

PRIME MINISTER

Welsh Conference : next Saturday, 21st June 1986

You are doing a Question and Answer session and I have every expectation that most of the questions will be of a general political kind. But I felt that you ought to have some briefing Welsh matters.

Attached therefore are briefing from the Welsh Office and a recent "Politics Today" from the Research Department on our achievements in Wales.

Nicholas Edwards is coming in to see you next Monday afternoon (16th June) for 45 minutes just to bring you up to date on Welsh politics and to give you a "feel" for the general climate in Wales.

SA

STEPHEN SHERBOURNE

13.6.86

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From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

13 June 1986

*Nicholas*

... I attach briefing for the Prime Minister's attendance at the Welsh Party Conference. In addition to covering the ground outlined in these notes, I shall also report <sup>on</sup> a number of important initiatives which I have launched recently in Wales especially on the urban reclamation front and on major projects underway in South Cardiff where I expect to make an announcement next week on the encouraging progress of studies into the benefits of a barrage across the Taff estuary. The consultants involved have concluded that this is "a rare opportunity to develop a superb environmental setting which will have few, if any, competitors in Great Britain" and which could, if developed, add greatly to the economic and social development of South Wales.

Elsewhere in South Wales I have launched a major scheme to change the environment of the industrial valleys and firmly re-establish their links with Cardiff and development along the coast and M4. In rural Wales a number of schemes have recently been announced to address the problems facing the countryside and there are very important proposals before me for housing the visual and performing arts in Wales. These latter studies will not only tackle the long-neglected problems of the arts but also make a substantial contribution to other work of transforming the economic and social environment in Wales.

I shall also wish to report on the progress which John Moore and I have made on studies concerned with a second crossing of the Severn estuary and on a joint paper which we shall shortly be putting to colleagues.

... The Prime Minister will also find it helpful to have the enclosed booklet which provides a concise and comprehensive account of our achievements in Wales since 1979.

*J. Moore*  
*Nicholas*

The Rt Hon Michael Alison MP  
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HEALTH

BRIEFING FOR THE PRIME MINISTER

HEALTH

Although the Health Service in Wales is an expanding one, the inheritance is not favourable. Modernisation in Wales is still confronted by key difficulties which put heavy strains most notably on revenue resources. The key problems are:-

- a. The concentrations of social deprivation in Mid Glamorgan. This is the most populous health authority district in Wales and also the one where employment patterns have undergone fundamental change over the last decade. Relatively poor housing and other infrastructure means that early discharge and efficient use of acute hospitals is less easy to achieve. The community services carry heavy workloads and are generally under-staffed. There is a heavy preponderance of individual, as opposed to group, GP practice and a very significant turnover of GPs. The problems of the inner-city typical in parts of England are both more widespread and complex in Mid Glamorgan and at its margins.
- b. Sparsity; service provision to large areas of rural Wales is made more difficult and occasionally more costly because populations are dispersed and small.
- c. Waiting Lists; waiting lists are lengthening especially for those patients who have to wait more than three months for urgent in-patient treatment, or more than a year for out-patient treatment. The number of out-patients who will have to wait more than three months for an initial appointment is similarly a cause for considerable concern.
- d. Medical manpower; there is emerging evidence of major shortages in the key specialities of general surgery; trauma and orthopaedic;



ear, nose and throat and anaesthetics. Staffing an expanding service at the periphery has always presented difficulties but these have sharply increased within recent months for reasons which are presently unclear.

- e. The general health status of the people of Wales; this is most evidently adverse in respect of heart disease. The death rate from cardio vascular disease is amongst the highest in Europe. Alcohol abuse is also a significant problem. Compared with England more alcohol is consumed per person; average expenditure is greater and the death rate from cirrhosis of the liver is higher. The impact of these health problems on costs - especially prescribing costs - is very considerable.
- f. Mental illness services; there is a heavy reliance on old and inappropriately placed hospitals especially in the north and south east. There are major distressing weaknesses in services. Health and local authorities are often unwilling or unable to undertake the complex task of joint planning to overcome them. But joint action is essential if the transition to modern community-based psychiatric services is to be funded and achieved.

## I. GROWTH IN RESOURCES SINCE 1979

### 1. Hospital and Community Services Revenue

In the period 1978/79 - 1986/87 and after adjustments for inflation, recurring revenue allocations to health authorities in Wales have increased by almost 26%. In 1986/87 a further £47m has been made available for hospital and community health services, this represents a cash increase of 7.6% over 1985/86. Some £9m of this has been allocated to centrally funded developments, but the balance of £38m is being made available to health authorities.



## 2. Capital

Between April 1979 and March 1986 an estimated £368 million (at 1986-87 prices) was spent on Hospital and Community Health Services in Wales. (£46m is available for 1986/87).

### II. HOSPITALS

1. The Government is committed to the development of hospital services in Wales. Some £46m will be spent on the health capital building programme in 1986/87, the programme includes expenditure of £12.5m on existing schemes in progress and £21.4m for distribution to health authorities.

2. New hospitals built since 1979 include the nucleus hospitals at Bridgend and Morrison which were opened to patients in October 1985 and also that at Wrexham which is expected to open in June 1986. The community hospital at Mold has been open for over a year and the new Ystradgynlais Community Hospital was opened on the 25 March. 1986 will see the completion of Morrison Scheme 2, Singleton Phase III Scheme 1, Llandudno Scheme 1 and major upgrading work at St Tydfils, Merthyr. A start will also be made on the new Llanelli Hospital in June and on the new Llandough Hospital Obstetric Unit.

3. In addition to these major new developments substantial improvements have been made to a number of existing hospitals in Wales including works at Neath General Hospital, Singleton Hospital, Swansea and St Woolos Hospital, Gwent.

4. Work on making good the defects which have arisen at some of the hospital buildings erected during the 1960s and 1970s, including those at the University Hospital of Wales have now been largely overcome. The programme for remedial work to the structure of the West Wales General Hospital, Carmarthen has now been finalised.

### III. FAMILY PRACTITIONER SERVICES (FPS)

Expenditure on FPS in Wales in 1985/86 was £214 million, an increase in real terms of 28% since 1979/80.



#### IV. REGIONAL SERVICES

##### RENAL DIALYSIS

1. The main renal unit at Morrison Hospital, Swansea has been operational for almost a year. The subsidiary renal units at Bangor and Carmarthen, managed on behalf of the NHS by Travenol Laboratories Ltd and Community Dialysis Services respectively, appear to be operating smoothly. It is too early to say what effect these units will have on the renal service but initial impressions are favourable. This is one of the first examples of an NHS service being provided by private contractors. The intention is to develop this further in renal dialysis and other areas.

##### CARDIAC SURGERY

2. The planning of an expanded cardiac unit at the University Hospital of Wales, Cardiff is continuing. This will enable the throughput of cardiac surgery to be increased to about 1,100 operations per annum.

3. In the interim however the Department has allocated sufficient funds to the South Glamorgan HA to allow them to undertake 600 cardiac operations per annum at the UHW. The target of 600 operations per annum was achieved in 1985.

##### BONE MARROW TRANSPLANTATION

4. Construction started in April 1986 on a substantive BMT unit at the UHW. The work is expected to be completed by September 1986. This will enable 20 BMT operations to be carried out annually. Sufficient funds were allocated to allow for 12 operations to be undertaken in 1985/86 and 20 in 1986/87 and ensuing years to the SGDHA.

##### BLOOD TRANSFUSION CENTRE: AIDS TESTING FACILITIES

5. A laboratory to undertake the tests for the HTLV III virus and the AIDS antibodies has been provided at the Welsh Regional Blood Transfusion Centre,



Rhydlafer, Cardiff. The laboratory has been undertaking the tests since October 1985.

## V. WAITING LISTS

The management of waiting lists is primarily the responsibility of the health authorities. However, Welsh Office Ministers are not satisfied with the position and this is reflected by the action taken to tackle the rising waiting list numbers.

In April this year a workshop was held at the Welsh Office for District Health Authority Managers and others, the aim of which was to enable health authorities to identify the problems in their waiting lists; the reasons for them and the means of resolving them. The next step will be to put some of the measures identified into practice and a further workshop will be held in the Autumn to review progress. By then Authorities will also be expected to produce action plans including targets by which progress can be measured. A Welsh Office working group has also been established to act as a catalyst in disseminating good practice and assisting health authorities with problem solving.

Urgent consideration is also being given to an immediate blitz on waiting lists, by employing locum surgeons and support staff and providing additional equipment in selected areas of Wales with particular problems and in key special ties. This is intended to be introduced in September 1986 for an initial period of six months (at an estimated cost of up to £1 million).

Notwithstanding growing waiting lists more people than ever before are being treated by the NHS in Wales. In 1984 some 63,000 more (18%) in patients were treated in the NHS in Wales than in 1979 and there were 51,000 more (12%) new out patients. This has been achieved whilst maintaining a stable rate of bed occupancy; thus better use has been made of available beds.



## VI. STAFF NUMBERS

1. Between 1979 and 1985 there has been an overall reduction in support staff, accompanied by a significant growth of "front line staff", doctors, dentists, nurses and others who are concerned directly with patient care - of 12.5% (after allowing for reductions in working hours for nurses in 1980). The number of General Medical Practitioners (GP's) has increased by 17% since 1979 and the number of General Dental Practitioners has increased by 20% since 1979.

2. Nurses have been increased by almost 4000 wholetime equivalents since 1979 and their weekly hours have also been reduced from 40 to 37½ without loss of pay.

## VII. MANAGEMENT RESTRUCTURING

Good progress has been made in Wales in implementing the recommendations of the "Griffiths" Management Inquiry Report, which are designed to strengthen management and improve efficiency in the NHS. District General Managers have been appointed in all DHAs, and all DHAs have received Ministerial approval for unit level proposals. Twenty nine of the thirty two Unit General Manager appointments have already been made and DHAs are now considering their sub-unit structures.

## VIII. OTHER ACHIEVEMENTS

**March 1983** - Launch of 10 year mental handicap strategy aimed at developing a comprehensive range of services to enable mentally handicapped people in Wales to lead independent lives in the community. About £7 million will be spent in 1986-87 and this is intended to rise very considerably by the end of the 10 year period.

**March 1985** - Establishment of Welsh Heart Programme ("Heartbeat Wales") to devise and test pilot a regional strategy for combatting Coronary Heart Disease. Welsh Office funding to date £150,000. £200,000 to be paid in 1986/87.





**June 1985** - Announcement of policy approval for construction of 4 medium secure therapeutic units (65 places in total) for those suffering from mental illness to be built over the next decade.

**August 1985** - announcement of the Secretary of State's strategy to make Computerised Tomography (CT) scanning facilities more accessible to patients in Wales. Two high range scanners will be installed at Morryston Hospital, Swansea and Ysbyty Glan Clwyd, Rhyl and 2 medium range scanners in Gwent and East Dyfed in 1986/87.

**September 1985** - The publication of 'A Good Old Age' for comments and subsequent Ministerial announcement that up to £5 million would be made available over 3 years to finance schemes in Wales by health and local authorities and voluntary bodies to develop services to help as many old people as possible to be cared for at home or in the community rather than in institutions.

**Drug Misuse** - In the past two years the Welsh Office has invested £1.25 million to combat drug misuse in participating in central prevention initiatives and funding projects operated by statutory and voluntary agencies.

**March 1986** - "Lifeline Wales" kidney donor scheme was launched on 3 March - this is a Joint Welsh Office/Kidney Research Unit for Wales Foundation (KRUF) project aimed at increasing the number of kidney donors in Wales.



## EDUCATION

Despite the level of education expenditure there are areas of serious concern.

### SCHOOLS

School building stock is becoming increasingly dilapidated through lack of maintenance. This is exacerbated in some areas, eg Dyfed and Mid Glamorgan, by the significant proportion of pre-1903 buildings still in use (Dyfed 39 per cent, Mid Glamorgan 25 per cent). The other area of concern is shortage of books and equipment. The situation varies from authority to authority. In secondary schools in particular, books and other materials are increasingly worn in appearance, with frequent sharing of books. Texts are frequently issued for use in class only with usually adverse implications for methods of teaching and learning, revision and homework. In those departments in secondary schools which make heavy use of consumable materials, eg science and crafts, class demonstration tend to supplant individual work by pupils.

### AFE

Pressure on local authorities (LA), expenditure is reflected in the resources available to the LA higher education institutions in Wales - particularly the Polytechnic of Wales (the only polytechnic in the Principality). Its cost weighted unit of resource per student for the academic year 1986/87 will be £1,411 compared with figures for the English polytechnics ranging from £1,525 to £1,578. Since 1979 student numbers in the LAs higher education institutions have been increasing very rapidly - outstripping the increase in funding which the LAs have been able to allocate to them.

### RESOURCES

Current Expenditure: In real terms increased from £601.8 million in 1979/80 to £628.5 million in 1984/85.

EDUC 2



**Pupil Numbers:** 74,500 fewer pupils in 1984/85 than there were in the peak year of 1976/77 (a 13% reduction).

**Pupil Unit Costs:** In real terms over £100 more being spent per pupil in 1984/85 than in 1979/80.

**Pupil/Teacher Ratio:** Improvement from 18.1:1 in 1979/80 to 17.6:1 in 1984/85.

**Capital:** Planned provision for educational capital building in 1986/87 is £39 million, an increase of 30 per cent in cash terms on the 1985/86 figures.

**Management:** Need for better management of the resources devoted to education; a view reinforced by the independent findings of the Audit Commission and Her Majesty's Inspectorate. The best practices and policies found in some authorities need to be extended to all aspects of the service, and to be pursued by all authorities.

**SURPLUS SCHOOL PLACES - Thousands**

(PRIMARY AND SECONDARY)

LEA	STOCK	PUPILS AT 1985	SURPLUS AT 1986	SURPLUS AT 1991
Dyfed	69.3	55.2	14.7	16.3
Clwyd	87.5	68.0	20.7	24.3
Gwent	98.7	74.0	24.7	30.8
Gwynedd*	42.1	39.5	3.2	5.3
Mid Glam	126.1	96.9	31.2	36.5
Powys	22.7	19.0	3.9	4.9
South Glam	85.7	63.2	23.4	24.4
West Glam	74.4	60.1	15.3	17.8
TOTAL	606.5+	475.9	137.1	160.3

\*Stock N/A:- pupil population at January 1981 used (the real surplus will therefore be considerable greater than is shown above)

+ LEAs have collectively taken 19,967 places out of use up to January 1984 giving a run of figures as follows:

586.5	475.9	117.1	140.3
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## FURTHER AND HIGHER EDUCATION

### Course enrolments at maintained major establishments

	WALES	Full time equivalent enrolments	
	1979/80	1984/85	% Change
Advanced Further Education	8,623	12,715	+ 47.5
Non Advanced Further Education	24,802	28,290	+ 14.1
Total	33,425	41,005	+ 22.7

Advanced and non-advanced student numbers in Wales have increased steadily over recent years, the most rapid being in advanced education.

Staff/Student ratios have tightened somewhat from 7.6:1 in 1979/80 to 8.8:1 in 1984/85. This is still well short of the 12:1 which is considered to be the ultimate goal.

### GCSE

1. Following 10 June announcement of a further £20 million increase in expenditure for books and equipment in the current financial year, the Wales/England split has been agreed with DES officials pro-rata to the numbers of schools and pupils in both counties.

2. The available total of £20 million is new money for the education service over and above present plans. This total is to be made available to LEAs through Education Support Grants (£15 million) and the Manpower Services Commission (£5 million for the provision and scientific and technological equipment).

3. The Wales share of the total is:-

Education Support Grant	£0.9m
MSC	£0.3m
	<hr/>
	£1.2m



4. The £0.9m will be an addition to relevant expenditure for local authorities and will be supported by Education Support Grant at the rate of 70%. Grant-related expenditure will be raised to take account of the 30% contribution made by LEAs.

5. The MSC £0.3m will not require any contribution from LEAs.

6. Distribution arrangements will very shortly be notified to LEAs.

7. The following additional special resources have also been allocated:

a. 1985/86: £45,000 - Teacher training materials (guides and videos) and seminars.

b. 1986/87: £11,800 - Teacher training seminars.

c. 1986/87: £15,000 - Re-running of teacher training seminars.

d. 1986/87: £75,000 - Syllabus-specific training  
1987/88: £75,000 - Syllabus-specific training.

e. 1987/88: £590,000 - Books and equipment.     ||  
1988/89: £590,000 - Books and equipment.     ||

f. Assistance is also being provided to the WJEC with the translation into Welsh of the most popular GCSE syllabuses.

g. Assistance has also been provided to enable the SEC to issue training materials to teachers, in the Welsh Language.

#### THE UNIVERSITY OF WALES

There have been strong complaints that the criteria used by the UGC for allocating grants to the universities for 1986/87 have discriminated against the University of Wales. Certainly the University of Wales fared



less well than the average English and Scottish universities. Its grant is increased by 0.2 per cent as compared with 1985/86. The average increase in England is 1.16 per cent and in Scotland is 0.5 per cent. Whilst no doubt there is need to rationalise provision in some subject areas the continued weakening of the research base within the University will have serious implications for proposals for industrial/economic regeneration within the Principality. The allocations which were based upon positive judgements about the needs of teaching, the quality of research and the rewarding of institutional enterprise appear to have discriminated against most of the colleges of the University of Wales. There is no reason to doubt the quality of the objective nature of the UGC assessment and it is up to the colleges themselves to grasp every opportunity of improving their academic standards, management and use of resources. The University of Wales overall is geographically well placed to secure far seeing plans for restructuring and rationalisation and if they can show evidence of real progress in implementing change they could be considered for the further financial provision in 1987/88 and the following years announced by Sir Keith Joseph in the House on 20 May.

A table setting out the amount of recurrent grant for 1985/86 and 1986/87 is shown below.

University College	1985/86 Grant £m	1986/87 Grant £m	% Change
Aberystwyth UC	10.120	10.075	- 0.4
Bangor UC	10.961	10.906	- 0.5
Cardiff UC	17.009	16.965	- 0.3
St David's Lampeter	1.939	1.954	+ 0.8
Swansea UC	13.533	13.465	- 0.5
UWCM	6.520	6.693	+ 2.7
UWIST	8.434	8.562	+ 1.5
Welsh Registry	2.180	2.202	+ 1.0
Total Wales	70.696	70.822	+ 0.2

There was an exchange about this subject during the Welsh Grand Committee debate on 21 May 1986. A copy of a question put to the Secretary of State for Wales and his reply is attached.



WELSH GRAND COMMITTEE

WELSH DEVELOPMENT AGENCY

21 MAY 1986

Mr. D. E. Thomas (Meirionnydd Nant Conway): Does the Secretary of State accept that one of the major resources of Wales is its higher education system? Can he explain how Welsh industry and the relationship between the agency and the university benefit through the major cut of 5 per cent. that the Government have just authorised for the University of Wales?

Mr. Edwards: It is not a 5 per cent. cut for the University of Wales; it is a great deal less than that. I can assure the hon. Gentleman that the University Grants Committee, with which I have recently discussed these issues, recognises the importance of seeing a strong and growing research base in Wales. I have emphasised that point to the chairman, who sees a strong and merged structure in Cardiff as the basis for the way forward. That is also the policy of the university, and I think that the UGC will encourage and support reorganised and strengthened arrangements leading to the merger of the two colleges in Cardiff. I am sure that that is the positive way forward to strengthen that institution.

The UGC has also assured me that, as the colleges succeed in strengthening their research base in response to the new industries and change from their old strengths—for example, metallurgy in the case of Swansea—it will be flexible in its grant policy and respond to that change. I am grateful to the hon. Member for Meirionnydd Nant Conway (Mr. Thomas) for raising this issue, which I also raised recently with Sir Peter Swinnerton-Dyer.



## LOCAL GOVERNMENT SPENDING

1. Since 1981/82 the Secretary of State for Wales has been responsible for local authority spending in Wales. On both revenue and capital accounts spending performance of Welsh authorities has generally been better than in England.

### 1986/87 RSG Settlement

2. The 1986/87 Welsh RSG Settlement allowed for provision for local authority spending to increase by about 5% over 1985/86 budgets. District councils on average proposed increases in line with this, county councils, however proposed increases on average of 8.1%. As a result county councils were unable to claim all the grant to which they would have been eligible at lower levels of spending, leading to an underclaim on block grant by the counties of £18.4 million.

### Recycling

3. The need to finance higher spending and the "forfeited" grant led to county councils generally proposing high precept increases. Because of concern at the effect this would have on domestic and non domestic ratepayers the Secretary of State announced in February 1986 that he was prepared to recycle £13 million of the underclaim on block grant to county councils on the understanding it was used to reduce precept increases. In response to this the counties generally reduced their precept increases by around 5p in the pound.

4. The Secretary of State has since decided to recycle the balance of underclaim of £5.4m to the counties who have accepted that it will be reflected in their rating and precepting decisions for 1987/88. This decision is in line with the situation in England where the Environment Secretary has decided to recycle the underclaim in full to the local authorities.

Local Govt





#### **CURRENT EXPENDITURE**

5. Current expenditure in 1986/87 is budgeted to be £60m (4.4%) above provision. Spending has increased by 6.8% between 1985/86 and 1986/87 (1% less than in England).

6. Since 1979/80 spending has increased by 75%, a real terms increase of 5% compared with a real terms increase of 11% in England. The greatest growth, in line with the Government's priorities, has been in law and order services (police spending is 27% higher than in 1979/80 in real terms) and in personal social services (12%). There has been a substantial decline in spending on school meals (30%) and falls of 6% in real terms in expenditure on transport and local environmental services. Education spending, which accounts for half of the total, has grown by 6%.

7. Local authorities relatively good performance on current expenditure has made possible increases in capital provision over the last few years. (£11m in 1986/87.) If this performance is to be maintained it will be essential to secure a full consequential share of resources agreed for England for 1987/88 and future years.

#### **CAPITAL EXPENDITURE**

8. Local authority net capital expenditure was below provision in 1981/82 and 1982/83. Gross expenditure was in line with provision but receipts were higher than estimated. From 1983/84 on, net expenditure has exceeded provision. Gross expenditure is above provision. Though local authorities have sought additional receipts there has been a shortfall on receipts both for 1983/84 and 1985/86. 1985/86 expenditure is expected to be 6% over the cash limit, ie well within the agreed margin of flexibility.

9. Gross expenditure on all local authority services within Secretary of State's responsibility increased by 35% between 1981/82 and 1985/86. Local authority forecast is £346m in 1985/86, £123 per head.



10. Capital expenditure in Wales has been on average within 3% of the cash limit in 1983/84 to 1985/86 while expenditure in England has been well in excess of provision. Local authorities have pointed out the inequity of this position and have pressed strongly for additional provision to compensate for the English overspend as a reward for their better performance. If there is no such increase to Welsh provision Welsh authorities suggest it will be very difficult to continue to keep spending in line with plans.

#### **RATES REFORM IN WALES**

11. "Paying for Local Government" (Cmd 9714) includes Wales - Chapter 9 deals with the Welsh dimension. The objectives and broad approach are the same as in England, however some differences of detail in implementation may be required. A parallel consultation is being conducted on the same timetable as in England (consultation until 31 October, White Paper at the turn of the year, legislation drafted before the next Election).

#### **Community Charge**

12. Had community charge been fully introduced in 1984/85 it would have averaged £105. The range, without safety net, would have been from £71-£145; with safety net it would have been from £65-£142.

The transfer from domestic rates to community charge will be made in 3 stages. Domestic rates will disappear in about half the Welsh districts at the end of year 3, and in all remaining areas by the end of year 6.

#### **Non domestic rates**

13. The existing poundages are more compact than in England, so that transition might be achieved over 3 years. On 1984/85 figures the uniform poundage will be about 3p higher than in England. CBI (Wales) are believed to be in favour of the uniform poundage.

#### **Grant**

14. Wales will carry its existing grant and expenditure levels into the new arrangements.



## HOUSING

Despite the significant resources devoted to housing since 1979 a realistic assessment of the situation indicates continuing problems. In the public sector the requirement to renovate rapidly deteriorating, poorly designed and badly built 60s and 70s dwellings has coincided with the need to spend significant sums on the repair and maintenance of inter-war houses. It is estimated that £1 billion needs to be spent on council housing stock over the next 10-15 years - double the current rate of spend. The pressure on resources has reduced local authority new build to its lowest level since the war and despite increases in the Housing Corporation's programme, housing associations have been unable to bridge the gap with the result that last year only half the annual target of 3,000 new public sector dwellings was met.

There are also significant problems in the private sector. The 1981 House Condition Survey found over a quarter of the stock to be unsatisfactory and recorded a high proportion of elderly dwellings. Compared with England there are nearly 40 per cent more pre-1919 dwellings in Wales. At the beginning of the current financial year the renovation grant backlog stood at 56,000 with a value of about £175 million. The backlog includes some 30,000 grant applications outstanding from the initiative period. Last year 17,000 grants were completed but 18,000 fresh applications were received so that at present virtually no impact is being made on the backlog.

## CAPITAL EXPENDITURE

**Housing allocations:** The local authority allocatable total for 1986/87 is £141.3m, an increase of almost 30% on last year.

Specific allocations totalling some £56m have been made to tackle poor conditions in both public and private sector.

HOUSING



**Renovation:** Between 1979/80 and 1984/85 some £275m has been spent on private sector renovation. In the same period local authorities have spent about £205m renovating their own stock - well in excess of spending by the last Labour Government (at £59m and £86m in their last 5 years). Over 100,000 renovation grants have been completed since 1979.

First indications for 1985/86 are that about another £53m has been spent on private sector renovation and £50m on the public stock.

Since the introduction of enveloping in Wales just over 3 years ago, 7 schemes containing 944 houses have been completed, 13 schemes with 961 houses are underway and 15 schemes with 1,500 houses are in preparation.

**Promotion of Home Ownership:** Home ownership in Wales increased from 59% in 1979 to 67% at the end of 1985. Over 50,000 public sector dwellings have now been sold to their tenants under voluntary and right to buy terms since May 1979.

**New Build:** Provisional figures for house building starts in the private sector in 1985 show a substantial increase (30%) over 1984. The figure of 7,280 is the highest recorded since 1979. Completions have continued to increase since 1982.

In the public sector, the total starts have decreased since 1982 but provisional figures for 1985 show an increase of 17% over 1984 for local authorities and housing associations together. Completions have decreased since 1980.

**Housing Corporation:** Net provision for the Housing Corporation for 1986/87 has been increased by almost 15% to £44.7m.

Between 1979 and 1985 Government has committed £268m to the housing association movement in Wales leading to over 11,500 new or rehabilitated homes.



## URBAN PROGRAMME

The urban programme has increased from £7 million in 1979 to £18m in the current year. The total resources allocated in this period amount to some £121m. According to local authorities' own estimates schemes funded through the urban programme will safeguard existing or create some 20,000 job opportunities.

Almost £75m or 62% of the funds have been used on economic initiatives and have been concentrated in areas which have borne the brunt of structural decline in sectors upon which communities have traditionally relied. Individual projects include the servicing of industrial estates, the construction of small units to accommodate new enterprises and the provision of marketing product and technical advice to small businesses.

Schemes aimed at improving the quality of life and which meet special social needs account for much for the remainder of the funds. Projects range from the construction of community centres designed to serve the whole community to smaller projects aimed at groups with particular problems such as the elderly, physically and mentally handicapped, ethnic minority groups, the victims of crime, violence and drugs, drink and solvent abuse.

### Urban Development Grant: Approvals since April 1982

Since the introduction of the Urban Development Grant Scheme in April 1982 42 projects throughout Wales have been approved in principle and of the 37 that have gone ahead or are currently being prepared some £20.4 million in Urban Development Grants have been approved to help bring forward a total investment of over £123 million.

It is anticipated that these projects will create or maintain some 3,900 permanent jobs and almost 1,900 construction jobs.

URBAN  
Prog.



## INWARD INVESTMENT

1. A total of 69 projects were secured in 1985 involving a total of some 6,900 jobs safeguarded and projected over the next three years involving over £150 million investment. The equivalent figures for overseas projects, ie excluding those secured from other parts of the UK, are 48 projects, 4,150 jobs and £143 million investment. About a sixth of all the projects attracted to the UK from overseas came to Wales.
2. *230 foreign manufacturing plants* are now operating in Wales providing some 43,000 jobs - about a quarter of the total manufacturing workforce in Wales.

INWARD  
INVESTMENT



**SMALL FIRMS CENTRE - WALES**

Enquiries

<u>Year</u>	<u>No</u>
1979	6,300
1982	14,900
1985	17,000
1986 to end May	9,150 [Annual rate of 22,000]

Enquiries of the Small Firms Centre have shown a continuous upward trend since 1979. The most significant increase in enquiries has been from those seeking to set up in business which now account for about 60 per cent of the total. On 1 January 1986 the Small Firms Centre was transferred to the Welsh Development Agency to be run in conjunction with the other arm of the Small Firms Service - the Counselling Service - to provide a more co-ordinated and better service to clients.

SMALL  
FIRMS



## STEEL

BSC manpower in Wales is currently 18,630 (down from 50,630 in 1979). Productivity in man hours/tonne of liquid steel has improved by about 100% since 1979. BSC profits for the six months to October were £21m [and the Corporation expects to show a small profit for its end year figures].

BSC is investing massively in its Welsh plants with the aim of maintaining its competitive advantage:-

- (i) at Shotton steelworks in Clwyd the Secretary of State opened a new £30m hot dip coating line on 6 June 1986;
- (ii) at Port Talbot in West Glamorgan, their Royal Highnesses The Prince and Princess of Wales opened the £171m hot mill development project on 11 June 1986; further investment is continuing, to provide a second slab reheating furnace which will maximise the mill's production;
- (iii) at Llanwern in Gwent work is underway on a multi-million pound project to provide continuous casting facilities which is expected to be in production in 1988.

STEEL





## AGRICULTURE

### MILK QUOTAS

1. The introduction of milk quotas on 2 April 1984 caused severe problems for milk producers throughout the country, especially for those in areas which are heavily dependent on dairying, such as South West Wales. Dyfed is the main dairying area in Wales, contributing about 55% of total milk sales off farms and a similar number of registered producers. This represents about 4,000 milk producers with an average herd size of 47 cows.

2. However, the Government has taken a number of measures to help those in greatest difficulties:-

- i. Additional quota was made available for special cases (producers who were expanding or whose production had been significantly affected by exceptional events);
- ii. Claims for additional quota as "exceptional hardship" cases were also accepted from producers who had undertaken commitments before April 1984 and whose quotas, if any, were insufficient to meet those commitments;
- iii. The Government made up to £50 million available over five years to finance an Outgoers' Scheme to compensate those wishing to give up milk production and to purchase their quotas for reallocation to other producers. Small producers with under 200,000 litres of quota have done particularly well through firstly being restored to their 1983 levels of production and secondly being allocated their development awards in full. This means that for over half the producers in Wales the worst effects of quotas have been substantially mitigated. In addition all exceptional hardship claims have been met in full, and development awards originally abated by 35% because of insufficient availability of quota for redistribution have now



been restored to 90% of the level of what a producer's total quota would have been without abatement (ie basic quota plus development quota).

- iv. The situation facing dairy producers in continuing trouble will have been eased by the announcement on 12 March that provision was being introduced into the Dairy Produce Quotas Regulations to allow the leasing of milk quotas for up to one quota year. This facility is available to producers as from 1 April 1986 and all leases are to be registered through the Milk Marketing Board. Similarly the recent CAP price negotiation agreement to introduce a Community Outgoers' Scheme will be a source of alleviation for some producers. The Scheme will aim to purchase 2% of the UK quota in 1987-88 and a further 1% in 1988-89. The EC will provide funding of up to 18.3p per litre, and Member States will be allowed to top this up with national funds. No decision has yet been taken on whether the UK will make use of this option. Existing national Outgoers' Schemes are to be allowed to continue and will be able to provide for partial surrender of quotas. This facility could prove beneficial to producers in financial difficulty.
3. Despite these measures, it is inevitable that there are some cases which cannot be accommodated. Some producers' positions remain unviable and a number of bankruptcies is therefore possible.
4. The Secretary of State and Mr Norman Tebbit are meeting representatives of the National Farmers' Union on 20 June to discuss the situation of producers who were apparently advised to appeal as development cases but not as exceptional hardship cases. Such producers are presumably unhappy with their development awards and may feel that they could have been awarded more quota as exceptional hardship cases. However, the choice of applying as a developer or an exceptional hardship case was essentially one for each individual producer to make in the light of his own particular circumstances. Many producers sought advice on whether they qualified under the exceptional hardship category and officials of the Welsh Office



Agriculture Department and the Agricultural Development and Advisory Service were instructed to inform producers that where any doubt existed they should apply under both categories. The NFU were presumably advising along similar lines.

#### **WELSH DEVELOPMENT AGENCY AGRI-FOOD INITIATIVE**

An Agri-Food Initiative has been introduced to foster the development of the agriculture and food industries in Wales. It includes: a promotional campaign, the development of product plans and encouragement to potential producers.

#### **HILL LIVESTOCK COMPENSATORY ALLOWANCES - 1986 SCHEME**

1. Total payments in 1986 are expected to be in the region of £28.3 million to about 14,000 claimants. This compares with £25.3 million paid to 14,100 claimants in 1985.
2. Claims are submitted from 1 January and to ease cash flow problems arising from the adverse weather in 1985 advance payments of 75% for 1986 were made as claims were received.
3. At 31 March 97% of claimants had received payments at 75% of the amounts due to them totalling £20.5 million.
4. At 6 June 84% of claimants had received 100% payments totalling £25.2 million and the remainder will receive their 25% balances before the end of June.
5. Allowance rates for sheep range from £2.25 to £6.75 per head and for cows from £27.25 to £54.50 per head.

#### **FARM CAPITAL GRANTS**

Farmers in Wales have for many years received substantial Government assistance to improve their farm buildings for land improvements etc.



Increasingly most of these payments have been to hill farmers in the less-favoured area which now covers some 80% of Wales.

In 1985 over £27 million was paid in grant in Wales, over £22 million was in the LFA.

#### **RURAL ENTERPRISE**

Rural Enterprise was announced by the Secretary of State for Wales on March 24. The broad objective of the initiative is to stimulate economic projects that will contribute to rural prosperity.

The specific elements of the package announced under Rural Enterprise are:-

- i. a new grant scheme, the Development of Rural Initiative, Venture, and Enterprise (DRIVE), aimed at attracting private sector investment in services, tourism related, leisure and craft projects. The scheme is operated by the Welsh Development Agency (WDA) and Mid Wales Development (MWD). £1m is available over two years, after which the scheme will be evaluated.
- ii. the definition of rural areas for the WDA's various schemes of assistance was broadened to include all parts of Wales with a population below 15,000.
- iii. enhanced assistance by the WDA for the conversion of redundant rural buildings, with local authorities eligible for grant at up to 50% for the provision of managed workshops.
- iv. streamlined administration and more flexible security arrangements were introduced throughout rural Wales or loans to new and small firms of up to £7,000.
- v. WDA and MWD adopted a new marketing approach. The wide variety of forms of assistance available in rural Wales are now marketed under a common Rural Enterprise umbrella.



- vi. experimental Rural Enterprise groups are being established in a few areas by the WDA and MWD: their objective will be to stimulate local thinking about development opportunities and to provide fresh momentum in carrying them through.

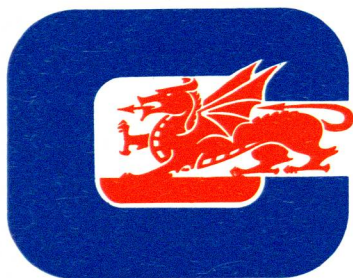
# POLITICS TODAY

No. 10

26th May 1986

60p

**Y DDRAIG EFFRO!**



**THE DRAGON AWAKE!**

Conservative Research Department

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### Foreword

Welsh Conservatives proudly wear the Party's symbol — A Dragon rampant set in the letter 'C'. To help sustain that pride, this pamphlet brings together the full facts about Government initiatives and achievements in Wales. The Conservative Dragon has never been dormant! Since our victory in 1979 it has been wide awake and actively promoting the best interests of Wales.

## 1. THE ECONOMY

**The Conservative Approach.** Wales is going through a period of far-reaching change; and nowhere is this more apparent than in the economy. The Government is playing its part by promoting the trends that promise a better future for the people of Wales, and by cushioning them as far as possible against the painful side-effects of this major transformation of the economy.

After a long period of industrial decline, the Welsh economy is now poised for vigorous growth. Substantial job losses have occurred in both the public and private sectors; but the sustained economic growth that has taken place in Wales (as in the rest of the country) during the last five years has created the conditions needed to provide new jobs to replace those that have been lost. The new air of confidence, brought about by this Government's policies, is the Conservative answer to the message of pessimism and despair constantly propagated by Labour politicians in Wales.

The new confidence is typified by the emergence of the traditional heavy industries of Wales — steel and coal — from decades of demoralising decline into renewed profitability. Labour had encumbered the coal and steel industries with a mentality of dependence, and encouraged them to expect endless subsidy. Vast amounts of taxpayers' money were squandered by Labour in propping up hopelessly inefficient, loss-making plant. Now productivity in the coal industry in Wales is soaring, turning the coalfields into profit-makers and attracting new investment which promises secure jobs for the future.

**Steel.** The Welsh steel industry survived the threat to it from the 1984-5 miners' strike, which was supported wholeheartedly by the Welsh Labour Party. If Mr Scargill and the Labour Party had had their way, Llanwern and Port Talbot steel works would have ground to a halt. But Welsh steelmen withstood the bully-boy tactics, and they have rejected the socialist prescription for their future: over-manning, inefficiency and state dependence. They have chosen instead the path that will make their industry a world leader in efficiency.

Two major projects have been completed on schedule: the £171 million hot strip mill project at Port Talbot and the £30 million Galvalume project at Shotton. Work on the concast plant at Llanwern is proceeding well; it should be ready for commissioning early in 1988.

The British Steel Corporation's declared profits for the first six months of 1985-6 were £21 million, and the Welsh division made a substantial contribution to this success. Llanwern and Port Talbot are now acknowledged to be among the most modern and efficient steelworks in Europe, thanks to the Government's massive investment in their future. Wales produces one-third of this country's steel. The reconstruction of the industry that has occurred since 1979 will ensure that it can continue to make its major contribution to the British economy.

**Coal.** As part of the NCB's strategy for securing the long-term future of the coal industry, twelve of the heaviest loss-making pits have closed or merged since the miners' strike. The total workforce now stands at just under 14,500. The NCB has fulfilled the commitment it gave to find alternative jobs for all those who

wished to remain in the industry, and it has provided generous redundancy payments to those who have chosen to leave.

The workforce has responded very positively to good management and the result has been a dramatic improvement in performance. The South Wales coalfield has now achieved profitability for the first time in years. This remarkable achievement has enabled the NCB to announce investment of £80 million since the beginning of the financial year. Of this, £50 million is being invested in heavy duty mining gear for 10 new coalfaces, 6 of which have already started production (the remainder will be in production by June 1986). The Board has approved an investment of £30 million in a project to mine rich new reserves of anthracite, and to secure the 800 mining jobs at the Cynheidre Colliery Complex well into the next century.

**Mr Cliff Davies**, South Wales Area Director of the National Coal Board, has said: 'There is a new mood of confidence in the South Wales Coalfield. We have tough objectives to meet, but we are determined to achieve them and to turn South Wales into one of the most efficient Coalfield areas in the country' (NCB Press Release, 26th February 1986).

In North Wales, the NCB is investing £16 million at Point of Ayr colliery which will open up new reserves under the sea and give the pit a secure future. The exciting new coal liquefaction plant is proceeding according to plan and should be completed by the end of 1987.

National Coal Board (Enterprise) Ltd — the organisation which helps examiners find other jobs — is now well established in South Wales. It has announced support of almost £1 million for 13 enterprise agencies. In addition it is directly aiding 78 projects which will involve a total investment of some £13 million and provide for the creation of 1,500 more jobs. Commenting on the future prospects of the coal industry, **Mr Nicholas Edwards**, Secretary of State for Wales, has said:

'Productivity has increased by 46 per cent in eight months. . . . It is a remarkable achievement. . . . There are good grounds for believing that we have now reached the end of a period of decline that has lasted for many decades in South Wales' (*Hansard*, 3rd March 1986, Col. 29).

**New Industries.** While the traditional industries still play a major part in the Welsh economy, perhaps the most striking features of the economy are the steady expansion of a more diverse range of manufacturing industries, and the growth of service industries. Wales is becoming one of the main centres for electronics in Britain. Since 1979 there has been a rapid increase in the number of firms producing electronic components, and of those enterprises engaged directly in the new technologies such as bio-technology. The leading firms include: Amersham International, Aeroquip, Warner Lambert, Wilkinson Sword, Hotpoint, Tetrapak, Staedtler and 11 Japanese companies.

**Inward Investment.** During the last few years Wales has attracted around one-sixth of all inward investment to the United Kingdom. Since 1st April 1983, Winvest — an arm of the Welsh Development Agency (WDA) — has secured

148 projects: 118 are already under way, and the remainder are firmly agreed. The total investment involved is over £500 million. As a result, over 13,600 jobs have been created, and a further 6,100 safeguarded. The projects cover almost every industrial sector, including electronics, bio-technology, pharmaceuticals and aircraft, as well as high-volume consumer products such as video recorders.

Foreign investment of £475 million has accounted for 122 of the projects. 61 projects are by North American companies, 46 are European company projects and 14 projects are being undertaken by Japanese companies, with one from the Middle East.

Out of the total 148 projects, 90 are new investments and 52 are expansions of existing projects. There were 4 acquisitions by American companies and 2 joint ventures. In April 1986, it was announced that another Japanese company, Orion, had decided to produce video tape recorders at a WDA factory at Kenfig Hill, employing 100 people. Wales has the greatest concentration in Europe of Japanese manufacturing units (11).

Altogether there are now over 200 overseas-owned or associated firms in Wales, employing about 50,000 people and accounting for around one in five jobs in the manufacturing sector.

**Greater Investment from Within Britain.** Indigenous Welsh firms such as AB Electronics, Laura Ashley and Avana have also shown their confidence in the future of the Principality by expanding and taking on more staff — and so have UK-based firms such as Renishaw, which has recently decided to set up a plant at Cwmbran. Reviewing the new investment by UK firms in 1985, **Mr Edwards** said:

'United Kingdom firms from outside Wales decided to locate 20 new projects and one expansion project in Wales with a promise of nearly 2,750 jobs and over £14.5 million in capital investment' (*ibid.*, Col. 30).

**The Self-Employed and Small Businesses.** There are now over 150,000 self-employed people in Wales (an increase of 35 per cent since 1981). A net increase of around 6,000 in the number of small businesses took place between 1980 and 1983. Enquiries to the Small Firms Centre in 1986 from those considering starting a business are currently running at a rate well in excess of 20,000 for the year.

In 1985 the business improvement services scheme received over 900 applications in steel closure areas and made offers to over 550 small firms.

**Effects of Major Capital Spending.** There has been a considerable investment in the infrastructure to enable it to meet the changing needs of the economy. The most obvious manifestation of this is the greatly improved road system: the M4 in the south and the A55 in the north — together with the necessary link roads — provide gateways into Wales and link the industrial and commercial areas of Wales with their counterparts elsewhere in the UK. Other major changes are transforming towns and cities throughout Wales. Cardiff, Swansea and Newport have redeveloped their central shopping areas. A major concert hall has been built in Cardiff and there are other exciting projects to come. The redevelopment of south Cardiff is under way. Swansea has its Maritime Quarter



with a marina which when completed will compare favourably with similar facilities anywhere.

**New Government Initiatives.** Two recent Welsh Office initiatives show that the Government is determined to keep up the momentum in order to strengthen the economy of Wales still further. One is the Valleys Initiative, launched by the Secretary of State during the Welsh Day Debate in Parliament on 3rd March this year, which seeks to link private and public investment in the development and improvement of the infrastructure of the Valleys — treating that area and the coastal belt as one integrated whole. The other is the Rural Enterprise package, which will stimulate private investment in service, leisure and tourist-related developments in the country districts.

**Employment.** All the Government's work is directed towards one overriding objective — the reduction of unemployment. 82.3 per cent of those who want jobs now have them, and more opportunities are being created all the time. As **Mr Wyn Roberts**, Parliamentary Under-Secretary of State for Wales, has said:

'We are doing our utmost to increase the number of people in work, and we have had some success. The total number in civilian employment in Wales rose by 2.1 per cent between 1983 and 1984 — from 1,028,000 to 1,050,000 — mainly as a result of an increase in the number of self-employed and those working in the service industries' (ibid., Col. 105).

**Conclusion.** The new spirit of confidence and achievement that has come into being since 1979 has already enabled the Welsh people to tackle — successfully — the reconstruction of the economy that was needed to create the foundations for long-term prosperity. And an expanding economy has provided the extra resources to take spending on social services — such as the NHS and education — to record levels.

## 2. CONSERVATIVE SUPPORT FOR INDUSTRIAL DEVELOPMENT AND TOURISM

**Jobs: The Record to Date.** Projects accepted for Regional Selective Assistance, Regional Development Grant and Government financed factories since May 1979 have helped provide over 90,000 jobs in Wales.

A particularly telling fact is that 70 per cent of all offers of Regional Selective Assistance (RSA) accepted over the last 11½ years have been made under the Conservative Government. These offers have helped to provide nearly two-thirds of all the new jobs created by RSA projects. During 1985, offers of RSA and new-style Regional Development Grants totalled nearly £60 million; they are expected to create 12,500 new jobs and safeguard over 4,800 existing jobs.

**The Welsh Development Agency**, since its establishment in January 1976, has completed 1,239 advance factory units, 20 bespoke factory units and 92 factory extensions, together totalling more than 9.6 million square feet. Of the total number of units, 86 per cent have been built since 1979; the annual average completion rate has increased from 56 units per year under the last Labour Government to 177 units per year under this Government.

### WDA Factory Allocations

Year	Units Allocated	Job Forecasts
1982	240	4,700
1983	301	6,050
1984	227	4,401
1985	282	4,000

(Source: Welsh Office)

The Agency's unoccupied factory stock was down to 10.1 per cent in 1985 — its lowest level for five years.

Its new programme of factory building and property development for 1986-7 will cost some £27 million. Announcing the programme, the Agency's Chairman, **Mr John Williams**, referred to the record amount of floor space — 2 million square feet — let in the past twelve months. He said:

'We are on the threshold of an exciting era for property development in Wales — rental growth, exciting new products, and a positive response to the market's needs. Partnerships with the private sector will become increasingly important' (*WDA Property Development Programme 1986-1991*).

**Mid Wales Development.** Factory allocations by Mid Wales Development show an impressive upward trend. The total allocations by the Board in 1985 marked a 54 per cent increase on the level of allocations in 1984. Since 1979 a total of 330 factory units have been built, providing 2,737 job opportunities.

The following table shows the rate of progress in factory allocations.

Year	Units Allocated	Job Forecasts
1982	98	1,044
1983	81	1,199
1984	65	842
1985	100	1,233

(Source: Welsh Office)

There has been a high level of applications for the Mid Wales Development Grant: 89 have been approved, amounting to a Government contribution of £1.7 million towards projects involving a total investment of £11 million. 1,200 new jobs have been created and 600 safeguarded. Among the most notable successes are Laura Ashley, and Control Techniques and Conblock.

Under the Rural Buildings Conversion Grant, 31 projects had been approved for assistance of £103,745 by March 1986.

**Cwmbran Development Corporation** has continued to make a substantial contribution to the economic development of South Wales. In the last four years the agency has allocated 278 factory units with the prospect of creating over 3,200 new jobs, and in the first two months of 1986 secured two particularly important new investments from Renishaw and Nimbus Records, together offering the prospect of over 700 jobs.

The town centre has been sold to the private sector, and responsibility for housing and community-related assets transferred to the local authority.

Arrangements are proceeding smoothly for the disposal of factories and the transfer of those that remain to the WDA.

**Enterprise Zones.** Wales now has a total of three Enterprise Zones, with impressive records of attracting investment. The latest progress report on the zone at Swansea shows that by June 1985, 137 firms had taken premises there, bringing with them over 1,600 jobs, 759 of which were new ones. A further 184 jobs are expected to result from firm commitments to the zone. The Welsh Office has contributed some £7 million from the Urban Programme and special capital allocations, and a further £5.4 million has been paid to the City Council as compensation for the loss of revenue from rate-free premises in the zone.

Following criticism of the high level of retailing outlets in the zone, a new lower limit of 25,000 square feet for retail development without planning consent was introduced in April 1985.

The zones at Delyn, now supporting 258 jobs, and Milford have made a good start. More than £8 million support has been provided by the Government for Delyn and over £5 million for Milford, and a further £1.3 million has been made available to them in the 1986-7 Urban Programme allocations. Since 1979-80, Urban Programme and Urban Development Grant allocations in Wales have totalled £148 million. Spending on the Urban Programme is up by about 14 per cent in real terms since 1979-80.

**The Valleys Initiative.** Under this important new initiative, announced on 3rd March 1986, the Government is initially making available £2 million of special capital allocations for housing-related initiatives and £1 million from Urban Programme resources for this year. This expenditure is in addition to the considerable sums of public money already available to the Valleys from other sources: much of the special capital allocation of £3 million for housing priority estates projects will go to the area. As **Mr Edwards** explained:

'A great deal can be done to improve the valley environment. That is especially true of the town centres and the areas leading to them, where poorly maintained buildings and a damaged environment sell short the enormous attractions which the valleys have to offer. What we shall seek to do is to trigger a series of co-ordinated initiatives by the local authorities and private and voluntary organisations to improve those areas. I am not proposing Welsh Office solutions. Where communities have sound ideas and the willingness to back them, the Welsh Office will . . . make available additional resources to reinforce them, and to promote the contribution that is necessary from the private sector' (*Hansard*, 3rd March 1986, Col. 33).

**Small Firms.** The Small Firms Information Centre (SFIC) continues to report a rising trend in the number of enquiries:

1978	6,595	1982	14,929
1979	6,301	1983	16,128
1980	7,053	1984	16,494
1981	10,604	1985	17,011

(Source: SFIC)

**Tourism.** According to estimates made by the Wales Tourist Board, the tourist industry provides employment for about 90,000 people in Wales. The Government believes that the industry could provide jobs for many more, if restrictions which hamper its development were removed.

The Government's publication, *Pleasure, Leisure and Jobs* (1985), showed how obstacles could be removed to enable this private sector industry, largely composed of small businesses, to grow and flourish in the years ahead.

The Government has given increasing financial support to the industry through the Wales Tourist Board which administers grants available under section 4 of the Development of Tourism Act.

#### Annual Expenditure of the Wales Tourist Board since 1979-80

	Grant in Aid	Projects (£4)	Total
1979-80	2,000	1,700	3,700
1980-1	2,600	1,700	4,300
1981-2	3,166	1,911	5,077
1982-3	4,047	1,515	5,562
1983-4	3,823	1,209	5,032
1984-5	4,565	1,800	6,365
1985-6	5,196	2,500	7,696

(Source: Welsh Office)

Other sources of funding for tourism-related development are the Urban Programme and Urban Development Grant, Rural Enterprise, the Welsh Development Agency and Mid Wales Development. Contributions have been made to projects as varied as the tidying up of the summit of Snowdon and the establishment of the Holiday Inn at Cardiff — the first truly international hotel in the Principality.

While the British Tourist Authority is primarily responsible for attracting visitors from overseas to Britain, it is the Wales Tourist Board's job once they are here to get them to holiday in Wales. To help achieve this aim, the Government backed the Board's efforts to secure a better Welsh tourist centre in London, opened by the Secretary of State in June 1985.

Never before has there been such close and effective co-ordination between all the bodies involved in tourism — from hoteliers' associations and local authorities to national agencies and international commercial concerns. The Government has played a leading part in fostering Wales' well-organised tourism campaign.

### 3. TRANSPORT

**Roads in Wales** have been transformed by the most extensive programme of upgrading and new road construction ever undertaken in the Principality. The Government's review of the Welsh road programme, *Roads in Wales 1985*, was published in December 1985.

Since May 1979 some 22 miles of new or improved motorway and 84 miles of

trunk road have been provided. A further 26 miles of trunk road improvements, costing some £92 million, are currently under construction, most of which should be completed before the end of 1987.

*Expenditure.* In the three years 1979-80 to 1981-2, expenditure on new construction and improvements of trunk roads averaged £84 million a year; in the period 1982-3 to 1985-6 it averaged £107 million a year, and in the years 1986-7 to 1988-9 it is expected to rise to an average of some £123 million a year.

*The main objectives* of the road programme are to upgrade the east-west A55 route in North Wales and further improve the M4-A40-A48-A477 routes in South West Wales. Substantial improvements have already been made to, and more are planned for, the A470 main north-south route.

The priority given to the A55 route has been maintained, and the improvements already carried out should provide additional incentives to tourism and other industry, and bring substantial traffic relief to communities on the existing road.

The M4 between the Severn Bridge and Pont Abraham is now complete apart from the Baglan to Lonlas section, which is already served by a dual carriageway. A scheme for the completion of the motorway is now being planned at an estimated cost of almost £90 million.

Discussion of a new road programme has now begun, following the recent publication of a consultative paper, *Roads for Wales: the 1990s and Beyond*. It deals with strategically important trunk roads such as the A470 and the A5 on Anglesey, and considers the extent to which they should be upgraded as part of a comprehensive programme. Commenting on the proposals, **Mr Edwards** said:

'By the early 1990s most of our present aims will have been achieved, and it is not too soon to start thinking about the next 20 years . . . I want to consult widely so that I can consider different views and reach informed decisions in the light of public comment' (Welsh Office Press Release, 14th January 1986).

**Buses.** Bus services have been in decline for some years, but following the implementation of the Transport Act 1985 there is new hope and opportunity. About 1,000 services have been registered in Wales, representing a substantial proportion of existing services. Allegations that this level of registration will result in a worsening of services are baseless.

Local authorities will continue to be able to provide revenue support for socially necessary services that cannot be provided commercially: contracts to provide subsidised services will be awarded to operators offering the best value for money.

*Rural Services.* Operators of local services in eligible rural areas will benefit directly from the transitional rural bus grant to be administered by the Department of Transport. Local services, both urban and rural, will also benefit under the fuel duty rebate scheme.

Another new grant — the Rural Transport Innovation Grant — has been available from 1st April 1986 to provide starter assistance for innovatory

transport schemes. The grant, which will be administered by the Welsh Office, is specifically designed to encourage new and improved passenger transport services for the benefit of the rural communities. As **Mr Wyn Roberts** pointed out:

'Taken together, those measures constitute a substantial and imaginative package of support for rural transport in Wales and one which, I believe, all those with a genuine concern for the future of the rural areas should welcome' (Welsh Grand Committee, 26th March 1986).

**Railways.** Extra resources have been made available to British Rail so that it can finance its major development programme, in partnership with the county councils, for the Cardiff valleys network. Rolling stock is being replaced, new stations will be built and existing stations improved. Cardiff in particular will benefit: it will have one of the finest inter-city services in the country. The scheme amounts to a £20 million vote of confidence in the Cardiff-Valleys network — and sets the scene for the new Valleys Initiative. In **Mr Edwards'** words: 'With other important road schemes planned to improve access to the valleys still further, this is the moment to launch a fresh initiative to help ensure that the valleys share in the regeneration of the rest of South Wales' (*Hansard*, 3rd March 1986, Col. 32).

Major investment is also being put into Mid Wales, Central Wales and the Cambrian Coast lines. A new station has been opened at Cwmbran and another is planned for Conwy. The Barmouth viaduct was reopened to passenger trains on 13th April 1986. Inter-city services have been introduced between London and Aberystwyth and Pwllheli.

**Air Travel.** The runway at Cardiff-Wales Airport has been extended to accommodate aircraft capable of direct transatlantic flights. The airport is to be run as a public limited company in local authority ownership. As **Mr Edwards** said:

'This Government is determined to ensure that Wales has the communications that it needs if we are to succeed in our objectives of attracting new industry and creating a strong and diversified economy' (Welsh Grand Committee, 26th March 1986).

#### 4. AGRICULTURE AND RURAL ENTERPRISE

**Help in a Period of Difficulty.** The Government made extra assistance available to Welsh farmers to help them through their recent difficulties. £1.6 million has been provided in weather aid to help the worst-hit areas. Hill livestock compensatory allowances have been increased and part of the sheep premium for farmers in Less Favoured Areas has been paid early. The extension of Less Favoured Areas in 1984 has been of particular benefit to Welsh farmers; some 80 per cent of all agricultural land in the Principality is now covered by them.

**New Incentives.** The new capital grant arrangements for agricultural improvement, which took effect in October 1985, will assist small farmers, part-time farmers and younger people entering the industry (newcomers to farming

will be able to apply for bonus awards). Grants of 25 per cent for farms developing tourist facilities and craft industries are being provided in the Less Favoured Areas — to the particular benefit of farmers in rural Wales. And this year's Budget changes in capital taxation and the abolition of lifetime capital transfer tax will greatly help many family farmers.

**CAP and Milk.** During this year's EEC farm negotiations, the two key objectives of the farmers' unions were vigorously pursued: support for beef was retained, and proposals that would discriminate against British farmers were firmly resisted. Most Welsh milk producers have adjusted to the imposition of quotas better than was expected a year ago. As a result of the outgoers' scheme, all small milk producers of up to 200,000 litres — more than half the milk producers in Wales — are now back to their 1983 levels of production.

**Rural Enterprise.** On 24th March 1986, the Secretary of State launched Rural Enterprise and announced the setting up of the new grants scheme DRIVE (Development of Rural Initiative, Venture and Enterprise). The scheme will operate throughout rural Wales and £1 million will be devoted to it over the next two years. The scheme will be operated by the WDA and Mid Wales Development which will now extend their activities in rural areas (they already benefit from an annual investment of some £30 million from the European Regional Development Fund and a further £30 million from UK Government sources over and above agricultural support grants).

The focus of Rural Enterprise will be on tourism and craft projects and on developments which offer benefits in terms of the renovation of property for commercial and business use.

The Welsh Development Agency and Mid Wales Development will also be seeking to establish small rural enterprise groups on a pilot basis in some rural communities not already served by local enterprise agencies.

## 5. LOCAL GOVERNMENT AND HOUSING

**A New Partnership.** Since 1980, the Secretary of State has had responsibility for the majority of services provided by local government in Wales. The new partnership between the Secretary of State and the local authority associations has so far worked fairly well. The needs and circumstances of Welsh councils have been reflected both in the distribution of capital resources and in grants to individual authorities; and major steps have been taken to reverse the damaging upward trend in local authority spending experienced in previous decades.

**Restoring Responsibility in Local Government.** By 1985-6, total spending had been brought back to the level of 1979-80. Overall, average rate increases have kept broadly in line with inflation. Local council manpower has been reduced by over 6,000 (5 per cent). **Mr Edwards** has paid tribute to the efforts that local authorities have made:

'Local authorities have had to reduce their over-spending against the Government's targets from around £50 million in 1981-2 to £4.6 million in 1985-6. Only five authorities out of 45 in Wales have budgeted to over-spend

this year . . . Success in constraining current expenditure has enabled me to allocate more resources to capital expenditure' (*Hansard*, 20th January 1986, Col. 136).

Since 1981, gross capital investment by Welsh local authorities has increased by about 46 per cent or twice as fast as inflation over that period.

But the battle to restore responsible local government spending is by no means over: the above-average pay awards that many local authorities have awarded their employees recently have pushed up spending again in the current financial year, with damaging consequences for ratepayers.

**Reforming Local Government Finance.** The Green Paper, *Paying for Local Government* (Cmnd. 9714), published in January 1986, contains a special section on Wales which explains why the existing system needs to be reformed. The Green Paper points out that 'if the case for a thoroughgoing reform of local government finance rested solely on the need for expenditure restraint, then the impetus for changes in Wales would not be a strong one. However, the case is far more widely based than this'. The Paper points to the damaging mismatch between those entitled to vote in local elections and the relatively small numbers who actually pay full rates for local services: only 700,000 people pay full rates out of an electorate of 2.1 million. The lion's share of local rate income — 56 per cent — is contributed by non-domestic ratepayers.

**Abolition of Domestic Rates.** The Government proposes to abolish domestic rates and replace them with more equitable arrangements. The burden of local funding would be carried on far more shoulders. Domestic rates on householders would be replaced by a community charge levied on all persons aged 18 and over. It is estimated that just over half of all householders would be better off under the new system. The vast majority of single adult households, for example single pensioners and one-parent families, would gain appreciably under the new system.

**Bringing Relief to the Business Ratepayer.** It is also proposed to introduce a uniform Welsh rate for the non-domestic sector which would be linked to the projected rate of inflation for the following year. This would enable the business ratepayer to know precisely what charge he would have to meet. No longer would an important part of his costs be determined at the whim of local councils. The total yield of the non-domestic rate would be pooled and shared out equitably to local councils as a standard amount per adult. However, to help maintain a link between local councils and the business sector, the Green Paper proposes that individual local authorities could add to the yield of the uniform rate by levying a small supplement which could be retained locally.

**Government Grants.** The existing rate support grant would be replaced by two new fixed grants. There would be a 'needs grant' which would fully compensate authorities for differences in the local cost of providing services to a typical or average standard, and a simple population based grant — 'standard grant' — which would provide an additional contribution from central taxes towards the cost of local services.

The Government has agreed that Wales, in common with England and Scotland, should enter the new system with its existing share of grant resources. Grant would therefore continue to finance £2 out of every £3 of revenue spending in the Principality.

*Consultations* on the Green Paper will last until 31st October this year. The domestic rate would be phased out over a period of 6 years in Wales. But in many places with relatively low rate bills, rates would disappear completely in three years.

**Housing.** Since 1979, the Government's priority has been the renovation of the public and private sector housing stock. Between 1979 and 1985, £275 million was spent on renovating houses in the private sector, compared with £57 million spent under the last Labour Government. In the public sector, £208 million was spent over the same period, compared with £86 million under Labour. This shows that constant allegations by Labour that the Government has neglected the housing stock in Wales are totally without foundation.

First indications for 1985-6 suggest that about another £60 million has been spent on private sector renovations and £40 million on the public housing stock. The allocations made available to local authorities in 1986-7 have been increased by nearly 30 per cent on average. **Mr Mark Robinson**, Parliamentary Under-Secretary of State, Welsh Office, said:

'This is a significant increase in the resources available for housing in Wales. Special allocations will be made to local authorities to help them renovate the worst of council housing stock and to reduce the backlog of renovation grant applications' (*Hansard*, 5th December 1985, WA, Col. 305).

*Helping Housing Associations.* The Government's record of support for the Housing Association movement in Wales is equally impressive. Between 1979 and early 1986, the Government committed £268 million to the movement in Wales, which has led to the building or renovation of 11,500 homes. Again, this record compares very favourably with Labour's, as only 2,200 homes were built or renovated by Housing Associations at a cost of £58 million in the years 1974-9. For 1986-7, the net provision for Housing Associations in Wales has been increased by almost 15 per cent to £44.7 million.

*New house building* has also continued to play an important part in the Government's overall housing programme. The majority of starts have been in the private sector, although 1985 saw a 28 per cent increase in public sector starts over the previous year and a 20 per cent increase in the private sector.

*Right to Buy Sales.* The Government's policy on the sale of council houses has been an unqualified success in Wales. The number of houses sold since 1979 exceeds 50,000; the time taken to process applications under the Right to Buy has been reduced; and the Housing and Planning Bill, now before Parliament, provides for an increase in discount rates for flats in order to stimulate further sales.

*Improvements.* New initiatives in house improvement are being encouraged by the Welsh Office. There are numerous examples of successful 'enveloping', which involves the repair and replacement of exteriors of whole streets of houses

in Housing Action Areas at no cost to the occupiers, and block repair schemes, which group together individual grant applications into a single project with a financial contribution on the part of each householder. A total of 4,500 dwellings in Wales are being improved through such projects.

*Run-down housing estates* with acute problems are being tackled through the Priority Estates Project. This initiative has already proved its worth in such schemes as that at Penrhys in the Rhondda and at Afon in Wrexham — where the number of empty properties has been greatly reduced and vandalism is being brought under control. On 3rd March 1986, **Mr Edwards**, announcing an expansion of the Project, said:

'We are now launching a further phase with new projects in Merthyr Tydfil, Pontypool and the Rhymney Valley as well as in Barry. In total, special capital allocations of £3 million will be made for projects in 1986-87 and we are providing extra revenue support. Most important of all, we are making possible a much more sensitive style of management, which recognises the essential contribution which the people who live in the estates can make to improving them.' (*Hansard*, Col. 34).

## 6. EDUCATION AND TRAINING

**Education Statistics.** The following table shows that the recent substantial fall in school rolls is expected to continue over the next few years. Pupil-teacher ratios are at record levels, because schools rolls have fallen much faster than teacher numbers.

**Pupil and Teacher Numbers**

	Full-time equivalents (thousands)			
	1984	1985	1986*	1987*
<i>Nursery Schools</i>	2.9	2.8	2.7	2.7
<i>Primary Schools</i>				
Under fives	37.4	38.5	37.8	37.9
Fives and over	213.7	211.1	212.3	213.4
<i>Secondary Schools</i>				
Under school-leaving age	209.3	203.8	195.6	186.6
Over school-leaving age	22.5	22.6	22.2	22.0
<i>Total Pupils</i>	485.6	478.8	470.6	462.6
<i>Teachers in service</i>	28.1	27.2	26.7	26.3
<i>Pupil-Teacher ratio overall</i>	17.3	17.6	17.6	17.6

\* Projected

(Source: Cmnd. 9702-II)

**Public Spending: the Key Facts.** In Wales, as in the rest of the country, more is being spent on each pupil than ever before. Total current expenditure on education increased between 1979-80 and 1984-5 by 4 per cent in real terms, while pupil numbers fell by 10.2 per cent. Spending per pupil increased in real terms by 14 per cent in secondary schools and 13 per cent in primary schools. Planned current expenditure provision for education in the Rate Support Grant arrangements for 1986-7 is £659.5 million compared with £644.8 million in the

previous year. The table below shows the distribution of resources between the eight local education authorities in the Principality.

**Expenditure per Pupil in Schools in Wales**

Local Education Authority	£ in constant terms (at 1984-5 costs)	
	1979-80	1984-5
Clwyd	740	883
Dyfed	810	905
Gwent	787	922
Gwynedd	744	897
Mid Glamorgan	784	912
Powys	888	1014
South Glamorgan	772	852
West Glamorgan	890	975
Wales	793	911

(Source: Welsh Office)

**Education Support Grants.** Projects worth over £2.5 million are being assisted through Education Support Grants from central Government in 1986-7. These grants are intended to promote continuing improvements in the education service and to help local education authorities respond to changing needs.

**Welsh Language Teaching.** Nearly £1.5 million has been allocated to Welsh language educational projects in 1986-7. This represents an increase of 8 per cent on the level of assistance available for bilingual education projects in the previous year.

On 23rd July 1985 the Secretary of State asked the Welsh Joint Education Committee (WJEC) to consider the formation of a body which could (a) provide a forum for discussion of policy by those responsible for the provision of Welsh medium education; (b) co-ordinate activities in Welsh language education to ensure the best and most economical use of available resources; (c) disseminate information; and (d) identify areas for further research and development.

The WJEC has responded positively and suggested the machinery whereby these objectives might be achieved. Voluntary and other interested bodies aim to be fully involved. **Mr Wyn Roberts** has explained the Government's thinking:

'As Ministers, we did not see the need for any new organisation to fulfil these purposes while the WJEC already exists with the power in its constitution to make recommendations on any matter affecting education in Wales' (Annual Conference of Parents for Welsh Medium Education, 19th April 1986).

**Training.** 1986 has been designated Industry Year in order to promote close co-operation between local employers, schools and colleges. The Technical and Vocational Education Initiative (TVEI), introduced in 1983, is fostering such co-operation by encouraging the adaptation of the curriculum to make it more relevant to working life. The Initiative consists of pilot projects designed to explore and test ways of organising the education of 14-18 year olds to equip them better for the world of work. Wales is unique in Great Britain in that all eight Welsh local education authorities are now participating in pilot TVEI schemes.

*The Youth Training Scheme*, which provides training and planned work experience for 16- and 17-year-old school leavers, has been extended to two years. The Scheme is now catering for more than 20,000 young people in Wales and will prove increasingly valuable in providing young people with high quality training leading to a recognised qualification. The number of school leavers who claim unemployment benefit has been falling since 1983, partly owing to the success of YTS and partly to demographic change.

*Adult Training.* The number of places available under the Government's adult training programme — run by the Manpower Services Commission — has almost doubled, from 4,863 in 1984-5 to 8,885 in 1985-6; and a further significant increase will occur this year. As the numbers skilled in the new technologies rise, the Principality's capacity to attract fresh investment in the industries of the future will be increased.

**7. HEALTH AND SOCIAL SERVICES**

**Record Spending.** The Government has shown its commitment to improved health care by increasing the resources of the NHS in Wales to record levels. **Mr Edwards** has summed up the position:

'We are carrying out one of the largest programmes of hospital building ever. Taking account of inflation, recurring revenue allocations to district health authorities have been increased by over 23 per cent between 1978-79 and the financial year which is just ending. We have recently announced that, in total, a further £44 million in revenue provision will be made available to health authorities in Wales for the coming financial year, which represents a cash increase of more than 7 per cent over the provision in 1985-86. Between 1979 and 1985, the number of staff concerned directly with patient care has increased by more than 12 per cent, allowing for the reduction in the standard working hours of nurses' (*Hansard*, 3rd March 1986, Col. 28).

Total spending this year will be £972 million — £350 for every man, woman and child.

Every county in the Principality has benefited from the Conservatives' programme to make the NHS better than ever before:

**District Health Authorities' Revenue Resources 1978-9 to 1985-6**

DHA	Resources Position 1978-9	Resources Position 1978-9 Adjusted at 1985-6 prices	Resources Position 1985-6	Real Growth 1978-9 to 1985-6
	£m	£m	£m	per cent
Clwyd	31.7	59.4	76.8	29
Gwent	41.6	78.0	94.0	20
Gwynedd	18.8	35.3	47.0	33
Mid Glamorgan	49.0	91.9	108.5	18
Powys	9.3	17.5	21.7	24

(See over)

District Health Authorities' Revenue Resources 1978-9 to 1985-6

DHA	Resources Position 1978-9	Resources Position 1978-9 Adjusted at 1985-6 prices	Resources Position 1985-6	Real Growth 1978-9 to 1985-6
	£m	£m	£m	per cent
South Glamorgan	57.8	108.5	126.3	16
West Glamorgan	31.9	59.8	77.9	30
East Dyfed and Pembrokeshire	26.9	50.5	64.8	28
Wales Total	267.0	500.9	617.0	23 (average)

(Source: Welsh Office)

**More Patients Treated.** In 1984 63,000, or 18 per cent, more in-patients and a third of a million more out-patients were treated than in 1979.

**New services** have been made possible by the record Conservative spending. In 1985, for example:

- An eight-bed bone marrow transplant unit was opened in Cardiff.
- High-resolution CT scanners were announced for Morriston and Ysbyty Glan Clwyd; they are to be supported by five or six small to medium scanners at other locations.
- The third Welsh renal dialysis unit became fully operational at Morriston, and two new subsidiary renal units were opened at Bangor and Carmarthen.
- A blood-testing unit to combat Aids was built at Rhydlyfar.

**Capital Investment: More Hospitals.** Between April 1979 and March 1986, the Government undertook the biggest hospital and community health building and improvement programme in the history of the Principality at a cost of £368 million (at 1986-7 prices). The hospitals built or under construction, and the improvements to existing hospitals, incorporate some of the finest and most modern hospital facilities in Europe. The five major hospitals involved are the Princess of Wales in Bridgend, Morriston (Phase I), Wrexham Maelor, Ysbyty Glan Clwyd and Ysbyty Gwynedd. In addition, there have been some important developments in community hospitals, with the Mold and Ystradgynlais Community hospitals as fine examples. Work on the new Llanelli hospital will start in June; the first stage will cost £23 million.

**Increase in Heart Operations.** The Government has also provided special assistance for a number of regionally funded services. As a result, there has been a substantial increase in the number of heart operations undertaken at the University Hospital of Wales (UHW) Cardiff, where 605 open-heart operations took place in 1985. Under present plans, it is hoped nearly to double the capacity for cardiology and cardiac surgery to 1,100 operations.

**Waiting Lists.** The reduction of waiting lists is now one of the Government's top priorities, as **Mr Edwards** has stressed:

'There is, of course, considerable concern about waiting lists which have risen under this Government just as they did under the previous one . . . Health authorities have been checking on their waiting lists and report that in many cases the numbers include double counting; but that is no consolation to the patients who are having to wait and we are undertaking a major exercise with health authorities to try to get on top of this long-standing problem.' (ibid.).

**Special Programmes.** Under the All-Wales Mental Handicap Initiative established in March 1983, £7.5 million has been allocated to a number of schemes throughout the Principality. As part of the recent Elderly Initiative, the Secretary of State for Wales announced on 11th December 1985 that he would make £1 million available initially, rising to £5 million over 3 years. Bids for projects are being sought from the appropriate organisations. Further initiatives have been launched on perinatal mortality, cancer screening, heart disease — through Heartbeat Wales and the Welsh Health Education Council — as well as a special programme to help combat drug misuse.

**Personal Social Services.** Welsh local authorities' capital and current expenditure on the personal social services rose in cash terms from £77 million in 1979-80 to £129 million in 1985-6; a further cash provision of £142.7 million has been made for 1986-7. As a result, services have been improved: for example, in the five years up to 1985 there was an increase of 21 per cent in the number of home helps.

## 8. WELSH LANGUAGE, CULTURE AND HERITAGE

**Language.** Around 20 per cent of the population now speak Welsh. Grants proposed for Welsh language activities in 1986-7 amount to a record £2.7 million. Since 1979-80, the level of financial assistance given to organisations and voluntary bodies helping to promote and sustain the Welsh language and culture has increased almost fourfold. **Mr Wyn Roberts**, announcing the latest education grant allocations, said:

'Naturally I am glad that we have yet again been able to increase the level of our support. Since 1980 many imaginative projects have been started and developed with the aid of grant' (Press Statement, 14th January 1986).

The Welsh language has been fostered in other ways, too, most notably through S4C, which began broadcasting in March 1982.

*The Conservative Commitment.* The Welsh language policy announced by the Secretary of State in his now famous speech at Llanrwst on 15th April 1980 has been consistently followed. **Mr Edwards** said:

'We cannot afford to be divided in Wales. We have to work to save the language and culture that is the heritage of the whole nation.

'I have given my personal commitment, and that of the Government, to support the language; but a Government can only support; it cannot and should not direct and impose. Therefore, what I have done today is to issue a challenge to all Welsh people and to all who love Wales and a special

challenge to the young to build up support for the language, to use it and to use it well. Let us all be united in this task.'

**Culture.** A preliminary but major study, commissioned by the Secretary of State, into the housing of the visual arts in Wales was completed in April 1986. The report suggests a fundamental reappraisal of the presentation of the visual and related arts. Commenting on the report, **Mr Edwards** said:

'This important report will need to be studied carefully by all those bodies whose activities are or might be affected by its recommendation. It brings a wide-ranging and imaginative approach to finding practical solutions which I will be discussing with the National Museum, the Welsh Arts Council and others' (Press Statement, 14th April 1986).

**Heritage.** Cadw: Welsh Historic Monuments was launched on 29th October 1984. The new organisation is a joint unit of the Welsh Office and the Wales Tourist Board. It carries out the statutory responsibilities of the Secretary of State for protecting and helping to conserve historic buildings and monuments throughout the Principality. Launching the new unit, the **Secretary of State** said:

'Cadw is concerned with all of Wales' built heritage, whatever its shape or form. Cadw will work with private owners, the National Trust, civic societies and amenity bodies to conserve that heritage and to help its enjoyment by Welsh people and visitors alike' (29th October 1984).

More than 1.5 million visits were made to historic sites in the care of the Secretary of State in 1985-6, an increase of 222,000 (17.3 per cent) over 1984-5.

**Sport.** Since 1979, the Government has provided assistance amounting to over £27.5 million for sport in Wales through the Sports Council for Wales and the Urban Programme. Funding by the Sports Council has included the National Sports Centre for Wales and the Water Sports Centre at Plas Menai which was completed in 1983 at a cost of £3.8 million. The Sports Council makes grants to about 65 governing bodies of Welsh sports, and provides capital grants to local sports clubs. It also acts as an advisory service to these governing bodies and to local authorities. The Urban Programme has provided assistance for projects designed to establish recreational facilities in urban areas.

#### MAJOR PROPOSALS FOR MORE JOBS

The Centre for Policy Studies has just published important proposals for the creation of more jobs. They appear in its new pamphlet *Employment Examined: The Right Approach to More Jobs*, which has been described by Lord Young as 'essential reading for those who wish to have a better understanding of a problem that challenges us all'.

For readers of *Politics Today* the price of the pamphlet is being reduced from £4.20 to £2.25 (including postage and packing). Orders should be sent to: Centre for Policy Studies, 8 Wilfred Street, London SW1, marked 'Politics Today: special offer'.



PRIME MINISTER

13 June 1986

SECOND SEVERN CROSSING

Consultants have been studying the case for a second Severn crossing to cater for the growth of traffic along the M4 to South Wales. The Government has undertaken to publish the report, which is expected this August.

It looks as if the full traffic capacity of the existing Severn Bridge will be reached by the mid-1990s. A new bridge operating by 1996 would just about meet the Government's normal cost/benefit criteria. The capital cost is likely to approach £200m.

With John Moore's support, Nicholas Edwards would like to take the initiative and indicate the Government's enthusiasm for the project, ideally using the private sector approach adopted for the Channel Tunnel and, hopefully, the third Dartford crossing. Even without private sector funding, there is no direct impact on the current public expenditure round.

Nicholas Edwards is likely to raise this at your meeting on Monday afternoon.

Recommendation

We would support Nicholas Edwards and John Moore. For too long the Government has been getting the rough end of the

infrastructure debate. Where feasible, as in this case,  
private sector projects are the best Thatcherite response.

Announcing our intentions well ahead of time will be politically advantageous. Moreover, this offers the construction industry more scope to apply their ingenuity and inventiveness to finding the best solution to what will be a challenging engineering problem.



JOHN WYBREW



Ministry of Agriculture, Fisheries and Food  
Whitehall Place London SW1A 2HH

cc 7  
E  
LAMB

Tim Flesher Esq  
No 10 Downing Street  
London SW1

20 June 1986

Dear Tim

**RADIO-CAESIUM IN SHEEPMEAT: CONTROL ON THE MOVEMENT AND  
SLAUGHTER OF HILL SHEEP**

I enclose a copy of the **final version** of the statement which I circulated yesterday and that my Minister intends to make on the emergency order under the Food and Environment Protection Act 1985, that will be laid before Parliament today.

I am copying this to Private Secretaries to members of the Cabinet, the Chief Whip, the Chief Whip (Lords), the Minister of Health, the Minister for the Environment, Countryside and Local Government and Sir Robert Armstrong and to Bernard Ingham.

Yours ever

CI

C I LLEWELYN  
Private Secretary

**JOINT STATEMENT BY THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD  
AND THE SECRETARY OF STATE FOR WALES**

With permission Mr Speaker, I should like to make a statement on the control on the movement or slaughter of hill sheep.

My Ministry and the other agricultural departments have been carrying out an extensive programme of monitoring of all foodstuffs likely to be affected as a result of the Chernobyl accident. The latest batch of results are being published today.

These present a satisfactory picture overall and there is no reason for anyone to be concerned about the safety of food in the shops.

However the monitoring of young unfinished lambs not yet ready for market in certain areas of Cumbria and North Wales indicates higher levels of radio-caesium than in the rest of the country. These are the areas of high rainfall during the weekend of 2/3 May. While these levels will diminish before the animals are marketed my Rt Hon friend the Secretary of State for Wales and I have decided to use the powers in the Food and Environment Protection Act 1985 to make absolutely certain that when these lambs are marketed they will be below the internationally recommended action levels for radio-caesium of 1,000 Bq/kg.

We have therefore made an Order which we are laying before Parliament to come into effect today which will prohibit for the next 21 days the movement and slaughter of sheep within the two areas designated in South West Cumbria and parts of North Wales. This will enable us to monitor closely the sheep flock in these areas.

The areas subject to restriction will be reduced as soon as monitoring results, based on a rigorous sampling programme, confirm the expected fall in levels. Testing is also being undertaken in Scotland and Northern Ireland, where similar restrictions will be imposed if necessary.

The main season for marketing young lamb from the designated areas will not start until July. The Government recognises that these measures may cause some interference with the marketing plans of farmers in the areas concerned. But I am sure they will appreciate that the measures taken for the protection of the consumer are in the general interest of the British sheep industry. If however it should prove to be necessary, the Government will be prepared to discuss cases of compensation for severe loss in particular circumstances to specific farmers.

CESS.



Ministry of Agriculture, Fisheries and Food  
Whitehall Place London SW1A 2HH

From the Minister's Private Office

David Norgrove Esq  
10 Downing Street  
London SW1

20 June 1986

Dear David,

... I enclose a Question and Answer Brief on the measures we announced this morning in response to high levels of radiocaesium in sheepmeat.

I am copying this to the Private Secretaries to all Cabinet Ministers, to the Chief Whip, to the Chief Whip (Lords), to the Minister of Health, and to the Minister for the Environment, Countryside and Local Government, with additional copies for other Ministers in Departments.

Yours sincerely,

*E M Morris*

MRS E M MORRIS  
Private Secretary

CHERNOBYL: SHEEPMEAT RESTRICTIONS

Q & A BRIEF

1. When did we first learn of high readings in sheep and lambs

Why no action taken then?

Sample taken from an unfinished nine week old lamb on 14 May showed levels of radiocaesium in excess of 1,000 Bq/kg. Further tests were then undertaken to establish extent of problems and to provide a basis for deciding what action is needed. Action was taken as soon as it became apparent earlier this week that there was a risk of meat above the action level reaching the market in the near future.

2. What is action level? Why is this higher than

figure used by EEC for controlling imports?

Level of 1,000 Bq/kg for radiocaesium in meat agreed by Government on advice of NRPB as the trigger level for consideration of control measures. Derived from recommendation from a group of expert EC Scientists (Article 31 of Euratom Treaty). EEC level of 600 Bq/kg for imports more restrictive than scientifically justifiable but set very conservatively to take into account unknown situation in Eastern bloc.

3. Does 1,000 Bq/kg apply to annual or lifetime uptake?

Based on a maximum dose of 1 mSv per year over a lifetime of consumption of this meat.

4. Is sheepmeat from whole of UK likely to be affected?

Problem at moment only in certain upland areas of Cumbria and

North Wales. Monitoring has shown levels in sheepmeat generally to be (well) below action level and these should now decrease. Similar testing being undertaken in Scotland and Northern Ireland but so far no problems have arisen with animals ready for market.

5. Will movement controls work?

Will halt marketing of lambs in the restricted area. Movement controls are a recognised form of control for animal diseases and no reason why they should not be effective here.

6. What will happen if high levels found in particular lambs?

Action will be taken to prevent meat entering food chain while levels remain high.

7. What resources is Government devoting to this?

We will ensure that all the necessary resources to ensure effective implementation of restrictions are made available.

8. Will compensation be paid?

The main season for marketing young lamb from the designated areas will not start until July. The Government recognises that these measures may cause some interference with the marketing plans of farmers in the areas concerned. But I am sure they will appreciate that the measures taken for the protection of the consumer are in the general interest of the British sheep industry. If however it should prove to be necessary, the Government will be prepared to discuss cases of compensation for severe loss in particular circumstances to specific farmers.



9. What steps are being taken to check each lamb?

Movement ban will prevent lambs entering food chain unless monitoring has established that the area from which it has come can be released from restrictions.

10. Will sheep market collapse?

Should be no reason for any public concern. All meat safe, including all that in shops and therefore confidence should be maintained.

11. Will export trade be affected?

Why should it be? Ministry will ensure importing countries needs are met.

12. Is meat from other animals affected? Other foods?

No. MAFF monitoring shows no cause for concern in food stuffs generally.

13. Is it safe to eat lamb? Can I buy it?

Yes. Restrictions will ensure that lambs with high radiocaesium levels do not go for sale to the public. Lamb in shops is safe to eat.

14. I have eaten lamb from Cumbria. Have I been affected?

No. Problem relates to young lambs grazing after 2/3 May none of which have entered the food chain. Lamb bought recently will have been fattened over a much longer period than this.

15. Will you test lamb for me?

Unnecessary as MAFF monitoring has established that lamb generally is safe, and the movement ban will ensure that it remains safe.

16. How many samples of sheepmeat have been taken?

Monitoring data has been built up from a wide range of results including over 60 sheepmeat samples in England and Wales. Monitoring has been stepped up.

17. Can I give my lambs anything to reduce contamination?

No need. Levels of contamination should decrease spontaneously from now on especially in young lambs as they put on weight.

18. Why has only lamb been affected?

In relation to their bodyweight young lambs were consuming much higher levels of forage than other livestock.

19. How can we be sure farmers will not ignore restrictions?

The restrictions have the force of criminal law under the Act. The Ministry will be enforcing the Order with appropriate assistance.

20. How long will restrictions last?

Initial order will restrict movement and slaughter for 21 days. Hope that area can be reduced as quickly as possible.

21. How can I obtain movement authority?  
Producers should apply to the Carlisle Divisional Office (Telephone 0228 23400) or Welsh Office (Caernarfon 0286 4146 x381 or 382; Llandrindod Wells 0597 3777 (Miss Daniels); Ruthin 08242 2611 x 267) who will consider the issue of consents for movement in exceptional circumstances.

22. Is slaughter permitted for welfare reasons?

Yes. This is already provided for in the order on condition that the meat does not go for human consumption or for feeding stuffs.

23. How can sheep be dipped from 29 June?

Most sheep are dipped on-farm but where sheep have to be moved to communal facilities the Divisional Office would be prepared to consider the issue of consents.

24. How will you make sure that no contaminated meat gets to the market? If you are only testing a sample, could not a freak lamb get through?

The enforcement system is based on sampling that ensures that the vast majority of meat reaching the market will be well below the action level. Even if an individual lamb was above the level, it would still be perfectly safe to eat it because the action level itself is based on very conservative assumptions which make allowance for sampling error.

25. What are the public inquiry numbers?

For Wales:

Cardiff - 0222 825111 x 5070  
3153  
5024

For England:

General inquiries:

London - 233 6040  
" 7819  
" 5179

Local enquiries:

Carlisle - 0228 23400

Standards Division

June 1986

SUPPLEMENTARY Q & A BRIEF (NO 1)

1. What will happen to meat from lambs already slaughtered for tests?

The meat will be destroyed.

2. Are ewes likely to be contaminated to same degree as lambs?

No. Ewes will not have consumed as much forage in relation to their bodyweight.

3. How will lambs moved or sold from upland to lowland areas for fattening be traced?

No movement out of area will be permitted except by consent. This will enable the Ministry to keep track of such movements.

4. How were areas for special treatment determined?

By monitoring data, including grass and meteorological data.

5. Are there any other nuclides which cause concern?

Initial comprehensive testing showed radiocaesium to be main radionuclides of concern once radioiodine levels had decayed, which they have now done.

6. How long will control measures continue?

For as long as necessary.

7. Have any other countries experienced similar problems?

We understand that measures were taken earlier in a number of other EC countries relating to milk and vegetables. Not aware of action taken in relation to sheepmeat.

8. What machinery will be set up to pay compensation?

Farmers will be advised to submit claims to local MAFF office.

9. Could not Cumbrian lambs have been contaminated by Sellafield?

The ratio of the two Caesium Isotopes (Cs 134 and 137) found in lamb is characteristic of Chernobyl fall-out.

10. Why didn't we instruct farmers to house animals to avoid contamination as Dutch and Germans did?

In UK, monitoring of food is most efficient form of control. No means of enforcing a requirement for farmers to house animals indoors. Also practical problems as farmers unlikely to have enough stored feed available after winter months.

SUPPLEMENTARY QUESTION AND ANSWER BRIEF (No 2)

How would eating lamb with high readings for a year compare with other sources of radiation?

At 1,000 Bq/kg of Total Caesium (Cs 137 + Cs 134) the total dose in a year to the average consumer (assuming he eats meat at the average consumption rate throughout the year (5 kg)) would be 0.15 milli seiverts.

This compares with an annual dose from natural sources of 2 mSv which we are all subjected to.

The average\* national exposure from diagnostic X-rays is 0.25 mSv.

\* (averaged over whole population)