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The Rt Hon Nicholas Ridley
 Secretary of State for Transport
 2 Marsham Street
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19th May 1986

De. N.R.

WHITE PAPER ON DEREGULATION

Thank you for your letter of 14th May about the white paper on deregulation 'Building Businesses ... Not Barriers' the final text of which you will now have seen.

I am most grateful for your Department's contribution to this and for your support and David Mitchell's on this exercise. I also appreciate the comments in your letter about cutting back the accounting and audit requirements for small companies. Unfortunately in the end, we were not able to go as far as you might have wished.

You expressed concern about the drafting of chapter 3 of the White Paper which concerns the arrangements for compliance cost assessment and arises from the 'concordat' that was agreed between us last autumn and is reproduced as Annex 3.

We had received some suggestions at official level about the details of this chapter and have been able to accommodate most of them. These adjusted the tone somewhat, but we do not want to dilute the agreements reached or create uncertainty by adjusting the language already adopted. Hence we have not been able to meet all your detailed points. In particular, your concern about 'significant' burdens is not new and has been taken into account in the very unbureaucratic arrangements with Departments which have been discussed at official level. The 'concordat' does provide for EDU not to see formal CCAs on regulations that have been shown to have only a 'minimal' impact on business.

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I hope that you will accept this reassurance that nothing in Chapter 3 as now amended is intended to override the concordat, and this itself sets out flexible arrangements to which we shall certainly adhere.

I am copying this letter to members of E(A), to Willie Whitelaw, Douglas Hurd, Norman Fowler, Michael Havers and Kenny Cameron and to Sir Robert Armstrong.

Lawson
Hurd

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