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PRIME MINISTER

URBAN PROGRAMME REVIEW

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I have seen the final draft of the Urban Programme Review report. The Efficiency Unit has been involved in the review which has provided a good opportunity for seeking better value for programme money. The review used "scrutiny" methods and started by establishing the real facts on the ground, rather than relying on desk work.

The report contains much of interest. However one important message does not come out as clearly as it might: although there is no conspicuous waste in the programme as administered at present, the existing structure for dealing with urban problems is failing to focus expenditure where it can be used to best effect.

The report argues convincingly that the problems of inner cities are very bad and likely to get worse. There is a need, therefore, to seek radical ways of making improvements.

Of the four options put forward in the report (paragraphs 158-166, pages 73-77) two are worth careful consideration. Option C recommends reorganising the existing structure to co-ordinate and focus Government expenditure better. Option D recommends the establishment of an executive agency to bring together the work of central and local government and the private sector in a new organisation.

In my view Option D is the one to go for. It is the only option which really offers the opportunity of putting the available money to much better use and achieving Ministers' priorities. Option C offers the best way forward within the existing structure but, being based on established compromise, will inevitably fall short of what is really needed.

The executive agency would have to be set up carefully with the right person in charge, so that it was not sabotaged by local authority and other interests who find the present arrangements comfortable. But a new organisation would signal clearly the Governments' determination to find a solution to the issues of urban renewal.

This approach will probably not be popular, either with the local authorities, or with Whitehall, for the very reasons which I consider to be its strengths. It is a way of breaking the existing mould and ensuring a new attack on the problem. It will not be easy to set up, nor in its first years easy to run. It will need strong clear support from you if it is to succeed.

I am copying this to Patrick Jenkin and Peter Rees, and also to Sir Robert Armstrong.

R. Ibbs
Mr. Robin Ibbs
11 June 1984

(Approved by Sir Robin Ibbs and signed in his absence.)

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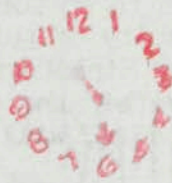


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