



Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY  
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14 May 1986

The Rt Hon The Lord Young of Graffham  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

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Dear Secretary of State,

DRAFT WHITE PAPER ON DEREGULATION

Your minute to <sup>at top</sup> the Prime Minister, received here on 7 May, proposed clearing the deregulation White Paper (other than the accounting and audit issue) by correspondence. We have discussed VAT penalties separately.

I am content with the passages specifically relating to this Department's work, subject to some minor drafting amendments which our officials have discussed. However, I would have welcomed some recognition of sponsoring Departments' role in the deregulation process. As paragraph 2 of the Concordat recognises, responsibility for reducing burdens rests with regulatory Departments in consultation with Departments (such as ourselves and MAFF) which sponsor the business sectors concerned. It specifically provides for the sponsor Departments to have the opportunity to be involved in the process of vetting new regulatory proposals. The EDU's existence has certainly given new impetus to the work of keeping burdens on business to the minimum. I hope that you will feel able to recognise the contribution made by Departments and, by small amendments to the draft White Paper, dispel any impression that may be left that Departments have stood idly by. To meet this point I also hope that you will be ready to accept the (relatively) minor amendments I have suggested in the attached paper.

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I am copying this letter to the Prime Minister, Sir Robert Armstrong, Kenneth Clarke, Sir Geoffrey Howe, Nigel Lawson, Douglas Hurd, Michael Jopling, Nicholas Ridley, Kenneth Baker and Norman Fowler.

*Yours sincerely*

*John Pegg*

PAUL CHANNON

*(approved by the Secretary of State and signed in his absence)*

Encl

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PROPOSED AMENDMENTS:

Para 1.15 which could usefully be redrafted along the lines of "...Each Government Department has its own set of policy aims and objectives. While certain Departments have had responsibility for particular sectors of industry, on whose account they have taken an interest in the regulatory process, reducing burdens on business in general has never been the policy aim of any single Department ..." and

Para 3.11 which could be amended to read: "Discussion between the regulatory Department, the Department sponsoring the industries affected and the EDU on the basis of the preliminary assessment..."

On outstanding points of substance I would make the following comments:

Planning (para 5.2)

In paragraph 5.2 I suggest that "demonstrable" in line 7 be amended to "unacceptable" or "significant". The current wording tilts the balance too far against development - which should, in the enterprise culture we are seeking to promote, be an interest whose importance is acknowledged to be paramount.

Use Classes Order (para 5.7)

I am writing separately about this, and you will see that I am content with Kenneth Baker's proposed paragraph.

Health and Safety (paras 7.12 and 7.13)

This section appears to be largely based on the findings of the HSE/EDU study team - about which Peter Morrison wrote to you on 29 April. I am not entirely happy with the present drafting of paragraphs 7.12 - 7.13 - which appear unduly complacent in the light of DTI's survey of large firms last year, which identified health and safety legislation as the fourth most important 'burden'. My officials have offered yours an alternative form of words for the paragraphs in question; I hope this can now be resolved urgently.

Agricultural land (para 8.43)

Of the two options suggested for paragraph 8.43 I prefer the first. You will be aware that current policies on the protection of agricultural land can in some circumstances serve to impede the

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creation of much-needed jobs - for example in light industry; I see no reason for us to be shy of indicating that we are considering the problem.

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