



PRIME MINISTER

Prime Minister (2)

The map not ready until Autumn 1984. Work on CDA Bill to proceed. When drafted a decision to be taken on whether to wait for RDG provisions if nearly ready, or to proceed without them.

AT 21/10

You will have seen Cecil Parkinson's letter of 10 October to John Biffen and his reply of 17 October agreeing to the drafting of legislation to introduce changes to the RDG scheme. Because of doubts over when a revised Assisted Area map might be available, E(A) agreed that the date of the introduction of legislation should not be decided until the map options had been considered. We have now considered the options and it might be helpful if I set out the position on the timing of the map as we now see it.

2 The conclusion we have come to, for the reasons set out later in this note, is that we can not have a new Assisted Area map until Autumn 1984. The exact timing depends on how quickly we can get an agreed map. At present this is based on out-of-date Travel-to-Work-Areas (TTWAs). Information from the 1981 censuses of population and employment is expected to bring important changes in TTWA boundaries when they are revised next year, as they are bound to be, but all the necessary information will not be available until next July, and realistically that means that we shall not have an agreed new Assisted Area map based on the revised TTWAs until the Autumn.

3 I have considered all the options for bringing forward completion of the new map from Autumn next year. The least unattractive option was to drop TTWAs and instead use local



authority boundaries as the basis of the map. But I am convinced that this, like all the other options, would result in a map so unsatisfactory and so hard for us to defend that they should be discarded.

4 If we have legislation this Session we will be in a position to introduce the new scheme as soon as the map is available. We do not need to decide now the questions of rates of grant and number of tiers. Options for these will of course be covered in the White Paper and one of the advantages of the proposed timetable is that there will be time to consult on them and the map.

5 As to timing of the legislation, we are content to go along with John Biffen's proposal that we consider this further when the CDA Bill is ready. At that time, we will consider the options taking account of the views expressed in response to this letter.

6 I am copying this letter to all Members of E(A) and Sir Robert Armstrong.

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21st October 1983

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MR TURNBULL18 October 1983CO-OPERATIVE DEVELOPMENT AGENCY (CDA)

Mr Parkinson has provided a rationale for maintaining the CDA, on a more tightly controlled budget (£200,000) and with more focused objectives.

These proposals seem sensible to us:

- (i) a decision to wind-up the CDA would be difficult to present politically: it would appear both small-minded and ideologically motivated in view of the CDA's objectives and the track record that could be claimed for it;
- (ii) the CDA's activities are (surprisingly) consistent with the Government's philosophy: it encourages the formation of new businesses, and more generally, the self-reliant attitudes among employees which inspire co-operative initiatives (the average size of a co-operative is ten employees);
- (iii) the activities of the CDA correspond more closely to our idea of what is a sensible industrial policy than that pursued by the DTI - it offers useful advice, by people who know what they are talking about, to people who genuinely need it, rather than dispensing public money on fashionable technologies, or in the "national interest".

The only concern we have is that the CDA might take on the role of spokesman for the co-operative business. Its remit should be clearly confined to the provision of advice. The reply might make this point.

NICHOLAS OWEN





JF4568

PS/ Secretary of State for Trade and Industry

C/NO.

DEPARTMENT OF TRADE AND INDUSTRY
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TELEPHONE DIRECT LINE 01-215 5422
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19 October 1983

CONFIDENTIAL

David Heyhoe Esq
Private Secretary to the
Rt Hon John Biffen MP
Lord Privy Seal
Privy Council Office
Whitehall
LONDON
SW1A 2AT

NBM

18/20/10

Dear David,

CO-OPERATIVE DEVELOPMENT AGENCY AND REGIONAL DEVELOPMENT
GRANTS

The Secretary of State has asked me to thank the Lord Privy Seal for his very helpful letter of 17 October. We are happy to proceed as suggested.

2 I am copying this letter to the Private Secretaries of the Prime Minister, other members of the Cabinet, the Chief Whip, Sir Robert Armstrong and to First Parliamentary Counsel.

Yours sincerely,
Ruth Thompson

RUTH THOMPSON
Private Secretary

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20 OCT 1983

CONFIDENTIAL



Prime Minister ②
To hok

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PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

AT
17/10

17 October 1983

Dear Minister,

mt

COOPERATIVE DEVELOPMENT AGENCY (CDA) AND
REGIONAL DEVELOPMENT GRANTS (RDG)

Thank you for your letter of 10 October 1983 asking for drafting authority to employ Parliamentary Counsel to draft RDG legislation. I am happy to give my authority for this to be done.

As far as the more general issue of how to enact this legislation is concerned, I must confess to lingering doubts about the timetable. There are two points here. I do not wish to see any delay in the introduction of the CDA Bill.

Secondly, I think that there will be grave problems in piloting the RDG legislation through the House if decisions have not then been taken about rates of grant or the areas to be covered. As the minutes of E(A) Committee record, there was some doubt as to whether it would be wise even to try to do this.

Could I suggest therefore that you ask your officials to proceed with full speed with the CDA Bill, while at the same time making what progress you can on the RDG legislation.

When the CDA Bill is ready for introduction, we could then perhaps reassess the situation with a view to seeing whether at that stage it seems reasonable to delay the CDA Bill or whether we should consider other measures.

I am copying this letter to the Prime Minister, other members of the Cabinet, the Chief Whip, Sir Robert Armstrong and First Parliamentary Counsel.

John Biffen

JOHN BIFFEN

The Rt Hon Cecil Parkinson MP
Department of Trade and Industry

CONFIDENTIAL

PARLIAMENT
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P 11



17 OCT 1983

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Secretary of State for Trade and Industry

10 October 1983

The Rt Hon John Biffen MP
Lord Privy Seal
Privy Council Office
London SW1A 2AT

Prime Minister (4)
Agreement to X is sought
in Mr Parkinson's minute of
10 October

Agreed
mb

BT
12/10

Dear John,

CO-OPERATIVE DEVELOPMENT AGENCY (CDA) AND REGIONAL DEVELOPMENT GRANTS (RDG)

Thank you for your letter of 22 September. I have delayed replying until the policy decisions on RDG became clear.

2 Following our discussions in E(A) last Thursday we now have a sufficient policy basis on which to proceed with legislation. Although we still have to decide on when legislation might be introduced, in the light of further consideration of the options for revising the Assisted Areas map, I am conscious that, so far, the only legislative opportunity which appears available this Session is that of combining RDG provisions with the CDA Bill. Quite simply, if we do not take this opportunity, we shall not be able to progress this Session with a policy initiative to which we attach importance, and which offer the possibility of significant savings.

X | 3 I have written to the Prime Minister with a view to finalising the CDA policy and would hope that we can still introduce the CDA Bill in November. At this stage it is not clear that the RDG legislation can be introduced at the same time but equally it is a possibility I would not wish to discount. If we are to introduce these two pieces of legislation together we need to proceed with the more complex drafting of the RDG provisions quickly. I would therefore be grateful if, despite the uncertainty over timing, you would give your approval for Parliamentary Counsel to draft the RDG legislation. Instructions to the Counsel are nearly complete and we can send them directly we have your approval.

4 I am copying this letter to the Prime Minister, other members of the Cabinet, Sir Robert Armstrong and First Parliamentary Counsel.

Yours
Sincerely,
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