

March 25, 1981

£306.8M TO UK UNDER SUPPLEMENTARY MEASURES

Mr Antonio Giolitti, European Commission member responsible for regional policy, has just signed five decisions on behalf of the Commission granting financial assistance under the supplementary measures in favour of the United Kingdom agreed by the Council on May 30, 1980.

The Community is to contribute 564.4m ECU (about £306.8m) to special infrastructure investment programmes in five United Kingdom regions: the North, Scotland, the South-West, Yorkshire and Humberside, and Northern Ireland. Of this expenditure, £276m (90 per cent) will be paid by March 31. The balance will be paid later. This brings the total payment under the supplementary measures to £434m in the current financial year.

The supported programmes submitted by the UK Government are multiannual; the Commission has selected from them the categories of infrastructure investment that will make the greatest contribution to the economic development of the regions concerned.

Community aid is to be allocated as follows:

(£ million at March 3 exchange rate)

Categories of investment	North	Scotland	South West	Yorkshire & Humbers.	Northern Ireland	Total
Roads	9.0	23.1	-	5.1	16.9	54.1
Railways	11.1	17.4	1.8	13.5	0.8	44.6
Water & sewerage	18.9	-	5.7	21.3	10.3	56.2
Advance factories	-	6.1	-	-	2.5	8.6
Land reclamation	-	3.6	-	-	0.2	3.8
Telecommunications	18.9	36.5	7.8	38.7	19.6	121.5
Housing	-	-	-	-	18.0	18.0
Total	57.9	86.7	15.3	78.6	68.3	306.8

These five operations are further supplementary measures, following two operations decided on in December 1980 and January 1981 for Wales and the North-West (1); these two operations involved Community support of £175m, 90 per cent (£158m) of which has already been paid over to the UK.

By March 31, financial aid to the United Kingdom under the supplementary measures will have reached a commitment of 880.6m ECU (about £482.1m), of which 792.5m ECU (about £433.9m) will have been paid. These sums are to be applied to projects financed out of public funds in the United Kingdom during that country's financial year 1980/81.

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(1) ISEC/42/80 and ISEC/5/81

The agreement of May 30, 1980 authorized the payment of 1 175m ECU to the United Kingdom, a sum calculated on the basis of the UK budget contribution for 1980, to be paid partly under the financial mechanism and partly under the supplementary measures.

On October 27, 1980 the Council adopted two regulations implementing these payments: Regulation 2743/80 amending Regulation 1172/76 setting up a financial mechanism, and Regulation 2744/80 establishing supplementary measures in favour of the United Kingdom.

Major projects

Substantial investment in telecommunications and in railway modernisation are common to all areas. Among the other public spending programmes which the supplementary measures will help finance are the following:

North of England: Roads investment in the region will include improvements to east-west links like the A66 and the A69, including a by-pass round Stockton and Thornaby and another round Appleby. Sewerage projects will help to reduce pollution in the tidal stretches of the Tyne, Wear and Tees.

Scotland: Road investment includes improvements to links from England to Stranraer and to areas affected by oil development. Rehabilitation of land for industrial development in Central Scotland, Glengarnock in Ayrshire, Methil and Fife and Ballachulish will be part-funded by the supplementary finance, as will the programme of advance factory building in the depressed areas.

South-West England: The major water supply project assisted is the Colliford Reservoir at St Neot's, which will ensure water supplies for Cornwall.

Yorkshire and Humberside: Major sewerage schemes in this region will include the Don Valley Interceptor Sewer, which will modernise Sheffield's sewage system.

Northern Ireland: Road schemes include the link between the M1 and M2 and the Foyle Bridge; sewerage improvement will include works to reduce pollution of the River Lagan. Northern Ireland is the only region where some of the finance will be used for housing, providing 20 per cent of the cost of f90m spending by the Northern Ireland Housing Executive.

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