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NO
109



FROM: CHIEF SECRETARY
DATE: 15 June 1984

Prime Minister

PRIME MINISTER

URBAN POLICY AND PROGRAMME REVIEW: REPORT

File with AT
Patrick Jenkin and Sir Robin Ibbs have sent me copies of their minute to you of 11 June about the Urban Policy and Programme Review. I understand we are to meet to discuss this on 2 July: I will not therefore comment at length now. But you may find it helpful to have one or two preliminary thoughts.

The Review Team have produced a useful report. They covered a lot of ground in a short time. This was an experiment in applying to major programme expenditure some of the techniques developed in the scrutiny approach. I should like to see similar methods taken further in other suitable areas.

The Report provides, in my view, a good basis for a leaner and tauter programme, giving better value for money. I would expect to see significant reductions in the level of expenditure over the next three years.

The Report correctly identifies the Partnership Authorities as the areas of greatest need. We must ensure that we do not enter into an open-ended commitment, in terms of either expenditure or time, to these authorities, but I would not wish to press now for more than minor trimming of the existing level of expenditure in this part of the Urban Programme.

Expenditure on the Programme Authorities, the Traditional Programme and Urban Development Grants is identified by the

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Report as of lower priority. Not all of it is concentrated on the core problems of multiple deprivation in inner cities and I would certainly see scope for reining back here and concentrating effort more effectively.

Patrick suggests that we should aim to publish the report together with a statement of government policy before the summer recess. There is much expenditure at stake - over £400m a year for the United Kingdom as a whole. This will have to be looked at as part of the Public Expenditure Survey. Moreover, as Patrick recognises, the public interest manifested by David Sheppard's Dimpleby lecture means that we need to think through carefully what our response should be in relation to our overall policies. We need to be quite sure how we define our future objectives in the urban policy area. This should not be rushed.

Finally, a word of comment on the organisational options discussed by Sir Robin Ibbs. I agree that the existing arrangements fall short of what is necessary to tackle the essential problems decisively and effectively. But I have doubts about his choice of a new quango as the best way forward. That would put a politically sensitive programme into the hands of a third party. There would be great dangers of pressure for higher expenditure. I would prefer to see the existing arrangements improved by seconding staff from other relevant government departments, local authorities and the private sector. The programme would then remain under direct Ministerial supervision, with no essential loss of control.

I am copying this minute to Patrick Jenkin, Sir Robert Armstrong and Sir Robin Ibbs.

Jst. Greiv

Jr PETER REES

[Approved by the Chief Secretary]



10 DOWNING STREET

Prime Minister ⁽²⁾

At the meeting of the
small group on 2 July
Mr Jenkin will be
seeking a general steer
from you on the future
of the urban programme,
its size and its organization.

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