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+ CSD.

MAP 18/11/81

Prime Minister

Economic Planning Councils

I believe that we should dispense with the eight English Economic Planning Councils (EPCs). My consideration of this issue has so far been in the context of the Quango review, but if the EPCs, with 250-odd total membership, are to go, it would be a convenience, both for them and for myself, if this could be decided now rather than left until October. In this way, no-one would need to go through the tiresome and, I would expect, nugatory process of putting the EPCs in motion again after their summer recess, with all the associated problems of drawing up work programmes on a contingent basis and of deferring new appointments and prolonging present terms of office, pending the outcome of the review.

The eight EPCs in England were set up in 1964 and 1965. Each comprises about 30 part-time members appointed by the Secretary of State for the Environment to serve in a personal capacity but drawn from both sides of industry and commerce, local government (both members and officials), the academic community and various other areas of activity in the region concerned. They are each served by a small secretariat of officials.



EPCs work informally. They have no executive powers and no funds of their own. They study and advise, both as requested and as they see fit, on the needs and potentialities of their regions; and they assist in the formulation of guidance for planning in their regions. Since they are non-statutory their removal would be a simple administrative act and, if nothing replaced them, the savings would be around £200,000 pa.

A principal concern of EPCs has been their collaboration with my Department and local authorities (to a varying extent in each region) in developing a regional framework for structure planning and general decision-making; but they have also been free to advise any Minister on the regional implications of his policies and the use of the word "Economic" in their title has inevitably given them considerable latitude which they have used to justify advice on matters ranging from education to aids for industry.

Their advice to my department, while usually relevant to that part of my work which has a regional dimension and often sensible, has seldom if ever been distinctive, in the sense that it was not already on show or readily obtainable elsewhere. Their claimed advantage as an independent non-political regional consensus has been largely nullified by the fact that they do not represent an electorate and have no statutory authority.



I conclude that the English EPCs are dispensable and can conveniently be disbanded: but I should not wish it to be inferred, from this, that, in so doing, I choose to discount in any way the importance for central government of having its eyes and ears open in the regions and of having effective official machinery there both for everyday purposes and for emergencies. I therefore strongly support the continuance of the Regional Planning Boards of officials, chaired by the DOE/DTp regional directors.

In particular, I should expect the Boards to keep in being an effective network of contacts in their regions. It is true that such networks have been one useful by-product of the EPCs: but it should be perfectly possible for our regional directors to maintain contacts - including, for example, the regional offices of the TUC and CBI - without the paraphernalia of the EPCs. I should also wish my department, in collaboration with others as necessary, to continue with as much work in the "regional strategy" field as may be needed to simplify the task of structure planning authorities. This would consist of continuing up-to-date guidance, first, on those matters of national policy which I shall expect to take into account when approving structure plans and, secondly, on the reconciliation of policies in one part of a region with those in other parts. On this basis, regional strategic guidance would be withdrawn from some of its past wide-ranging excursions and contained mainly within the area of land use and infrastructure. The result should be a considerably reduced call upon officials



of several other departments, while the more limited range of guidance should more readily be kept to essentials, more quickly prepared and more frequently up-dated, with good effects all round. Moreover, it should be quite feasible and effective for my department to produce it, without help from Planning Councils, relying on consultation with local authorities - using and encouraging Standing Joint Committee machinery wherever it is suitable - and of course, consulting other departments as necessary.

By continuing with the Planning Boards, who would carefully maintain their network of contacts; and by giving more emphasis to the place of local authorities in strategic work, I believe we could disband the EPCs without giving a false impression that we had in any way lost sight of the regional dimension. I suspect that many members of the EPCs themselves have doubts about their usefulness; and the counties, for their part, would be likely to welcome the disappearance of a rival - however ineffective. There are, of course, roughly parallel bodies to the EPCs in Scotland and Wales. My hope is that what I propose will not prove incompatible with my colleagues' plans for those bodies. I understand from Nicholas Edwards that he has in mind to abolish the Welsh Council and I should certainly not object to that.



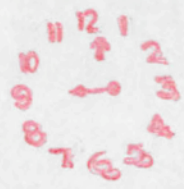
I am copying this letter to E(EA) colleagues and to Sir John Hunt, Sir Ian Bancroft and Sir Derek Rayner. Subject to your views and theirs, I should like to make an early announcement - if possible before the Summer Recess.

Wright

MH

17 JUL 1979

18 JUL 1979



... of his resignation (11/11/78) and ...
... to your views and ...
... to your ...

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Ch.Sec.

23 July 1979

The Prime Minister has seen your Secretary of State's minutes of 17 and 20 July, in which he proposes the abolition of the eight English Economic Planning Councils. She has also noted the agreement of the Secretary of State for Trade (his minute of 20 July), the Secretary of State for Industry (his minute of 20 July) and the Secretary of State for Employment (his undated minute).

The Prime Minister agrees that these Economic Planning Councils should be abolished, and she agrees that an announcement could usefully be made through written PQ before the summer recess.

I am sending copies of this letter to the Private Secretaries to members of E(EA) and to Martin Vile (Cabinet Office), David Laughrin (Civil Service Department) and Clive Priestley (Sir Derek Rayner's Office).

M.A.P.

D.A. Edmonds, Esq.,
Department of the Environment.

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PRIME MINISTER

Mr. Heseltine (Flag A) proposes that the eight English Economic Planning Councils should be abolished. He would like to make an announcement before the Summer Recess. His view of their uselessness, and of the staff resources and time they consume needlessly, is endorsed by Mr. Nott (Flag B), Sir Keith Joseph (Flag C) and Mr. Prior (Flag D). Sir Ian Bancroft (Flag E) sees no machinery of Government objections to winding up the Councils, and agrees that announcements on the abolition of such quangos should be reached as decisions are taken, and not stored up for a collective announcement. Sir John Hunt (Flag F) endorses the general views, and adds that advice from the EPCs has often been in the direction of increased public expenditure.

Sir John recommends that you should approve the proposal, subject to Mr. Heseltine clearing the terms of his announcement with the Secretary of State for Industry. Do you agree?

*Lisakent -
foaked out*

MAJ

20 July 1979



CONFIDENTIAL

PRIME MINISTER

ECONOMIC PLANNING COUNCILS

In my minute to you of 17 July I recommended that we should dispense with the English Economic Planning Councils and that we should make an announcement to this effect before the Summer Recess.

In view of the membership of these Councils - and particularly the status of the Chairmen - I think it would be appropriate if our decision were announced by way of a Written PQ. We would have to arrange for this to be put down by next Wednesday.

I hope therefore that our colleagues can agree to the course of action proposed in my minute and that you agree that we might announce this in the way I have suggested.

There is not so much urgency about announcing decisions on the other quangos that I wish to abolish. I shall be reporting to you very shortly my decisions and I will of course be very content to fit in arrangements for any announcement with whatever my colleagues feel would be most sensible.

Copies go to the recipients of my minute of 17 July.

MJH
MH

20 JUL 79



GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

20 JUL 62

in view of the membership of these Councils - and particularly the status of the members - I think it would be appropriate if our decision were announced by way of a written note. It would be to ensure that there is no misunderstanding.

I hope therefore that our colleagues will agree to the course of action proposed in my minute and that you agree that we should announce this in the way I have suggested.

There is not so much urgency about announcing decisions on the other grounds that I wish to state. I shall be reporting to you very shortly on the decision and I will of course be very careful to fit in proposals for my announcement with the level of colleagues feel would be most suitable.

Yours faithfully,
[Signature]

B



From the Secretary of State

PRIME MINISTER

ECONOMIC PLANNING COUNCILS

I have seen the Secretary of State for the Environment's minute to you of 17 July about the future of the English Economic Planning Councils. I fully support its recommendations.

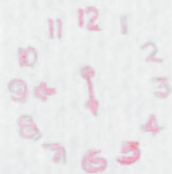
I can speak personally only of the South West Economic Planning Council but this has been something of a west country joke for the last fifteen years and has served no regional or economic function whatsoever. It involves a significant civil service back-up staff from a number of Departments and I cannot think of a single positive or constructive act which has emerged from its long and involved deliberations since its formation.

*It has however, taken up much painstaking
and conscientious time on the part of the participants
- but to no purpose.*

J. N.

Department of Trade
20 July 1979

20 JUL 1979





PRIME MINISTER

ECONOMIC PLANNING COUNCILS AND REGIONAL STRATEGIES

I agree with Michael Heseltine's proposal, in his minute to you of 17 July, to abolish Economic Planning Councils in England.

I also welcome the proposed curtailment of regional strategies since this, too, is fully in accord with the need to cut down on the size of the Civil Service. In their present form the strategies involve my Department in much work none of which is any value to the formulation of industrial policies. They also encourage local authorities to spend time and effort producing biased although superficially objective critiques of the industrial policies of the Government rather than concentrating on carrying out their own functions efficiently.

I accept Michael's judgment that for his planning purposes regional strategies should continue in a vestigial form. But we will have to be very firm with local authorities on the new restricted scope for such work and on the exclusion of extraneous matters such as examinations of industrial policies and the preparation of regional "forecasts" of unemployment. This will make us unpopular. Local authorities will naturally want to use the preparation of regional "strategies" to show that they are being unfairly treated by national industrial policies; this tendency

/will be....



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will be particularly pronounced in places whose Assisted Area grading is being reduced. But if we are not firm we shall face a re-emergence of the present unsatisfactory and time-consuming features of regional strategies.

I am sending copies of this minute to the other recipients of Michael Heseltine's minute.

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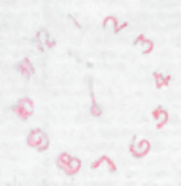
K.J.

20 July 1979

Department of Industry
Ashdown House
123 Victoria Street
London SW1



19 JUL 1979



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PRIME MINISTER

ECONOMIC PLANNING COUNCILS

1 Michael Heseltine sent me a copy of his minute of 17 July about Economic Planning Councils and regional economic planning work.

2 I warmly endorse Michael's suggestion that the English Economic Planning Councils should be abolished without delay. My own view, which I have already conveyed to him and Keith Joseph, is that they are little more than talking shops, and that the sooner we can get rid of them the better. (Jim Lester, who has served on one of them, agrees). We will of course need to present this decision carefully, and to ensure that we continue to be sensitive to local and regional pressures.

3 So far as the generality of regional economic planning work is concerned, I would go a little further than Michael has suggested. My Department's experience is that such work involves a great deal of staff time - indeed, when I looked into the scale of our involvement I was horrified to find how much resources are devoted to it - to very little purpose.

4 So far as Regional Strategies are concerned, for example, I had always understood that the main argument for the Government's being involved was that EPCs (and other local bodies) were keen on them - mainly as a means of highlighting their Region's problems - and that it was better for us to participate than to stand aside. I do not think we have ever valued such Strategies for their own sakes: quite the contrary, in fact. If we are to do away with EPCs, therefore, there would be everthing to be said for doing away with Regional Strategies as well.

5 Similarly, I doubt the value of Regional Strategies as an aid to co-ordinating structure plans. After all, structure plans have often been produced without the benefit of any Regional

Strategy. So far as employment matters are concerned, I should be happy for us to deal with structure plans in the way that local authorities have always wanted - by standing aside and letting them get on with their plans by themselves without Government interference.

6 As to the work of Economic Planning Boards, I agree that it would be useful for the Regional Directors of the three Departments to continue to meet, as and when necessary, to exchange notes. But I think they should be discouraged from formalizing such meetings too much. For example, I think it likely that the main result of each Board's having a full-time secretariat is that the members of the latter, with the best possible motives, generate more paper when what is needed is less.

7 To sum up, a great deal of regional economic planning work seems to me to have grown up under our predecessors into the sort of "waste, bureaucracy and over-government" which the Manifesto pledges us to reduce. And reducing it will help all the Departments involved to achieve the staff savings we need.

8 I am copying this minute to those to whom Michael sent his.



J P

July 1979



CIVIL SERVICE DEPARTMENT
WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.
Head of the Home Civil Service*

M Pattison Esq
Private Secretary
10 Downing Street
London SW1

20 July 1979

Dear Mike,

ECONOMIC PLANNING COUNCILS

You invited comments from Sir Ian Bancroft on the proposal of the Secretary of State for the Environment to dispense with the eight English Economic Planning Councils (EPCs) (his minute to the Prime Minister of 17 July).

2. Sir Ian Bancroft sees no reasons on machinery of government grounds to dissent from the Secretary of State's conclusion. EPCs which have no executive authority do not directly contribute to the co-ordination of government action in the regions. This is achieved mainly through the mechanism of the Economic Planning Boards of officials which the Secretary of State proposes to retain. Nor do the EPCs open up entirely new channels of advice to Government. To a very large extent, the advice from them is already obtained or could be obtained directly from the various interest groups and authorities represented on the Councils - eg local authorities, CBI, TUC. There may be some "independent" opinion which will be marginally more difficult to secure outside the EPC framework, but this is unlikely to cause any material difficulty for Government in the regions.

3. So far as the effective operation of government is concerned, therefore, the EPCs are not likely to be missed and indeed their abolition should enable some administrative economies and simplification to be made. This is not solely a question of the direct savings which the Secretary of State estimates to be £200,000 per annum, but indirect savings in staff effort in all those departments currently engaged in work arising from the existence of the Councils.

4. In practice, the main impact of the Councils has been political and presentational. Their existence has enabled the Government more easily to show publicly that there is a process of consultation with regional opinion than would perhaps have been possible if advice had been taken through more informal channels. The Councils have been the only piece of machinery which can purport in however limited a way to represent opinion at regional level. It was for this reason

MANAGEMENT IN CONFIDENCE

that in its consultative document on "Devolution : The English Dimension" the previous government made the Councils the starting point for their discussion of "regionalism" in England. The Secretary of State for the Environment has drawn attention to the danger that, against this background, the abolition of the EPCs might be taken to express an unwillingness of the Government to take account of opinion in the regions. The Prime Minister will no doubt wish to make her own assessment of this danger and the likelihood of averting it by stressing that the existing contacts for consultation will be maintained and that the place of local authorities in regional strategic work will be given greater emphasis.

5. The other political consideration is of course the contribution which the abolition of the EPCs would make to the reduction of quangos and, more particularly, in the formidable reduction of Ministerial patronage - 250 + Ministerial appointees. On that, there could be an argument for delaying any announcement, if the Prime Minister agrees with the Secretary of State's proposal, so that it could form part of a more general statement about reduction of quangos on completion of the quango review; but Sir Ian Bancroft supports the Secretary of State's point that delay in taking and announcing a decision on the Councils could cause a potentially embarrassing and difficult interregnum and create a lot of unnecessary and abortive work for departments in the meantime. He is generally in favour of slaughtering agreed victims as the review proceeds, rather than keeping them alive unnecessarily for a holus-bolus announcement. Credit for their previous slaughter can be claimed, and got, in any such announcement.

6. This letter has not been copied elsewhere.

Yours sincerely
David

DAVID LAUGHRIN
Private Secretary



CONFIDENTIAL

Ref. A010

PRIME MINISTER

Economic Planning Councils

Your Private Secretary has sought my advice on the proposal of the Secretary of State for the Environment to abolish the eight English Economic Planning Councils. I think he is right, though you will need to take into account the political arguments. The abolition of these bodies, which have provided some sort of focal point in the English regions, may be seen by some people as evidence of a lack of interest in the regions on the part of the Government, especially when it comes on top of changes in regional industrial policy.

2. On the other hand, I understand that the Councils have in recent years not had a very effective role. Their demand on the time of staff in the regional offices of the Departments of the Environment, Transport, Industry and Employment is not insignificant; and the advice they have given has often been in the direction of increased public expenditure. In the area of regional planning, they have tended to overlap the work of local Planning Authorities, though their horizons have been wider.

3. Apart from possible presentational difficulties, the arguments clearly favour winding up the EPCs. I would expect the members of E(EA) to support the Secretary of State for the Environment, and I recommend that you should approve the proposal, subject to him clearing the terms of his announcement with the Secretary of State for Industry.

(John Hunt)

20th July, 1979