



PRIME MINISTER

URBAN POLICY AND PROGRAMME REVIEW - REPORT

I understand that you have agreed to hold a preliminary meeting on the handling of this report, with Peter Rees and Robin Ibbs (as co-sponsors of the review) on 2 July. I am glad that we will have this opportunity for an initial discussion since the report is wide ranging and we need to assess its general implications before it is put to colleagues collectively and before I can consult Departmental Ministers on some of the more detailed proposals.

I should like to say at this point that I do not agree with Robin Ibbs (his minute to you of 11 June) that the right approach would be to hive off the management of the Urban Programme to a new QUANGO. Although the report offers this as one of four possible options (Option D at paras 162-166), I do not think that it makes a convincing case and I do not consider it to be a realistic or practical proposition. An executive agency can be an effective instrument in dealing with large areas of substantially derelict or abandoned land - as we have found with the London and Merseyside Urban Development Corporations. There may well be scope for such agencies operating on a more free ranging basis to tackle major areas of dereliction (EIEC and SDA can operate in this way). The Stockbridge Village Trust on Merseyside shows that such an agency can function outside the public sector to deal with problem council estates and I am considering the possibility of extending that method to other aspects of urban decay. All these types of agency, however, require substantial injections of public funds, and those that involve existing communities cannot function effectively without the co-operation of the local authorities.

In the case of the Urban Programme, the nature of the problems to which it is addressed, and the scope and diversity of the programme, inevitably involve the local authorities. UP touches on nearly every aspects of the inner city and its distinctive

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feature is the attempt to integrate a variety of projects, services and voluntary and private sector resources. The Option D, as described in the report, barely acknowledges the role of the local authorities and assumes that the programme could be managed with or without their co-operation. It also virtually removes UP from the close Ministerial control that the present system affords.

The report shows that there is scope for improving the effectiveness of the present arrangements but also that those arrangements work quite well and we can best make progress by building on them. That is the report's Option C and I think it is the one to go for.

I am copying this minute to Peter Rees, Robin Ibbs and Sir Robert Armstrong.

PJ

P J

22 June 1984

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