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From The Parliamentary Under-Secretary

6 October 1986

CONFIDENTIAL

John MacGregor

N B M

MEASURES TO ALLEVIATE THE EFFECTS OF MAJOR REDUNDANCIES

Thank you for copying your letter of 25 September, to John MacGregor, to Nick Edwards. I am responding in his absence abroad.

The first thing that strikes me is that the report appears to be aimed at the situation in England. The task of the proposed Committee appears primarily to relate to assessment of situations and presentation of the assessment to Ministers who can then take a view on the response required. This is a job already done by the Welsh Office in Wales and unless extra money were on offer, or we seriously envisaged localised changes in the rules of national schemes, there would seem little point in giving the Committee a role in relation to the Principality. Is this, however, what was envisaged? If there are to be extra resources on offer we need to discuss the basis on which Wales (and Scotland) would be linked into the system.

As to the question of changing the rules of national schemes I hope that this is something that we can resist; not just because of the difficulty of "ring fencing" such changes (to which the report rightly draws attention) but because I feel that if programmes designed (as you point out) to reflect the severity of need cannot respond fast enough or well enough to major problems, we should look at improving the scheme as a whole.

I am concerned about the possibility that either the Committee or the sorts of local arrangements to which it could lead, might become institutionalised. By this I mean that even if the Standing Committee's

/existence is not ...

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existence is not known of, the creation of a standard administrative structure - a "taskforce" - could become the expected response to every major redundancy. Using existing arrangements such as City Action Teams is one thing; ad hoc taskforces, especially those involving the local authorities - as we in Wales know to our cost - can become a serious handicap to the Government's freedom of action.

I am not convinced on the evidence presented in the report that the idea of a Standing Committee offers significant advantages over a less formal arrangement where a single department would be responsible for co-ordinating an assessment of major redundancy situations and putting together proposals for a response. Indeed, as I have indicated, even if the arrangements were to be seen as relating exclusively to England, I would see distinct disadvantages.

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

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WYN ROBERTS

MANPOWER: Special employment measures: Pt 14

