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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

22nd January 1982

Dear Clive

THE EFFICIENCY STRATEGY 1982: THE SCRUTINY PROGRAMME

Thank you for sending me a copy of your letter of 15 December inviting proposals for the scrutiny programme.

My Secretary of State proposes that the Welsh Office contribution for 1982 should be a study of the Department's administrative and grant procedures under the ... Land Drainage Act 1976. Details are attached.

Although the staff numbers involved in the Welsh Office itself are small, such a scrutiny might lead to regrouping of work and thus to staff savings. Moreover, it might have implications for the Department's administration of other grant payments. The scrutiny seems appropriate also in the light of the Secretary of State's separate proposals for reorganising the Welsh Water Authority and might fit in with any slimming down of the Authority's Regional Land Drainage Committee and 6 Local Committees. A successful scrutiny could therefore lead to wider ranging benefits.

I am copying this to Sir Derek Rayner and also to the Private Secretaries to the Secretary of State for the Environment and to the Minister of Agriculture.

Yours ever
John Craig
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Private Secretary
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WELSH OFFICE

RAYNER SCRUTINY PROGRAMME 1982

Subject: The administrative and grant procedures under the Land Drainage Act 1976.

Clients served: The land drainage bodies in Wales include 2 water authorities (Welsh Water Authority and Severn-Trent Water Authority) operating programmes of work drawn up by their respective Regional Land Drainage Committees and their Local Land Drainage Committee Structure (6 LLDC's in the WWA area and 1 in the Severn-Trent WA area), 37 district councils, 8 county councils (who may act in default of districts or in their own capacity) and 14 Internal Drainage Boards (of which 11 are managed by Welsh Water Authority). The water authorities' areas extend on either side of the England/Wales border.

Finance: Capital expenditure for 1980/81 was £5.8 million and for 1981/82 is estimated to be £6.8 million backed by Welsh Office grant of £3.1 million and £3.8 million respectively. The breakdown by types of body is as follows:-

	<u>1980/81</u>		<u>1981/82</u>	
	<u>Capital Expenditure</u>	<u>Grant</u>	<u>Capital Expenditure</u>	<u>Grant</u>
	£	£	£	£
WWA	3.7m	2.15m	5.1m	3.05m
STWA	0.1m	0.04m	0.1m	0.03m
LA's	1.9m	0.9,	1.5m	0.7m
IDB's	0.1m	0.05m	0.1m	0.05m
Total	5.8m	3.1m	6.8m	3.8m

The rate of grant payable varies as between individual LLDC's within a Water Authority's area and between individual schemes promoted by Local Authorities, all on the basis of the relationship between land drainage expenditure and penny rate product.

Manpower:

There are 3 Welsh Office staff employed full-time on the work - 1 HEO, 1 EO and 1 CO - and 2 Engineers from ADAS. There is also significant involvement at Assistant Secretary, Principal and SEO levels.

Reasons for Selection:

The Welsh Office is required to approve detailed plans and sections of individual schemes submitted by the land drainage bodies for grant aid and be satisfied that the work is being or has been properly carried out (S.90 of the Land Drainage Act 1976). The purpose of the scrutiny would be to consider what simplification of, or alternative to the existing procedure might with advantage be adopted, with due regard to the position of the Accounting Officer. Although the manpower savings would be small, the project would be of interest in tackling, in a particular field, the question of continuing specific grants and the degree of control which the central government department needs to retain.

In undertaking such a survey it may prove necessary to extend it to cover grants payable under the Local Employment Act 1972 to water and local authorities in respect of land drainage infrastructure improvements to facilitate industrial development. The Secretary of State's obligations to preserve the environment under the Countryside Act 1968 and the Water Act 1973 would also have to be taken into account in any study. So would any interconnection with grant payments under the Coast Protection Act 1949.

Terms of Reference:

- (i) to examine the grant administration system in use to meet the Secretary of State's responsibilities under the Land Drainage Act 1976 and the methods of scheme approval;
- (ii) to review the role of the Welsh Office in grant aiding land drainage schemes in the light of the Government's policy of disengagement from activities for which responsibility lies with other authorities.

(iii) to consider the implications of any action proposed on the Local Employment Act 1972 and the environmental obligations of the Secretary of State under the Countryside Act 1968 and the Water Act 1973; and

(iv) to make recommendations for a more efficient procedure.

Proposed Starting Date: 1 February 1982.

Examining Officer: To be appointed.