



SUBJECT CC MASTER.

10 DOWNING STREET
LONDON SW1A 2AA

1 December 1987

From the Private Secretary

Dear Colin,

INNER CITIES

The Prime Minister held a meeting to discuss inner cities policy on Monday 30 November. There were present the Home Secretary, the Secretary of State for Employment, the Secretary of State for the Environment, the Secretary of State for Trade and Industry, the Chancellor of the Duchy of Lancaster, the Secretary of State for Transport and the Chief Secretary, Mr. Richard Wilson, Mr. Eric Sorensen and Mr. Andrew Lean (Cabinet Office) and Mr. Hartley Booth (No.10 Policy Unit).

The meeting considered a Cabinet Office paper on policy towards the inner cities and proposals by your Secretary of State for the creation of mini-UDCs (his minute of 28 October to the Prime Minister and subsequent Ministerial correspondence).

The Prime Minister invited views on the issues raised in the Cabinet Office paper, about the intensification of Government effort in selected areas and the presentation of Government policy on inner cities generally.

In discussion it was argued that it would be wrong for the Government to have a short list of inner city areas which were singled out for preferential treatment. All the fifty-seven areas covered by the paper were receiving, and would continue to receive, substantial resources from the Government and it would be misleading to give any other impression. On the other hand the Cabinet Office paper demonstrated clearly the need for better co-ordination of Government effort in the inner cities. It was important that resources should be deployed where they were likely to produce results. Strong local leadership was a key factor. There were real difficulties in places such as Middlesbrough where leadership was weak: the Teesside Urban Development Corporation (UDC) would need to be the focus for regeneration there. The attitude of local authorities was also important. Even where a local authority professed to be willing to co-operate with the Government and local enterprise, its municipal approach and its wish to own local assets could stifle enterprise. The unified business rate and the

community charge would in time encourage business confidence and improve accountability. UDCs could be used to promote regeneration without the involvement of local authorities.

The meeting agreed that poor communications could be an obstacle to successful inner cities policy and that good roads were necessary to encourage private investment. In particular, progress was urgently required in the Black Country UDC. It was similarly important that other departmental programmes should form part of inner cities policy: for instance the Safer Cities initiative and the large sums spent on training and enterprise.

Summing up the discussion, the Prime Minister said that the group had found the Cabinet Office paper and its annexes helpful. They were agreed that it would be wrong in principle for the Government to draw up a short list of inner city areas which were to be singled out for favourable treatment. It would also be wrong to label any areas as being of least potential. The main priority was to improve co-ordination between departments so as to get maximum benefit from the resources which were being put into inner city areas and to take practical steps to encourage local leadership and enterprise, in a manner best calculated to produce results.

The group endorsed the Environment Secretary's proposals for establishing mini-UDCs in Bristol, Leeds, Manchester and Wolverhampton. It was important that all departments with responsibilities affecting inner cities should do what they could to support this initiative.

The group also noted with approval that the Environment Secretary proposed to simplify urban grants at no additional cost to the Exchequer and would be discussing the details with the Chief Secretary.

More generally, the group had had a useful first discussion of the material put together by the Cabinet Office and had identified a number of examples of areas, in addition to those selected for mini-UDCs, where close departmental co-operation was essential to ensure that Government policies had their full impact and to produce results: Bolton, Salford and Preston in the North West; Leicester and Nottingham in the East Midlands; the Black Country including Sandwell; and Bradford in Yorkshire. Further thought would also need to be given to the problems of Tyneside and Teesside. Future studies would need to bring out the role of the private sector.

On presentation, the Prime Minister said that further work should be put in hand on the booklet "Action for Cities" which had been circulated in outline. Ministers represented on the group should also consider whether they could increase their visits to inner city areas. The list of ministerial visits circulated to the meeting, although it might not be complete, suggested that relatively few were planned to take place in the North East and East Midlands over the next three months.

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The Prime Minister concluded by saying that the group would meet again to review progress in January under her chairmanship. The Cabinet Office should arrange for further studies to be prepared in the light of the discussion.

I am copying this letter to Philip Mawer (Home Office), Nicholas Wilson (Department of Employment), Alison Brimelow (Department of Trade and Industry), Peter Smith (Office of the Chancellor of the Duchy of Lancaster), Roy Griffins (Department of Transport), Jill Rutter (Chief Secretary's Office) and Trevor Woolley (Cabinet Office).

Yours,

David

(DAVID NORGROVE)

Robin Young, Esq.,
Department of the Environment.

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P 02945

From: R T J Wilson
1 December 1987

MR NORGROVE

INNER CITIES

1. I attach minutes of yesterday's meeting.
2. As I said on the telephone, they are peculiarly difficult to write. If one mentions areas by name, there is a risk of real embarrassment in the event of the minutes leaking. But to leave out names of areas makes the whole record bland, uninformative and unlikely to lead to any results. We have tried to strike a balance in the attached draft, and to find wording which could be defended if the worst came to the worst. If need be, the Inner Cities Unit can give departments a clearer steer when commissioning work for the next meeting of the Prime Minister's group.

R T J WILSON

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Plan type.

DRAFT LETTER TO PRIVATE SECRETARY, SECRETARY OF STATE FOR THE ENVIRONMENT

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I am copying this letter to the Private Secretaries of those Ministers who attended the meeting, and to Trevor Woolley, ~~Richard Wilson, Eric Sorensen and Andrew Lean (Cabinet Office) and Hartley Booth (No. 10).~~

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