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- 2. The main proposals directed at the problems of Merseyside are:
 - a. development of the present Inner City Partnership mechanism for Liverpool, to provide an economic development forum for the whole of Merseyside, with the tasks outlined in the report; to be backed up by a small full time team of central and local government officials;
 - b. a remit to this forum to adopt and implement an agreed development strategy on the lines described in the report;
 - c. a joint exercise by the Department of Industry and local authorities to market Merseyside for financial and leisure industries, making full use of the Office and Service Industries Incentives Scheme;
 - d. a request to the English Tourist Board to consider mounting with local agencies a tourism development programme for Merseyside;
 - e. a joint study by the port authority and the Merseyside Development Corporation to examine ways of encouraging portrelated industry on surplus dockland;

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- f. development of special employment and training measures.
- 3. Two proposals for more general reviews which could benefit Merseyside in the longer term are:
 - a. a review of the national ports system, which would incidentally provide a context for decisions on the future of the port of Liverpool;
 - b. reconsideration of the functions of the 2 tiers of local government in the Metropolitan Counties.
- 4. Finally, on the evidence from our study of Merseyside, we propose that Ministers should consider setting up a review of regional policy, with the aim of promoting employment of all kinds in the most hard pressed regions, rather than having nearly all the emphasis on manufacture. (The review which we have in mind would primarily focus on changes which might be made in the next Parliament. I agree with Mr Tebbit's recent proposal to E(EA) that there is no case for an early change in regional policy this year so far as the Assisted Area map is concerned).
- 5. The Prime Minister will no doubt wish to consider how to handle the report. For the present I am not sending copies to the other Ministers who attended the meeting on 30 March. One possibility would be to reconvene that group to consider the special problems of Merseyside, and then, if agreed, to take the wider proposal on a review of regional policy (which affects others such as the territorial Ministers) to E Committee.
- 6. However, if the Prime Minister is content, I see advantage in circulating the report fairly soon because it has some bearing on a number of other issues currently being examined, such as unemployment,

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ports and local authority assistance to industry.

7. A copy of this minute and the report goes to Sir Robert Armstrong.

