



QUEEN ANNE'S GATE LONDON SW1H 9AT

7 August 1987

Dear Chief Secretary,

PUBLIC EXPENDITURE SURVEY

WILL REQUEST IF REQUIRED

Thank you for your letter of 31 July in response to mine of 29 June. We clearly have a lot to discuss at our meeting on 14 September. I shall respond then, rather than in this letter, to your proposals and questions. Naturally, I hope to persuade you of the merits and urgency of my proposals, and to satisfy you that they represent good value for money. Meanwhile, I am providing in this letter the further information about my bids that was foreshadowed in my letter of 29 June, including the proposals I am now able to make for prisons expenditure.

Prison building

In my letter of 7 May to John MacGregor I proposed an acceleration of the prison building programme and the addition to it of ten new establishments. I was unable in my letter of 29 June to you to include my assessment of the full cost of these proposals in the Survey period, because the urgent work commissioned earlier had not been completed. I am now able to provide that assessment, taking account of my statement last month on measures to deal with the prison population. As you will recall, this committed the Government (of course with Treasury agreement) to a substantial expansion and acceleration of our plans to provide more prison places.

My overall objective is the creation of 6000 additional new places, by 1995 at the latest. I am in no doubt that this increase is needed to secure the earliest possible downward trend in projected overcrowding and its eventual elimination. To that end, I plan to bring four new Cat B prisons into construction next year by using existing designs and (subject to planning permission) sites already owned by the Home Office. This will reduce the overall costs of the prisons substantially and will mean that they should open late in 1990 or during 1991, nearly twice as fast as has previously been considered practicable. Within the same timescale, the delivery of Milton Keynes will be speeded up by management contracting, and 600 new places will be added to existing prisons. The cost of these plans, including the elements in my earlier provisional bid which related to the existing programme, will be £67.7m in 1988/89, £99.1m in 1989/90, and £58.1m in 1990/91.

/I also need

The Rt Hon John Major, MP

I also need additional provision for a further six prisons. These will be tied in with substantial changes and improvements in the management of the prison building programme, including the setting up of a Prisons Building Board, with which I hope the Treasury will be closely involved over the next year. The maximum expenditure likely to fall within the PES period as a result of these plans will be £26.6m in 1988/89, £67m in 1989/90, and £95m in 1990/91. (None of the figures given include staffing or running costs as they would fall outside the PES period). Finally, as an emergency measure to avoid using police cells during the next few years, Home Office officials are examining the possibility of buying or chartering an accommodation barge which would involve capital expenditure of between £10-£15m in 1988-89 plus running costs which cannot yet be quantified. Home Office officials are ready to discuss the thinking behind all these plans with your officials as soon as possible so that the position has been fully explored before our bilateral.

Prison manpower

My letter of 29 June recorded my view that at that stage it would have been premature to propose any change to the baseline for the Prison Service manpower covered by Fresh Start. As you know the costs of Fresh Start have increased significantly in the current financial year as a result of late implementation. Despite this, I believe I can contain the costs of Fresh Start within the baseline from 1988-89 to 1990-91, and I accordingly make no bid for additional provision. To meet the objective of not exceeding baseline provision I shall need to do everything possible to achieve further savings from civilianisation and changes in court escort arrangements. Those savings will not therefore be available to facilitate reductions in the baseline, as suggested in your letter of 31 July. The bid for headquarters and other manpower in my previous letter still stands.

Prison other

Finally, I undertook to look again before the bilateral at the interim report by officials on the prison education programme. This I have now done and I have concluded that I must seek the full amount recommended by the study team and set down in my previous letter. As you will know, the Education, Science and Arts Select Committee has recently recommended that by 1990-91 education provision should be increased to 7 per cent of establishments' operating costs, about twice the present level. My bid by contrast is needed to keep the proportions more or less as they stand, and my aim will be to secure qualitative improvements through greater efficiency.

National Crime Prevention Association

In the annex to my letter of 29 June, I included a bid (for £1.0m in each year) for the proposed National Crime Prevention Association. The bid is to enable us to fulfil the election

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manifesto commitment to establish a national organisation to promote the best practices in local crime prevention initiatives. I have now given further thought to this and have concluded that the association should have three functions, as follows:

- (a) to promote the cause of crime prevention,
- (b) to facilitate the exchange of information on crime prevention projects and to spread best practice between local groups, and
- (c) to stimulate local initiatives.

I see the new organisation as headed by someone prominent in public life assisted by a council whose members would be drawn from the private sector, local government and the voluntary sector. The Association's expenditure will cover staff and administration as well as publicity, conferences and seminars. This will be complementary to expenditure by the Home Office on crime prevention but, in due course, I see the Association as being largely self financing. I therefore propose that my earlier bid should be tapered as follows:

1988-89	1989-90	1990-91
£1.0m	£1.0m	£0.5m

I have asked Steve Norris to take the lead in setting up the Association, and he has agreed to do so.

Safer Cities

In my letter of 29 June I also said that, in accordance with recent statements about government policy towards the inner cities, I was considering possible new developments of Home Office policy which could have expenditure implications. I have now been able to give this more detailed consideration and I would like to make a substantive bid which we can discuss at our meeting on 14 September.

The primary objective of what I am at present calling a "Safer Cities" programme will be to reduce crime, the fear of crime and the risk of public disorder in up to twenty selected high crime urban areas. The programme would build on the experience that we have already developed under our programme including the "Five Towns" projects and that of voluntary agencies supported by our Voluntary Services Unit. It would bring together and apply the best of crime prevention practices which have so far been established but it would go further by tackling the social and economic factors that can influence offending. It would be an important secondary objective to increase the involvement of young people in purposeful and constructive activity - especially those young people on the edges of society who are most at risk of offending. I believe

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that this approach would fit in well with the proposals for co-ordinating our inner city programmes in a similar number of areas which are being developed in E(UP). You will have seen a copy of my recent minute to the Prime Minister about this. I have included in the attached annex more detail about the programme's objectives, methods of operation, timing and cost. The annex also sets our plans for evaluation (on which we place great importance) of the policy and the individual area projects. The cost of programme is estimated as follows:

1988-89	1989-90	1990-91
£3.0m	£5.5m	£7.0m

Bail hostels

In the Annex to my letter of 29 June, I warned that my bid for probation and after-care might need adjustment to take account of revised costings for the 9 new bail hostels which I proposed. I am now adjusting the bids for probation and after care (within which bail hostels are the largest element) upward by £0.5m to a new total of £2.1m in 1988-89, and by £0.8m to £2.9m in 1989-90. There is a downward adjustment of £0.5m to £2.3m in 1990-91. As I said in my letter, we have been working up proposals for the most cost-effective locations for the nine new hostels. In consultation with the Probation Service, we have identified areas where the population of defendants remanded in custody by the courts or the average occupancy of existing hostels (or both) are significantly above the national average; or where significant numbers are being turned away at present, for lack of available places. Against the background of the rise in the national average occupancy rate since 1984/85, I believe that 9 additional hostels in carefully selected areas represent good value for money. Six new hostels would come on stream in 1988-89 and 3 in 1989-90, providing a total of 200 new places.

Replacement of Harmondsworth detention centre

In my earlier letter I said that officials were still discussing with PSA proposals for the replacement of the Immigration Service detention centre at Harmondsworth. They have now considered a range of options, and officials will be in touch with details. But I believe that deteriorating services and fabric, high energy costs and very poor conditions in the existing building, together with our assessment of the likely future accommodation requirement, all point to a new unit of a size which will enable us to dispense with temporary and operationally unattractive expedients, such as hotel or ship accommodation. I am therefore bidding for a new 200 place unit at a cost of about £9m of which the cost falling in the PES period would be about £0.5m in the first and second years and £3.7m in the last year. About a quarter of the total cost is an allowance for the costs of other Departments occupying Harmondsworth. It is possible that this

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element could be reduced if they were to participate in our plans and contribute accordingly; we shall be discussing this with the Departments concerned. Meanwhile, our revised estimates enable me to adjust my earlier bid downward in the final year.

Fire Capital

An allocation of £18.3m is needed to enable the Fire and Civil Defence Authorities to meet their contractual commitments and to provide adequate funds for essential equipment and building works. We have not been able to persuade DOE to adopt a different method for distributing the fire allocation within the DOE/LA/1 'Other Services' block so that the FCDA's receive the increased provision agreed last year. Consequently, they would receive only £9.9m. A bid for an increase in provision of £6.8m for the FCDA's will, we understand, translate into an allocation of £8.4m giving them the £18.3m they require. We make this bid for one year only in order that the shires do not benefit from an increase intended for the FCDA's.

Police capital and receipts

I have already proposed increases in receipts from the sale of police houses of £6 million in the first year and £1m in each of the later years. Our officials have been discussing the need for greater realism in forecasting these receipts. Although the latest returns from forces which are available are not particularly encouraging, I am prepared in view of the pattern of previous outturns to increase the forecast in the first year by a further £5m. I am not, however, persuaded that it is safe to increase the forecast for the latter years, bearing in mind that the stock of surplus buildings is projected to decline markedly over the period. We would, however, have the opportunity to return to this next year.

At the same time, I wish to increase my bid in the first year for police capital which stands at £6 million by a further £3m to a new total of £9 million. This is to enable the Met. to make better progress in their programme of replacing police stations.

Imperial and National Service Grant

Consideration of the Metropolitan Police relevant current expenditure bids for 1988-89 and of their forecast of net revenue expenditure (cash limit) was not completed until after I wrote to you on 29 June. Net revenue expenditure has now been estimated at £1,017.5m. Imperial and National Services Grant (INSG) is set at 2 per cent of this figure and this now indicates bids for INSG of £0.6m, £1.1m and £1.4m across the PES years. The net revenue expenditure figure is still provisional since it depends on decisions to be made later in the year on the national provision for local authority current expenditure and the Metropolitan Police share, and on a firm figure being calculated for the remainder of the Metropolitan Police cash limit. It is unlikely, however, the resultant INSG bid will need to be further increased.

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I hope that you will find the supporting material in this letter helpful. My officials are ready to supplement it with further information, including running cost implications.

I am sending copies of this letter to the Prime Minister, Willie Whitelaw, Michael Havers, Malcolm Rifkind, Tom King and Patrick Mayhew.

Yours sincerely,

A. P.
Home Secretary

Approved by the Home Secretary
and signed in his absence.

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SAFER CITIES PROGRAMME

Objective

1. The primary objective of the Safer Cities Programme (SCP) will be to reduce crime, the fear of crime and the risk of public disorder in up to twenty selected high-crime urban areas. Intermediate objectives will be to increase the involvement of residents (especially young people) in constructive activity and to increase beneficial social and economic activity generally in these areas.

Method

The SCP will build on the Five Towns Initiative by establishing an inter-agency response to crime in the twenty selected high-crime urban areas. It will bring together and apply the crime prevention practices which have been so far developed and will go further by tackling the social and economic factors which can influence offending. Details of the programme will vary according to the circumstances and the different areas in which it operates, but common features will be:

- (a) a co-ordinator with some administrative support, funded by the Home Office but probably attached to a local Authority who would work closely with the relevant statutory and voluntary agencies, crime prevention panels and other groups including those representing ethnic minorities,

(b) a steering committee composed of representatives of the local services, the business community, the voluntary sector and other relevant interests,

(c) local analysis of problems, existing measures and opportunities for development leading to plans for local action in accordance with locally determined priorities and with effective methods of local delivery,

(d) strong links with the Home Office and through the Home Office with the development of national policies in the relevant areas.

Local plans will typically include the application of best practice for crime prevention - physical security of dwellings and business premises, design and management of housing estates, neighbourhood watch; coordinated services for victims and those at risk; more accessible opportunities for training, occupation and recreation, especially for young people; and effective supervision and guidance towards constructive activity for those who have offended. The coordinator would be responsible for integrating these plans with other local initiatives including for example inner city task forces, and Priority Estate projects.

Timing

We would plan to launch eight schemes in 1988-89, a further eight schemes in 1989-90 and a further four schemes in 1990-91.

<u>Cost</u>	fm		
	1988-89	1989-90	1990-91
Central Home Office Staff	0.1	0.1	0.1
Salaries of coordinators	0.4	0.7	0.9
Publicity	0.2	0.3	0.5
Local Surveys	0.2	0.3	0.4
Project Grants	2.0	4.0	5.0
Evaluation Costs	0.1	0.1	0.1
Total	3.0	5.5	7.0

Evaluation

It is proposed that there should be comprehensive monitoring and evaluation of the programme built in from the start. Each local coordinator would prepare an area profile of his area and there would be local monitoring of each project on a quarterly basis. Annual Reports for all areas would be submitted to the Home Office and each area would be subject to a major review three years after the launch of a scheme. These evaluations would be based on the following:

- (a) Reductions in recorded crime.

(b) Reductions in fear of crime (as measured by local surveys).

(c) Increased social and economic activity (as measured by local surveys).

(d) Increased involvement of young people in constructive activity, both occupational and recreational and with an emphasis on those "at risk".

This would be measured by those providing the relevant schemes as a condition of funding.