



2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

4 January 1982

Dear Mr [unclear]

DOE ACTIVITIES AND ACHIEVEMENTS

/ I enclose as requested a short note on DOE's
[in box] activities and achievements in 1981 and the
MAD outlook for 1982.

/ You might also like to have as further back-
ground on the whole range of DOE activities a
paper the Secretary of State has had prepared
on DOE achievements from May 1979 to November
1981.

*Yours ever
D A Edmonds*

D A EDMONDS
Private Secretary

Mike Pattison Esq
No 10



10 DOWNING STREET

Prime Minister

Here is Mr Heseltine's
related but interesting
contribution to the
end of year briefing.

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cc MAP
Press. #

DEPARTMENT OF THE ENVIRONMENT

1. The Main Departmental Activities and Achievements in 1981

1. Between 19 May 1979 and September 1981, local authorities and new towns in GB completed sales of over 190,000 dwellings. Since October 1980, when the Housing Act 1980 came into force, over 440,000 tenants have applied to buy their homes under the right to buy.
2. In 1981, well over half of authorities pursued one or more of the initiatives under the Government's low-cost home-ownership programme.
3. In IYDP, many of the housing measures we have taken, for example on improvement grants, will be of particular benefit to the disabled.
4. The new block grant has put local government finance on a fairer basis and new controls over capital spending give local authorities greater freedom. Profligate authorities no longer receive grant at the expense of the prudent.
5. The Town and Country Planning (Minerals) Act will help raise environmental standards both during and after mineral working.
6. Development plan and control procedures have been speeded up and charges for planning applications have been introduced to offset costs. Land registers have been set up in 35 districts and are now to exist throughout England.
7. Inner city initiatives have included the setting up of an interdepartmental task force on Merseyside, a group of managers from financial institutions who will look at ways of improving co-operation with the private sector, and Business in the Community, which will encourage firms to adopt socially responsible employment policies. Eleven enterprise zones are being established, ten of which are in operation. Over 50 enterprise zones have been set up.
8. The Wildlife and Countryside Act will promote the conservation of wildlife and habitats and of the beauty and amenity of the countryside.
9. Action has been taken to rationalise and improve the efficiency of water authorities, accountants have been employed to examine their budgets, new limits on capital expenditure improved and financial and performance targets set.
10. New measures have been announced to reduce the potential hazards of lead in the environment.
11. Sales of surplus government property totalled £83m in 1980/81 compared with less than £30m in 1978/79.
12. Architectural competitions are being introduced for major projects: 3 have already been held for public sector schemes.

13. With the aid of a management information system for Ministers (MINIS) and manpower budgetting, staff savings achieved between 19 April 1979 and November 1981 were:-

DOE (Central 15.2% (11,594 to 9,828)

PSA 18.7% (38,795 to 31,552)

in the last 12 months to September 1981, local authority manpower was reduced to an all-time record rate.

14. Under the UK Presidency of the Environment Council, good progress was made on a number of issues, including the future development of the Community Environment programme, and a long-standing deadlock was broken to achieve two important directives involving transfrontier co-operation on major accident hazards and control of poisonous substances.

2. Outlook for 1982

DOE (Central)

1. Bring to the statute book legislation to ban supplementary rates and set up the Audit Commission.

2. Consultation on the Green Paper on Alternatives to Rates and formulation of proposals for legislation.

3. Continue pressure on local government to control current spending.

4. Continuation of inner city initiatives in Merseyside and elsewhere, particularly those designed to increase the participation of the private sector, including expansion of the urban programme, the extension of Land Registers, and new measures on the use of derelict land. The Urban Development Corporations will be starting major construction works.

5. Continuation of housing policies to promote low cost home ownership, better use of the existing housing stock and increasing private sector investment in housing.

6. Simplification of building control continuation of ministerial support for construction overseas: the pursuit of opportunities to use pump-priming finance to gear up private sector investment in major construction projects.

7. Make improvements in the controls of imported waste. Establishment of a new advisory inspectorate on hazardous waste.

8. Continue through MINIS and other management tools to improve the efficiency and effectiveness of DOE whilst achieving staff savings designed to meet the CSD target of 8,608 at 1.4.84 (by 1.4.82 the Department will have reduced its numbers from 11,594 to 9,600 - a saving of approximately 17%). Measures will include

implementation of the Joubert report on cost centres for non-staff administrative costs; privatisation of the Hydraulics Research Station; establishment of a Trading Fund for the Ordnance Survey; and the setting up of a new public sector agency to deal with certain executive functions related to the administration of ancient monuments and historic buildings.

PSA

9. Further staff reductions will be achieved by means of increased efficiency and productivity and the extended use of contracting out to the private sector. (By 1.4.84 PSA will have reduced its staff by about 27% since 1.4.79).

10. Maintain the drive on energy conservation: on target to achieve 12% savings on 1978/79 consumption levels on the civil estate by March 1982.

11. The PSA will continue its programme of design competitions, 4 of which are in the pipeline.

3. Major Issues Outstanding

There are no major issues not covered under 2 above.

DOE ACHIEVEMENTS: MAY 1979 - NOVEMBER 1981

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December 1981

INTRODUCTION - MANAGING THE DEPARTMENT

1. A new management information system MINIS has been introduced to assist Ministers in reaching decisions about the most efficient and economic use of the Department's resources. MINIS provides information on the full range of Departmental activities with costs, assessments of past performance and statements of future plans. MINIS statements are published.
2. Further proposals to promote more efficient management of the Department's resources include the introduction of a comprehensive management accounting system based on cost centres and linked with MINIS. Other steps include the development of a co-ordinated programme of management service reviews; Rayner and departmental scrutinies, and employment of private sector consultants.
3. Through MINIS discussions and manpower budgetting in DOE (Central) the following savings were achieved between April 1979 and November 1981
 - the total staff has been reduced by 15.2% (from 11,594 to 9828)
 - this is equivalent to an annual saving in salary costs of approximately £15m (at current costs).
 - senior posts (under secretaries and above) have been reduced from 54 to 43.5 (19.4%)
 - the number of directorates (under secretary commands) has been cut from 48 to 38.
 - 47 DOE sponsored quangos have been abolished (with savings of £82.8m)
 - in addition, plans have been made to reduce the number of central London office buildings occupied by DOE(C) from 11 to 3, and 5 buildings had been given up by the end of November 1981.

In the Property Services Agency

- total staff has been reduced by 18.7% (from 38,795 to 31,552)
- this is equivalent to a saving in annual salary costs of approximately £50m (at current costs).
- in 1980/81 the proportion of design work put to consultants increased to 37%.

A. HOUSING

1. The Government's low-cost home ownership programme. The elements in this programme are:

(i) The sale of council houses and flats: Council tenants, new town tenants and the tenants of non-charitable housing associations have been given the right to buy their houses or flats, and the right to a mortgage. Since the Government was elected, local authorities and new towns in Great Britain had completed the sale of 160,000 dwellings up to 30 June 1981. In addition, at 30 June 1981 more than 389,000 tenants in Great Britain had applied to buy their homes under the right to buy.

(ii) "Starter Homes" and Building for Sale: The Government has encouraged local authorities to release land for starter homes schemes (the receipts then being available to increase HIP allocations), and to enter into partnership schemes with private house builders whereby building for sale is carried out on local authorities' own land. 115 authorities in England plan to sell them to private house builders this year while 106 authorities have partnership schemes planned.

(iii) Improvement for Sale and "Homesteading": In the current year 73 local authorities plan Improvement for Sale schemes under which Government grant is available to local authorities and housing associations who improve rundown dwellings for sale. In addition, the Secretary of State can now give an authority consent to waive the interest payments on the mortgages it grants for homesteading schemes for up to 5 years. 77 authorities have plans for such schemes in the current year.

(iv) Shared Ownership (Part Owning and Part Renting): Local authorities, new towns and housing associations have been empowered to offer shared ownership in addition to outright ownership in all the circumstances where they may be selling a dwelling. A shared ownership model scheme has been issued.

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(v) Guarantees for Building Society Mortgages: To help make building society mortgages widely available for low-cost dwellings, the 1980 Housing Act empowered local authorities and the Housing Corporation to guarantee Building Society mortgages. Model forms of agreement have been published.

2. The Tenants' Charter: The Housing Act has introduced the first statutory Charter of rights for tenants of local authorities, new towns and housing associations, including the Right to Buy; security of tenure; and the right to improve.

3. Shorthold and Assured Tenancies have been introduced to encourage private sector lettings. Other rent act changes include:

- (a) ending the system of controlled tenancies under which rents were pegged at 1956 levels;
- (b) cutting the period between reviews of fair rents to 2 years;
- (c) accelerating the rent registration procedures;
- (d) extending the rights of temporarily absent owner-occupiers, servicemen and the owners of retirement homes to regain possession.
- (e) making it easier for owner-occupiers who sublet part of their homes to regain possession.

4. Service Charges: The rights of tenants and long leaseholders of flats who pay service charges have been improved.

5. Leasehold Reform: The Government has amended the Leasehold Reform Act 1967 to help long leaseholders of houses.

6. Improvement and Repair: Significant improvements have been made to the home improvement grant system. Local authorities may now carry out environmental works in Housing Action Areas on their own land and the grant has been increased to £400 per dwelling. The Department is carrying out two projects (the Priority Estates Project) to find ways of improving badly rundown council estates.

7. Management Co-operatives: Management Co-operatives have an important part to play in securing greater tenant involvement in the

management of estates. Ten Management Co-operative agreements have so far been approved under the Housing Act 1980 and guidelines setting out model terms of co-operative agreements have been issued to all local authorities.

8. Rent Rebates and Rent Allowances: These have been extended to many groups previously ineligible and the ceiling for the weekly rent rebate or rent allowance payment has been raised substantially.

9. Housing Associations: are now also able to make a major contribution to low-cost home ownership by carrying out improvement for sale schemes or building for shared ownership.

10. Hostels: The Housing Act 1980 contains the first extensive reform of hostels legislation for many years.

11. The Elderly and Disabled will benefit from the more flexible system of home improvement grants. Priority rates of grant and higher eligible expense limits have recently been applied to adaptations or improvements for the disabled. The 90% rate available to the elderly towards the cost of loft-insulation has also been extended to the severely disabled.

12. A number of measures have been taken to ease mobility including the introduction of the first ever National Mobility Scheme on 1 April 1981.

13. Reform of Local Authority Housing Finance and Housing Project Control: 1 April 1981 saw the introduction of a new system of capital expenditure control, a new housing subsidy system and a drastic reduction in the level of detailed control by Central Government over local authority housing schemes.

LOCAL GOVERNMENT

1. A new system of block grant has been introduced. It includes a more open and equitable means of assessing local authorities' needs, and prevents high spending authorities from attracting an unfair share of the total grant available.
2. The Government has maintained its efforts to reduce local government current expenditure. Individual expenditure targets have been given to local authorities, and the Government has proposed grant reductions for authorities which fail to meet them.
3. Further measures to restrain high spending by local authorities have been proposed to Parliament.
4. Local authority capital spending has for the first time been brought within overall control by a new system that also gives authorities much greater discretion to determine their own priorities.
5. Legislation has been introduced establishing an Audit Commission to strengthen value-for-money audit work and to give the audit function an independent and authoritative public voice. (Local Government Finance Bill 1981.)
6. Codes of practice have been issued covering the information to be contained in local authorities' rate demands, annual reports and quarterly manpower statements. (Local Government Planning and Land Act 1980.) The quarterly Joint Manpower Watch figures, following an initiative by the Secretary of State, now also include individual authority totals.
7. Local authorities' direct labour organisations now have to prove themselves in competition with private firms for much of their work and account for it on a commercial basis (Local Government Planning and Land Act 1980.)
8. Nearly 200 statutory controls over local authorities have been repealed (Local Government Planning and Land Act 1980); a further 100 await a suitable legislative opportunity.
9. The number of Government circulars issued to local authorities annually is now about two-thirds less than in the last year of the previous administration.

C. LAND AND PLANNING

1. To tackle the waste of unused or underused publicly owned land powers have been taken for the Secretary of State to compile registers of such land in designated districts and London boroughs, backed by a power to direct disposal. So far 35 registers have been published, and the remaining 330 districts and boroughs in England have now been designated.
2. All further developments of the Community Land Scheme have been stopped and the Act has been repealed saving £50m p.a.
3. Measures taken to streamline the development control procedures include the removal of overlapping responsibilities, the introduction of voluntary limits on consultation, extended limits for permitted development, and improvements to the appeal system. The Town and Country Planning (Minerals) Act will encourage a further raising of environmental standards both during and after mineral working.
4. Procedures for the preparation and approval of structure and local plans have been simplified and performance has been improved dramatically: prior to May 1979 it had taken on average 37 months to approve the first 25 structure plans, 64 have now been approved by end November 1981 and the average time has dropped to 20 months.
5. The charging of fees for planning applications has been introduced as a means of improving and helping to pay for the development control system.
6. Office development permits have been scrapped, thus eliminating some unnecessary bureaucracy.
7. Regional Economic Planning Councils have been abolished and regional strategic guidance reduced to a minimum necessary for land use planning purposes.
8. The New Towns Programmes have been reviewed and target dates for winding up the Development Corporations have been announced. Between May 1979 and September 1981 the New Towns have sold 8,600 houses to

sitting tenants, representing 10% of the stock in June 1979 and have raised £220 million from the sale of other assets to reduce the involvement of the public sector and their call on government borrowing.

9. Ordnance Survey has been given a new financial and operating remit and a Trading Fund is to be established to enable it to operate as a freestanding trading organisation.

10. In 1980-81 local authorities spent £30 million with the aid of 100% exchequer grant on clearing derelict land. For 1981-82 £37 million has been provided for derelict land clearance as part of the "other services" block for authorities to spend as they decide. Urban schemes accounted for 32% of total expenditure in 1980/81 compared with 6.5% in 1977-78.

11. The Property Advisory Group is completing a short report on the best basis for partnerships between the development industry (including the institutions) and local authorities. A report by the Group on "Planning Gain" has already been published as a basis for consultation.

12. A consultation paper has recently been issued about Special Development Orders. These are now being considered with the aim of relaxing control further in particular areas where there is a general agreement on the need to stimulate housing or industrial development. Their use in connection with architectural competitions is also being considered. But there is no intention of using such orders to make wider relaxations in planning control.

13. In September 1981 the Government-sponsored Commission on Energy and the Environment published a report on "Coal and the Environment" concluding that there were no insuperable environmental obstacles involved in the levels of coal production and use envisaged up to the end of the century and beyond, but with important qualifications concerning disposal of mining spoil, open-cast extraction and the sensitive treatment of areas afflicted by subsidence. The report stressed that a modernised coal industry offered the best prospect of reconciling energy and environmental interests. The Government propose to make a statement in response to the Report by Summer 1982.

14. Improved performance on planning appeals: Decisions issued on planning appeals have risen by 81%, from 705 in May 1979 to 1278 in September 1981, without any increase in the permanent staff of the Department's Planning Inspectorate. There has also been a sharp fall in processing times: the proportion of planning appeals following the most streamlined procedure has risen from 64% to 77%, and the median time taken by these appeals has fallen from 23 weeks to 17 weeks, a reduction of 26%.

15. A consultation paper on ways of streamlining the planning appeals system was issued in 1980, and management consultants reported on the Inspectorate early in 1981. Since then new regulations have allowed more appeals to be delegated to Planning Inspectorates for earlier decision; an experiment has begun to permit, in suitable cases, informal hearings to be held rather than formal inquiries; a circular is soon to be issued to local authorities encouraging best practice in dealing with appeals; and a number of reforms have been made to office procedures. Various further changes, some of them substantial, are still under study.

D. INNER CITIES

1. The original list of Inner City Partnership and Programme authorities has been retained, but steps have been taken to get a greater emphasis on economic regeneration and environmental improvement and greater involvement of the private sector and voluntary bodies. Taking into account the extra funds for UDCs, the total resources devoted to the inner city programme this year are higher than ever before, - some £293m.

2. In the docklands of London and Merseyside Urban Development Corporations have been set up to bring life back to thousands of acres of derelict land.

3. Eleven Enterprise Zones are being set up in a number of places to encourage the economy of particularly depressed areas. Their main features include exemption from rates for industrial and commercial premises, 100% capital allowances, no development land tax, the abolition of Industrial Development Certificates and automatic permission for most development and no need for a detailed planning application. In Corby, half the EZ is already committed for development, and one Company is investing £25m in two new projects there: in Dudley, 300 new jobs will be created at a new factory making high technology products for the US defence market.

4. More emphasis has been placed on getting the private sector and the voluntary bodies working together and giving particular encouragement to Local Enterprise Trusts to help the economy of their own areas and the creation of small businesses. There have been many success stories from bodies such as the London Enterprise Agency, the St Helens Enterprise Trust and others still in the first year or two of their existence.

In over 50 different locations talks are taking place about the formation of an enterprise agency or one has already been formed.

5. Following a conference of UK and US businessmen, organised by the Department, the Secretary of State invited Sir Alastair Pilkington to chair a Working Group of industrialists to consider ways in which industry and commerce could become more closely involved in

the community. This Group has instigated the formation, by major national companies, of Business in the Community. An executive unit will seek to persuade more companies to adopt corporate social responsibility policies. It will act as a catalyst to bring companies together at local level so that they can work on community problems.

6. Ministers have consistently emphasised the importance of environmental schemes in making the inner cities places where people will want to live and invest. This theme has been restated in the Urban Programme Guidelines which Ministers sent to the Partnership and Programme Authorities.

For 1981/82 some £24 million was allocated under the Urban Programme to environmental schemes in the seven key Partnership areas. This has gone to improve defined areas - such as the five declared Environmental Improvement Areas in Liverpool - or to assist with specific schemes - such as the conversion of the 18th Century Pease Warehouses in Hull in a set of luxury flats.

7. National Garden Festivals: are a German idea (Bundesgartenschau) whereby derelict inner city areas are reclaimed and a major horticultural and landscaping exhibition is held on the site. An attractive environment remains which provides both recreational space and the basis for a range of possible industrial and commercial development. The Merseyside Development Corporation is to stage the first festival in 1984 and Stoke-on-Trent City Council have been offered a second festival in 1986 subject to agreement on financial arrangements.

8. Merseyside Initiatives: Following the Secretary of State's visit to Merseyside during the Summer, a Task Force has been established in Liverpool comprising representatives from the Department, DI, DfP and the MSC. This is examining, in cooperation with the local authorities and other interested bodies, how resources might best be deployed on Merseyside. It is intended that their conclusions will be extended to other inner city areas where possible.

The Department has also set up a group of managers seconded from some two dozen leading financial institutions. They will be looking at ways of improving cooperation with the private sector on inner city problems. The Group will be concerned with British Cities generally, and not just Merseyside.

E. ENVIRONMENTAL POLLUTION

1. Government controls on smoke control orders and noise abatement zones have been relaxed and air quality standards for smoke and sulphur dioxide pollution have been introduced.
2. New measures to strengthen the existing policy of reducing the potential hazards of lead have been announced, including a reduction in the lead content of petrol from 0.40 grammes per litre to 0.15 not later than the end of 1985 and replacement of lead plumbing in houses with otherwise insoluble problems of lead in drinking water to be eligible for home improvement grants.
3. Precautionary steps have been taken with regard to cadmium and chlorofluorocarbons: studies have been mounted into the practicability of using substitutes for cadmium in pigments and stabilisers and in the plating industries; and by agreement with industry the use of CFCs in aerosols will have been reduced by 30% below 1976 levels by the end of this year.
4. An important screening process for new chemicals was introduced in September 1981 in conjunction with the Health and Safety Executive to require manufacturers and importers of new chemicals to provide information about their possible effects.
5. Regulations have been introduced under the Control of Pollution Act to set up a new and improved system for the control of particular dangerous wastes.
6. Guidance has been published on how to identify and deal with problems of contaminated land - mainly the legacy of past industrial activities. Research has also been commissioned in this area.
7. The Royal Commission on Environmental Pollution published the outcome of a major study of marine oil pollution on 21 October¹⁹⁸¹. Pending Government consideration of this, a new plan for dealing with a massive marine oil spill affecting the coast was announced in September 1981. A coastal pollution co-ordination centre would be set up by the

Government if local authority resources, even in combination, were unable to cope.

8. A broad picture of the state of the UK environment was set out for the first time in Pollution Paper No 16, published by the Department in February 1980. In a foreword to the document, the Secretary of State said it should provide a better understanding of the state of the environment and ensure that discussion of future control policies and priorities was better informed. Most of the problems of gross pollution found in the past were well under control. Improvements in air and river quality were among the changes for the better. Continuing vigilance was needed, especially to cope with emerging problems.

9. A vigorous research programme has been mounted into the problems of managing and disposing of radioactive waste (now running at about £10m a year), and substantial work done towards developing a strategy for this kind of waste.

F. THE NATIONAL HERITAGE

1. The National Heritage Memorial Fund has been set up under independent trustees who have begun the work of protecting the national heritage of land and art objects.

It had two significant achievements in its first year. A grant of £1.5m for repairs and an endowment fund has enabled the National Trust to safeguard the future of Canons Ashby. Another grant enabled the National Gallery to purchase the Altdorfer from the collection at Luton Hoo.

2. The Government has sold Heveningham Hall, whose purchaser will both ensure its preservation and allow public access. The proceeds of the sale - over £700,000 - will go to the National Heritage Memorial Fund.

3. The Secretary of State has announced his intention to speed up the national re-survey of listed buildings. Detailed plans are now being prepared for greatly expanding the re-survey programme by involving both the private sector and local authorities, and the aim is to complete the re-survey in the shortest possible time.

4. Parts I and III of the Ancient Monuments and Archaeological Areas Act 1979 have been brought into force. Their effect is to repeal all existing legislation on ancient monuments - some dating back to 1882, and to increase the penalties for failing to observe the provisions of the Act. The Act introduces the concept of "scheduled monument consent" which would be required for works which may affect an ancient monument, and introduces penalties for the use of metal detectors in "protected places".

5. The Secretary of State issued in November a consultation document on proposals for the future administration of ancient monuments and historic buildings in England. The proposals envisage that certain executive functions in the built heritage field would be removed from the Department of the Environment and transferred to a new public sector ^{agency} established for the purpose.

6. The Government has participated in the Council of Europe Campaign for Urban Renaissance. At the May meeting of the National Committee the Chairman, the Minister for Local Government and Environmental Services, welcomed the suggestion of an urban renaissance fund. He is considering the possibility of a small fund to assist voluntary groups to formulate and secure support for schemes to improve their local urban environments.

7. The Secretary of State has sought to promote better architectural quality in new buildings. At least 12 public sector architectural competitions will have been started by the end of 1981, compared with four in the previous 18 months. Four private companies have also said they will hold more competitions.

8. The Secretary of State has stressed the importance of developing prime sites in major cities. The scheme for an international conference centre on the long vacant site opposite Westminster Abbey has been started. The Secretary of State is himself proposing a competition for the "Hampton" site next to the National Gallery in London; and the Housing Corporation have at his request announced a competition for the major site opposite the Anglican cathedral in Liverpool. Meetings have been held with the GLC to establish ways, in addition to architectural competitions, of achieving the Secretary of State's objectives, particularly along the Thames.

G. THE COUNTRYSIDE AND SPORT

1. The Wildlife and Countryside Act has introduced important new safeguards for conservation of animals and plants and their habitats, including provision for the creation of marine nature reserves. It provides for new procedures to assist moorland conservation in National Parks and a management agreement power that will be available to all local authorities for the first time. It introduces special safeguards for National Parks generally and for areas of special scientific interest. It amends the law relating to public rights of way, provides for the appointment of wardens for footpaths and bridleways, and prohibits the keeping of dairy bulls on land crossed by public rights of way. The Act fulfils the United Kingdom's international obligations in respect of nature conservation under the Berne Convention (signed in September 1979) and the EEC Birds Directive.

2. The Secretary of State has encouraged legislative proposals to control zoos through a system of licensing: Officials helped Lord Craigton and Mr John Blackburn MP with the details of their private Members Bill, which is now the Zoo Licensing Act.

3. Urban Fringe Experiment: St Helens. The Secretary of State has backed a project mounted by the Countryside Commission to improve derelict and unused land on the fringe of towns, to recreate better environment and landscape, to revitalise the farming and to improve the social atmosphere. The project is being run by a local trust, in which local authorities and private sponsors are taking part.

4. Countryside Conservation: The Department is devising with MAFF, financial guidelines for management agreements made under the Wildlife and Countryside Act. The Government has also increased its financial support for moorland conservation on Exmoor from 75% to 90% and has approved grant-aid by the Countryside Commission to the Broads Authority for their work in the Norfolk Broads.

5. The Secretary of State initiated a review of the functions and operations of the Development Commission. Some recommendations have already been implemented: for example, COSIRA loans have been extended to all rural areas and there is now joint financing of

workshops in Special Investment Areas by the Development Commission and local authorities.

At the Government's instigation, the Commission have made arrangements with several financial institutions, which have agreed to lend to small firms in rural areas vetted by COSIRA.

6. At the last meeting in New Delhi of the Washington Convention on International Trade in Endangered Species (CITES) proposals by the United Kingdom for extending the Convention to include additional species were accepted.

7. Following an initiative by the United Kingdom in September 1979, an EC regulation was agreed to prohibit whale products being imported into the Community. Primary whale products are already controlled in the UK but, from the beginning of 1981, the regulation has also restricted secondary products (e.g. leather goods treated with whale oil).

8. Waterfowl: In June 1981 the Government designated six sites under the Ramsar Convention on Wetlands of International Importance, making a total of nineteen sites in the United Kingdom. More sites are being considered.

9. Throughout 1981 the Department has been involved in various initiatives to discourage sporting contacts with South Africa. These initiatives helped to secure the reaffirmation of the "Gleneagles Agreement" at the Commonwealth Heads of Government Meeting in Melbourne in October.

H WATER INDUSTRY

1. DoE have acted to improve the efficiency of the Regional Water Authorities by setting financial targets, by employing accountants to review Water Authority budgets, and by following up the Monopolies and Mergers' Commission Report on the Severn-Trent Water Authority. The manpower of Regional Water Authorities has been reduced by 2.8% in the last 12 months, and all Authorities have prepared plans of action to improve their efficiency, and reduce their costs, pursuant to the recommendations of the MMC.
2. River quality: over 50,000 Km of UK rivers have been designated, in accordance with the European Community Freshwater-Fish Directive. The 1980 River Pollution Survey confirmed the continuing improvement in river quality: over the last 10 years there has been a 50% reduction in the length of Class IV (grossly polluted) rivers.
3. Of the 25 coastal waters identified as bathing beaches within the European Community Bathing Water Directive, all but four already reach the required standard, and capital works are firmly projected to bring these four up to the required standard within a few years.
4. The Lawther Committee endorsed the progress made, at DoE's initiative, on the lead-in-water problem and Water Authorities are following up to identify those areas where improved water treatment is necessary: they are giving such improvements priority.
5. Twenty-seven areas of water have been designated in the UK under an EC Directive on the quality of shellfish waters. These waters, totalling some 314 square kilometres in area, are required to meet a range of water quality objectives within 6 years of designation.
6. From 1 April 1982, water undertakings will be precluded, under the Water Act 1981, from charging for water supplied and used for fire fighting purposes or for testing fire fighting equipment.

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7. Also from 1 April 1982 water undertakers will be liable under the Water Act 1981 where damage is caused by escapes of water from their mains and communication pipes. Previously it was necessary for the injured party to prove negligence on the part of the water undertaker - a difficult and costly business.

8. The Secretary of State has announced plans for the privatisation of the Hydraulics Research Station. A Shado. Board has been set up under the Chairmanship of Sir Alan Harris to act on behalf of the new organisation, which will be constituted as a company limited by guarantee, registered under the Companies Act.

I · CONSTRUCTION INDUSTRY

1. The supply of development land for the construction industry is being boosted by the setting up of land registers, the repeal of the Community Land Act, the streamlining of planning requirements, house building and improvement measures and inner city initiatives.
2. A review of the building regulations and the building control system has been carried out and proposals for legislation were provided in a Command Paper in February 1981. The proposals look forward to new, simpler regulations, and to a system which gives the construction industry more opportunities to regular their own affairs. As a first step, a number of minor operations have been removed from the control, and redundant administrative requirements removed with effect from 1 December 1981.
3. The Department, advised by a specially-appointed Steering Group which represents interested parties within the industry, has commissioned consultants in conjunction with BRE to carry out a study of construction delays.
4. A review of the public purchasing of construction materials and components has been undertaken, and a number of initiatives launched to increase the use of British Standards and independent certification schemes (e.g. the British Standard "Kitemark") in PSI specifications; these initiatives will set an example for other public purchasers to follow.

PROPERTY SERVICES AGENCY

- 1 ESTATE RATIONALISATION IN LONDON: PSA have developed an Estate strategy for reducing government office space in London as civil service numbers reduce. Over the next few years this will save about £50m a year in rents and running costs. In 1981/82 about 800,000 sq ft of office space will be released.

- 2 ENERGY CONSERVATION: PSA continued the programme of energy conservation that has achieved energy savings of about 34% by 1979 compared with 1972. Further savings of about 8% have been made towards the current savings target of 12% of 1978/79 levels by 1982. As a result of ^{the} energy conservation programme the energy bill on the civil and defence estates last year was about £85m less than it would have been without those measures.

- 3 MAJOR NEW BUILDINGS: major new buildings (over £1m) completed in the first half of 1981/82 include Crown Courts at Burnley, new Crown Offices at Aberdeen and two in Liverpool (Toxteth and Park Road), new headquarter offices for the Manpower Services Commission in Sheffield; a new Laboratory for MAFF at Lowestoft and major works for the Army in Belfast and for the RAF at Aldergrove, Northern Ireland. New projects started in the first six months include offices in Glasgow for staff dispersed from ^{London,} the New Sheriff Court House in Glasgow, new Crown Courts at Maidstone, the new Wayland Prison, and the first stage of redevelopment at Broadmoor. Tenders were invited for the first stage of the new British Library. Commissions for four new prisons were let to consultants.

In the 6 months to 30.9.81, 24 major defence projects (over £1m) valued at £63M were completed. Contracts were let for 13 major projects valued at £79M. PSA's work in the defence area is becoming ever more directly geared to essential operational requirements.

- 4 Disposal of surplus property: Ministers have given top priority to the disposal of surplus property on the Government estate. Sales in 1980/81 totalled £83M compared to under £30M in 1978/79.
- 5 Architectural Competitions: The Secretary of State is seeking to promote good design in a number of ways, including design competitions. PSA has held 3 successful competitions for major new works projects in recent months and others are in the pipeline, including one for the important Hampton site adjoining the National Gallery.
- 6 Awards: PSA has received a number of awards for design and workmanship in the last couple of years. Projects given recognition include the Synrolift Refit Shop at HM Naval Base, Rosyth; the Submarine Refit Complex at Devonport; the Coastguard Maritime Rescue Co-ordination Centre, Dover and a scheme of repairs and restoration at Hampton Court Palace.