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P 02185

PRIME MINISTER

PROGRESS WITH INNER CITIES INITIATIVES
[E(A)(86) 35 and Minute from the Home Secretary
of 17 June]

MAIN ISSUES AND OBJECTIVES

1. The purpose of this item of the agenda is twofold: first to assess progress on the various recent Government initiatives in selected inner city areas against the worrying background outlined in the Home Secretary's minute; and second to provide a context for considering the proposal for further urban development corporations (UDCs) under the second item on the agenda. No decisions are required now but you will wish to satisfy yourself

i. that the inner city initiatives are on the right track and progress is as expected;

ii. that there is a clear and coherent Government line on inner city policy which can be effectively presented if there is any recurrence of last year's disturbances later in the summer.

BACKGROUND

2. In his minute to you of 17 June the Home Secretary reported that there had been no significant improvement in the situation in inner city areas since last autumn; underlying tensions remained just below the surface and were shown in frequent attacks on the police, resistance to law enforcement action and general anti-police hostility. He painted a disturbing picture of the street culture of drugs, crime, violence and hostility to

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authority among unemployed young people - particularly but not exclusively Afro-Caribbean - and reported the steps that police forces were taking both to improve their preparedness for any trouble and to prevent it by building good relations with the local community. His conclusion was that the police could not cope on their own; they needed the support and assistance of local people and other agencies. It was also necessary to prevent the pool of disaffected youth in these areas being constantly replenished. Presentation of Government policy in this area needed to stress both the positive action being taken and that any disorder would be met with a firm and resolute response. Following the Home Secretary's minute, you asked for an account of steps taken to improve the underlying situation in the inner cities and for advice on whether there were any other steps which ought to be taken.

POLICY INITIATIVES

3. The Paymaster General's paper (E(A)(86) 35) responds to this remit. It reports progress on the two main initiatives that have been carried forward: the Inner City Initiative (ICI) and the City Action Teams (CATS).

Inner City Initiative

3. The ICI was set up in February with a budget of £8 million following discussion in your Group on Urban Policy (MISC 104). Task forces have been established in 8 areas. Its aim is to foster enterprise especially amongst the ethnic minorities with the objective of reducing the very high youth unemployment in the selected areas. As such it is directed very specifically against the disaffected street culture described by the Home Secretary. Since February the task forces have established themselves in sometimes hostile environments, examined the situation on the ground and begun to develop plans and proposals.

4. There are four main areas of activity to date.

(i) Encouraging the employment of local labour. Under the urban programme substantial sums are expended on inner city regeneration and refurbishment but there is resentment when the jobs that result are taken by commuters rather than locals. There is a delicate balance here between awarding contracts on strict commercial grounds and encouraging local employment. The Paymaster General seems to be striking the right balance by avoiding any question of formal contract compliance while encouraging firm tendering for contracts to employ local labour.

(ii) Black businesses. An important part of the initiative is to encourage small black businesses. Support is already being given to the Black Business in Birmingham Initiative. Plans are being made to encourage similar initiatives in other task force areas and to encourage black and Asian participation in MSC programmes, especially the Enterprise Allowance Scheme.

(iii) More general activity. The main areas of activity are attempts to persuade the banks and insurance companies to help small businesses. Insurance of premises and stock in run-down city areas is a particular problem for small businesses.

(iv) Building up local capacity. The task forces are drawing here on experience in the United States of the key importance of getting good people and good organisation on the ground in these places to get things done.

5. The Paymaster General stresses that there are no quick and easy answers and results will only emerge slowly. This is very much the experience of similar initiatives in the United States. But the Initiative seems to be bedding down well and there seems no reason to question the Paymaster General's conclusion that it would be premature to introduce further measures in this area at present (except the proposal for UDCs, which he strongly supports

as being complementary). He proposes to carry out a more in-depth review in the autumn with the assistance of PA Cambridge Economic Consultants and, unless the Committee have any fresh suggestions, you will want to ask him to report the outcome of this as soon as it is available.

City Action Teams

6. The second leg of recent initiatives is CATS. These were set up in April 1985 following discussion in your Group on Urban Policy and report to the Employment Secretary. Their prime function is to see that Government activity in designated inner city areas is effectively co-ordinated and promoted and that money spent is targetted in the right areas, particularly the encouragement of enterprise. It is not easy to judge whether real progress has been made. Some local authority resistance has been worn down and useful contacts have been made. But much still needs to be done on forging better links with the private sector; despite the teams' efforts this is still patchy to date. It is probably too early to call the results into question, but you may like to ask the Paymaster General and Employment Secretary whether they have any ideas on how swifter progress might be made within the existing broad terms of reference.

HANDLING

7. You will want to establish whether the sub-committee is satisfied that the initiatives are on the right course. You will want to invite the Paymaster General to introduce his paper. You may then want to invite the Home Secretary to comment from the point of view of his concern at the public order problem presented by disaffected youth. The Environment Secretary, the Education Secretary the Industry Secretary and the Welsh Secretary will have comments from their departmental viewpoints. The Chancellor of the Exchequer and the Chief Secretary may wish to emphasise the importance of proper evaluation of the activities effectiveness and value for money. Clearly the review

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proposed in the autumn will be important here; the employment of the consultancy team to assist in this evaluation was agreed with the Treasury. You will also wish to establish that the positive measures the Government is taking in this area are presented effectively. The Chancellor of the Duchy and the Home Secretary may have particular points to make in this area.



J B UNWIN

18 July 1986
Cabinet Office



PRIME MINISTER

URBAN INITIATIVES

(1) Inner City Initiatives

Sadly, Kenneth Clarke's paper has little to report. Fostering enterprise sounds marvellous but the jewel here "Project fullemploy" antedates the inner city initiative by two years.

Contracting to use local labour is hardly very new. We are very sceptical that High Street Banks will be little use without major arm twisting or "incentives". Young black businessmen we have interviewed universally received the "cold shoulder". The insurance problem can be overstated because so many black businesses are service orientated where insurance is unnecessary such as hairdressing but for new manufacturers we might help towards their first insurance? The enterprise allowance has a capital threshold of £1000 which is too high for many.

What is most urgently needed is more support for fullemploy. Its objective of training long term unemployed who have the germ of an idea is inspiring. For example we met a young black woman who had been unemployed for two years and was given a twelve week Full Employ training: four months later she was already employing three others in office cleaning. Similar stories are reported by many others.

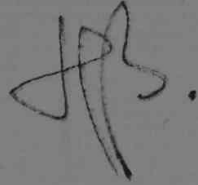
If the 8 initiatives are to continue they need to be led by businessmen not civil service principals. You might press for progress.

(2) CATs

Kenneth Clarke admits progress cannot be spectacular or speedy. We remain gloomy that CAT's will be wrecked on the

*Equipment
Principals*

intransigence and political in-fighting by local authorities such as Manchester. Has the Paymaster General any proposal to break the stranglehold of these authorities?



HARTLEY BOOTH

18 July 1986

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SPORTING DIARY

Simon Barnes

Village Hammonds

The tactic of depriving English sporting leaders of their best player and then putting them on trial for their jobs has been having mixed results this week. Bobby Robson, out in Mexico, is not complaining, but David Gower might consider doing so, were he the complaining type.

Meanwhile his best player, Ian Botham, is preparing for a match against Dennis "there's nothing like a cold tinny after beating the Poms" Lillee. The great fast bowler will play for an international eleven, captained by Rodney Marsh - the man who holds the all-Australian record for the number of tinnies drunk between Sydney and London. They will play against the Gloucestershire village side of Frocester, near Stroud, on July 23.

However, Frocester's record of bringing in ringers makes that of my own team, the mighty Tewin Irregulars, pale into insignificance: their team will contain not only Botham, but Norman Gifford, Bill Athey, Alvin Kallicharran, John Shepherd and Basil D'Oliveira.

Knock, knock

Gower, like Marsh, also has record-setting potential - not in the sphere of tinnies but in the speed of light at which he does the

A four-point plan for the cities

by HRH the Prince of Wales

The crucial issue today is how to give people more pride in their environment, involvement in their housing and more control over their lives, all this leading to increased confidence and hope, a development of new organizational skills and a consequent flourishing of new enterprise. We are talking about the regeneration of thousands of local communities, and this is the really essential point about the whole thing. How can we achieve such an aim while ensuring that it isn't just pie in the sky?

Reviving urban areas means creating self-sustaining communities. That requires carefully integrated action on a number of fronts. In particular four important changes are required:

First, those involved in assisting community initiatives really must try and stop feuding and recognize that a multiple approach is called for.

Second, sufficient resources must be made available to help people turn their ideas into viable schemes. This requires managerial and financial as well as building skills and there is now un-

doubtedly a lot of experience to call on which may perhaps justify training courses for social entrepreneurs and increased support for technical aid centres.

Third, we need to find ways if we can of channelling private resources into the rundown areas without displacing the existing community. There is a need as well to release the large amount of under utilised derelict or surplus land for regenerative projects. A lot of people don't realize - I certainly didn't - just how much under utilised surplus land there is in the London area for instance. Something in the region of 100,000 acres of land is registered with the Department of the Environment as surplus to requirements in the 32 London boroughs. If released, that could, I would have thought, help to start all sorts of new schemes, both commercial and housing.

Finally, public agencies should turn from being either negative or doing everything themselves to act as enablers and facilitators. So initiatives, to be

successful, will invariably be a partnership between the many interests involved: professionals or experts who help to work up a feasible proposal, the local authority that provides pump-priming finance and encouragement, the landowner who makes the property available on favourable terms, perhaps on a licence initially, and sources of finance including banks, building societies and, in a few cases, insurance companies.

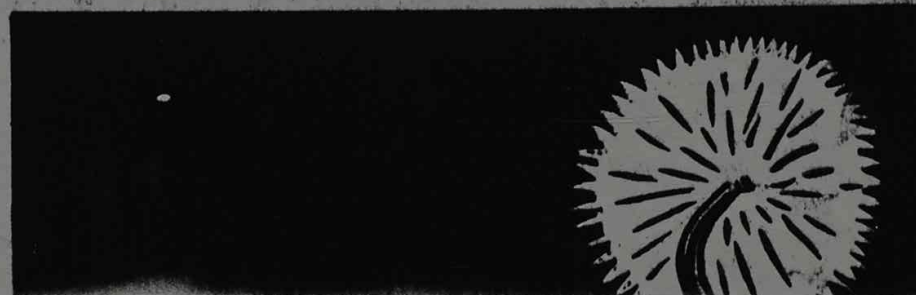
The fundamental point to stress is the urgent need for partnership between the public and private sector, between local politicians, community groups and non-public sources of finance. To restore hope we must have a vision and a source of inspiration. We must sink our differences and cut great swathes through the cat's cradle of red tape which chokes this country from end to end.

Prince Charles is the patron of the Times/RIBA Community Enterprise Scheme. He was speaking at its awards ceremony in London yesterday.

Andrew Gimson samples white opinion in South Africa on the brink

Flat earth to flashpoint

In 1897-98, during his single-handed circumnavigation of the globe, Captain Joshua Slocum visited South Africa and travelled by train to Pretoria, where he met President Kruger. "His Excellency received me cordially enough; but my friend Judge Beyers... by mentioning that I was on a voyage around the world



The most vivid conversation I heard about votes for blacks was between an English girl, visiting South Africa for the first time, as I was, and a woman of German origin who had lived most of her adult life there. "Why should they have the vote?" the German lady demanded. "What have they done to earn the vote? They have

ce Henry Scott.
To note. DWE tell me that the 100,000 acres should be 5,700. They will be selling it out to Prince Philip. About 16/6