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PRIME MINISTER

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INNER CITIES : INTERIM REPORT

ATTACHED

Norman Fowler and I have seen a copy of this report prepared by officials in the Cabinet Office and commissioned by the E(UP) Subcommittee at its meeting on 7 July and Norman has asked me to comment on it in his absence. I understand that a substantive discussion is planned once the final report is available but I felt it would be helpful to let you have some initial reactions to the note as circulated.

The report provides a useful summary of the dimensions of the problem to be tackled in our inner cities and helpfully identifies a range of initiatives which might be taken to deal with them. I am content that officials proceed to work up a substantive report built on the framework of the interim report. Nevertheless I have a number of comments on the material prepared so far.

Firstly could I suggest that greater emphasis be given to the growth of self-employment over the last 5 years and the opportunities it offers for inner city residents to overcome the lack of alternative opportunities and create new businesses with potential for creating wealth and jobs for other residents. Furthermore we should note the 'second generation effects' of this growth in self-employment on the children (and indeed relatives) of the self-employed as research suggests they are much more likely to become self-employed also.



Secondly, the report might say rather more about the potential offered by tourism to regenerate inner city areas. The creation of tourist attractions in those cities with an appropriate heritage or suitable potential serves to bring in more people and increase expenditure on local goods and services. In the case study of Leeds and Bradford, there is brief mention of tourism in the Bradford case, but the report needs to bring out rather more the impact recent initiatives are having on that city and the tourism potential in other urban areas.

Thirdly the section of the Manpower Services Commission's efforts to focus its programme on the needs of ethnic minorities mentions "motivation and training" but omits reference to DE and MSC activities to encourage new business amongst ethnic minorities, including our efforts as part of the Home Office Ethnic Minority Business Initiative. This could usefully be included.

Finally - a minor point - the list of target areas currently omits the South West of England and I suggest we should consider Bristol.

I welcome the outline proposals for presentation of the Government's approach to the inner cities, which will do much to get across our achievements. I believe this Department's experience of the "Action for Jobs" programme is valuable in this respect and my officials would be pleased to pass on our experience to the officials preparing the report.

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We look forward to receiving a copy of the final report. In the interim our officials will be pleased to talk further to Cabinet Office officials and to provide any further material on our activities as may be required. Copies of this letter go to the members of E(UP) and to Sir Robert Armstrong.

JC
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JOHN COPE
August 1987

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