



Prime Minister (2)

To be aware.
I will resubmit

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

this to you with

PRIME MINISTER

MS

briefing and advice

- I suspect that it is more

politically sensitive than

this minute suggests.

REVIEW OF REGIONAL ECONOMIC POLICY

Your Private Secretary's letter of 4 May conveyed your agreement that an inter-departmental working group of officials, under Treasury chairmanship and MISC 14 supervision, should undertake a review of regional economic policy. The group was to aim to produce a substantive report by the end of December.

MCS 6/1

in folder
attached
to file.

2. The group has now produced its report and I attach a copy. You may like to glance at Part VII (pages 73-78) which gives the main conclusions and poses some basic questions about the next steps.

3. The report is unexciting and there is a good deal more work to be done if specific changes are eventually to be made on the lines suggested. But I regard it as a workmanlike effort, and a broadly acceptable basis for taking matters forward. The next step might be to circulate it to MISC 14 (augmented as necessary) and to carry discussion forward there.

4. Before that is done, however, I should be glad to know whether you have views on procedure or forum. You might think it useful for us to have a word together about how we see the substance and timing of all this fitting into our general political strategy - paragraphs 199-202 of the report are relevant.

5. I am sending a copy of this minute to Sir Robert Armstrong.

gh

(G.H.)

30 December 1982

H M Treasury Document

Description REGIONAL ECONOMIC POLICY, DECEMBER 1982:
Report by Interdepartmental Group of Officials.

Reference RREP(83)1

Date 6 January 1983

This document has been removed and destroyed.

When released HM Treasury documents are available in the appropriate
HM TREASURY CLASSES

Signed Wayland

Date 23 April 2013

PREM Records Team

pl/a
Replied
copy

Prime Minister (4)

You might be amused by this.
A somewhat cynical DEM view of
regional policy : plus ca change.

PERSONAL



Department of Employment
Caxton House, Tothill Street, London SW1H 9NA
Telephone Direct Line 01-213 4570
Switchboard 01-213 3700

Alas

Heads!

M E Quinlan Esq CB
Treasury
Parliament Street
London SW1P 3AG

5 November 1982

(sic)

Dear Michael,

RREP

→ Mary

Actuated solely by a desire to help, I offer the enclosed
draft of the Committee's final report.

[I was the
Secretary]

Yours
Dain a West.
D T WEST

cc Mr Brand
Mr Stanton

MW G...
c MW Ball ✓
A collection item
R
8/1/82

REVIEW OF REGIONAL POLICY

DRAFT REPORT BY OFFICIALS

Introduction

1. We have earnestly considered everything relevant to regional policy, and many other interesting subjects as well. We and our six sub-groups have circulated over 100 papers, and many of us have read all of them, or at any rate their conclusions.

Effectiveness

2. As a result, we have no idea what regional policy has actually accomplished in the last 40-50 years. We suspect that any benefits it has brought to the regions have been outweighed by the damage it has inflicted on the national economy. In any case, we are pretty sure that regional policy has been increasingly ineffective in the 1970s, and that it will be positively harmful in the 1980s. But we suppose that Ministers are attached to it, and so we recommend that it should be continued. We are told that this will help to dish the Scot Nats, and make up for the Massacre of Glencoe.

A Possible Future Scheme

3. The emphasis of regional policy could be shifted towards service industries, though we are instinctively opposed to reinforcing success rather than encouraging failure, and a genuflection could be made in the direction of small firms, since that is the current buzz-phrase. But the principal change should lie in the introduction of a Layard-type marginal labour subsidy. Hitherto this has always been reckoned a waste of money, but perhaps wrapping it up in regional policy makes a difference.

A Geographical Framework

4. Regional policy has always been concerned with the need for jobs. Inner cities policy, on the other hand, is concerned with the number of black one-parent families lacking an inside lavatory. Obviously these two strands of policy should be combined, though we cannot for the life of us see how, or why. Bringing rural policy into the combination is more difficult, because those concerned with it work in Bristol and it is impossible to discover what they are doing. But we attach a helpful diagram from the Development Commission

which merits the widest possible circulation as the Old Country's challenge to the Harvard Business School. (Children of all ages will be thrilled by the game of getting from the Co-operative Development Agency to the English Tourist Board without taking a Local Initiative).

Regional Organisation

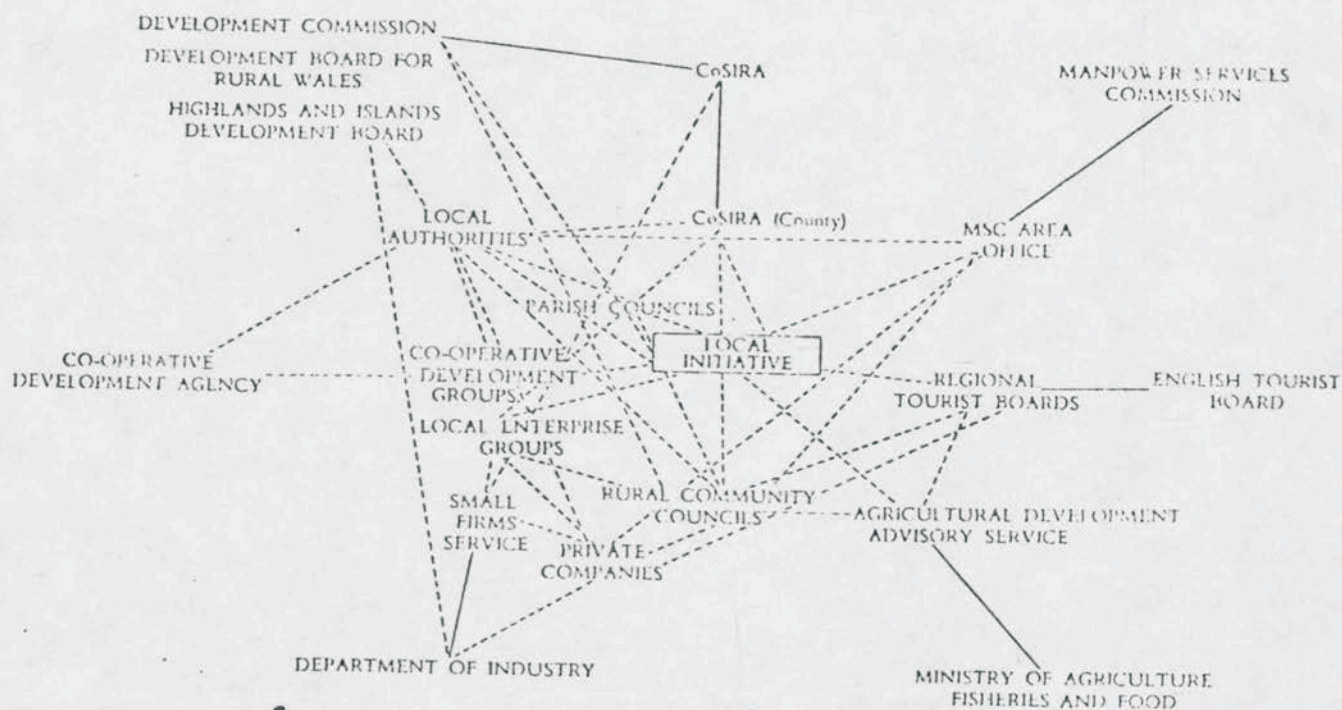
5. All this uncertainty makes it easy to understand why we have adopted the classic bureaucratic response to any difficulty of fiddling with the organisational framework. (Whereas ^a soldier lost on manoeuvres cries: "The map's wrong", a civil servant boldly sets out to change the map). We have accordingly rambled happily through the by-ways of new Ministries, or Ministerial Committees, joint Regional Offices and rotating Chairmanships. Like regional policy itself, all this may help, though it will probably hinder, and it will at least create additional jobs for civil servants - some of them in the regions.

Envoi

6. In making our recommendations we are fortified by the conviction that they will be ignored by any Government which emerges from the next election. After all, it is better to recommend hopefully than to arrive at the point where one has to put one's recommendations into effect.

Appendix 2 Developing Local Initiative – Some of the agencies involved

The diagram attempts to illustrate the *main* relationships between the agencies involved, not all.



----- partnership, advisory, financial relationship ——— direct 'control' relationship

Reg Pol: Review PTL