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## PRIME MINISTER

## INNER CITIES INITIATIVE

Prime Minister 2

To note that the  
 8 task forces have begun  
 their work. This minute adds  
 no new information.

DSF  
 7/4.

1 At the last meeting of MISC 104 on 30 January David Young and I were asked to report back to the Group by the end of March on the action that had been taken to establish pilot schemes in the eight inner city areas that have been chosen. A further report is to be made by the end of July on the impact of the initial launch.

2 Immediately following that meeting we agreed with colleagues both the terms of the statement announcing the Initiative and, following discussion with the Chief Secretary, the amount of new money to be made available for 1986/87 (£5 million from the Reserve plus £3 million from existing DE provision).

3 Statements were made in both Houses on 6 February. Since then urgent action has been taken to set up local task forces and a Central Unit based in this Department. Principals have now been appointed to lead the teams in all eight areas. They have been drawn from the Departments of Trade and Industry, Environment and Employment, and from the Manpower Services Commission, while the Central Unit includes staff from the Home Office and Environment as well as from Employment. Co-ordination and control of the exercise is being carried out by an informal group of Ministers under my chairmanship. Those involved are: David Waddington (Home Office), Chris Patten (Education and Science), Sir George Young (Environment) and John Butcher (Trade and Industry). Our next organisational task is to recruit private

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sector members of the Task Forces and persuade local industries and chambers of commerce to support our efforts. I am also ensuring that all the Task Forces are accommodated in visible and accessible premises within the actual areas concerned.

4 In the last few weeks I have made visits to all eight areas, at least once in each case and to some twice, to make first contact with Local Authorities, voluntary groups, community leaders and employers and to form first impressions both of what needs to be done and of the scope for better co-ordination and targeting of programmes.

5 These areas are markedly different one from another. It is a great over-simplification to talk of a national "Inner City" problem when the specific problems of the people in these different districts vary so greatly. I am already clear that we shall need to adopt and experiment with a wide variety of different approaches to suit particular circumstances in each place. The other Ministers involved with me in this exercise are also visiting the areas on a regular basis and we are now assessing, with the Task Force leaders, what main ideas and plans for action should be pursued.

6 There are some clear signs that the money that is already being spent in these areas is not being as directly helpful to the people who live there as we would wish. One example of this is to be found in Urban Programme Projects under which Local Authority contractors typically bring in workers from the suburbs and elsewhere to carry out the work rather than the jobs going to unemployed residents. This causes great resentment in some areas and greatly reduces the impact of these large sums of public spending on the real problems of the communities concerned. I am therefore

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considering with Kenneth Baker and George Young what more can be done, whether by contractual or other means, to ensure that greater economic and employment benefits can be brought to the inhabitants of these areas through the use of these environmental resources.

7 There is a wide variation in the attitude and competence of the local authorities concerned which does not always reflect their political control. Some, such as Birmingham, are pragmatic and are already actively involved in a great deal of worthwhile activity alongside Central Government. Others, most notably Southwark, are hostile and politically extreme to the extent of failing to cooperate with most Government programmes. This is reflected not only in the Urban Programme which still tends to be too much directed by the local authority in most places but also in the sparse provision of MSC programmes such as YTS and the Community Programme. We are endeavouring to co-operate with every authority and will act in partnership with them wherever possible but in some areas we will need to look particularly hard for other agencies and private sector bodies to provide the local delivery we require.

8 We have found a number of useful agencies who seem likely to be of value to us. Project Fullemploy is operating very successfully in a number of areas giving business and skills training to ethnic minority youngsters. It has a very strong management team with substantial private sector backing. We are offering it increased support which will help consolidate its central organisation and which, together with additional private sponsorship should enable it to expand its efforts in partnership with us in our task forces areas. An Enterprise Agency known as Black Business in Birmingham is off the ground in there and we are considering ways of

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strengthening it including the possible secondment of a black American businessman by a merchant bank. We will need to search for more reliable organisations of this kind in every area whose problems we are tackling.

9 We are beginning to establish contact with major local employers in order to discuss their problems of recruiting and training in these districts of the cities concerned. I believe that some important firms will respond by enabling us to offer more job opportunities to people in these districts who are willing ~~to~~ and capable of taking them up.

10 My Ministerial colleagues on the informal group and I have attracted a great deal of local publicity to the initiative in the cities concerned and have begun to make the local population familiar with our work. I do not propose to rush into seeking a more substantial national exposure of our efforts until we have more visible progress on the ground.

11 I shall be in a better position to report more fully on the progress we are making as well as on the reactions to and impact of the Initiative generally when the Group meets again before the Summer Recess. Meanwhile I am grateful to all my colleagues for the help they are giving in creating the close cooperation across Government which is going to be required for success.

12 I am sending copies of this minute to members of MISC 104, members of the Ministerial Group on this Initiative and to Sir Robert Armstrong.

*Li*

KC

27 March 1986



MISC 104

Ld Pres.

HS

S/Educ

S/HSS

CDL

S/Tsp.

S/Emp.

S/Env.

CS, HMT

S/TI

Min Grp

David Waddington

John Butcher

Chris Patten

Ian Lang

Sir G. Young



bc BG

10 DOWNING STREET

*From the Private Secretary*

10 April 1986

INNER CITIES INITIATIVE

The Prime Minister was grateful for your Secretary of State's minute of 27 March reporting the progress which has been made in establishing inner city pilot schemes.

I am copying this letter to the Private Secretaries to members of MISC 104 and members of the Ministerial Group on this Initiative and to Michael Stark.

David Norgrove

Jacob Franklin Esq  
Paymaster General's Office.

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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  
 SW1

8 April 1986

Dear Ken,

**INNER CITIES INITIATIVE**

Thank you for sending me a copy of your minute of 27 March to the Prime Minister.

I am glad that good progress is being made. I think it important, however, that work should proceed quickly on deciding how we are going to evaluate the success of the initiative. This is all the more important, because the initiative is an experiment.

You have already agreed in principle that an official working group should be set up to examine this. I suggest that it should be asked to report back to us by the end of June at the latest.

I am copying this letter to members of MISC 104, members of your Ministerial Group and to Sir Robert Armstrong.

*In cc,*  
*JH*

JOHN MacGREGOR

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CCB



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The Rt Hon John MacGregor MP  
 Chief Secretary  
 HM Treasury  
 Great George Street  
 London  
 SW1

16 April 1986

NBP

Dear John,

**INNER CITIES INITIATIVE.**

Thank you for your letter of 8 April.

I agree with you that we need to be as clear as we can be about the ways in which this Initiative should be judged. You will appreciate, I am sure, that we have had to give priority to recruiting and establishing Task Forces in each of the eight areas. Now that this initial work has been done the Central Unit will be able to turn its attention to the question of evaluation and discussions with officials in the relevant Departments, including the Treasury, are being arranged.

Since there is to be a further report to MISC 104 on the Initiative generally and on the impact of its launch by the end of July I suggest we ask officials to report to us on evaluation at the same time. We shall then be in a position to take stock of the Initiative in the round and consider the best approach to be adopted towards its evaluation.

I am sending copies of this letter the recipients of yours.

KENNETH CLARKE

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REGIONAL POLICY: Inner cities: RES

