

INNER CITIES

The initiative in eight localities

1. Why restrict the Objectives

The paper by Sir Robert Armstrong reduces our objectives for the inner cities to increasing employment and encouraging enterprise. It tacitly assumes that civil unrest and black alienation are the key problems, and that each of the areas can be revived economically.

It aims to achieve these objectives by creating new projects run by people from the designated areas, in co-operation with the private sector.

The original approach to the inner cities following the riots placed emphasis on a three-pronged attack involving job creation, surplus land development and grant-aided schools. The new approach is a much less ambitious attack on short-term employment by the Department of Employment, with an inadequate rôle for the Department of the Environment.

2. Problems

The danger with the present proposals is that they simply add £10m to the Community Programme in order to subsidise

Rastafarian arts and crafts workshops, which have no hope of surviving without permanent subsidies. As a result of these proposals, no attempt is being made to develop a viable private sector base in the inner cities. Four problems stand out in particular:

a. The rôle of civil servants

The aim is to put Civil Service Principals in to lead the task force at the early stages and bringing in entrepreneurs later. This is almost as hopeless as the last proposal by Cabinet Office. Unless enterprise sector leaders are found at the formation stage, we are embarking on a pointless exercise in duplicating CATS and ensuring that, just at the point when there is most publicity and the greatest cutting edge for these initiatives, they will be led by individuals who will be subservient to all the existing machinery.

*Why not make  
their report  
direct to Ministers  
with the Permanent Secretary  
writing their annual reports?*

b. The lack of surplus land development

Development of surplus land by private business is crucial if the inner cities are to become a viable commercial concern. If we mean business, Kenneth Baker must be asked to designate all 8 areas as "Simplified Planning Zones" immediately current legislation is passed.



Urgent consideration should also be given to incorporating as many of the 8 areas as possible into enterprise zones, providing the National Audit Office concludes that these zones are cost-effective. There will be a report from this office in the next few weeks. Only three of the chosen 8 areas are within 3-5 miles of an enterprise zone (Manchester, Peckham and Middlesbrough).

c. People to run the projects

Do the proposals assume that within fairly narrowly drawn areas there will be an adequate supply of willing entrepreneurs who will come forward to run the projects? Can we not ensure that any entrepreneurs, provided they are willing, can be involved?

d. The designation of the areas

The areas have been selected and designated on a fairly arbitrary basis. It seems that all eight areas are residential areas in inner city locations, with a limited potential for land development - even though there may be surplus land available at nearby sites. If the project is not to go off at half cock, then thought needs to be given as to how land development can be incorporated as part of the employment initiative.

Recommendation

We therefore recommend that:

- (a) you restate the wider aims of the exercise and emphasise the need for creating a viable profit-making base in the Inner Cities;
- (b) the DoE be asked to pursue ways of improving the enterprise climate around the chosen areas by introducing Simplified Planning Zones;
- (c) you ensure the projects are run by businessmen, not civil servants.

*Brian Griffiths*

BRIAN GRIFFITHS

*Hartley Booth*

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PRIME MINISTER

INNER CITIES

Two points.

First, this initiative seems to have become too narrow. It was supposed to be about redirecting all the money which goes to particular areas, so far as possible. It is now concerned only with Department of Employment money. On this basis is the initiative going to be and look fresh and radical?

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Secondly, the Autumn Statement said that: "The Government is reviewing the level <sup>and</sup> ~~of~~ effectiveness of assistance for the inner cities. Meanwhile provision for the urban programme remains unchanged." The provision in the White Paper is £338 million for 1985-86 and £317 million in 1986-87. The Government will need to be able to say that increases for employment measures, or more effective use of resources which are already being provided, are the Government's alternative to an increase in the urban programme provision for 1986-87. The RSG settlement could also be prayed in aid.

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Marti Sauer (Duty Clerk)

PP. David Norgrove  
29 January 1986

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INNER CITY POLICY

A PROPOSAL FOR A NEW START

Introduction

1. The Government is currently reviewing policy towards the Inner Cities in an effort to ensure that scarce public resources are used more effectively to tackle the root causes of the problems in these areas.
2. PA has prepared this note as a basis for discussion with the relevant authorities as we believe that we can offer government a new way of channelling and managing public programmes to the Inner City.

Background

1. The major social, economic and environmental problems of the Inner Cities are well known. What is now needed is an effective mechanism for SERVICE and PROGRAMME DELIVERY in these areas.
2. Problems with the current system of Partnership and Programme areas etc. include:
  - 2.1 continuing heavy reliance upon the local authorities an increasing number of which are unable or unwilling to prepare and implement effective programmes
  - 2.2 difficulties of liaison between the various public sector bodies concerned, both from central and local government and the health service
  - 2.3 a natural reluctance to set up more public sector bodies such as Urban Development Corporations
  - 2.4 the understandable inability of central government to actually run and administer programmes
  - 2.5 the reluctance of private sector investors and organisations to become too involved with local bureaucracies
  - 2.6 the relative lack of success of specific programmes such as the Urban Development Grant Scheme
  - 2.7 the difficulty in achieving an independent evaluation of schemes
3. The need is to plan, provide and implement a concerted policy for each inner city area which would address in a comprehensive way, inter alia:
  - 3.1 land clearance and the bringing into effective use of derelict land
  - 3.2 the encouragement of local enterprise, particularly small businesses
  - 3.3 the integration of existing public programmes
  - 3.4 the encouragement of new housing, particularly private sector housing, and the improvement in condition of existing public sector stock
  - 3.5 crime prevention measures
4. Overall, the requirement is for speedy, effective implementation making use of private sector talent and resources in a non-partisan fashion to provide real and lasting benefit to the local communities.



About PA

1. PA Management Consultants has a wide background and experience in evaluating and managing public programmes, and of working within the government environment. We have followed closely the current debate on Inner City policy and are aware of the major issues involved.
2. More particularly, PA has experience of managing and implementing public sector programmes including:
  - 2.1 the management of the Enterprise Zone in Londonderry (report attached)
  - 2.2 the management of the West Midlands' Business Development Team (report attached)
  - 2.3 the management of the IT programme for business for the DTI
3. PA has worked for all kinds of public sector bodies, as well as extensively within the private sector.
4. Through its 4 core groups and its international operations PA has access to a very wide range of expertise and business and financial contacts.
5. PA employs specialists in this area who have direct and practical experience of the issues involved and of the organisation required:

### Proposal

1. PA believes that there is a "middle way" between continuing reliance on local authorities on the one hand and the setting up of new "quangos" on the other. This involves the retention of PA to plan, manage and implement an inner city strategy on behalf of the Government.
2. Our role could take several forms, ranging from a major management role to a more limited planning and evaluation role.
3. The major management role would, as we see it, involve the following:
  - 3.1 the appointment of PA to manage the inner city programmes in one or more inner city areas. This would involve the establishment of a local PA office, appropriately staffed together with a local PA Project Manager.
  - 3.2 the requirement for PA to review the existing strategy for these inner city areas, to evaluate its proposals against the current situation, and to propose an implementation plan for a (three year) period
  - 3.3 PA would then determine, in consultation with all interested parties, the various bodies having prime responsibility for ensuring implementation together with the financial and other resources required.
  - 3.4 PA would monitor progress, regularly update the plan and be responsible for reporting on progress to the Government.
  - 3.5 PA would be responsible for negotiating financial resources etc, with the lead Government department on behalf of those concerned. Resources could be gained or lost by those bodies concerned dependent upon their ability to meet their implementation targets.
  - 3.6 PA would provide a general PR and assistance service to local members of the public.
  - 3.7 PA may provide certain specific programmes directly either if there is a need to provide a new service or if existing providers were failing to meet targets.
4. PA would obviously require certain guarantees from Government and would require a contract or contracts of sufficient scale and duration to enable us to invest in this programme in the manner suggested.
5. There would be a local steering group to advise and assist PA which would be small (say 5-7 representatives), with one representative of the government and one from the local authority together with private sector representatives. We envisage this body as advisory only: responsibility for the establishment and operation of the local strategy would rest with PA, in consultation with the Government.
6. In implementing and monitoring the strategy PA would draw upon not only its own resources but would make use of a range of other relevant consultancies and businesses.



7. Resources for the main public sector programmes in the area would continue to be available directly to the public sector bodies concerned, unless and until it became clear that they were either unable or unwilling to meet targets. In addition, resources would be directly available to PA for us to use as 'leverage' for private sector investment. PA would also receive an appropriate management fee.
8. The advantages of an arrangement along these lines would be substantial and include:
  - 8.1 the establishment of private sector management of the renewal programmes for the Inner City
  - 8.2 a diminution in the extent to which the Government needs to exercise detailed control over local programmes
  - 8.3 the establishment of an independent, private sector monitoring organisation to ensure the effective use of public funds
  - 8.4 the opportunity to establish programmes with substantial and genuine private sector involvement and to avoid the worst excesses of extreme political views
  - 8.5 the opportunity for a genuinely new approach to the problem of renewing the Inner Cities



Conclusion

1. This note has outlined the way in which PA could make a positive contribution to the problems of ensuring effective Inner City programmes
2. We believe that it offers a genuinely new way forward and should be pleased to prepare a more detailed proposal if our initial ideas are of interest.

*I have a feeling he is an  
ex civil servant.*

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January 1986

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