



CONFIDENTIAL

2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

- 1) Mr Tuttle to me <sup>AT 14/110</sup>
- 2) per.

13 October 1983

*Dear Tim*

HOME IMPROVEMENT GRANTS

You may wish to be aware that, in the light of the recent public expenditure discussions, my Secretary of State intends to announce on Monday that the special higher rates of grant and extra allocations which have been available to this year *(for home improvement grants)* will not be continued into next year.

/ I enclose a copy of my Secretary of State's letter to the Chief Secretary and a draft letter to the local authority associations which explains the position.

*Yours sincerely,*

*Roger Bright*

ROGER BRIGHT  
Private Secretary

Tim Flesher Esq  
No10 Downing Street

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2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

13 October 1983

*Dear Chief Secretary*

HOME IMPROVEMENT GRANTS

We shall not be in a position to announce the outcome of the recent public expenditure discussions, so far as 1984/85 is concerned, and in particular to make allocations to local authorities, for some weeks yet. However, Ian Gow and I are particularly concerned to give early advice to authorities and those concerned about the prospects for improvement grant spending.

This has been a major and successful initiative over the last two years, on which we are now having to change gear. The special higher grant rates and extra allocations which have been available to this year cannot be continued given the provision agreed for next year.

It is essential that we warn authorities of this now, to give a clear signal that a change of course is coming, and to avoid the accusation of bad faith to which we would be open if we delayed.

/ I intend to do this by means of the attached Departmental letter to the Local Authority Associations and an associated Press Notice.

*Yours sincerely*

*Patrick Jenkin*

*P.J.*

PATRICK JENKIN

*(approved by the Secretary of State  
and signed in his absence)*

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DRAFT OFFICIAL LETTER TO THE LOCAL AUTHORITY ASSOCIATIONS

HOME IMPROVEMENT GRANTS

You will remember that special arrangements were made in 1982/83 and 1983/84 to increase the rates at which grants for installing basic amenities and for carrying out structural repairs were made. In addition, special capital allocations were made available to local authorities to support extra expenditure on grants at the higher rates.

Local authorities will now be preparing their housing programme for next year. They have already been informed that they can plan on the basis that Housing Investment Programme allocations in 1984/85 will be at least 80 per cent of the amounts notified in 1983/84. The Government will announce its future expenditure plans later in the year; and HIP allocations will be made as soon as possible afterwards. Many local authorities have, however, asked for an early indication of likely arrangements for expenditure on Home Improvement Grants next year.

The higher rates for intermediate and repairs grants which have been in force since April 1982 will not be extended to applications made after 31 March 1984. It is not envisaged that any special arrangements will be made for additional retrospective allocations to be available to local authorities for expenditure on improvement grants in 1984/85. Such expenditure will, however, continue to be regarded by Government as an important part of the housing programme, and will be taken fully into account in determining the allocations made to individual authorities. Careful consideration will also be given to requirements for expenditure on area based improvement projects, particularly enveloping schemes.



cc TF



Department of the Environment  
2 Marsham Street London SW1  
Telephone 01-212 3434

17 Nov. 1983

Dear Bernard,

I enclose selected

background briefing for today's  
Statement. Detailed questions  
on the figures have been referred  
to us.

Yours sincerely  
Baroness Dore



## BACKGROUND NOTE

### HOME IMPROVEMENT GRANTS

1. The Department of the Environment announced on 19 October that the special arrangements for home improvement grants would not be continued into 1984/85 (see copy of Press Notice enclosed).
2. Two separate initiatives were involved. The maximum rate for intermediate grants (for the installation of missing basic amenities - eg inside WC) and for repairs grants (for major repairs to pre-1919 houses) was increased to 90% for all applicants in April 1982. In announcing the increase, the then Chancellor of the Exchequer emphasised that it was a temporary measure.
3. In 1982/83 local authorities were offered additional resources to enable them to increase the number of grants they gave. For 1983/84, authorities were promised unlimited extra capital allocations if their spending exceeded an indicative figure for home improvement grants and they spent more than their overall housing capital allocation.
4. These measures have resulted in a rapid increase in grant spending. This was £90m in 1978/79 and under £200m in 1981/82 but rose to £430m in 1982/83 and is likely to reach £650m in 1983/84. Spending in 1984/85 will depend on the priority local authorities give to home improvement grants within the resources (including capital receipts) made available to them.
5. Following the announcement, Ministers have reiterated their commitment to housing improvement and repair - particularly in the light of the 1981 English House Condition Survey which showed that although the number of dwellings lacking basic amenities had continued to decline, there had been no significant change in the number of dwellings regarded as unfit for human habitation (which had remained at between 1.1 million and 1.2 million), and there had been a substantial increase in the number of properties *needing* major repairs.



19 October 1983

HOME IMPROVEMENT GRANTS

The Department of the Environment today told local authorities that the present special arrangements for home improvement grants would not be continued in the next financial year starting on 1 April 1984.

The Department's letter to local authority associations said:

"You will remember that special arrangements were made in 1982/83 and 1983/84 to increase the rates at which grants for installing basic amenities and for carrying out structural repairs were made. In addition, special capital allocations were made available to local authorities to support extra expenditure on grants at the higher rates.

"Local authorities will now be preparing their housing programmes for next year. They have already been informed that they can plan on the basis that Housing Investment Programme allocations in 1984/85 will be at least 80 per cent of the amounts notified in 1983/84 provided they can justify the need for this investment. The Government will announce its future expenditure plans later in the year; and HIP allocations will be made as soon as possible afterwards. Many local authorities have, however, asked for an early indication of likely arrangements for expenditure on Home Improvement Grants next year.

"The higher rates for intermediate and repairs grants which have been in force since April 1982, will not be extended to applications made after 31 March 1984. It is not envisaged that any special arrangements will be made for additional retrospective allocations to be available to local authorities for expenditure on improvement grants in 1984/85. Such expenditure will, however, continue to be regarded by Government as an important part of the housing programme, and will be taken fully into account in determining the allocations made to individual authorities. Careful consideration will also be given to requirements for expenditure on area based improvement projects, particularly enveloping schemes."



NOTE TO EDITORS

1. Special temporary arrangements for home improvement grants were first introduced in the March 1982 Budget and subsequently extended for 1983-84. Maximum grant rates for all intermediate grants (for the installation of missing basic amenities - eg an inside WC) and repairs grants (for substantial and structural repairs to pre-1919 housing) were raised to 90 per cent of eligible costs. Additional resources were made available to local authorities to enable them to increase their spending on home improvement grants.
2. The availability of 90 per cent grants was subsequently extended to all applications made before 1 April 1984. For the financial year 1983-84 the Government has given each local authority an 'indicative figure' for spending on home improvement grants. If an authority's actual spending on such grants in 1983-84 exceeds that indicative figure, and its total housing capital expenditure exceeds its Housing Investment Programme allocation, additional resources will be made available to that authority.
3. The Government's announcement does not affect those people who have already had intermediate or repairs grants approved. And any eligible application for an intermediate or repairs grant which is made before the end of March next year will continue to qualify for the higher rate of grant. After that time, the maximum grant rate for these grants will be 75 per cent, or 90 per cent for applicants who would not be able to pay for their share of the cost of the works without undue hardship.

Press Enquiries: 01-212 4672  
Night Calls (6.30pm-8.00am)  
Weekends and Holidays: 01-212 7071

Public Enquiries: 01-212 3434; ask  
for Public Enquiry Unit.



There are also 261 district nurses-midwives employed by health authorities in Wales, but it is not possible accurately to apportion their time between midwifery and other work.

### Rate Support Grant

**Dr. Marek** asked the Secretary of State for Wales whether he will organise the work of his Department so as to publish the rate support grant report for 1985-86 not later than one week before the House rises for the Christmas Adjournment 1984.

**Mr. Nicholas Edwards:** It is not possible to give a firm commitment for a particular publication date 12 months in advance. It remains my intention to publish all rate support grant reports at the earliest opportunity.

## ENVIRONMENT

### Housing Expenditure

**Mr. Heddle** asked the Secretary of State for the Environment if he will provide a breakdown of the housing public expenditure programme for 1984-85.

**Mr. Patrick Jenkin:** Following discussions with the local authority associations in the Housing Consultative Council on 21 November and with the chairman of the Housing Corporation, I am able to announce final decisions on housing capital and current expenditure for 1984-85.

Total provision for housing capital expenditure in 1984-85, including forecast housing capital receipts next year of £1,596 million, and a sum carried forward as a result of introducing end-year flexibility on the local authority capital cash limit, is £3,274 million. I have decided to allocate those resources as follows:

	£ million
Local authorities	2,522
Housing corporation	687
New towns	60
Homeloan	5

The gross provision for local authorities includes £35 million for insulation grants under the homes insulation scheme and for the administrative costs of that scheme. I am today announcing, in answer to a question by my hon. Friend the Member for Rugby and Kenilworth (Mr. Pawsey), details of a proposed extension of the homes insulation scheme. The effects of that have been taken into account in making provision for expenditure of £35 million under the scheme.

Capital resources next year for the Housing Corporation include net provision for £617 million plus estimated capital receipts of £70 million. This will maintain provision for a substantial level of investment by the corporation.

The new towns' share of resources again reflects the fact that the publicly-rented programme in the new towns has virtually ended. The remaining investment is concentrated on providing sites for private development, on shared ownership and on repair and improvement of dwellings prior to transfer to local authorities.

The provision of £2,522 million for local authorities incorporates carry-forward as a result of introducing end-year flexibility on the cash limit in the terms announced on 17 November. It also includes forecast capital receipts

of £1,465 million. Details of those forecast receipts and of the underlying assumptions were given yesterday in reply to the hon. Member for Pontefract and Castleford (Mr. Lofthouse).

I have decided, following consultations with the local authority associations, to change the prescribed proportion for most housing capital receipts from 50 per cent. to 40 per cent. from 1 April 1984. I shall lay before the House in due course revised Local Government (Prescribed Expenditure) Regulations to give effect to that change. The change will allow an extra £130 million to be added to the amount available for housing investment programme allocations which are distributed in accordance with housing need. The HIP total for 1984-85 is £1,853 million compared with £1,801 million in 1983-84. Authorities will, in addition, be able to reinvest their capital receipts, albeit at the reduced prescribed proportion. On the basis of our forecasts, authorities will be able to undertake at least an extra £666 million of investment in this way in 1984-85. I recognise that, since the change will apply also to accumulated capital receipts, it might disrupt the investment plans of some authorities whose 1984-85 programmes relied on full use of their capital receipts at the existing prescribed proportion. I have therefore made arrangements to hold back £50 million from the available allocation total to provide for supplementary allocations to authorities which find themselves in such circumstances. Any part of the £50 million not used for this purpose will be distributed more generally to other authorities. I shall aim to make these supplementary allocations before the beginning of the financial year.

The initial housing investment programme allocation total for 1984-85 is therefore £1,803 million. I have discussed with the local authority associations the method of distributing that total between individual authorities. Each authority is today being informed of its own allocation. Authorities are also being informed of the procedure and the criteria for making supplementary allocations following the reduction on the prescribed proportion of housing capital receipts. I have placed copies of the letter to authorities and of the schedule of initial allocations in the Library and the Vote Office. I have also placed in the Library details of the method by which those allocations were determined.

For future years, as I made clear in my reply to my hon. Friend the Member for Stockport (Mr. Favell) on 17 November — [Vol. 48: c. 525-27] — I have assured authorities that they may plan their forward housing programmes on the basis that their allocations for 1985-86 and 1986-87 will be at least 80 per cent. and 70 per cent. respectively of those being notified to them today for 1984-85. In the same way as for the assurance given last year for the 1984-85 allocation, authorities will be required to show that they can justify the need for that level of expenditure. The assurances for 1985-86 and for 1986-87 are based on the assumptions that average rents in both years will rise in line with prices and that total housing capital receipts will be at least £1,300 million. I am not at this stage extending the same assurance to the GLC, although I shall consult the London boroughs about whether it should subsequently be extended to that council as regards its responsibilities for the transferred stock for 1985-86. This assurance provides authorities with a three-year capital programme. I believe it will be invaluable as an aid to the forward planning essential for investment.



As regards housing current expenditure, I have considered carefully the views of the local authority associations on the consultation papers which I issued on reckonable income and on reckonable expenditure on management and maintenance for 1984-85. I have decided to determine an increase in the local contribution for housing subsidy purposes of 75p a dwelling a week. It is for authorities themselves to decide how to finance that contribution. On management and maintenance, I have decided to increase the expenditure counting towards the subsidy calculation by 5 per cent. over the level assumed for 1983-84.

#### Homes Insulation Grants Scheme

**Mr. Pawsey** asked the Secretary of State for the Environment whether the Government have any plans to extend the homes insulation grants scheme.

**Mr. Gow:** Yes. We propose to extend the scheme to grant aid the insulation of dwellings with 25mm or less of existing loft insulation. At present only dwellings with no loft insulation whatsoever qualify. We intend to consult the local authority associations with a view to implementing the change as soon as possible. The homes insulation scheme allocation of £35 million for 1984-85, which I have announced today, takes account of this proposal.

#### Rates

44. **Sir Kenneth Lewis** asked the Secretary of State for the Environment what discussions he proposes to have with those local authorities who have been economical in their administration in previous years and who may not be seriously affected by Government proposals to cap rate increases.

**Mr. Waldegrave:** The selective rate limitation scheme will apply to no more than 12 to 20 of the highest spending authorities. Economical authorities have nothing to fear. We intend to exclude statutorily from the scope of the scheme authorities spending less than their grant related expenditure, and also authorities with small budgets; a figure of £10 million per annum was suggested in the White Paper, Cmnd. 9008.

#### Nuclear Waste

**Mr. Skeet** asked the Secretary of State for the Environment what recent consultations his Department has had upon the disposal of nuclear waste.

**Mr. Waldegrave:** My Department has regular and useful consultations with the radioactive waste management advisory committee, and officials attend meetings of the local liaison committees for individual nuclear sites. Where it is statutorily required or otherwise justifiable, consultations also take place with the relevant local authorities and water authorities about proposals to issue authorisations under the Radioactive Substances Act 1960.

A meeting has been held with Members of Parliament for the area surrounding the site at Elstow in Bedfordshire identified by the Nuclear Industry Radioactive Waste Executive for further investigation, and a similar meeting will be held in the near future in relation to the Billingham site.

The consultation document published on October 25 set out draft principles which the authorising Departments

under the 1960 Act propose to use in considering proposals for new disposal facilities. All concerned have been invited to submit comments on this document by March 31 and copies of it can be obtained free of charge from my Department. Copies have so far been sent to the 205 bodies on the attached list.

Advisory Committee on the Safety of Nuclear Installations  
Amersham International PLC  
Anglian Water Authority  
Anti-Nuclear Campaign  
A Power for Good Ltd.  
Associated Society of Locomotive Engineers and Fireman  
Association of Consulting Engineers  
Association of County Councils  
Association of District Councils  
Association of District Councils (Welsh Branch)  
Association of Local Authorities for Northern Ireland  
Association of Local Authority Valuers and Estate Surveyors  
Association of Metropolitan Authorities  
Association of Scottish Chambers of Commerce  
Association of University Radiation Protection Officers  
Australian High Commission  
Bank of America  
Bar Council  
Bedfordshire County Council  
Brick Development Association  
British Aggregate Construction Materials Industries  
British Association of Nature Conservationists  
British Ecological Society  
British Gas Corporation  
British Insurance Association  
British Institute of Radiology  
British Nuclear Forum  
British Nuclear Fuels Ltd.  
British Pre-cast Concrete Association  
British Property Federation  
British Trust for Conservation Volunteers  
British Railways Board  
British Waterways Board  
Building Research Establishment  
Building Societies Association  
Central Electricity Generating Board  
Centre for Environmental Technology  
Chartered Institute of Public Finance and Accounting  
Church Commissioners  
Civic Trust  
Cleveland County Council  
Clyde Port Authority  
Committee for Environmental Conservation  
Confederation of British Industry  
Confederation of British Industry (Northern Ireland)  
Conservation Society Ltd.  
COSIRA  
Convention of Scottish Local Authorities  
Council for British Archaeology  
Council of Engineering Institutions  
Council for Environmental Conservation  
Council for the Protection of Rural England  
Council for the Protection of Rural Wales  
Council for National Parks  
Council of Science and Technology Institutes  
Country Land Agents and Valuers Association  
Country Landowners Association  
Countryside Commission  
Countryside Commission for Scotland  
Countryside Commission (Wales)  
County Planning Officers Society  
Development Board for Rural Wales  
District Planning Officers Society  
Edinburgh City Council  
Electricity Council  
Engineering Employers Federation  
Engineering Managers Association  
Farmers Union of Wales  
Fauna and Flora Preservation Society  
Federation of Civil Engineering Contractors



HOUSE OF COMMONS

Mr Tony Favell (Con - Stockport):

To ask the Secretary of State for the Environment, whether he will give details of his public expenditure programme for 1984-85.

MR PATRICK JENKIN

My Rt Hon Friend, the Chancellor of the Exchequer has announced the main changes to the Government's public expenditure plans for 1984/85 and later years. The main changes affecting DOE programmes arise from the fact that local authorities in England have not held their current expenditure down to previous White Paper figures. Collectively their budgets for relevant current expenditure this year, 1983/84, indicate an overspend of £858M. We have accordingly had to increase the provision for their current spending in 1984/85 by some £500m above the level we had previously planned for that year. Even at that level the targets are very tough, and I have consulted local government on proposals for the other main elements of a rate support grant settlement designed to strengthen the pressures to meet these targets.

The failure to curb current spending has inevitably meant that with great reluctance we have had to look for economies on the capital side to stay within the Government's overall public expenditure objectives. However, although the figures for local authority capital spending in England have been reduced from those in last year's White Paper (Cmd 8789) the gross amount actually available for capital spending in 1984/85 will still be close to this year's expected outturn. This has been made possibly largely because of the continuing success of the Government's right to buy legislation, which means that the forecast inflow of housing capital receipts in 1984/85 (mostly to local authorities) will be about £300M higher than previously estimated.



In order to help local authorities to make the best use of their capital allocations and to plan their spending more efficiently, the Government proposes to introduce a system of year end flexibility on the national cash limits relating to local authority capital expenditure. This will mean that where a cash limit is underspent in one year it will be possible to carry a proportion of the resources forward to the following year. For 1983/84 the maximum carry forward will be 2% of the net provision in 1983/84. This carry forward provision introduces a new principle into the management of local authority capital spending and the Government hopes to be able to increase the figure of 2% in later years in the light of experience gained and the circumstance then prevailing. For 1984/85 this new carry forward provision enables us to increase the total available for allocation for all local authority services in England, by some £60m, which can if necessary be added to the cash limits for 1984/85.

I propose to introduce two other changes which would assist local authorities to make better use of capital resources. First, I shall be maintaining at 50% the prescribed proportion of non-housing capital receipts, that is the proportion available to authorities to supplement allocations at their own discretion, but I propose to consult the local authority associations through the Housing Consultative Council about changing the prescribed proportion for most housing receipts from 50% to 40%.

As this year, I shall use the remaining proportion of the forecast national level of receipts to enhance basic allocations and the change on housing would provide increased scope for directing resources towards the areas of housing need. I would be prepared to consider making extra resources available in certain cases to authorities whose programmes relied on full use of receipts and have been adversely affected by the changes in proportion over the past two years: my department will be discussing details with the local authority associations.



I also propose to extend the arrangements introduced this year to give authorities assurances about the level of their allocations for later years. Subject to similar conditions to those which applied last year authorities may plan on the assumption that their allocations for Housing and the Other Services block for 1985/86 and 1986/87 will be at least 80% and 70% respectively or the 1984/85 figures, of which they will be notified shortly.

The Table at the end of this Answer shows how I am proposing to distribute the overall provision for DOE programmes together with the additional accounts to be carried forward for allocations to Local Authority Capital Programmes.

For housing, subject to the outcome of consultations with the local authority associations, the gross capital provision for 1984/85 together with the carry forward will be a little over this year's provision in cash terms. Because housing starts in the private sector are running 20% higher than in 1982, the overall level of housing activity should be well sustained by the public sector programme I am announcing. On home improvements, I see no reason why spending on grants should not match the 1982/83 outturn which was by far the highest level then achieved and double the amount spent in 1981/82.

For next year I shall be bringing the urban programme, derelict land reclamation and the urban development corporations within a single block for the first time. A single cash limit will be set for the capital elements of this, giving me greater freedom to switch resources from one service to another within the course of a year in order to put them to best use, subject to Parliamentary approval of the necessary Vote provision. Including the reinvestment or Urban Development Corporation receipts and the benefit of end-year flexibility, total expenditure permitted in the new urban block in 1984/85 will be £424m, which represents a small increase on the provision for 1983/84. Total expenditure for the Urban Programme alone (including contributions from other Departments) will be £348m - the same figure as last year.



The External Finance Limit for the English Water Authorities will be set at £266m for 1984/85. Within this provision it is expected that the real volume of capital investment should be maintained at about the same level as in 1982/83, and that average charges increases will be broadly in line with the RPI.

An extra £25m has been allocated to the PSA in 1984/85 mainly for the maintenance of the civil estate.



Totals may not add due to rounding

£million cash

	1983-84		1984-85	
	Cmnd 8789 Provi- sion	Forecast Outturn (1)	Notional allocation of provision in Cmnd 8789	Revised Totals together with 2% carry forward
Total Local Authority Relevant Current Expenditure in England (Covering all Departments' services)	19692	20550	19791	20345
<u>DOE - HOUSING (Local Authorities, Housing Corporations and New Towns)</u>				
Capital: Gross				
expenditure	3245	3460	3420	3274 (3)
Receipts	-1402	-1863	-1300	-1596
<u>Net Capital     expenditure</u>	1843	1597	2120	1678 (3)
Current Expenditure (2)	949	1034	870	847
<u>Programme total: Net capital plus current expenditure</u>	2792	2631	2990	2525 (3)
<u>DOE OTHER ENVIRONMENTAL SERVICES</u>				
Local Environmental Services				
Capital: Gross Expend.	624	596	636	621 (4)
Receipts	-424	-358	-425	-425
<u>Net Expend.</u>	200	238	210	196 (4)
Local Environmental Services				
Current Expend. (5)	2202	2441	2250	2259
Urban & Derelict Land Block	405	406	450	424 (6)
Royal Parks, Ancient Monuments etc.	76	70	80	88
Central & Miscellaneous Services, Environmental Research (7)	113	116	120	120
Environmental Bodies Development Commission	80	79	83	89



Continued

	1983-84		1984-85	
	Cmnd 8789 Provi- sion	Forecast Outturn (1)	Notional allocation of provision in Cmnd 8789	Revised Totals together with 2% carry forward
English Water Authorities External Finance limit	341	320	331	266
Water Research, Other Water Services	14	12	13	13
British Waterways Board - Grant-in-Aid	40	40	44	42
PSA: Office and General Accommodation (9)	-141	-141	-120	-91

Notes: See separate sheet



Notes:

- (1) Based on budgets and first Quarter 1983-84 figures, where available.
- (2) Subsidies and Rate Fund Contributions.
- (3) Including carry-forward allowance of £29m.
- (4) Including carry-forward allowance of £7m.
- (5) Including costs of rate collection and of the births, marriages and deaths registration service.
- (6) Including carry-forward allowance of £5m, and £7m receipts available for reinvestment.
- (7) Excluding Ordnance Survey.
- (8) Including DOE and MAFF components.
- (9) Negative provision reflects the fact that Department's repayments to PSA for office accommodation at market rental values exceeds PSA's actual costs of Crown freeholds and long leaseholds at historic cost.



47-NOV-1983

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1 2 3 4 5  
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## REGIONAL WATER AUTHORITIES

Q. What do the RWAs get?

A. External Financing Limits (ie expenditure over and above that met by charges and other internal finances) of

1984/85	1985/86	1986/87
£240m	£224m	£195m

which should support capital investment of

£677m	£723m	£774m
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(These figures exclude land drainage financing and investment - MAFF deals with the resources for this).

Q. How does this compare with past years?

A. Real volume of investment in 1984-85 will be about the same as the last complete year, 1982-83, and will then rise by about 1% per year.

Q. Will this deal with collapsing sewers etc?

A. The Government accepts the importance of preserving this sort of infrastructure. Authorities are still carrying out the surveying and other work to establish how much needs to be done. This is a long term programme and we will seek to ensure that authorities are not constrained in carrying out necessary investment.

Q. What about water charges?

A. Charges for 1984/85 have not yet been settled. These are a matter for individual authorities; but it is expected that average charges increases will be broadly in line with RPI.



URBAN BLOCK

Q1. Last year's White Paper included a figure of £450m for the Urban Block in 1984/85. This has been reduced to £425m. Which areas will suffer ?

A1. The figure in last year's White Paper represented an increase of 11% over 1983/84. This has been reduced to an increase of 5%. But that will still enable me to allocate Urban Development Corporations substantially more (£82m) than they were originally allocated this year (£67m); keep the Urban Programme the same in cash as this year (£348m); and leave Derelict Land only marginally less in cash (£74m in 1984/85 vs £75m in 1983/84).

Q2. How is the £425m broken down ?

A2. The arrangements for the new block give me freedom to move resources between the three components during the year so as to secure the most effective use of them. Initial split is £82m for the Urban Development Corporations, £74m for Derelict Land and the balance (£269m) for the Urban Programme. The rest of the Urban Programme comes from contributions by other Government Departments.

URBAN PROGRAMME

Q3. How will the Urban Programme resources be split ?

A3. Still considering the detailed split. I will be able to provide all the resources we judge necessary to fund good Urban Development Grant projects, and allocate Partnership and Programme Authorities the same in cash on average as this year, including bringing the newly promoted Programme Authorities up to the average.

FUTURE YEAR'S PROVISION

Q4. What is the provision for later years for the Urban Block ?

A4. The PES White Paper will show a level line in cost terms for the Urban Block in 1985/86 and 1986/87.