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CRNO

2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

8 August 1983

Dear Chanceller

FUTURE MONITORING OF ENTERPRISE ZONES

I think you will wish to know that I intend to give approval to a new programme of monitoring economic activity in enterprise zones to take effect when the present consultants' study is completed. You will be aware that at present the established zones are being monitored by consultants, Roger Tym and Partners. They have produced two reports so far, covering the period from the designation of zones up to 31 May 1982, and they are to produce a third, covering the year ending 31 May 1983. The contract with the consultants will finish with the production, early next year, of the third report and we have been giving some thought to what system of monitoring should replace it.

My officials, in consultation with yours and those in Departments represented on the inter-Departmental committee steering the consultans' present study, have reviewed the options for future arrangements.

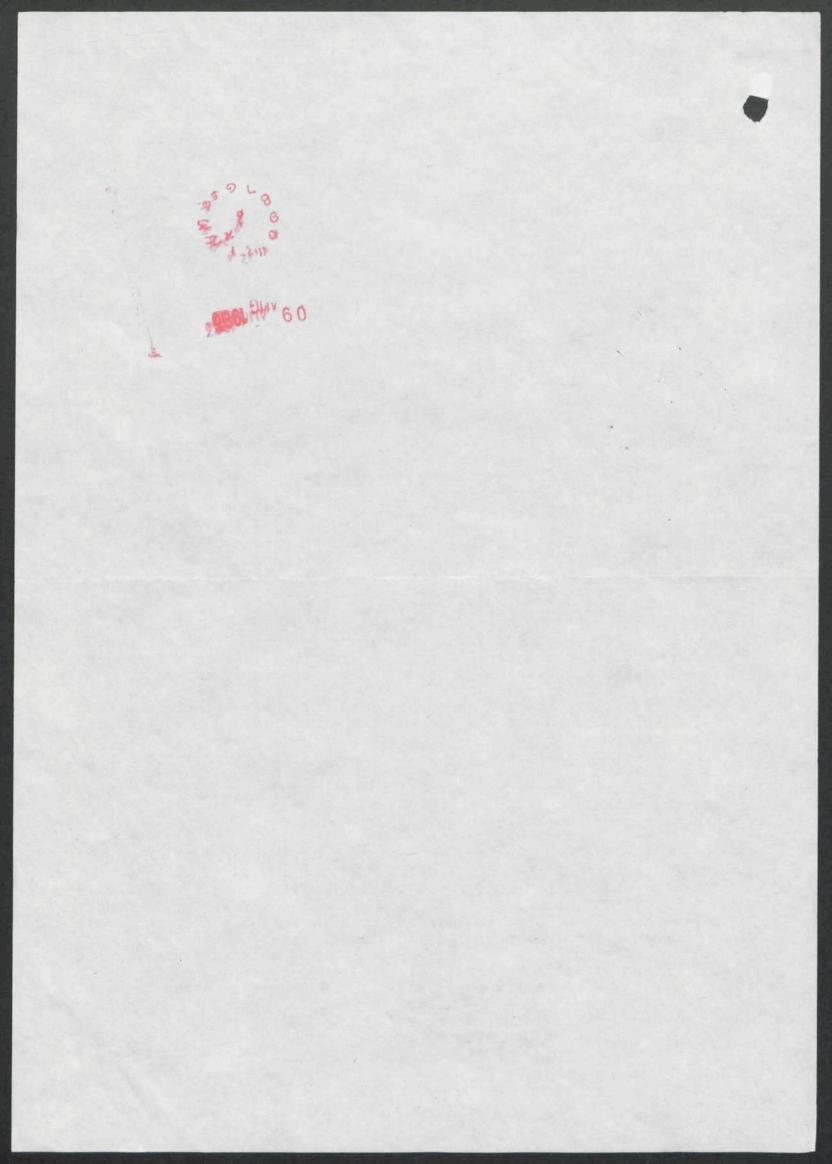
I have considered their recommendations and I have concluded that maintaining the annual evaluation of the zones along the detailed lines currently followed by the consultants is unlikely to be worthwhile, at least for the time being. I cannot envisage that we will learn anything in the next two years beyond what emerges from the first three; while there may be a case for a single more rigorous survey in, say, three years time, a decision on such an exercise need not be taken now.

I have decided to focus future monitoring of enterprise zones on the collection of such basic data as will allow us to continue to identify what is happening to economic activity within the zones. It will in any case be necessary to collect this, if for no other reason than to be able to respond to the interest the zones continue to arouse both here and abroad. I intend that the data should be collected for both the established zones and those presently being designated and that it should be obtained from existing statistical sources, with officials here assembling and analysing the material.

PATRICK JENKIN
(Approved by the

Secretary of State and signed in his absence)

The Rt Hon Nigel Lawson MP



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MBPM MIS 919

2 MARSHAM STREET LONDON SW1P 3EB 01-212 3434

My ref:

Your ref:

8 September 1983

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Thank you for your letter of 18 August, reporting Lord Cockfield's comment on my Secretary of State's intentions to approve a new monitoring programme for enterprise zones.

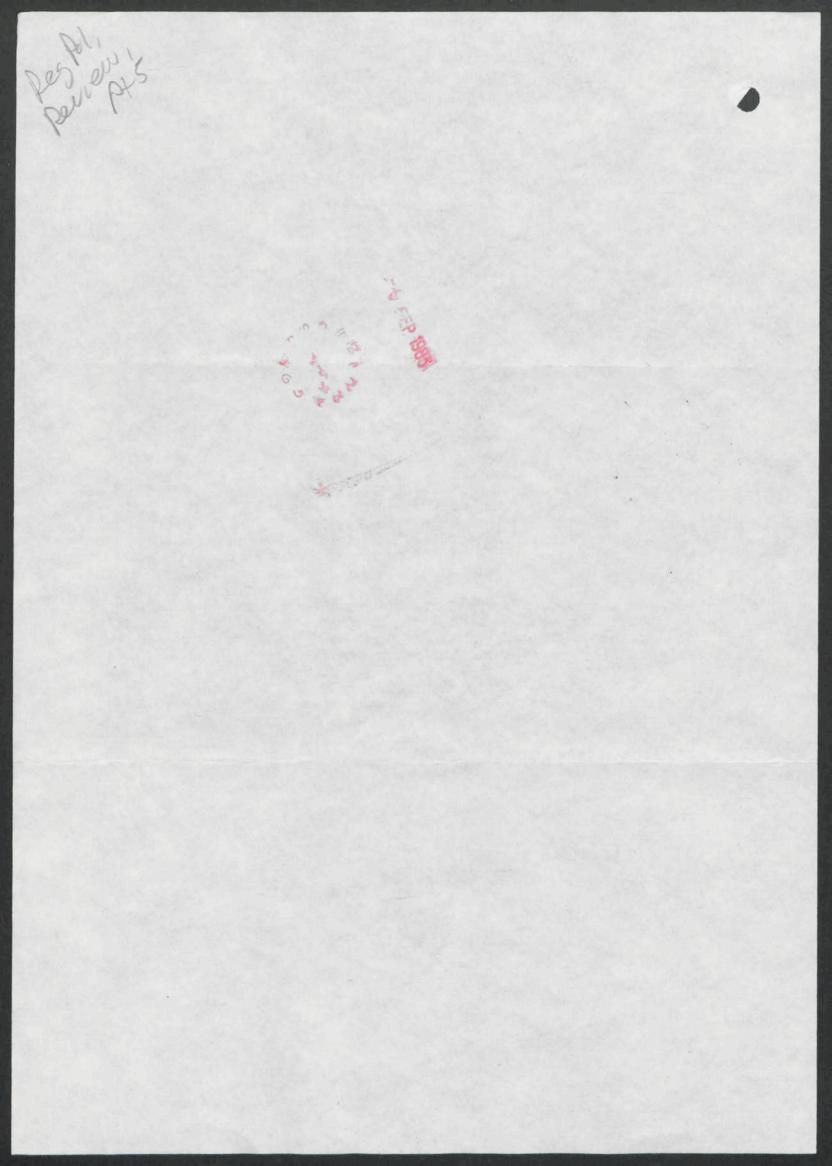
Lord Cockfield may find it helpful to know that there were two main reasons why it was necessary to take a decision now. Firstly we needed to be certain that an appropriate monitoring system would be fully operational in time to replace the current arrangements when they are completed early next year. This will involve substantial preparatory work, for example in ensuring that the relevant information on EZ's is extracted from the various data sources. Secondly our intention is that the monitoring system will be the same in both the established and the new zones. The new zones are now coming on stream and very soon we will have to start gathering detailed information on the situation in the zones at designation. That will give us a bench mark against which to measure future change.

I should add that we are in regular contact with our monitoring consultants. Although we have yet to see their detailed findings for their third report, we are sufficiently familiar with the broad thrust of their conclusions to be confident that the proposed new system is an appropriate replacement.

I am copying this letter to the recipients of yours.

ROGER BRIGHT

Private Secretary



Chancellor of the Duchy of Lancaster

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CABINET OFFICE. WHITEHALL, LONDON SWIA 2AS

18 August 1983

Dear John.

FUTURE MONITORING OF ENTERPRISE ZONES

The Chancellor of the Duchy of Lancaster has seen your Secretary of The Chancellor of the Duchy of Lancaster has been judged. August. State's letter to the Chancellor of the Exchequer dated 11 August.

Lord Cockfield has commented that while there is no case for deciding Man now to continue the detailed study, it seems premature to decide what should replace it - or what action should be taken - in advance of the Consultants' third report.

I am copying this letter to the Private Secretaries to the members of ES Committee and the Secretaries of State for Scotland and Wales.

yours ever, alex Galoway

A K GALLOWAY Private Secretary

John Ballard Esq Private Secretary to the Secretary of State for the Environment 2 Marsham Street London SW1p 3EB

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