

PRIME MINISTER

REGIONAL DEVELOPMENT GRANT

The proposed PQ announcing the two month delay in payments of RDG II is attached to the letter below.

I am not sure it is quite right and suggest as an alternative:

"The present Public Expenditure Provision for Regional Incentives in 1987-88 is £419 million, an increase of 9% on the provision contained in last year's Public Expenditure White Paper. Within this increased provision, it has been decided that payment of grant on new applications under RDG II, will be made two months after a claim has been approved. This will help to ensure that expenditure on regional incentives stays within 1987-88 public expenditure plans. Grants under the old RDG scheme, RDG I, will continue to be paid four months after schemes have been approved."

on f x m

claims

Are you content with this alternative version? Any other changes you would wish to suggest?

The Q & A brief could also do with improvement and I shall make some suggestions on this. In particular, some of the material you have on the north/south divide could usefully be carried into the last page of the briefing.

Vanessa

AP DAVID NORGROVE

13 January 1987

VC4ALK

I much prefer your answer. Could we not have the 9% in absolute figures as well.