



TO:

PRIME MINISTER

FROM:

KENNETH CLARKE

9 December 1987

INNER CITIES

1 Following our discussion this afternoon, I have now had an opportunity to consider further the remit you asked me to take on. I have also been able to discuss this with Nicholas Ridley. Nicholas made it clear to me, of course, that this was not his own preferred solution and he has some concerns about how it might work. However, you will be pleased to hear that we agreed with each other that we would both endeavour to make it work. There is no personal rivalry or ill-feeling between us and never has been and we will both endeavour to demonstrate that in practice.

2 It might be helpful for me to set down what I regard as the initial priorities in my new role:



(i) to oversee final drafting of the White Paper by Eric Sorensen's team in the Cabinet Office and to ensure that this fully reflects the priorities all Ministers concerned have identified;

(ii) to set up arrangements for comprehensive briefing for inner city visits by Ministers. This will require the establishment of a system by which all relevant Departments keep up-to-date their briefing on programmes for which they are responsible in specific areas. Each visit by a Minister from whatever Department can then be a visit on behalf of the Government as a whole;

(iii) to ensure that the Government's inner cities policies are presented in a coherent and consistent way. This would include greater co-ordination of policy announcements so that all Departments' programmes are presented properly alongside each other, and re-launching activities such as the Action for Cities Roadshow. This would however definitely not mean that I or any other Minister ever made announcements of other Departments' programmes;





(iv) to draw up a "menu" of options for private sector participation in the inner cities. This would cover such things as secondment of expertise to inner city task forces, strengthening schools/industry links, advice on management, and advice about where to apply for relevant grants. Companies approaching the Government would be able to contact me initially to consider which items of policy they could best subscribe to and would then be advised on how best this could be achieved and through which Government Department;

(v) to work more closely with, and to seek to strengthen the commitment of, existing private sector bodies such as Business in the Community, the CBI, Chambers of Commerce and so on and to try to ensure that their activities are targeted consistently with the aims set out in the White Paper.

3 If you are content to proceed on this basis I assume you will wish to make an announcement tomorrow in the terms we discussed.

*Peter Smith*

PP KENNETH CLARKE

(Approved by the Chancellor and signed in his absence)

3

DE4ADO

Tessa,

✓ cf

Pl get RW  
Clarke to the  
meeting you have  
arranged at June  
Centres next Wednesday.  
Don't mention subject  
Put in drag K.F.G.

N.C.U.

N. 3/12





10 DOWNING STREET  
LONDON SW1A 2AA

*[Handwritten signature]*

*From the Principal Private Secretary*

17 December 1987

INNER CITIES

The members of E(UP) will wish to be aware of the announcement, which will be made from 10 Downing Street at 11 a.m. tomorrow Friday, about Ministerial responsibility for the co-ordination of Government action on new cities and for its presentation.

I am sending a copy of this letter to the Private Secretaries to members of E(UP) and to Sir Robert Armstrong.

N.L. Wicks

Mike Eland, Esq.,  
Lord President's Office.

## INNER CITIES

The Chancellor of the Duchy of Lancaster, the Rt Hon Kenneth Clarke QC, MP will in addition to his duties in respect of the Duchy of Lancaster and at the Department of Trade and Industry, take responsibility, under the Prime Minister, for the co-ordination of Government action on inner cities and for its presentation.

### Notes for Editors

1. Mr. Clarke will assist the Prime Minister in the co-ordination of Government action towards the inner cities; and provide a focus, under the Prime Minister, for the presentation of those policies.
2. There is no change in the Departmental responsibilities of Ministers with programmes which are involved in inner city regeneration. These programmes will continue to be the responsibility of the Secretaries of State concerned and administered by their Departments. Mr. Clarke will be available as the initial point of contact for private sector companies wanting to offer support for Government inner city policies.



gBa

no

CF.  
PC cc RW Perks



From: R T J Wilson  
17 December 1987

P 02964

NW

MR NORGROVE

cc Sir R Armstrong  
Mr F E R Butler

**INNER CITIES: STATEMENT**

1. Mr Sorensen will be letting you have the material about expenditure on inner cities which you asked for earlier today.
2. There may well be questions about what is to happen to the Inner Cities Unit headed by Mr Sorensen in the Cabinet Office. I suggest the following line which reflects what has been agreed with Sir Terence Heiser and Sir Brian Hayes.
  - a. The Unit will remain in the Cabinet Office for the time being and will provide support to the Chancellor of the Duchy of Lancaster in the discharge of his new responsibilities as well as to the Prime Minister.
  - b. It will continue to be headed by Eric Sorensen.
  - c. We see it as a multi-departmental unit whose staff may be drawn from any ~~one~~ of a number of Departments with responsibility for aspects of inner cities policy.
3. It has also been agreed, subject to clearance with the Ministers concerned, that 'other' should be deleted from the second line of the draft press statement.

Included  
in Press  
Notice.

R.T.J.

R T J WILSON



CF. Piece of paper.

NW

They could not provide figures for next year. JWS 17/12.

Mr Norgrove

1. I attach a background note on inner city expenditure, and a map showing the 57 local authority areas at which that expenditure is directed.

2. The phrase "inner city expenditure" is being used to describe DOE programmes which are directed solely at the 57 areas (except derelict land expenditure which covers other areas), and also other programmes which apply not just to the inner city areas but which are of particular importance there. This includes, for example, training programmes, English Estates' expenditure and programmes to improve the quality of businesses.

U

3. The figures given in the attached note do not represent the totality of public expenditure in inner city areas.

KES

K E C SORENSEN  
17 December 1987

CC:  
Mr Lean

## **INNER CITIES : EXPENDITURE ON MAJOR PROGRAMMES**

This year (1987/88) the Government's 57 inner city priority areas will receive over £1800 million in special support from the main inner city Departments - Employment and MSC, Environment and Trade & Industry.

### Employment/MSc: £1100 million

- £386 million on training and skills programmes eg YTS
- £630 million on employability programmes eg Community Programme, Jobcentres
- £84 million on enterprise or business support eg Enterprise Allowance Scheme

### Environment: £557 million

- £487 million to support private and other development through the Urban Programme, Urban Development Corporations, Urban Development and Regeneration Grants and Derelict Land Grant
- £70 million supporting special action on rundown council estates to encourage tenant involvement and better management

### Trade and Industry : £164 million

- £150 million to support for business, regional assistance and English Estates
- £14 million to 16 inner city task forces to support employment and enterprise initiatives.

### Other programmes

Inner city areas will also benefit from special measures to tackle crime, raise education standards and improve roads and transport facilities. These add about £200 million to bring the total to £2000 million. This expenditure is in addition to resources directed through local authority main programmes (particularly education, housing and social services) and through the health service.



# URBAN POLICY INITIATIVES IN ENGLAND

As at July 1987

## ★ URBAN DEVELOPMENT CORPORATIONS

- |                    |                 |
|--------------------|-----------------|
| a London Docklands | d Teesside      |
| b Merseyside       | e Tyne and Wear |
| c Trafford Park    | f Black Country |

## ▲ ENTERPRISE ZONES

- |                   |                     |
|-------------------|---------------------|
| A Corby           | J Salford/Trafford  |
| B Dudley          | K Scunthorpe        |
| C Glanford        | L Speke (Liverpool) |
| D Hartlepool      | M Telford           |
| E Isle of Dogs    | N Tyneside          |
| F Middlesbrough   | O Wakefield         |
| G N.E. Lancashire | P Wellingborough    |
| H N.W. Kent       | Q Workington        |
| I Rotherham       |                     |

## ASSISTED AREAS (As at 29.11.84)

- |  |  |
|--|--|
| Development Areas                            |  |
| Intermediate Areas                           |  |
| Derelict Land Clearance Areas (As at 1.1.85) |  |
| Standard Regions                             |  |



## URBAN PROGRAMME AREAS

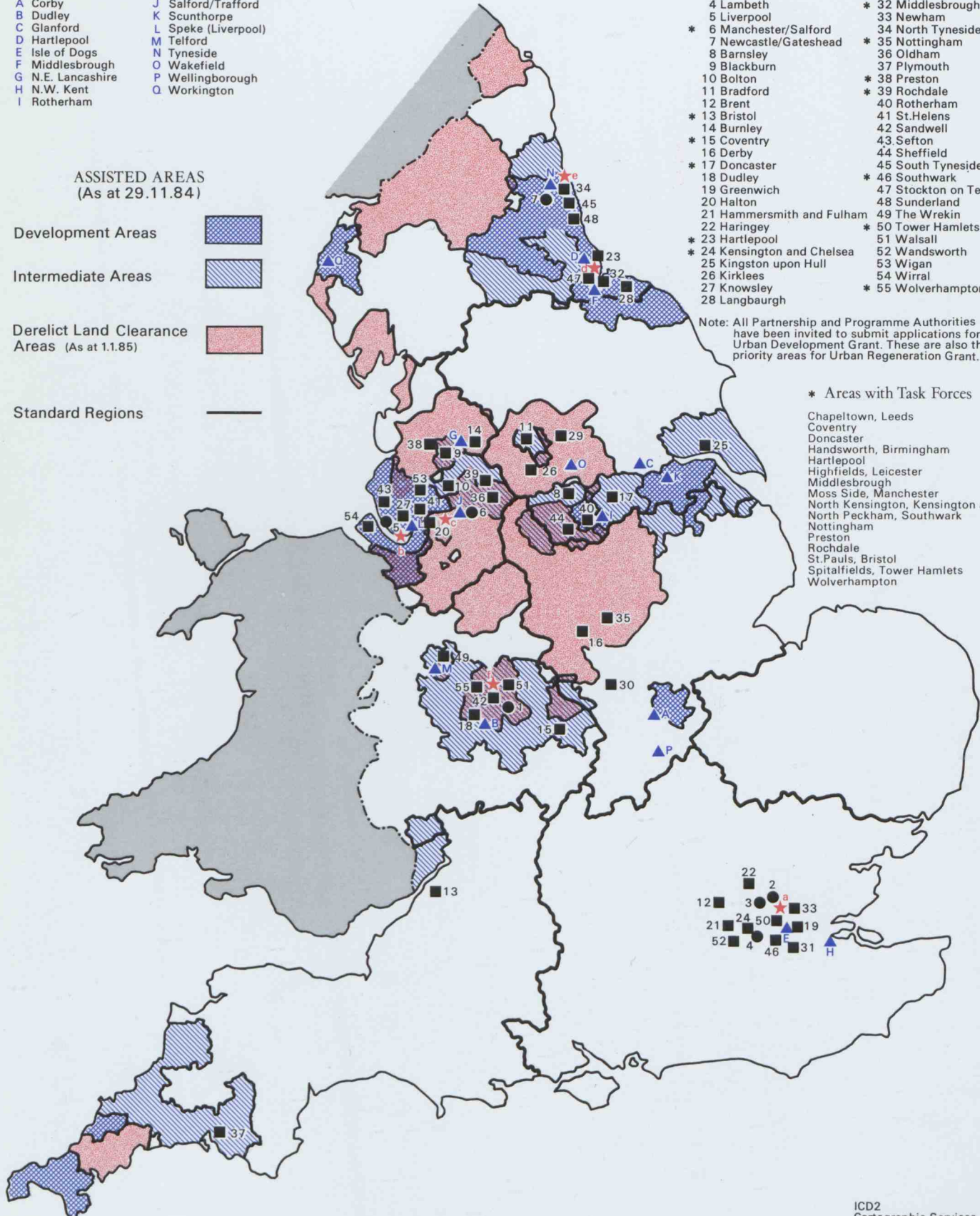
- Partnership/City Action Team Areas
- Other Programme Areas

- |                             |                       |
|-----------------------------|-----------------------|
| * 1 Birmingham              | * 29 Leeds            |
| * 2 Hackney                 | * 30 Leicester        |
| * 3 Islington               | * 31 Lewisham         |
| * 4 Lambeth                 | * 32 Middlesbrough    |
| * 5 Liverpool               | * 33 Newham           |
| * 6 Manchester/Salford      | * 34 North Tyneside   |
| * 7 Newcastle/Gateshead     | * 35 Nottingham       |
| * 8 Barnsley                | * 36 Oldham           |
| * 9 Blackburn               | * 37 Plymouth         |
| * 10 Bolton                 | * 38 Preston          |
| * 11 Bradford               | * 39 Rochdale         |
| * 12 Brent                  | * 40 Rotherham        |
| * 13 Bristol                | * 41 St. Helens       |
| * 14 Burnley                | * 42 Sandwell         |
| * 15 Coventry               | * 43 Sefton           |
| * 16 Derby                  | * 44 Sheffield        |
| * 17 Doncaster              | * 45 South Tyneside   |
| * 18 Dudley                 | * 46 Southwark        |
| * 19 Greenwich              | * 47 Stockton on Tees |
| * 20 Halton                 | * 48 Sunderland       |
| * 21 Hammersmith and Fulham | * 49 The Wrekin       |
| * 22 Haringey               | * 50 Tower Hamlets    |
| * 23 Hartlepool             | * 51 Walsall          |
| * 24 Kensington and Chelsea | * 52 Wandsworth       |
| * 25 Kingston upon Hull     | * 53 Wigan            |
| * 26 Kirklees               | * 54 Wirral           |
| * 27 Knowsley               | * 55 Wolverhampton    |
| * 28 Langbaugh              |                       |

Note: All Partnership and Programme Authorities have been invited to submit applications for Urban Development Grant. These are also the priority areas for Urban Regeneration Grant.

## \* Areas with Task Forces

- Chapelton, Leeds
- Coventry
- Doncaster
- Handsworth, Birmingham
- Hartlepool
- Highfields, Leicester
- Middlesbrough
- Moss Side, Manchester
- North Kensington, Kensington and Chelsea
- North Peckham, Southwark
- Nottingham
- Preston
- Rochdale
- St. Pauls, Bristol
- Spitalfields, Tower Hamlets
- Wolverhampton







DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215  
GTN 215 5147  
(Switchboard) 01-215 7877

From the Chancellor of the Duchy of Lancaster  
and Minister of Trade and Industry

THE RT HON KENNETH CLARKE QC MP

N L Wicks Esq  
Principal Private Secretary to  
the Prime Minister  
10 Downing Street  
LONDON  
SW1A 2AA

*CF*  
*PLCC BI trehan*  
*NLU*

17 December 1987

*Dear Nigel,*

INNER CITIES

As you know, there have been various discussions following your letter of 10 December which attached a draft press notice announcing the new responsibility that the Chancellor of the Duchy will have on inner cities. I have now agreed with Robin Young in Mr Ridley's office a final form of words (copy attached).

*Copy sent  
with  
R.T.  
NLU  
17.12.*

We are expecting the announcement to be made tomorrow morning.

I am copying this letter to Robin Young and Trevor Woolley.

*Yours sincerely,*  
*Peter Smith*

PETER SMITH  
PRINCIPAL PRIVATE SECRETARY

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PRIME MINISTER

INNER CITIES

Both Mr Ridley and Mr Clarke are content with the No.10 Press Notice attached about Mr Clarke's new responsibilities for inner cities. They agree that it should be issued tomorrow at 11 a.m. Mr Ridley will make clear, in the public presentation of the arrangements, that he supports them.

I am informing members of E(UP) of the announcement.

In case there are any frictions between the Departments about the working of the new arrangements I have told Mr Ridley and Mr Clarke's offices to keep me in close touch with any difficulties. Richard Wilson will also keep his eyes open for items which need a No.10 intervention.

N.L.W.

Richard Wilson

N.L. Wicks

17 December 1987



## INNER CITIES

The Chancellor of the Duchy of Lancaster, the Rt Hon Kenneth Clarke QC, MP will in addition to his duties in respect of the Duchy of Lancaster and at the Department of Trade and Industry, take responsibility, under the Prime Minister, for the co-ordination of Government action on inner cities and for its presentation.

### Notes for Editors

1. Mr. Clarke will assist the Prime Minister in the co-ordination of Government action towards the inner cities; and provide a focus, under the Prime Minister, for the presentation of those policies.
2. There is no change in the Departmental responsibilities of Ministers with programmes which are involved in inner city regeneration. These programmes will continue to be the responsibility of the Secretaries of State concerned and administered by their Departments. Mr. Clarke will be available as the initial point of contact for private sector companies wanting to offer support for Government inner city policies.



MR INGHAM

Herewith the Q&A brief and the Press Notice for issue at 11 a.m. tomorrow. Could your people please check with me first thing tomorrow and before running off the Press Notice that no changes have been made to it overnight. You are already in touch with DOE and DTI Press Offices about the details of the presentation.

N.L. Wicks

17 December 1987

MS 205H

Q1 What are his terms of reference?

A1 See Press Notice

Q2 From where will he operate?

A2 Department of Trade and Industry

Q3 If he stays at DTI what about the heavy portfolio he already has?

A3 Mr. Clarke will take on his role for inner cities in addition to his other responsibilities. He has already been doing much inner city work.

Q4 Will he have Junior Ministerial assistance - eg David Trippier in DOE?

A4 Junior Ministerial responsibilities will not alter.

Q5 To whom will he report - the Prime Minister or some other Secretary of State?

A5 Prime Minister.

Q6 Will he have a budget? If so, how much?

A6 No. The money being spent on inner cities is distributed among a large number of Departments. Mr. Clarke's responsibility is to act as a focus and coordinator with the aim of presenting the Government's overall approach.

Q7 Why has the appointment taken so long when the Prime Minister said on election night that inner cities would be her next priority?

A7 The Prime Minister chairs the Inner Cities Policy Committee. The idea of a Minister with Mr. Clarke's responsibilities has grown out of the Government's



consideration of the issue.

Q8 Have there been rows with Nicholas Ridley? Is Nicholas Ridley content?

A8 The idea of a Cabinet Minister acting as a day to day focus for action and presentation has grown out of collective discussion. Mr Ridley has a very heavy burden of legislation and supports the new arrangement.

Q9 What authority will he have over those Secretaries of State who already have responsibilities for inner cities?

A9 Each Secretary of State will be responsible for the work of his own Department in the normal way. Any differences that arise between Departments will be settled through the normal machinery for collective decision making.

Q10 Will he have the power to over-rule inter-departmental in-fighting?

A10 The prime responsibility for coordinating the policy approach rests with the Prime Minister.

Q11 Is it envisaged that this will be a permanent appointment?

A11 Mr. Clarke's appointment is without time limit.

Q12 What do you think Mr. Clarke can achieve for inner cities without extra funding?

A12 The Government believes that its attack on the inner cities problem requires a Cabinet Minister to act as a day to day focus for action and presentation. Extra money is not needed to enable him to do his job.

Q13 Will a separate Branch be created within DTI? If so, how will it be staffed? By people already involved with



inner cities from other Departments?

A13 This is obviously something that Mr. Clarke will need to consider.

Q14 What will he be able to do that other Government Ministers have not already done?

A14 He will act as a focus for the Government's overall policy. He has been appointed to fill a perceived gap.

Q15 If he is there to improve coordination isn't this an indictment of previous Government action?

A15 Not at all. The idea of a Minister Mr. Clarke's responsibilities has grown out of the Government's consideration of the issues in the relevant Ministerial Committee.

Q16 Wouldn't it have been more sensible to have a separate Department which had sole responsibility for all inner city problems rather than the number now involved?

A16 No. Responsibility for actions in inner cities is inevitably widely dispersed and must remain so.

Q17 What powers will he have to ensure that he gets full cooperation from all the Departments involved?

A17 The authority of action under the Prime Minister's overall remit, his ability to bring difficult problems to a Cabinet sub-committee or Cabinet, and persuasion.

Q18 If he stays at DTI won't this mean at the end of the day that Lord Young will have overall control?

A18 No. The Prime Minister has overall control.

Q19 Isn't this appointment mere window dressing masking a

lack of real policies to deal with the inner cities problems?

A19 No. The Government has real policies which are bringing real results. The new move represents an intensification of the attack and determination to bring the Government's success to the attention of the nation.

Q20 What is the total budget for inner cities this year; Department by Department?

[To come]

Q21 Wouldn't it have been more realistic for this appointment to go the Department of the Environment?

A21 Not necessarily, especially when that Department has the heaviest legislative workload of any in Government.

Q22 Is the decision to appoint Mr. Clarke solely the responsibility of the Prime Minister, or has she taken it collectively with other Ministers?

A22 Yes, but she has of course discussed it with colleagues.



SUBJECT CC MASTER

file SH



10 DOWNING STREET

LONDON SW1A 2AA

*From the Principal Private Secretary*

10 December 1987

*Dear Peter*

**INNER CITIES**

Following her meeting with the Chancellor of the Duchy yesterday, the Prime Minister had a meeting this morning with the Secretary of State for the Environment about inner cities. The Secretary of State suggested some changes to the press notice, a revised version of which I attach.

The Prime Minister thinks it most important to delay the announcement until after the conclusion of the debate on the Community Charge Bill. She therefore has it in mind to announce the arrangements on Friday 18 December.

The Prime Minister does not want any hint of the announcement to leak out before it is made. I should therefore be glad if you would give this letter and its attachment the most restricted circulation.

I am sending a copy of this letter to Robin Young (Department of the Environment) and Trevor Woolley (Cabinet Office).

*Two only*

*Nigel Wicks*

**N. L. WICKS**

Peter Smith, Esq.,  
Chancellor of the Duchy of Lancaster's Office

**PERSONAL AND CONFIDENTIAL**

INNER CITIES

The Chancellor of the Duchy of Lancaster, Mr. Kenneth Clarke, will, in addition to his other duties including those in the Department of Trade and Industry, take responsibility, under the Prime Minister, for the co-ordination of Government action on inner cities and for their presentation.

Notes for Editors

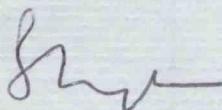
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2. There is no change in the Departmental responsibilities of Ministers with programmes which are involved in inner city regeneration. These programmes will continue to be administered by the Departments concerned. Mr. Clarke will be available as an initial point of contact for those wishing to contribute to, or know about, Government policies towards, and support for, inner cities.



MR WICKS

INNER CITIES

I attach a list of questions with some suggested answers for the possible announcement tomorrow of what will be called the Minister for Inner Cities.



BERNARD INGHAM  
9 December 1987

Q1 What are his terms of reference?

*see the Press Notice*

Q2 From where will he operate?

A2 Department of Trade and Industry.

Q3 If he stays at DTI what about the heavy portfolio he already has?

A3 Mr Clarke will take on his role ~~as day to day focus~~ for inner cities in addition to his other responsibilities. He has already been doing much inner city work.

Q4 Will he have junior ministerial assistance - eg David Trippier in DOE?

*Junior Ministerial Responsibilities will not*

Q5 To whom will he report - the Prime Minister or some other Secretary of State?

A5 Prime Minister.

Q6 Will he have a budget? If so, how much?

A6 No. The money being spent on inner cities is distributed among a large number of Departments. Mr Clarke's responsibility is to act as a focus and coordinator with the aim of presenting the Government's overall approach.

Q7 Why has the appointment taken so long when the Prime Minister said on election night that inner cities would be her next priority?

A7 The Prime Minister chairs the Inner Cities policy committee. The idea of a Minister ~~acting as a day to day focus~~ has grown out of the Government's consideration of the issue.

*with Mr Clarke's responsibilities*

Q8 Have there been rows with Nicholas Ridley? Is Nicholas Ridley content?

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Q10 Will he have the power to over-rule inter-departmental in-fighting?

*ad*  
~~No authority~~ *Each Secretary of State will maintain responsibilities. Mr Clarke will help the P.M. on network*

*his*



A10 The prime responsibility for coordinating the policy approach rests with the Prime Minister.

Q11 Is it envisaged that this will be a permanent appointment?

A11 Mr Clarke's appointment is without time limit.

Q12 What do you think Mr Clarke can achieve for inner cities without extra funding?

A12 The Government believes that its attack on the inner cities problem requires a Cabinet Minister to act as a day to day focus for action and presentation. Money is not necessarily relevant to his job.

Q13 Will a separate Branch be created within DTI? If so, how will it be staffed? By people already involved with inner cities from other Departments?

*This is obviously something that Mr Clarke will need to consider.*

Q14 What will he be able to do that other Government Ministers have not already done?

A14 He will act as a ~~day to day~~ focus for the Government's overall policy. He has been appointed to fill a perceived gap.

Q15 If he is there to improve coordination isn't this an indictment of previous Government action?

A15 No. But the Government does ~~believe~~ it needs to coordinate the action on a day to day basis and to bring together its achievements in a comprehensive way.

Q16 Wouldn't it have been more sensible to have a separate Department which had sole responsibility for all inner city problems rather than the number now involved?

A16 No. Responsibility for actions in inner cities is inevitably widely dispersed and must remain so.

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A17 The authority of action under the Prime Minister's overall remit, his ability to bring difficult problems to a Cabinet sub-committee or Cabinet, and persuasion.

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A18 No. The Prime Minister has overall control.

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A19 No. The Government has real policies which are bringing real results. The new move represents an intensification of the attack and determination to bring the Government's success to the attention of the nation.

Q20 What is the total budget for inner cities this year and next; Department by Department?

[To come]

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A21 Not necessarily, especially when that Department has the heaviest legislative workload of any in Government.

Q22 Is the decision to appoint Mr Clarke solely the responsibility of the Prime Minister, or has she taken it collectively with other Ministers?

A22 Yes, but she has of course discussed it with colleagues.





**10 DOWNING STREET**

**PRIME MINISTER**

The draft press notice below takes account of Sir Robert Armstrong's suggestion that the references to 'Government policies on inner cities' should be replaced by 'Government action on inner cities'.

*N.L.W.*

**NLW**

9 December 1987

## INNER CITIES

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PRIME MINISTER

Mr. Clarke has now submitted the minute below following a discussion this afternoon with Mr. Ridley about the draft terms of reference which are at Flag A.

This is a good minute. The five tasks identified by Mr. Clarke are important ones which clearly need to be done. Contacts with Mr. Ridley's office suggest that Mr. Clarke's discussion with Mr. Ridley this afternoon was not quite as amiable as Mr. Clarke's minute suggests. Mr. Clarke is seeing Mr. Ridley later this evening to give him a copy of the note at Annex B. We will need to see how matters are tomorrow morning. I still hope that we can make an announcement tomorrow.

N.L.W.

NIGEL WICKS

9 December 1987

VC3AUM