

Ref. A084/1861

PRIME MINISTER

*This is not
the main
issue*

You are meeting the Secretary of State for the Environment, the Chief Secretary and Sir Robin Ibbs on 2 July to discuss the handling of the report of the Urban Policy and Programme Review. The main issue is whether, as Sir Robin Ibbs has suggested, the arrangements for managing the programme need radical change. But you may also want to discuss the broad timetable for decisions and publication. And you will want to decide the best forum for subsequent collective discussion.

2. Sir Robin Ibbs believes that the Government's attempts to tackle the problems of urban renewal will never be fully effective as long as they are embedded in the present loosely knit and variously motivated grouping of central and local government agencies. His solution, Option D of the report, is the establishment of a new executive agency on the model of the Manpower Services Commission. This would have a budget and clear objectives from Government and then be left to get on with the job. The Secretary of State for the Environment and the Chief Secretary disagree on practical and political grounds. Mr Jenkin argues that an agency of this kind could not tackle effectively the diversity of inner city problems, all of which need the close co-operation of the local authorities. Mr Rees points to the dangers of putting a politically sensitive programme into the hands of a third party, and the likely pressure for higher public expenditure.

3. An executive agency has obvious operational advantages. The review found that the effectiveness of the urban programme can suffer from the variety of procedures and management reporting lines involved in the present arrangements. The Manpower Services Commission has shown how an agency can often operate more flexibly than a Whitehall Department and more easily involve non-government sectors. But an agency would mean that Ministers would have to distance themselves from potentially politically sensitive decisions.

I am not sure either that an agency would find it easy to get the necessary co-operation of the local authorities. They could take strong objection to a proposal to replace the existing arrangements with an agency - even if they had secondees on the staff of the agency. That opposition could put at risk not only the agency's eventual effectiveness, but would make the necessary legislation difficult and controversial.

4. On the other hand Option C, the development of the existing arrangements, may not go far enough. It would not signal clearly the Government's determination to find a new approach to the problems of urban renewal, although careful presentation could probably build up its impact. If the Government actually want to improve the chances of effectively tackling the very serious problems of economic and social adjustment which the inner cities now face, Sir Robin Ibbs may well be right in thinking that a more radical institutional change than Option C is needed to break the mould of existing attitudes and practices. There is also a practical argument. As long as the lead responsibility lies with the Secretary of State for the Environment, his heavy workload on local government and housing matters will compete for the commitment of energy and resources which a more effective urban programme will need.

5. You may therefore want to think about alternatives to both Options C and D which might give the advantages of the 'agency' option without the disadvantages of a new statutory agency. Some possibilities are:

- a. To give responsibility for the urban programme to a senior Minister with his own team responsible for launching and managing the programme. The Lord President of the Council might be an appropriate Minister. He would have the necessary seniority to handle the co-ordination of departmental programmes and to demonstrate the Government's determination to deal with the problems. The team, which would consist of seconded civil servants and people brought in on contract from outside, could be attached to the Cabinet Office (as the CPRS was, for instance).

b. To switch responsibility from the Secretary of State for the Environment to another Minister with an interest in the programme but less heavy responsibilities - for example the Secretary of State for Employment - and establish a team in his Department.

c. To strengthen the arrangements within the Department of the Environment by giving full responsibility for the programme to a new Minister of State on the model of the Minister for Information Technology.

6. You might like to consider instructing officials in the Cabinet Office to carry out, in collaboration with the Efficiency Unit, a quick study of these options, and to report to you on them before the report goes to a wider Ministerial group.

7. As far as that wider Ministerial group is concerned, what it should be turns very much on whether you wish to chair these discussions yourself. If you do not, then I suggest that the Home and Social Affairs Committee (H), under the Lord President's chairmanship, would be the right Committee. Urban policy falls broadly within its terms of reference, and all the Ministers concerned are members except for the Secretary of State for Trade and Industry and the Secretary of State for Defence (who would contribute valuably to discussions from his Merseyside experience). If, on the other hand, you do wish to chair the discussions yourself, then I suggest that an ad hoc Ministerial Group on Urban Policy should be established under your chairmanship. As to membership, I recommend it should include the Ministers with responsibilities in the urban field:

- Home Secretary
- Secretary of State for Education and Science
- Secretary of State for the Environment
- Secretary of State for Social Services
- Secretary of State for Trade and Industry
- Secretary of State for Employment
- Secretary of State for Transport



plus Lord President of the Council
Secretary of State for Defence, for his past experience
Secretary of State for Scotland
Secretary of State for Wales
Chief Secretary, Treasury

RTA

ROBERT ARMSTRONG

29 June 1984



10 DOWNING STREET

Prime Minister

Before taking up the question of organisation the meeting needs to discuss what spending in the inner cities can achieve and how the programme needs to be structured to be effective. The question of how the Government organises itself comes at the end.

There are dangers here of concentrating on the form and missing the substance.

The main findings and recommendations are summarised in pages 7-11 of Volume 1 of the Report

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