

cc NO



Department of the Environment
2 Marsham Street London SW1

Telephone 01-212 3434

J/PSO/16085/84

15 August 1984

Minister of State
for Local Government

File with
Oliver

Dear Nigel,

I have seen Norman Tebbit's letter to you dated 6 August about the handling of the new Assisted Area Map.

I have no comments on what Norman proposes, though the timetable does look extremely tight.

There is one additional point on the EC aspects however. Whatever changes we decide to make to the map are going to have considerable impact from the point of view of eligibility for ERDF grant - a point not likely to be lost on the losers.

I think it would be useful therefore if we start sounding out the Commission also on how precisely they would propose to treat authorities losing status during the transitional phase. (There could even be implications here for the precise timing of our eventual announcement).

My officials will be ready to join DTI's in discussion on this point to cover the complications on the infrastructure side.

/ I am copying this letter to other members of E(A), the Lord Privy Seal, members of L Committee, Sir Robert Armstrong, and the First Parliamentary Counsel.

Yours sincerely,
Gwin

LORD BELLWIN

CONFIDENTIAL

The Rt Hon Nigel Lawson MP

Reg PD Review
H6



From the Minister of State for Industry

NBPM
ST 12/19
2/10

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5186
GTN 215)
(Switchboard) 215 7877

Norman Lamont MP

The Rt Hon Kenneth Baker MP
Minister of State for Local Government
Department of the Environment
2 Marsham Street
LONDON
SW1

12 September 1984

Dear Ken

When Irwin Bellwin wrote to Nigel Lawson on 15 August, commenting on Norman Tebbit's letter of 6 August about the handling of the new Assisted Area Map, he referred to the question of transitional ERDF arrangements for those areas losing AA status.

On the previous occasion, when some 18% of the population lost AA coverage, the Commission paid on projects which were 50% completed at the time of descheduling; this is therefore now presumably an acceptable precedent, and one could reasonably expect the same thing to happen again. We might therefore simply ask the Commission to confirm that this is so, and if you agree, we will put it in hand. It is just possible, however, that they may want to know the scale of the problem before committing themselves; in that case, we would not want to give them chapter and verse until we had made our final decision and confirmed that DGIV would not make serious difficulties. This is because, unlike DGIV, the Directorate responsible for the ERDF is constantly receiving deputations from our local authorities about ERDF aid, and might give something away inadvertently.

I find it difficult to envisage how this issue might influence the timing of our announcement, especially since the areas losing AA status seem likely to be outnumbered by those gaining it, at least on the outer tier.

MONAGQ



I am sending copies of this letter to members of E(A), the Lord Privy Seal, members of L Committee, Sir Robert Armstrong, and the First Parliamentary Counsel.

Yours etc.
Norman

NORMAN LAMONT

RECOMMEND
PULLY
Review
MCC

