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Secretary of State for Trade and Industry

6 September 1984

The Rt Hon George Younger MP
Secretary of State for Scotland
Scottish Office
Whitehall
LONDON SW1A 2AU

D George

REVIEW OF REGIONAL POLICY: EC CONSULTATION

Thank you for your letter of 17 August.

I must say that I do not see what point there would be in telling the Commission of the work on synthetic indices without giving them the results of applying them to the individual TTWAs. The whole purpose is to save time when we come to negotiate our final proposals. At that time, the Commission will in any case require the results of applying the index, together with our justification for departures from it; so that insisting on concealing the results now is not going to influence their attitude except, perhaps, to make them more suspicious and hostile.

2 Our advice is that the Commission will not accept the index as a mere "starting point"; they see it as the whole basis of AA designation, and they will accept departures from it only exceptionally. Thus, if our decisions reflect another approach, we shall need to beware of enforced downgradings at the end of the day. As an example of what we may face, we understand that, after 2½ years, and despite four personal letters from the French Prime Minister to the President of the Commission, the Commission will have before it for approval on 6 September an order requiring the descheduling of French Assisted Areas.

3 Unless you or others raise any further objections, I propose to let the Commission have - informally, in strict confidence, and without cut-off points - the results of applying the various

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indices that may be before us on 3 October, so that our decisions on that day will be sufficiently well-informed. It will be made quite clear that the consultation is without any kind of commitment whatsoever, and that the Government itself has not yet considered the matter.

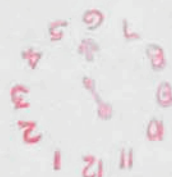
4 I am copying this letter to other members of E(A) and to Sir Robert Armstrong.

y- m
Norman

NORMAN TEBBIT

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- 7 SEP 1984



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CONFIDENTIAL

The Rt Hon Norman Tebbit MP
Secretary of State for Trade and Industry
1-19 Victoria Street
LONDON
SW1H 0ET

NIA
OK

17 August 1984

Dear Norman,

REVIEW OF REGIONAL POLICY

File With OL

Thank you for sending me a copy of your letter of 6 August to Nigel Lawson about arrangements for implementing decisions on the review of regional policy. My comments below refer to your points in the order in which they occur in your letter.

EC Approval

I agree on the desirability of keeping the Commission informed of our thinking on the map. I think it is important however to be clear on how far we need (or should) bring them in at this stage. While I accept that we should inform them of current work on the synthetic index - including the components of the index and their relative weightings - I would be against letting them know the results of applying the index to individual areas until these have been considered by Departments and by Ministers. We should also make it clear to the Commission that we see any index of this kind as subject to limitations, and that it is only a starting point for decisions which will take account of a variety of other factors, not all of them amenable to statistical treatment.

Staffing Changes

I understand the administrative reasons which have led you to suggest that we should take a decision in principle at E(A) on the inclusion of the West Midlands in the Assisted Area map. I fully appreciate that on the evidence available so far AA status may be justified, but I have reservations about the idea of deciding that any one part of the country should figure in the map before we have seen the results of applying the synthetic index to the new Travel-to-Work Areas as a whole, and have been able to assess these in a comprehensive way. I do not think that any such decision can be divorced for example from a decision on what overall proportion of AA coverage we wish to see; and I would suggest that, at the least, any consideration of the position of the West Midlands at E(A) should be put in this wider context. There is also the practical point that the build-up of a regional office in the West Midlands would be difficult to manage without avoiding leaks; these would then lead to awkward pressures on Ministers from both the West Midlands and other areas.

Enabling Legislation

I have noted what you say about the need to dispense with the usual two months' interval between enactment and coming into force in the case of the CDA/IDA Bill if your intention of implementing the new scheme in November is to be achieved. I have no objection to this should it be necessary.

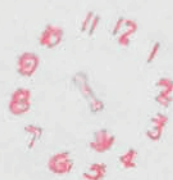
I am copying this letter to the other members of E(A), the Lord Privy Seal, Members of L Committee, Sir Robert Armstrong and the First Parliamentary Counsel.

*Yours very
Came*

GEORGE YOUNGER

Regional Policy
Review Pt 6

21 AUG 1984



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01-212 3434

My ref: J/PSO/15068/84

Your ref:

16 July 1984

Dear George,

URBAN POLICY AND PROGRAMME REVIEW *with AT?*

Thank you for your letter of 29 June about the timing of decisions on the Urban Policy and Programme Review.

You will by now have received a copy of the report, and seen copies of the first set of papers for discussion in MISC 104. The timetable for announcements on the UPPR is clearly a matter for collective decision, but I am sure your concern has been noted. Like you, I see advantages in these coming sooner rather than later.

In my view the report confirms the need for a sustained commitment to the urban programme in England, with clarified objectives, improved management arrangements and better co-ordination between Departments. Many of the report's recommendations on co-ordination will have no major implications for Scotland, because of the Scottish Office's across the board responsibilities. Your inclusion on the circulation list for MISC 104 papers will ensure that you are kept in touch with overall progress. We may need to keep in closer touch as announcements become imminent.

I am copying this letter to the Prime Minister, Peter Rees, Nicholas Edwards and Sir Robert Armstrong.

*Yours
Patrick*

PATRICK JENKIN



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