

MR. INGHAM

ENTERPRISE ZONES

Thank you for your minute of 1 May.

I do not honestly think there is much point in passing on to the Chancellor and Mr. Heseltine the comments of the provincial editors. The point that there must not be too much delay is already well taken, and I do not think there is really a case for putting the Prime Minister into bat to hurry them up any more. The attached letter from Mr. Heseltine sets out the latest state of play.

T. P. LANKESTER

2 May 1980

DSC

Revised  
part.

MR. LANKESTER

cf. papers ms  
R 45  
Enterprise Zones

1. At the briefing for provincial editors on Tuesday, the Prime Minister asked me to note for action criticism of the likely development of enterprise zones. Could you please pick this up on your net? I would like to know the outcome so that, if possible, I might let the Editors know that their representations were taken seriously.

2. The essential points from the discussion with the editors are:

- i. the concept of enterprise zones had made an impact, especially in development areas;
- ii. it was felt that, properly handled, they would become a magnet for industry;
- iii. while it was recognised that some consultations might be necessary, there was concern at the length of time which would elapse between announcement of the concept and its actual implementation; and
- iv. in the meantime, there was likely to be strong competition among local authorities for a zone.

The Prime Minister explained that the Government had put forward a pilot scheme. While recognising that this could create competition among local authorities, there was no real alternative but to build up the zones at a steady pace, given the need for consultation. However, she did indicate her concern that there should be no undue delay and agreed, by implication, to raise this with the appropriate department.



B. INGHAM

1 May, 1980