



PRIME MINISTER

INNER CITY YOUTH

I broadly agree with the Home Secretary's analysis set out in his minute to you of 23 October. The objectives of urban policy were agreed in MISC 104 last year and our approach to the particular problems of inner city youth can best be seen in that context.

URBAN POLICY OBJECTIVES

These are:

- alleviating housing stress;
- tackling dereliction;
- increasing job opportunities and improving employability particularly through better training;
- reducing dependence on social services and encouraging self-help.

These objectives relate both to the physical and economic regeneration of urban areas, and to the people who live there. The objectives are inter-linked and the programmes of several Departments are relevant to their achievement,

DELIVERING OUR OBJECTIVES

My Department has particular responsibilities for housing and environmental improvement, and making land available for development, so as to make these areas more attractive to private investors. These activities represent one part, but only one part, of what needs to be done.



Housing, derelict land, and Urban Programme resources are allocated by reference to carefully evaluated local needs. For the Urban Programme, in particular, we have detailed control over the use of those resources and arrangements are in place to appraise projects, quantify inputs and outputs, and to strengthen targetting and management within a framework of agreed local objectives. We have successfully persuaded local authorities to co-operate with us to improve the management of the programme and I am determined to maximise value for money. Though the Urban Programme is our most visible initiative to tackle inner city problems, it obviously cannot do the job on its own. That is one reason why the City Action Team initiative was launched, in order to coordinate the efforts of Departments.

The problems of inner city youth, particularly those from the ethnic minorities, seem often to relate to poor educational achievement, lack of motivation and low skills, and the lack of jobs which could be created locally. If therefore we are to make progress in this area I suggest that the targetting of programmes directly related to education, training and job opportunities needs particular emphasis. We may wish to look at, in particular, whether we need to monitor more closely the impact of the relevant programmes with respect to this particular group and what further steps could be taken to encourage them to take up, for example, the training opportunities on offer.

LOCAL AUTHORITIES AND THE AGENCY APPROACH

Since these are local problems, we depend heavily on those with local knowledge to tackle them. In many cases good results can be achieved by co-operation between central and local government, working with the private and voluntary sectors. But obviously in some areas councils have been unwilling to co-operate with us in the enterprise of making cities better.

Inflammatory remarks by some local authority leaders are damaging and

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dangerous. We should not, however, judge all local authorities in general by reference to Lambeth and Liverpool. Fortunately, many local authorities are responsible, and capable of tackling local problems. This is just as well because it is they that have extensive powers and responsibilities and there is no way that we can by-pass them except on a selective basis.

In some areas I believe much more can be done to attract private investment, to support low cost home ownership and encourage privatisation of council estates, and some local authorities need specific help to improve their areas. But we ought not to have to rely exclusively on the local authority as the channel for delivering programmes and projects.

Therefore John Patten and I are working up proposals to enable us to set up a small number of local agencies which we would directly control. Their tasks would be to reclaim land, bring redundant buildings back into use, increase housing choice, and prepare the way for private investment. The Urban Development Corporation machinery has proved its worth but probably needs some adaptations to tackle the more fragmented pattern of dereliction and decay that exists in other areas.

I am also considering whether my Department should have the ability to make grant payments direct to responsible local organisations so that we do not have to operate solely through local authorities.

To sum up:

- a. our urban policy objectives are sensible but their delivery requires each relevant Department to assess what its contribution should be;

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b. I support the proposals on better targetting. I hope that Colleagues would feel able to develop proposals in respect of their own programmes like our FMI-based Urban Programme Management Initiative, so that targetting and results can be better assessed;

c. we cannot avoid working with local authorities but we should give ourselves a greater degree of freedom and flexibility through development of the agency approach.

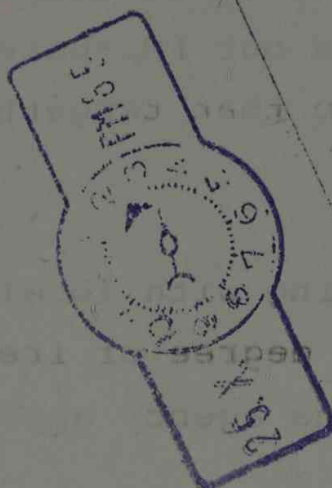
I am sending copies of this minute to other members of the Cabinet, and the Chief Whip and Sir Robert Armstrong.

At. Davis

for K B

25 October 1985

Approved by the Secretary of
State and signed in his absence



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FROM: CHIEF SECRETARY

DATE: 29th October 1985

PRIME MINISTER

INNER CITY YOUTH

WITH MEA?

I have seen a copy of Douglas Hurd's recent minute to you.

2 I am sure Douglas is right to concentrate on the need to use additional programmes and money more effectively to deal with what we see as the priority needs. There must be a clear presumption against additional funding.

3 I hope that the further work will take into account the four objectives for urban policy recently agreed by MISC 104 and consider how more specific objectives can be set within those main objectives, to deal with the priority needs.

4 I suggest that whatever inter-departmental group is set up to examine this might be asked to report back with more specific proposals as quickly as possible. The Treasury would like to be associated with this further work.

5 I am copying this minute to other members of the Cabinet, the Chief Whip and Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to read 'John MacGregor'.

JOHN MacGREGOR

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Prime Minister

INNER CITY YOUTH

As attached

In George Younger's absence in Japan, I am responding to Douglas Hurd's minute to you of 23 October. I have also now seen the responses from Kenneth Baker, David Young, Norman Tebbit and John MacGregor.

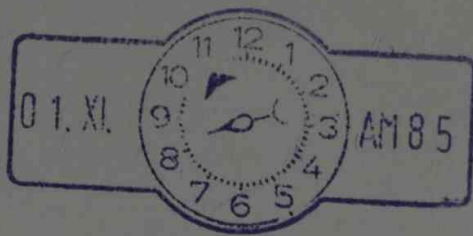
I would like, on behalf of George Younger, to record a strong interest in the ideas under discussion. I think it is important to emphasise that the underlying problems of frustration and alienation, and the related policing, employment, educational and environmental issues, go very much wider than the inner city coloured communities. On most analyses the priority in urban policy, in Scotland as in many parts of England and Wales, is now less the inner cities than the post war peripheral estates. As Douglas Hurd notes, as well as tackling the immediate problems, our concern must be to prevent an increase in the inherent difficulties such as gave rise to the recent disturbances.

Urban policy is administered in different ways north and south of the border and so, it may be that your discussions on machinery will not have direct relevance for us. In particular, the existence of the Scottish Development Agency with its remit to tackle the environmental and economic aspects of urban renewal, means that Kenneth's suggestion for a small number of local agencies for England with similar powers may not be applicable here. We should however be happy to contribute to the debate on the basis of our experience in any way that you would find helpful. More broadly, however, many of the instruments of urban policy discussed in colleagues' minutes are directly relevant in Scottish circumstances, and indeed many are provided on a GB basis. We would therefore wish to be involved in further discussions, howsoever it is decided to take these forward. The Scottish Office is not at present represented on MISC 116 (because its current role does not extend beyond CATS monitoring), and on that basis our own preference would be for a fresh start.

I am sending copies to other members of the Cabinet, to the Chief Whip and to Sir Robert Armstrong.

M. A.

Michael Ancram
31 October 1985



WBE



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From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

31st October 1985

De Kenek

with DN?

I have read with interest your minute of 25 October to the Prime Minister on the subject of inner city youth, and more recent minutes on the same subject.

Although circumstances in the urban areas of Wales do not raise so sharply or persistently the problems which are arising in some inner city areas of England, there are many common factors and I would agree with the Home Secretary's analysis of the situation in his minute of 23 October and the proposals for tackling it. We are, of course, already conscious of the need for careful targetting and monitoring of urban programme resources and also the need to co-ordinate and focus the various programmes which are relevant to the economic and social conditions in urban areas. The proposal to focus particularly on the problems of inner city youth is entirely consistent with the general approach and I would wish the Welsh Office to be closely involved in any further work which may be commissioned.

I am also interested in your proposals for local agencies which could promote the physical regeneration of inner urban areas and prepare the way for private investment. If it is decided to proceed with these proposals I would want to consider how the enabling legislation might best apply in Wales. In the meantime, I should be grateful if my officials could be kept in touch with the work being done in your Department.

/ I am sending copies of this letter to the Prime Minister, other Members of the Cabinet and Sir Robert Armstrong.

J. Baker
W. Jones

The Rt Hon Kenneth Baker MP
Secretary of State for the Environment

Inner Cities ?

