



10 DOWNING STREET

THE PRIME MINISTER

17 February 1981

Dear Mr. Cunliffe

Thank you for your letter of 27 January asking that consideration be given to including Leigh in the Wigan Development Area.

Assisted Areas are as you know designated by reference to Travel-To-Work Areas (TTWAs) and this has been the practice of successive Governments. These TTWAs represent reasonably self-contained labour markets and are thus the smallest geographical areas for which the Department of Employment is able to quote unemployment rates. The 1978 Review of TTWAs took account of the latest available information including travel-to-work patterns and confirmed that Wigan and Leigh were properly constituted as separate TTWAs.

When the Government examined all the Assisted Areas in 1979 as part of its review of Regional Policy, it came to the conclusion that, on the evidence available Wigan ought properly to be upgraded to Development Area (DA) status, whilst Leigh no longer justified its Intermediate Area (IA) status. However, recognising the need for a suitable transitional period, Leigh - along with other areas losing their AA status - will remain an IA up to 31 July 1982.

I recognise that since the 1979 review Leigh's unemployment has increased substantially. Regrettably, however, this is also true of other areas in the country, including some which like Leigh are to become non-Assisted Areas and others which have never had Assisted Area status. We are tackling this situation nationally by bringing down inflation, reducing public expenditure and encouraging

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industry to become more competitive, so that when current difficulties ease expansion can begin again. There are encouraging signs that our policies are meeting with success, as the inflation rate comes down and there is in general a more responsible approach to wage settlements by both management and unions. In the meantime, I am sure it is right to continue as we began in July 1979 - to concentrate the regional aid the country can afford on those areas which are in the greatest need of help - and I can see no justification in present circumstances to change our decision that Leigh should cease to be an Assisted Area next year.

You refer particularly to the problem of the young unemployed in Leigh. The Government are doing all they can to help this very important group through work experience and training schemes on the Manpower Services Commission's (MSC) Youth Opportunities Programme. In November 1980 Jim Prior announced a major expansion in the programme to provide some 440,000 places for unemployed young people in 1981/82. Over 80,000 of these places are expected to be in the North West. The Government have asked the MSC to undertake to offer a place on the Youth Opportunities Programme within three months to all 16 and 17 year olds who remain unemployed for three months or longer. Already in fact a great deal is being done for the young unemployed in the Leigh and Wigan area. 2,100 young people took part in Youth Opportunities Programme schemes in the Wigan area between April and November last year. 11,000 young people participated in the Programme in the Manchester area as a whole in 1979/80, and the MSC estimates that the comparable figure for 1980/81 will be about 16,500 young people.

Although I am unable to accept your suggestion that Leigh should be included in the Wigan Development Area, let me assure you that in view of the rise in unemployment which Leigh is experiencing we shall continue to watch the position there very closely.

Yours sincerely
Lawrence Cunliffe

Lawrence Cunliffe, Esq., M.P.