

Y YDDFA GYMREIG
GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switsfwrdd)
01-233 8545 (Llinell Union)

ODDI WRTH YSGRIFENNYDD
PREIFAT YSGRIFENNYDD
GWLADOL CYMRU



WELSH OFFICE
GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switchboard)
01-233 8545 (Direct Line)

FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

23rd December 1981

Dear Mike

You asked in your letter of 17 December for briefing for the Prime Minister on Departmental activities and achievements in 1981 and outlook for 1982.

The Welsh Office contribution to the briefing is enclosed.

*Yours
Carys Evans*

MISS G C EVANS
Private Secretary

Mike Pattison Esq
Private Secretary
No 10 Downing Street
LONDON

INDUSTRY AND EMPLOYMENT

The first Enterprise Zone to be established in the UK, the Lower Swansea Valley, was designated in June. 26 firms, including 5 new ventures, have settled in the Zone.

To the end of November, over 100 offers of Selective Financial Assistance had been accepted with a value of nearly £20m promising 7,100 jobs and safeguarding another 3,700. All these figures are higher than last year. A record total of 283 Government financed factory units had been allocated by the end of November, promising almost 6,100 new jobs.

One information technology centre has been announced in the Principality (for Kelsterton in NE Wales) and more are in prospect.

Currently about 36,000 people are benefiting from special employment measures.

The rate of increase in unemployment in Wales in recent months has been less than half of that at this stage last year. The December unemployment figures show a slight fall in absolute levels (though the underlying trend remains upwards).

The indications are that the trough of recession was reached in the Welsh manufacturing sector earlier this year and that, in common with the rest of the UK, a slow recovery has been in evidence for some months.

WATER

The Welsh Water Authority has been reconstituted from a body of 35 members to an Authority of 13 members appointed by the Secretary of State for Wales, 4 on the nomination of local authorities. The reorganisation will come into effect on 1 April 1982 and should improve the management of the Authority and speed up decision-taking.

ROADS

The last link in the M4 was opened, providing a continuous dual carriageway connection from Swansea to London. On the North Wales Coast Road (A55) two improvement schemes were started, and contracts to a value of £75m let for work which will be underway in 1982 and succeeding years.

LOCAL GOVERNMENT EXPENDITURE

There are separate Rate Support Grant arrangements in Wales, and in 1981/82 Welsh local authorities seem likely to spend in line with the Government's target. This is a gratifying reaffirmation of the traditional willingness of local authorities, whatever their political persuasion, to respect the spending targets fixed by central Government in its role of macro-economic policy making. The Government look forward to the same co-operation in Wales in 1982/83.

LOCAL GOVERNMENT EXPENDITURE (CONT'D)

The Secretary of State announced the capital allocations for Welsh local authorities on 21 December. The performance of Welsh authorities in containing their level of current spending this year meant that the Secretary of State could allocate a sum of £279m for 1982/83. This is an increase of nearly 20% on the previous year.

HOUSING

The response in Wales to the right-to-buy provisions of the Housing Act 1980 has been a good deal heavier than in other parts of the country. By the end of September some 13% of local authority tenants had applied to buy their homes, and more than 4,000 right-to-buy sales had been completed.

HEALTH

The foundations of a new structure for the NHS in Wales were firmly laid in 1981. The new unit structure and decentralisation of financial and managerial responsibilities will encourage local decision making and responsiveness to local need. With this end in mind, preparations were made for the new District Health Authorities to take charge of their own capital programmes after 1983/84.

In 1982, the very substantial health capital programme in Wales (4 new district general hospitals in various stages of construction) will be in full stream. The Secretary of State will launch a strategy for the development of comprehensive services for the mentally handicapped.

EDUCATION

The curriculum review exercise conducted on an England and Wales basis culminated in the issue of the guidelines document "The School Curriculum" in March. A complementary guidance document 'Welsh in Schools' was issued by the Secretary of State for Wales in July. The implementation of both documents by LEAs and schools will be followed up in about 2 years' time.

The future management of public sector higher education in Wales will be determined in 1982. Consultations on Government proposals were in hand at the end of 1981.

WELSH LANGUAGE

1981-82 saw the trebling of Government Assistance for the Welsh language to £2.3 million. This reflects the Government's commitment to support constructive action designed to further the Welsh language - support which will be maintained during 1981-83.