



cc MARRIN 851

10 DOWNING STREET

From the Private Secretary

2 July 1984

URBAN POLICY AND PROGRAMME REVIEW: REPORT

The Prime Minister held a meeting today to discuss the review of the urban programme. Present were your Secretary of State, the Chief Secretary, Sir Robert Armstrong, Sir Robin Ibbs and Mr Redwood.

The Prime Minister said it was important, before discussing how Government organised itself to implement the programme, to establish its objectives. As the report itself acknowledged, these were far from clear at present. Without objectives it was not possible to substantiate the claim that there had been little waste.

The Secretary of State for the Environment undertook, as the first stage in ministerial consideration of the review, to prepare a paper on objectives. An important part of the UP's role was to ease the process of economic and social transition affecting the inner cities without obstructing inevitable forces of change. To have provided additional resources to the cities through RSG would have been less effective as it would have left the councils to spend on their own and would have failed to engage the private and voluntary sectors. The programme had supported projects in the social, economic and environmental areas; the evidence suggested that social projects had been more beneficial than spending in the other two areas.

There was a discussion of how best to make progress when the local authority was unhelpful. One approach would be a Development Corporation but there were political objections to giving this extensive powers where large numbers of people were affected. Secondly, partnerships could be set up between the authorities, the Government and other agencies. Finally efforts could be made to channel help directly to the private sector; one possibility was to pay Derelict Land Grant and Urban Development Grant directly to the private sector rather than via the local authorities.

/ The discussion

The discussion then turned to organisation at ministerial level. It was agreed that the Prime Minister should chair a MISC Group comprising the Lord President, the Home Secretary, the Secretaries of State for Education and Science, Environment, Social Services, Trade and Industry, Employment and the Chief Secretary. The Manpower Services Commission should also be represented on the Committee. The Secretary of State for Transport could be invited to attend for specific meetings and papers could be circulated to the Secretaries of State for Scotland and Wales. The Prime Minister hoped the group could hold its first meeting before the Recess.

Sir Robin Ibbs said that he favoured the establishment of an Executive Agency. The partnership was fine for bringing parties together for discussion and coordination but it could not produce clear executive action at local level in pursuit of specific objectives. If the political objections to such an agency were overwhelming it would nevertheless be essential to ensure that the managerial style of an agency was injected into the inter-departmental team approach favoured by the Secretary of State for the Environment. The Secretary of State said that while the Department of the Environment had the main responsibility it was essential to secure greater commitment from other departments. He thought that the Task Force approach adopted in Liverpool could be extended more widely and could adopt the managerial style sought by Sir Robin Ibbs. Sir Robert Armstrong offered to examine these machinery of Government questions in greater depth.

The Secretary of State for the Environment said he favoured publishing the report as soon as possible - its existence would soon be known and there would be pressure from Select Committees and elsewhere to see it. The Chief Secretary feared that, on its own, the report would merely generate pressure for greater expenditure which in the Public Expenditure Survey he would have to resist. He favoured delaying publication until the Government's view on the programme was better defined.

Summing up, the Prime Minister said she would establish a ministerial group with the composition indicated above. The first meeting would take a paper on objectives from the Secretary of State for the Environment. Sir Robert Armstrong was invited to study the management structure of the programme. The Secretary of State for the Environment should consider the scope for paying urban development and derelict land grants direct to the private sector. The question of publication should be considered further when the Government was closer to establishing its position.

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I am copying this letter to John Gieve (Chief Secretary's Office), Richard Hatfield (Cabinet Office) and Sir Robin Ibbs.

Andrew Turnbull

John Ballard, Esq.,
Department of the Environment