



SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

M Pattison Esq  
Private Secretary to the  
Prime Minister  
No 10 Downing Street  
LONDON SW1

23 December 1981

*Dear Mr Pattison*

In response to your letter of 17 December I enclose notes as approved by my Secretary of State relating to Scottish Office activities and achievements in 1981 and the outlook for 1982. There are no points to which we would wish to draw attention under the third heading in your letter.

*Yours sincerely*

*M. Stewart (miss)*

*pp.* JOHN S WILSON  
Private Secretary

Mr Pattison.

The top copy as promised,  
could you please note there is an  
amendment on page 3 of the  
Achievements. 15 January 82

In the *With the Compliments*  
LH para should of the  
read *Private Secretary*

15 February 82

Scottish Office,  
Dover House,  
Whitehall,  
London SW1A 2AU.

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Stewart.

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SCOTTISH OFFICE: OUTLOOK FOR 1982

Scottish Grand Committee The first meeting of the Scottish Grand Committee in Edinburgh will take place in February.

Local Authority Expenditure In the Local Government and Planning (Scotland) Bill, the Government propose a further extension of their powers to control overspending by local authorities. The Bill contains a power which will enable the Government instead of reducing the grant payable to an authority whose expenditure is excessive and unreasonable to restore some of their rate payments to the ratepayers of that authority.

Jobs The job potential in new investment in Scotland announced by overseas companies is nearly 5,000 jobs in 1982. On further job dispersal there will be 180 or so posts from the Crown Agents established at East Kilbride, and planning is in hand for the move of 1400 MOD staff to Glasgow by 1985

Roads The summer of 1982 will see the completion of almost all the reconstruction between Perth and the Cromarty Firth on the A9 - Scotland's main north-south highway.

Vocational Education Education authorities will receive £3.9m from the Government in 1982-83 to spend on increasing enrolments of 16-18 year olds in full-time vocational further education courses. A Vocational Preparation Unit (jointly funded by the Scottish Education Department and the Manpower Services Commission) is to be set up at Jordanhill, Glasgow, to evaluate and report on schemes of vocational preparation for young people whether at work or unemployed.

Education Curricula and Principles We expect to issue in autumn 1982 a consultation paper on the outcome of the development programme, initiated in March 1980, following the reports of the Munn and Dunning Committees dealing with, respectively, the curriculum and assessment in the final two years of compulsory secondary education. Also for publication in 1982 is an important memorandum by HM Inspectorate of Schools setting out principles for the development of new courses for 16-18 year olds in Scotland.

SCOTTISH OFFICE: ACTIVITIES AND ACHIEVEMENTS 1981

Scottish Grand Committee Improvements were made in the procedures and arrangements for debates in the Scottish Grand Committee (more Matter Days and a guaranteed number of Estimates debates and no "Added Members") arising out of the House's consideration of the report of the Inter-Party Talks on the Government of Scotland which this Administration initiated.

Local Authority Expenditure The Government took powers through the Local Government (Miscellaneous Provisions) (Scotland) Act 1981 to make selective reductions in the rate support grant payable to local authorities whose expenditure was excessive and unreasonable. These powers were used successfully against 3 local authorities in Scotland (in particular Lothian Regional Council) which had budgeted for a large volume increase in spending.

Housing Almost 50,000 tenants of public sector houses have either bought their houses since the Election or have applications under consideration. The Housing Corporation had its biggest ever capital programme in real terms (£79.8 million) in Scotland in 1981-82.

Locate in Scotland Following a report by the Select Committee on Scottish Affairs, new organisational arrangements for inward investment into Scotland were made. This had been a matter of controversy for some time. The new organisation - "Locate in Scotland" - is generally agreed to be working well.

Major Inward Investment in Scotland Investment in Scotland in electronics by overseas companies continued strongly. Major investments were announced earlier by the US Motorola Company and the Japanese Nippon Electric Company.

North Sea Oil and Gas Some 80/95,000 jobs have arisen in Scotland as a result of North Sea oil and gas activities. 1981 saw the inauguration by HM The Queen of Europe's largest oil terminal - at Sullom Voe in Shetland Isles. A new oil terminal at Nigg became operational, the world's first tension leg platform is now under construction in Scotland and in 1981 we also saw further success in the oil sector by the Scott Lithgow and Cammel Laird yards of British Shipbuilders. In addition a number of companies have been able to use the experience they have gained in the difficult physical conditions of the North Sea to secure a foothold in other offshore markets; this export of North Sea expertise augers well for the future.

MossMorran Despite the world wide recession on downstream prospects in petrochemicals, faith in the future has been shown by the confirmation by Shell Chemicals UK and Esso Chemicals that they are proceeding with the new petrochemical complex at Mossmorran in Fife costing around £900m. This followed discussions with Government in which we were able to give clarification on certain vital aspects - clarification already proving helpful to other companies in making their plans for the future.

Oil Related Employment It is estimated that between mid 1980 and mid 1981 Scottish employment in firms in the manufacturing and service industries which were wholly related to North Sea oil, increased by over 3000 jobs to about 50,000. Allowing for short term construction projects and all multiplier effects, overall oil related employment is estimated to have increased from 75,000 - 90,000 to 80,000 - 95,000 over the same period

Torness Construction at Torness began in August 1980, and the project is on timetable and budget targets, with a programme leading to generation from the first unit in March 1987 and from the second unit in May 1988. (A few commercial matters remain to be settled but detailed procedures have been agreed between the National Nuclear Corporation and the South of Scotland Electricity Board). The estimated cost of the station is £1097m at March 1980 prices. About 900 of the 2,200 site labour force have been recruited from East Lothian, the Borders and Edinburgh.

Universal The Government are moving ahead with their plans to disperse at least 2,000 posts to Scotland, with 430 ODA staff taking up duty at Abercrombie House in East Kilbride officially opened in November.

Ferry Services Support for Scottish ferry services has been doubled and further support will be given in 1982.

Aid to Fishing Fleet Of £25m of special aid paid out under the Government's scheme recognising the special difficulties of the fishing industry about half went to the Scottish fleet.

Education The Education (Scotland) Act 1981 provided for parental choice ie a new right to parents (including appeal provisions) to request that their children should be placed in a school other than that proposed by the education authority. The new system comes into operation on 15 <sup>February</sup> ~~January~~ 1982.

Also under the Act, the assisted places scheme made a good start in 1981. Nearly 800 pupils took up assisted places in the 41 participating schools, 70% of these pupils coming from families with an income of less than £6,500 per annum. The scheme provides fee remission for children from lower income families taking up places in fee-paying schools, the required resources being derived from the phasing out of the traditional block grant to the grant-aided secondary schools ie the scheme does not involve any increase in public expenditure.

Thirdly, the Act made extensive new provision (hopefully coming into effect for 1982-83) for the education of handicapped children and young people, with the co-operation and consultation of their parents, moving away from the present system of "ascertainment" which tends to label handicapped children and young people and, instead, making provision not only in special schools and special classes but also in ordinary schools for the whole range of children with special educational needs, including the large number who would not be regarded as handicapped in the normal way but who require some kind of special provision over a shorter or longer period.