CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Baker MP Secretary of State Department of the Environment 2 Marsham Street London SW1P 3EB

NBPN.

21 November 1985

will required

NEW TOWNS' RECEIPTS

Dec Kemeth

Thank you for your letter of 12 November.

I am pleased to hear that your programme of new town disposals is running well, and that you expect a modest increase of receipts above forecast. I am also grateful that you are prepared to surrender the additional receipts. May I suggest that our officials get in touch to prepare the necessary PQ announcing the cash limit change.

I am copying this letter to the Prime Minister, the Chancellor and Sir Robert Armstrong.

JOHN MacGREGOR

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