

CONFIDENTIAL



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a lot of briefings*

10 DOWNING STREET

From the Private Secretary

5 February 1986

*Dear Private Secretary,*

INNER CITIES

I mentioned to you the Prime Minister's preference that the new money to be found for the inner cities initiative should be restricted to £5 million. This is in part to avoid establishing any presumption that all new money would be found for the initiative if it proves successful and is later extended to other areas. I understand that your Department is likely to transfer a further £3 million from existing resources to the new initiative.

The Prime Minister has stressed that she hopes that all Departments concerned will cooperate fully in making this initiative a success among other things by allowing the allocation of their own resources within the designated areas to be brought within its scope as far as they can be.

I also mentioned to you one comment on the draft statement attached to your letter of 5 February to Richard Broadbent. The initiative is of course designed to serve a number of objectives, and it seems wrong to describe it as an "urban employment initiative" as the final page of the draft does.

I am copying this letter to Stephen Boys Smith (Home Office), John Lambert (Department of Employment), Robin Young (Department of the Environment), Rob Smith (Department of Education and Science), Richard Broadbent (Chief Secretary's Office) and Michael Stark (Cabinet Office).

*Yours sincerely,  
Martin Sauer (Duty Clerk)*  
(DAVID NORGROVE)

Jacob Franklin, Esq.,  
Paymaster General's Office,  
Department of Employment.

CONFIDENTIAL



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J R R MacGregor Esq OBE MP  
 Chief Secretary  
 HM Treasury  
 Great George Street  
 LONDON SW1

5 February 1986

*Dear John,*

*NBPN*

**INNER CITY INITIATIVE**

I have seen your letter of 4 February to David Young agreeing to only £5 million of new money for the inner city initiative which we intend to announce tomorrow.

I am not prepared to go ahead with a launch tomorrow on the present basis, for two reasons. First, £5 million is simply not enough. I have discussed the finance required with Douglas Hurd and Kenneth Baker and we are agreed that unless we can announce at least £1 million for each of the eight areas the reception to our announcement will be one of derision. Second, it is essential to have full commitment <sup>to</sup> co-ordination of programmes of all Government departments involved. This does not seem too much to ask in eight small areas; yet from recent discussions with colleagues this commitment is, to my mind, not there.

Both points had, I thought, been agreed at MISC 104 last Friday. Since others seem not to have the same perception of the outcome of the meeting I suggest we postpone the announcement and return to a collective discussion to establish what we are prepared to do.

I am sending a copy of this letter to Douglas Hurd, David Young, Kenneth Baker, Keith Joseph and David Norgrove (No 10), with copies of the exchange of letters between David and yourself.

*Kenneth Clarke*

KENNETH CLARKE

SECRET

CEBG

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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Clarke QC MP  
 Paymaster General  
 Department of Employment  
 Caxton House  
 Tothill Street  
 London  
 SW1H 9NF

NBPM

5 February 1986

Dear Paymaster General

**INNER CITY INITIATIVE**

Thank you for your letter of 5 February. I have also seen a draft of your statement (circulated with your private secretary's letter of 5 February).

It has now been agreed that of the £8 million, £5 million will come from the Reserve and £3 million will come from money previously allocated to the Community Programme.

I wholeheartedly agree with your second point that the other departments involved should be fully committed to co-ordinating their programmes under this new initiative. It is an inevitable part of trying to secure better results from existing resources that Departments should do things a little differently in the areas concerned. Otherwise its impact will be nil.

I am generally content with the draft statement. However I think it needs to be modified slightly to avoid any implication that additional resources are the only or even the key part of the new approach. The statement needs to make it clear that they are being provided only to enable it to get off the ground. I suggest that the last sentence of the paragraph ending at the top of the second page of your statement should be replaced by the following:-

"Large sums are available to the chosen areas under these programmes. But in order to help the programme get off the ground the Government will be providing £8 million of additional money of which £3 million will be found from within my departments' existing provision and £5 million will be found from the Reserve."

SECRET

SECRET

I would also like the word "increased" in the following sentence to be deleted.

I said at David Young's meeting on 4 February that I thought it was important to agree precise objectives on how the initiative should be evaluated before an announcement was made. Your draft statement contains a paragraph in fairly general terms about the objectives. For operational purposes we need something more specific. A more specific set of objectives has been discussed between our two Departments and circulated at official level. I think it is important that the other Departments involved agree with the approach set out in those objectives, in particular improving co-ordination, matching objectives in the chosen areas to those of the new initiative and concentrating on the people living in the chosen areas (as opposed to the buildings or businesses operating within them).

I also understand that our officials agree that an official group should be set up to determine output measures and performance targets for the initiative and to evaluate the results. I hope that other colleagues involved in this initiative are content with this approach.

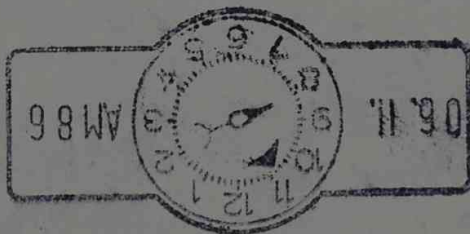
I am copying this letter to the Prime Minister, Douglas Hurd, David Young, Kenneth Baker and Keith Joseph.

*Yours sincerely*

*J MacGregor*

for JOHN MacGREGOR

*[Approved by the Chief Secretary]*



SECRET



SECRET

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CC TF  
BQ

Richard Broadbent Esq  
Private Secretary to the  
Chief Secretary  
HM Treasury  
London SW1

5 February 1986

Dear Richard,

Further to the Paymaster General's letter of today's date to the Chief Secretary, I attach the draft statement that he would be prepared to make tomorrow subject to the agreement of his colleagues.

I would be grateful for comments by close of play today.

I am copying this letter to David Norgrove (No 10), Stephen Boys Smith (Home Office), Robin Young (Department of the Environment), John Mogg (Department of Trade and Industry), Rob Smith (Department of Education and Science) and John Lambert here, in Lord Young's office.

Yours ever,  
Jacob Franklin

JACOB FRANKLIN  
Principal Private Secretary

With permission, Mr Speaker, I would like to make a statement on Government help to people living in inner city areas.

We are all only too well aware that people who live in many inner areas of our cities suffer from a wide range of long-standing problems. The Government has been steadily increasing the amount of central Government money spent on employment and training programmes, urban redevelopment and industrial assistance in these areas. We have taken a number of new initiatives including the establishment last year of City Action Teams to co-ordinate and target the Government efforts in the seven local authority districts which are partnership areas.

We have now decided to try out a new method of intensifying and bringing together the efforts of all Government Departments, local Government and the local community in eight small areas within the inner cities of eight cities.

To test our approach we have selected eight areas which are deliberately diverse in their character but whose residents all share to some extent problems of deprivation and lack of opportunity. They are not necessarily the eight most deprived areas in British cities but the people who live in them need more employment opportunities, a better physical environment and support for their local business economy. We will introduce our new initiatives in Notting Hill, North Peckham, the Chapeltown area of Leeds, North Central Middlesbrough, the Highfields area of Leicester, Moss Side in Manchester, St Paul's in Bristol and Handsworth in Birmingham.

Our first aim will be to ensure the better targetting and more effective use for the actual residents of the money channelled through existing central Government programmes, notably the employment and training programmes of the MSC, the DTI's programme of regional and industrial assistance, the Department of Environment's housing and urban programmes and

the Home Office programmes of black business support and grants to support the staffing of services to populations of high ethnic minority concentrations. But over and above the large sums available to the chosen areas under these programmes, the Government will be adding a further £8 million of new money.

We will be seeking early discussions with the local authorities concerned about the details of the initiative to improve the targetting of these increased funds. We hope to persuade the local authorities to join with us and use their own programmes alongside our own in a concentrated effort to improve work prospects and the quality of life in these areas.

We will be establishing small task forces in each of the areas drawn from all the Departments involved to work with the local authorities and all sections of the local communities including ethnic minorities. We will seek to attract quickly private sector participation in our efforts and the involvement of voluntary agencies and organisations.

The object will be to try out new approaches, particularly to the provision of training, employment and self-employment opportunities for local residents. This will be achieved through projects and activities of wider but direct benefit to the residents of the areas concerned and their environment. We will seek to stimulate enterprise and provide a stronger base for the local economy. We will give particular attention to the problems of young people from ethnic minorities where they are particularly disadvantaged.

The initiative will be led by a team of Ministers drawn from the Departments of Environment, Education and Science, Trade and Industry and Employment and the Home Office. My Rt Hon Friend the Secretary of State for Employment will have overall responsibility for the co-ordination of the work of Departments. I will have responsibility for day to day

management and supervision of the initiative with the support of a small central unit. This Urban Employment initiative will complement and not replace all existing Government programmes.

I hope the House will welcome a bold experiment in concentrating all available efforts and resources in a joint way on the improvement of the quality of life and job expectations of the residents of these small inner city areas.





Inner Cities

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

5 February 1986

NBN  
att  
Dear Jacob,

8 AREAS EXERCISE

Thank you for a copy of your letter of today enclosing a draft of tomorrow's Statement.

My Secretary of State thinks the Statement is on the right lines. The attached redraft reorders the text bringing up earlier the purpose of the new initiative. In paragraph 6 we refer specifically to pilot schemes to help explain what the local Task Forces will actually do. This reference is, of course, consistent with the conclusion of the MISC 104 meeting. We have rephrased the reference to "the Department of Environment's Housing and Urban Programmes" which now reads "Environment's urban initiatives". We must avoid unnecessarily alienating local organisations, particularly local authorities, by suggesting control over their spending programmes.

My Secretary of State does want to emphasise to the Paymaster General that the local authorities in the areas concerned will have determined their own Urban Programme priorities for next year and would resent strongly an attempt by another group to reorganise their priorities. They feel, with some justification, that they know far more about local problems than even a perceptive wholly good intentioned group descending from Whitehall. Persuasion will be a vital aspect of the success of this exercise.

Finally the redraft uses the phrase "coordination of this exercise" (paragraph 8) rather than "coordination of the work of Departments" because my Secretary of State believes that this is essential to avoid confusing people at local level.

I am copying this letter to David Norgrove (No 10), Richard Broadbent (Chief Secretary's Office), Stephen Boys Smith (Home Office), John Mogg (Department of Trade and Industry), Rob Smith (Department of Education and Science) and John Lambert in Lord Young's Office.

Yours ever  
B H Leonard

B H LEONARD  
Private Secretary

J Franklin Esq

## STATEMENT

1. With permission, Mr Speaker, I would like to make a statement on Government help to people living in inner city areas.

2. We are all only too well aware that people who live in many inner areas of our cities suffer from a wide range of longstanding problems. The Government has increased the amount of central Government money spent on employment and training programmes, urban regeneration, and industrial assistance in these areas. We have taken a number of measures including setting up last year City Action Teams to co-ordinate and target Government effort in the 7 inner city Partnership areas.

3. The initiative I am announcing today is a further step to improve the targetting and enhance the benefit to local people of the money channelled through existing central Government programmes. Of particular importance are the employment and training programmes of the MSC, the DTI's programme of regional and industrial assistance, the Department of the Environment's urban initiatives, and the Home Office programmes of Black Business Support and grants to support staffing of services to ethnic minority populations.

4. We shall try out new approaches, particularly on training provision, and employment or self-employment opportunities. The emphasis will be on projects and activities of direct benefit to the residents of the areas concerned and their environment. We shall seek to stimulate enterprise and provide a stronger base for the local economy. We shall give special attention to the problems of young people from ethnic minorities where they are particularly disadvantaged.

5. To test our approach we have selected 8 areas which are diverse in their character but whose residents all share problems of deprivation and lack of opportunities. They are not necessarily the 8 most deprived areas in our cities, but the people who live in them need more employment opportunities, support for their local business economy, and a better physical environment. We shall introduce our new initiatives in Notting Hill, North Peckham, the Chapeltown area of Leeds, North Central Middlesbrough, the Highfields area of Leicester, Moss Side in Manchester, St Paul's in Bristol and Handsworth in Birmingham.

6. We shall be establishing small Task Forces in each of these areas to identify and help set up pilot schemes. They will work with the local authorities, and local community and voluntary organisations. They will seek to attract quickly private sector participation.

7. We shall seek early discussions with the local authorities concerned about the details of this initiative. We hope to persuade the local authorities to join with us and use their own programmes alongside our own in a concentrated and targetted effort to improve work prospects and the quality of life in these areas. In addition to the existing spending programmes in these areas the Government will be adding a further £8m of new money.

8. The initiative will be led by a team of Ministers drawn from the Departments of Employment, Education and Science, Trade and Industry, Environment, and the Home Office. My Rt Hon Friend the Secretary of State for Employment will have overall responsibility for the co-ordination of this exercise. I will have responsibility for day to day management and supervision of the initiative with the support of a small central unit. This Urban Employment initiative will complement and not replace existing Government programmes.

9. I hope the House will welcome a bold experiment in concentrating all available efforts and resources in a joint way on the improvement of <sup>job</sup> expectations and the quality of life of the residents of these small inner city areas.





*Express*  
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Richard Broadbent Esq  
Private Secretary to the  
Chief Secretary  
HM Treasury  
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London SW1

6 February 1986

*Dear Richard,*

I attach a copy of the Statement which the Paymaster General intends to make in the House later today.

I am copying this letter and the statement to the Private Secretaries to the Home Secretary, the Secretaries of State for Environment, Education and Science, Trade and Industry, Health and Social Security, Scotland and Wales, Mr Waddington, Mr C Patten, Mr J Patten, Sir George Young, Mr Butcher, the Lord President, the Lord Privy Seal, and also Sir Robert Armstrong, and David Norgrove at No 10.

*Yours sincerely,*

*Jacob Franklin*

JACOB FRANKLIN  
Principal Private Secretary

## STATEMENT ON INNER CITIES

1. With permission, Mr Speaker, I would like to make a statement on Government help to people living in inner city areas.
2. We are all only too well aware that people who live in many inner areas of our cities suffer from a wide range of longstanding problems. The Government has increased the amount of central Government money spent on employment and training programmes, urban regeneration, and industrial assistance in these areas. We have taken a number of measures including setting up last year City Action Teams to co-ordinate and target Government effort in the seven inner city Partnership areas.
3. In order to complement and build on this existing work we have now decided to try out a new approach to the task by intensifying and bringing together the efforts of Government Departments, local Government, the private sector and the local community in eight small inner city areas.
4. This initiative is a further step to improve the targeting and enhance the benefit to local people of the money channelled through existing central Government programmes. They include the employment and training programmes of the MSC, the DTI's programme of regional and industrial assistance, the Department of the Environment's urban programme, and the Home Office programmes of Black Business Support and grants to support staffing of services to ethnic minority populations.
5. Within the chosen areas we shall try out new approaches, particularly on training provision, and employment or self-employment opportunities for local residents. This will be tackled through projects and activities of wider but direct benefit to the residents of the areas concerned and their

environment. We shall seek to stimulate enterprise and provide a stronger base for the local economy. We shall give special attention to the problems of young people from ethnic minorities where they are particularly disadvantaged.

6. To test our approach we have selected 8 areas which are diverse in their character but whose residents all share problems of deprivation and lack of opportunities. They are not necessarily the 8 most deprived areas in our cities, but the people who live in them need more employment opportunities, support for their local business economy, and a better physical environment. We shall introduce our new initiatives in Notting Hill and North Peckham in London, the Chapeltown area of Leeds, North Central Middlesbrough, the Highfields area of Leicester, Moss Side in Manchester, St Paul's in Bristol and Handsworth in Birmingham.

7. We shall be establishing small Task Forces in each of these areas. They will work with the local authorities, and local community and voluntary organisations. They will quickly seek to attract private sector participation.

8. We shall seek early discussions with the local authorities concerned about the details of this initiative. We hope to persuade the local authorities to join with us and use their own programmes alongside our own in a concentrated and targetted effort to improve work prospects and the quality of life in these areas.

9. Large sums are already available to the chosen areas under existing Government programmes. But in order to help the initiative get off the ground the Government will be supplementing the sums with £8m of additional money of which £3m will be found from within my Department's existing provision and £5 will be found from the Reserve.

10. The initiative will be led by a team of Ministers drawn from the Departments of Employment, Education and Science, Trade and Industry, Environment, and the Home office. My Rt Hon and Noble Friend the Secretary of State for Employment will have overall responsibility for the co-ordination of this initiative. I shall have responsibility for its day to day management and supervision with the support of a small central unit. This inner cities initiative will complement and not replace existing Government programmes.

11. I hope the House will welcome a bold experiment in concentrating all available efforts and resources in a joint way on the improvement of job expectations and the quality of life of the residents of these small inter city areas.

ce Bg



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From the Parliamentary Under Secretary  
of State for Industry

JOHN BUTCHER MP

Rt Hon Kenneth Clarke QC MP  
Paymaster General  
Department of Employment  
Caxton House  
Tothill Street  
LONDON SW1H 9NF

Prime Minister 4  
Here, as elsewhere in  
this initiative, the  
flexibility of departments,  
and being shown by them,  
seems limited.

DLG  
6/2

Allyson

6 February 1986

Dear Ken,

Mr

INNER CITY INITIATIVE

Your Private Secretary circulated yesterday a draft of the statement you propose to make today on this initiative.

As I told you in the House yesterday, this Department is keen to assist in this initiative in any way possible, but I have some difficulty accepting the wording of the last paragraph on the first page where the statement says "Our first aim will be to ensure the better targetting and more effective use ..... of existing central Government programmes". This seems to me to imply that DTI schemes will be directed towards the chosen inner city areas, which I cannot agree to because it would involve a fundamental shift in our regional policy which has only just been reviewed collectively. I would have preferred the wording "Our principal aim will be the most effective use for the actual residents in the targetted areas of the money channelled through existing central Government programmes .....". In fulfilment of these words, I could agree to:

- (a) promote more heavily in the selected areas the assistance available under the existing rules of all DTI schemes;
- (b) to give priority to the handling of cases from the selected inner city areas;
- (c) ask English Estates to give priority to development projects in the selected areas that fall within the Assisted Areas (ie Birmingham, Manchester and Middlesbrough). However, I could not agree to divert



money from English Estates' Assisted Area programmes to fund investment in the selected areas outside the Assisted Areas;

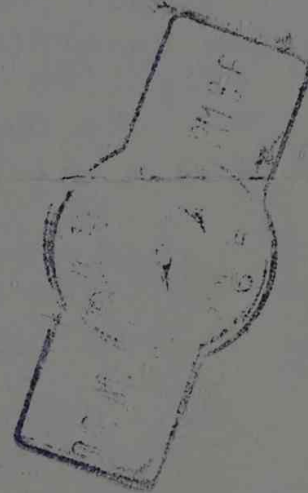
- (d) make use of the powers available under the 1982 Industrial Development Act to channel any new money and resources into all of the selected areas; and
- (e) extend the Business Improvement Scheme which supports advisory and consultancy services to small businesses in steel, textile and fishery closure areas.

You said that you could not accept my revised wording. If this remains your position, I can agree to the existing text on the strict understanding that this does not imply a change in the rules and criteria of existing DTI schemes, other than the proposals I have outlined above.

I am copying this letter to Douglas Hurd, Keith Joseph, David Young, Kenneth Baker, John MacGregor and David Norgrove (No. 10).

*Yours truly*

JOHN BUTCHER



The result was very successful. The result of this may well be that the British Gas Corporation itself will take a commercial decision on the matter if the prices remain at a low level, but that must be for the gas corporation.

**Lord Bruce of Donington:** My Lords, is the noble Lord aware that his noble friend Lord Gowrie made exactly the same point, not in 1980 but 18 months later, thereby reiterating the Government's right and indeed their intention to force up prices?

**Lord Gray of Contin:** My Lords, the policy which was followed was followed for a period of three years in order to re-establish the position which had been lost during the time in which the party of the noble Lord was in power and the situation was not faced up to.

**Baroness Burton of Coventry:** My Lords, does the noble Lord recall—and it is a point that consumers remember—that during the lifetime of this Government, which is more recent than the one to which he referred, they have forced up the prices of water, gas and electricity, when not one of the chairmen of those industries thought it was necessary?

**Lord Gray of Contin:** My Lords, on a previous occasion I think I have paid tribute to the work of the noble Baroness and her concern for the consumer; but sometimes, when dealing with a situation which has got very much out of hand, it is necessary to take steps which are unpopular at the time in order to achieve the proper results in the longer term.

**Lord Diamond:** My Lords, having regard to the prepenultimate answer which the noble Lord gave, is he assuring us that the gas board will have recourse only to commercial considerations in any prices which it charges between now and the time of privatisation?

**Lord Gray of Contin:** No, my Lords, I am not giving the noble Lord any such assurance. I made it absolutely clear that this must be a matter for the British Gas Corporation, and if he has any doubt about that I suggest he writes to the chairman of that corporation.

## Business

3.29 p.m.

**Lord Denham:** My Lords, at a convenient moment after 3.30 this afternoon my noble friend Lord Lucas of Chilworth, with the leave of the House, will repeat a Statement that is to be made in another place on British Leyland.

It may be for the convenience of the House if I announce that the Report stage of the Shops Bill will be adjourned at approximately 7 p.m. for approximately one hour, and that during this adjournment the Committee stage of the Gaming (Amendment) Bill and the Importation of Live Fish of the Salmon Family Order 1986 will be taken.

## Inner Cities: Government Assistance

**Lord Young of Graffham:** My Lords, with the leave of the House, I should like to make a Statement on Government help to people living in inner city areas.

We are all only too well aware that people who live in many inner areas of our cities suffer from a wide range of long-standing problems. The Government have increased the amount of central government money spent on employment and training programmes, urban regeneration, and industrial assistance in these areas. We have taken a number of measures including setting up last year city action teams to co-ordinate and target government effort in the seven inner city partnership areas.

In order to complement and build on this existing work we have now decided to try out a new approach to the task by intensifying and bringing together the efforts of government departments, local government, the private sector and the local community in eight small inner city areas.

This initiative is a further step to improve the targeting and enhance the benefit to local people of the money channelled through existing central government programmes. They include the employment and training programmes of the Manpower Services Commission, the Department of Trade and Industry's programme of regional and industrial assistance, the Department of the Environment's urban programmes, and the Home Office programmes of black business support and grants to support staffing of services to ethnic minority populations.

Within the chosen areas we shall try out new approaches, particularly on training provision, and employment or self-employment opportunities for local residents. This will be tackled through projects and activities of wider but direct benefit to the residents of the areas concerned and their environment. We shall seek to stimulate enterprise and provide a stronger base for the local economy. We shall give special attention to the problems of young people from ethnic minorities where they are particularly disadvantaged.

To test our approach we have selected eight areas which are diverse in their character but whose residents all share problems of deprivation and lack of opportunities. They are not necessarily the eight most deprived areas in our cities, but the people who live in them need more employment opportunities, support for their local business economy and a better physical environment. We shall introduce our new initiatives in Notting Hill and North Peckham in London, the Chapeltown area of Leeds, North Central Middlesbrough, the Highfields area of Leicester, Moss Side in Manchester, St. Paul's in Bristol and Handsworth in Birmingham.

We shall be establishing small task forces in each of these areas. They will work with the local authorities, and local community and voluntary organisations. They will quickly seek to attract private sector participation.

[LORD YOUNG OF GRAFFHAM.]

We shall seek early discussions with the local authorities concerned about the details of this initiative. We hope to persuade the local authorities to join with us and use their own programmes alongside our own in a concentrated and targeted effort to improve work prospects and the quality of life in these areas.

Large sums are already available to the chosen areas under existing Government programmes. But in order to help the initiative get off the ground the Government will be supplementing the sums with some £8 million of additional money of which £3 million will be found from within my department's existing provision and £5 million will be found from the reserve.

The initiative will be led by a team of Ministers drawn from the Departments of Employment, Education and Science, Trade and Industry, Environment and the Home Office. I will have overall responsibility for the co-ordination of this initiative. My right honourable friend the Paymaster General shall have responsibility for its day-to-day management and supervision with the support of a small central unit. This inner cities initiative will complement and not replace existing Government programmes.

I hope the House will welcome a bold experiment in concentrating all available efforts and resources in a joint way on the improvement of job expectations and the quality of life of the residents of these small inner-city areas.

My Lords, that is the Statement.

**Lord Stoddart of Swindon:** My Lords, I thank the noble Lord for making his Statement this afternoon. However, the measures contained in it do not in any way meet the urgent need to tackle the desperate and growing problem of unemployment, particularly in respect of those who have been out of work for over a year. It is surprising that the response to last month's shocking unemployment figures should be that Statement and the modest measures proposed. I do not think that the measures are bold; they are very modest indeed.

Naturally, we welcome any proposals, however modest, that will assist in overcoming mass unemployment, particularly in the inner cities. But does the noble Lord believe that so small a sum as £8 million will have much effect? Can he say how many additional jobs are likely to be created by the initiative? Can he relate that £8 million to the loss of hundreds of millions of pounds to the urban aid programme as a result of Government cuts, and also to the £1,487 million which has been lost in rate support grant by the areas mentioned since 1979? In relation to those figures £8 million is a flea bite.

The Statement talks of providing a better physical environment. What does that mean? What kind of better physical environment is envisaged? Are more houses to be built in those areas; if so, who is to provide them? Will it be the local authorities, the private sector or a partnership among the local

authorities, the housing associations and the private sector?

Can the noble Lord also tell us why the areas mentioned have been chosen? Does that mean that the Government now accept that there is a connection between unemployment and inner-city riots? Bearing in mind his reference to the need particularly to assist black people, what is now the Government's view on contract compliance? What discussions have taken place with the interested parties—the local authorities, the voluntary organisations and the private sector, all of whom will be important if the initiative is to succeed? The Statement refers to city action schemes, but since they were formed, we have heard little about them. What success have they had so far?

I do not want to be entirely critical. As I said, we welcome the proposals, modest though they are. I am glad to find from the Statement that the Government have apparently been converted to the need for planning and co-ordination if we are to solve the problems of the inner cities. That is something that the Labour Party has been urging on the Government for a long time. It is pleasing that at least in that respect they are now adopting the advice that the Opposition have been giving them over a long period.

Finally, may I ask whether we can expect further Statements on measures to deal with mass unemployment, particularly in response to the recommendations of the House of Commons Select Committee on Employment which reported on special employment measures and the long-term unemployed? It recommended that the Government should spend £3,300 million on additional employment measures. Following this modest Statement, will we be getting a bold Statement, perhaps in line with the Select Committee recommendations, in a short time?

**Baroness Seear:** My Lords, we on these Benches also wish to thank the Minister for making the Statement in your Lordships' House. It is gratifying to have the opportunity on these occasions to get at the Minister with direct responsibility. We should like to see recognition of the need for a change in the Government's macro-economic policy. We have long been urging that what is required is carefully targeted expenditure on infrastructure and particularly on housing and housing repairs. In the areas with which the Statement deals, housing and housing repair developments would be particularly welcome and would make a substantial contribution both to the environment and to job opportunities. Having said that, one recognises that this is a new initiative, modest but nonetheless useful.

All of us who have been connected in any way with the many local experiments to try to bring about improvements in those areas—and there has been a great deal of local initiative of one kind or another—are aware that there is confusion in many parts because people do not know to which Government departments to go, as there has been a considerable amount of overlapping. For the organisations that are working at grass-roots level the bureaucracy of trying to get at the available resources has hindered progress. If the Statement means that the

red tape will be cut and the relationships among departments will be co-ordinated by the Secretary of State's unit in such a way that people locally do not have to do the work themselves but can go direct to one place to get the information and support that they need, that would be a very great help indeed and a development which we should very much welcome.

In that connection, I wonder whether the noble Lord can explain this point a little more. The Statement says that it is hoped that local government programmes will run alongside those of the unit. Is the unit to do actual work or is it to co-ordinate, to assist and to cut red tape? It would be unfortunate if there were another set of initiatives being taken from the centre, running in parallel. I think that it is paragraph 8, but without my spectacles I cannot read it properly. Will the noble Lord just explain what the term "alongside" means?

I turn now to more detailed points. Will the premium payments for specially difficult groups under both YTS and the community programmes be extended in those areas? As the Secretary of State will realise, there is a great deal of anxiety in voluntary bodies working in these areas and throughout the country that the premium payments for difficult-to-employ people are not going to be sufficient. The voluntary bodies that have been dealing with schemes for difficult-to-place people will in some cases have to give up their efforts because they believe that the money forthcoming will not be sufficient. Is the Secretary of State saying that in these areas these special payments and the support for the voluntary bodies' working will be at least as much as it has been in the past and perhaps enhanced, rather than, as the voluntary bodies fear, reduced?

I should also like to ask the Secretary of State whether this also means that, when there is this emphasis on training and where the community programme is being carried out under the MSC, the opportunity to use the community programme for training on a much more extensive scale than has been possible up to now is part of what is planned for the aid areas. Some of us believe that the community programme, rightly handled, could be extremely useful instrument for training and replacing in employment the long term unemployed, but that the present provisions in the community programme do not make this practicable in a great many areas. I should also like to ask the noble Lord whether there is any thought of experimenting with contract compliance, with the emphasis being laid on the needs of the ethnic minorities.

**Lord Young of Graffham:** My Lords, I am grateful indeed to the noble Lord, Lord Stoddart. The noble Lord said, I believe, that he was not being particularly critical. If that was not being particularly critical, I should not like to be in the House when he is being critical. May I say at the outset that this is not in any way a response to the unemployment figures, last month's or at any time. The problem of unemployment is at the forefront of the Government's mind. This is a response to conditions that have been perceived for many years in the inner cities. The noble Lord opposite makes the mistake, as many who sit on the Opposition Benches do, of confusing quantity with quality. It is not a matter of the amount of money that

we have spent. Everyone in your Lordships' House should know how much we have spent over the past decade or two on the inner cities. Nor is it money spent to improve the physical environment. All too often, we seem to have spent money to improve the physical environment without it having any particular effect on the inhabitants within that improved environment. This is a dedicated attempt by government departments working together to restore to the inner city that which made the inner city great in the beginning, which was a sense of enterprise, of business and of work. It is no good trying to improve the environment without actually bringing to those who live within that improved environment a sense of belonging to our society, playing their part in our world and having pride in working for themselves and working for others. That is the purpose of this initiative.

Indeed, it is not just about the £8 million. In these small areas, in which some 300,000 souls live, the Government spend over £70 million on a variety of different programmes. It is a way of getting together. I am afraid that I cannot rise to the bait this afternoon of discussing or making an immediate response to the Select Committee of another place about discussions or solutions for dealing with long term unemployment save to say that the net additional cost, I believe, was some £3.3 billion, and the gross cost some £5.5 billion. I suspect that those of us who are concerned with the steady growth in the community programme, of the problems that we see in finding the projects to increase it by a modest 10,000 places a month—modest in its terms but in fact a very real increase of 10,000 a month—were slightly appalled at the thought of having to find 750,000 places or some other figure. I have no doubt however that we shall be able to come back with a considered response to that in due course.

3.45 p.m.

The noble Baroness, Lady Seear, is part right and part wrong—part wrong, I regret to say, because it is not the infrastructure that these particular areas are vitally concerned with. Of course, the infrastructure is important. It does not do the inhabitants of these areas much good to see re-enveloping schemes carried out, in which outside contractors are brought in, the work is done and the outside contractors go away while the inhabitants stand by and watch. What I hope we can see in this is a way in which we can put together programmes and let the inhabitants of the areas share in the work being done, maybe even carry it out, and, maybe—yes, my Lords, cut through the red tape—look at some of the rules and perhaps experiment to see whether we can adapt the community programme not so much for training alone but for ways in which we can start people off in their own jobs, and also perhaps look at the community benefit rules and at premium places within YTS, and do so in areas where there are particular problems.

This is not a programme that is directed solely at ethnic minorities. One area at least has very few of those who come within the description of ethnic minority communities. This is a programme that looks towards better co-ordination among all government departments in respect of a problem that

[LORD YOUNG OF GRAFFHAM.]

is real and longstanding—a problem that other government programmes, instituted by those who sit on all sides of the House, have not succeeded in making great progress in tackling.

**Lord Hatch of Lusby:** My Lords, can the noble Lord answer two simple questions? In the first place, he says in his Statement that these new initiatives are to consolidate already existing ventures. Can he say to what extent his already existing ventures in the inner cities have reduced unemployment in those areas since they were begun? Secondly, we have been told on this side of the House consistently by a whole series of Ministers from the Government Front Bench that this Government do not believe that they can create jobs. Has he changed his mind? Is he telling the House this afternoon that these new ventures which the Government have cobbled together are, or are not, going to create any new jobs and reduce unemployment within the inner city areas?

**Lord Young of Graffham:** My Lords, I normally fear simple questions because they often prove hard to answer—but not on this occasion. If Government programmes had created jobs in the inner cities, I suspect that we would not have the need for this experiment. The difficulty that we have—it is one faced by all governments—is that many programmes seem by their very nature to avoid the very worst areas of deprivation in our cities. What these programmes are doing is to seek out and confine themselves to these areas. That is what I hope we shall learn from a series of experiments and a series of models. The jobs that Government can directly create are jobs in the Inland Revenue and the VAT offices—not the sort of jobs that people normally think as being job creation. What the Government can do is to create a climate in which jobs can grow. As we have seen, we are creating more jobs than the rest of Europe put together. What we now want to do is to create jobs in these particular inner city areas and to see conditions in which these jobs can grow. These are areas in which many young people have not benefitted from 11 years of compulsory education. Far from it! They are areas in which many have not even come into the youth training scheme but have stayed outside the simple rules of society. These are the people we want to reach. I am sure that all in your Lordships' House will wish the experiment success if only for the sake of the inhabitants of these areas.

**Lord Hunt:** My Lords, I have noted that among the departments to be involved in this initiative and represented by Ministers, there is no mention of the DHSS. The Secretary of State will be aware that there are many existing locally-based and community-based schemes sponsored by and run by the local social services, which include elements of training—training for employment and other forms of training, particularly for young people. Can he explain why the DHSS is not to be involved and represented by Ministers in this initiative?

**Lord Young of Graffham:** Yes, my Lords, in these particular areas it was thought appropriate that we start with co-ordinating government departments,

which had already begun. They are my own department, Education and Science, Trade and Industry, the Environment, and the Home Office. I have no doubt at all that if any other government departments are involved co-operation will not only be sought but be given.

**Lord Plummer of St. Marylebone:** My Lords, I should have thought there would be a warm welcome for improving the physical environment of the people living in Notting Hill and north Peckham. But there are other vast areas of London where the housing conditions are deteriorating rapidly because the houses there were all built about 120 years ago. From my own experience in dealing with these matters I should have thought a sum of £8 million would be just a drop in the ocean towards solving the problem which exists in the inner areas of London.

Can my noble friend say whether the measures which he has just announced are in addition to those which were previously announced by the Department of the Environment? If they are not, I fear that this programme will have very little effect on those areas beyond Notting Hill and north Peckham—and vast areas are involved. It is not just the ethnic minority who are living in bad housing conditions because of the deteriorating housing stock; it is also the indigenous Londoners who have lived here for generations who I think ought to be looked after as well.

What is needed here is a central organisation. I hope that this matter is not being dealt which piecemeal. Unless we can tackle it over the whole area by a central organisation—and I have to comment that the central organisation in London is going—I cannot see that the measures just announced will be anywhere near enough to tackle this enormous problem.

**Lord Young of Graffham:** My Lords, I am grateful to the noble Lord, Lord Plummer. May I say that if a central organisation was the answer—Londoners having had a central organisation for these many decades—surely there would not now be so many areas of central London to which he draws attention in need of urgent rebuilding. That is neither the answer nor the way. I thought I had made clear that within these areas the Government already contribute, through the programmes, the Manpower Services Commission, the Home Office and the Department of Environment, over £70 million, to which we are adding another £8 million merely for the purpose of co-ordinating and getting special schemes going. It is not the shortage of money that is the problem; it is the quality of that spend, not the quantity.

In small, particular areas—which are not confined to those with large ethnic minorities because there are some which do not really have any ethnic minority populations at all—we are endeavouring to demonstrate that it is possible to spend Government moneys better by co-ordinating Government spend with local authority spend and private sector spend. I hope that we shall learn from all of this how to begin to make a quick and permanent cure to the problems of living in the inner urban areas.

**Lord Oram:** My Lords, does the Minister recognise in the generally dismal record of recent years on inner cities that there has been one small but encouraging development; namely, the increase in the number of small co-operative businesses? I have in mind housing co-operative societies and small producer co-operatives in the service sector which have grown in number from some 200 five years ago to 1,000 now, employing in new jobs some 10,000 members of these co-operative societies in a distinct form of self-employment.

Will the Minister ensure that of the small funds which he has announced some part will go to the encouragement of this kind of small enterprise? If he agrees with that, will the Minister consider channelling those funds through local co-operative development agencies where they happen to coincide with the areas mentioned in his Statement?

**Lord Young of Graffham:** Yes, my Lords. I would willingly pay testament to the worth of the co-operative movement itself and to co-operatives in getting people to band together to form small businesses. However, these are not small amounts of money. We are talking about some £70 million or more, to which we have added a further £8 million, in areas in which we have some 300,000 people living. The programmes can be co-ordinated better, but they will, I hope, not result in people simply having employment for as long as the tap is turned on but in the end in businesses in which people will carry on when Government funds have come to an end. Indeed, that is the only way we can restore the inner city. Among the varieties of schemes which we shall set up, with the assistance of the private sector, local authorities and the world of education, I hope that there will be many co-operatives and that young people will learn the advantages of working together.

**Lord Rochester:** My Lords, following the question of the noble Lord, Lord Plummer, will the Secretary of State concede that deprivation is not confined to inner cities but is sometimes at its worst in housing estates which are at some distance from those inner cities?

**Lord Young of Graffham:** My Lords, I suspect that deprivation is often a state of mind as much as anything else. Much of our planning and much of the state of poor living conditions exist in areas far from the inner cities, but in areas of large housing estates. We in this country have a great deal to learn about our living conditions. We have, I believe, 27 per cent. of our housing owned by local authorities compared with 5 per cent. in the United States, and 3 per cent. in Germany. I am not sure that that size has contributed towards the removal of deprivation in our society.

**Lord Scarman:** My Lords, I welcome this initiative, perhaps because it is a belated although modest attempt to put into effect a recommendation made in a certain report which was published as recently as 1981. I ask one question of the noble Lord. Will this centrally co-ordinated effort, of which I strongly approve, pay particular attention not only to the direction of funds—which, whether they are modest or large, is a very important feature of any effort if it is to

be successful—but to communication with the people who live in the inner cities?

There is the age gap of the young people who at the moment are very alienated. Will any attempt be made to discover what they want and what are their aspirations? In allocating the housing effort, will any effort be made to discover the design of houses that they want? In matters of education, will any effort be made to discover what are the minorities' feelings about our educational system? I suggest that unless this is done this effort, like so many other well-intentioned efforts, will fail.

**Lord Young of Graffham:** My Lords, I am very grateful to the noble and learned Lord, Lord Scarman, for his comments. I am glad to give him the assurances he seeks. The essential difference between this, and I suspect other, initiatives that have taken place is that, while there will be central co-ordination, it will be locally directed; while it is concerned with programmes, it is concerned much more with people. What I should like to see above all else in these programmes is a sense of ownership given to the local communities. We shall endeavour to bring community leaders and the inhabitants into the programmes. We shall pay great attention to all the lawful aspirations of the inhabitants so far as we can. Indeed, that is the only way, so far as I can see, that this programme will succeed.

**Baroness Airey of Abingdon:** My Lords, may I ask whether there are many schemes such as that of the YES organisation, which I think was started by Mr. Angus Ogilvy? This organisation is no charge on the Government and I believe is largely subscribed to by private people or firms. It is particularly for young people. I also believe that this has been expanded to Northern Ireland.

**Lord Young of Graffham:** My Lords, yes. I hope to be assiduous in going out to friends and acquaintances—I do not expect to have too many friends after this—in the private sector to ask them to contribute towards programmes such as YES and others which exist through business in the community, and which will, I hope, play a real role in helping to bring a sense of business enterprise and a sense of achievement to those who live in these areas.

### Sex Discrimination Bill [H.L.]

3.59 p.m.

**Lord Young of Graffham:** My Lords, I beg to introduce a Bill to make new provision instead of Section 6(3) of the Sex Discrimination Act 1975; to amend Section 77 of that Act; to provide for the removal of certain restrictions applying to the working hours and other working conditions of women; and to repeal the Baking Industry (Hours of Work) Act 1954.

I beg to move that this Bill be now read a first time.

Moved, That the Bill be now read a first time.  
—(Lord Young of Graffham.)

On Question, Bill read a first time, and to be printed.

**Agricultural Holdings Bill [H.L.]**

Read a third time, and passed, and sent to the Commons.

**Shops Bill [H.L.]**

4 p.m.

**The Parliamentary Under-Secretary of State, Home Office (Lord Glenarthur):** My Lords, I beg to move that this Report be now received.

Moved, That the Report be now received.—(*Lord Glenarthur.*)

**Lord Simon of Glaisdale:** My Lords, before we proceed I should like to ask whether page 8 of the Marshalled List is correct and, if it is not correct, how it should be dealt with. The reference to "After Clause 1" at the top of the page must be wrong because it is dealing with the continuation of a clause to be inserted after Clause 2. However, there then follows Amendment No. 13, which I read as being after Clause 2. I do not know whether any of the noble Lords who have put their names to the amendment are present. The noble Lord, Lord McCarthy, was here a moment ago. Amendment No. 14 reads as if it ought to come after Clause 1. Amendment No. 15 reads as if it ought to come after Clause 2. There must be something wrong on this page, and I should be grateful if I could be told how it can be most conveniently dealt with.

**Lord Glenarthur:** My Lords, I can assure the noble and learned Lord that there is one mistake, and that occurs at the top of page 8, where it says, "After Clause 1". It certainly should read, "After Clause 2". As regards Amendment No. 14, which in the view of the noble and learned Lord should come after Clause 1, and Amendment No. 15, which in his view ought to come after Clause 2, I cannot give an answer immediately, but I shall endeavour to let the noble and learned Lord know shortly.

**Lord Simon of Glaisdale:** My Lords, with the leave of the House, perhaps the noble Lord, Lord Mishcon, is entitled to express an opinion on that matter as he is one of the signatories to Amendment No. 14.

**Lord Mishcon:** My Lords, the noble and learned Lord seems to take great delight in putting me in a position of intense embarrassment. May I say that he has succeeded!

**Lord Campbell of Alloway:** My Lords, I should like to raise a point on the order of the amendments. Surely there is a mistake. Amendment No. 2, according to the original list, was to appear before Clause 1. In the present Marshalled List it appears after Clause 1. It is inconsistent and lies in conflict with Clause 1, and, therefore, surely it should be taken before Clause 1, because otherwise it will not be possible to consider the matter logically.

**Lord Glenarthur:** My Lords, I am grateful to my noble friend for his observations. Indeed, he was kind

enough to give me an indication that he wished to raise the matter. I have looked into it, and I am assured by those who are responsible for marshalling the amendments that the matter has been investigated and the Marshalled List is in fact perfectly correct. I hope that that satisfies my noble friend. I could obtain more information on the matter if necessary, but I believe it to be in order.

On Question, Motion agreed to: Report received.

Clause 1 [*Removal of restrictions on opening hours and Sunday trading*]:

**Lord Lloyd of Kilgerran** moved Amendment No. 1:

Page 1, line 5, at beginning insert ("For an experimental period of three years")

The noble Lord said: My Lords, the object of my Amendment No. 1 is to allow the Bill for deregulating trading on Sundays to go ahead as suggested in the Bill, but only for an initial period of three years. After that period the matter should be brought back to Parliament for Parliament to consider, in the light of the experimental period of three years of operation, whether or not there are any matters which in the public interest require some changes. There has been a recent precedent for such a course—

**Lord Sandford:** My Lords, I wonder whether I may interrupt the noble Lord for a moment? Would I be right in thinking that, in speaking to Amendment No. 1, he is also speaking to Amendments Nos. 9 and 16 as well? It would be helpful to know whether or not that is so.

**Lord Lloyd of Kilgerran:** My Lords, I am very grateful for the noble Lord's intervention, and, with the leave of the House, I shall speak also to Amendments Nos. 9 and 16, as they contain the same words.

*Amendment No. 9:* Clause 2, page 1, line 9, at beginning insert ("For an experimental period of three years")

*Amendment No. 16:* Clause 3, page 2, line 1, at beginning insert ("For an experimental period of three years")

As I was saying, there is a recent precedent for this kind of procedure and that occurred in the Bill, which is now an Act, for the compulsory wearing of seat belts. Seven years ago there was great controversy as to whether or not the wearing of seat belts should be made compulsory. The Bill was brought in, and it was agreed that seat belts should be made compulsory for an experimental period of three years, after which time the matter would be brought back to Parliament. As your Lordships know, that happened a few weeks ago, when the Act was continued after a very interesting and helpful debate. Similarly, at present there is no doubt that there is a cleavage of opinion as to whether it is right to have total de-regulation of trading on Sundays.

I should like briefly to remind your Lordships of the apprehensions which were so cogently put to your Lordships by the noble Lord, Lord Murray of Epping Forest, and the noble Baroness, Lady Turner, with all their great experience in trade union and industrial relations matters. We have also heard splendid speeches from the noble Lord, Lord Graham of Edmonton, based on his great experience in local

**Mr. Peter Bruinvels** (Leicester, East): Is my right hon. Friend aware that last night the new General Synod met and voted on a free vote by 427 to 6 against Sunday trading and asked the Government not to push a three-line Whip on the debate on Sunday trading? Will my right hon. Friend take account of that when he announces the business some time in the future? Will he provide time for a debate on the Housing (Homeless Persons) Act 1977? A constituent in Leicester has suddenly brought seven members of the ethnic community to the city, resulting in ratepayers having to pay the cost of putting those people up in a three-star hotel at £186 a night. Should not this matter be corrected and the House have an opportunity to debate it?

**Mr. Biffen:** Procedural arrangements in the debate on Sunday trading are entirely a matter for my right hon. Friend the Patronage Secretary. As he is not here, I shall ensure that he knows the views not only of my hon. Friend but of the Church of England Synod.

My hon. Friend in his second point has raised a matter that is within the experience of many hon. Members from all parts of the United Kingdom where people are homeless as he described. I cannot offer a formal debate in Government time, but I wish my hon. Friend well in any efforts he may make to raise the matter on the Adjournment.

**Mr. Speaker:** Statement—Mr. Kenneth Clarke.

**Mr. Alfred Dubs** (Battersea): On a point of order, Mr. Speaker.

**Mr. Speaker:** Does it arise immediately out of the business statement?

**Mr. Dubs:** It arises out of questions, Mr. Speaker.

**Mr. Speaker:** It is a little late, but I shall take it.

**Mr. Dubs:** I am sorry, Mr. Speaker. You told my hon. Friend the Member for Bolsover (Mr. Skinner) that he could not make a statement.

**Mr. Speaker:** I did. Just to clear this point for every hon. Member, I take points of order arising out of questions immediately after Question Time and other points of order in their usual place, at the end of statements. As the hon. Member for Battersea (Mr. Dubs) has a question arising out of questions, I think that he should have raised it at the end of Question Time. I shall take his point of order now, as I said I would.

**Mr. Dubs:** I must have misunderstood you, Mr. Speaker. I thought that you asked my hon. Friend the Member for Bolsover not to ask a question after Question Time.

**Mr. Speaker:** I did, because it did not arise out of questions.

**Mr. Dubs:** My point of order is this: in answer to a question about Crown immunity, the Prime Minister said that the Minister for Health would make a statement later today. Do you know of any such statement, Mr. Speaker?

**Mr. Speaker:** No; I regret to say that I do not.

## Inner Cities

4.10 pm

**The Paymaster General and Minister for Employment (Mr. Kenneth Clarke):** With permission, Mr. Speaker, I should like to make a statement on Government help to people living in inner city areas.

We are all only too well aware that people who live in many inner areas of our cities suffer from a wide range of long standing problems. The Government have increased the amount of central Government money spent on employment and training programmes, urban regeneration and industrial assistance in these areas. We have taken a number of measures, including setting up last year city action teams to co-ordinate and target Government effort in the seven inner city partnership areas.

In order to complement and build on that existing work we have now decided to try out a new approach to the task by intensifying and bringing together the efforts of Government Departments, local government, the private sector and the local community in eight small inner city areas.

This initiative is a further step to improve the targeting and enhance the benefit to local people of the money channelled through existing central Government programmes. They include the employment and training programmes of the MSC, the Department of Trade and Industry's programme of regional and industrial assistance, the Department of the Environment's urban programme, and the Home Office programmes of black business support and grants to support staffing of services to ethnic minority populations.

Within the chosen areas we shall try out new approaches, particularly on training provision, and employment or self-employment opportunities for local residents. That will be tackled through projects and activities of wider but direct benefit to the residents of the areas concerned and their environment. We shall seek to stimulate enterprise and provide a stronger base for the local economy. We shall give special attention to the problems of young people from ethnic minorities where they are particularly disadvantaged.

To test our approach we have selected eight areas which are diverse in their character but whose residents all share problems of deprivation and lack of opportunities. They are not necessarily the eight most deprived areas in our cities, but the people who live in them need more employment opportunities, support for their local business economy, and a better physical environment. We shall introduce our new initiatives in Notting Hill and north Peckham in London, the Chapeltown area of Leeds, north central Middlesbrough, the Highfields area of Leicester, Moss Side in Manchester, St. Paul's in Bristol and Handsworth in Birmingham.

We shall be establishing small task forces in each of those areas. They will work with the local authorities and local community and voluntary organisations. They will quickly seek to attract private sector participation.

We shall seek early discussions with the local authorities concerned about the details of this initiative. We hope to persuade the local authorities to join us and use their own programmes alongside our own in a concentrated and targeted effort to improve work prospects and the quality of life in those areas.

**Mr. Biffen:** If my hon. Friend has a particular example that will illustrate the more general problem, he may do us all a good service by having a debate on the Adjournment.

**Mr. Toby Lloyd (Stretford):** I note the right hon. Gentleman's comments to my right hon. Friend the Leader of the Opposition about a debate on fire services in metropolitan areas. Does the right hon. Gentleman recognise the great anxiety about reduced resources for the fire services? There will be a serious danger to life because the standard of fire cover will be reduced. Will the right hon. Gentleman guarantee that there will be an adequate debate on the issue so that it can be properly discussed?

**Mr. Biffen:** I am sure that the hon. Gentleman will accept that I do not concur with the premise to his question, but I shall certainly consider his point.

**Sir John Farr (Harborough):** Will there be an opportunity at an early date for the House to discuss the value of the Select Committee system as it is at present set up? It is of particular interest to my right hon. Friend and the House that some Select Committees, such as the Select Committee on Defence, seem all the time to deal with matters that are now past history, such as Westland, when the vast majority of the people want the Government to get on with the job of running the country.

**Mr. Biffen:** The departmental Select Committee system is of fairly recent origin. I should have thought that, on the whole, we are acquiring experience of its utility to the House and that there are many advantages in the way it works. I note that that view would not necessarily be universally endorsed.

**Mr. Alfred Dubs (Battersea):** Further to the earlier question on the establishment of an Anglo-Irish parliamentary tier, can the right hon. Gentleman say whether anything will happen in that respect?

**Mr. Biffen:** Under the terms of the Anglo-Irish agreement, elaboration is necessary, involving the Parliaments of the United Kingdom and of the Irish Republic. I have no reason to doubt that, in due time, details will emerge.

**Mr. Nicholas Winterton (Macclesfield):** Does my right hon. Friend accept that the House has spent more than an abnormal amount of time discussing the employment of 3,000-plus people at Westland and that many people will welcome his announcement today about a debate on the multi-fibre arrangement, which involves the employment of more than 500,000 people? Will my right hon. Friend give an assurance that the House will have an opportunity to discuss the proposals contained in any ultimate arrangement between the European Community and the United Kingdom before that arrangement is agreed within the EEC?

**Mr. Biffen:** I note what my hon. Friend says about Westland, but I suspect that, when we are a little more distant from and have possibly a little more balance on these matters, we shall recognise that Parliament was wise to spend the amount of time it has on this issue. I shall draw my hon. Friend's comments on the multi-fibre arrangement to the attention of my right hon. Friend the Secretary of State for Trade and Industry. I think that my hon. Friend will understand that, for the moment, we should make the best use we can of the time available next week.

**Mr. John Ryman (Blyth Valley):** The Leader of the House will have seen with pleasure, and relief, that the independent colliery review procedure has decided to keep open Bates pit in Blyth in my constituency, despite vehement and vicious opposition from the NCB. In the light of that decision, which is welcomed by the coal mining community in Northumberland, will the right hon. Gentleman have a word with the chairman of the NCB so that he immediately says, perhaps with the agreement of the Secretary of State for Energy, that this decision is accepted by the NCB? That will allay the anxiety that still persists in the north-east coalfield.

**Mr. Biffen:** I note the decision of the colliery review board. I was wondering whether the hon. Gentleman and I might meet up to have a drink to celebrate such an occasion, unless that were to prove too embarrassing to him, either socially or politically. As to the wider issue involving the NCB chairman, I shall refer that matter to my right hon. Friend the Secretary of State for Energy.

**Mr. Jonathan Aitken (Thanet, South):** Does my right hon. Friend recall that the Government were criticised by many of their friends for the apparently undue haste with which they assessed the complicated bids for the Channel tunnel project? Is my right hon. Friend aware that it will seem somewhat insensitive, less than three working days after the White Paper has been received by the Kent local authorities, to compound those sins by rushing ahead yet again to have a debate so soon on the White Paper? Is there not a feeling that this reckless speed means that the Government have something to hide?

**Mr. Biffen:** I understand my hon. Friend's point. I assure him that there is no question of anything being hidden. It is a matter of whether it would be appropriate for the House to have the chance to have a debate before the treaty is signed. I take note of my hon. Friend's comments, but I must tell him that I see little likelihood of that item of business being dropped from next week's programme.

**Mr. Archy Kirkwood (Roxburgh and Berwickshire):** Now that the European Commission has formally adopted proposals for next year's farm price review, which would have disastrous effects on the beef and cereal support systems, especially north of the border, will the right hon. Gentleman consult the Minister of Agriculture, Fisheries and Food about an early statement and debate before the Council of Ministers meets to make a decision?

**Mr. Biffen:** I note and endorse the hon. Gentleman's comments on the European Commission's proposals. I shall of course refer those comments to my right hon. Friend the Minister of Agriculture, Fisheries and Food.

**Mr. Andrew MacKay (Berkshire, East):** As it now seems clear that the Opposition have no desire to initiate a debate in Opposition time on the events at News International and as members of the electricians union are bullied and intimidated when they try to go to work, may we have an early debate in Government time on this subject?

**Mr. Biffen:** My hon. Friend has identified a matter of signal importance to the development of the United Kingdom's economy in what is happening at Wapping. I cannot guarantee a debate in the near future in Government time but, clearly, I shall keep this matter under consideration.

Large sums are already available to the chosen areas under existing Government programmes, but, in order to help the initiative get off the ground, the Government will be supplementing the sums with £8 million of additional money of which £3 million will be found from within my Department's existing provision and £5 million will be found from the Reserve.

The initiative will be led by a team of Ministers drawn from the Departments of Employment, Education and Science, Trade and Industry, Environment and the Home Office. My right hon. and noble Friend the Secretary of State for Employment will have overall responsibility for the co-ordination of the initiative. I shall have responsibility for its day-to-day management and supervision with the support of a small central unit. This inner cities initiative will complement and not replace existing Government programmes.

I hope that the House will welcome a bold experiment in concentrating all available efforts and resources in a joint way on the improvement of job expectations and the quality of life of the residents of those small inner city areas.

**Mr. John Prescott** (Kingston upon Hull, East): That is a mouse of a statement compared with the scale of the problem that our inner cities face. There is little new in the statement to encourage our employed inhabitants in our declining inner city areas. It is a measure in line with the policy of the Secretary of State for Employment to improve the Government's image on employment for which over £1 million is being given to an advertising agency. The measure is designed solely to counter the overwhelming impression held by 3.4 million unemployment claimants—the real level is nearer 5 million—that it is being used to improve the Government's image and to show that they are doing something about unemployment when people realise that they do not care a damn about mass unemployment.

The statement confirms the victory of the Secretary of State for Employment over the management of such programmes and the downgrading of the Secretary of State for the Environment who was in charge of the city action programme of which we have heard little. It is a game of musical chairs for which the only new resources are £5 million—a kind of transfer fee for the change of chairmanship.

I can at least welcome the fact that the statement recognises the problems of our inner city areas and the need to co-ordinate—why do we not call it planning?—and use public funds to create jobs. That is Labour's programme for returning our people to work.

Will the Minister confirm that those new resources, if we can call them that, of £5 million will not begin to replace the 28 per cent. cut in real terms since 1981 of inner city grants and the losses of rate support grant in the years that he mentioned in the statement which amount to almost £1.7 billion? Those are in addition to the cuts of 70 per cent. in the housing programmes. All that should be compared with the £5 million that he offers the unemployed in those areas.

Does the Minister accept that the statement implies that there is a connection between social disorders and race riots and the extraordinarily high rates of unemployment among the ethnic minorities in those areas? Will the policies advocated earlier in the year by the Home Office

—contract compliance and discrimination to provide more training places and jobs for the ethnic minorities in those areas—be pursued by the Government?

How many jobs are likely to be created by that new £5 million, and what criteria led the Minister to choose those areas? Does the Minister accept that his statement that the Government will work with local authorities will be seen as a major change in the Government's attitude, if they were to carry it out? The Government have done more to damage local democracy and reduce local democratic accountability than any other Government.

The statement says that the Minister intends to "persuade" local authorities. That is further proof that the statement is to do with a panicking central Government trying to improve their image when doing nothing to reduce unemployment levels created and deliberately maintained by Government policy?

**Mr. Clarke:** True to form, the hon. Member for Kingston upon Hull, East (Mr. Prescott) has gone straight into knock about politics and completely ignored the substance of the statement to which he is meant to be addressing himself.

The announcement that the Government have made today will be taken much more seriously in Peckham, Chapelton, Highfields and the other places that I named. The essential part that the hon. Gentleman has missed is that the new initiative will go alongside all the other initiatives, policies and expenditure of this Government in all their Departments. The urban programme administered by my right hon. Friend the Secretary of State for the Environment has trebled in money terms and doubled in real terms compared with expenditure when the Labour Government were in power. Spending on employment and training measures through the MSC has doubled since we have been in power. A great deal of that expenditure already goes into those inner city areas. We estimate, as best we can, that £670 million of central Government money goes into inner city areas on environmental, dereliction and employment measures alone.

Within those eight small areas, we shall see what better targeting and concentration of effort can produce. We shall get all the agencies of central Government, local government and the local private sector to work together to produce results.

The new money, in addition to at least £75 million going into those areas under central Government programmes, amounts to £8 million only. We are talking about small areas of cities—Peckham, Chapelton, Handsworth—with a total population in all of them of about 300,000. I have to tell the hon. Gentleman that £1 million in each of those areas over and above the central Government money already going in, which we are going to target more directly, will have a most significant effect. The hon. Gentleman was misled by the impetuous barracking of those behind him who misunderstood what I was saying. He was quite wrong to seize on that point and to stress it.

The hon. Gentleman talked about other matters, some of which have relevance to what we are talking about and others which do not. I do not think it helps in this area to draw the simplistic connection which he does between riots and employment. Indeed, it is an insult to the inhabitants of inner cities to believe that they react in criminal ways to the problems that they all face.

[Mr. Clarke]

The question of other ways in which we can improve in particular the position of ethnic minority youngsters who are at a disadvantage in the employment market was seriously considered by the Select Committee on Employment, to which I gave evidence yesterday. It is indeed true that there are various measures of positive action which can be taken to improve the job opportunities of those ethnic minorities. A large part of this initiative will be to try to build up black business skills and to give more management training and more opportunities for self-employment among ethnic minority communities. We intend to tackle the task much more seriously than the hon. Gentleman, who seems disposed to criticise it.

**Sir Brandon Rhys Williams** (Kensington): I reassure my right hon. and learned Friend that, in spite of the rather churlish reaction of the Opposition this afternoon, his statement will be extremely warmly welcomed by all of the many varied elements in the population in North Kensington. On a personal note I should like to say how glad I am that the increasingly urgent questions which I and other borough councillors have been pressing on Ministers, drawing attention to the special problems of Notting Hill, have borne fruit in this most imaginative response.

I wish to ask whether the implications of the new policy are that if prominent areas of derelict land or old structures in Kensington are likely to be dramatically changed, the borough council and bodies like the Kensington Society will be taken into full consultation and, indeed, whether the Member himself might also be consulted?

**Mr. Clarke:** We obviously hope to produce quite significant improvements in that part of the borough, represented by my hon. Friend, which is particularly deprived. A key part of our efforts is to involve as quickly as possible the local authority, the people who live in the deprived part of London which we are trying to help, Notting Hill, and certainly — most importantly — the Member of Parliament. As soon as we set up the task forces, we will get them on to the ground and in touch with the local people whom we are trying to benefit as rapidly as possible.

**Mr. Richard Wainwright** (Colne Valley): Will the Paymaster General accept the alliance's best wishes for the members of these eight small task forces, especially if they start by sparing hard-working voluntary workers in the inner cities their present interdepartmental paper chase, which is so frustrating to their work?

Can the Paymaster General explain to the House the conspicuous absence of any Treasury Minister from the managing team, bearing in mind that this downward spiral of deprivation is largely due to the application of false Treasury dogma which has now crumbled away under events? The modest sum of £8 million—or £5 million of new money—will very quickly need supplementing.

Lastly, why is there not one mention in the statement of housing accommodation or dwellings, since the right hon. and learned Gentleman knows very well that the inner cities desperately need more decent and appropriate housing?

**Mr. Clarke:** If we find evidence of interdepartmental paper chases, certainly that is one of the first things that

we shall have to eliminate. Most importantly, we shall bring together the efforts of all central Government Departments even more closely in the areas concerned, which I think will be of benefit to the residents in particular.

We are obviously not going into the whole business of housing allocation and housing policies in these small areas. However, it is certainly right that in all these areas there is a great need for further improvement in the environment, which includes improvement in living conditions. We wish to continue to improve the environmental setting in a way which benefits local people by providing additional employment, training and work experience for those who live there rather than just improving housing and the environment by employing contractors and people who live in other parts of the city.

**Several Hon. Members** *rose*—

**Mr. Speaker:** Order. I have to bear in mind that there is a further important statement after this and an important debate. I shall allow questions to continue until 4.45 pm, and then I think that we must move on.

**Mr. Jonathan Sayeed** (Bristol, East): Urban deprivation cannot be effectively tackled unless there is a cohesive inter-departmental approach. Is my right hon. and learned Friend aware that this statement will therefore be widely welcomed in Bristol in achieving a cohesive interdepartmental approach?

In carrying out these proposals, will my right hon. and learned Friend ensure that the teams encourage self build projects along the lines on which I have written to him in the past?

**Mr. Clarke:** I am grateful for what my hon. Friend says. I think that his first point is extremely valid and important. I am, of course, aware of the extremely successful self build project which has been organised in Bristol. I look forward to getting to know it more closely and to seeing whether the example of Bristol can be spread to some of the other cities which we are discussing today.

**Mr. Michael Foot** (Blaenau Gwent): If the right hon. and learned Gentleman wants to prove that his proposals are not derisory, will he tell us, in the case of each area affected, how much money has been withdrawn in rate support grant compared with the new money, as he calls it, which he now proposes to offer? Will he also take into account that some of us expected that at least there would be a major proposal for assisting the inner city areas, which would be a proper thing to greet with enthusiasm? What about those areas which have had chronic unemployment since 1979 and earlier persisting all through that period which have had money taken away from them? When are we going to have new money to compensate for the cuts in regional aid and the cuts which have greatly added to our unemployment problems and all the other dangers which go with it?

**Mr. Clarke:** It is certainly the case that a number of local authorities in this initiative, because of the totality of their expenditure on all their programmes covering the entire territory for which they are responsible, have overspent and incurred penalties. There have been many debates in the House because of that. I should have thought, therefore, that those authorities and those who live in the areas would welcome the fact that, in those parts of the authorities which are most particularly deprived,

there is now this opportunity to see what can be done, to get more of the central Government programmes co-ordinated with the local government programmes, to add the new money which I have announced and to tackle the problems of these small parts of the authorities concerned.

**Mr. Derek Spencer** (Leicester, South): Is my right hon. and learned Friend aware that, when he visits Highfields in my constituency tomorrow night he will not find the same corrosive pessimism which disfigures the Opposition Benches? He will find energy and optimism; he will find many businesses which have been built and are run and owned by Asians; he will find a large sector of owner-occupation; and he will find many effective youth training schemes and everybody anxious and willing to co-operate with him.

**Mr. Clarke:** I am grateful to my hon. Friend. I am particularly grateful for the fact that, as he knows, by coincidence, he has pressed me to visit the Highfields area of Leicester and to meet at least 200 Moslem inhabitants tomorrow evening. That promises to be an extremely good start. I am most encouraged to hear of the reception that he believes I shall get there.

**Mr. Stuart Bell** (Middlesbrough): We in Middlesbrough are not interested in bold experiments; we are looking for real job creation. There are 11,401 unemployed claimants in Middlesbrough, and the £8 million over eight areas will represent a very meagre morsel of the national cake. That having been said, this modest initiative will be supported by Middlesbrough district council and Cleveland county council.

The Minister has referred to private sector participation. Is what he proposes dependent upon private sector participation, or will that be additional to the £8 million?

**Mr. Clarke:** I am grateful to the hon. Gentleman, because I know that Middlesbrough suffers from some of the most acute problems of unemployment in the British Isles. Indeed, Middlesbrough has the highest rate of unemployment in Great Britain outside Northern Ireland. For that reason, we have already tried a large number of things in the area, including starting up job clubs in our Department, and the Cleveland initiative of my right hon. Friend the Secretary of State for the Environment, and we are now adding to that with this experiment in a small area in the north of Middlesbrough with a further £1 million or thereabouts, coupled with a co-ordination of all our efforts and agreed targets. I agree with the hon. Gentleman that it is important to get together as quickly as possible with the council so that we can agree on the objectives which local government and central Government wish particularly to pursue to see whether, by concentrating our efforts on the worst of these problems and starting with the combined effect of the programmes, we can produce some visible improvements.

**Mr. Michael Stern** (Bristol, North-West): I join my hon. Friend the Member for Bristol, East (Mr. Sayeed) in saying that the whole of Bristol will welcome the initiative. When my right hon. and learned Friend evaluates the experiment—he has described it as such—will he take into account the recent evidence from Bristol city council that deprivation of the sort that is commonly referred to as inner-city deprivation also occurs on outer-city housing estates, such as Southmead and Lawrence Weston in my constituency? Will he look beyond the traditional inner city?

**Mr. Clarke:** I am sure that my hon. Friend is right. A great deal of deprivation exists on outer-city housing estates around many English and Scottish cities. One must choose where to experiment with new initiatives of this sort. The eight areas that we have chosen are not the eight most deprived inner-city areas, but they have the most diverse individual features. They are a good selection of deprived areas on which to try out the new initiative.

**Mr. Robert Litherland** (Manchester, Central): Is the Minister aware that all those in the inner city of Manchester will see the initiative as a pathetic cosmetic exercise which will do nothing to resolve the problems and as merely papering over the cracks? When will the Minister provide the real finance and facilities for local authorities that the Government have stolen from them?

**Mr. Clarke:** It is possible to make a significant change in any area the size of Moss Side through existing central Government programmes, plus the additional money that I have announced, if we have the good will of those involved in the locality. I trust that on reflection the hon. Gentleman and his council will discuss with us how best to apply these funds.

**Mr. Richard Holt** (Langbaugh): Will my right hon. and learned Friend accept that I join the hon. Member for Middlesbrough (Mr. Bell) in saying that we shall work together with the district council, although I am banned from it, for the sake of the people of central Middlesbrough whom we both represent? I find £8 million a small sum. Over what period will it be spent? Would not my right hon. and learned Friend have done a better job if, instead of setting up a huge bureaucratic machine, he had found an ex-ICI director, given him £1 million and told him to get on with it?

**Mr. Clarke:** We are talking about the next financial year. The money, together with existing central Government programmes, will be best expended if we have the co-operation which appears to be forthcoming from Middlesbrough and Cleveland. Private sector participation is important, but my announcement is in no way conditional on private sector involvement. We shall seek to identify as quickly as possible local private sector interests which will be willing to participate and add their efforts. Given the good will in the north-east, we shall not have too much difficulty in finding suitable people to do something about the endemic problems of central and north Middlesbrough.

**Mr. Ron Leighton** (Newham, North-East): Is the Paymaster General aware that he demeans himself and his Department by making that derisory non-announcement, which is an insult to the House? Is he aware that the Government's chief contribution would be to restore the cuts in the urban programme and to give partnership status to the London borough of Newham, which would be worth £10 million, which is more than the total of £8 million? Is he aware that the Select Committee will investigate the employment aspect of these matters, and that we shall visit some provincial centres, including Liverpool this weekend? Does he think that that is constructive? Will he undertake to consider the Select Committee's comments? Will he denounce and rubbish the report when it is produced before he has even thought about it?

**Mr. Clarke:** I am sure that it is possible to make bids for various areas, and to say that they would benefit more

[Mr. Clarke]

from another initiative than the eight selected areas, but that is not a fruitful approach. We intend to see how we can change the position in those eight areas, which we have chosen precisely because of the diverse nature of their problems. As I told the hon. Gentleman yesterday, I welcome the fact that the Select Committee will visit deprived parts of our cities and make recommendations on the position of ethnic minorities in the labour market. I certainly undertake to consider its proposals with care.

I do not accept the hon. Gentleman's final strictures. The public and the House would have found it extraordinary if a Minister charged with responsibility for employment who is particularly concerned about the problems of the long-term unemployed, as my right hon. and noble Friend the Secretary of State and I have been during the past six months, could not have given a view yesterday about the proposition that £3.5 billion of public spending could somehow solve the problem. My views were restrained, but perfectly fair in the circumstances.

**Mr. David Ashby** (Leicestershire, North-West): Does my right hon. and learned Friend agree that the teams' emphasis must be on action and decision, and that Left-wing councils which often dominate deprived inner city areas should not be allowed to lessen the teams' impact, because inaction has often produced the present unhappy results? Does he further agree that that the way to deal with inner cities is to give the teams some clout to form something like the docklands board?

**Mr. Clarke:** I entirely agree with my hon. Friend that what we do, the action we agree upon, and how quickly we can apply ourselves to targeting all our efforts on the biggest problems regarding the environment and work opportunities, matter most, especially to those who live in those districts, whom we should have in mind. That is what we intend to do. The docklands development corporation and the docklands board in Liverpool are outstanding examples of the success that can be achieved in restoring and bringing new life to run-down areas. The docklands development corporation was particularly concerned with redeveloping a large area of derelict land, and with bringing it into fresh and productive use. Today we are talking about inner city areas, where there is not the same area of land to be developed, and about how we can target our efforts on fairly concentrated numbers of people.

Finally, I agree that the people who live in those areas will be interested in discussions about action, programmes and what we shall do, and will be dismayed by the knockabout knee-jerk reaction from the more Left-wing Opposition Members. I hope that we shall get that out of our systems today, so that, when we meet the people on the ground and the councils, they will be altogether more constructive.

**Mr. Jeff Rooker** (Birmingham, Perry Barr): Is the Minister aware that £5 million will do nicely for three of four acres of the Handsworth Lozells area of Birmingham, but at £15 a head it is not up to the task? So far as my constituents and I are aware, the contribution so far from the city action team is a big fat zero. If the Paymaster General is taking day-to-day charge of the matter, will he for once involve the elected Members of Parliament who represent the areas? While he also relies on the local

authorities, will he ensure that he is not misled by many of the self-appointed windbags who maraud our inner cities as so-called community leaders and who have vested interests in ensuring that solutions are not forthcoming?

I offer the Paymaster General one piece of advice and a warning. My advice is that he and his Ministers, not civil servants, would do well to spend some time listening to what general practitioners who work in Handsworth Lozells have to say about their patients. My warning is that my constituents, whether old, young, black or white will not tolerate any more activity and resources, however meagre, unless they carry out the work. They are not prepared to continue to see busloads of outsiders coming to do work that they can do themselves.

**Mr. Clarke:** I agree with just about every point made by the hon. Member for Birmingham, Perry Barr (Mr. Rooker), despite the vehemence with which he has made them. I also think that most of the advice that he gave to me is well worth heeding. At present £7 million is being spent in Handsworth under the urban programme. My right hon. Friend the Secretary of State for the Environment has been closely involved in it. The Government intend to complement, not replace, this programme. We hope to work closely with the council, with the elected Member and with the responsible leaders of the local community. We shall listen most carefully to the population and those who know the population well. The general practitioners, cited by the hon. Member for Perry Barr, are an excellent example. I shall seek to follow his guidance and visit the part of Birmingham which he represents. I hope we shall achieve success with the scheme.

**Several Hon. Members rose—**

**Mr. Speaker:** Order. May I appeal for short questions, please.

**Mr. Peter Thurnham** (Bolton North-East): I welcome my right hon. and learned Friend's initiative, but will he say more about the role of the private sector? Does he accept that Opposition Members forget that the private sector can add substantially to the sums that are available?

**Mr. Clarke:** We shall seek to identify as quickly as possible some private sector partners and try to get partners in local industry to give us some assistance. One problem which we will find in many of these areas is that there is not a great deal of local private sector activity to give business training, provide the self-employment opportunities, and so on, that are required. We will also have to persuade some of the employers whose premises are in the outer city areas to recruit more actively from the inner city. We shall be seeking to do all that.

**Mr. Frank Field** (Birkenhead): I thank the Paymaster General for explaining why the Department of the Environment did not fight too hard to sponsor this programme. The question we face is unemployment. Can he tell us specifically how many new jobs will be created?

**Mr. Clarke:** The Department of the Environment is closely involved in this programme. I have to tell the hon. Gentleman that rumours that anybody was fighting to sponsor this programme are greatly exaggerated. For those who are intrigued to know why the Department of Employment is in the lead, the best explanation is that we have two members in the Cabinet whilst other

Departments have one. These initiatives cover all areas of Government activity, and all Departments will be committed to them.

**Mr. Peter Bruinvels** (Leicester, East): As the representative of the Charnwood area of Highfields, I welcome what my right hon. and learned Friend has announced today. The people of Leicester have felt forgotten under successive Labour Governments which had, but wasted, the opportunity to give sums of money to the inner cities. Is it not ironic that some of the people of Leicester still vote for the Labour party which does not want to give them any money today?

**Mr. Clarke:** I agree with my hon. Friend. I know Leicester and I know the Highfields area reasonably well. The area is not as well known to the general public as it might be compared with other slightly more fashionable areas. I agree that it is Leicester's turn, and I hope we will achieve something in that city.

**Mr. Merlyn Rees** (Morley and Leeds, South): I understand that Chapeltown in Leeds is in the constituency of the Secretary of State for Education and Science. Will the Paymaster General ask his right hon. Friend whether it would be better to supply more money for schools, housing and jobs? That is what is needed in Chapeltown. As desirable as this programme may be in a small way, it will not touch the problem.

**Mr. Clarke:** My hon. Friend the Minister of State, Department of Education and Science, will be a member of the team of Ministers directing efforts in Chapeltown and elsewhere. I agree that, in all those areas, one has to look at the combination of problems from which they suffer. We are not redirecting efforts from any other area. This initiative will supplement all the other considerable efforts that we are making in the inner cities.

**Mr. Andrew Rowe** (Mid-Kent): Is my right hon. and learned Friend aware that over the past 10 years the consistent experience of the Small Business Bureau has been that the two great problems for small business have been training in management skills and access to capital? Will my right hon. and learned Friend make sure that the problems, which are even worse for the ethnic minorities, are tackled with vigour? Will he perhaps make use of the loan guarantee schemes to reassure the banks, which seem incredibly reluctant to lend to would-be entrepreneurs from the ethnic minorities?

**Mr. Clarke:** We already have the Home Office black business initiatives. We have recently set up three enterprise agencies in areas with high concentrations of ethnic minorities to create business opportunities there. My hon. Friend the Parliamentary Under-Secretary of State for Employment has written to the banks to draw their attention to what we are trying to do. I shall certainly take on board the well-judged points of my hon. Friend in our efforts in these eight areas.

**Mr. David Clelland** (Tyne Bridge): Does the right hon. and learned Gentleman really believe that the initiative that he has announced today will be of any great benefit to the areas mentioned? Can he explain why the inner city areas of Newcastle and Gateshead are not on his list? Does it mean that we are in some way being penalised or neglected? Can the right hon. and learned Gentleman tell me how the latest Government initiative in my constituency, the city action teams—CATS as they are

affectionately known—has improved the city since they came to the area? Is he aware that what we need in the inner city is not CATS but MICE—more inner city expenditure?

**Mr. Clarke:** None of the proposals that I have announced today is in any way at the expense of other parts of the country. It is a new initiative with additional resources for the eight small areas I have named. The city action teams will continue. They cover much larger areas, and they have achieved a great deal of success in co-ordinating the activities of central Government Departments across those areas. The team in Newcastle has been one of the most successful of the seven city action teams that we have. It does not help at all to seek to denigrate that team because we have chosen Middlesbrough, not Newcastle, for this initiative.

**Mr. Geoff Lawler** (Bradford, North): I congratulate my right hon. and learned Friend on his initiative. Can he explain why Bradford was originally on the short list but is not included in the statement today? There are authorities in the statement that have contributed, through their own council policy, to the economic decline from which they now suffer. Bradford has a long record of responsible government and constructive use of Government money.

**Mr. Clarke:** There are always invidious problems when choices have to be made. Our selection of Chapeltown in Leeds does not mean that we minimise the problems of Bradford. If one is trying out a new initiative of this kind, one makes the best progress if one forces oneself to make a selection of eight areas and tackles the problems on a manageable scale. Of course, we shall see how successful it is and consider the lessons for other areas.

**Mr. Stuart Holland** (Vauxhall): Is the Paymaster General prepared to admit that the paltry sums that he has offered must be less than what he first asked for from the Treasury? Would he care to say what those initial sums were and by how much he had to divide to arrive at the sum he has now offered?

Secondly, on mixed ventures between the public and the private sectors, is he aware that the Greater London Enterprise Board has created jobs for one tenth of the cost of the London Docklands Development Board. The sum involved is £1 million. If the scheme succeeds, will he offer each and every other similarly deprived ward in the country £1 million, including those in Lambeth?

**Mr. Clarke:** The last part of the question is somewhat inconsistent with the first. The sum of money which is directed to such small areas is significant when one looks at the total population. It is no good getting up and airily waving that aside. I have heard these claims for the Greater London Enterprise Board before, but I find that they are not substantiated. I believe that that enterprise board has a patchy record in making any real contribution to the economy of London.

**Mr. Tony Marlow** (Northampton, North): One of the reasons why this statement is especially welcome on this side of the House is that we are all aware of the vast sums of money that have been spent already in some of these areas. Much of that money has been subsequently wasted. My right hon. and learned Friend is helping with the targeting of that money so that it is properly spent.

[Mr. Tony Marlow]

Will my right hon. and learned Friend and his colleagues address themselves to one of the worst problems—law and order. Will he look into the legacy of Lord Scarman which we discovered from the press today was responsible for two rapes and one murder in Brixton last summer?

**Mr. Clarke:** My hon. Friend has put his finger on one important matter that we are seeking to implement in this initiative. We will seek to target more effectively the large sums of money already expended in these areas. I shall draw my hon. Friend's second point to the attention of my right hon. Friend the Secretary of State for the Home Department — —[HON. MEMBERS: "Condemn it."] I believe my right hon. Friend the Secretary of State for the Home Department would defend the practices and experience of the police in the inner city areas. I do not think it is right for my hon. Friend to make a rather sweeping attack on the efforts and achievements of the police.

**Mr. Eric Heffer** (Liverpool, Walton): Is the right hon. and learned Gentleman aware that I am from an area where there is a task force. The proposals that the right hon. and learned Gentleman has put forward today on behalf of the Government will be regarded by my constituents as a sick joke. The right hon. and learned Gentleman must be aware that, despite the cosmetic activities of a task force, there has been no real creation of jobs in the area. Liverpool 8 has one of the highest levels of unemployment in the country. The constituency which covers Liverpool 8 is at the top of the league in unemployment. Is it not clear that the time has come for the Government to get down to the task of creating employment in those areas, and not to come forward with this ridiculous load of nonsense this afternoon?

**Mr. Clarke:** Merseyside has an urban development corporation working in the south docks, it had a garden festival and it has the Merseyside task force spending £21 million on Merseyside. Like most Ministers in this Government, I have visited it frequently. I would not minimise the grave problems in and around Merseyside, but I ask the hon. Gentleman not to have a blinkered view. If he ever has an opportunity to visit Middlesbrough, Highfields, Handsworth, Peckham or Notting Hill, he will find grave problems there as well. We are justified in trying out initiatives in those areas.

**Mr. John Cartwright** (Woolwich): Is the Paymaster General aware that his statement is long on good intentions but woefully short on financial commitment? Although it is right to use scarce public resources as a lever to attract more private investment, how are the task forces to avoid the mistakes of previous programmes which have merely created well-paid jobs for people commuting into the inner cities and precious few job opportunities for people who live in the inner-cities?

**Mr. Clarke:** The hon. Gentleman can assert that there is a lack of resources, but I have already said that £670 million-worth of Government money already goes to inner cities. We are talking about how to add to that. I believe that we have had an effect.

The hon. Gentleman's latter point was deeply relevant. It is no good having an inner city programme which spends

money on buildings in the inner city if the employment generated is generated for building workers from the suburbs and further afield. Our main focus will be on benefiting residents — the people who live in the deprived areas—and seeing what we can do to improve their environment and job prospects.

**Mr. Tony Lloyd** (Stretford): If £1 million is a significant sum for my constituents in Moss Side, how much more significant are the millions of pounds that have been withdrawn from Moss Side as a result of the withdrawal of grants from the city of Manchester?

**Mr. Clarke:** Manchester council has got itself into penalty as a result of overspending on the totality of its programmes throughout the city. If the hon. Gentleman claims that that has caused difficulties in Moss Side, I should have thought that he would have welcomed our coming into Moss Side seeking his agreement and that of the local authority to target Government programmes better and to add money.

**Mr. Laurie Pavitt** (Brent, South): Why did the Government choose Notting Hill instead of the adjacent area of Kensal Rise and Harlesden, where inner city problems are more acute, as the Minister's colleague, the hon. Member for Ealing, Acton (Sir G. Young) knows? The housing problem is more acute there than in any other London borough and the concentration of ethnic minorities is higher than anywhere else in London. Was Notting Hill chosen because the right hon. and learned Gentleman wanted to help the borough and the Member of Parliament? Has my area been penalised because its Member of Parliament comes from this side of the House?

**Mr. Clarke:** The hon. Gentleman cannot assert that. If he looks at the list of Members of Parliament whose constituencies are affected by the proposals, he will find, not surprisingly, that far more of them come from his side of the House than mine. I assure the hon. Member that we selected the areas first and only then discovered the Members of Parliament we would have to approach and work with. I can understand his disappointment on the part of Kensal Green. We had to make a choice. I concede that he is probably on sounder ground wishing that we had included Kensal Green than following the line of some of his hon. Friends, including some who will benefit, who try to pretend that the scheme is of no earthly use in Moss Side.

**Mr. Speaker:** I call Mr. Secretary Channon to make a statement.

**Several Hon. Members** *rose*—

**Mr. Speaker:** Order. I think that I can almost anticipate the points of order. I have already allowed the statement to run on nearly 10 minutes more than I originally planned because I fully understand its importance. However, with the best will in the world, I cannot get everybody in on every statement. I will follow my usual pattern and ensure that those hon. Members who were not called today will get preference on another day.

**Mr. Max Madden** (Bradford, West): On a point of order, Mr. Speaker.

**Mr. Speaker:** I hope that the hon. Member is not challenging what I have just said.

**Mr. Madden:** Not in any way, Mr. Speaker. Does not this situation illustrate vividly the difficulties that you are

put in by the Secretary of State for Employment being a member of the House of Lords and therefore utterly unaccountable to the House and to hon. Members whose areas will not get one penny out of this meagre announcement? We are unable to ask why we have been left off the list. It is an outrage—

**Mr. Speaker:** Order. The hon. Gentleman knows that that is not a matter for me. The Paymaster General is, after all, a member of the Cabinet.

## British Leyland

4.55 pm

**The Secretary of State for Trade and Industry (Mr. Paul Channon):** Yesterday, I informed the House that talks were at an advanced stage on the proposal for a merger between Land Rover—Leyland and the Bedford Commercial Vehicle subsidiary of General Motors. It is the Government's intention that, subject to satisfactory terms and conditions, and the receipt of firm undertakings from GM on its manufacturing and sourcing intentions, these negotiations should be brought to an early and successful conclusion.

I also confirmed that, following an approach by the Ford Motor Company, wide-ranging but, at this stage, exploratory discussions with the Austin Rover Group were in progress which might lead to a proposal for the merging of those businesses. I wish to inform the House at the earliest opportunity of the most recent developments affecting these discussions, in particular as regards Austin Rover.

The Government would have preferred to have waited until the exploratory talks had clarified the difficulties and opportunities a merger might have created and then taken a decision in principle, on the basis of a considered analysis, whether to pursue the possibility further. Speculation surrounding these exploratory talks has itself given rise to very great public concern and uncertainty. If that were to continue for an extended period, it could have seriously damaged the prospects for Austin Rover's business, its employees, its suppliers and its dealers. Nor would such a period of uncertainty have been helpful to many people associated in comparable ways with Ford's business in this country. Concern about these developments was expressed very clearly on both sides of the House in yesterday's debate. The Government have given full and immediate consideration to the situation so created. We have decided that the right way to end the uncertainty is to make it clear that the possibility of the sale of Austin Rover to Ford will not be pursued.

It is the Government's intention, with the agreement of the BL board, that negotiations should be pursued for the separate privatisation of Unipart by the early placement of shares with United Kingdom institutions.

Collaborative arrangements in the motor industry will become increasingly necessary and important. Austin Rover Group's successful relationship with Honda is an example of that. I hope that Ford and Austin Rover will also consider positively other opportunities for collaboration. I should like to pay tribute to Ford's contribution to the British economy through research and development, manufacturing and employment.

I hope that the Government's decision and the ending of uncertainty will leave Austin Rover free to devote its efforts to the further development and growth of its volume car business, building on creditable progress which has already been achieved.

**Mr. John Smith (Monklands, East):** Can the Secretary of State explain why he has managed to attract some members of the Cabinet to sit beside him today although he was signally left on his own with his unfortunate task yesterday?

As for the proposals for Land Rover-Leyland vehicles and Bedford, can the Secretary of State tell us what is the