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My ref:

Your ref:

The Rt Hon Kenneth Clarke QC MP
Paymaster General
Department of Employment
Caxton House
Tothill Street
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3rd October 1986

Dear Kenneth

MEASURES TO ALLEVIATE THE EFFECTS OF MAJOR REDUNDANCIES

Thank you for the copy of your letter of 25 September to the Chief Secretary.

I am content with the proposal to set up an official group on the lines proposed, provided that this does not imply an increased frequency of special packages in response to redundancies. These are likely, as you say, to be of limited relevance to the deeper problems of unemployment in these areas. I agree that to be effective redundancy packages will often need new resources. The issue is whether any resources that are available would be more effectively used if committed through sustained initiatives, rather than in bursts as redundancies occur. Indeed, the question is how to use such money as is available in the most effective way.

The criteria for triggering packages should be restrictive enough to ensure that they do not become commonplace. It is right that the content of each package and the choice of agency should depend on local circumstances, but it is also important to take past experience into account. I hope the Group can undertake an early review of the effectiveness of past packages, including an assessment of the various enterprise companies which have been set up to deal with steel, coal, railway workshop and shipbuilding closures.

I am copying this to the Prime Minister and other members of E(A).

Jon

NICHOLAS RIDLEY

Nicholas

MANPOWER : SGMS PT14.

