Prime Minister

5 July 1983

PRIME MINISTER

There are two minutes from Policy Unit

MERSEYSIDE

Mr Jenkin - the second much less inclined than the first to reduce his personal involvement in Merseyside. MCS 5/7

Patrick Jenkin now proposes a "permanent departmental presence on Merseyside". He also believes that Cecil should "set up a similar office on Merseyside to promote his Department's progress and other initiatives". This proposal seems to us not only to be a waste of money, but a channel for wasting more money. So long as the Task Force works through the Departments' existing offices, it retains a flexibility which is vital. We can alter or cut off a programme which is not proving its worth and replace it with something better if need be. But as soon as we establish a permanent presence, we fossilise the existing pattern of programmes because it will require extra political courage to make changes.

What I believe is much more urgent, and not just for Merseyside, is to institute a searching assessment of all our inner city projects. The Urban Programme has now grown to cost almost as much as Regional Policy. But we have very little idea about which bits of it work and which don't. The DoE has set in hand some studies, but I believe that a more searching and independent inquiry will be necessary. My guess is that some of the projects are very worthwhile, but are in danger of being tarred by association with other projects which are frivolous, wasteful or Trotskyite benefit schemes. We suggest therefore:

1. no permanent offices for the Task force; and

2. a searching review of urban policy carried out by a group from the Treasury, Policy Unit, Department of Trade and Industry, and a couple of good outsiders.

FERDINAND MOUNT FM