



C. C. S. P.

CONFIDENTIAL

P 02764

PRIME MINISTER

Urban Policy: E(UP)(87) 1st Meeting

DECISIONS

The main purpose of this first meeting of the new Ministerial Sub-Committee is to agree on a work programme to be put in hand without delay. The key decision required, therefore, is whether the Sub-Committee endorse the proposals for coverage and terms of reference of a new report on urban policy as set out in paragraphs 9 and 10 the paper.

2. In order to guide the study it would also be helpful to have the Sub-Committee's views on a number of questions raised elsewhere in the paper. These are listed in paragraph 7 below.

MAIN ISSUES

3. There are clearly issues of both substance and presentation. On substance, the predeterminant of success (in generating growth, reducing unemployment, controlling inflation etc) is obviously the Government's overall macro economic policy. No mix of specifically directed urban policies will be effective unless the macro framework is right. But within that, the Government must be satisfied that the individual components of "urban policy" (which is no more than the sum of its parts - housing, education, law and order etc) are effectively directed and co-ordinated. And spending on all these individual programmes must remain consistent with the Government's policies for restraining expenditure by local authorities - the main local agents.

4. On presentation, there is no need to stress that, particularly in the light of pre and post election publicity, the Government must be able to maintain credibility for its urban policies, and to obtain better credit than hitherto for the substantial effort and resources

devoted to them.

Proposal for New Report

5. Against this background the paper proposes that a new report should be prepared (an interim version by the end of July, and a final one in mid-September) to enable Ministers, under your direction, to satisfy themselves on the two main points above and to be in a better position to redirect priorities and resources as required. Mr Sorensen has now been seconded to the Cabinet Office from DOE in order to produce this report. What is needed is that he should be given the green light to go ahead as quickly as possible.

6. Part of the report will necessarily be a pulling together of existing strands. A complex mix of policies, and a wide range of agencies, is involved, and the picture can be very confusing. But the report will also aim at early action. Paragraph 9 of the paper lays stress (at Lord Young's request) on "the selection of target areas where a joint effort by Departments would be made, and where early results might be expected".

7. In carrying the work forward, it will be helpful for Mr Sorensen to be guided by Ministers on a number of leading questions. Extracting from the paper, I list these below and you may wish to take the Sub-Committee briefly through them:-

(i) Objectives: are the Government's main objectives to rebuild the economies of inner cities and to give those living there the maximum choice and opportunity, whilst supporting those who need help? (paragraph 2);

(ii) Private Sector: should it also be an aim to maximise the contribution to the above objectives of private sector-led activity and investment? (paragraphs 2 and 3);

(iii) Reassessment of existing Programmes: should the report include a reassessment of the priorities and coherence of existing programmes? (paragraph 4);

(iv) Exchange of Information: does the present exchange of information about programmes need to be improved (with maximum economy of paper-work) and analysis undertaken of how the present rules inhibit worthwhile initiatives? (paragraph 5);

(v) More concerted approach: should there be a more concerted approach to the selection of priority areas and the application of policy instruments to areas' particular problems? (paragraph 6);

(vi) Selection of areas: should further work be done on selecting areas where cost-effective impact can be achieved over a reasonable timescale? (paragraph 7);

(vii) Presentation: is there scope for improving and coordinating presentation and publicity initiatives? (paragraph 8).

8. The answer to most of these questions is self-evidently "Yes". But it will be helpful to have the explicit endorsement of the Sub-Committee for purposes of taking the work quickly forward within the suggested terms of reference or something similar to them.

PRESENTATION

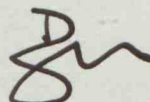
9. The Government's critics have sought to exploit alleged confusion about the coherence of the Government's urban policies. It would be sensible, therefore, for all Ministers, in addition to answering for the individual areas for which they are responsible, to take an agreed general line when answering questions, making speeches and so on. I understand that Mr Ingham is sending you some suggestions on how this might be handled. You may wish to discuss these with the Committee, and to indicate how you will ask him to handle the press on this meeting.

NEXT STEPS

10. If the work programme is approved, Mr Sorensen will aim to circulate an interim report before the end of July, followed by a final report in mid-September. You may wish to judge in the light of progress and of other pressures whether a further meeting of the Sub-Committee will be necessary before the end of July, or whether this could wait until the full report is available in September.

HANDLING

11. Subject to any opening remarks that you may yourself wish to make, the paper is self-explanatory and I suggest you take the Sub-Committee quickly through the terms of reference and the questions in paragraph 7 above. Most of the members of the Sub-Committee will no doubt wish to comment both generally and from the point of view of their own Departmental responsibilities.



J B UNWIN

6 July 1987
Cabinet Office

(The Prime Minister
thought this
dull. DCW

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From: J B UNWIN
3 July 1987

MR NORGROVE - No 10

URBAN POLICY

6/7) Prime Minister

The statement attached in fact draws
heavily on a note prepared by No 10 and
DoE for use after the Queen's Speech.
Agree that it should be tabled at E(UP)?
attached DCW 3/7

Sir Robert Armstrong has circulated a note (E(UP)(87)2) for the first meeting of E(UP) next Tuesday, and I will let the Prime Minister have a short brief on this separately.

2. As discussed briefly on the telephone with you, however, I thought that it would be helpful also to let Ministers have a brief statement of the Government's present approach which would provide an agreed basis for use in the House, briefing the press, speeches and so on.

3. I accordingly attach a piece prepared by Mr Sorensen at my request. This picks out the main policy objectives, relates them to specific policies or programmes (education, housing etc), and, as background, summarises the activities of the main Departments involved.

4. You may wish to show this to the Prime Minister. Subject to her views, I think it would be very useful if this were on the table at next Tuesday's E(UP) meeting. It would then, if agreed, provide a standard "line" until policy has been taken further forward as a result of the new work now recommended.

5. The note could either be circulated by you from No 10, or I will arrange circulation to the Sub-Committee by the Cabinet Office in the usual way.

J B UNWIN

STATEMENT OF GOVERNMENT URBAN POLICY

The aim of the Government's urban policy is to ensure that people and businesses in the inner cities are given more opportunity to benefit from Britain's prosperity. The policy will be directed at deprived areas in the conurbations, manufacturing towns and rundown council estates where action will be taken to

- restore enterprise and encourage new job opportunities
- give people more choice and influence over decisions affecting their lives
- encourage private sector investment
- target Government spending on those in need of help and where it can do most good
- make urban local government more accountable and more efficient

The Prime Minister chairs a group of Ministers to bring together the Government's attack on urban problems.

Attacking Urban Problems

The Government will

- reform the rating system to stimulate small businesses and encourage the expansion of larger ones, and to make local authorities more accountable
- improve the motivation and skills of local people by providing good quality training and work experience and helping more people to set up in business on their own
- give tenants more choice by extending the private sector, breaking up municipal estates and setting up Housing Action Trusts to take over public housing
- improve the quality of schools, extending parental choice and providing a right for schools to opt out of local education authority control
- increase police manpower and resources and support for local crime prevention to make the inner cities safer places in which to live and work and more attractive to investors
- increase the number of Urban Development Corporations and use Urban Development Grant, Urban Regeneration Grant and other instruments to tackle severe dereliction and encourage private investment
- reduce controls so that enterprise and development are encouraged

The Government's urban policies and programmes set the framework and provide opportunities for urban regeneration. They aim to provide a sound economic base, an improved environment, housing choice and good schools. But effective results depend on the commitment of local people and businesses.

The attack on urban problems involves many Government Departments:

The Department of the Environment's programmes tackle dereliction, improve the environment, and provide for better housing and more housing choice

The Department of Employment provides training and employment measures which specifically meet the needs of inner city residents, and encourages the growth of small firms, self-employment and tourism

The Department of Trade and Industry's regional and selective assistance measures encourage industry to settle and expand in the areas of need. At the local level, the Department is responsible for 16 inner city task forces which encourage enterprise and employment and help to pull together Government action in their areas.

All three Departments work together in City Action Teams which have been established in Birmingham, Liverpool, Manchester/Salford, Newcastle/Gateshead and Hackney/Islington/Lambeth in London. Apart from ensuring that expenditure under major programmes is effectively targetted, the CATs have individual budgets to support significant projects which contribute to economic recovery in their areas.

The Home Office and other Government Departments are working together to encourage voluntary action and tackle crime, drug abuse and vandalism.

The Department of Education and Science is working with interested individuals and organisations to establish a network of 20 City Technology Colleges in urban areas. They will provide broadly-based secondary education with a strong technological element, offering a wider choice of secondary education. And promoting choice is at the root of the fundamental proposals to provide for schools to opt out of local education authority control and develop their own strengths.