

CFO



2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

25 January 1984

Dear Chief Secretary

PUBLIC EXPENDITURE REVIEWS: URBAN PROGRAMME

Thank you for your letter of 20 January about the Urban Programme (UP).

Your proposals for reviewing this programme are very much in line with my own thinking. Over the past 3 years or so there have been more than 20 external reviews of UP or aspects of it - including two by the Select Committee on the Environment last session (one incomplete); the current examination by the National Audit Office (still in progress); its relationship to regional policy was considered by the Quinlan/Anson inter-departmental committee; there is a substantial research programme (now overseen by an interdepartmental steering group); and there are various other enquiries in progress including the Archbishop's Committee on inner cities and a very large research project sponsored by SSRC.

None of these external studies, however, has really addressed the objectives and management of the programme in a thoroughgoing way or with sufficient knowledge of the programme or the problems of economic and social deprivation that are its concern. I want to see a thorough, comprehensive and constructive review of the programme, and I have therefore encouraged my officials (as one of the ingredients of the DOE work on FMI!) to undertake their own review of the programme, its scope, methods, priorities and effectiveness. They have already done a good deal of work on this and I have asked them to report to me with their initial assessment and options for changes within the next three or four months, certainly in time for consideration within PES '84.

I would like to see this work carried through quickly on this kind of timescale. I have seen the suggestions in Alan Bailey's letter as to the mechanics. I think that at this stage the subject requires more concentrated and informed effort than can be applied by a scrutiny-type approach steered by an interdepartmental committee meeting once or twice a fortnight and comprising chiefly people who, inevitably, are not going to be able to give more than a very small part of their time to the work. I suggest that it calls for a Working Group approach, with members able to devote a substantial amount of time to the job. We already have our own group working on this, led by David Edmonds the Under Secretary in charge of the Inner Cities Directorate. I would welcome the addition of representatives from the Treasury, the Efficiency Unit and No 10 Policy Unit. In particular, I would be glad if the Treasury were able to assign a young Principal to



join the Group full time. The new members of the Group will need fairly intensive briefing on the content and character of the programme, and the Group should certainly visit some of the priority areas covered by the programme and meet the local authority officers responsible for its execution on the ground. I think this dimension of the exercise in particular will certainly be more fruitful under DOE sponsorship.

The terms of reference that you suggest are well within the scope of the work that I have set in train but I do not want it to be restricted to those aspects. I have encouraged my officials to go wide in their review - for example, I am particularly interested in the relationship between UP and other programmes, whether there is any duplication and whether we could not apply UP more effectively to reinforce, supplement or redirect those programmes according to our sense of priorities. I suggest therefore that the review should cover the aspects that you mention but should not be restricted to those if the Group find that there are other important aspects that should be dealt with and brought to our attention.

As you know, the Urban Programme is an exceptionally diverse and complex programme. The review requires concentrated attention and needs to be carried forward vigorously and at a faster pace than an interdepartmental committee affords. We can arrange that interested departments are kept in touch with the work and, of course, the Group's report will need to be considered ultimately by other colleagues as well as by ourselves.

I want to see greater concentration on the areas where the problems are worst and I want to be satisfied that the programme is well managed and that the resources allocated to it are applied effectively. I note what you say about sending "the wrong signals". I would say that one of the marked advantages of the way the UP is structured is that it affords Ministers ample scope to ensure that it is addressed to the problems and priorities that we consider important. The meeting with the AMA (which they have asked for and which I can hardly refuse) offers one such opportunity. I would not, however, propose to announce that we have this review of UP in hand: we need to get our own ideas clear about its future before we invite the local authorities and others to comment.

I hope that you will agree to the review being conducted in this way. If you have thoughts on the subject which could help the Working Group focus on the main issues, I would be glad to have them.

I am copying this letter to the Prime Minister, Sir Robert Armstrong, Sir Robin Ibbs and John Redwood.

Yours sincerely  
A.H. Davis

for  
PATRICK JENKIN

Approved by the S.F.'s  
and signed in his absence

25 ... 1984

11 12 1  
2  
3  
4  
5  
6  
7  
8  
9  
10