

CONFIDENTIAL

PRIME MINISTER

Agree subject to views of RTA<sup>?</sup> and colleagues?  
BT 8/2

DE-REGULATION

Following our discussion on 22nd January, I have been giving some thought to how we can best proceed with the follow-up to the scrutiny of burdens on business and also my wider remit to examine ways of removing regulatory obstacles to enterprise as a whole. I have now also seen Sir Robin Ibbs' minute to you of 6th February.

2. I agree it would be an excellent idea if, as soon as colleagues have had sight of the central scrutiny report (due on 8th February), you were to hold an ad hoc meeting. This could serve both to review the findings of the scrutiny and to launch the Ministerial Group under my chairmanship to take the work forward as Robin Ibbs suggests.

3. My concern, however, is with the timing envisaged by Robin Ibbs in his minute. As you know, I leave for China on 27th February and will not be back in London until 13th March. I would certainly hope that your meeting could be fitted in between your return from the U.S.A. and my departure for China but I clearly could not undertake further work thereafter, through my Group, in time for checklists or a revised version of the report to be issued by the end of the month. However, I do not think this need hold matters up in practice.

4. I would suggest the following procedure:

- (a) your meeting takes a first look at the recommendations of the central report and at Ministerial reactions to the Departmental reports, identifying any particular points to which you would wish us to give priority.

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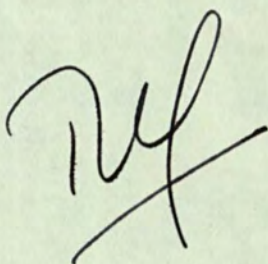
- (b) the Ministerial group under my chairmanship is formally established immediately after your meeting. I attach suggested terms of reference and composition which draw on your Private Secretary's letter of 23rd January. You may have further comments on the work and composition of the Group.
  
- (c) around the end of February, while I am in China, a suitable version of the central report is published and at the same time it is announced that I will be co-ordinating the follow-up work. (I am assuming that the DTI and the Efficiency Unit will take the lead in preparing the report for publication, working jointly with my Enterprise Unit.)
  
- (d) my Group meets for the first time on my return from China, on the basis of preparatory work by the two Units.
  
- (e) the Group reports its recommendations to E(A) by the end of June probably in the form of a draft White Paper to be published before the Recess, in time for possible legislation in the next session if required.

5. I believe this covers all the action points identified by Robin Ibbs with the exception of (4) - identifying elements of a package for early implementation, possibly in the Budget. Even if I were not to be away in China, I am far from sure that it would be possible to put some of the recommendations into effect in that timescale and I think that the result might be to weaken the impact of the later package. I believe for Budget purposes the publication of the revised version of the report and the announcement of how we plan to follow it up should provide a sufficient assurance of the importance we attach to this aspect of enterprise.

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6. I am sending copies of this minute to Nigel Lawson, David Trippier, Sir Robert Armstrong and Sir Robin Ibbes.

A handwritten signature in dark ink, appearing to be 'NLI' or similar, written in a cursive style.

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ANNEX

SUGGESTED MINISTERIAL GROUP ON DE-REGULATION

TERMS OF REFERENCE

"To consider the Central and Departmental Reports of the Scrutiny of Administrative and Legislative Burdens on Small Firms; to consider what follow-up action should be taken; to prepare a timetable for action, to accelerate and to monitor progress thereafter; to consider the general question of regulatory obstacles to enterprise, how existing obstacles might be removed and future unnecessary burdens avoided; to consider the scope for introducing government-wide review mechanisms; and to make recommendations to the Ministerial Sub-Committee on Economic Affairs (E(A))."

COMPOSITION

Junior Ministers, supported by officials, from the Departments involved in the scrutiny, i.e.

Treasury (with Inland Revenue and Customs & Excise)  
Department of Trade & Industry  
Department of the Environment  
Home Office  
Department of Employment  
Department of Health & Social Security

- together with representatives of the Policy Unit, the Efficiency Unit and the Enterprise Unit.

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