

cf B.1

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Courtaulds file,
PL bf on 27/6

PRIME MINISTER

You asked for an update on where matters now stand with the Courtaulds closures in North Wales. I enclose a note from the Welsh Office at Flag A. They have also offered advice on whether now is the right time for you to seek a meeting with Sir Christopher Hogg, at Flag B.

Content that we should not yet arrange a meeting, and wait until the Courtaulds proposals are clearer?°

Mark Addison

MARK ADDISON

11 June 1985



COURTAULDS CLOSURE: LATEST POSITION

1. Following the Prime Minister's meeting with representatives of Clwyd County Council, Delyn Borough Council and Wrexham Maelor Borough Council on 26 April, she wrote to Sir Christopher Hogg on 1 May asking how Courtaulds intended to contribute. In reply Sir Christopher offered to talk to the Prime Minister in a few weeks when discussions had progressed. This note summarises the progress and events since then.

DISCUSSION WITH WELSH OFFICE

2. There have been a series of meetings on 20 and 21 May and 3 June with Welsh Office officials with the three local authorities to discuss the proposals which were submitted to the Prime Minister for using urban programme funding and accelerating the roads programme to create job opportunities. The outcome is that all three authorities are now working out in detail a variety of proposals which will be considered and discussed further with the Welsh Office.

3. Already the Secretary of State has approved an adjustment within Delyn Borough Council's existing total capital allocation so that some £500,000 will receive urban programme support to enable Delyn to proceed with an industrial unit construction programme.

SELECT COMMITTEE FOR WELSH AFFAIRS

4. The Select Committee for Welsh Affairs is to take evidence on Monday 1 July on the proposed closures at Courtaulds (Greenfield and Wrexham). In the morning the Committee will be receiving evidence separately from the Clwyd County Council, Delyn Borough Council and Wrexham Maelor Borough Council. In the afternoon session it will take evidence from the Welsh Office and WDA union representatives and Courtaulds. The Committee does not propose to prepare a written report of its investigation. Welsh Office officials are to visit the local authorities and inspect the Courtauld's sites on 6 and 7 June in advance of the hearings.



MANPOWER SERVICES COMMISSION

5. Representatives from the MSC are in contact with the local authorities and have indicated that they would be prepared to expand their programmes in the area over and above the additional places provided for in the Budget. The local authorities have been asked to put forward their proposals.

WELSH DEVELOPMENT AGENCY

6. An executive director of the WDA met representatives of the local authorities and of Clwydfro (the local enterprise agency) on 30/31 May. The local authorities put forward a number of proposals which the WDA are now urgently considering.

MEETINGS BETWEEN COURTAULDS AND LOCAL AUTHORITIES

7. On 23 May the Chief Executive of Delyn Borough Council met the Deputy Chairman of Courtaulds to open negotiations on a range of measures. It has already been announced that a senior executive from Courtaulds is to provide expertise to assist the Borough Council in the development of alternative employment opportunities. Further negotiations have since taken place, and, although no announcement can be made about the outcome at this stage the areas being covered include demolition, clearance of toxic waste, transfer of site ownership and equipment and a fund for "soft" loans for investment in local industry.

8. The Chief Executive of Wrexham Maelor Borough Council met Sir Christopher Hogg on 23 May. Sir Christopher confirmed that the Wrexham plant would definitely close; redundancy notices have been served on the workforce. We understand however that Sir Christopher Hogg said that he would be agreeable to negotiations opening on the possibility of Courtaulds demolishing the site and transferring the land to Wrexham Maelor Borough Council for other industrial developments. These negotiations are yet to get under way and the Chief Executive has asked that there should be no announcement about them at this stage.

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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

|| June 1985

Dear Mark

COURTAULDS

You asked for advice on timing of the Prime Minister's prospective meeting with Sir Christopher Hogg. Officials from the Welsh Office and the affected local authorities have been, and are, in touch with the company about their plans for the site and their reactions to the various rescue proposals put forward but Courtaulds have not yet responded or produced ideas of their own to deal with the effects of the closures. Until these are known, and can be assessed, the view here is that the Prime Minister should not seek to meet Sir Christopher. As soon as the company's attitude becomes clearer the Prime Minister will be in a position to react favourably to what is proposed or press the company for greater effort. In the meanwhile the Prime Minister's active interest in this is a valuable lever in the ongoing discussions with Courtaulds.

Yours sincerely

Colin

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March 7



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