the commitment of Government money to the programme, Mr Clark said: "This is a major new programme to help new business in our inner cities. We want to make sure that premises and business advice are available in some of our most depressed inner city areas so that people can start new businesses. English Estates are in the lead with substantial new funding and are already actively engaged in working up projects in Manchester, Rochdale, Preston, Nottingham, Doncaster, Middlesbrough, Hartlepool, Spitalfields, Hackney and Peckham. "Private sector companies will be involved either by investing directly in the projects or by providing land, buildings or experienced managers to give business support on site. English Estates are looking for as much private sector involvement as possible." **ENDS**

7 MARCH 1988

WORKING WITH THE PRIVATE SECTOR

A series of Action for Cities Working Breakfasts will take place up and down the country, the Chancellor of the Duchy of Lancaster, Kenneth Clarke, announced today.

The Working Breakfasts will:

- be aimed at business leaders, explaining to them how they and their companies can help regenerate the inner cities;
- start in Newcastle on 13 April. Others will follow in Leeds, Manchester, Birmingham, Liverpool and London.

A free telephone link - 0800 18 15 18 - has also been set up today so that businessmen can find out from one central contact point how they can play their part.

Announcing these two initiatives, Mr Clarke said:

"Our presentations will show businesses how they can play their part in inner city revival. 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. And with our new telephone link line, we will make it easy for firms to get in touch to find out how they can help."

ENDS



7 MARCH 1988

NEW CITY ACTION TEAMS FOR NOTTINGHAM AND LEEDS

Two new City Action Teams (CATs) - which pull together and focus the efforts and resources of the Departments of Industry, Environment and Employment - were launched today by Trade and Industry Minister Kenneth Clarke.

- One CAT will cover Nottingham, Leicester and Derby;
- the other will cover Leeds and Bradford;
- both will be given 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.

Announcing the decision to form the new teams Mr Clarke said:

"Experience has shown how vital it is to get the maximum impact from Government programmes by zeroing them all in on the areas of greatest need. City Action Teams have already proved their worth in six other cities by focussing our efforts more closely. They have also encouraged private sector companies to chip in and do their bit. This is the nuts-and-bolts end of inner city policy, but it is nonetheless crucial for that."



MORE/...

7 MARCH 1988

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NEW CITY GRANT

A new streamlined grant - to be called City Grant - will assist private developers in reviving Britain's inner cities, Environment Secretary Nicholas Ridley announced today.

City Grant will:

- -support private investment in inner cities, providing jobs and better homes, which could not be carried out without grant;
- -bridge the gap between costs and value to allow a fair return on investment;
- -simplify procedures with quicker decisions direct from the Department of the Environment.



Announcing the new grant, Mr Ridley said: "City Grant will build on the success of Development Grant and Urban Regeneration Grant, together will have attracted over £580m of investment and provided 28,500 jobs and 7,000 homes. The new grant, which replaces these grants and private sector Derelict Land Grant in inner cities will simplify and speed up assistance to private sector developments in urban areas. enable developers to deal direct with the Government. We also introduce new procedures aimed at giving shall developers an early indication of the prospects of grant being available for their projects. "I believe that these changes will make investment in our most run down towns and cities that much more attractive for the private sector. City Grant will make a powerful contribution to our campaign to revive Britain's inner cities by creating the jobs and good quality housing that the people living there need most. shall be consulting the development industry and others before the City Grant starts in May." Press Enquiries: 01 212 3492/3495/4690 (out of hours: 01 212 7132) Public Enquiries: 01 212 3434 (Ask for Public Enquiries Unit) ----0000-----2F--2F-

7 MARCH 1988

SAFER CITIES - TACKLING CRIME IN THE INNER CITIES

'Safer Cities' - a new programme to tackle crime in inner city areas - was launched today by Home Secretary Douglas Hurd.

As part of this initiative:

- co-ordinators, funded by Home Office, will be recruited in twenty inner city areas;
- they will gather around them local teams drawn from the police and probation services, the local authorities, voluntary groups and the business community;
- their task will be to identify the particular crime problems of those areas, design ways of dealing with them, see that those ideas are turned into action and measure the results;
- £2.3 million will be made available in the first year to pay for co-ordinators and to support local initiatives;
- the Home Office expects to see eight of the twenty projects under way in the coming year.

The essence is local initiative and action to solve local problems - involving all of the local statutory and voluntary bodies and other Government departments including City Action teams and Task Forces.



FOR MORE INFORMATION CONTACT HOME OFFICE PRESS OFFICE: 01-273 4600.

Announcing 'Safer Cities', Mr Hurd said:

"We need to reinforce our policies in the cities with strong new action against crime. The Safer Cities initiative will build on the experience we have had with smaller scale pilot projects in five areas. Partnership between the police and the rest of the community holds the key to reducing crime. The special effort being made through the 'Safer Cities' programme will help those areas where the problem is most acute.

"This new initiative is a crucial part of our Action for Cities campaign. 'Safer Cities' will not only improve the quality of life for inner city residents, it will also play an important part in making our inner cities the kind of place where local enterprise can flourish".

7 MARCH 1988

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MERSEYSIDE DEVELOPMENT CORPORATION TO BE EXTENDED

The Government is to double the area of the Merseyside Development Corporation, Environment Secretary Nicholas Ridley announced today.

It is proposed that:

- -800 acres of land on both sides of the Mersey will be added to MDC's area;
- -it will cover the North Docks and Parliament Street in Liverpool, land in central Birkenhead and New Brighton;
- -consultants will be appointed shortly to study the proposed areas and advise on boundaries;
- -the MDC could spend between £50 million and £90 million over eight to nine years in the new areas.



7 MARCH 1988

£109 MILLION ON NEW ROADS FOR EAST-END AND BLACK COUNTRY

Paul Channon today gave the go ahead for two new road projects. They are:

- a £50 million 100% grant for the construction of the Black Country Spine Route; and
- the £59 million improvement of the A13 between Limehouse and Dagenham.

The Black Country Spine Route will provide an improved link through the Black Country to the M5 and M6.

The A13 improvements will assist the redevelopment of the London's Docklands and will link into the LDDC's distributor road.

Announcing the new roads, Paul Channon, Secretary of State for Transport said:

"Good transport is essential to the regeneration of our inner cities. Good roads provide both for movement within inner cities and links to the national network.

"More schemes will follow.

"The two strategic investments announced today will provide better transport links to stimulate new enterprise and jobs in these inner city areas."

Press Enquiries: 01-212 0431 Public Enquiries: 01-212 3434 Out of Hours: 01-212 7071 ask for Public Enquiry Unit



Announcing the extension Mr Ridley said: "In seven years the Merseyside Development Corporation has transformed its area. It will have completed its task in about four years' time and I have now concluded that we should extend its scope. "That is why I want the MDC to take in more land in the area. It too will benefit from the direct and determined approach that is the hallmark of the Urban Development Corporation. "The extension will be a major boost for Merseyside. Substantial extra Government money will be spent. This extension will enable MDC to build on the success of several big private sector investment schemes, announced recently." Press Enquiries: 01 212 3492/3495/4690 (out of hours: 01 212 7132) Public Enquiries: 01 212 3434 (Ask for Public Enquiries Unit) ----0000-----2F-

7 MARCH 1988

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NEW URBAN DEVELOPMENT CORPORATION FOR SHEFFIELD

The Government is to set up a new Urban Development Corporation in Sheffield, Environment Secretary Nicholas Ridley announced today.

It will:

-be located in the Lower Don Valley;

-cover an area of about 2,000 acres to the north east of the city centre;

-have a budget of about £50 million over seven years.

Announcing the new Corporation, Mr Ridley said:

"This is a tremendous opportunity for the public and private sector to work together to rebuild one of the most important industrial areas in the country.



"The UDC will be backed by substantial Government funds and I expect it to work closely with the City Council and business interests in Sheffield. will adopt the comprehensive and integrated approach to regenerating the Lower Don Valley recommended by consultants last November." Press Enquiries: 01 212 3492/3495/4690 (out of hours: 01 212 7132) Public Enquiries: 01 212 3434 (Ask for Public Enquiries Unit) ----0000-----2F-

7 MARCH 1988

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RELEASING UNUSED LAND IN PUBLIC OWNERSHIP

The Government is stepping up its drive to bring unused and underused publicly owned land onto the market so that it can be put to good use, the Environment Secretary Nicholas Ridley announced today.

It will keep up the pressure on local authorities and other public bodies through the land register system to sell unused and underused land. And it will ensure that they publish information about their ownership of such land so that housebuilders and other developers can see where there is potential for development and investment.

Mr Ridley said:

"The Government has powers to force local authorities and other public bodies to sell unused and underused land and we have shown that we are prepared to use them. So far the statutory powers to compel disposal have been invoked for nearly 250 sites covering over 1,400 acres.



"Since we brought the land register system into operation in 1981, some 50,000 acres of publicly owned land recorded on the register has been sold or brought into use as a result of publicity, financial discipline and forced disposals. "The recent report by the Audit Commission on local authority property management shows how better information and management can help to free wasted land and property be consulting the local authority assets. I will associations on measures to implement the Audit Commission's report." Press Enquiries: 01 212 3492/3495/4690 (out of hours: 01 212 7132) Public Enquiries: 01 212 3434 (Ask for Public Enquiries Unit) ----0000-----2F-

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.