



DEPARTMENT OF THE ENVIRONMENT
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MINISTER FOR HOUSING AND CONSTRUCTION

30 March 1982

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street

Prime Minister of *Mr Ingham*
Mr Gov

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Dear Prime Minister.

I have looked into the point which you raised at our meeting last Wednesday about whether home improvement grants could be paid in such a way that the applicant would not have to finance the work from his own resources while it was in progress.

I am glad to say that this is possible under present legislation. The Housing Act 1974 gave local authorities power to pay instalments as the work progressed up to a maximum of half the total grant approved. In our 1980 Housing Act, we amended this to provide that instalments may be paid at the rate at which grant is approved - so if an applicant is getting a 90% grant, the local authority can pay 90% of any stage payment which he has to make to the builders.

If an applicant wishes, he can even ask the local authority to make payments directly to his builder: special standard forms of contract for this purpose have been issued by the Joint Contracts Tribunal.

These arrangements are open to any grant applicant, not only those on low incomes. We drew local authorities' attention to the arrangements in 1980 but in the light of our discussion, I shall make sure that we do so again when we write to them in April about the grant changes announced in the Budget.

I am copying this letter to Francis Pym, Leon Brittan and to Cecil Parkinson.

Yours etc.
John Stanley

JOHN STANLEY



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