

Not submitted
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Prime Minister: 1
Agree to time
suggestions?

PRIME MINISTER

16 October 1985

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INNER CITIES

21/10

You recently expressed interest in some of our ideas for urban revival. We have taken these to David Young and Kenneth Baker, who are enthusiastic; and Douglas Hurd has independently come forward with some very similar schemes.

To keep up the momentum, you could:

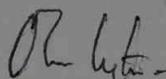
1. Write to DoE and D/Emp, asking both departments officially to prepare an agreed paper.
2. Invite the relevant Ministers to an informal working breakfast ~~on 20 November~~ to discuss the general lines of a new inner city package. (This preliminary discussion will help officials to draft the paper, and will cut down time-wasting departmental correspondence.)
3. Set up a formal meeting to discuss the DoE/D/emp paper in early December.

At the breakfast, you could discuss:

- What steps can be taken to link development projects to crime prevention?
- What kind of agencies are needed to develop the inner city wastelands: do City Action Teams or Urban Development Corporations provide models?
- How can the private sector be brought in at an early stage to provide both cash and energy?

- How can low-wage MSC schemes (CP, YTS, etc) be used to provide necessary labour at low cost and with high employment effects?
- How can deregulation be used to generate a freer market and more long-term jobs in the inner cities?

It is important to work quickly, to prevent the Government's opponents stealing the show. We suggest that you should aim to announce a new package in January or February at the latest.



OLIVER LETWIN