

Confidential Filing

Meeting with Jack Dormand MP to discuss the Rayner study of the joint DOE/Transport Regional Offices.

PRIME MINISTER

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December 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
9.1.81							
19.1.81							
21.1.81							
PREM 19/563							



10 DOWNING STREET

From the Private Secretary

21 January, 1981

Dear David

Regional Offices of the Departments of the Environment
and Transport

The Prime Minister held a meeting at the House of Commons at 1815 hrs on 20 January with four representatives of the Northern Group of Labour MPs: Mark Hughes, John Cunningham, Ian Wrigglesworth and Jack Dormand. Your Secretary of State and the Secretary of State for Transport were also present.

Mr Hughes said that the Northern Group were concerned about two issues arising from the Rayner Review of the regional offices: the proposed transfer of Cumbria to the North West Region and the proposed appointment of a regional director to cover both the Northern Region and the Yorkshire and Humberside Region.

Cumbria

Dr Cunningham said that Rayner had not proved the case for transferring the county to the North West Region. There would be no gain for Cumbria and no gain in increased efficiency for the civil servants concerned. He was concerned that the staff at the Manchester Regional Office had very substantial problems to deal with in the existing North West Region and that Cumbria would not receive any increase in senior civil service management time as a result of the change. He disputed that Cumbria looked naturally to the North West Region rather than the Northern Region, and said that the inhabitants of the Northern part of Cumbria in particular had a greater affinity with the Northern Region.

He accepted that the County Council was in favour of the change, although he gathered that its officers were not, but the four local authorities North of the watershed were opposed and there was precious little other support for the proposal. All in

/all,

all, the group's view was that the change would be detrimental. They asked Ministers to think again.

Your Secretary of State said that the weight of democratic opinion was in favour of the change, and that the County Council's view was of great importance since they were the largest spender among the local authorities in the County. Dr Cunningham asked whether Cumbria would lose out as a result of the change and your Secretary of State said it would not. Dr Cunningham asked whether that meant that he could be given an assurance that the same proportion of senior management time would be devoted to Cumbrian affairs as at present. Your Secretary of State said that that was not a fair deduction, since taking on more staff to deal with Cumbria might simply mean extra bureaucracy and extra delay in reaching decisions.

Regional Structure in the North East

Group Mr Dormand said that the group had received an unprecedentedly large number of representations about the proposal to bring together the two regions under one regional director. He thought that the Government totally under-rated the feeling of identity in the Northern Region. They were opposed to all of the Government's proposals. It seemed clear to him that the regional director would be able to devote only a small proportion of his time to the North East, and he was sceptical about the proposed "Newcastle presence". He paid a tribute to the present staff of the Newcastle Office, who were readily available and carried out their task with great efficiency. They had identified themselves with the region and its problems and he feared that this would be lost.

The Prime Minister said that the Government's decisions had been taken in the light of the representations they had received, and she hoped that they had met as far as possible the concerns which had been expressed. Your Secretary of State said that the Rayner proposal had been to close down two regional offices, but it had seemed right politically to keep the Newcastle Office open. The regional director would move between the two regions without having a primary allegiance to either. In the present circumstances, the closure of the Newcastle Office would not have been understood.

Nonetheless, he thought it right to say that the underlying arguments were all in favour of reducing the work done in the regional offices. They did more to stop local authorities doing things than to help them. He had already made changes in the housing field to get rid of unnecessary work and hoped that in future regional directors would have a greater opportunity to take a wider view, and to embark on imaginative initiatives. Your Department needed the regional offices to serve as eyes and ears, but it was important that they did not become another layer of local bureaucracy, since they did not actually create wealth.

Mr Dormand said that he understood that the proposal for a joint regional director in the South East had been rejected. He wanted to know whether similar considerations should not apply in the North East. Your Secretary of State said that he could not

/immediately

immediately recollect the full details of the decisions which had been taken in the South East, but that a large number of options had been looked at before those decisions had been reached. He said that what was important were the results which were achieved by the regional offices, not their staffing levels. He intended to prune as much as he could, but simultaneously to increase the impact of the regional offices.

Mr Dormand asked your Secretary of State to write to him about the details of the decisions taken on the regional organisation in the South East; your Secretary of State agreed to do so.

Road Construction Units

Mr Hughes said that he was concerned about the possibility of a hiatus in the road programme if the proposal for the road construction unit went ahead. A lot of its work was in Cumbria and transferring the work to Manchester would not be sensible. The Secretary of State for Transport said that the Government were pledged to merge the RCU's into the regional offices, but the detailed decisions had not been taken. He would be more than willing to go over the detail with Mr Hughes at a separate meeting in the Department of Transport. Mr Hughes readily accepted this invitation.

Devolving Work to the Regions

Mr Wrigglesworth suggested that it might be possible to devolve more work to the regional offices. Your Secretary of State said that these matters were reviewed every six months and that he would be delighted to consider any ideas that were put to him. He did not think, however, that it would be wise to leave financial decisions to the regional offices. Mr Dormand said that that system worked very well in the Department of Industry's regional structure. Your Secretary of State said that he would look into any feasible proposal that was put to him.

The meeting closed at 1900 hrs.

I am copying this letter to Tony Mayer (Department of Transport) and for information to Ian Ellison (Department of Industry). I am also sending copies to Stephen Boys-Smith (Home Office) and Murdo Maclean (Chief Whip's Office) since the Home Secretary and Chief Whip might be interested to see it.

Your ever

Nick Sarden

PRIME MINISTER

Meeting with the Northern Group of Labour MPs: 1815 at the
House of Commons

You are meeting the officers of the Northern group:
Mark Hughes (Chairman), John Cunningham (Vice Chairman) and
Jack Dormand (Secretary). Mr. Heseltine and Mr. Fowler will also
be present.

The meeting arises from Mr. Dormand's letter of 18 December
(Flag A).

Mr. Heseltine had announced his decisions on 17 December
(Flag B).

A brief from the DOE is attached at Flag C. The line to
take is set out in paragraphs 7-10. As it says, some at least
of the anxieties of the Northern group should have been assuaged
by the decision.

I suspect that they may take the opportunity to raise with
you some more general issues about the North and its industrial
problems. They might try on you the idea of a Minister for the
North, which John Cunningham has advocated in a letter to you
(Flag D). Unless you feel a particular enthusiasm for the idea,
I suggest that you reply that Ministers in economic departments
already devote a great deal of their time and energy to the affairs
of the North of England and that you doubt that the appointment of
a Minister with specific responsibilities would help the welfare
of the region.

One final note: you asked us to arrange this meeting on a
day with plenty of other news. I hope that the **I**nauguration and
the return of the hostages will be enough!

MS

19 January 1981

① Cumbria

2 largest towns -

³
N → N.W. ^{br}

Northen ~~point~~ → Newcastle

Southen → Newcastle

② Newcastle / Leeds. →



C

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

16 January 1981

Dear Sir

I attach briefing as requested for the Prime Minister's meeting with the Northern Group of Labour MPs at 18.15 on Tuesday, 20 January.

The announcement made by Ministers already goes a long way towards meeting the concerns of bodies such as the Northern Group. But the objective of the scrutiny was to increase efficiency and cost-effectiveness and my Secretary of State is clear that any further concessions will make it exceedingly difficult to make worthwhile manpower savings.

I am copying this letter to the Secretary of State for Transport's office.

For an
D A Edmonds

D A EDMONDS
Private Secretary

BRIEF FOR THE PRIME MINISTER'S MEETING WITH THE NORTHERN GROUP
OF LABOUR MPs ON TUESDAY 20 JANUARY AT 1815.

Request for meeting

1. At the request of Mr Jack Dormand MP, to discuss the position of the joint DOE/DTP Northern Region in the light of the Secretary of State for the Environment's announcement of his and the (then) Minister of Transport's joint decisions on the recommendations in the Rayner study group report.

What the study team proposed for the Northern Region

2. That Cumbria be included in the North West Region and the remaining four counties of the Northern Region (Northumberland, Durham, Cleveland and Tyne and Wear) be merged with the Yorkshire and Humberside Region to form a new North Eastern Region, with its headquarters in Leeds but with a substantial presence in Newcastle. All Regional Directors should assume management responsibility for Road Construction Units (RCU) headquarters work in their regions. This affects the North East RCU HQ at Harrogate covering both the Northern and the Yorkshire and Humberside Regions.

Reaction to the report's proposals for the North

3. The proposal to downgrade the Newcastle office was very unpopular, both in the local press and with MPs, local authorities and other bodies, such as the CBI. Generally, they argued that it demonstrated a lack of commitment by the Government to the special problems of the region and that the small savings accruing to the Departments would be more than offset by additional costs incurred by local authorities

4. Reaction to the Cumbria proposal was much more mixed - some welcoming the recognition of Cumbria as part of the North West, others arguing that Cumbria had closer links with Northumberland.

The decision to transfer Cumbria was taken in principle at a meeting in December 1979 between the Home Secretary and the Secretaries of State for the Environment, Employment and Industry.

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Meeting of the Northern Group with Mr Tom King

5. Shortly before final decisions were taken, Mr Tom King, Minister for Local Government and Environmental Services, met a deputation from the Northern Group who put forward strongly their opposition to the Rayner study proposals. Their views and those of all who had made representations were most carefully considered before final decisions were taken.

What the Secretary of State announced

6. The Secretary of State for the Environment announced in the House on 17 December his and the (then) Minister of Transport's joint decisions
- a) to transfer Cumbria from the Northern to the North West Region, but with no change for the present to the standard economic boundaries;
 - b) rather than merge the remainder of the Northern Region with the Yorkshire and Humberside Region, to retain their separate identities as full regions, but with both having the same Regional Director, who as before, would be an Under Secretary;
 - c) the acceptance of the recommendation on the merger of the RCU's with Regional Offices, with appropriate boundary changes where necessary.

Line to take

(i) The transfer of Cumbria to the North East Region

7. Cumbria is a large County and different parts tend to look in different directions. The northern part has affinities with Newcastle and the south, around Barrow, turns more to Manchester. But on balance the County appears to belong more to the North West Region. The Pennines make it inevitable that road and rail links in the area should run mainly north/south. Cumbria's main airport is at Manchester and its main port is Liverpool. The new North West Region boundaries will be in accordance with those of several other public utilities. The County Council would prefer to be in the North West Region (although one or two District Councils would prefer to stay in the North).

(ii) The status of the Newcastle Regional Office

8. Having taken full account of the many representations received and recognising the special problems of the Region, the Government have decided that the North will remain a full region with Newcastle retaining a full regional presence. The shared Regional Director will have an office in both Newcastle and Leeds, dividing his time as appropriate between the two centres.

9. The Government's decision goes a long way towards meeting the concerns of the Northern Group. But the objective of the Rayner scrutiny was to increase efficiency and cost-effectiveness and any further concessions will make it very difficult to make worthwhile manpower savings.

(if raised)

(iii) The merger of the Road Construction Unit HQ's with the Regional Offices

10. Details of the merger of the North East RCU HQ at Harrogate into the Regional Office structure are at present under consideration. This RCU is responsible for schemes in both the Northern and Yorkshire and Humberside Regions and it may not be sensible to split this work.

LOCAL ISSUES (For use only as required)Housing Investment Programme

1. The provisional HIP allocation for the Northern Region for 1981/2 is £119M plus £1.8M for the Home Insulation Scheme. Allocations for 1981/2 cannot properly be compared with previous years since in 1981/2 authorities will be able to spend in excess of their allocation on account of their capital receipts.

Moratorium on housing capital expenditure

2. The moratorium was partially lifted on 18 December 1980 to enable local authorities likely to underspend their HIP to make grants or loans to individuals for house improvement or repair.

Lamesley, Gateshead: Proposed leisure complex

3. The application has now been called in for decision by the Secretary of State for the Environment. A public inquiry will be arranged as soon as possible.

Cargo Fleet Wharf, Middlesbrough: Reclamation of derelict land

4. Urgent action is being taken to enable an early decision to be made. The application is the first received by the DOE under the Local Government Planning and Land Act 1980.

Urban initiatives

5. Several inner area programme submissions for 1981/2 have been received and the others expected soon. The Tyneside Enterprise Zone Statutory Invitations should be issued to Newcastle and Gateshead by the end of January.

Trunk roads

6. Effort is being concentrated on the improvement of the A1 north of Newcastle and the two main east-west routes (A66/A69). Trunk road improvement schemes costing £22M are under construction.

Local transport

7. Expenditure of £90M during 1981/2 on local transport in the North East has been accepted for Transport Supplementary grant. (The comparable figure for 1980/81 was £61M).

Tyneside Metro

8. The County (acting as PTA) is finding it difficult to keep within the agreed figure for revenue support (£5M in November 1975 prices). A fares increase is likely after May but this will not clear the present deficit.

9. The case for the setting up a Northern Development Agency is still under consideration.

Northern Development Agency

1. The Northern Group of Labour MPs are one of a number of interests (including the local authorities and the regional CBI and TUC) who have pressed for a Development Agency. This idea has something in common with the proposal for a Northern Development Corporation made in the Report of a Working Group of the Northern Area Executive Committee of the Conservative Party.

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2. In April 1980 the Secretary of State for Industry proposed making a public statement announcing a decision against setting up a Development Agency. The Secretary of State for the Environment thought that further collective consideration in E(EA) was needed. This has not yet taken place but, most recently, the Northern Group of Labour MPs and the Northern Area Executive Committee have been told, by Sir Keith Joseph and Lord Bellwin, respectively, that the Government would not wish at this stage to rule out completely the possibility of creating some such body as has been proposed.



Red CF
16/1/81

HOUSE OF COMMONS
LONDON SW1A 0AA

15th January 1981

Miss Caroline Stephens
Appointments Secretary
Private Office
10 Downing Street
London SW1

Dear Miss Stephens,

As requested I am writing to confirm that the Prime Minister will meet the officers of the Northern Group of Labour MPs in her room at the House of Commons on Tuesday 20th January at 6.15 pm to discuss the Rayner proposals.

The officers attending the meeting will be Mark Hughes MP (chairman), Jack Cunningham MP (vice-chairman) and Jack Dormand MP (secretary).

Yours sincerely,

R. Howard.

Mrs R Howard
Secretary to Jack Dormand MP

Jack Dormand MP



HOUSE OF COMMONS
LONDON SW1A 0AA

✓ Cc Press Office

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✓ 1311

R13
12 January 1981

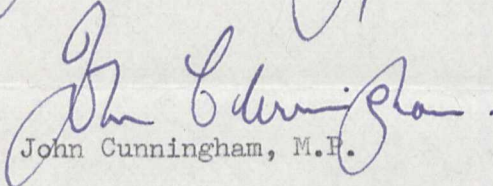
Dear Prime Minister,

I understand that Ministers have been discussing a proposal to appoint a Minister for the North.

As you know there is considerable and widespread dis-satisfaction in the Northern Region with Government policy towards Industry and Employment. Regional Policy has been eroded, unemployment is rising dramatically throughout the Region and these trends seem likely to continue.

The Northern Group of Labour M.P.s have been pressing the Secretary of State for Industry to create a Northern Development Agency. Keith Joseph has considered this proposal but made no final decision. At no time have we been told of any counter proposal to create a Minister for the North.

I am writing to ask whether consideration of this latter proposal is continuing or whether a decision has been made.

Yours sincerely,

Dr. John Cunningham, M.P.

The Rt. Hon. Margaret Thatcher, M.P.
Prime Minister
No. 10 Downing Street
London
SW1.



10 DOWNING STREET

From the Private Secretary

9 January 1981

Further to Nick Sander's letter of 23 December I am writing to confirm that a meeting has now been set up with Jack Dormand M.P., Mark Hughes M.P. and Dr. John Cunningham M.P. for 1815 on Tuesday 20 January in the Prime Minister's room at the House of Commons. Your Secretary of State and the Secretary of State for Transport will be attending. We require a full brief, in consultation with the Department of Transport, to reach this office by close of play on Friday 16 January.

I am sending a copy of this letter to Anthony Meyer (Department of Transport).

Yours sincerely
David Edmonds

David Edmonds, Esq.,
Department of the Environment.

ds

9 January, 1981

I am writing to confirm the message I gave you by telephone today. The Prime Minister has seen your letter of 18 December, asking for a meeting to discuss the regional offices of the Department of the Environment and the Department of Transport. She would be glad to meet you and your two colleagues to discuss this topic. As I told you, the earliest convenient date for such a meeting is Tuesday, 20 January; the Prime Minister will be able to see you at 1815 hrs in her room at the House of Commons on that day. Please do not hesitate to come back if these arrangements present any problems for you.

N. J. SANDERS

Mark Ayler
Dr John Cunningham

Jack Dormand, Esq, MP

AM



10 DOWNING STREET

~~CAROLINE~~ b/n on
Janner ~~JK~~ please.

Ep.
- 23/12
To see. Can you liaise

with Mike about who
should be there (? Rayner) and
try and find a date?

Nick

23/12

PM needs to write to Dormad-

but in 1981, I think

mys



10 DOWNING STREET

From the Private Secretary

23 December, 1980

The Prime Minister has received the attached letter from Jack Dormand, MP about the proposed changes in the regional organisation of your department and the Department of Transport.

The Prime Minister has seen the letter herself and has decided provisionally that she will see a deputation of Labour Members to discuss the issue. I am sure that she will want your Secretary of State and the Minister of Transport to be present at that meeting, and we will be in touch with you to find a suitable date.

I am copying this letter and its enclosure to Tony Mayer, (Department of Transport) and for information to Ian Ellison (Department of Industry, Jim Buckley (CSD) and Clive Priestley.

N. J. SANDERS

D A Edmonds, Esq
Department of the Environment

PRIME MINISTER

This letter from Jack Dormand, written on behalf of the Northern Group of Labour MPs, asks for a meeting with you to discuss the decisions which have just been announced on the future organisation of the Regional Offices of the Department of the Environment and the Department of Transport.

What would you like to do? Would you like to ask Mr. Heseltine and Mr. Fowler whether they will receive this deputation on your behalf?

Perhaps I should add that we did turn down several times a request from the same group earlier in the year to come and talk to you about the industrial problems of the North; at some stage, perhaps you should consider meeting them so as not to appear unwilling to discuss Northern Regional issues, but I myself doubt whether this is a sensible meeting for you to take.

*Perhaps we had better
get it over - one day when
there is lots more news not
MS*

22 December 1980

5
Cambridge
M.H. Fox



HOUSE OF COMMONS
LONDON SW1A 0AA

18 December 1980

The Rt Hon Mrs Margaret Thatcher, MP.,
The Prime Minister,
10 Downing Street,
LONDON SW1.

Dear Margaret,

The Northern Group of Labour MPs is deeply concerned at the Government's proposals based on the review of the joint Doe/DoTp Regional Offices undertaken by Sir Derek Rayner's study team.

We are particularly concerned at the exclusion of Cumbria from the Northern Region and that a Regional Director is to divide his time between the Northern, Yorkshire and Humberside Regions. We believe that these and other proposals will have an adverse effect on the present Northern Region and we consider the Government's decision sufficiently important to request you to receive the three Officers of the Northern Group to discuss the position as a matter of urgency.

*Yours sincerely,
Jack*

JACK DORMAND MP
Hon Secretary
Northern Group of Labour MPs

17. 12. 80

Departments of the Environment and Transport (Regional Offices)

Sir Walter Clegg asked the Secretary of State for the Environment what action he and his right hon. Friend the Minister of Transport intend to take with regard to the recent Rayner study team review of the joint regional offices of the Departments of the Environment and Transport.

Mr. Heseltine: My right hon. Friend the Minister of Transport and I have taken full account of the many representations received from right hon. and hon. Members, from local authorities and from other interested bodies and individuals, including the staff. We have now reached decisions on the major strategic proposals contained in the study report. Further study is continuing of the other points it raises.

We accept the report's proposal to transfer Cumbria from the Northern to the North-West regional office, but we see no need, for the present, to change the boundaries of the standard regions or the resulting statistical series.

The report recommended the merger of the remainder of the Northern region with the Yorkshire and Humberside region. We have decided to retain their separate identities as full regions, but both will have the same regional director who, as at present, will be at under-secretary level.

We do not propose to change the boundaries of the Eastern or South-Eastern regions, nor of the East Midlands region, as was proposed in the

report. However, the East and West Midlands regions will, in future, have the same regional director, again at under-secretary level, while they also will retain their separate identities as full regions.

All regional directors will assume management responsibility for road construction unit headquarters work in their regions by October 1981, with adjustments made where existing RCU boundaries would not otherwise coincide closely enough with regional office boundaries.

We are considering further the timing of all these changes and future staffing levels, in consultation with representatives of the staff.

We agree that the closest co-operation is desirable at regional level between our offices and those of the Departments of Industry and Employment. We will therefore be working towards co-location of offices as a long-term objective. Meanwhile we are maximising the co-operation of officials dealing with local policies.

In coming to these decisions my right hon. Friend and I have been most grateful for the work done by Sir Derek Rayner and his study officers in drawing up their report, and to all who sent us comments on it, including the trade union side of the departmental Whitley Council.

Copies of the report prepared by the scrutiny officers working in consultation with Sir Derek Rayner—"Review of the joint DOE/DTP Regional Offices"—are being placed in the Library of the House.