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DEPARTMENT OF TRANSPORT
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The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON SW1P 3EB

24 April 1985

Dear Patrick

NEW BURDENS ON LOCAL GOVERNMENT

I am concerned that the transport entries in the list attached to your letter of 10 April are misleading. For example they do not refer to the effect of deregulation in enabling some services currently subsidised to be provided commercially; nor the key change of channelling all revenue support through tendering reducing the costs of some subsidised services.

It is impossible to estimate precisely the impact of the different parts of the Transport Bill package which, as you know, will alter the whole structure and processes of the bus industry. But, as I said in my letter of 4 October 1984 on New Burdens for Local Government, we need to project the policy as a whole.

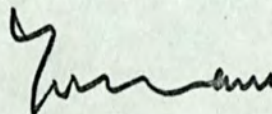
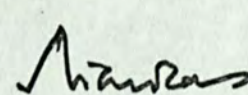
Overall, I see the whole package as neutral in terms of local authority expenditure. That is the position I am taking with the local authority associations and during the Bill's passage through the House. I shall not be proposing a specific extra allocation for local transport expenditure to cover the impact of the Bill when we discuss local current expenditure in the next round.

The seven Transport items in your list are concerned entirely with the costs of the new administrative arrangements.

In some respects these will supersede more costly general public transport planning arrangements that exist at present - especially in Metropolitan areas. In others they should be more than offset by the other effects referred to above.

I think it would be helpful in future if new entries on your list were discussed between our officials first. One of the entries (No. 20) is also factually incorrect. We do not intend that counties should be the registration authority - we have placed this responsibility on the Traffic Commissioners.

I am copying this to the Prime Minister, members of E(LA) and Sir Robert Armstrong.

NICHOLAS RIDLEY

LOCAL COURT : Reels. Pk 26.

25 APR 1967

