



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

2 December 1985

Dear Secretary of State

I attach a copy of the speaking note on the Report of the Archbishop of Canterbury's Commission on Urban Priority Areas, for distribution to members of your team of Ministers.

I am sending a copy of this letter and the attachment to all members of the Cabinet.

Yours Sincerely
R Lawrence.

(Approved by the Lord
President and signed in
his absence)

The Rt Hon Sir Geoffrey Howe QC MP

SPEAKING NOTE: REPORT OF ARCHBISHOP OF CANTERBURY'S
COMMISSION ON URBAN PRIORITY AREAS

1. The report of the Archbishop of Canterbury's Commission on inner cities makes a large number of recommendations - 38 to the Church and 23 to Government. But its analysis does not break new ground.

2. The problems of our inner cities are well known and have grown up over decades. This Government has already mounted a determined attack on them, as outlined below.

3. The recommendations to the Church of England are matters for the Church itself. In its discussion of Church finances and property the report recognises that money is limited and that careful judgements have to be made about its use.

4. There is, however, next to no costing of the recommendations for Government policy and expenditure which include:

- real increase in Rate Support Grant to local authorities
- relaxation of Community Programme eligibility rules, and increase in the number of places
- an increase in the size of the Urban Programme
- yet more support for the voluntary sector and funding continuity
- extended benefits to the long-term unemployed
- increased child benefit, and additional earnings disregards

- more resources for social services, especially where locally based
- increased Council housing programme, and greater choice of accommodation for homeless people.

One of the very few estimates of extra cost for any proposal recommended in the Report is the £550/£600m required to expand, as the Commission recommends, the Community Programme to 500,000 places.

5. Just as the Report ignores the cost of its recommendations, so it ignores or fails to recognise sufficiently:

- the deep-rooted problem of British industry's competitiveness which has destroyed jobs - a problem which the Government is resolutely tackling
- the role of the family and the individual, not just Government or local government, in helping to make inner cities better
- the role of the school in inculcating in children values of respect, good citizenship and good behaviour
- crime as the source rather than the symptom of some of the problems of our inner cities; crime as a problem arising for moral rather than social or economic reasons
- the need for greater efficiency in the use of taxpayers' and ratepayers' money.

6. The Government has not ignored these problems. And contrary to what the report says (para 8.18) the police programme is NOT the only one which has grown in real terms.

The facts are that Government programmes wholly or significantly benefiting urban areas have increased in real terms since it came to office as follows:

- Urban Programme DOUBLED to £338m
- Derelict Land Grant DOUBLED to £82m
- Support for voluntary sector TREBLED to £640m (1984/85)
- Housing Improvement Grants TREBLED to £500m, peaking at £900m in 1983/84
- Government support to housing associations through Housing Corporation is now £706m, a 9% real terms increase
- Support for local authority posts dealing with the special needs of Commonwealth immigrants DOUBLED to £95m

7. Over and above this the Government has - and is continuing to -

- encourage local authorities to concentrate on repairing their existing stock of homes; 76% of Council dwellings built post 1945
- take steps to encourage better management and maintenance of Council housing
- encourage much greater involvement of tenants in the running of their estates
- strongly encourage home ownership particularly through Right to Buy which is now being further extended to help tenants of Council flats, and through inner city low cost home ownership
- promote enterprise and increase training, including in high-tech and computer technology

8. All this underlines the Government's recognition of the problems of our inner cities and its attack on them across a broad front. The Government is moreover reviewing inner city spending programmes to see what can be done better and how to obtain more value for money from the already substantial investment in a better urban environment.

9. But money alone cannot solve the problems of the inner cities. High public expenditure in the past has not solved them. Indeed, post war investment in many housing estates is now seen as an expensive mistake. The prime needs today are:

- to create an enterprising and expanding economy to provide new jobs in our inner cities and elsewhere
- to encourage private investment
- to encourage people to have a stake in their community by buying their homes, participating in decisions affecting their lives and stimulating self-help
- to get better value from existing spending, better services for the same expenditure, as the Audit Commission have shown is possible for local authority expenditure.

10. Finally, the Report recommends that housing finance, including mortgage tax relief should be examined with the "objective of providing most help to those in need".

11. This Government is committed to maintaining mortgage tax relief for the 62% - and rising - of the people who own their homes and who have the very stake in their community which the Government is trying to encourage in our inner cities.