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Your ref:

8 February 1984

Doar Robin.

PUBLIC EXPENDITURE REVIEWS: URBAN PROGRAMME Thank you for your letter of 2 February.

I am quite clear that what I want is a policy and programme review, not (at this stage at least) an "efficiency" exercise. I think Peter Rees concurs with this. When we have made progress on the policy review there may be particular aspects of programme management and project control that would benefit from the scrutiny approach, although the National Audit Office are at present carrying out a full examination of this programme, with a particular emphasis on VFM, and our own Internal Audit will be examining the Urban Development Grant scheme later this year. Many other aspects of the programme have also been examined in detail and we have an active external research programme that is now concentrating on methods of appraisal. All this work, however, is subsidiary to the main policy and the programme review that is now being carried forward on the lines that I have set down. We cannot have two separate exercises running concurrently: there is a lot of work to be done and time is limited.

As you know, the Chief Secretary and the No. 10 Policy Unit have agreed to join in the review, so there will be no lack of independent appraisal, radical questioning and objective commentary. I will be glad to have one of your staff join in the review, if you can nominate someone quickly. The work is already well in hand here.

I am copying this to the Prime Minister, Peter Rees and Sir Robert Armstrong.

PATRICK JENKIN

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