

SUBJECT
cc Master.



KLE

RANACH.

10 DOWNING STREET

From the Private Secretary

15 January, 1985

Dear Paul,

Sir Peter Blaker MP and Mr. Miscampbell MP came to see the Prime Minister today to discuss the loss by Blackpool of Assisted Area Status. Mr. Trippier was also present.

Sir Peter explained that he recognised that on the criteria used in establishing Assisted Area Status, Blackpool did not qualify although this was clearly a marginal decision. Nevertheless, Blackpool did suffer from severe unemployment which looked as if it was going to increase. This was partially the result of the fact that the tourist industry was becoming less labour-intensive; for example holiday flats were increasingly replacing hotels and boarding houses. In the town of Blackpool unemployment was running at nearly 18 per cent and it was only brought below the criterion for Assisted Area Status by its inclusion with Lytham St. Anne's, which had very low unemployment, in a larger Travel to Work Area. Exclusion from regional assistance would mean that many of the large capital projects such as the renovation of the Winter Gardens which were required to attract tourists would not now be undertaken. Some projects such as a major indoor beach area were receiving European assistance but that would run out during the course of this year. The prospect, therefore, was one of increasing unemployment in the town of Blackpool with the figure rising to well above that of areas receiving assistance. Neither Sir Peter nor Mr. Miscampbell expected that the decision to exclude Blackpool could be reversed before Regional Policy was debated, but they hoped that when the Assisted Area map was reviewed the question of whether Blackpool itself could qualify as a Travel to Work Area could be considered. The present arrangements, especially those linking Blackpool with Lytham St. Anne's, were irrational and Blackpool itself seemed to qualify under most of the criteria used to establish Travel to Work Areas.

The Prime Minister said that she recognised the problems caused for Blackpool by the shift of emphasis in the tourist trade. In this context Mr. Trippier noted that an enterprise agency of the kind which had been successful elsewhere in Lancashire had recently been established in Blackpool. On the question of the Assisted Area map, however, the Prime Minister said that the criteria which had been used to draw up the map were as objective as possible and the current map, covering as it did 35 per cent of the population, was the maximum allowed under European rules.

The Government would, however, take into account the points made by Sir Peter and Mr. Miscampbell and if and when the Assisted Area map was reviewed or the Travel to Work Areas revised, the position of Blackpool would be considered once again.

I am sending a copy of this letter to Judith Rutherford (Department of Employment).

Your ever

T. Flesher

(Timothy Flesher)

Paul Madden, Esq.,
Department of Trade and Industry