

24 May 1984

PRIME MINISTER

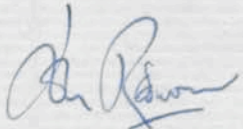
JOBS SEMINAR - FUTURE WORK

The last 30 minutes of the Seminar have been allocated to discussion of how to carry the work of this group - and the policy work of the Government - onwards. The aim is to encourage ideas at the meeting. Here are a few which are worth particular attention, and could result in follow-up papers at the September Seminar.

1. The need for wide-ranging deregulation - how to build on the initiative on buses in other areas of the economy. The Annex to this paper sets out a range of possibilities where further work would be valuable.
2. The problem of derelict land, urban decay and the range of policies being used to make an attack upon dereliction and public sector wasteland.
3. Subsidising people, not companies, to generate jobs. If you agree that subsidising companies and expensive projects is far too costly a way of encouraging jobs, you could commission detailed work from the departments. They could report to the September Seminar on the relative costs of their various job-creating mechanisms, and their plans for concentrating on those areas which give the best value for money at the expense of the worst. Only you and Tom King have seen that part of the Policy Unit paper, and of course DTI will not be happy with all its conclusions.
4. The September Seminar might also like to look at the state of the financial sector, bringing in the work on building societies, City regulation, City markets, and the international trade questions involved (eg Japanese protectionism against UK financial institutions).

You could progress these issues by:

- a. Commissioning a Policy Unit paper on deregulation.
- b. Asking DoE, in consultation with other relevant departments, to report back on wasteland, urban dereliction and planning.
- c. Ask DTI, Employment and MAFF to put in views and figures on job support to the September meeting.
- d. Ask the Chancellor and DTI to work together on financial markets.


JOHN REDWOOD

SECRET

LATAAP

REGULATION - MARKET-FIXING

This list excludes health, safety and consumer protection, where there is a legitimate role for Government.

Transport

Buses in London - structure needs further examination in the context of the new rules for London Regional Transport.

London taxis - Nicholas Ridley seeking a way to stop fare regulation by government. He will need support.

Airlines - Government supporting a Western European initiative for deregulation and negotiating bilaterally as well. This needs considerable perseverance.

CAA has powers to approve fares. Are these needed?

Vehicle licensing is being reviewed. Officials should report in June.

Rail services - BR retains monopoly powers over the use or licensing of the track, and route closures require very complex procedures. We could investigate to see whether there is a politically sensitive way of deregulating a little.

Energy

Offshore licensing should be placed on an auction-only basis, removing the judgmental regulation currently involved.

Gas - there needs to be a right to export to help create a market.

Electricity - the freedom to generate which has been given by Statute now has to be made to mean something by selling off parts of the generating system to competing companies.

Education

Provision of private schools - Her Majesty's Inspectors regulate the provision of facilities as well as, or rather than, the standards of education provided. This can damage and deter new entrants setting up private school.

Higher education - the CNAA can set out to regulate the wrong features of higher awards, and is currently under review. Keith should ensure suitable changes are proposed.

LATAAM

Employment

This is being handled at the Seminar.

DHSS

There is a welter of complex regulation governing entitlements and entailing endless form-filling by benefit claimants.

All of these are coming up in the DHSS reviews. Simplification is possible, eg the Supplementary Benefit needs requirements are too numerous and complicated, but will need considerable political will behind it.

DTI

Insolvency Law - we need to avoid added burdens of regulation when revising the insolvency legislation.

Small Firms Initiative

Robin Ibbs' list has to be pursued vigorously by DTI.

Shop and Pub Hours

These are currently too restricted, although it may be necessary to retain bans on Sunday trading, and to prevent pubs opening in the early hours of the morning - particularly in residential areas. The other rules could be relaxed, and the question of drinks licences be reviewed.

Local Authorities

Section 77 of the Public Health Act 1961 gives LAs powers to regulate barbers, hairdressers and saunas. LAs can restrict markets in their locality. Their powers should be reviewed.

There is a danger that unless these are pursued vigorously, the Government will end up with more regulations than there were at the beginning (eg OFTEL, cable regulations, Gower City regulations, etc).