PRIME MINISTER

12 November 1985

MEETING ON INNER CITIES

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The main point of this first meeting on inner cities is to decide ministerial objectives and guidelines. Officials can then be asked to work up delivery mechanisms.

There is a danger that the meeting will get side-tracked into considering the mechanics before the aims are clear: this would give Departments an excuse to pile in with bids for expensive but useless expansions of their existing programmes.

Objectives

At present, Ministers seem to have different objectives:

- David Young wants to create a new group of black middle-class entrepreneurs, as a force for stability in the inner cities.
- Kenneth Baker mainly wants to refurbish council blocks.
- Douglas Hurd wants to reduce youth 'alienation', by doing a bit of everything.

We doubt whether any of these hits the nail on the head.

The root of social malaise is <u>not</u> poor housing, or youth 'alienation', or the lack of a middle-class.

Lower-class, unemployed white people lived for years in appalling slums without a breakdown of public order on anything like the present scale; in the midst of the depression, people in Brixton went out, leaving their grocery-money in a bag at the front door, and expected to see the groceries there when they got back.

Riots, criminality and social disintegration are caused solely by individual characters and attitudes. So long as bad moral attitudes remain, all efforts to improve the inner cities will founder. David Young's new entrepreneurs will set up in the disco and drug trade; Kenneth Baker's refurbished council blocks will decay through vandalism combined with neglect; and people will graduate from temporary training or employment programmes into unemployment or crime. If this is true, the prime objective should be not the creation of better conditions as an end in itself, but rather the creation of conditions that will encourage better character and better attitudes. This means, above all: - making it more unattractive for men to walk away from family responsibilities; making it easier for people to set up and keep up old-fashioned independent schools, (particularly religious schools); changing attitudes to personal responsibility, basic honesty, the law and the police from an early age. Once these long-term objectives are put at the top of the list, the Young/Baker/Hurd items fall into place as remedies that may help to keep the peace while new attitudes are being built in families and schools, and which may succeed in creating prosperity once such attitudes have been established. Methods A great deal of detailed work by officials and outside experts will be needed when Ministers have decided on objectives. - 2 -

But you could rule out, from the start, all moves to use the inner city problem as an excuse for huge, expensive, corporatist interventions. And you could lay down guidelines to ensure the greatest possible involvement of individual effort, private business and morally sound religious groups. For the Long-Term Shift in Attitudes: A. i. both the legal system and the tax and social security systems should be investigated, to see how the abandonment of family responsibilities could be made more unattractive, and how a pro-family climate could be recreated; ii. Keith Joseph's new direct-grant inner city schools should be given a boost - perhaps with extra money, and a bias towards religious foundations; iii. an initiative should be mounted to improve the image of the police, to prune away penal establishments that can act as criminal training- schools, and to place young delinquents in good 'foster' homes; iv. sensible churchmen, businessmen and professionals (both black and white) should be encouraged to promote moral values, possible through the creation of a new 'youth corps'. For the Medium-Term Remedies: B. i. any public money used to fund employment schemes or subsidies should be found from within existing budgets by geographical re-targetting, and should be used to encourage self-help rather than continued dependency on public support; - 3 -

ii. deregulation and privatisation - of planning, surplus land, council housing etc - should be preferred to public schemes; iii. unsubsidised private investment should be encouraged; (Tim Melville-Ross, Chief Executive of Nationwide Building Society, has plans for a new £500m private sector investment agency in the marginal inner-city areas, and other similar schemes are also in the wind); iv. the need for an 'inner-city policy' should not be used as an excuse for creating monstrous new quangos with large budgets and excessive powers; v. where public schemes are used, they should be coordinated administratively (by means of the CATs or some better system), and in substance (as occurs in the Community Refurbishment Scheme, where the Community Programme provides a cheap workforce of long-term unemployed people to renovate their own council houses, with materials supplied under the Urban Programme); vi. there should be no 'positive discrimination' in any new programmes; vii. there should be a review of the 'voluntary bodies' to which the Home Office and other Departments give money, to see how far the funds are in fact supporting destructive far-left groups; (although the bulk may be sensibly spent, we believe that some of the present public money may well be part of the problem rather than part of the solution; Liverpool's catastrophic black 'activist', Samsom Bond, is funded by the Home Office); - 4 -

viii. schemes should be designed to encourage local and civic pride; ix. simply cleaning up the environment - which is relatively cheap - should be given a high priority because of its moral effects; x. crime prevention should be built into schemes wherever possible. Thy South. HARTLEY BOOTH - 5-