Part 8

Confidential Filing

Relations between Central & Local Govt.

Local Authority Expenditure.

Accounts Commission for LA Audit.

LOCAL GOVERNMENT

Pt 1: May '79

Pt 8: December '81

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~2.12.81~~							
~~3.12.81~~							
~~4.12.81~~							
~~17.12.81~~							
~~22.12.81~~							
~~24.12.81~~							
~~29.12.81~~							
~~7.1.82~~							
~~8.1.82~~							
~~14.1.82~~							
8.1.82							
Pt Ends							

PREM 19/831

Dd 533270 5M 2/78 8362633 JET

PART 8 ends:-

8.1.82

PART 9 begins:-

11.1.82

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
E(81) 37th Meeting, Minute 1	3.12.81
E(EA) (81) 46	10.12.81
CC(81) 40th Conclusions, Minute 1	10.12.81
E(EA) (81) 17th Meeting, Minutes	14.12.81
E(81) 130	16.12.81
CC(81) 41st Conclusions, Minute 1 (extract)	17.12.81
E(81) 131	21.12.81
E(81) 40th Meeting, Minutes	22.12.81
E(82) 1	8.1.82

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed OMWayland   Date 27 September 2012

PREM Records Team

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

8 January, 1982.

London Transport and the GLC

The Prime Minister was grateful for your Secretary of State's minute of 7 January about the meeting with Mr. Livingstone which took place this morning.

The Prime Minister was content with the draft Press Notice attached thereto, subject to the insertion of "some" before "subsidy" in line 6, and the substitute of "could" for "should" in the same line.

I am sending copies of this letter to John Kerr (HM Treasury), David Heyhoe (Lord President's Office), Jim Nursaw (Law Officers' Department), David Edmonds (Department of the Environment), and David Wright (Cabinet Office).

M. C. SCHOLAR

Anthony Mayer, Esq.,
Department of Transport.

CONFIDENTIAL

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JV
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CONFIDENTIAL

Prime Minister
To note.
MS 8/1

Prime Minister

LONDON TRANSPORT AND THE GLC

As I explained in my minute to you of yesterday afternoon, I saw Mr Livingstone this morning to discuss London's public transport problems in the light of the House of Lords' judgement. Mr Livingstone and Mr Wetzel, the Chairman of the Transport Committee, who were accompanied by another member of the Council, the Leader's political adviser and a number of officials, were very quiet and reasonable at the meeting. They took a much more extreme view when they saw the Press after the meeting, and I understand from reports that their main message was that the Government were not prepared to be helpful. I have therefore issued the Press Notice which I agreed with you, and I have also spoken to the Press and television to make the Government's present position clear and bring home the heavy cost of the GLC's irresponsible transport policies over recent months.

Mr Livingstone's first point to me was about concessionary fares. I said that it was certainly the Government's view that there should be a London-wide concessionary scheme. I made it clear that they must first discuss how far the London boroughs could provide such a scheme, but that I would be prepared to consider sympathetically if they ran into insuperable problems.

Mr Livingstone then asked for legislation to enable him to continue with his present policies. I took the line, as agreed, that the Government were not prepared to help with the continuation of the present low-fare high-cost policies. We were however in no doubt that they would be complying with the law if, in

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the first instance, they approved the present LT proposal for 100% fares increase in March - much as we deplored the need for this which arose directly from the actions of the new GLC - and that as demonstrated in our recent transport supplementary grant settlement, some subsidy could continue to be provided for LT's operations.

Mr Livingstone told me that in the light of the advice provided by his officials, he expected the GLC to agree that they should ask LT for a further immediate report about what further savings in costs were practicable, and on the effects of a further substantial fares increase soon after March. He said that he would want to discuss further with me, in the light of this information, around the end of January, so that a decision could be taken before the GLC determine their own Budget for 1982/83 at a meeting fixed for 16 February. I agreed that it would be sensible for us to meet again to discuss on that basis.

Mr Livingstone also discussed how they were to deal with the £125m deficit that London Transport will have built up by the end of March. GLC officials are undoubtedly advising that, in the light of the House of Lords judgement, the GLC must go as far as practicable towards reducing the total subsidy bill. We are therefore likely to be told, at the end of the month, that a further fares increase is essential in order to meet as much as possible of the deficit which they propose to cover, for the time being, by strictly temporary borrowing by London Transport. By then we shall have had the considered views of the Law Officers. We shall need to decide, after the GLC have told us how far it would be practicable to cut costs and raise fares further, whether this is a situation in which the Government should seek to intervene.

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The note by officials which you commissioned at the meeting of E Committee on 22 December (E(81)40th meeting minutes) will be circulated tonight, and I will circulate my own views about these issues in a paper for E Committee very early next week. But in the meantime I thought it would help you and other colleagues to have this brief factual report on today's meeting.

I am sending copies of this to the Chancellor of the Exchequer, the Lord President, the Attorney-General, the Secretary of State for the Environment and Sir Robert Armstrong.

DA.

DAVID HOWELL
8 January 1982

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CONFIDENTIAL

cc JN
AD
B.I.C

(1)

Prime Minister

Content with draft statement?

MCS 7/1

Prime Minister

LONDON TRANSPORT AND THE GLC

Mr Livingstone has now approached me to ask for a meeting to discuss London's public transport problems in the light of the House of Lords judgement. The meeting takes place at 09.00 tomorrow morning.

My approach at the meeting will be very much to take a listening role. I want to hear what he has to say and what exactly he wants. I will tell him that now I have heard from him I will consult my colleagues and call him in as soon as the Government is ready with firm views. I will make no commitments.

That said, we must not run the risk of losing the publicity initiative which we still hold, or being misrepresented by him when, as he surely will, he gives interviews to journalists after the meeting. Neither must we give our supporters at County Hall the impression that the Government is washing its hands of London's problems when they take part in the crucial vote on London Transport's 1982/83 budget next Tuesday, 12 January.

I therefore propose that we be ready to issue a press notice during the course of the morning tomorrow. I attach a draft. As you will see it aims to take a reasonably encouraging line for users of London Transport and more especially for our colleagues at County Hall without at the same time making any specific commitments. I will await any comments you may have on it before issuing it.

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I am copying this to the Chancellor of the Exchequer, the Lord President, the Attorney General, the Secretary of State for the Environment and Sir Robert Armstrong.

RAJ Mayer

p.p. DAVID HOWELL
7 January 1982

(Approved by the Secretary of State and signed in his absence)

CONFIDENTIAL

PUBLIC TRANSPORT IN LONDON

TRANSPORT SECRETARY SPEAKS OF CONCERN

The Rt Hon David Howell, Secretary of State for Transport, today expressed his concern about the difficulties which the GLC's policy of high costs and low fares have created for public transport in London and his belief that these could be cleared up in a way that was sensible and equitable to all concerned. He made it clear

* that the Government believed that some subsidy ~~sh~~could continue to be provided for LT's operations and that London's old-age pensioners should continue to enjoy concessionary fares.

Mr Howell made these points following a meeting today with Mr Ken Livingstone and Mr Dave Wetzel of the GLC when he asked them what progress they were making in getting the financial affairs of the GLC and London Transport into order following the Lords' decision on the GLC supplementary rate precept.

Following the meeting, Mr Howell said that the immediate need was for a budget to be agreed for London Transport that would begin to get fares and services into better balance with the resources available. He said:

"Let me make it quite clear that the Government is committed to a reasonable and realistic level of subsidy support for public transport in London. I have already announced that I have accepted £89m for revenue support in 1982/83 - which goes directly to subsidise the operations of London Transport - plus a further £197m of capital expenditure at least half of which is on London's underground and buses. The amount of subsidy for revenue support is 14% more than was allowed last year. This is a measure of the level of subsidy support towards fares and services which we have agreed as appropriate for London and it provides the background against which the LT budget can now be framed".

On concessionary fares, Mr Howell said:

"I welcome the urgent talks the GLC are having with the Boroughs to sort out the question of how within the terms of the legislative framework, the needs of the elderly can continue to be met. If insoluble problems are encountered I shall certainly consider sympathetically what changes are needed to solve them."

He added:

"It is an unfortunate legacy of the events of the past few months that London's travellers and ratepayers will one way or another have to meet the cost of getting London Transport's finances back into order again. Nobody deplores more than I do the sharp rise in fares with which Londoners will be faced. They are a regrettable part of the cost of putting things right. What we must ensure is that the way the financial mess is cleared up is sensible and equitable to all concerned. This will mean the GLC must urgently look at their spending policies and their resources as a whole.

"In sum, I believe the aims should now be to get the financial affairs of London Transport back on to a firm footing and for London Transport and the GLC to press forward with improvements in the efficiency of services. These are the policies which until eight months ago councils of both parties had been pursuing over the years, and they will best meet the interests of the taxpayer and the ratepayer."

c/c JV Local Govt
AD

2 MARSHAM STREET
LONDON SW1P 3EB

(2)

Prime Minister

My ref: MHS 7/1

Your ref:

7 January 1982

Dear Attorney General

GLC/BROMLEY CASE: IMPLICATIONS OF HOUSE OF LORDS DECISION FOR RATEPAYERS

At E(81)40th on 22 December, I indicated that there were legal complexities surrounding the position of the ratepayer, and his possible entitlement to a refund, following the quashing of the GLC's supplementary precept in respont of its subsidy to London Transport.

My Departmental lawyers have been examining the issues in detail as a matter of urgency. As we expected, the law is far from clear as to what should be the appropriate form of action in such circumstances and there are few precedents which can be regarded as being in any way helpful. We are therefore urgently seeking the advice of outside Counsel. My lawyers have prepared for this purpose the enclosed provisional assessment of the law as it appears to apply to the current situation. It considers, inter alia, the following main issues:-

i. The validity of supplementary rates issued by the boroughs in consequence of a supplementary precept now found to be unlawful.

ii. Whether such supplementary rates may be quashed by a Court and, if so, whether in whole or in part (for example, the GLC simultaneously issued a supplementary precept in respect of ILEA, which is still lawful, and for which the boroughs have rated).

iii. Whether the boroughs may still recover any lawful part of the supplementary rate.

iv. Whether the ratepayer is entitled to a cash refund or to a credit against next year's rate.

v. The implications of any sanction I may give to boroughs under S.161 of the Local Government Act 1972 to remove from the scrutiny of the District Auditor any refunds made to ratepayers.

This provisional assessment has been sent to Counsel, from whom we hope to receive advice early next week. In the light of his advice I would also be grateful for your views and I am therefore enclosing a copy. I understand that my officials have already sent copies of Counsel's opinion obtained by the local authorities.

Other events may, of course, obviate the need for any Government intervention, either by legislation or other means. As my lawyers' assessment explains, there are numerous ratepayer appeals against the supplementary rates which have all been transferred to Croydon Crown Court in order to ensure consistency of decision. A number of test cases will be heard towards the end of this month and the decisions of the court may resolve the problems and uncertainties; on the other hand they may not.

In addition there are reports in today's press that, at officials level at least, the London Boroughs Association have devised a scheme for refunding ratepayers money on application or otherwise crediting it against next year's demands. I understand this is proposed on the basis of a fresh opinion from the Counsel, a copy of which is also with your officials. This will, however, require further investigation to see whether it provides a satisfactory solution and we will report back.

Finally, colleagues will need in due course to consider the wider implications of the Lords' judgement in respect of the fiduciary responsibilities of a council to its ratepayers. This could have important implications for other local authority services in the context of the targets and potential grant penalties which we have set for authorities and my officials are looking into this.

Copies of this letter - without enclosure - go to the Prime Minister, other members of E and to Sir Robert Armstrong.

-7 JAN 1982

Yours sincerely

for MICHAEL HESELTINE
(dictated by the Secretary of State
and signed in his absence)

The Rt Hon Sir Michael Havers QC MP

2F

Original filed on:-

Education: Teachers Pay: Pt 2

10 DOWNING STREET

From the Private Secretary

7 January 1982

Dear John,

The Prime Minister held a meeting this morning on public service pay. The Chancellor of the Exchequer, the Secretaries of State for Education, Environment and Employment, the Chancellor of the Duchy of Lancaster, the Minister of State for the Armed Services (Mr. Blaker) and the Minister of State at the Department of Health and Social Security (Dr. Vaughan) were present. On Civil Service pay, the conclusions of the meeting are recorded separately.

On teachers pay, the Secretary of State for Education and Science said that the danger here was that the negotiators would be too much influenced by the 6.9% offer for local authority manual workers. The unions would certainly be watching the progress of the Civil Service pay claim closely, and if the latter went to arbitration, it seemed very likely that the teachers would similarly seek arbitration. His advice was that although the union's unilateral right to arbitration had now gone, the management side could agree to arbitration without Government consent. It would be impossible for the Government to exercise a veto on the outcome of arbitration. So far as higher education was concerned, the Vice-Chancellors had indicated that they would like to achieve a settlement below 4%, on the basis that they could use the difference between the settlement level and 4% to finance their redundancy and slimming costs. The Chancellor of the Exchequer was asked to consider urgently whether this might be an acceptable way of proceeding.

On local authority pay, the Secretary of State for the Environment expressed the hope that the approach proposed for the Civil Service might be extended to the AP and TC group of white collar workers whose claim was expected towards the end of this month.

On nurses pay, a paper was being prepared for E(PSP) and there would also be a further discussion in the Nurses and Midwives Whitley Council early next month, as envisaged in the Prime Minister's meeting with the Staff Side on 18 December. Given the substantial recent increases in the nurses and midwives pay bill, it was agreed that urgent consideration should be given to ensuring that there was no further increase in their numbers.

/The Chancellor

SECRET

The Chancellor of the Exchequer was asked to consider the practicability of earmarking part of the contingency reserve for capital spending late in the financial year, so as to allow the argument to be advanced in pay discussions that a moderate settlement would provide room in the current financial year for procurement of, for example, additional medical equipment, school books, or steel pipe for improved sewerage and water services. Such an approach might also be extended to the local authority field.

Mr. Blaker outlined the problem of fleet auxiliary officers. It was agreed that the Chancellor would make early proposals about the treatment of these people, together with other single outside analogue grades.

I am copying this letter to Imogen Wilde (Department of Education and Science), David Edmonds (Department of the Environment), Barnaby Shaw (Department of Employment), Jim Buckley (Office of the Chancellor of the Duchy of Lancaster), John Halliday (Home Office), Peter Craine (Ministry of Defence), Craig Muir (Department of Health and Social Security) and David Wright (Cabinet Office).

Yours sincerely,

Michael Scholar

John Kerr, Esq.,
HM Treasury.

MG

(bu. 10/12)

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

My ref: H/PSO/19198/81

Your ref:

CWh 31/12

29 DEC 81

Dear Councillor Wheaton

Thank you for your letter of 9 November to the Prime Minister concerning Humberside's expenditure in 1981/82.

The Prime Minister's comments, looked at in context, were clearly directed at the Council's supplementary precept for 1981/82. The Conservative administration in Humberside budgeted for total expenditure of £271m. Your administration raised expenditure by £10m and to finance this additional spending you levied a 12p supplementary precept which will yield £11m. I am afraid that I can see no grounds for suggesting that this increase was in any way the result of the Government's policies. Moreover, if instead of increasing your expenditure you had reduced it by as little as £1½ million - in line with GRE - the County would then have qualified for complete protection from the holdback of grant which I announced in September. Humberside would then not have lost the £7m in grant which it stands to lose under your policies.

You will tell me that Humberside is in no position to make reductions in its expenditure. Yet I have looked at Humberside's expenditure levels in relation to other non-metropolitan counties, and it appears that Humberside's total expenditure per 1000 population is the 4th highest of all counties. The latest manpower figures also show Humberside with the 4th highest staff numbers per 1000 population. Compared with GREs, which make some allowance for the different circumstances of each county, Humberside is the 9th highest. These statistics seem to me at least to raise questions as to whether there is any scope for increased efficiency and further economies.

Whilst I think we would probably agree on the vital need to reverse the decline that has taken place in capital investment over recent years, this is only possible if we are all prepared to make efforts to reduce the present level of consumption of our current resources. You will have seen my proposals for the 1982/83 RSG Settlement, and I trust that the County Council will be examining carefully its response to the spending targets and grant levels which I am proposing for next year.

Yours ever
Michael

MICHAEL HESELTINE

Councillor M Wheaton

CONFIDENTIAL

cc J. Vereker
A. Duguid.

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

(2)

Prime Minister

Inconclusive but x is new

MLS 23/12

Michael Scholar Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

23 December 1981

Dear Michael,

LONDON TRANSPORT

My Secretary of State thinks that the Prime Minister and other Ministerial colleagues should be aware of the latest developments. The legal advice which is being presented today to the Leader of the GLC and his immediate Party Colleagues is, apparently, to the effect that, in the light of their judgement by the House of Lords, the GLC have no powers to pay revenue subsidy to London Transport. We do not know what view Mr Livingstone and his colleagues will take of first the firm statement made in yesterday's debate by the Secretary of State that the Government's policy towards revenue support was unchanged, and secondly the firm statement by the Solicitor General that if London Transport had made a serious attempt to put forward a balanced budget, but that it appeared that this was not practicable, "the GLC may make a grant for revenue purposes".

We do not know what the GLC will do now. But there must be some possibility that they put out a Press Notice, over the holiday period, saying that on legal advice they would be unable to pay any revenue support, and presumably drawing attention to the consequences for London Transport fares.

Mr Howell has considered how he should react to any such immediate GLC initiative. He made the Government's position clear during yesterday's debate. It would not, he thinks, be appropriate for him to issue an immediate invitation to Mr Livingstone to come and see him since this would run counter to the Government line as expressed yesterday, and might suggest some doubt about the Government's position. If the GLC do put out a Press Notice,

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Mr Howell will stand ready to react immediately. He would make it clear to the press that the line being taken by the GLC on the interpretation of the law is flatly opposed to that taken by the Solicitor General, and that by taking this view the GLC appear to be placing unnecessary difficulties in their own path and exaggerating the financial problem. He has already said that he would be very ready to see Mr livingstone at any time if the GLC find difficulty in sorting out the problem without Government intervention. So far he has had no approach of any kind. He hopes that the GLC will take a sensible view of the matter in the light of the statement about the Law by the Solicitor General, and the fact that the Government have, only this week, announced a transport supplementary grant settlement, which makes provision for the payment of some £89m in revenue support by the GLC to London Transport in 1982/83.

As Mr Howell warned his colleagues in his paper to E Committee of 21 December (E(81)131), if the GLC refuse to behave sensibly, then some change in the Law might be urgent and necessary.

My Secretary of State will, of course, keep the Prime Minister in touch with any developments.

I am sending copies of this to private secretaries to the other members of E Committee, the Chancellor of the Duchy, the Law Officers and Sir Robert Armstrong.

Yours,

Anthony Mayer

R A J MAYER
Private Secretary

CONFIDENTIAL

2 3 DEC 1981

R M

Local Govt

22 December, 1981

Local Authority Expenditure

The Prime Minister is grateful for your Secretary of State's minute of 18 December whose contents she has carefully noted.

I am sending copies of this letter to the Private Secretaries to the other members of Cabinet and David Wright (Cabinet Office.

M. C. SCHOLAR

P Shaw, Esq
Department of Education & Science

JC

P.0620

PRIME MINISTER

London Transport: House of Lords Judgement
(E(81)131 and 130)

BACKGROUND

Following the House of Lords judgement that it was unlawful for the Greater London Council (GLC) to increase subsidies to London Transport (LT) in the manner and by the amount they did, the Secretary of State for Transport recommends in E(81)131 that there is no longer any need for immediate legislation on transport subsidies. In particular he recommends that it would be inadvisable to proceed with legislation to provide for External Financing Limits for LT and for the Passenger Transport Executives (PTEs); if this is accepted it will not be necessary for the Committee to discuss E(81)130 which was prepared on a contingency basis before the House of Lords judgement was known.

2. The Secretary of State for Transport explains in E(81)131 that, contrary to the impression given by the GLC and LT, the judgement does not rule out reasonable support for LT; he has already made this point publicly in the Debate last Friday, 18 December, on communications in London and the South East (Hansard Col 554). The next step is for LT to put forward a revised budget, in the light of the judgement, and make proposals for fare increases. The Secretary of State advises that to restore fares in April 1982 in real terms to the level of those in April 1981 would require an increase of 63 per cent (0.2 on the Retail Price Index) but more if they were to take account of accumulating deficits. It may be that GLC will have to make a loan to LT to deal with the short term position and possibly for the longer term too. It is to be hoped that this situation will encourage LT to take a very firm line in the pay negotiations for their busmen and underground workers who are due to settle in March and April.

3. The Secretary of State for Transport is ready to see Mr Livingstone to discuss these questions. He will make clear that the Government does not intend to legislate to enable the GLC to continue with its subsidy policy.

4. Pending further discussions and proposals from the GLC it is premature to consider the case for further legislation. Provided the GLC are sensible it may be that no new legislation is necessary. If they are not, it might be necessary to take drastic action, perhaps on the lines of the EFL Bill. Another possibility would be to supplement present legislation, as now clarified by the Law Lords' judgement, with a statutory duty requiring the GLC and the Metropolitan Counties to take account of guidelines which the Secretary of State would give them on what he considered to be the maximum reasonable level of subsidy. In the meantime the Secretary of State judges that the general principle that a balance should be held fairly between ratepayers and users of public transport also applies to the Metropolitan Counties; this could well be tested shortly if any local authority takes action in the courts against the counties, as a number are currently threatening to do.

5. As a separate matter the Department of the Environment are seeking legal advice on the implications of the judgement for the individual ratepayer and for payments of subsidies other than on transport. It is, for example, not yet known whether the GLC will have to repay the existing precept to the boroughs and whether the boroughs can repay those ratepayers who have already paid their supplementary rates.

6. The Secretary of State for Transport intends to make a further report to the Committee early in the New Year, probably in the week beginning 11 January. By then the Secretary of State for the Environment should be in a position to advise on the outcome of his further inquiries. In the meantime the Committee is likely to agree that no specific action is necessary, though the meeting gives Members an opportunity to warn the Secretaries of State for Transport and for the Environment of any points which they should take on board in their further work and discussions.

HANDLING

7. After the Secretary of State for Transport has introduced his memorandum you will wish to invite the Secretary of State for the Environment to comment. The Attorney General is present to deal with any points of law which may arise. You might then ask the Chief Secretary, Treasury whether there are any particular points he wishes to make at this stage on, for example, possible requests for loans, temporary or long term, and on the level of fare increases which might be acceptable in Spring 1982. The Secretary of State for Employment might also like to comment on the prospective fare increases and on any implications for wage negotiations by LT.

CONCLUSIONS

8. On the assumption that the Committee will not wish to discuss the paper, E(81)130, on External Financing Limits you will wish to sum up with reference to the 4 points listed in paragraph 12 of the Secretary of State for Transport's memorandum E(81)131. You will also wish to record any points which the Committee wishes the Secretaries of State for Transport and for the Environment to take on board at this stage. The Committee will need to return to these questions when firmer proposals are available.

PG

P L GREGSON
Cabinet Office

21 December 1981

CONFIDENTIAL

Prime Minister

To note.

MCS 21/12

(2)

PRIME MINISTER

LOCAL AUTHORITY EXPENDITURE

TPM

I very much agree with the Home Secretary's suggestion, in his minute to you of 16 December, that we should make it clear that the Rate Support Grant settlement indicates the central government's view on the levels of relevant expenditure by service. We agreed in Cabinet yesterday to do nothing which might appear to encourage or condone failure by local authorities to observe our expenditure targets. But, as the Home Secretary says, we cannot simply abandon to local authorities all choice of priorities between services. We must give them a lead.

I am sending copies of this minute to the other members of the Cabinet and to Sir Robert Armstrong.

KJ.

18 December 1981

CONFIDENTIAL

Mr. Bob Cryer (Keighley): Under section 6 of the Health and Safety at Work etc. Act 1974 when an article is offered for sale for use at work there is a duty on the importer and distributor to ensure that it is free from risk to health. That being so why are we subjected time after time to the importation of damaged and dangerous commodities and yet no action is taken? Why is there no surveillance at the ports of imported articles to ensure that they conform with the Act, even if it means employing further civil servants?

Dr. Vaughan: As far as I am aware, this is the first time that such a situation has arisen. I share the concern of hon. Members, and I am looking urgently to see what safeguards we have over the importation of such materials.

Mrs. Dunwoody: Does the Minister accept that he has dealt with this urgent matter with appalling lethargy and that there is still little sign that he is taking the urgent steps that are necessary? Does he accept that he was informed by the Colindale public health laboratory that there was definite evidence of contamination, and that he knew from the reported Australian case that there was at least a risk of botulism, tetanus and other major fatal diseases, yet he still took time to make a statement? Is that his idea of protecting the public?

Dr. Vaughan: When the hon. Lady looks into the matter, I believe that she will regret her remarks. They are untrue. We have dealt with the matter urgently. Statements about botulism and tetanus have appeared in the press, but we have no accurate information on that from the Australians. I take the matter as seriously as the hon. Lady does and am looking into it urgently.

London and the South-East (Communications)

Question again proposed.

11.15 am

Mr. David Howell: I was speaking about the serious situation in which the GLC has placed itself, London Transport and others, and the hon. Member for Aberdeen, North (Mr. Hughes) was about to intervene.

Mr. Robert Hughes: The Secretary of State says that a period of calm is required, so will he withdraw the provocative and disgraceful statement that he made last night, that the GLC got itself into the mess and must get itself out? That is not in accord with the advice given this morning by the Solicitor-General, who told us to look at the judgement and that it was being seriously considered by the Government.

Mr. Howell: The hon. Gentleman should reflect before he speaks. The GLC's actions were a breach of its duty to the ratepayers and wrong in law. It failed to hold a balance between transport users and ratepayers, and that fact is generally recognised. Decisions by its members have put the GLC in that position, which is damaging for it. It is for the GLC to face the issues that arise from the judgment.

Mr. Clinton Davis: Will the right hon. Gentleman give way?

Mr. Howell: No. For the convenience of the House I am giving the Government's initial reaction to the complex judgment. I repeat that we should follow the advice of the Solicitor-General and that we and the GLC should carefully consider the implications of the judgment. I do not see how, even in his wildest moments, the hon. Member for Aberdeen, North could disagree about the fact that the GLC has got itself into a pickle.

Mr. Clinton Davis: Will the Minister give way?

Mr. James Wellbeloved (Erith and Crayford): Will the Minister give way?

Mr. Howell: No. I wish to give the Government's initial view. Many wild things have been said, and it is important carefully to examine the judgment.

The Government are not against a sensible degree of grant support. In the current year, under the transport supplementary grant, we have agreed that £80 million expenditure for revenue support should be acceptable. That alone is evidence that we have not been and are not against a sensible degree of grant and revenue support for transport undertakings.

The Solicitor-General said that the judgment confirmed that powers exist to give grants for revenue purposes. The judgment contains a number of commentaries from which that opinion is drawn. At page 10 Lord Wilberforce states:

"I am willing to accept that, subject to the Executive discharging the responsibilities cast upon it, it may make provision in its revenue account for grants in aid of revenue, actual or assumed."

The practice and policy assumed over the years was that a sensible degree of grant support was practicable and reasonable, and that has been the arrangement adopted under successive Governments. Indeed, I believe that the hon. Member for Newham, South (Mr. Spearing) said as much. The Government are not disputing, and I do not think that anything that has emerged, at first view, from the question which to me is basic. If he knew that there was a likelihood that contaminated dressings were lying in first-aid boxes all over the country, why did he not come to the House, make that public, and say that he would bring in safeguards to ensure that there was no danger in the future?

Several Hon. Members *rose*——

Hon. Members: Answer.

Mr. Speaker: Order. I propose to allow questions to run until 11.15 am, but not a moment longer, because of the important debate that is under way.

Dr. Vaughan: I am happy to answer the hon. Lady. I thought that, as many hon. Members were on their feet, it might be better to deal with a number of questions together.

Mr. William Pitt (Croydon, North-West): I should like to take further the point made by the hon. Member for Crewe (Mrs. Dunwoody). What puzzles me is why, if dressings bear the marking of the British pharmacopoeia and the British pharmaceutical codex, there is not a more stringent test on them when they come into the country. Will the Minister tell the House how many of these dressings are on sale in retail shops and whether they can be removed from sale? More important, if the danger from these dressings is minimal, will he reassure us of that and assure us that we shall not be infected by them? Perhaps in the meantime the Government will suggest that people should refrain from using them and instead use hankerchiefs, Band-Aids, or some other form of dressing

Dr. Vaughan: As soon as we knew that there was a risk, I instructed that a hazard notice should be issued. A press notice was issued and information was given in the press and on television. We do not know how many of these dressing are in circulation. We are concerned about that, and we are looking into it. I assure the House that I am taking urgent steps to examine the controls on importation.

Mr. R. A. McCrindle (Brentwood and Ongar): If I am correct in assuming that the importation of dangerous drugs is subject to controls over which my hon. Friend presides, is there not an argument now, in the light of this incident—which is the first that I can remember—for extending the controls to take account not only of the importation of drugs but of appliances, too? In a domestic sense, is my hon. Friend satisfied that there is no power under the Trade Descriptions Acts to require these potentially dangerous materials to be properly labelled on importation?

Dr. Vaughan: My hon. Friend is right to raise those points. We are looking into the matter urgently. We did not act on the Australian information because we had to find out first whether there were similar dressings in this country and then find out whether they were contaminated. We then acted urgently.

Mr. Michael English (Nottingham, West): Under the Medicines Acts, the Medicines Commission imposes stringent controls on companies such as Boots, in my constituency. Clearly, in this instance, the Medicines Commission failed in its duty in relation to imports. Is that the case, and will the Minister assure us that Boots, among other companies, has not been selling these dangerous products?

Dr. Vaughan: I assure the hon. Gentleman that we are as concerned as he is over the importing of such materials and whether the controls are adequate, and on the labelling when they are in this country. The labels on these dressings are not satisfactory and I shall look into the matter further.

Mr. John Page (Harrow, West): Will my hon. Friend use his influence to see that further coverage is given on television of the presentation of these packs so that they can be recognised? Has he any evidence, since he said that the goods were unnamed, of counterfeiting of brand names on these phoney dressings?

Dr. Vaughan: We have no evidence of counterfeiting on any dressings. The dressings are unusual in that they have no manufacturers' or brand names on them. We have issued photographs of the suspected dressings and we shall take every step possible to see that further publicity is given.

Mr. Laurie Pavitt (Brent, South): Will the Minister tell his department to instruct every RHA supplies officer to check whether there are any such dressings in the bulk buying system? As there was also a previous case of cosmetics being imported that could cause dermatological and other diseases, will the Minister immediately instruct his legal officers to look at the Medicines Act with a view to extending the jurisdiction to imports other than drugs?

Dr. Vaughan: The answer to both questions is "Yes".

Mr. Clinton Davis (Hackney, Central): As the matter is of such grave import, why did the Minister fail to come to the House immediately that it came to his knowledge, so that the greatest possible publicity could be given to a matter that could imperil the lives of a number of our citizens?

Dr. Vaughan: I do not accept the hon. Gentleman's critism. We have a duty to warn the public immediately we know that there is a danger, but we also have a duty to find out as quickly as we can what the organisms are and how great the danger is. As I said, the risk from using such dressings is very small.

Mr. Ronald W. Brown (Hackney, South and Shoreditch): What instructions has the Minister issued to RHAs and DHAs to take action through pharmacists and to make the problem known at grassroots level?

Dr. Vaughan: We have issued notices to supplies departments, and I shall take the matter up with regional chairmen.

Mr. Alfred Dubs (Battersea, South): How long ago were such dressings first imported and made available for sale? Although the dressings may not have individual brand names on them, when they are sold in first-aid boxes the make of the box could be made known to the public, so will the hon. Gentleman attend to that?

Dr. Vaughan: I shall consider whether we can take further steps. As hon. Members who have seen the press notice will realise, one difficulty is that, although the words on the dressings are simple, there is a great variety of them. We are considering whether there are ways to trace the dressings more adequately and better to inform the public. We do not know for how long the dressings have been coming into the country, but we suspect that it may be a year or more.

the judgment questions that grant support is and should be available for public transport authorities. What is opposed by the Government and what our policy opposes is the taking of revenue and grant support to ridiculous extremes—the taking of it to such extremes that it does appalling damage to industry and deliberately upsets the fair balance between the ratepayer and the fare payer.

Mr. Spearing: Will the right hon. Gentleman give way?

Mr. Howell: A sensible and common sense policy is not opposed to supporting a public transport authority by revenue grant, but it is opposed to the taking of that policy to ridiculous extremes. That is the view of the Government.

Mr. Spearing: Will the right hon. Gentleman give way?

Mr. Howell: There has been talk about the effects in terms of the additional increase in rates and the need for substantial extra grants to support low fares. I have to remind the House that the vast extra costs incurred by London Transport arise not only from lower fares. They arise also from deliberately increased costs. One hears about the problems for fare payers in London, but rather less about the problems for ratepayers who have been threatened with a substantial increase in rates.

The higher rates and the high expenditure relate not merely to lower fares. They relate to a substantial increase in costs in London Transport that have followed policy decisions by the GLC. These have led to operations by London Transport involving a very much larger need for grant than would otherwise be the case. That has to be made clear in discussing the balance between fare payers and ratepayers—*[Interruption.]*

Mr. Spearing: Will the right hon. Gentleman give way?

Mr. Howell: I hear the question, asked from a sedentary position, "Which policy decisions?" The GLC, for reasons which have not been explained and which are not clear to many people trying to understand its policy, has refused to allow London Transport to make up its deficit, has recruited excessive staff by clear instructions to raise manpower and plans to expand services beyond those that are needed. Although the Government do not oppose revenue support, the GLC move towards a low fare policy was excessive. It is also the Government's view that the increase in costs of operation and the reduction in efficiency are unfair additional imposts on ratepayers and additional and unnecessary public expenditure.

Mr. Spearing *rose*——

Mr. Douglas Jay (Battersea, North) *rose*——

Mr. Howell: It is important that the judgment should be studied. What must be refuted are some of the grossly overstated consequences that have been claimed as a result of instant assessment—indeed, in some cases, it seems, no thorough assessment at all of the judgment. I have heard some wild claims made of the consequences.

Mr. Spearing: In the House?

Mr. Howell: I did not say that they had been made in the House, but I have heard some wild claims during the past 24 hours. It is worth making it clear that the fares increase necessary in London Transport to bring back fares in real terms to the 1980-81 level is about 60 per cent., provided, of course, that there is a serious attempt to cut costs and to match services to real needs rather than to run the operation in the way that seems to have been the GLC's desire in recent months. That puts in perspective some of the absurd and ridiculous claims that have been made in the last 24 hours about the alleged consequences of the judgment.

I have seen a report that Mr. Livingstone will wish to see me to ask the Government to promote new legislation to allow the GLC to continue its policy. I shall certainly be prepared to see Mr. Livingstone to discuss the position with him, but I must make it clear that I have no intention of introducing legislation of a kind that would enable the GLC to promote inefficiency—[HON. MEMBERS: "Disgraceful."]—in the form of overmanning and unnecessary services under a policy that is manifestly unfair to ratepayers.

Mr. Dobson: On a point of order, Mr. Speaker. It was my understanding that hon. Members were benefiting from a statement by the Solicitor-General to indicate certain legal aspects. We are now hearing a statement by the Secretary of State for Transport and I understand that the Under-Secretary of State for Transport will also seek to catch your eye. It seems to me that the House would be helped considerably if the Secretary of State made some worthwhile contribution rather than representing——

Mr. Speaker: Order. That is another waste of time.

Mr. Howell: I am seeking to help the House by giving the Government's view. There have been a number of demands that views should be expressed. All hon. Members recognise that it is very early to draw detailed implications from the judgment. On the other hand, a number of wild statements have been made outside the House. It is right for the Government to state their policy. That is what I am doing.

The Government accept the need for a reasonable level of support for public transport. Some subsidy is needed to provide an acceptable level of service.

Mr. Spearing: Will the right hon. Gentleman give way?

Mr. Howell: That is recognised in public expenditure plans, as I have described. We are, however, opposed to indiscriminate subsidies. They are not only inequitable, but lead to inefficiency.

Mr. Clinton Davis: Will the right hon. Gentleman give way?

Mr. Howell: It is clear from the debate that a number of misapprehensions and misinterpretations have already sprung up about the basic point, reaffirmed by the Government, that the judgment confirms that powers exist to give grants for revenue purposes. It is clear, looking back over recent years, that the principle of some degree of grant and revenue support for the transport services of the capital and, indeed, for public transport generally, is consistent with good management and maintaining a fair balance between ratepayers and farepayers. What is also clear—it was clear even before the judgment—is that the balance struck by the GLC is grossly unfair and has led to a chaotic situation. It has put the GLC in grave difficulties.

I shall be glad to see Mr. Livingstone to discuss the position with him. Many of the issues raised are matters to which the GLC must now apply its mind. This is a

[Mr. Howell]

matter of extreme topical interest. It is right and proper that hon. Members should have the opportunity to debate it. Much the wisest course, following the debate, is that the judgment should be considered carefully in its detail and implications by the parties involved, which must, of course, include the GLC. The implications should be studied over Christmas. Following the Christmas break, it will be possible for some of these implications to become clear.

The GLC and indeed London Transport can then come to the Government—I have said that I am prepared to discuss these matters—with a clear view of how they propose to undo the damage and difficulty created by what I believe to have been an unnecessary and misguided departure from the practice and operation of the law as it stands, which has been followed over the years and allows sensible policies for transport operation in our major urban centres and a fair deal for the ratepayers.

That is the position and we should be wise to follow it. I hope that I have made the Government's initital view clear and reasserted our policy on these matters. The House would now be wise to consider the details of the judgment more carefully——

Mr. Spearing: Before the Secretary of State sits down——

Mr. Howell: —and to allow the GLC to examine the difficulties into which it has put itself and from which it must now extricate itself.

Mr. Spearing: I am grateful to the Secretary of State for giving way——

Mr. Speaker: Order. The Secretary of State has not given way.

Mr. Spearing: On a point of order, Mr. Speaker. We understand the difficulty in which you found yourself yesterday in handling this particularly important matter. We also understand why you have called three Members from the Government side. I put it to you, however, that, in comparable circumstances, although we hope that they will not occur again, a proper distinction should be made between a statement and a contribution to a debate, when it is normal to give way, particularly to hon. Members who have already spoken.

Mr. Speaker: Order. The hon. Gentleman knows as well as I that whoever has the Floor has the right to decide whether to give way. As I have told the House, I shall now call two hon. Members from the Opposition Benches to maintain the balance of the debate.

11.32 am

Mr. Ronald W. Brown (Hackney, South and Shoreditch): An excellent motion on the Order Paper allowed us to begin to discuss the subject of communications in London and wider issues. Regrettably, the debate has been turned into a party political battleground, and before we know where we are the real issues that we need to discuss are lost.

The word "communications" has a wide meaning. The biggest problem in London is communicating with people outside to explain our difficulties to them and to explain to the Government the importance of the problems that we face in London. It is upsetting to us that the whole transport system in London has been allowed to deteriorate over many years. These days, it often takes nearly an hour to travel 4½ miles in London to come to the Palace of Westminster.

The commuter rat run through Hackney is a frightening sight. Commuters come through nose to tail at speeds far in excess of the speed limit in what I regard as wholly residential areas, simply because they are permitted to find alternative means of getting into London quickly. They come in from Romford and other parts of Essex and create chaos in areas such as mine. When they arrive in the inner city they do not know what to do with their cars, so they park them in and around Hackney and every street is blocked. The situation is so absurd that it takes 20 minutes to go from one end of Hackney Road to the other, when it should take less than five.

Small streets are equally blocked. The post office in Hoxton Street, whose services are required by many elderly people, is almost unable to operate because the commuters park their cars outside in the small street, making it impossible for deliveries to take place.

If there is no room on the roads, people park their cars on the pavements. All over my constituency there are cars, lorries, juggernauts and trailers parked on the pavements—in Andrews Road and Hackney Road, to name but two examples—so that it is impossible to walk on the pavement. Time and again I have pressed the Minister on behalf of my constituents to take action to stop this behaviour.

The yellow lines on those roads prohibiting parking between 8.30 am and 6.30 pm are just a bad joke. Traffic wardens seem to operate only in the residential areas where they can harass local residents and not worry about clearing the other areas. I have asked many times how often the traffic wardens come down Hackney Road to clear it and ensure that all traffic has free access. Perhaps the Minister can tell me.

The picture has been one of growing chaos over the years. One's mind goes back to the period 1970 to 1974 when the then Prime Minister, the right hon. Member for Sidcup (Mr. Heath), tried to come to the House from No. 10 Downing Street and could not get across the road. When he tried to telephone the then leader of the GLC, Sir Desmond Plummer, he found that he was in Tokyo. As he could not get out of Downing Street, the Prime Minister telephoned Tokyo personally and suggested that Sir Desmond should stay at home in London and clear the roads so that the Prime Minister could get out of No. 10 Downing Street and come across to the House.

Mr. Neil Thorne (Ilford, South): In fact, the right hon. Member for Sidcup (Mr. Heath) did not ask to be put through to Sir Desmond Plummer in Tokyo. He asked his personal assistant to get hold of Sir Desmond, who happened to be in Tokyo at the time. I happen to know that because I was responsible for those matters in the GLC at the time and I received a telephone call from Tokyo asking me to deal with the problem from this end.

Mr. Brown: I am grateful for that information, but I think that my story sounded nicer and more to the point. However, both of us have been able to show that the transport system in London was then in a chaotic state, and it is even more so today.

A major objective of all GLC administrations is to improve the public transport service—the buses, the

cc Mr Ingham
MAP.

Prime Minister

MCS (2)

This is the outcome of much discussion between DoE & Treasury

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

18 December 1981

MCS 18/12

Dear Terry

HOUSING PESC

Following the meeting yesterday evening, I now attach a revised version of the statement my Secretary of State proposes to make on Monday morning. It is to be made by way of a written PQ answered at 11.30 am

The passage on capital receipts is on the lines of the corresponding passage in the draft of the HIP allocation letter., which officials have been discussing. The Secretary of State is prepared to agree the wording of the paragraph on the strict understanding that housing investment will continue to be treated, as indeed it must be by statute, as part of the single local government capital block in 1982/83.

I am copying this to the Private Secretaries to the Prime Minister, the Lord President, and the Chief Whip.

Yours ever
David Edmonds

D A EDMONDS
Private Secretary

Terry Mathews Esq
PS/Chief Secretary

DRAFT OF 18
DECEMBER

DRAFT STATEMENT BY SECRETARY OF STATE

Following discussions with the local authority associations in the Housing Consultative Council, I am now able to announce a number of decisions on housing public expenditure in 1982/83.

I am glad to say that, despite the reduction in overall housing expenditure in 1982/83, envisaged in last year's Public Expenditure White Paper, it will be possible to hold capital expenditure next year at approximately the same level as this - as foreshadowed in the statement by my right hon Friend the Chancellor of the Exchequer on 2 December.

This has been made possible largely by the growing volume of sales of local authority dwellings and land which we expect to see continue throughout next year as a result of the Government's policies on low-cost home ownership, particularly the right to buy, and from the encouragement given to authorities to dispose of surplus land.

But my decisions on the level of housing current expenditure also have a bearing on the amount I have been able to make available for capital.

I discussed with the Housing Consultative Council on 17 December the level of housing income and of management and maintenance expenditure to be taken into account for subsidy and rate support grant. I have considered carefully the views which its members put to me, and I have also noted the points raised when the House debated rents on 16 December. I have decided that I should give effect to my subsidy proposal by determining an increase in the local contribution of £2.50 per dwelling per week, for 1982/83. It is for individual authorities to decide how to finance such a contribution from local sources. On average, however, I assume that authorities will choose to meet their increase in local contribution from rental income so, that next year, average rents would rise by £2.50 per dwelling per week.

On management and maintenance, I would propose to increase the expenditure counting towards the subsidy calculation to 7% above its 1981/82 level.

After allowing for other items of revenue expenditure, I have been able to provide £1983 million net for capital expenditure. Housing capital receipts are forecast at £1124 million. Gross provision will therefore be £3107 million. This sum will be divided as follows.

Home loan and other net lending	£ 8 million
New towns	£ 73 million
Housing corporation	£ 556 million
Local authorities	£ 2470 million.

The new towns allocations reflects the fact that the publicly rented programme in the new towns has virtually finished, with remaining investment concentratedon opening up new sites for private development, on shared ownership,and on repair and improvement of dwellings prior to transfer for local authorities. The gross provision for the Housing Corporation at £556 million is being maintained in real terms for the second year running, and comprises an allocation of £530 million plus an estimated £26 million of capital receipts.

The gross provision of £2470 million for local authorities will permit an increase of some 3% over their 1981/82 level of activity. Within that figure, some £30 million has been set aside for the homes insulation scheme, though authorities are free to transfer a greater sum to home insulation from elsewhere within their single capital block if they wish.

The amount of the housing investment programme allocations to local authorities has however to take account of the fact that, under the system of capital expenditure control, local authorities can undertake expenditure over and above their allocations on account of their capital receipts, or a prescribed proportion of these. I estimate that in 1982/83 they will be able to undertake at least an additional £593 million of expenditure in this way. £3 million must also be allowed for the administrative costs of the homes insulation scheme. Allowing for rounding, the amount distributed as HIP allocations will therefore be £1875 million. I also wish to make it clear that local authorities can plan their capital expenditure for 1982/83, on the firm assumption that, at the national level, housing capital receipts will reach the figure forecast by the Government.

Provided authorities' aggregate level of gross spending does not appear to be exceeding the level planned nationally, no question will arise, of authorities' allocations being reduced in the event of their housing capital receipts in 1982/83, falling short of the Government's forecast.

I have discussed the method of distributing HIPs with the local authority associations and I will be informing local authorities of their individual allocations for 1982/83 on Wednesday 23 December. Copies of the letter to authorities and of the schedule of allocation will be placed in the Library.

✓ AJ
AW

2 MARSHAM STREET
LONDON SW1P 3EB

Prime Minister

This is the latest proposed formulation. Which do you prefer?

MCS 18/12

TOLD D Edmonds by telephone

MCS 21/12

My ref:

Your ref:

18 December 1981

Dear Michael

STATEMENT ON LOCAL GOVERNMENT SPENDING

In his letter of 14 December, Clive Whitmore set out the Prime Minister's formulation on local government spending. Since then, below – of course, the Home Secretary has minuted the Prime Minister. The statement, of course, is to be made on Monday. My Secretary of State would be very happy with the following version

"Central government attaches the utmost priority to achieving the targets of local government current expenditure. The Government recognises that it is for local government to make its own choices, subject to statutory obligations, as between services in taking the necessary steps to achieve the targets."

I am sending copies of this to the Private Secretaries to all members of Cabinet, the Chief Whip, and to David Wright at the Cabinet Office.

I am quite happy with this formulation. MT.

Yours sincerely

David Edmonds

D A EDMONDS
Private Secretary

Michael Scholar Esq - No 10

18 DEC 196

CONFIDENTIAL

~~AW~~
AD
JV

P.Q. (now overtaken)

MCS 22/12

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Michael Heseltine MP
Secretary of State
Department of the Environment
2 Marsham Street
London SW1P 3EB

18 December 1981

rec'd 22/12

Dear Michael,

RSG ANNOUNCEMENT, 21 DECEMBER

in PM's box

Thank you for your letter of 16 December suggesting a draft PQ announcing further details of the RSG Settlement.

I am broadly content with what you propose. In particular, I attach great importance to the presentation in paragraph 10. As the Prime Minister agreed on 14 December, it is vital that we give first priority to achieving the overall level of local authority current expenditure embodied in our plans. Our own priorities for the distribution of that expenditure must be secondary. In general, of course, local authorities are free to set their own priorities among services.

I recognise that you will need to explain very carefully to local authorities how the individual targets have been constructed, but in presenting them to the House, I wonder whether greater emphasis on cash in your paragraph 8 might be more appropriate. I suggest something on the lines of the analysis you prepared for us in E(81)117:

> "For nearly all authorities the targets lie in the range from 2.5 per cent below to 5 per cent above the 1981-82 revised budgets. What this means in real terms will depend in large part on local authority pay settlements. If they are in line with the Government assumption of 4 per cent, the real reduction required will be about 4 per cent on average from revised budgets. But the cash targets will require greater real reductions if pay settlements are higher than this."

I am copying this letter to the Prime Minister, the other members of the Cabinet, the Chief Whip and Sir Robert Armstrong.

Ever,

Leon

LEON BRITTAN

CONFIDENTIAL

2.

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Prime Minister
There will be a more detailed paper for Tuesday's E: it will be copied to all Cabinet members for information. MAP 18/xii

Mike Pattison Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

17 December 1981

Dear Mike,

HOUSE OF LORDS JUDGEMENT ON BROMELY V. GLC

I attach, as requested, a short note summarising the main points in the House of Lords' judgement. I also attach a press notice we have just issued giving the Government's first reactions.

I am copying this to the Private Secretaries to the other members of the Cabinet and Sir Robert Armstrong.

Yours,

Anthony Mayer

R A J MAYER
Private Secretary

THE JUDGEMENT

1. The House of Lords' judgement unanimously upholds the judgement of the Court of Appeal. They do not disagree with the Court of Appeal on any major points. Their argument rests on two main strands:

(a) that the governing legislation, the Transport (London) Act 1969 places a duty on GLC and the LTE to attempt to break even.

(b) that the GLC has a more general duty in law to hold the balance between its ratepayers and other groups.

2. The Court of Appeal, consisting of Lords Denning, Oliver and Watkins, found that GLC and LTE breached both these duties. Lord Oliver in particular analysed the legislation in detail. The press picked out Lord Denning's and Lord Watkins' rather political remarks about the GLC's irresponsbility and the lack of value in political manifestoes.

3. The House of Lords speeches concur entirely with the appeal court, without containing any equivalently provocative language. They also seem, on a quick examination, to clarify some issues which the Appeal Court left uncertain. In particular:

- London Transport has a duty to budget to make a reasonable effort to break even, recognising that in present circumstances it may well not do so.

- The previous year's LT budget, set on the basis that there would be an £80m subsidy from GLC, constituted just such a reasonable effort.

- That subsidy in itself is not unlawful

- That LT does not have to "maximise" its fares

- That the Passenger Transport Executives are covered under different legislation

STATEMENT BY SECRETARY OF STATE FOR TRANSPORT ON TODAY'S HOUSE OF LORDS JUDGEMENT

"I congratulate Bromley Borough Council on the success they have achieved on behalf of London ratepayers. The Government has always maintained that the reckless transport subsidy policies of the GLC were wrong. The House of Lords has now confirmed that these policies were also illegal. Everything that this Government has been saying about the need for all local authorities to achieve expenditure reductions has been vindicated.

"The Government believes that low fares are best achieved by running transport services efficiently. We have always accepted the case for some revenue support within the limits of what the ratepayer can be expected to afford. This year we have agreed to expenditure of about £75m. for revenue support for public transport in London when paying transport grant to the GLC. We have always opposed irresponsible and indiscriminate subsidies to support wasteful services and wholly uneconomic cuts in fares at appalling cost to ratepayers and businesses in London. The GLC has caused London Transport to waste money on unrealistic fares, inflated staff numbers and service levels well above demand. We are delighted that this unnecessary extravagance has now got to end. I regret that London Transport is now faced with serious short term problems. This crisis is entirely the fault of the GLC who have managed in 7 months of folly to create financial chaos.

"They acted in the knowledge of the new block grant system which the Government has established with its pressures designed to discourage overspending. They chose to disregard this, and to load onto hard-pressed London ratepayers both the cost of the cheap fares scheme, and the block grant losses that flow automatically from this extra expenditure.

"In his judgement Lord Wilberforce makes clear that in disregarding these inevitable consequences of block grant for their policy the GLC acted in breach of its fiduciary duty to hold a fair balance between the transport users and the ratepayers as they should have done. Lord Diplock and Lord Brandon make the same point in more trenchant terms.

"It is now up to the GLC in the first place to decide how they propose to clear up the mess which they themselves have created. And all local authorities will now need to take careful note of the block grant consequences in framing their budgets."

Telephone No: 01-212 0431

Night Calls: (6.30pm to 8.00am)
Weekends and Holidays: 01-212 7071

2f.

CONFIDENTIAL

M. A. Duguid

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

David Edmonds Esq
Private Secretary
Department of the Environment
2 Marsham Street
London
SW1P 3EB

17 December 1981

Dear David

As my Private Office told yours earlier today, my Secretary of State has three amendments to propose to the draft RSG announcement enclosed with your letter of 16 December to the Chief Secretary:-

Paragraph 5, line 1: Substitute "reflects" for "takes account of".

Paragraph 10: Substitute for the last three sentences, in square brackets, the Prime Minister's formulation in Clive Whitmore's letter of 14 December. In Sir Keith Joseph's view this strikes the right balance between the Government's objectives for local authority expenditure as a whole and the needs of and policies for individual services.

Paragraph 11: Add at end "Subject to these revisions, the GREs represent the Government's estimates of what each authority might be expected to spend, within our expenditure plans, in order to provide a reasonable level of service."

I am copying this letter to the private secretaries to the Prime Minister, other members of the Cabinet, the Chief Whip and Sir Robert Armstrong.

Yours sincerely

Peter Shaw

P A SHAW
Private Secretary

CONFIDENTIAL

(1)

Prime Minister

Content, subject to the agreement of colleagues?

MCS 18/12

Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SWIA 2ER
Tel. 01-233 3000 (Switsfwrdd)
01-233 6106 (Llinell Union)

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SWIA 2ER
Tel. 01-233 3000 (Switchboard)
01-233 6106 (Direct Line)

Oddi wrth Ysgrifennydd Gwladol Cymru The Rt Hon Nicholas Edwards MP From The Secretary of State for Wales

CONFIDENTIAL

17th December 1981

Dear Leon

Yes MT

Told John Craig 21/12

MCS

RSG ANNOUNCEMENT - 21 DECEMBER 1981

I have seen a copy of Michael Heseltine's letter to you of 16 December about the English RSG Announcement on 21 December.

I will be making the Welsh RSG announcement on the same day and I attach a copy of my proposed written answer.

I am copying this to the Prime Minister, all Cabinet colleagues, the Chief Whip and Sir Robert Armstrong.

Yours ever

Nick

The Rt Hon Leon Brittan QC MP
Chief Secretary
HM Treasury
Parliament Street
LONDON

ARRANGED WRITTEN PQ

WELSH RSG SETTLEMENT 1982/83

Question

To ask the Secretary of State for Wales if he will make a statement about the Welsh RSG Settlement for 1982/83.

Answer

At a meeting today of the Welsh Consultative Council on Local Government Finance I announced my decisions on the Welsh Rate Support Grant settlement for 1982/83.

The main decisions are as follows:-

Relevant Expenditure

Total relevant expenditure for RSG purposes will be £1,301 million. Of this amount £1,126 million is current expenditure, an increase of £94 million over the current expenditure provision in the 1981/82 Settlement. The relevant expenditure total also takes account of the capital expenditure allocations of £279 million which is £46 million more than the amount allocated for 1981/82. The assumption on rent increases in Wales is £2.50 per dwelling per week.

Aggregate Exchequer Grant

Aggregate exchequer grant will be 72.5 per cent of relevant expenditure, a total of £943 million.

Specific Grants

The estimated total amount of specific grants will be £96.62 million.

Transport Supplementary Grant

The prescribed amount of Transport Supplementary Grant will be £30 million.

National Parks Supplementary Grant

The prescribed amount of National Parks Supplementary Grant will be £1.69 million.

The Rate Support Grants

The total amount of the Rate Support Grants will be £814.69m. The specified level of domestic rate relief will be 18½p in the pound and Domestic Rate Relief Grant will be £24.7 million. Block Grant will total £789.99m.

Distribution of Block Grant

Block grant will be distributed in accordance with Grant Related Expenditure (GRE) formulae agreed by the Welsh local authority associations. The structure of grant related poundages will be broadly the same as for 1981/82, the main difference being that there will be an increase in the slope of the poundage schedule above the threshold. This change will act as a further disincentive to very high spending in relation to GRE.

Safety Nets

There will be a safety net by which grant losses arising from changes in GRE and the residual effect of moving to the new block grant system will be limited to the grant equivalent of a 5p rate at the ratepayer level.

Copies of my full statement to the Welsh Consultative Council have been placed in the Library. All the provisions of the 1982/83 Settlement will be included in a Welsh Rate Support Grant Report which will be laid before this House for approval next month.

>ppr

Prime Minister

You agreed Mr Heseltine's draft written answer subject to the views of colleagues. Agree Mr Whitelaw's amendment?

MCS 18/12

PRIME MINISTER

LOCAL AUTHORITY EXPENDITURE

C.F. pl attach with MH's letter of 16/12 MCS

I have seen a copy of Michael Heseltine's minute of 11 December and your Private Secretary's reply of 14 December. Whilst I fully endorse the need to maintain pressure on local authorities to keep their expenditure in 1982-83 within the planning totals, I feel bound to express some concern about the possible effects on the law and order services if local authorities were to act on the letter of the proposed form of words.

We have recently completed the annual public expenditure survey in the course of which we have agreed collectively to make provision for continued growth in the police, magistrates' courts and probation services. We have accordingly published a pattern of local authority expenditure reflecting the Government's own views on priorities among services and I have myself referred in the House at the time of the debate on the prison service to our provision for growth in the number of probation officers. In order to allow for our agreed approach in the law and order services we have accepted painful and politically unwelcome reductions in other fields and I am very much of the view that we cannot simply abandon the choice of priorities among services to the local authorities. I think it right to give some indication of where we stand beyond simply publishing figures in the forthcoming Rate Support Grant settlement and White Paper.

To illustrate my difficulty, I have recently had representations from the Association of Metropolitan Authorities about the risk to the police service in the Metropolitan counties, where police costs make up some 30 - 40% of their total budgets.

If the reduction we require from local authorities were applied on the basis of "equality of misery" the effect on Merseyside, for example, would be a reduction in uniformed police strength of 1,200 policemen.

I am in little doubt that this kind of figure is being bandied about as much as anything to create political embarrassment for us. But, for all that has been said about the freedom of local authorities to determine their own priorities, as a Government we have made money available for growth in the services this year which reflects our concern about law and order. We should not allow that to be totally obscured.

There is another reason why local authority should not be encouraged to think that they have complete freedom to switch priorities. In the case of police, I am required by law to be satisfied of the efficiency of each force before Exchequer grant can be paid. The probation service and the magistrates' courts are run by committees that are separate from local authorities, and I have a statutory responsibility for resolving disputes between these bodies and the local authorities over proposals for expenditure. It follows that in the second sentence of the proposed draft, "within the limits of statutory obligations" should be amended to read "subject to the statutory obligations".

I hope, therefore, that you and Michael will be prepared to agree that the proposition should be modified to read as follows:-

> "Central government attaches the utmost priority to achieving the targets of local government expenditure. It is for local government to make its own choices, subject to the statutory obligations, as between services. The Rate Support Grant settlement indicates the Central government's view on the levels of relevant expenditure by service."

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AD

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
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FROM THE SECRETARY OF STATE

The Rt Hon Michael Heseltine MP,
Secretary of State for the Environment,
Department of the Environment,
2 Marsham Street,
London SW1

16 December 1981

Dear Michael.

OUTSTANDING ISSUES FOR THE 1982-83 RSG SETTLEMENT: AGENDA FOR 1983-84

Your letter of 9 December to Willie Whitelaw invited early agreement from members of MISC 21 on the remaining details of this year's RSG Settlement.

I recognise the urgency of finalising grant details for individual authorities, in order to permit an announcement of our detailed proposals on 21 December; and I am therefore content, in the circumstances, that the outstanding issues should be resolved in the way you propose. I remain however concerned about a number of aspects of this year's RSG Settlement; and am writing to suggest that we invite our officials to begin work early in the new year to ensure that, when we get to next year's Settlement, we have a more satisfactory range of options before us. With the removal from your Local Government Finance Bill of those elements that might have put effective pressure on high-spending authorities (only the imprudent will get caught by the abolition of supplementary rates), it seems to me doubly important that, for 1981-84, we work towards a coherent block grant regime that serves our various policy objectives. By this I mean a regime that furthers what I accept must be our overriding objective of securing our planned expenditure reductions across local government generally, but does so in a way that puts maximum reasonable pressure on high spending authorities and offers the prospect of safeguarding standards of services elsewhere.

In this context, I would have liked to have seen you adopt a more severe regime for high-spending authorities this year. I suggested one way that we might achieve this in my letter of 9 November. Tom King's letter of 20 November indicated briefly why you were reluctant to adopt my suggestion for this year, but expressed willingness to look at it again next year, along with my earlier suggestion that we should adopt a curved taper of broadly the kind adopted for Wales by Nicholas Edwards. This would give a progressive disincentive to increased, and a progressive incentive to reduced expenditure for all authorities at any point along the curve. I hope that this will be pursued seriously for 1983-84.

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I sense that your reluctance to adopt such a taper for 1982-83 stems from similar causes to your proposals with regard to the treatment of London - on which I likewise have reservations: that is, from a feeling (perhaps shared by Norman Fowler) that some of the elements of GREs, other than the education GREs, are not robust enough to take the weight of a severe grant regime for high spending authorities. If that is so, the remedy should lie in improving the GREs for the services concerned; and I hope that officials will pursue such improvements actively so that we can place more reliance on GREs generally, reduce our emphasis on alternative targets, and not draw back from using the block grant mechanisms to achieve our general objectives.

I am sending copies of this letter to the Prime Minister, colleagues on MISC 21 and Sir Robert Armstrong.

Yours ever,

Kevin.

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Local Government Finance

3.47 pm

The Secretary of State for the Environment (Mr. Michael Heseltine): I will, with permission, make a statement about a number of rating and local government finance matters. In its relationship with local government, the Government face two main problems—first, the need to contain levels of expenditure, and secondly, the need to make progress with their commitment to reform the rating system.

The Government are determined to reduce the level of local government current expenditure and to ensure, through the distribution of the rate support grant, that the consequences of high spending policies are financed more directly by those local communities where the highest spending takes place. The majority of local authorities have now proved that the Government's expenditure targets were realistic and attainable. I am most grateful to those authorities for the very real efforts that they have made.

The continuing wish of most local authorities to co-operate with Government by reducing the rate borne costs of public expenditure in their areas is further reinforced by the publication today of the latest local government manpower figures for England.

They show the largest total drop in manpower ever achieved in one year. At 1·9 million the number of full-time equivalent employees in local government in England is the lowest total recorded since the joint manpower watch system was introduced, and effectively eliminates all the manpower growth that has taken place since 1974.

In their determination to maintain pressure on current expenditure, particularly in authorities which do not co-operate with the overall policy of securing a better balance between the public and private sector, the Government decided to legislate this Session to deter high spending.

The Government intend to proceed with legislation. Instead of the proposals to permit supplementary rates only after a poll of local communities, the Government propose to ban supplementary rates altogether. Parts II and III of the Bill subject to drafting changes, will stand. I am therefore withdrawing the Bill which was introduced on 6 November and I am introducing today a new Bill incorporating these proposals.

During the financial year, an authority may incur unforeseeable expenditure. In these circumstances, it could apply to me for temporary borrowing permission. I would not grant such permission unless it was absolutely essential for the expenditure to be incurred in the year, and unavoidable commitments met. I would expect the borrowing to be repaid out of revenue income within the first quarter of the following year.

Our election manifesto restated our determination to reform the domestic rating system. I am today publishing, together with my right hon. Friends the Secretaries of State for Scotland and Wales, a Green Paper on alternatives to and possible reforms of, the present system of domestic rates. The present system contains anomalies and unfairness. In publishing the Green Paper, the Government reaffirm their long-standing commitment to reform.

The Green Paper considers first the main requirements to be met by any revenue-raising system for local government. Against those requirements, it discusses, first, domestic rates, and then the most promising alternatives—local sales tax, local income tax, poll tax and assigned Exchequer revenues. It then discusses a number of associated questions, including the economic effects of change and the consequences for the system of Exchequer grant towards the cost of local services.

We have said in the Green Paper that the country views the question of domestic rates with a sense of urgency and that the Goverment wish to move ahead as quickly as possible. I am, therefore, asking for comments on the Green Paper to be submitted by 31 March 1982.

I look forward to wide-ranging consultations between now and next April. We shall then aim to produce proposals for a system which would remedy as fully as possible the shortcomings of the existing system of domestic rating and which would command the widest possible acceptance in the country as a whole.

Mr. Gerald Kaufman (Manchester, Ardwick): This is an important day for Parliament. The decision to withdraw the Local Government Finance Bill introduced six weeks ago means that the Secretary of State has learnt a lesson in democracy. he has learnt that, whatever the size of their majority, no Government can simply slap down a Bill and complacently assume that the House of Commons will rubber-stamp it. The Secretary of State would have done well to admit that frankly, rather than to try to wrap up his humiliation in verbal camouflage that will deceive no one. For exmple, we note that he has claimed credit for increasing unemployment.

Does the Secretary of state recall that this is the second local government Bill in two years that he has introduced and then had to withdraw? Paraphrasing Lady Bracknell's remark in "The Importance of Being Earnest", to lose one local government Bill may be regarded as misfortune; to lose two seems like carelessness.

How can the Secretary of State justify the turmoil into which he has thrown every local authority in the country over the past three months, all for what turns out to have been an exercise in futility? His decision to ban supplementary rates is deplorable in itself, but is it not also a direct invitaton to every borough treasurer to evade the control by recommending a high initial rate for contingency purposes? Accordingly, could it not be an incentive to overspend?

Since the Secretary of State himself clearly has little confidence in this No. 2 Bill—his seventh attempt to arrive at a solution to a problem that does not exist—why should anyone else support it? Is he aware that, although shorn of the unacceptable device of the compulsory referendum, it is still a gross interference with the independence of local government? Is he aware that every hon. Member who cares about genuine local democracy will oppose it?

We shall study the right hon. Gentleman's Green Paper and await the Government's conclusions. We hope, this time, that there will be genuine consultation with the local authorities and that their knowledge and experience will be taken into account. Will he abandon, once and for all, his meddling with local government and allow it to get on with its job?

Mr. Heseltine: I do not believe that the decision to do away with supplementary rates will increase the initial budgeting of local government. The technique of supplementary rates has been relatively rarely used in the past because treasurers have budgeted for contingency

Mr. Lawson: I do not know what the hon. Gentleman means by saying that we are to have an extended winter. Perhaps he has information that I lack. I can assure him that the emergency services, particularly of the electricity boards, are in no way hampered in their work by cash limits. Of course they must operate within a financial discipline, but so does everybody.

Mr. Peter Mills (Devon, West): I have an interest in these matters. Is my right hon. Friend aware that for four days my farmhouse has had no electricity, and that that is not funny? Will he also take note of the remarks of my right hon. Friend the Member for Taunton (Mr. du Cann) that far more repair gangs should be brought in from other areas more quickly? It was a real emergency and much more should have been done. Will he investigate the possibility of providing additional spacers on the lines to stop them touching during high winds, as that causes many of the failures?

Mr. Lawson: My hon. Friend's last point is one of the matters that will be considered in the review of transmission and distribution lines. I readily acknowledge that farmers probably suffer most from the power cuts. I understand that the Milk Marketing Board has made special arrangements for the collection of milk and that that is no longer a problem. Many farmers have standby generators which have helped them with their milking process. I am assured by the National Farmers Union that there are no major problems in that area. However, it has undoubtedly caused great difficulties for farmers.

Mr. David Penhaligon (Truro): Is the Minister aware that extremes of weather are not exactly unknown in the far South-West, and that freak storms can be guaranteed every year—if "freak" be the right word? Will he investigate whether a major contribution to the disaster that has hit the South-West has not been the CEGB's policy of closing down all local power stations in the far South-West peninsula?

Mr. Lawson: The problems have nothing to do with the CEGB. There has been no problem with electricity generating. The supergrid has, on the whole, worked properly and has not caused a problem. The problem has been failures in the transmission and distribution lines operated by the area boards.

Mr. Speaker: If hon. Members will co-operate, I shall call all those whom I know to have a direct constituency interest.

Mr. Michael Hamilton (Salisbury): I thank my hon. Friend the Member for Honiton (Mr. Emery) for raising this matter. If he had not done so there would not have been a statement. Does my right hon. Friend accept that when communities are without supplies for long periods, their frustration is increased by the total lack of information? Will he encourage the electricity authorities to instal a system similar to that of the speaking clock to give local weather reports and up-to-date information about the source of the troubles and what progress is being made to remedy them?

Mr. Lawson: I have examined the question of information. I am assured that the area boards made every effort to use local radio, BBC regional broadcasts and the press to give up-to-date information about the extent of the trouble, what was happening and what was being done to put it right. Emergency information rooms were also established and isolated areas were visited by police. One problem has been the large number of telephone calls which jammed the lines and caused problems for people wishing to obtain information. Those who possessed transistor radios heard up-to-date information on the state of play.

Mr. Arthur Palmer (Bristol, North-East): I have some small practical experience of these matters. Is the Minister aware that the British electricity supply industry has one of the best records in the world for restoration of supplies after storms? Will he not extend the thanks of the Government to the engineers and workmen who have been out day and night during the past few days?

Mr. Lawson: I am delighted to have the hon. Gentleman's endorsement of the vote of thanks that I have already given.

Sir Anthony Kershaw (Stroud): Does my right hon. Friend realise that not enough news is given by telephone because the boards do not have enough lines or telephonists? Could they not install more lines against a stormy day? Is he aware that there is no shortage of generators, most of which are manufactured in my constituency? Will he ensure that the boards hire them and have them on tap?

Mr. Lawson: That is a matter for the boards. I am sure that my hon. Friend, who is a most assidious constituency Member, will tell them how they can assist his local industry.

Mr. Robin Maxwell-Hyslop (Tiverton): Is not the lesson that should be learnt that electricity board exchanges become swamped and people cannot respond to broadcast messages? Is not the cure for that the provision of a number of ex-directory lines to which the clerks of councils have access? They can act as collecting centres for information about local supplies and conditions and can quickly phone the ex-directory numbers. Should we not learn that important lesson from the present experience?

Mr. Lawson: I shall be happy to consider that suggestion.

Mr. Dennis Walters (Westbury): Is my right hon. Friend aware that many parts of Wiltshire have been severely affected? What message can he give me, especially for homes in the Warminster area, to assure the local people that their ordeal is almost over? When there was last bad weather a couple of years ago, there were grievous problems of disconnection and we were assured that that would not be repeated. What progress has been made in the intervening period?

Mr. Lawson: As I said earlier, it is my hope that by tomorrow most consumers will have been reconnected, and that includes those in my hon. Friend's constituency. He must be aware that conditions during the past few days were very much worse that the conditions of two years ago.

items within the original budgets. The fact is that the Labour Party has too often been largely responsible for using supplementary rates actually to increase expenditure.

I cannot accept that the announcement about lower local authority manpower leads directly to higher unemployment. The Opposition will not understand that the alternative is higher rate levels which are a direct attempt to pursue higher levels of unemployment by their deterrent effect upon the private sector. For the Opposition to lecture the Government on Parliamentary democracy, when they are riddled with people trying to overthrow Parlaimentary democracy, is humbug.

Several Hon. Members *rose*——

Mr. Speaker: Order. I remind hon. Members that this is a Supply day. There are two very important debates to follow. They are preceded by a Ten-Minute Bill. I listened with care to the statement. I believe that if I allow exchanges to continue until 4.15 pm the issue will have had a very good run.

Mr. Terence Higgins (Worthing): I welcome my right hon. Friend's decision to drop the referendum proposals, which had most dangerous constitutional implications. As the best solution to local government finance would be abolition of the domestic rating system and the transfer of the cost to the central Government Exchequer, will my right hon. Friend say whether the Green Paper considers this alternative and in particular whether it works out the savings that will be raised in terms of staff and costs in the Inland Revenue valuation department, in the collection of local rates and in the rate rebate scheme?

Mr. Heseltine: I am grateful to my right hon. Friend for what he says. The Green Paper that is now in the Vote Office explores among many options the one to which he has drawn my attention. It gives considerable indication of some of the economies that might flow. All these matters will be explored in greater depth in the consultation period.

Mr. Stephen Ross (Isle of Wight): Does the right hon. Gentleman fully appreciate that while there is a duty on all responsible local authorities to try to co-operate with central Government, whatever Government are in power, he has been stretching to the limits the patience of those who have been trying to do so over the last few years? What will happen to those authorities faced with great expenditure incurred last weekend, through damage to sea walls and suchlike, which will come out of revenue expenditure and which will take them above the level of volume targets at which they are to be penalised? Is the right hon. Gentleman prepared to be fair and reasonable in relation to the present financial year? Does he appreciate that it was a previous Conservative Administration that in 1974 reformed local government, following which there was a huge expansion of bureaucracy? Does he not agree that the fault lies with the previous Conservative Administration?

Mr. Heseltine: The hon. Gentleman will be aware that emergencies have been considered favourably in the past, where appropriate. I would obviously discuss these matters with the local authority associations in relevant cases as my predecessors have always done.

As for the claim that there was a growth in the bureaucracy following the reorganisation of local government, any dispassionate observation of the facts will show that this is not the case. From 1956 onwards, local authority manpower increased year by year at an ever-increasing rate. It is difficult to see on the graph the point at which reorganisation took place. It was not until 1973-74 that the first checks to that increase took place, largely as a result of the oil crisis and the effects of the Labour Party.

The hon. Gentleman claims that the patience of local government has been stretched. I pay tribute to those authorities that are co-operating, but I have to make the point that the public and the ratepayer have had their patience stretched beyond endurance in many cases.

Mr. George Cunningham (Islington, South and Finsbury): In examining ways of reforming the rating system, will the right hon. Gentleman accept the principle that one wants to achieve a greater identity between the discretion of a local authority and its obligation to finance its exercise of that discretion from local funds? To that end, will he not try to take out of local authority funding most, but not all, educational expenditure and place it with the central Exchequer so that there is greater identity between decisions of local authorities and their means of supply?

Mr. Heseltine: The hon. Gentleman will find that a chapter of the Green Paper is devoted to the arguments surrounding the transfer of educational expenditure to the central Exchequer. He will wish, with many other people, to consider that possibility. As to trying to get greater local accountability to link high spending with bills that fall locally, the block grant mechanism achieves that.

Mr. Charles Morrison (Devizes): I join my right hon. Friend the Member for Worthing (Mr. Higgins) in congratulating my right hon. Friend the Secretary of State on dropping the proposal for referendums on rates. Is he aware that I cannot recall when last a supplementary rate was demanded in my part of Britain? Does that not show that local authorities controlled by Conservatives or independents act on the whole with great responsibility and that therefore his decision to abolish supplementary rates should be no disadvantage to a responsible local authority?

Mr. Heseltine: My hon. Friend is right. A responsible local authority will budget in the normal way. It will budget for a contingency allowance, as local authorities always do, and it will stick within its budget. If all local government now kept to the level of expenditure achieved by the Conservative-controlled councils there would be no need for the continuing difficulties between local and central government.

Mr. Hugh D. Brown (Glasgow, Provan): Does the Secretary of State agree that by linking the two subjects—the dropping of a Bill and the introduction of a Green Paper—we have all the signs of rushed government, which usually means bad government? Some of us have had some experience of that and we can recognise the signs. Does it not show that the Government have no clear idea about how they intend to reform the rating system?

Mr. Heseltine: The hon. Gentleman would be taking a different approach if we had announced conclusions today without a consultation period. I believe that we are right to publish a Green Paper which goes further in the

[Mr. Heseltine]

production of supplementary evidence than the Layfield report and will enable us to have a wide-ranging, but I hope relatively short, consultative period.

Sir Julian Ridsdale (Harwich): Is my right hon. Friend aware that we welcome his local authority reform proposals? Can he press for early legislation on the matter, which would mark a great contrast to the inactivity and ineptitude of the previous Labour Government?

Mr. Heseltine: My hon. Friend will appreciate that the right hon. Member for Manchester, Ardwick (Mr. Kaufmann) is now talking about reforming the local government financial scene, but he did nothing about it when the Labour Party was in office. I wish to have a relatively brief consultative period ending on 31 March 1982, which would enable us to take decisions about the timing of legislation.

Mr. John Cartwright (Woolwich, East): Does the Secretary of State accept that he is proposing to take unprecedented powers to approve the spending of individual local authorities? What will happen to those local authorities who fail to get his permission to borrow? Does he agree that most of the candidates that he has mentioned in the Green Paper are the same knock-kneed beasts that he has flogged around the course umpteen times already? Is there anything in his Green Paper that has not already been considered in detail by the Layfield Committee and similar expert bodies?

Mr. Heseltine: It would be wrong to assume that I have invented a new form of taxation in the Green Paper. However, the Green Paper sets out arguments, many of which are well rehearsed, but goes further than has been attempted before in trying to show the consequences of moving to an alternative. We have tried to analyse the impact on certain identified groups of householders of possible changes in any one of the alternatives considered to be the front runners. The hon. Gentleman has not understood the announcement that I made earlier today if he believes that I am trying to control individual authority expenditure.

Mr. Robin Squire (Hornchurch): Will my right hon. Friend accept my sincere congratulations on his proposal to drop the Bill as presented to the House, especially the proposals on referendums which would have affected central and local government relations dramatically? Secondly, I congratulate him on the solution that he has put forward. Thirdly, will he resist the siren voices--not least that of my right hon. Friend the Member for Worthing (Mr. Higgins)—who would suggest that the solution lay in a totality of central Government support, which would deprive local government of some independence and the opportunity to present its own priorities?

Mr. Heseltine: I have seldom found it possible to resist the siren voice of my right hon. Friend the Member for Worthing, but it is not for me today to try to reach a conclusion about the many preferred solutions that will be put forward for the reform of domestic rates. My task is to consult and not yet to reach judgment.

Mr. Robert C. Brown (Newcastle upon Tyne, West): Is the Secretary of State aware that in the part of the statement which refers to the rate support grant it appears that he will cruelly cane ratepayers in cities such as Newcastle upon Tyne? Has he not yet taken it on board that what he calls the big spenders are the inner city authorities who have the big problems to deal with?

Mr. Heseltine: The hon. Gentleman is doing me the courtesy of anticipating a statement that I hope to make soon. I did not deal with the issue of the distribution of the rate support grant. That has yet to come. However, I fully understand the needs of the inner urban areas and I am aware that if there is to be a revival of activity it is necessary to have lower rates.

Mr. John Page (Harrow, West): Will my right hon. Friend not spend too much time worrying about the highly polished, pseudo-intellectual irrelevancies of the right hon. Member for Manchester, Ardwick (Mr. Kaufmann)? Will he concentrate on the petition of 3,000 or 4,000 names from my constituency which was sent to him, speaking as always for the people of London as a whole, begging him to protect them against the predatory ravages of the Greater London Council under Ken Livingstone? Will his new proposals give some protection?

Mr. Heseltine: The legislation will deal with the powers of all local authorities, including the GLC. However, there are other matters affecting the GLC which are sub judice and it would not be proper for me to discuss them.

Mr. David Stoddart (Swindon): Does the Secretary of State realise that it is nonsense to say that he is not interferring with the freedom of local government? Is he aware that if he interferes with the right to a supplementary rate or the amount of initial rate, that is an interference with the fundamental freedom of local government? How will his proposals help Swindon, which has co-operated with him all along the line and is an expansion area, which he has encouraged, but which is now being clobbered in its efforts to provide housing and new work for my constituents and those of the hon. Member for Devizes (Mr. Morrison) who gave the Secretary of State such praise?

Mr. Heseltine: I do not believe that the hon. Gentleman would expect me to make proposals specifically for his constituents, but within his constituency many people will have grave reservations about the domestic rating system and will welcome the announcements that I have made today.

Sir. David Price (Eastleigh): As one who has been seeking rate reform for at least the past 20 years, I welcome my right hon. Friend's Green Paper. Is it his intention to legislate during the next session of Parliament or must I wait another 20 years for the legislation?

Mr. Heseltine: My hon. Friend has provided an eloquent argument about why we should get on with the job and not keep him in suspense for that period.

Mr. James Lamond (Oldham, East): Why has the right hon. Gentleman lost all his faith in local democracy? Why has he changed his mind since his Local Government Bill was going through Committee? Does he recall using the memorable phrase that it was good for local councillors to feel the prick of the electorate in their bottoms? Has his attitude changed?

Mr. Heseltine: It is difficult for me to comment upon the precise impact on local councillors of any impetus that they may feel. However, I say to the hon. Gentleman, who has such a long memory, that other changes have taken place since the 1972 reform, a significant one of which is that many people in local government no longer believe that the traditional relationship of co-operation with central government is a prime objective.

Mr. Tony Durrant (Reading, North): I welcome the Bill, but will the Secretary of State bear in mind the anxieties of industry and commerce about their rates, which are causing great difficulty, particularly to small firms and shopkeepers? Does he accept that one reason why I welcome the Bill is that industry will now at least be able to plan its budgeting for the forthcoming year, as it will know what the rate demand is?

Mr. Heseltine: That is an important point and applies not only to industry and commerce. With the abolition of supplementary rates the domestic ratepayer will also know that he has a fixed outlay which will not be varied for the forthcoming year.

Mr. Alfred Dubs (Battersea, South): Apart from what the Secretary of State said about supplementary rates, will local authorities such as the inner London education authority, from whom he has through his previous actions already taken away all rate support grant money, be immune from his further proposals and free to raise and to spend money as they believe is right in the interests of those to whom they are responsible?

Mr. Heseltine: There is a chill warning in those words. I am aware that my proposals can not fully control the phenomenon that the hon. Gentleman mentions, but I hope that his question is not a recommendation that that authority, among others, should go on a spending spree and disregard the ratepayers.

Mr. Paul Dean (Somerset, North): As I come from the county of Avon which is suffering the burden of a supplementary rate, may I warmly welcome my right hon. Friend's statement and the Government's firm intention to reform the rating system in this Parliament? In the meantime, will my right hon. Friend assure the House that local authorities who loyally co-operate with the Government's economic policy and pursue good housekeeping do not suffer thereby in their grant arrangements?

Mr. Heseltine: I am grateful to my hon. Friend. The grant arrangements are the subject of another announcement, but from what I have said it should be apparent that I am determined to co-operate with the authorities that have co-operated with the Government. Substantial differential targets have been set for the authorities which have already made substantial cuts. I sympathise with my hon. Friend's point about his constituents suffering the supplementary rate. I sympathise particularly with people who are living on fixed incomes, including pensioners, who are in now no way able to protect themselves from the effect of the rates.

Mr. Norman Atkinson (Tottenham): As the Secretary of State boasts that he is responsible for putting more local authority workers on the dole than any of his predecessors, can he explain why he wishes to keep down rates to protect employment? What connection is there between domestic ratepayers and the PSBR? How can the transfer payment affect jobs and threaten employment?

Mr. Heseltine: The economic effects are not linked simply to the PSBR. It is a question of the management of demand in society at large. As local authorities spend about £30 billion a year, the Government must take a view about the way in which the expenditure is managed and directed. I totally reject the hon. Gentleman's view that because the number of local authority employees has gone down to the 1974 level it had necessarily increased the dole queues. The vast majority of employees have left of their own free will, many to retire.

Mr. Patrick Cormack (Staffordshire, South West): May I thank my hon. Friend for listening to the views of the House expressed in the debate recently and congratulate him on the new Bill? Will the powers that he has taken to himself be limited by time, as he said in the debate might be the case? Will he assure us that this document will be the last Green Paper on the subject?

Mr. Heseltine: I very much hope that it is the last Green Paper that I produce on the subject, but beyond that I hesitate to go. It is not my intention that we should need a further Green Paper on the subject. I do not believe that we should take a decision on the limitation of time on banning the supplementary rate. It was a commitment that I gave very much in the context of the referendum provisions. The case is different when one comes to judge supplementary rates.

Mr. Frank Dobson (Holborn and St. Pancras, South): As one reason why a number of local authorities levied the supplementary rate in the current year was that the Government had given them a falsely optimistic estimate of price and wage inflation, will the right hon. Gentleman guarantee that they will be given a realistic estimate in the forthcoming year so that they are not forced into either supplementary rate demands or appeals to him?

Mr. Heseltine: The hon. Gentleman must have completely misunderstood the situation. Had the assumption been unrealistic all local authorities—not just a tiny handful—would have had to levy supplementary rates.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): May I congratulate the Minister on his readiness to withdraw the referendum principle and on bringing forward the Green Paper so quickly? If we do not wish local authorities to levy a rate higher than needed—I believe that they will if there is no chance to levy a supplementary rate—and if the Government's figures on inflation and interest rates turn out to be wrong, will my right hon. Friend reconsider the matter? Does he agree that the temporary borrowing permission affects the Government's borrowing figures and would make a difficult position even worse?

Mr. Heseltine: It is extremely unlikely that the Government would be prepared to consider the situation again if the inflation factors proved to be higher than we have estimated. We are trying to secure a better balance between the public and private sectors. We cannot accept that the private sector can only watch while the public sector virtually indexes its whole expenditure patterns. The public sector must make sufficient economies to live within the means that the Government have willed.

I am grateful to my hon. Friend for praising my readiness to withdraw the Bill. It was a flattering way to describe what happened.

BILLS PRESENTED

LOCAL GOVERNMENT FINANCE (NO. 2)

Mr. Secretary Heseltine, supported by the Chancellor of the Exchequer, Mr. Secretary Whitelaw, Mr. Secretary Edwards, the Attorney-General, and Mr. Tom King, presented a Bill to abolish supplementary rates and supplementary precepts; to require rates and precepts to be made or issued for complete financial years; to make further provision with respect to the borrowing powers of local authorities; to amend the provisions relating to adjustments of the distribution of block grant; to make new provision for auditing the accounts of local authorities and other public bodies; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed [Bill 41].

Replica Firearms

4.16 pm

Mr. Eldon Griffiths (Bury St. Edmunds): I beg to move,

That leave be given to bring in a Bill to make it unlawful without a licence to import, manufacture, or offer for sale any device that resembles or is intended to resemble a firearm unless that device is incapable of being transformed into an actual firearm or is conspicuously dissimilar to the firearm it purports to resemble; and for related purposes.

Shortly after the incident on the Mall when a man with a replica firearm fired six blank shots near Her Majesty the Queen, the Home Secretary told the House that he would review the law on imitation firearms with a view to bringing forward effective control. The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), speaking for the Opposition, agreed to support proposals for firmer controls on firearms of all kinds, real and replica.

As it happened, I had been in close touch with my right hon. Friend on the subject of replica guns during the previous six months and urged him to take steps to deal with two things: first, the rapidly increasing availability of replica guns and their increased use by criminals; secondly, the confused and uncertain state of the law. I was joined in my representations at a later stage by the right hon. Member for Norwich, North (Mr. Ennals), whose constituents had suffered attacks by criminals using replicas and whose support I am happy to recognise.

My right hon. Friend properly pointed to the great difficulties that he and his predecessors had encountered in seeking to devise more effective controls. I should place on record the fact that at no time was he opposed to taking further action. He made only the proper proviso with which I entirely agree—I usually agree with my right hon. Friend—that the controls must be effective.

Thereafter, when hon. Members on both sides of the House made known their feelings in response to the incident in the Mall, my right hon. Friend encouraged the right hon. Member for Norwich, North and me to bring forward a private Bill, and, subject to his being satisfied that it would be workable, he offered his general support.

The case for the Bill is overwhelming. The number of robberies, burglaries, assaults, rapes and muggings carried out with the aid of imitation guns appears to be increasing rapidly. I say "appears" because the statistics are not clear. The principal reason is that in far too many cases where firearms are used in the course of crime the criminal gets away with it or is not arrested and therefore it can never enter the criminal statistics whether the weapon he used was real or fake. But the judgment and experience of the police service is that more and more replicas are being used in the course of crime and that this will continue if nothing is done, for two reasons.

First, regrettably, replicas are easier to come by than real revolvers and pistols. A person needs only to go into a shop—there are many hundreds of them—and buy one. That shop is not required to be licensed and the person who buys the imitation gun does not require a licence to possess it—at least not in most cases.

The second reason why imitation guns will continue to be used increasingly in crime is that replicas are cheaper than the real thing. Even on the black market, which thrives on illicit firearms, it costs between £150 and £200 to buy a real Walther or Luger pistol. Yet, for about £30 or £40 one can now buy a look-alike pistol that is so

CONFIDENTIAL

(1)

SECRETARY OF STATE FOR THE ENVIRONMENT

Prime Minister
Subject to the views of colleagues, Content with this answer?

MCS 16/12

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

16 December 1981

Yes

Dear Leon

RSG ANNOUNCEMENT - 21 DECEMBER 1981

On 21 December I shall be announcing decisions on the key elements of the 1982-83 settlement, following consultations with local government, and will also be announcing government proposals, distribution of grant, expenditure targets, and exemplifications of grant entitlements.

I propose to make the announcement by means of an arranged written answer and a statement to the Consultative Council on Local Government Finance. I attach a draft of the proposed answer, which would also serve as the statement to the Consultative Council on Local Government Finance. This sets out the main outline and political message of the settlement. More detailed information will be given in memoranda on distribution decisions and expenditure targets, as well as exemplifications of grant entitlements, which will be provided for the Consulative Council and local authorities and will also be placed in the library of the House.

I should be grateful for any comments which you and other colleagues may have on the draft answer by 5.00 pm on Thursday, 17 December.

I am copying this to the Prime Minister, all Cabinet colleagues, the Chief Whip and Sir Robert Armstrong.

Yours ever

Michael

MICHAEL HESELTINE

Rt Hon Leon Brittan QC MP

CONFIDENTIAL

CONFIDENTIAL

QUESTION

To ask the Secretary of State for the Environment what are his proposals for distribution of the Rate Support Grant in 1982-83?

ANSWER

1. On 2 December I announced the Government's proposals for the key elements of the 1982-83 rate support grant settlement in England. Since then I have consulted further with local government in the Consultative Council on Local Government Finance and the Housing Consultative Council. In the light of these consultations I have now decided to confirm these proposals, subject to some detailed modifications.

2. The total current expenditure provision will be £18 billion, allocated between services as set out in my answer to my hon friend the member for Chorley on 2 December (Hansard col). That is some £1 billion more than the provision for 1982-83/ implicit in Cmnd 8175. And it is about 2% more than local authorities are budgetting to spend in 1981-82.

3. Aggregate exchequer grant will be paid at the rate of 56% on relevant expenditure of £20.5 billion. Total grant will thus be £11.5 billion. That means we are providing for over £½ billion more in grant than was provided in the year's settlement for 1981-82.

4. Specific grants will total £1662 million. Transport Supplementary Grant will total £457 million. National Parks Supplementary Grant will total £5 million. The amount remaining for rate support grant will thus be £9336m. The Government have decided to leave domestic rate relief unchanged at the 1981-82 level of 18½p in the pound. That will cost £678 million. The amount remaining for distribution under block grant will thus be £8658 million.

5. The settlement takes account of the Government's cash factors for the public sector of 4% and 9% in pay and prices respectively.

CONFIDENTIAL

The recent offer to local authority manual workers will make it more difficult for local government to achieve the planned level of cash expenditure. I cannot stress too strongly, therefore, that higher pay rises can only lead either to faster staff reductions within local government, or to higher rate increases, and hence higher unemployment, in industry and commerce.

6. I am making a separate announcement today about local authority housing expenditure in 1982-83.

7. As I indicated to the House on 2 December I propose to give authorities individual cash expenditure targets for 1982-83. I remain convinced that only individual targets can concentrate minds sufficiently on the reductions that need to be made. I am today sending all authorities a memorandum setting out their individual targets.

8. In setting these targets we have taken account of authorities' past performance both in relation to their grant-related expenditure assessment and against the volume targets for 1981-82. The targets are also constrained so that no authority is asked to make more than a 7% real terms reduction below its minimum volume budget for 1981-82 (ie the lower of authorities' original and revised budgets); and no authority is expected to increase its expenditure in real terms over that budget. Overall our targets represent about a 3½% reduction in real terms below minimum volume budgets.

9. In order to reinforce the targets I am proposing a scheme of grant abatement for authorities whose expenditure is above targets and above GRE.

10. Although we are providing for £½ million more grant than in last year's settlement, I do not disguise the fact that these proposals will require significant economies from local government.

[The Government attached overriding priority to achieving the targets of local government current expenditure. This priority overrides all other priorities - even law and order should not be exempt from the search for economies. All Ministers recognise this and acknowledge that, within the limits of statutory obligations, local government is free to make its own choices as between services in seeking to achieve the targets.]

11. In further technical memoranda I have today sent all authorities details of our proposed changes to the methodology for assessing GREs in 1982-83, and to the grant-related poundage schedule, the London adjustments and the safety nets. The GRE estimates are still subject to minor revision and adjustments to take account of the capital expenditure allocations for 1982-83 before I make formal determinations in the Report.

12. I am placing in the Library of the House copies of the material I have sent to local authorities. I shall lay the Report before the House in January.

13. In proposing this settlement the Government has taken account of local authorities' representations and we believe that in current economic circumstances our proposals are both realistic and fair. Provided that local government seeks to match our target expenditure levels, rate increases generally will be low next year. That will benefit the whole community - householders, industry and commerce.

cc AD

Local Govt.

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

NBPM

My ref:

Your ref:

16 December 1981

Dear Janet

will request if required.

I have received your letter of ~~15~~ December with its suggested reference to an independent source of finance for local government.

I appreciate that many in local government would welcome such a statement. However, I have to realise that such a commitment at this stage could preclude options which I believe to be of importance to some of our colleagues.

I feel in all the circumstances that I cannot slam doors before the consultation begins except in some areas where I have already secured the agreement of colleagues. This cannot be said to cover your proposed draft.

I hope you will understand my position.

I am copying this to the Prime Minister, the Chief Secretary, and the Secretaries of State for Scotland and Wales.

Yours ever

Michael

MICHAEL HESELTINE

The Rt Hon The Baroness Young

6 DEC 198[illegible]

Local Govt Fin: Pt

2

PRIME MINISTER

MT

Mr. Heseltine's statement on local government finance and rates

I attach the text of Mr. Heseltine's statement, which he altered marginally in delivery.

His statement went down well. Both the Opposition and the back-bench rebels knew that the announcement represented a victory for them, and chose not to rub salt into the wound.

Gerald Kaufman welcomed the announcement as an important day for Parliament, a lesson in democracy and a humiliation for the Secretary of State. He poked fun at Mr. Heseltine for claiming credit for increasing unemployment amongst former local authority employees. He argued that the ban on supplementary rates would provide an incentive to overspend by setting initial figures high. On the Green Paper, he called for genuine consultation with the local authorities before decisions were reached. Overall, he said, it was time for Mr. Heseltine to stop interfering with local government and let them get on with the job. Terence Higgins welcomed the dropping of the referendum proposal, and reeled out his well known preference for full financing from central government. Later, Charles Morrison, Julian Ridsdale, Robin Squire and Patrick Cormack joined in the welcome for the abandonment of the referendum proposals. All were positive in their more detailed Questions. The only awkward Question from the Government side came from Tony Beaumont-Dark. He was convinced that a ban on supplementary rates would increase the levels initially set in any year. He also sought an assurance that if the Government inflation assumption proved wrong in any year, the Secretary of State would reconsider the position. Mr. Heseltine stressed that this was very unlikely. The Government were seeking a better balance between the public and private sectors.

From the Opposition benches, there were some who represented the statement as a declaration of loss of faith in local democracy (James Lamond, Alf Dubs, Frank Dobson); and others who put down markers for particular problems of their own authorities - Bob Brown on inner cities like Newcastle and were big spenders because of big problems, George Cunningham who wanted to see education financed from the centre.

/ All in all,

All in all, Mr. Heseltine had an easier passage than might have been expected. He handled the House well, and did not try to disguise the fact that the revised Bill represented a defeat for his initial policy ideas.

MP

16 December 1981

STATEMENT ON LOCAL GOVERNMENT FINANCE/ GREEN PAPER ON ALTERNATIVE TO DOMESTIC RATES

SECRETARY OF STATE FOR THE ENVIRONMENT - 16 DECEMBER 1981

Mr Speaker, I will, with permission, make a statement about a number of rating and local government finance matters.

Our election manifesto restated our determination to reform the domestic rating system.

In the meantime, the Government is determined to reduce the level of local government current expenditure and to ensure through the distribution of the rate support grant that the consequences of high spending policies are financed more fairly by those local communities where the highest spending takes place.

The majority of local authorities have now proved that the Government's expenditure targets were realistic and obtainable. LLX

The continuing wish of most local authorities to co-operate with Government by reducing the rate borne costs of public expenditure in their areas is further reinforced by the publication today of the latest local government manpower figures for England.

These show the largest total drop in manpower ever achieved in one year. At 1.9 million the number of full-time equivalent employees in local government in England is the lowest total recorded since the joint manpower watch system was introduced, and effectively eliminates all the manpower growth that has taken place since 1974.

In its determination to maintain pressure on current expenditure, particularly in authorities which do not co-operate with the overall policy of securing a better balance between the public and private sector, the Government decided to legislate this Session to deter high spending.

The Government intends to proceed with legislation, but in one way different from our original intention. The ~~provision relating to~~ block ~~grant will remain.~~
~~The proposal to establish an audit commission will~~ also ~~stand. However~~, instea
of the proposal to permit high spending only after a poll of local communities the Government propose to ban s.r. ~~will ban the financing of extra expen~~diture ~~by~~ supplementary rates. altogether

The new Bill which I am introducing today will ban the levying of supplementary rates in 1982/83 and subsequent years.

It may be that during the financial year an authority may incur unexpected expenditure - for example, because of some quite unforeseen event for which it has not rated.
In these circumstances it could apply to me for temporary borrowing permission.
I would not grant such permission unless it was absolutely essential for the expenditure to be incurred in the year, and unavoidable commitments met.
I should expect the borrowing to be repaid out of revenue income within the first quarter of the following year.

manifesto commitment

The Government recognises the need to make progress with its plans to reform the rating system.
I am today publishing together with my Rt Hon Friends the Secretaries of State for Scotland and Wales a Green Paper on alternatives to, and possible reforms of, the present system of domestic rates.
~~Copies are available in the Vote Office~~.
The present system contains anomalies and unfairness.
In publishing the Green Paper, the Government reaffirms its long-standing commitment to reform.

The Green Paper considers first the main requirement to be met by any revenue-raising system for local government.

Against those requirements, it discusses, first, domestic rates; and then the most promising alternatives - local sales tax, local income tax, poll tax and assigned Exchequer revenues.

It then discusses a number of associated questions, including the economic effects of change and the consequences for the system of Exchequer grant towards the cost of local services.

We have said in the Green Paper that the country views the question of domestic rates with a sense of urgency and that the Government wishes to move ahead as quickly as possible.

I am, therefore, asking for comments on the Green Paper to be submitted by 31 March 1982.

We shall then aim to produce proposals for a system which would remedy as fully as possible the shortcomings of the existing system of domestic rating and which would command the widest possible acceptance in the country as a whole.

I look forward to wide ranging consultations between now and next April.

These will enable the Government to reach conclusions on the way forward.

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

16 December 1981

Dear Michael

STATEMENT ON LOCAL GOVERNMENT FINANCE

I enclose the final version of my Secretary of State's statement to be delievered this afternoon. This takes account of the Prime Minister's suggestion to include more material on the Green Paper.

I am copying this to the Private Secretaries to the Home Secretary, the Lord President, the Secretaries of State for Northern Ireland, Scotland, Wales, Education, Transport, and Health and Social Services, the Chief Whips (Commons and Lords), and the Chief Press Secretary at No 10.

Yours ever

David Edmonds

MICHAEL HESELTINE

Michael Scholar Esq - No 10

STATEMENT ON LOCAL GOVERNMENT FINANCE/ GREEN PAPER ON ALTERNATIVE TO DOMESTIC RATES

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In its determination to maintain pressure on current expenditure, particuarly in authorities which do not co-operate with the overall policy of securing a better balance between the public and private sector, the Government decided to legislate this Session to deter high spending.

The Government intends to proceed with legislation, but in one way different from our original intention. ~~The provision relating to block grant will remain.~~
~~The proposal to establish an audit commission will~~ also ~~stand. However~~, instead of the proposal to permit high spending only after a poll of local communities the Government proposes to ban s.r. ~~will ban the financing of extra expenditure by~~ supplementary rates. altogether

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I look forward to wide ranging consultations between now and next April.

These will enable the Government to reach conclusions on the way forward.

Kaufman
Lesson in democracy. Important day for Putt
'humiliation'
credit for increasing unemployment
Second bill in 2 yrs has had to withdraw
Ban means high initial rates - incentive to overspend
Gr Paper. Genuine consultation pl w la's
abandon interference in loc govt. let get on a job

Higins - Welcome drop ref prop.
Finance from central govt - covered in G.P.?

Ross P l consider emergencies favourably -
74 LG reform expanded bureaucracy

Cunningham. Finance edu from centre

C Morrison Welcome end of referendum
Don't remember our last supp rate. Tory &
Ind la's are responsible, so will not
suffer from new approach

Hugh Brown Rushed govt in these two proposals, = bad govt

Ridsdale Welcome la proposals: move fast

J Cartwright unprecedented powers.
What happens to la who fail to get permission

R. Squire Congrats on change in Bill
R Brown Big spenders are inner cities w big problems.
MH Not an RSG
J Page GLC extravagance
D Stoddart
D Price Welcome G P
J Lamond Lost faith in loc democracy
?

Dubs
P Bean Be nice to loyal las.
N Atkinson La redundancy read
Cormack Time limitation on powers?
Last G P on subject?

Dobson
Beaumont-Dark. Higher rate if no supp
If Govt figures wrong, will we reconsider?
Inflation
MH Unlikely. Because we are seeking better
rule/ [illegible] balance.

MAP

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

15 December 1981

Dear David

LOCAL GOVERNMENT FINANCE BILL/STATEMENT ON GREEN PAPER ON ALTERNATIVES TO DOMESTIC RATES

My Secretary of State wrote to the Lord President on Friday 11 December, with a copy of the draft Bill which is to be given First Reading and published tomorrow, and a copy of a draft oral statement.

I am writing to confirm that arrangements are now in hand for publication at 3.30 pm tomorrow and First Reading. I attach a very substantial revised oral statement. If Cabinet colleagues have any views on this, the Secretary of State would be grateful to see them by close of play this evening.

I am copying this, and the enclosure, to the Private Secretaries to the Prime Minister, members of Cabinet, the Chief Whips (Commons and Lords), and to Sir Robert Armstrong.

Yours sincerely
David

D A EDMONDS
Private Secretary

David Heyhoe Esq
PS/Lord President of the Council

STATEMENT ON LOCAL GOVERNMENT FINANCE

Mr Speaker, I will, with permission, make a statement about a number of rating and local government finance matters.

Our election manifesto restated our determination to reform the domestic rating system.
In the meantime, the Government is determined to reduce the level of local government current expenditure and to ensure through the distribution of the rate support grant that the consequences of high spending policies are financed more fairly by those local communities where the highest spending takes place.

The majority of local authorities have now proved by achieving the Government's expenditure targets that those targets were realistic and obtainable.
The continuing wish of most local authorities to co-operate with Government by reducing the rate borne costs of public expenditure in their areas is further reinforced by the publication today of the late local government manpower figures for England.
These show the largest total drop in manpower ever achieved in one yea
At 1.9 million the number of full-time equivalent employees in local government in England is the lowest total recorded since the joint manpower watch system was introduced, and effectively eliminates all the manpower growth that has taken place since 1974.

In its determination to maintain pressure on current expenditure, particularly in authorities which do not co-operate with the overall policy of securing a better balance between the public and private sector, the Government decided to legislate this Session to deter high spending.
The Government intends to proceed with legislation, but in one way different from our original intention.
The proposal to establish an audit commission will stand but instead of the proposal to permit high spending only after a poll of local communities the Government will ban the financing of extra expenditure by supplementary rates.
The new Bill which I am introducing today will ban the levying of supplementary rates in 1982/83 and subsequent years.

It may be that during the financial year an authority may incur unexpected expenditure - for example, because of some natural disaster for which it has not rated.

In these circumstances it could apply to me for temporary borrowing permission.

I would not grant such permission unless it was absolutely essential for the expenditure to be incurred in the year.

I should normally require the borrowing to be repaid within the first quarter of the following year.

The Government recognises the need to make progress with its plans to reform the rating system.

I am today publishing a Green Paper setting out a range of possible alternatives and reforms of the present system.

I look forward to wide ranging consultations between now and next April.

These will enable the Government to reach conclusions on the way forward.

Privy Council Office,
Whitehall,
London, SW1A 2AT

With the Compliments

of the

Private Secretary

to the

Lord President of the Council

CONFIDENTIAL

cc AD

(2)

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Prime Minister

I understand that Transport are now saying that they will not need any Bill - to be discussed at E on Tuesday.

MCS 18/12

15 December 1981

Dear David,

I was grateful to you for your letter of 11 December setting out your proposals for the preparation and introduction of any legislation on passenger transport subsidies which may be necessary following the delivery of the House of Lords judgement in the case of Bromley Council versus the GLC.

We can consider our tactics in detail when your proposals come before E Committee, but I am bound to say that my immediate reaction is that the suggested timetable is much too tight both in political terms and from the narrower business management point of view. One lesson which we have had to learn again in the current Session is that rushed legislation is almost always bad legislation; and however clear we may be in our own minds about what we want to do, I think that we shall be exposing ourselves to unnecessary criticism if we rush into the publication of a Bill without appearing to give full consideration to the implication of the House of Lords Judgement.

.../...

The Rt Hon David Howell MP
Secretary of State for Transport
2 Marsham Street
LONDON SW1

CONFIDENTIAL

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I also have to point out that, even if we do decide on urgent legislative action, existing Parliamentary commitments would make it very difficult indeed to arrange for a Second Reading Debate immediately after the House returns. My own preference would therefore be to introduce any Bill immediately after the adjournment, which would mean that Second Reading could not be before the week beginning 1 February.

I am copying this letter to the recipients of yours.

Yours ever

Francis

FRANCIS PYM

CONFIDENTIAL

CONFIDENTIAL

Local govt

JU
AO
AW

NBPM - overtaken

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

The Rt Hon Michael Heseltine MP
Secretary of State
Department of the Environment
2 Marsham Street
London
SW1 3EB

15 December 1981

Dear Michael.

GREEN PAPER AND LOCAL GOVERNMENT FINANCE BILL: DRAFT STATEMENT

I have one comment on the revised draft of your statement tomorrow attached to your Private Secretary's letter of 15 December.

As you know from the discussions which my officials have had with yours, I am concerned that the conditions under which temporary borrowing permission would be granted should not be too narrowly drawn. I have in mind for example prudent Conservative authorities which fix their initial rate on the basis of our own inflation assumptions and then find part way through the year that these have been overtaken by unexpected price or pay increases over which they have no control. In my view they should be allowed to borrow temporarily so as to be able to adjust their spending if the alternative was a drastic cut in services. I am not suggesting that the Bill should be amended on this account; but I hope that you will consider omitting from your statement the example - natural disasters - because it might give the wrong impression about our intentions and encourage some authorities to fix unnecessarily high rates just to be on the safe side. In any event I shall be glad to have your assurance that you will indeed use your powers in the way that I have suggested.

I am sending copies of this letter to the Prime Minister, the other members of the Cabinet, the Chief Whip and Sir Robert Armstrong.

Ever, Keith.

CONFIDENTIAL

16 DEC 1981

c/c AD

✓ MBPM

Treasury Chambers, Parliament Street, SW1P 3AG

David Edmonds Esq
Private Secretary to the
Secretary of State
Department of the Environment
2 Marsham Street
London SW1P 3EB

15 December 1981

Dear David,

I am writing to confirm my telephone message of yesterday about Mr Heseltine's letter of 11 December to Mr Pym. The Chief Secretary is content with the general thrust of Mr Heseltine's draft statement, subject to a few minor changes officials here have discussed with your colleagues. In the light of your Secretary of State's comments, the Chief Secretary is prepared not to press his suggestion that power might be taken to substitute grant for borrowing in certain circumstances.

Copies of this letter go to the Private Secretaries of recipients of Mr Heseltine's.

yours sincerely

MISS J M SWIFT
Assistant Private Secretary

ø JV
AD

CHIEF SECRETARY TO THE TREASURY

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Michael Heseltine MP
Secretary of State
Department of the Environment
2 Marsham Street
London SW1P 3EB

14 December 1981

Dear Michael,

C.F. please attach for PM

I have seen your letter of 9 December to Willie Whitelaw about the remaining details of the RSG settlement for 1982-83.

Although I should ideally have preferred a package which was tougher on overspenders, I will not press that point at this stage in view of the time constraints. I am therefore content for you to proceed as you propose, both as to substance and timing.

However, there is one point I should raise now on presentation. Grant holdback has already come down very substantially from your estimates, both for 1982-83 as shown in your letter and, I understand, for 1981-82. Our ability to proceed with selective holdback at all for either year depends on power to be taken in the Local Government Finance Bill. If those powers were to come to grief in the course of the Bill's passage, we should want to take alternative steps to restrain high spending, whether by toughening grant penalties, reducing the RSG percentage or, as I would think right, by doing both.

My agreement to your settlement package depends on the assumption that you will be able to impose selective holdback, and I must ask that you give no assurances at this stage which would limit our scope for alternative action should holdback powers not be available in the event.

Copies of this letter go to the Prime Minister and members of MISC 21.

Yours,
Leon

LEON BRITTAN

15 DEC 1981

12 1 2 3 4 5 6 7 8 9 10 11

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AW
AD
JU

(2)

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Prime Minister

Now substantially overtaken by the Lords' decision.

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1

14 December 1981

MLS 18/12

Dear Michael

REFUNDING EXCESS PUBLIC TRANSPORT SUBSIDIES TO RATEPAYERS

You suggested at E Committee on 3 December that we should consider the imposition of general duties on local authorities to repay rates raised for transport expenditure ~~which was~~ subsequently not authorised. Our officials have discussed the technical aspects of various possibilities, and I have considered whether I could recommend a workable scheme to colleagues along with my proposals on public transport subsidies.

A simple duty on the lines you suggested would, I think be ineffective. It would, in my view, leave too much to the discretion of local authorities. Though it might influence some councils, my own view is that it would be too vague to have any real effect. A fundamental difficulty is that it is impossible to associate the funds levied through rates with particular items of expenditure, which are finances from authorities' gneral cash flow, to which grants, borrowing and balances contribute. As block grant and transport supplementary grant are not attributable to particular expenditures, the task of the courts, who would be responsible for enforcing the duty, would be impossible.

CONFIDENTIAL

The same difficulty about identifying revenue and expenditure applies to the more complex schemes which officials have considered for creating statutory mechanisms for identifying and refunding excess rates. Moreover, the presentational advantages of such schemes would be obscured by the fact that the size of any excess expenditure could not be ascertained until after authorities had levied rates for the following year.

I have therefore considered an alternative scheme to compel authorities to declare, when their budgets were finalised, what they planned to spend on transport subsidies, and require them to pay that amount into a special account held by the transport executive. From there is could be drawn on only by the executive, to the limit of authorised expenditure. The balance would either remain in the fund, to reduce the requirement for subsidy in the next year, or be distributed to rating authorities.

The difficulty about this approach is that it is over-rigid. By removing part of an authority's funds from its control, it could prevent it from making quite reasonable adjustments to its budget to meet unforeseen requirements during the year, or, if political control changed, making a genuine shift in priorities away from transport subsidies towards, say, spending on law and order or the reduction of borrowing. We could deal with legitimate changes by taking a power for the Secretary of State to release funds for such purposes. But that would take us deep into the finances of individual authorities, and consideration of their priorities between different services. Moreover the impact of such a scheme would, I think, be lost after the first year, as authorities adapted their budgets to circumvent the controls.

CONFIDENTIAL

I see the attraction of a scheme to block excess funds for subsidies. But I am driven to the conclusion that no effective and practical scheme can be devised for incorporation in the transport legislation which, depending on the Lords' judgement, we shall have to consider very shortly. Any such legislation would have to be passed very quickly to affect spending on subsidies next year, and I should be most reluctant to include further controversial clauses. But if you nevertheless consider that an effective scheme could be devised, it would be open to you to proceed by way of amendment to the Local Government Finance Bill which does not, as I understand it, need such a rapid passage as we have been considering for transport legislation and would be a more appropriate vehicle for changes in the rating system and local authorities' finances generally.

Copies of this letter go to the Prime Minister and to the other members of E Committee.

Yours ever

David

DAVID HOWELL

CONFIDENTIAL

3F

Local Govt Relations

c/c AD

CONFIDENTIAL

HOME SECRETARY

QUEEN ANNE'S GATE
LONDON SW1H 9AT

14 December 1981

Dear Michael

Thank you for your letter of 9th December.

With the main elements of the Settlement already agreed my Departmental interest in these issues is limited. I am generally in sympathy with your proposals which seem to me fair and reasonable.

I understand that no colleague has raised objections to the proposals in your letter of 9th December. You may therefore take it that they have MISC 21's approval.

I am copying this letter to the Prime Minister; to MISC 21 colleagues; to the Lord President of the Council, the Chancellor of the Duchy of Lancaster and the Chief Whip and to Sir Robert Armstrong.

Yours

Willie

The Rt. Hon. Michael Heseltine M.P.

CONFIDENTIAL

15 DEC 1981

File AH

cc. CO.

10 DOWNING STREET

From the Principal Private Secretary 14 December 1981

PERSONAL AND CONFIDENTIAL

Dear David,

I have written to you separately today replying, on the Prime Minister's behalf, to your Secretary of State's minute of 11 December 1981 about last Friday's meeting of the Consultative Council on Local Government Finance. I have copied that letter to the Private Secretaries to all members of the Cabinet and to David Wright in the Cabinet Office.

The purpose of this letter, which I am copying only to David Wright, is to let you know that the Prime Minister intends to give your Secretary of State an opportunity at Cabinet this Thursday under the Parliamentary Affairs item to reinforce orally the message of his minute that all departments must stand by the targets for total local government expenditure agreed by Ministers and not seek individually to encourage higher expenditure in particular areas than is implied by the overall targets.

Yours ever,

Clive Whitmore.

David Edmonds Esq.,
Department of the Environment.

CONFIDENTIAL

File A4

ccs Cabinet
+ David Wright

10 DOWNING STREET

From the Principal Private Secretary

14 December 1981

Dear David,

The Prime Minister has asked me to thank your Secretary of State for his minute of 11 December 1981 reporting the outcome of the meeting of the Consultative Council on Local Government Finance.

She entirely endorses the need for all Government Departments to speak to local government with one voice on the subject of the targets set by central government for local government expenditure and she hopes that all Ministers will do all they can in this direction. She thinks, however, that the proposition set out in the penultimate paragraph of Mr Heseltine's minute is perhaps a little too sweeping and subject to the views of other colleagues, she would prefer a formulation on the following lines:-

> "Central government attaches the utmost priority to achieving the targets of local government current expenditure. It is, however, for local government to make its own choices, within the limits of statutory obligations, as between services in taking the necessary steps to achieve the targets".

I am sending copies of this letter to the Private Secretaries to other members of the Cabinet and to David Wright (Cabinet Office).

Yours ever,

Clive Whitmore.

David Edmonds Esq.,
Department of the Environment.

CONFIDENTIAL

AH

CONFIDENTIAL

ca B1
AD.

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

11 December 1981

Dear Francis

LOCAL GOVERNMENT FINANCE BILL/STATEMENT ON GREEN PAPER ON ALTERNATIVES TO DOMESTIC RATES

I am grateful for your helpful suggestion that my statement to the House next Wednesday, 16 December to coincide with the publication of the Green Paper on Alternatives to Domestic Rates might also cover the revised Local Government Finance Bill. I am, therefore, writing to seek the agreement of colleagues, in the light of our discussion in Cabinet yesterday, to the First Reading and publication of the Bill next Wednesday. I also enclose a first draft outline of a statement. This draft is intended to give colleagues an impression of the main content of a statement, and not the detailed drafting. I shall be working on this draft over the weekend.

Tom King discussed the new proposals to replace Part I of the existing Bill with a ban on all supplementary rates and precepts with the Environment Backbench Committee last night. He enjoyed considerable success in securing the support of our colleagues for the new proposals.

You will recall that Leon Brittan said that there were some outstanding issues on the temporary borrowing aspects of the new scheme still to be sorted out between us and the Treasury. His letter to me of 11 December indicates that his concerns are, first, I should make a statement both when introducing the Bill and at Second Reading about the conditions under which I would be willing to give temporary borrowing approval and, second, that I should consider taking a power to give additional grant instead of borrowing permission. His idea is, I understand, that the additional grant would then be taken off the grant for the following year.

I am quite prepared to do the first. As regards introduction, the section in my draft statement on the Bill contains a paragraph dealing with borrowing permission, which has been discussed with, and its nature generally agreed by, Treasury officials.

I am afraid, however, I cannot undertake to draft the power to give additional grant, which has only been raised at this very late stage. I do not think it necessary as I shall, as is clear from the statement, be granting temporary borrowing permission only on very rare occasions and it will prove complex and difficult to draft. Moreover, unless the Treasury were willing to enter into an open-ended commitment to add to the rate support grant total for any one year the money could only be found by taking grant away from other authorities who will themselves be unable to raise supplementary rates. In addition, I think it would be extremely unfair to take grant away from an authority which had suffered some natural disaster such as a flood for which it had been given additional grant in the year before.

CONFIDENTIAL

I would also foresee major drawbacks if Leon Brittan's proposition were to operate not through RSG but via a new specific grant. This would again mean an open-ended commitment for the Government which could not be quantified in advance. Moreover, I think we should not underestimate the unattractiveness to local authorities of borrowing for revenue purposes; if they knew they could look to 100% grant support to cover revenue shortfall (even if repayable) they may be less inclined to live within their means than if they have to face the cost and inconvenience of borrowing. Officials in my Department are, however, continuing discussions with Treasury officials on this point.

Finally, I propose that my statement should also cover the local authority manpower statistics which are to be published on Wednesday.

/ I am enclosing a copy of the new draft clauses for Part I of the Bill with amendments to date entered in manuscript. I would be grateful for your agreement and that of colleagues on introduction of the Bill by close of play on Monday, 14 December; and for comments on the thrust of the draft statement on the same timescale.

I am sending copies of this letter and enclosures to the Prime Minister, all members of Cabinet, the Chief Whip, and to Sir Robert Armstrong.

Yours ever

MICHAEL HESELTINE

Rt Hon Francis Pym MP

2F

DRAFT ORAL STATEMENT: 16 DECEMBER 1981

1. Mr Speaker, my rt hon Friends the Secretaries of State for Wales and Scotland and I have today jointly published a Green Paper on alternatives to the present system of domestic rates. Copies of the Green Paper are available in the Vote Office.

2. The present system contains anomalies and unfairness. In publishing the Green Paper, the Government reaffirms its long-standing commitment to reform. But I do not suggest the way ahead is easy. Each of the alternative local taxes suggested as alternatives to domestic rates presents difficulties and no consensus exists on what the best option would be. The Green Paper, therefore, does not put forward firm proposals, but it offers a basis of public discussion of the direction that reform should take by setting out the most promising options and considering them in a common context with the present system.

3. The Green Paper considers first the main requirements to be met by any revenue-raising system for local government. Against those requirements, it discusses, first, domestic rates; and then the most promising alternatives - local sales tax, local income tax, poll tax and assigned Exchequer revenues. It then discusses a number of associated questions, including the economic effects of change and the consequences for the system of Exchequer grant towards the cost of local services.

4. I have said in the Green Paper that the country views the question of domestic rates with a sense of urgency and the Government wishes to move ahead as quickly as possible. I have, therefore, asked for comments on the Green Paper to be submitted by 31 March 1982. We shall then aim to produce proposals for a system which would remedy as fully as possible the shortcomings of the existing system of domestic rating and which would command the widest possible acceptance in the country as a whole.

LOCAL GOVERNMENT FINANCE BILL

5 I am also introducing today a revised version of the Local Government Bill which retains Parts II and III of the earlier Bill dealing with block grant and the Audit Commission - but substitutes a new Part I for the earlier provisions dealing with limits on rates and referendums for supplementary rates. These provisions caused considerable concern among my Hon Friends on constitutional grounds and I have decided, therefore, not to continue with them. A major aim of the Government has always been, however, to prevent irresponsible increases in rates during the year to meet ill-considered promises made in Party manifestos. We have, therefore, replaced the earlier provisions by a new provision which will take away from local authorities in England and Wales the power to make supplementary rates and precepts during the year.

6 It may, of course, occur that during the year an authority may find itself incurring unexpected expenditure - eg because of some natural disaster - for which it has not rated. In these circumstances it may apply to me for temporary borrowing permission. I must indicate now, however, that I would not grant such permission unless it was absolutely essential that the expenditure be incurred in the year and commitments met. I should require the borrowing to be repaid within the first three months of the following year.

MANPOWER WATCH

7 The latest Joint Manpower Watch figures are published today. Copies of the quarterly return are available ~~from~~ in the Library. These show that in the year to September 1981 local authorities in England reduced their manpower by 42,000 (2.2%). This is the largest annual reduction recorded since the Joint Manpower Watch began. The seasonally adjusted reduction in the last quarter (June-September), was almost 20,000. It is reductions at least of this order which local authorities must achieve if there is to be any hope of meeting expenditure targets.

RATES, PRECEPTS AND BORROWING

Clause

1. Limitation of rating powers.
2. Limitation of precepting powers.
3. Borrowing powers.

Abolish supplementary rates and supplementary precepts; to require rates and precepts to be made ~ issued for complete financial years; to make further provision with respect to the borrowing powers of local authorities;

RATES, PRECEPTS AND BORROWING

Limitation of rating powers.

1.-(1) A rating authority shall not have power -

(a) to make a supplementary rate; or

(b) to make a rate for any period other than a financial year.

"financial year" means a period of 12 months beginning with 1st April,

(2) In this section * "rating authority" means any authority having power to make a rate under section 1 of the General Rate Act 1967 and "rate" means a general rate except that -

1967 c.9

(a) in the case of the City of London, it includes the poor rate; and

(b) in the case of the Inner Temple and the Middle Temple, it means any rate in the nature of a general rate levied on the Inner Temple or the Middle Temple, as the case may be.

(3) This section has effect in relation to any financial year beginning on or after 1st April 1982.

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mitation of
ecepting
wers.

2.-(1) A precepting authority shall not have power -

(a) to issue a supplementary precept; or

(b) to issue a precept in respect of any period ~~[less]~~ [other] than a financial year.

(2) In this section * "precepting authority" means any authority having power to issue a precept either to a rating authority as defined in that section or to a county council and "supplementary precept" means a precept for a period in respect of which the precepting authority in question has already issued a precept.

"financial year" has the same meaning as in section 1 above,

(3) This section has effect in relation to any financial year beginning on or after 1st April 1982.

ontinued

orrowing
owers.
972 c.70

3.-(1) After paragraph 11(2) of Schedule 13 to the Local Government Act 1972 (security for money borrowed by local authority) there shall be inserted -

"(2A) Subject to sub-paragraph (3) below, the interest for the time being payable in respect of money borrowed by a local authority, whether before or after the coming into force of this Schedule, shall be a first charge on the revenues of the authority."

(2) The Greater London Council may, with the approval of the Secretary of State and in accordance with any conditions subject to which the approval is given, borrow money for any purpose other than expenditure on capital account.

(3) Subsection (2) above is without prejudice to any borrowing powers of the Greater London Council existing apart from that subsection.

(2) The repeals in Part I of that Schedule have effect for financial years beginning on or after 1st April 1982.

PART I

Chapter	Short Title	Extent of Repeal
1967 c.9.	The General Rate Act 1967.	In section 2(4)(b) the words "or any part of the year".
	* the words "Subject to subsection 5 of this section" and	In section 3, in subsection (3)* the words from "and ending" onwards, in subsection (4) the words "Where a rate is made for a period exceeding three months" and subsection (5).
		In section 12, in subsections (6) and (9), the words "or half-year, as the case may be," wherever they occur and in subsection (9)(b) the words "or half-year" in the second place where they occur.
		Section 48(2).
		In section 115(1), in the definition of "rate period" the words "or part of a year, being a year or part".
		In Schedule 6, ~~in paragraph 6 the words "or forming part of" and~~ in paragraph 10(b) the words "or comprising".
		In Schedule 7, in paragraph 14(b) the words "or comprising".
		In Schedule 10, in paragraph 5 the words from the beginning of sub-paragraph (a) to "in every case" in sub-paragraph (c).
1972 c.70.	The Local Government Act 1972.	In section 149(1) the words from "and may at any time" onwards.
1976 c.70.	The Land Drainage Act 1976.	Section 46(4). Section 49(4).
1980 c.65.	The Local Government, Planning and Land Act 1980.	Section 33(3).

Local Govt Relts.

AW
AD
JV

2.

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Prime Minister
MAP 11/xii

The Rt Hon Francis Pym MP
Lord President of the Council
Privy Council Office
68 Whitehall
LONDON SW1A 2AT

11 December 1981

1 MCS 16/xii
2 PA
MAP 14/xii

Dear Francis

POSSIBLE LEGISLATION ON TRANSPORT SUBSIDIES

We have now heard that the House of Lords' judgement on the Bromley v GLC case will almost certainly be announced at 10.15 on Thursday, 17 December.

Until the judgement has been assessed, it will not be possible to decide whether legislation to control local authority subsidies to the six English Passenger Transport Executives and to London Transport will need to proceed, or if it does, which of the two options suggested (see E(81)126) will be most appropriate.

It is however possible that we might have to move very quickly indeed if we decide in the light of the House of Lords' judgement to go ahead with legislation which bites in 1982/83.

It might therefore be helpful to you and other colleagues to know the programme we have in mind.

Wednesday, 16 December - Background Paper to "E" Committee covering a draft Bill on the "EFL" option (the other "Guidelines" option cannot be drafted in advance of the House of Lords' judgement).

CONFIDENTIAL

Thursday, 17 December - House of Lords' Judgement. I shall stand ready to make any necessary public comments by way of first reactions.

Monday, 21 December - Paper to "E" Committee.

Tuesday 22 December - Meeting of "E" Committee.

If we should decide that we need legislation to have effect by the beginning of the 1982/83 financial year, there could well be a good case for trying to get first reading on Wednesday, 23 December. This would enable us to have a second reading immediately after the House resumes. Even on the assumption of an immediate guillotine motion, time will be very short indeed, perhaps particularly in the Lords.

I am copying this to the Prime Minister, the other members of the Cabinet, the Chief Whip and Sir Robert Armstrong.

Yours ever

David

DAVID HOWELL

CONFIDENTIAL

2F

SECRETARY OF STATE FOR THE ENVIRONMENT

Prime Minister

You said that you would give Mr Heseltine a chance to say his piece on this at Cabinet.

[initials] 16.xii

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

Friday Dec 11 1981

Dear Margaret

I would much appreciate your strong personal endorsement of the last paragraph, but one.

There is no doubt in my mind that there are other contrary voices to be heard when it comes to individual programmes

yours ever

Michael

C

A. Duguid.

PRIME MINISTER

11 December 1981

I today held a meeting of the Consultative Council on Local Government Finance. We discussed the Rate Support Grant Settlement for 1982/83 and the assumption that lay behind it for reduced levels of local government current expenditure.

They all acknowledged that we had gone some way towards meeting their concerns, by our proposal to increase the cash provision for next year by about £1 billion.

But they are concerned that our plans still imply a real reduction in current expenditure of about 4%, even on the basis of our cash factors of 4% for pay and 9% for prices. Although recent trends in local authority manpower are encouraging, a 4% real reduction in expenditure will not be easy to achieve - it is more than ever achieved before - as colleagues have recognised during our recent discussions.

Today's unwelcome news about the offer to local authority manual workers - about which I am writing separately - can only make it more difficult for local government to achieve the cash targets which we propose to set.

Local government leaders - especially the Association of County Councils - were therefore much concerned that spending Departments should not embarrass them by positively encouraging in general higher expenditure in real terms and indeed should give them positive support in the sometimes politically painful proposals for service reductions.

They put to me the view that whilst through me the Government asks for real cuts in expenditure, once their Committee chairmen and officials come into contact with other Whitehall Departments a much less clear message is received. I realise the difficulty of pinning down the basis for such suggestions. Nevertheless, I would be most grateful to my colleagues if they could give me every support in the next few months with the following proposition, which is central to our policy.

Central government attaches overriding priority to achieving the targets of local government current expenditure. This priority overrides all other priorities - even law and order should not be exempt from the search for economies - and that within the limits of statutory obligations local government is free to make its own choices as between services in seeking to achieve the targets.

I am copying this to all Cabinet colleagues and to Sir Robert Armstrong.

MH

Prime Minister.

I think that the first half of Mr Heseltine's proposition is too sweeping. A more acceptable formulation might be:-

"Central government attaches the utmost priority to achieving the targets of local government current expenditure. It is, however, for local government to make its own choices, within the limits of statutory obligations, as between services in taking the necessary steps to achieve the targets".

Agree?

Yes MT.

I agree your revision. MH's draft cannot stand because of its statutory point.

MHB

AJC 11xii

E/C AD
AW
JV

2

PRIME MINISTER

MAP 11/XII

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Michael Heseltine MP
Secretary of State
Department of the Environment
2 Marsham Street
London SW1P 3EB

11 December 1981

1. MCS to see
2. pa

MAP 14/XII

Dear Secretary of State,

LOCAL GOVERNMENT FINANCE BILL

Following the Cabinet decision to postpone the introduction of the Local Government Finance Bill in its amended form until next week, and the decision that the financial provisions should be in a form acceptable to us both, I am writing to you about some aspects of the new scheme to which I attach particular importance.

I am pleased to see that you intend to make the interest on local authority borrowing a first charge on their rates and revenues, but I think rather more than that will be needed to reassure the markets. They will naturally be concerned to understand how the new arrangements will work out in practice and I think we must be as frank and as clear as possible from the outset so as to reassure them. Otherwise we risk market disruption of the kind we could not be sure to contain.

What I have in mind is that you should explain at Second Reading of the Bill that you would not intend to use your power to issue supplementary borrowing consents freely. You might refer to the comparable position in Scotland and make it clear that there would be no intention of permitting local authorities to finance profligate policies, including irresponsible increases sought by newly elected councils. A firm steer on these lines would be of great significance in calming the market. And because Second Reading must now be after Christmas, I hope that you will agree to make some general remarks on the same lines in presenting the revised Bill. I also think it is essential that it should be made clear that a condition of any borrowing would be that it should be repaid in the following year.

But as an alternative to the borrowing aspect of the revised scheme, I should like to suggest a formulation which would achieve the same effect at lower cost and with less potential disruption in the market. If the Bill enabled you to meet the requirements of a local authority which found itself short of funds by way of grant rather than by temporary borrowing consents, it would be possible for you to recoup the grant directly the following year. The legislation could only be permissive since not all local authorities actually receive block grant but it would surely catch the generality of authorities. This arrangement strikes me as preferable to giving additional borrowing consents because the markets would be assured that local authorities in difficulties would not be running current deficits, the additional finance would be obtained more cheaply by central government and the PSBR would be no worse than if supplementary borrowing consents were sought and given.

In view of the urgency of the introduction of the Bill, I suggest that we meet to discuss these proposals quickly if they cause you any difficulty. Otherwise perhaps you would kindly let me know that you find them acceptable.

I am copying this letter to the recipients of your letter of 9 December to Lord President.

yours sincerely

pp LEON BRITTAN

(approved by the Chief Secretary & signed in his absence)

Ref: A06281

CONFIDENTIAL

PRIME MINISTER

LOCAL GOVERNMENT FINANCE BILL - CABINET 10 DECEMBER

In his minute of 9 December to the Lord President, the Secretary of State for the Environment reports on progress on the Local Government Finance Bill following the discussion by the Economic Strategy Committee on 3 December (E(81)37th Meeting, Item 1). The Chief Whip will report on this to Cabinet tomorrow in discussion of Parliamentary affairs.

2. You will wish to hear the views of the Lord President on the judgement that there is sufficient support for a Bill designed to ban supplementary rates. E agreed that, provided there was such support, this was preferable to the only other practicable alternative which was to abandon Part I of the Bill. The other Parts of the present Bill would be kept.

3. The Chief Secretary will wish to say whether he is satisfied with the proposed arrangements for temporary borrowing.

4. The Secretary of State for the Environment would welcome views on handling and timing. The Secretary of State for Transport will be making proposals to E on 17 December for measures to deal with transport subsidies; though whether the Committee can take decisions then turns on the timing of the House of Lords' judgement on the London Transport fares case. He will probably argue that First Reading of the Local Government Finance Bill should be after 17 December. He would not then be in a position of having to stall on what, if anything, the Government plans to do to deal with transport subsidies.

5. The Secretary of State for the Environment may want to move quickly on the grounds that he is under pressure to say what the Government now intends on his Bill. But unless there is any prospect of second reading before Christmas of the revised Bill there seems no compelling reason for rushing for first reading in advance of further consideration of the transport problem. It would then be possible for E to consider, if necessary, any problems emerging from the proposals for the Local Government Finance Bill.

RTA

ROBERT ARMSTRONG

9 December, 1981

CONFIDENTIAL

MAP/ Did you tell M Heseltine? No, but not necessary. MCS 16/12 MAP

1. MCS to see
2. PA. MAP 14/xii

cc AW AD JV

1.

CONFIDENTIAL

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

9 December 1981

Prime Minister

1. You may want to see the proposed amendments for London - at foot of page.
2. You will see from the final paras that Mr Heseltine proposes to revert to announcement by written answer. It would come in Christmas week. Mr Pym may be very uneasy about this, but if he is content with this procedure, may we approve? MAP 11/xii

Yes

Dear Home Secretary

At their meeting on 26 November E Committee settled the main elements of the RSG Settlement for England for 1982/83, and invited me to seek the agreement of members of MISC 21 on the remaining details.

The outstanding issues are as follows:

i) the form of the poundage schedule;

ii) the treatment of London;

iii) the limitation of year on year grant changes through safety nets or caps;

iv) the details of the arrangements for grant holdback.

Form of the Poundage Schedule

The poundage schedule which was exemplified to E Committee imposes a higher rate poundage cost for each increment in expenditure than the schedule adopted for 1981/2 (6p per £10 per head below and 7.5p per £10 per head above the threshold, compared with 5.6p and 7p respectively this year). I have reconsidered whether some further strengthening of the disincentives to increased expenditure should be introduced by increasing the cost of expenditure above the threshold to, say, 8.4p per £10 per head (a 40% taper). I have concluded, however, in the light of the exemplifications which MISC 21 previously considered (MISC21(81)6) that the combined effect of a steeper taper and the grant holdback scheme would be excessive grant losses for some authorities (eg Tower Hamlets and Bristol). It would also mean that relatively small changes in expenditure would give rise to large changes in grant entitlement. The consequences for rates would thus be difficult to predict. I propose therefore that we should base the settlement on the poundage schedule exemplified in E(81)117.

London

The following table shows the grant shares of the different classes of authority over the last few years. It shows in particular how London's share of the total in 1981/2 is likely to be substantially lower in the outturn than we had envisaged at the settlement because of the operation of negative marginal rates of grant. The same thing will happen in 1982-83 if there is overspending of our targets; and the effect will be magnified because the exemption from grant holdback for authorities spending below GRE will benefit most non-metropolitan counties, but only a very few London authorities. In view of the importance we attach to the problems of the inner cities, I believe that we should do something to offset this potential loss of grant. I therefore propose a small increase in the discount applied to London's rateable values, which will have the effect of directing some extra grant to London. If all London authorities spend at target levels their grant would increase by about £45m and their share of grant by about 0.5 percentage points. Columns 11 and 12 of the Summary Table show the effects on grant shares if all authorities spend at target (column 11) or 7½% above their 1981/82 revised budget level (column 12).

Safety Nets

Losses due to the reduction of the grant percentage to 56% cannot of course be safety-netted, and will affect all authorities. I propose, however, that there should be a safety net to limit losses arising from GRE changes and residual losses from last year. It should be set to allow a maximum loss of grant equivalent to a 5p rate at ratepayer level, divided between tiers of authorities in such a way as to minimise the cost of the safety net. I do not propose to limit grant losses arising from the increased pressure of the poundage schedule.

Last year we also had a cap to limit grant gains from the base position. This was necessary because of some big changes in the transition to the new system. I consider that it would not be appropriate to have a cap this year. A limit of say 5p on grant gains would affect only a small number of authorities, and would make no noticeable difference to the overall grant distribution. The few authorities affected would be mainly a mixture of shire districts (gaining from our concession on the treatment of housing surpluses in GRE) and London boroughs (gaining from changes in GRE which recognise additional costs arising from difficult social conditions). It would be difficult to defend limiting gains from either of these sets of changes.

Grant Holdback

E Committee decided that there should be no grant holdback for authorities spending at or below GRE. The Government's proposals paper which has been issued to local government with the agreement of Departments, suggests that holdback should increase progressively for authorities spending above target or GRE (whichever is the higher) up to a maximum equivalent to a 15p rate. (The way in which this will be divided between the tiers of authority is set out in the attached note). The effect of the exemption is that the amount of grant withheld is likely to be reduced. If, for example, all authorities were to spend 7½% above their 1981-82 revised budgets total holdback would be about £380m.

Exemplifications

I attach two sets of exemplifications which, subject to final revisions and checking, I would envisage publishing on 21 December when I announce my proposals for the targets and grant distribution. These tables are in a different form from those which colleagues have previously seen but are more suitable for public presentation.

On 21 December I would envisage publishing the detailed proposals to Parliament by means of a Written Answer in accordance with practice in earlier years. (I do not see any need to follow last year's unique precedent of an oral statement which was only needed because we were in the first year of the new block grant system.)

I envisage that the Rate Support Grant Report together with the Supplementary Report for 1981-82 and the Increase Order and Report for 1980-81 should then be published about the middle of January (January 18 is our target date), and on this timetable it would be appropriate for the debate on the Reports and Order to take place either in the last week of January or the first week of February.

I am copying this letter to colleagues on MISC 21 and I should be grateful for any comments on these proposals by 11 December. I am also copying to the Prime Minister and the business managers for any comments on the Parliamentary handling.

Yours sincerely

[signature]

For MICHAEL HESELTINE

(Letter approved by the Secy of State and signed in his absence)

The Rt Hon William Whitelaw MP

SUMMARY TABLE.

ISTORIC GRANT SHARES AND SHARES UNDER 1982/83 BLOCK GRANT OPTIONS

eeds and resources element/block grant shares 1974/75 to 1981/82

Area	75/76 (1)	76/77 (2)	77/78 (3)	78/79 (4)	79/80 (5)	80/81 (6)	1981/82 Settlement estimate (7)	1981/82 revised budgets (8)	1981/82 after holdback (9)	1982/83 PROJECTED Proposals Presented to E Committee Spending at Target (10)	1982/83 PROJECTED Revised Proposals Spending at Target (11)	1982/83 PROJECTED Revised Proposals spending 7½% above 1981/82 Revised budgets (12)
	%	%	%	%	%	%	%	%	%	%	%	%
Non-met areas	57.3	56.1	54.8	53.7	53.4	53.6	54.4	55.4	55.9	54.1	53.8	55.3
Met areas	29.4	29.0	30.1	29.6	29.6	29.7	29.8	30.9	30.8	29.8	29.9	30.3
London	13.3	14.9	15.1	16.7	17.0	16.7	15.8	13.7	13.4	16.1	16.6	14.4
artnership programme uthorities	21.8	22.1	22.9	23.1	23.5	22.3	18.3	18.7	18.7	18.5	18.7	18.5

The Effects of the Reduction in the Grant Percentage and Holdback on Classes of Authority - in poundage terms

Class of Authority	(1) Poundage Loss from Reduction in the Grant Percentage p	(2) Maximum potential Poundage Loss from Holdback for authorities in each class p
TOTAL ENGLAND	10	15
Non Metropolitan Districts	1	2
" " Counties	9	13
Metropolitan Districts	7	13
" Counties	3	2
Inner London boroughs	4	3
ILEA [1]	4	4
Outer London boroughs	8	10
GLC	1	2
Metropolitan police [2]	1	1

1 ILEA will receive no grant in 1982/83

2 Metropolitan Police is not subject to holdback

Notes:

1. The effect of the reduction in the grant percentage from 59.1% to 56% is equivalent to a 10p increase in rate poundages across the country. This grant loss is divided between tiers of authority in non metropolitan areas, metropolitan areas, Inner and Outer London according to their share of the national poundage schedule. This in turn reflects class shares of GRE.

2. It is proposed to operate holdback by raising the national poundage schedule by 15p. The effect on schedules for each class of authority again reflects their share of the national schedule. The losses shown in the above table represent the maximum losses from holdback for authorities in each class; authorities meeting their expenditure targets, or spending below GRE will be exempt from holdback. Authorities spending less than 4% above their target will be subject to a proportion of the full holdback loss.

3. Both the reduction in the grant percentage and holdback operate as an equal poundage loss for authorities in any class (although grant losses in £m will vary). In this way they are consistent with the equalisation basis of the grant system. But whereas the reduction in the grant percentage affects all authorities across the board, holdback only affects authorities spending above both their target and GRE.

4. The Base position against which distributional charges are measured (Col 3 of Table 2) already incorporates the lower grant percentage. Therefore grant charges from the base position shown in Columns 5 and 6 ensure the effects of the reduction in the grant percentage. They illustrate distributional charges largely resulting from charges in GRE methodology, the residual losses carried out from 1981/82 and charges to the poundage schedule.

9/12/81 at 12:27

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
AVON				
Bath	£4.123m	£4.122m	£4.300m	1.0%
Bristol	£32.912m	£33.401m	£32.734m	7.0%
Kingswood	£2.596m	£2.568m	£2.632m	2.7%
Northavon	£3.558m	£3.558m	£3.623m	3.4%
Wansdyke	£2.439m	£2.503m	£2.611m	1.0%
Woodspring	£6.256m	£6.946m	£7.171m	2.0%
BEDFORDSHIRE				
North Bedfordshire	£5.337m	£5.264m	£5.492m	1.0%
Luton	£7.975m	£7.806m	£8.144m	1.0%
Mid Bedfordshire	£2.694m	£2.723m	£2.825m	1.5%
South Bedfordshire	£4.860m	£4.452m	£4.645m	1.0%
BERKSHIRE				
Bracknell	£3.158m	£3.016m	£3.087m	2.9%
Newbury	£4.660m	£4.483m	£4.595m	2.7%
Reading	£10.355m	£10.355m	£10.120m	7.3%
Slough	£5.538m	£5.795m	£6.046m	1.0%
Windsor and Maidenhead	£4.682m	£4.548m	£4.789m	0.1%
Wokingham	£4.498m	£4.498m	£4.693m	1.0%
BUCKINGHAMSHIRE				
Aylesbury Vale	£3.829m	£3.867m	£4.037m	0.9%
South Bucks	£1.940m	£1.958m	£2.063m	-
Chiltern	£3.085m	£3.047m	£3.179m	1.0%
Milton Keynes	£6.210m	£6.024m	£6.285m	1.0%
Wycombe	£3.704m	£4.741m	£4.989m	0.1%
CAMBRIDGESHIRE				
Cambridge	£4.517m	£4.517m	£4.714m	1.0%
East Cambridgeshire	£1.578m	£1.565m	£1.648m	0.1%
Fenland	£2.510m	£2.520m	£2.629m	1.0%
Huntingdon	£4.027m	£4.027m	£4.201m	1.0%
Peterborough	£8.655m	£8.574m	£8.403m	7.0%
South Cambridgeshire	£2.379m	£2.292m	£2.415m	-
CHESHIRE				
Chester	£6.300m	£6.080m	£5.959m	7.0%
Congleton	£2.968m	£3.313m	£3.456m	1.0%
Crewe and Nantwich	£5.786m	£5.786m	£5.671m	7.0%
Ellesmere Port and Neston	£4.348m	£4.064m	£4.091m	4.5%
Halton	£6.755m	£6.334m	£6.268m	6.1%
Macclesfield	£5.721m	£5.721m	£5.969m	1.0%
Vale Royal	£4.964m	£4.834m	£5.043m	1.0%
Warrington	£8.062m	£8.101m	£8.452m	1.0%

9/12/81 at 12:27

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
CLEVELAND				
Hartlepool	£6.183m	£5.872m	£5.755m	7.0%
Langbaurgh	£12.816m	£12.632m	£12.330m	7.0%
Middlesbrough	£14.558m	£13.923m	£13.645m	7.0%
Stockton-on-Tees	£10.813m	£10.813m	£10.597m	7.0%
CORNWALL				
Caradon	£2.607m	£2.513m	£2.622m	1.0%
Carrick	£3.775m	£3.754m	£3.717m	6.0%
Kerrier	£2.956m	£2.931m	£3.077m	0.4%
North Cornwall	£2.445m	£2.315m	£2.330m	4.5%
Penwith	£2.823m	£2.816m	£2.792m	5.9%
Restormel	£2.813m	£2.975m	£3.104m	1.0%
CUMBRIA				
Allerdale	£4.775m	£4.675m	£4.817m	2.2%
Barrow in Furness	£3.983m	£3.983m	£3.911m	6.8%
Carlisle	£5.790m	£5.795m	£5.679m	7.0%
Copeland	£4.135m	£4.096m	£4.014m	7.0%
Eden	£1.538m	£1.537m	£1.585m	2.1%
South Lakeland	£4.381m	£4.381m	£4.571m	1.0%
DERBYSHIRE				
Amber Valley	£4.388m	£4.388m	£4.578m	1.0%
Bolsover	£3.403m	£3.402m	£3.334m	7.0%
Chesterfield	£5.785m	£5.610m	£5.498m	7.0%
Derby	£12.310m	£11.145m	£11.627m	1.0%
Erewash	£4.490m	£4.561m	£4.758m	1.0%
High Peak	£3.729m	£3.875m	£3.774m	7.6%
North East Derbyshire	£4.590m	£4.454m	£4.365m	7.0%
South Derbyshire	£1.984m	£1.984m	£2.086m	0.2%
West Derbyshire	£2.722m	£2.619m	£2.670m	3.3%
DEVON				
East Devon	£4.024m	£4.021m	£4.222m	0.4%
Exeter	£3.800m	£3.841m	£3.900m	3.7%
North Devon	£3.417m	£3.327m	£3.330m	5.0%
Plymouth	£9.548m	£9.515m	£10.027m	-
South Hams	£2.766m	£2.766m	£2.886m	1.0%
Teignbridge	£4.272m	£4.191m	£4.372m	1.0%
Mid Devon	£1.837m	£1.837m	£1.924m	0.6%
Torbay	£5.800m	£5.325m	£5.277m	6.0%
Torridge	£2.280m	£2.235m	£2.240m	4.9%
West Devon	£1.359m	£1.359m	£1.373m	4.0%

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
DORSET				
Bournemouth	£8.666m	£8.545m	£8.690m	3.5%
Christchurch	£1.549m	£1.486m	£1.553m	0.8%
North Dorset	£1.264m	£1.204m	£1.269m	-
Poole	£5.303m	£5.303m	£5.532m	1.0%
Purbeck	£1.300m	£1.232m	£1.298m	-
West Dorset	£2.327m	£2.315m	£2.440m	-
Weymouth and Portland	£2.662m	£2.662m	£2.777m	1.0%
Wimbourne	£2.077m	£2.069m	£2.180m	-
DURHAM				
Chester-le-Street	£2.928m	£2.836m	£2.779m	7.0%
Darlington	£7.990m	£7.759m	£7.604m	7.0%
Derwentside	£6.184m	£6.021m	£5.901m	7.0%
Durham	£5.482m	£5.361m	£5.254m	7.0%
Easington	£5.566m	£5.494m	£5.540m	4.3%
Sedgefield	£7.338m	£7.845m	£7.688m	7.0%
Teesdale	£0.874m	£0.847m	£0.878m	1.7%
Wear Valley	£4.917m	£4.917m	£4.819m	7.0%
EAST SUSSEX				
Brighton	£12.228m	£11.861m	£11.755m	6.0%
Eastbourne	£5.643m	£5.527m	£5.417m	7.0%
Hastings	£4.049m	£4.009m	£4.182m	1.0%
Hove	£4.301m	£4.191m	£4.407m	0.2%
Lewes	£3.647m	£3.613m	£3.769m	1.0%
Rother	£3.620m	£3.657m	£3.815m	1.0%
Wealden	£3.740m	£3.746m	£3.930m	0.4%
ESSEX				
Basildon	£10.766m	£10.709m	£10.495m	7.0%
Braintree	£3.986m	£3.895m	£3.976m	3.1%
Brentwood	£2.400m	£2.238m	£2.358m	-
Castle Point	£3.472m	£3.472m	£3.622m	1.0%
Chelmsford	£3.821m	£3.722m	£3.902m	-
Colchester	£3.877m	£4.439m	£4.664m	0.3%
Epping Forest	£3.853m	£4.397m	£4.587m	1.0%
Harlow	£6.087m	£6.085m	£5.964m	7.0%
Maldon	£1.623m	£1.609m	£1.679m	1.0%
Rochford	£2.824m	£2.793m	£2.914m	1.0%
Southend-on-Sea	£10.144m	£9.500m	£9.911m	1.0%
Tendring	£5.325m	£5.325m	£5.555m	1.0%
Thurrock	£6.761m	£6.763m	£6.628m	7.0%
Uttlesford	£1.837m	£1.840m	£1.939m	-

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
GLOUCESTERSHIRE				
Cheltenham	£3.616m	£3.804m	£3.999m	0.2%
Cotswold	£2.447m	£2.447m	£2.553m	1.0%
Forest of Dean	£2.070m	£2.043m	£2.153m	-
Gloucester	£2.767m	£2.863m	£3.017m	-
Stroud	£3.140m	£3.141m	£3.310m	-
Tewkesbury	£2.404m	£2.343m	£2.463m	0.2%
HAMPSHIRE				
Basingstoke and Deane	£5.242m	£5.878m	£5.956m	3.8%
East Hampshire	£3.452m	£3.264m	£3.319m	3.5%
Eastleigh	£3.270m	£3.270m	£3.423m	0.7%
Fareham	£4.380m	£3.993m	£4.166m	1.0%
Gosport	£3.268m	£3.202m	£3.341m	1.0%
Hart	£2.858m	£2.794m	£2.738m	7.0%
Havant	£4.514m	£4.514m	£4.729m	0.6%
New Forest	£5.752m	£5.749m	£5.993m	1.0%
Portsmouth	£15.326m	£14.606m	£14.486m	5.9%
Rushmoor	£4.806m	£4.806m	£4.709m	7.0%
Southampton	£12.300m	£12.306m	£12.802m	1.3%
Test Valley	£3.149m	£3.164m	£3.301m	1.0%
Winchester	£3.241m	£3.786m	£3.950m	1.0%
HEREFORD AND WORCESTER				
Bromsgrove	£2.455m	£2.549m	£2.659m	1.0%
Hereford	£2.010m	£1.920m	£2.003m	1.0%
Leominster	£1.239m	£1.162m	£1.201m	1.9%
Malvern Hills	£2.856m	£2.827m	£2.949m	1.0%
Redditch	£3.608m	£3.357m	£3.290m	7.0%
South Herefordshire	£1.500m	£1.472m	£1.536m	1.0%
Worcester	£3.768m	£3.768m	£3.693m	7.0%
Wychavon	£4.481m	£4.416m	£4.328m	7.0%
Wyre Forest	£6.074m	£6.078m	£5.957m	7.0%
HERTFORDSHIRE				
Broxbourne	£3.956m	£3.808m	£3.732m	7.0%
Dacorum	£4.868m	£5.869m	£6.123m	1.0%
East Hertfordshire	£4.800m	£4.648m	£4.849m	1.0%
Hertsmere	£5.204m	£5.094m	£4.992m	7.0%
North Hertfordshire	£3.771m	£4.081m	£4.258m	1.0%
St Albans	£4.470m	£4.517m	£4.712m	1.0%
Stevenage	£5.672m	£5.610m	£5.498m	7.0%
Three Rivers	£3.917m	£4.040m	£3.985m	6.4%
Watford	£5.540m	£5.341m	£5.234m	7.0%
Welwyn Hatfield	£5.260m	£5.293m	£5.156m	7.6%

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
HUMBERSIDE				
Beverley	£3.435m	£3.435m	£3.501m	3.3%
Boothferry	£3.568m	£3.517m	£3.447m	7.0%
Cleethorpes	£4.207m	£4.207m	£4.123m	7.0%
Glanford	£3.414m	£3.416m	£3.348m	7.0%
Great Grimsby	£5.052m	£4.711m	£4.691m	5.5%
Holderness	£1.585m	£1.623m	£1.660m	3.2%
Kingston upon Hull	£18.497m	£18.497m	£18.128m	7.0%
East Yorkshire	£3.723m	£3.711m	£3.672m	6.1%
Scunthorpe	£5.926m	£5.747m	£5.632m	7.0%
ISLE OF WIGHT				
Medina	£3.081m	£2.971m	£2.956m	5.6%
South Wight	£2.605m	£2.588m	£2.536m	7.0%
KENT				
Ashford	£3.618m	£3.619m	£3.776m	1.0%
Canterbury	£6.560m	£6.072m	£6.335m	1.0%
Dartford	£5.416m	£5.326m	£5.220m	7.0%
Dover	£5.359m	£5.314m	£5.219m	6.8%
Gillingham	£2.301m	£2.228m	£2.348m	-
Gravesham	£4.216m	£4.245m	£4.319m	3.4%
Maidstone	£5.608m	£5.522m	£5.761m	1.0%
Rochester upon Medway	£6.727m	£6.683m	£6.972m	1.0%
Sevenoaks	£4.962m	£4.962m	£5.066m	3.1%
Shepway	£4.823m	£4.849m	£4.796m	6.1%
Swale	£4.583m	£4.582m	£4.825m	0.1%
Thanet	£8.106m	£8.356m	£8.189m	7.0%
Tonbridge and Malling	£4.384m	£5.271m	£5.121m	7.8%
Tunbridge Wells	£3.825m	£3.825m	£3.991m	1.0%
LANCASHIRE				
Blackburn	£12.313m	£12.313m	£12.067m	7.0%
Blackpool	£9.321m	£9.247m	£9.069m	6.9%
Burnley	£7.547m	£7.404m	£7.256m	7.0%
Chorley	£3.302m	£3.228m	£3.148m	7.5%
Fylde	£3.127m	£3.127m	£3.262m	1.0%
Hyndburn	£4.970m	£4.970m	£4.871m	7.0%
Lancaster	£7.042m	£7.005m	£6.849m	7.2%
Pendle	£5.511m	£5.341m	£5.234m	7.0%
Preston	£7.364m	£7.207m	£7.519m	1.0%
Ribble Valley	£2.366m	£2.360m	£2.316m	6.9%
Rossendale	£4.238m	£4.236m	£4.151m	7.0%
South Ribble	£3.314m	£3.314m	£3.457m	1.0%
West Lancashire	£4.721m	£4.720m	£4.924m	1.0%
Wyre	£4.299m	£4.239m	£4.374m	2.1%

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
LEICESTERSHIRE				
Blaby	£2.245m	£2.244m	£2.351m	0.6%
Charnwood	£4.443m	£4.443m	£4.652m	0.6%
Harborough	£2.043m	£2.051m	£2.079m	3.8%
Hinckley and Bosworth	£2.547m	£2.509m	£2.596m	1.8%
Leicester	£20.018m	£19.235m	£18.851m	7.0%
Melton	£1.491m	£1.491m	£1.487m	5.4%
North West Leicestershire	£3.078m	£3.005m	£2.988m	5.7%
Oadby and Wigston	£1.438m	£1.398m	£1.473m	-
Rutland	£0.868m	£0.868m	£0.888m	2.9%
LINCOLNSHIRE				
Boston	£1.970m	£2.256m	£2.354m	1.0%
East Lindsey	£4.253m	£4.180m	£4.250m	3.5%
Lincoln	£4.000m	£4.246m	£4.142m	7.4%
North Kesteven	£2.511m	£2.383m	£2.495m	0.8%
South Holland	£2.839m	£2.814m	£2.873m	3.1%
South Kesteven	£3.469m	£3.482m	£3.633m	1.0%
West Lindsey	£3.077m	£2.987m	£2.947m	6.4%
NORFOLK				
Breckland	£2.764m	£2.814m	£2.965m	-
Broadland	£2.689m	£2.689m	£2.834m	-
Great Yarmouth	£5.299m	£5.107m	£5.005m	7.0%
North Norfolk	£3.220m	£3.216m	£3.355m	1.0%
Norwich	£9.480m	£9.079m	£8.898m	7.0%
South Norfolk	£2.618m	£2.616m	£2.757m	-
King's Lynn and West Norfolk	£5.479m	£5.278m	£5.506m	1.0%
NORTHAMPTONSHIRE				
Corby	£2.766m	£2.765m	£2.808m	3.6%
Daventry	£1.783m	£1.781m	£1.858m	1.0%
East Northamptonshire	£1.665m	£1.635m	£1.723m	-
Kettering	£3.448m	£3.423m	£3.399m	5.8%
Northampton	£9.527m	£9.407m	£9.342m	5.8%
South Northamptonshire	£1.885m	£1.826m	£1.913m	0.6%
Wellingborough	£2.567m	£2.497m	£2.505m	4.8%
NORTHUMBERLAND				
Alnwick	£1.434m	£1.434m	£1.496m	1.0%
Berwick-upon-Tweed	£0.998m	£0.956m	£1.006m	0.1%
Blyth Valley	£4.801m	£4.801m	£4.705m	7.0%
Castle Morpeth	£1.736m	£1.735m	£1.794m	1.9%
Tynedale	£2.459m	£2.434m	£2.398m	6.5%
Wansbeck	£4.529m	£4.529m	£4.439m	7.0%

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
NORTH YORKSHIRE				
Craven	£2.093m	£2.054m	£2.143m	1.0%
Hambleton	£2.398m	£2.398m	£2.501m	1.0%
Harrogate	£8.446m	£8.294m	£8.128m	7.0%
Richmondshire	£2.008m	£2.008m	£1.971m	6.9%
Ryedale	£2.662m	£2.596m	£2.711m	0.9%
Scarborough	£5.051m	£5.050m	£5.269m	1.0%
Selby	£3.290m	£3.159m	£3.296m	1.0%
York	£5.040m	£5.041m	£5.259m	1.0%
NOTTINGHAMSHIRE				
Ashfield	£4.863m	£4.627m	£4.535m	7.0%
Bassetlaw	£6.032m	£5.686m	£5.573m	7.0%
Broxtowe	£4.165m	£4.042m	£4.217m	1.0%
Gedling	£4.008m	£3.706m	£3.866m	1.0%
Mansfield	£5.659m	£5.659m	£5.546m	7.0%
Newark	£3.876m	£3.877m	£4.045m	1.0%
Nottingham	£17.514m	£16.777m	£17.503m	1.0%
Rushcliffe	£3.860m	£3.816m	£3.809m	5.3%
OXFORDSHIRE				
Cherwell	£3.479m	£3.482m	£3.653m	0.4%
Oxford	£5.312m	£5.306m	£5.582m	0.2%
South Oxfordshire	£4.158m	£4.114m	£4.328m	0.2%
Vale of White Horse	£2.760m	£2.999m	£3.156m	0.1%
West Oxfordshire	£2.275m	£2.277m	£2.390m	0.4%
SHROPSHIRE				
Bridgnorth	£1.514m	£1.499m	£1.568m	0.8%
North Shropshire	£1.693m	£1.733m	£1.808m	1.0%
Oswestry	£1.160m	£1.122m	£1.171m	1.0%
Shrewsbury and Atcham	£3.178m	£3.363m	£3.501m	4.2%
South Shropshire	£1.401m	£1.366m	£1.425m	1.0%
The Wrekin	£6.956m	£7.067m	£6.926m	7.0%
SOMERSET				
Mendip	£2.534m	£2.523m	£2.659m	-
Sedgemoor	£3.387m	£3.450m	£3.599m	1.0%
Taunton Deane	£3.409m	£3.409m	£3.557m	1.0%
West Somerset	£1.034m	£0.930m	£0.930m	-
Yeovil	£3.619m	£3.588m	£3.781m	-

TABLE 1

Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
STAFFORDSHIRE				
Cannock Chase	£3.487m	£3.487m	£3.417m	7.0%
East Staffordshire	£3.629m	£3.375m	£3.557m	-
Lichfield	£2.640m	£2.748m	£2.867m	1.0%
Newcastle-under-Lyme	£5.422m	£5.244m	£5.209m	5.7%
South Staffordshire	£2.807m	£2.598m	£2.738m	-
Stafford	£3.851m	£3.724m	£3.877m	1.2%
Staffordshire Moorlands	£2.869m	£3.568m	£3.590m	4.5%
Stoke-on-Trent	£11.810m	£11.557m	£12.057m	1.0%
Tamworth	£3.115m	£3.115m	£3.053m	7.0%
SUFFOLK				
Babergh	£2.895m	£2.773m	£2.893m	1.0%
Forest Heath	£1.927m	£2.026m	£2.130m	0.2%
Ipswich	£7.187m	£7.432m	£7.284m	7.0%
Mid Suffolk	£2.607m	£2.417m	£2.493m	2.1%
St Edmundsbury	£2.779m	£2.779m	£2.917m	0.4%
Suffolk Coastal	£3.550m	£3.366m	£3.515m	0.9%
Waveney	£4.761m	£4.598m	£4.616m	4.7%
SURREY				
Elmbridge	£4.793m	£4.998m	£5.214m	1.0%
Epsom and Ewell	£3.309m	£3.312m	£3.257m	6.7%
Guildford	£4.412m	£4.575m	£4.773m	1.0%
Mole Valley	£2.659m	£2.658m	£2.773m	1.0%
Reigate and Banstead	£4.396m	£4.335m	£4.523m	1.0%
Runnymede	£2.619m	£2.656m	£2.771m	1.0%
Spelthorne	£3.574m	£3.699m	£3.859m	1.0%
Surrey Heath	£2.777m	£2.920m	£3.046m	1.0%
Tandridge	£2.370m	£2.342m	£2.443m	1.0%
Waverley	£4.429m	£4.506m	£4.701m	1.0%
Woking	£3.497m	£3.497m	£3.648m	1.0%
WARWICKSHIRE				
North Warwickshire	£2.837m	£2.549m	£2.535m	5.6%
Nuneaton and Bedworth	£7.284m	£7.253m	£7.108m	7.0%
Rugby	£3.451m	£3.453m	£3.602m	1.0%
Stratford on Avon	£4.123m	£4.089m	£4.231m	1.8%
Warwick	£4.641m	£4.428m	£4.553m	2.4%

TABLE 1

Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
WEST SUSSEX				
Adur	£3.539m	£3.388m	£3.320m	7.0%
Arun	£5.609m	£5.609m	£5.852m	1.0%
Chichester	£3.814m	£3.813m	£3.957m	1.5%
Crawley	£5.512m	£5.390m	£5.282m	7.0%
Horsham	£3.255m	£3.489m	£3.640m	1.0%
Mid Sussex	£4.472m	£4.382m	£4.572m	1.0%
Worthing	£5.565m	£5.324m	£5.554m	1.0%
WILTSHIRE				
Kennet	£2.406m	£2.405m	£2.509m	1.0%
North Wiltshire	£3.452m	£3.363m	£3.433m	3.0%
Salisbury	£3.407m	£3.407m	£3.547m	1.2%
Thamesdown	£11.925m	£11.861m	£11.624m	7.0%
West Wiltshire	£2.684m	£2.848m	£2.909m	3.1%

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
GREATER MANCHESTER				
Bolton	£81.620m	£78.291m	£80.726m	1.9%
Bury	£55.045m	£52.953m	£53.325m	4.1%
Manchester	£239.677m	£235.951m	£230.542m	7.0%
Oldham	£73.374m	£72.444m	£74.204m	2.5%
Rochdale	£75.857m	£75.858m	£73.934m	7.2%
Salford	£86.298m	£86.298m	£87.599m	3.4%
Stockport	£81.114m	£80.835m	£82.788m	2.5%
Tameside	£71.590m	£71.356m	£72.228m	3.7%
Trafford	£64.147m	£64.108m	£66.680m	1.0%
Wigan	£100.723m	£98.206m	£99.093m	4.0%
MERSEYSIDE				
Knowsley	£63.109m	£63.109m	£64.018m	3.4%
Liverpool	£203.180m	£203.869m	£203.332m	5.0%
St Helens	£64.181m	£63.564m	£64.147m	3.9%
Sefton	£81.032m	£80.764m	£84.248m	0.7%
Wirral	£101.437m	£101.401m	£105.469m	1.0%
SOUTH YORKSHIRE				
Barnsley	£73.073m	£72.837m	£72.267m	5.6%
Doncaster	£97.705m	£97.705m	£97.633m	4.9%
Rotherham	£81.345m	£81.346m	£81.784m	4.3%
Sheffield	£200.530m	£196.344m	£191.843m	7.0%
TYNE AND WEAR				
Gateshead	£67.549m	£67.799m	£68.427m	3.9%
Newcastle upon Tyne	£116.945m	£113.990m	£111.377m	7.0%
North Tyneside	£66.246m	£65.446m	£65.556m	4.7%
South Tyneside	£59.166m	£58.441m	£58.678m	4.4%
Sunderland	£97.502m	£97.616m	£96.713m	5.7%
WEST MIDLANDS				
Birmingham	£344.737m	£343.762m	£351.175m	2.8%
Coventry	£105.625m	£105.012m	£107.302m	2.7%
Dudley	£74.153m	£73.320m	£75.334m	2.2%
Sandwell	£103.238m	£103.234m	£103.338m	4.7%
Solihull	£54.661m	£54.661m	£57.270m	0.3%
Walsall	£90.379m	£87.010m	£85.911m	6.0%
Wolverhampton	£92.536m	£92.536m	£92.034m	5.3%
WEST YORKSHIRE				
Bradford	£145.899m	£145.355m	£151.186m	1.0%
Calderdale	£59.003m	£59.009m	£60.022m	3.2%
Kirklees	£114.440m	£114.440m	£115.424m	4.0%
Leeds	£208.584m	£202.757m	£208.905m	1.9%
Wakefield	£93.431m	£93.431m	£94.912m	3.3%

9/12/81 at 12:27

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
GREATER LONDON				
City of London	£55.136m	£54.575m	£53.032m	7.0%
Camden	£101.627m	£99.377m	£96.568m	7.0%
Greenwich	£50.328m	£49.889m	£48.479m	7.0%
Hackney	£65.461m	£65.129m	£63.288m	7.0%
Hammersmith and Fulham	£51.470m	£51.015m	£49.573m	7.0%
Islington	£68.437m	£67.660m	£65.747m	7.0%
Kensington and Chelsea	£35.587m	£35.587m	£36.522m	1.8%
Lambeth	£97.831m	£97.831m	£95.065m	7.0%
Lewisham	£72.773m	£72.666m	£70.612m	7.0%
Southwark	£85.032m	£85.032m	£82.628m	7.0%
Tower Hamlets	£60.010m	£57.010m	£55.398m	7.0%
Wandsworth	£57.889m	£57.699m	£58.346m	3.2%
Westminster	£60.927m	£58.876m	£60.903m	1.0%
Barking and Dagenham	£59.744m	£57.347m	£56.199m	6.8%
Barnet	£88.536m	£88.536m	£92.210m	1.0%
Bexley	£73.274m	£73.693m	£73.856m	4.7%
Brent	£121.121m	£121.121m	£119.585m	6.2%
Bromley	£86.169m	£86.169m	£89.745m	1.0%
Croydon	£97.536m	£97.036m	£101.063m	1.0%
Ealing	£104.350m	£102.148m	£106.387m	1.0%
Enfield	£87.572m	£86.767m	£88.149m	3.4%
Haringey	£109.638m	£109.289m	£106.926m	7.0%
Harrow	£67.109m	£65.209m	£65.660m	4.3%
Havering	£80.125m	£80.145m	£80.321m	4.7%
Hillingdon	£82.261m	£82.354m	£82.581m	4.7%
Hounslow	£84.458m	£81.457m	£79.696m	7.0%
Kingston-upon-Thames	£42.778m	£43.018m	£43.740m	3.3%
Merton	£53.649m	£53.685m	£55.208m	2.2%
Newham	£112.187m	£110.658m	£108.297m	7.0%
Redbridge	£69.667m	£68.255m	£71.088m	1.0%
Richmond-upon-Thames	£47.544m	£47.544m	£48.149m	3.7%
Sutton	£51.199m	£50.399m	£51.201m	3.4%
Waltham Forest	£98.784m	£98.085m	£95.900m	7.1%

9/12/81 at 12:27

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
ISLES OF SCILLY	£1.071m	£1.067m	£1.099m	2.2%
SHIRE COUNTIES				
Avon	£268.817m	£274.297m	£275.995m	4.3%
Bedfordshire	£167.733m	£167.165m	£170.640m	2.9%
Berkshire	£196.751m	£196.890m	£200.856m	3.0%
Buckinghamshire	£171.997m	£164.735m	£168.668m	2.6%
Cambridgeshire	£167.199m	£166.748m	£170.741m	2.6%
Cheshire	£301.896m	£305.431m	£307.434m	4.2%
Cleveland	£204.176m	£211.995m	£208.692m	6.4%
Cornwall	£119.008m	£116.271m	£121.118m	0.9%
Cumbria	£147.957m	£150.627m	£152.248m	3.8%
Derbyshire	£270.123m	£262.000m	£270.554m	1.8%
Devon	£267.978m	£256.987m	£268.683m	0.5%
Dorset	£160.754m	£170.753m	£175.173m	2.4%
Durham	£193.990m	£193.315m	£194.235m	4.4%
East Sussex	£179.946m	£179.946m	£185.575m	1.9%
Essex	£413.810m	£401.448m	£417.107m	1.2%
Gloucestershire	£146.157m	£143.070m	£148.178m	1.5%
Hampshire	£423.603m	£425.639m	£440.681m	1.5%
Hereford and Worcester	£181.494m	£179.609m	£185.763m	1.6%
Hertfordshire	£290.866m	£284.895m	£296.492m	1.0%
Humberside	£268.223m	£277.931m	£278.139m	4.8%
Isle of Wight	£33.769m	£33.950m	£34.931m	2.1%
Kent	£415.485m	£407.884m	£425.510m	0.8%
Lancashire	£411.493m	£416.250m	£428.731m	2.0%
Leicestershire	£243.576m	£244.329m	£252.274m	1.8%
Lincolnshire	£159.235m	£158.133m	£164.141m	1.3%
Norfolk	£189.340m	£189.070m	£196.202m	1.3%
Northamptonshire	£149.345m	£155.050m	£157.800m	3.2%
Northumberland	£94.539m	£94.539m	£96.877m	2.5%
North Yorkshire	£200.311m	£196.410m	£202.051m	2.1%
Nottinghamshire	£297.692m	£313.440m	£313.708m	4.8%
Oxfordshire	£155.069m	£152.689m	£157.472m	1.9%
Shropshire	£110.965m	£108.574m	£113.048m	1.0%
Somerset	£121.144m	£120.373m	£124.520m	1.6%
Staffordshire	£305.537m	£304.903m	£314.030m	2.0%
Suffolk	£168.549m	£163.019m	£169.408m	1.1%
Surrey	£262.502m	£257.502m	£266.796m	1.4%
Warwickshire	£139.739m	£133.404m	£139.680m	0.4%
West Sussex	£170.773m	£164.833m	£171.357m	1.1%
Wiltshire	£149.234m	£147.666m	£153.474m	1.1%
METROPOLITAN COUNTIES				
Greater Manchester	£218.180m	£217.336m	£213.745m	7.0%

TABLE 1
Comparison of targets with budgets

Authority	Original budget Col 1	Revised budget Col 2	Target 1982/83 Col 3	Real cuts from revised budgets Col 4
Merseyside	£137.844m	£150.860m	£137.753m	13.7%
South Yorkshire	£148.166m	£148.166m	£145.718m	7.0%
Tyne and Wear	£123.278m	£123.278m	£121.241m	7.0%
West Midlands	£196.015m	£237.208m	£194.434m	22.5%
West Yorkshire	£162.101m	£183.183m	£159.132m	17.9%
GLC	£452.844m	£570.144m	£436.881m	25.1%
ILEA	£693.928m	£697.453m	£680.202m	7.2%
Metropolitan Police	£268.494m	£273.605m	£338.327m	-17.6%
TOTAL England	£18,335.435m	£18,438.440m	£18,541.996m	4.3%
Non-met districts	£1,343.365m	£1,333.965m	£1,352.883m	3.8%
Non-met counties	£3,320.783m	£3,291.775m	£3,518.938m	2.3%
Metropolitan districts	£3,789.137m	£3,755.058m	£3,789.473m	3.9%
Metropolitan counties	£935.584m	£1,060.111m	£972.022m	13.3%
Non-met total	£9,664.168m	£9,625.740m	£9,871.871m	2.5%
Metropolian total	£4,774.720m	£4,815.169m	£4,761.495m	6.0%
City & Westminster	£116.063m	£113.451m	£113.935m	3.9%
Rest of Inner London	£746.444m	£738.895m	£722.225m	6.5%
Inner London inc ILEA	£1,556.435m	£1,549.799m	£1,516.362m	6.6%
Outer London	£1,617.702m	£1,602.915m	£1,615.961m	4.2%
GLC & Met Police	£721.338m	£843.749m	£775.208m	11.0%
London total	£3,835.475m	£3,996.463m	£3,907.531m	6.5%
Partnership authorities	£1,670.445m	£1,657.544m	£1,642.016m	5.6%
Programme authorities	£1,248.952m	£1,230.073m	£1,243.013m	3.3%
Partnership & programme	£2,919.398m	£2,887.622m	£2,865.029m	4.8%

TABLE 2
1982/83 provisional block grant settlement

Authority	1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	Poundage change from base position: For individual authority Col 5	Poundage change from base position: At ratepayer level Col 6
	Estimated block grant entitlements					
AVON	£129.937m	£124.862m	£134.710m	£131.298m	-2.9p	-
Bath	£2.999m	£3.008m	£2.932m	£2.781m	-1.4p	-4.3p
Bristol	£15.025m	£12.996m	£13.248m	£12.133m	-1.9p	-4.8p
Kingswood	£1.465m	£1.655m	£1.596m	£1.647m	0.6p	-2.2p
Northavon	£1.504m	£1.472m	£1.350m	£1.378m	0.2p	-2.7p
Wansdyke	£1.318m	£1.398m	£1.215m	£1.352m	1.7p	-1.2p
Woodspring	£2.858m	£2.908m	£3.156m	£3.353m	1.0p	-1.8p
BEDFORDSHIRE	£61.274m	£57.034m	£61.661m	£65.153m	4.3p	-
North Bedfordshire	£1.657m	£1.595m	£1.601m	£1.867m	1.3p	5.6p
Luton	£2.936m	£2.657m	£2.689m	£2.543m	-0.5p	3.8p
Mid Bedfordshire	£0.675m	£1.004m	£0.987m	£0.770m	-1.7p	2.6p
South Bedfordshire	£1.249m	£0.995m	£0.904m	£0.662m	-1.3p	3.0p
BERKSHIRE	£66.687m	£62.962m	£61.844m	£60.009m	-1.5p	-
Bracknell	£0.498m	£0.488m	£0.396m	£0.849m	3.3p	1.8p
Newbury	£1.937m	£1.988m	£2.072m	£1.763m	-1.7p	-3.2p
Reading	£2.460m	£1.280m	£2.007m	£1.921m	-0.3p	-1.9p
Slough	£1.516m	£1.423m	£1.305m	£1.080m	-1.0p	-2.5p
Windsor and Maidenhead	£1.746m	£1.815m	£1.792m	£1.746m	-0.2p	-1.7p
Wokingham	£1.845m	£1.842m	£1.958m	£1.644m	-1.9p	-3.5p
BUCKINGHAMSHIRE	£56.242m	£56.739m	£58.743m	£60.534m	1.9p	
Aylesbury Vale	£1.070m	£1.009m	£0.939m	£1.480m	2.9p	4.8p
South Bucks	£0.308m	£0.279m	£0.356m	£0.170m	-1.4p	0.5p
Chiltern	£0.374m	£0.540m	£0.618m	£0.453m	-1.1p	0.9p
Milton Keynes	£1.248m	£1.117m	£1.762m	£2.336m	3.1p	5.1p
Wycombe	-	£0.031m	£0.219m	£1.262m	3.8p	5.7p
CAMBRIDGESHIRE	£72.050m	£72.662m	£74.405m	£75.320m	1.1p	-
Cambridge	£1.590m	£1.810m	£1.809m	£1.995m	0.9p	2.0p
East Cambridgeshire	£0.569m	£0.636m	£0.393m	£0.866m	8.6p	9.7p
Fenland	£1.278m	£1.371m	£1.258m	£1.385m	1.7p	2.8p
Huntingdon	£1.679m	£1.724m	£1.781m	£1.828m	0.3p	1.4p
Peterborough	£2.799m	£2.611m	£3.056m	£2.531m	-2.8p	-1.6p
South Cambridgeshire	£0.697m	£0.822m	£0.845m	£0.927m	0.5p	1.7p
CHESHIRE	£137.515m	£128.347m	£133.386m	£136.837m	-1.2p	-
Chester	£2.053m	£1.548m	£0.892m	£2.209m	7.6p	6.4p
Congleton	£1.035m	£0.931m	£0.901m	£1.362m	4.6p	3.4p
Crewe and Nantwich	£3.003m	£3.171m	£2.705m	£2.817m	0.9p	-0.2p
Ellesmere Port and Neston	£1.242m	£1.035m	£0.589m	£1.163m	3.5p	2.3p
Halton	£2.798m	£2.942m	£2.964m	£3.015m	0.3p	-0.9p
Macclesfield	£2.133m	£2.548m	£2.299m	£2.640m	1.6p	0.4p
Vale Royal	£1.881m	£1.790m	£1.175m	£1.894m	4.9p	3.7p
Warrington	£2.669m	£2.428m	£1.981m	£3.356m	5.8p	4.6p

9/12/81 at 11:59

TABLE 2

1982/83 provisional block grant settlement

Authority	Estimated block grant entitlements: 1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	Poundage change from base position: For individual authority Col 5	At ratepayer level Col 6
CLEVELAND	£106.985m	£105.559m	£111.835m	£109.322m	-3.3p	-
Hartlepool	£3.395m	£3.524m	£3.465m	£3.373m	-0.9p	-4.3p
Langbaurgh	£3.936m	£3.644m	£4.315m	£3.796m	-2.3p	-5.7p
Middlesbrough	£7.754m	£8.637m	£8.581m	£8.103m	-2.8p	-6.2p
Stockton-on-Tees	£3.705m	£2.926m	£3.452m	£2.758m	-2.6p	-6.0p
CORNWALL	£66.375m	£68.727m	£70.757m	£69.812m	-2.1p	
Caradon	£1.374m	£1.460m	£1.498m	£1.619m	1.9p	-0.2p
Carrick	£2.067m	£2.176m	£2.059m	£1.936m	-1.4p	-3.5
Kerrier	£1.787m	£1.862m	£1.932m	£1.855m	-1.0p	-3.0
North Cornwall	£1.444m	£1.558m	£1.431m	£1.492m	0.9p	-1.2
Penwith	£1.769m	£1.924m	£1.722m	£1.604m	-2.0p	-4.1
Restormel	£1.391m	£1.471m	£1.426m	£1.481m	0.6p	-1.5
CUMBRIA	£87.783m	£90.999m	£95.545m	£94.095m	-3.1p	
Allerdale	£2.801m	£2.968m	£3.019m	£2.896m	-1.4p	-4.5
Barrow in Furness	£2.523m	£2.679m	£2.673m	£2.543m	-2.1p	-5.1
Carlisle	£2.498m	£2.250m	£1.460m	£2.876m	13.1p	10.0
Copeland	£2.425m	£2.360m	£2.265m	£2.268m	0.1p	-3.0
Eden	£0.834m	£0.923m	£0.827m	£0.931m	2.5p	-0.6
South Lakeland	£2.605m	£2.686m	£2.439m	£2.594m	1.5p	-1.6
DERBYSHIRE	£146.113m	£148.655m	£152.181m	£149.572m	-2.5p	
Amber Valley	£2.585m	£2.627m	£2.690m	£2.466m	-1.9p	-4.5
Bolsover	£1.759m	£2.101m	£1.882m	£1.984m	1.7p	-0.
Chesterfield	£2.332m	£2.689m	£2.390m	£2.448m	0.5p	-2.0
Derby	£4.232m	£4.292m	£4.060m	£5.784m	5.9p	3.
Erewash	£2.316m	£2.557m	£2.642m	£2.683m	0.4p	-2.3
High Peak	£1.909m	£1.974m	£1.936m	£1.848m	-1.0p	-3.
North East Derbyshire	£2.175m	£2.248m	£2.167m	£2.374m	2.4p	-0.2
South Derbyshire	£0.679m	£0.695m	£0.733m	£0.778m	0.5p	-2.
West Derbyshire	£1.505m	£1.671m	£1.631m	£1.506m	-1.8p	-4.
DEVON	£135.927m	£139.864m	£144.198m	£141.816m	-2.1p	
East Devon	£2.244m	£2.257m	£2.321m	£2.550m	1.8p	-0.
Exeter	£1.734m	£1.919m	£1.890m	£2.548m	4.7p	2.
North Devon	£2.042m	£2.147m	£2.029m	£1.897m	-1.7p	-3.
Plymouth	£6.153m	£6.794m	£6.628m	£7.007m	1.3p	-0
South Hams	£1.719m	£1.857m	£1.919m	£1.784m	-1.8p	-3.
Teignbridge	£2.337m	£2.526m	£2.539m	£2.526m	-0.1p	-2.
Mid Devon	£1.008m	£1.062m	£1.034m	£1.170m	2.6p	0.
Torbay	£2.837m	£2.586m	£2.662m	£2.550m	-0.7p	-2
Torridge	£1.465m	£1.638m	£1.627m	£1.553m	-1.9p	-4.
West Devon	£0.942m	£0.994m	£0.961m	£0.898m	-1.6p	-3

TABLE 2

1982/83 provisional block grant settlement

hority	Estimated block grant entitlements: 1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	Poundage change from base position: For individual authority Col 5	At ratepayer level Col 6
RSET	£66.570m	£70.053m	£70.892m	£68.183m	-3.3p	-
Bournemouth	£4.170m	£3.822m	£4.020m	£4.228m	0.9p	-2.4
Christchurch	£0.540m	£0.501m	£0.556m	£0.707m	2.5p	-0.8
North Dorset	£0.534m	£0.578m	£0.540m	£0.827m	5.8p	2.3
Poole	£2.328m	£2.136m	£2.234m	£2.221m	-0.1p	-3.3
Purbeck	£0.630m	£0.573m	£0.575m	£0.696m	2.3p	-0.9
West Dorset	£1.398m	£1.605m	£1.527m	£1.689m	1.8p	-1.4
Weymouth and Portland	£1.526m	£1.595m	£1.546m	£1.671m	2.0p	-1.3
Wimbourne	£0.977m	£1.091m	£1.247m	£1.102m	-1.6p	-4.9
URHAM	£119.351m	£118.989m	£124.575m	£122.583m	-3.5p	-
Chester-le-Street	£1.431m	£1.774m	£1.753m	£1.646m	-2.4p	-5.9p
Darlington	£2.745m	£3.108m	£3.162m	£2.784m	-3.0p	-6.5
Derwentside	£2.905m	£2.833m	£3.332m	£3.459m	1.8p	-1.7
Durham	£2.469m	£2.657m	£2.540m	£2.453m	-1.0p	-4.5
Easington	£3.686m	£4.473m	£4.306m	£4.298m	-0.1p	-3.6p
Sedgefield	£4.315m	£4.452m	£4.245m	£3.932m	-3.5p	-7.0p
Teesdale	£0.495m	£0.513m	£0.521m	£0.567m	2.2p	-1.3
Wear Valley	£2.967m	£2.952m	£2.901m	£2.841m	-1.0p	-4.5
EAST SUSSEX	£68.538m	£68.342m	£71.526m	£68.651m	-3.0p	-
Brighton	£5.446m	£5.651m	£5.809m	£6.245m	1.8p	-1.2
Eastbourne	£2.317m	£2.069m	£1.957m	£1.828m	-1.0p	-3.9p
Hastings	£2.557m	£2.622m	£2.577m	£2.547m	-0.3p	-3.3p
Hove	£2.508m	£2.745m	£2.918m	£3.254m	2.3p	-0.7p
Lewes	£1.616m	£1.742m	£1.822m	£1.597m	-2.0p	-4.9p
Rother	£1.770m	£1.706m	£1.486m	£1.652m	1.5p	-1.4p
Wealden	£1.523m	£2.160m	£2.231m	£2.080m	-1.1p	-4.1p
ESSEX	£159.929m	£156.380m	£160.988m	£155.801m	-2.2p	-
Basildon	£4.005m	£3.167m	£4.031m	£3.397m	-2.7p	-5.0p
Braintree	£1.560m	£1.695m	£1.378m	£1.582m	1.4p	-0.8p
Brentwood	£0.651m	£0.607m	£0.661m	£0.826m	1.3p	-1.0p
Castle Point	£1.277m	£1.268m	£1.420m	£1.373m	-0.4p	-2.7p
Chelmsford	£0.525m	£0.676m	£0.447m	£1.992m	7.1p	4.8
Colchester	£1.480m	£1.449m	£1.542m	£2.333m	4.4p	2.2
Epping Forest	£0.769m	£0.493m	£0.482m	£1.267m	4.2p	1.9
Harlow	£0.594m	£0.532m	£0.406m	£0.665m	1.9p	-0.3p
Maldon	£0.588m	£0.624m	£0.664m	£0.569m	-1.4p	-3.6
Rochford	£1.333m	£1.249m	£1.314m	£1.199m	-1.2p	-3.4
Southend-on-Sea	£4.793m	£4.576m	£4.790m	£4.368m	-1.6p	-3.8
Tendring	£2.407m	£2.511m	£2.653m	£2.772m	0.8p	-1.5
Thurrock	£1.808m	£1.336m	-	-	-	-2.3
Uttlesford	£1.077m	£1.036m	£1.056m	£0.918m	-1.6p	-3.9

TABLE 2
1982/83 provisional block grant settlement

	Estimated block grant entitlements				Poundage change from base position	
thority	1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	For individual authority Col 5	At ratepayer level Col 6
GLOUCESTERSHIRE	£68.901m	£71.127m	£73.182m	£71.524m	-2.6p	-
Cheltenham	£1.614m	£1.675m	£1.554m	£1.888m	2.4p	-0.2p
Cotswold	£1.278m	£1.257m	£1.243m	£1.168m	-0.9p	-3.5p
Forest of Dean	£1.380m	£1.465m	£1.455m	£1.348m	-1.6p	-4.2p
Gloucester	£1.401m	£1.432m	£1.494m	£1.923m	3.5p	0.9p
Stroud	£1.283m	£1.397m	£1.390m	£1.670m	2.5p	-0.1p
Tewkesbury	£0.770m	£0.958m	£0.983m	£0.933m	-0.5p	-3.1p
HAMPSHIRE	£187.055m	£188.507m	£191.024m	£188.782m	-1.1p	-
Basingstoke and Deane	£1.238m	£0.988m	£1.100m	£1.899m	4.3p	3.2p
East Hampshire	£1.948m	£1.961m	£1.950m	£1.739m	-1.9p	-3.0p
Eastleigh	£0.909m	£0.729m	£0.661m	£1.292m	4.8p	3.7p
Fareham	£1.755m	£1.681m	£1.766m	£1.690m	-0.7p	-1.8p
Gosport	£1.689m	£1.758m	£1.871m	£1.984m	1.2p	0.1p
Hart	£0.975m	£0.869m	£1.106m	£1.041m	-0.7p	-1.8p
Havant	£2.599m	£2.606m	£2.780m	£2.524m	-1.7p	-2.8p
New Forest	£2.222m	£2.436m	£2.727m	£2.407m	-1.4p	-2.5p
Portsmouth	£8.032m	£7.699m	£7.926m	£9.060m	4.3p	3.2p
Rushmoor	£2.310m	£2.246m	£2.337m	£2.070m	-2.3p	-3.4p
Southampton	£5.960m	£5.813m	£6.039m	£6.127m	0.3p	-0.8p
Test Valley	£1.208m	£1.360m	£1.369m	£1.401m	0.3p	-0.8p
Winchester	£1.280m	£1.414m	£1.483m	£1.563m	0.6p	-0.5p
HEREFORD AND WORCESTER	£84.836m	£85.990m	£86.963m	£86.676m	-0.3p	-
Bromsgrove	£0.725m	£0.772m	£0.818m	£0.820m	-	-0.3p
Hereford	£0.467m	£0.401m	£0.354m	£0.967m	9.4p	9.1p
Leominster	£0.747m	£0.658m	£0.655m	£0.779m	3.6p	3.2p
Malvern Hills	£1.403m	£1.488m	£1.527m	£1.465m	-0.7p	-1.0p
Redditch	£1.181m	£1.144m	£1.200m	£0.979m	-2.2p	-2.6p
South Herefordshire	£0.734m	£0.815m	£0.784m	£0.839m	1.2p	0.8p
Worcester	£0.827m	£0.480m	£0.734m	£1.342m	4.9p	4.5p
Wychavon	£1.372m	£1.346m	£1.354m	£1.297m	-0.4p	-0.8p
Wyre Forest	£2.185m	£1.885m	£2.219m	£1.865m	-2.8p	-3.2p
HERTFORDSHIRE	£94.668m	£91.820m	£90.926m	£87.805m	-1.9p	-
Broxbourne	£2.280m	£2.386m	£1.784m	£1.538m	-2.0p	-3.8p
Dacorum	£0.466m	£0.510m	£0.462m	£2.018m	7.0p	5.1p
East Hertfordshire	£1.447m	£1.446m	£1.410m	£1.820m	2.6p	0.7p
Hertsmere	£1.320m	£0.945m	£1.112m	£1.018m	-0.6p	-2.5p
North Hertfordshire	£0.432m	£0.611m	£0.488m	£1.287m	4.3p	2.4p
St Albans	£0.730m	£0.549m	£0.557m	£1.617m	4.9p	3.0p
Stevenage	£0.573m	£0.444m	£0.394m	£0.916m	3.8p	2.0p
Three Rivers	£0.989m	£1.326m	£1.397m	£1.289m	-0.8p	-2.7p
Watford	£2.335m	£1.798m	£2.109m	£1.748m	-2.3p	-4.1p
Welwyn Hatfield	£0.157m	£0.131m	-	£0.832m	4.5p	2.6p

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1982/83 provisional block grant settlement

Authority	Estimated block grant entitlements: 1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	Poundage change from base position: For individual authority Col 5	At ratepayer level Col 6
HUMBERSIDE	£163.380m	£162.079m	£168.788m	£166.267m	-2.6p	-
Beverley	£1.257m	£1.443m	£1.271m	£1.878m	5.2p	2.5
Boothferry	£1.771m	£2.001m	£2.074m	£2.230m	2.9p	0.2
Cleethorpes	£1.856m	£1.828m	£1.945m	£1.920m	-0.3p	-2.9
Glanford	£1.050m	£1.224m	£1.673m	£1.724m	0.6p	-2.0
Great Grimsby	£2.805m	£3.114m	£3.120m	£2.920m	-1.8p	-4.4
Holderness	£0.824m	£0.872m	£0.956m	£1.012m	1.2p	-1.4
Kingston upon Hull	£9.616m	£12.059m	£11.850m	£12.427m	2.1p	-0.6
East Yorkshire	£1.993m	£2.202m	£2.258m	£2.330m	1.1p	-1.6p
Scunthorpe	£2.559m	£2.380m	£2.840m	£2.761m	-0.7p	-3.4p
ISLE OF WIGHT	£18.429m	£18.533m	£19.323m	£19.443m	0.9p	-
Medina	£1.404m	£1.524m	£1.530m	£1.481m	-0.6p	0.3
South Wight	£1.220m	£1.326m	£1.278m	£1.202m	-1.3p	-0.4
KENT	£206.631m	£209.552m	£213.712m	£213.630m	-	-
Ashford	£1.785m	£1.886m	£1.757m	£1.670m	-0.8p	-0.8p
Canterbury	£3.252m	£3.107m	£3.172m	£3.286m	0.8p	0.8
Dartford	£2.707m	£3.001m	£2.875m	£2.621m	-2.5p	-2.5
Dover	£3.354m	£3.583m	£3.292m	£3.060m	-2.1p	-2.1
Gillingham	£1.525m	£1.680m	£1.796m	£1.792m	-	-0.1
Gravesham	£2.161m	£2.517m	£2.395m	£2.157m	-1.9p	-1.9
Maidstone	£2.659m	£2.933m	£2.840m	£2.726m	-0.7p	-0.8
Rochester upon Medway	£3.446m	£3.521m	£3.471m	£3.103m	-1.7p	-1.7
Sevenoaks	£1.992m	£2.018m	£1.730m	£2.118m	3.0p	2.9
Shepway	£2.397m	£2.447m	£2.487m	£2.355m	-1.1p	-1.2
Swale	£2.851m	£3.000m	£2.857m	£2.684m	-1.4p	-1.4
Thanet	£4.500m	£4.685m	£4.758m	£4.398m	-2.5p	-2.5
Tonbridge and Malling	£1.401m	£1.465m	£1.551m	£1.691m	1.1p	1.1
Tunbridge Wells	£1.623m	£1.840m	£1.752m	£2.028m	2.4p	2.3
LANCASHIRE	£251.609m	£265.994m	£270.583m	£266.997m	-2.6p	-
Blackburn	£7.269m	£8.189m	£8.232m	£8.196m	-0.3p	-2.8
Blackpool	£5.311m	£5.330m	£5.305m	£5.167m	-0.8p	-3.3
Burnley	£4.355m	£4.656m	£4.719m	£4.479m	-2.9p	-5.5
Chorley	£2.162m	£2.206m	£1.984m	£1.950m	-0.4p	-3.
Fylde	£1.552m	£1.508m	£1.316m	£1.577m	3.1p	0.5
Hyndburn	£3.165m	£3.270m	£3.335m	£3.181m	-2.4p	-4.9
Lancaster	£3.846m	£3.820m	£3.105m	£3.866m	5.8p	3.2
Pendle	£3.690m	£3.827m	£3.791m	£3.644m	-2.4p	-5.
Preston	£4.508m	£4.167m	£4.360m	£4.527m	1.1p	-1.
Ribble Valley	£1.185m	£1.307m	£1.323m	£1.242m	-1.6p	-4.1
Rossendale	£2.676m	£2.802m	£2.656m	£2.515m	-2.9p	-5.
South Ribble	£2.149m	£1.948m	£1.939m	£1.945m	0.1p	-2.5
West Lancashire	£2.586m	£2.566m	£2.632m	£2.534m	-0.8p	-3.
Wyre	£2.317m	£2.552m	£2.498m	£2.833m	3.1p	0.

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Authority	Estimated block grant entitlements: 1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	Poundage change from base position: For individual authority Col 5	At ratepayer level Col 6
LEICESTERSHIRE	£124.446m	£127.703m	£131.146m	£129.273m	-1.7p	-
Blaby	£0.861m	£0.959m	£1.017m	£1.029m	0.1p	-1.
Charnwood	£1.806m	£1.835m	£1.852m	£1.950m	0.5p	-1.
Harborough	£0.937m	£0.982m	£0.962m	£0.900m	-0.8p	-2.
Hinckley and Bosworth	£0.962m	£0.980m	£0.930m	£1.091m	1.5p	-0.
Leicester	£9.876m	£9.239m	£9.651m	£10.254m	1.5p	-0.
Melton	£0.626m	£0.616m	£0.594m	£0.645m	1.0p	-0.
North West Leicestershire	£1.130m	£1.136m	£0.944m	£1.219m	2.8p	1.
Oadby and Wigston	£0.479m	£0.461m	£0.411m	£0.660m	3.7p	2.
Rutland	£0.281m	£0.312m	£0.317m	£0.395m	2.1p	0.
LINCOLNSHIRE	£91.102m	£93.307m	£95.428m	£93.936m	-2.5p	
Boston	£0.986m	£1.116m	£1.122m	£1.410m	4.6p	2.
East Lindsey	£2.210m	£2.245m	£1.800m	£2.229m	3.6p	1.
Lincoln	£1.501m	£1.621m	£1.583m	£1.961m	3.9p	1.
North Kesteven	£1.510m	£1.522m	£1.450m	£1.379m	-1.0p	-3.
South Holland	£1.881m	£1.959m	£1.820m	£1.842m	0.3p	-2.
South Kesteven	£1.618m	£1.797m	£1.570m	£1.866m	2.7p	0.
West Lindsey	£1.567m	£1.815m	£1.698m	£1.655m	-0.6p	-3.
NORFOLK	£91.510m	£93.645m	£96.143m	£93.929m	-2.5p	
Breckland	£1.472m	£1.588m	£1.573m	£1.523m	-0.5p	-2.
Broadland	£1.246m	£1.287m	£1.344m	£1.434m	0.9p	-1.
Great Yarmouth	£1.988m	£1.933m	£1.651m	£1.988m	3.0p	0.
North Norfolk	£1.644m	£1.695m	£1.654m	£1.800m	1.5p	-1.
Norwich	£3.661m	£3.739m	£3.569m	£3.034m	-2.4p	-4.
South Norfolk	£1.584m	£1.726m	£1.609m	£1.471m	-1.4p	-3.
King's Lynn and West Norfolk	£2.470m	£2.536m	£2.282m	£2.595m	2.0p	-0.
NORTHAMPTONSHIRE	£71.996m	£75.806m	£78.666m	£81.303m	3.7p	
Corby	£0.331m	£1.129m	£1.223m	£1.678m	6.1p	9.
Daventry	£0.253m	£0.307m	£0.321m	£0.600m	3.4p	7.
East Northamptonshire	£0.661m	£0.709m	£0.469m	£1.021m	8.5p	12.
Kettering	£2.088m	£2.189m	£1.915m	£1.868m	-0.6p	3.
Northampton	£4.587m	£4.321m	£4.109m	£4.279m	0.7p	[illegible]
South Northamptonshire	£0.364m	£0.754m	£0.541m	£0.959m	5.9p	[illegible]
Wellingborough	£1.120m	£1.236m	£1.151m	£1.232m	1.0p	-
NORTHUMBERLAND	£54.300m	£54.538m	£56.830m	£55.820m	-3.2p	
Alnwick	£0.839m	£0.954m	£0.939m	£0.914m	-0.9p	-
Berwick-upon-Tweed	£0.421m	£0.496m	£0.350m	£0.593m	8.7p	[illegible]
Blyth Valley	£2.922m	£3.151m	£3.102m	£3.170m	1.0p	-
Castle Morpeth	£0.834m	£0.843m	£0.800m	£0.849m	0.8p	[illegible]
Tynedale	£1.392m	£1.531m	£1.279m	£1.197m	-1.4p	-
Wansbeck	£1.627m	£1.757m	£1.627m	£1.532m	-1.2p	-

TABLE 2
1982/83 provisional block grant settlement

	Estimated block grant entitlements				Poundage change from base position	
thority	1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	For individual authority Col 5	At rateparc level Col
RTH YORKSHIRE	£110.582m	£112.153m	£113.599m	£111.547m	-2.8p	-
Craven	£1.151m	£1.132m	£1.110m	£1.184m	1.6p	-1.2
Hambleton	£1.005m	£1.094m	£0.983m	£1.264m	3.6p	0.2
Harrogate	£3.337m	£3.249m	£3.572m	£3.455m	-0.7p	-3.5
Richmondshire	£1.052m	£1.139m	£1.059m	£1.067m	0.2p	-2.5
Ryedale	£1.310m	£1.370m	£1.313m	£1.587m	3.6p	0.9
Scarborough	£2.874m	£2.877m	£2.210m	£3.003m	7.3p	4.6
Selby	£0.985m	£0.967m	£0.922m	£0.943m	0.2p	-2.5
York	£2.410m	£2.779m	£2.574m	£3.448m	7.9p	5.1p
OTTINGHAMSHIRE	£164.340m	£166.434m	£172.273m	£168.914m	-2.7p	-
Ashfield	£2.568m	£2.682m	£2.626m	£2.489m	-1.4p	-4.1p
Bassetlaw	£1.478m	£1.303m	£1.319m	£1.058m	-1.6p	-4.3
Broxtowe	£2.131m	£2.268m	£2.259m	£2.128m	-1.1p	-3.9p
Gedling	£1.524m	£1.703m	£1.805m	£2.048m	2.2p	-0.5
Mansfield	£3.549m	£3.938m	£3.906m	£3.686m	-2.3p	-5.0p
Newark	£1.804m	£2.139m	£1.948m	£2.036m	0.8p	-1.9p
Nottingham	£7.463m	£8.132m	£7.322m	£9.175m	4.6p	1.8p
Rushcliffe	£1.155m	£1.114m	£1.188m	£1.181m	-0.1p	-2.8
OXFORDSHIRE	£59.864m	£57.694m	£58.074m	£56.498m	-2.0p	-
Cherwell	£1.195m	£1.472m	£1.439m	£1.466m	0.2p	-1.6p
Oxford	£2.744m	£2.643m	£2.559m	£2.819m	1.3p	-0.7p
South Oxfordshire	£1.544m	£1.592m	£1.664m	£1.723m	0.3p	-1.6p
Vale of White Horse	£0.434m	£0.283m	£0.266m	£0.602m	2.0p	-
West Oxfordshire	£0.917m	£1.107m	£0.993m	£1.053m	0.6p	-1.3p
SHROPSHIRE	£60.884m	£62.469m	£65.045m	£64.137m	-2.1p	-
Bridgnorth	£0.500m	£0.537m	£0.428m	£0.707m	4.9p	2.8p
North Shropshire	£0.825m	£0.876m	£0.918m	£1.039m	2.6p	0.5p
Oswestry	£0.513m	£0.611m	£0.612m	£0.730m	4.1p	2.0p
Shrewsbury and Atcham	£1.022m	£0.989m	£0.808m	£1.413m	5.1p	3.0p
South Shropshire	£0.754m	£0.807m	£0.803m	£0.835m	1.0p	-1.1p
The Wrekin	£3.007m	£3.140m	£3.427m	£3.065m	-2.4p	-4.5p
SOMERSET	£63.795m	£65.047m	£66.069m	£65.295m	-1.6p	-
Mendip	£1.197m	£1.295m	£1.241m	£1.444m	2.1p	0.6
Sedgemoor	£1.687m	£1.607m	£1.615m	£1.855m	2.3p	0.8
Taunton Deane	£1.648m	£1.851m	£1.843m	£1.906m	0.6p	-0.9
West Somerset	£0.668m	£0.578m	£0.478m	£0.475m	-0.1p	-1.6
Yeovil	£1.654m	£1.660m	£1.385m	£2.164m	5.4p	3.9

TABLE 2

1982/83 provisional block grant settlement

	Estimated block grant entitlements				+++++Poundage change+++++ from base position	
rity	1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	For individual authority Col 5	At ratepayer level Col
FORDSHIRE	£156.862m	£153.472m	£164.066m	£163.265m	-0.7p	-
nnock Chase	£1.652m	£1.830m	£1.826m	£1.690m	-1.3p	-1.
st Staffordshire	£1.094m	£1.189m	£1.205m	£1.906m	5.7p	5.
ichfield	£0.530m	£0.652m	£0.783m	£0.949m	1.4p	0.
wcastle-under-Lyme	£2.200m	£2.298m	£1.969m	£2.616m	5.1p	4.4
outh Staffordshire	£1.014m	£1.080m	£1.219m	£1.340m	1.1p	0.
tafford	£1.450m	£2.190m	£2.045m	£1.793m	-1.6p	-2.
taffordshire Moorlands	£1.588m	£1.250m	£1.393m	£1.865m	5.1p	4.4
toke-on-Trent	£5.120m	£5.388m	£4.641m	£6.753m	6.8p	6.1
amworth	£1.745m	£1.853m	£1.666m	£1.513m	-2.2p	-2.
FOLK	£75.369m	£76.120m	£77.558m	£78.873m	1.7p	-
Babergh	£1.652m	£1.686m	£1.594m	£1.431m	-1.8p	-0.
Forest Heath	£0.932m	£1.392m	£1.372m	£1.264m	-1.8p	-0.1
Ipswich	£2.693m	£2.395m	£2.362m	£2.966m	3.3p	5.
Mid Suffolk	£1.047m	£1.243m	£1.295m	£1.276m	-0.2p	1.5
St Edmundsbury	£0.933m	£1.160m	£1.048m	£1.351m	2.7p	4.4
Suffolk Coastal	£1.477m	£1.476m	£1.363m	£1.622m	2.0p	3.7
Waveney	£2.679m	£2.941m	£2.913m	£2.706m	-1.9p	-0.
RREY	£76.302m	£74.127m	£75.087m	£70.560m	-2.7p	-
Elmbridge	£1.429m	£1.127m	£0.877m	£0.744m	-0.6p	-3.3
Epsom and Ewell	£1.394m	£1.374m	£1.222m	£0.983m	-2.1p	-4.6
Guildford	£1.392m	£1.468m	£1.027m	£1.121m	0.4p	-2.2
Mole Valley	£0.948m	£0.967m	£0.713m	£0.712m	-	-2.7
Reigate and Banstead	£1.201m	£1.090m	£0.642m	£1.249m	3.3p	0.6
Runnymede	£1.105m	£1.120m	£0.836m	£0.709m	-1.1p	-3.6
Spelthorne	£0.802m	£0.602m	£0.276m	£0.055m	-1.1p	-3.7
Surrey Heath	£0.529m	£0.562m	£0.533m	£0.800m	2.1p	-0.5
Tandridge	£0.755m	£0.719m	£0.419m	£0.914m	5.0p	2.4
Waverley	£1.406m	£1.493m	£1.314m	£1.279m	-0.2p	-2.9
Woking	£1.714m	£1.520m	£1.655m	£1.435m	-1.5p	-4.2
WARWICKSHIRE	£61.771m	£60.884m	£62.369m	£62.423m	0.1p	-
North Warwickshire	£1.083m	£1.134m	£1.120m	£0.957m	-2.0p	-1.
Nuneaton and Bedworth	£3.459m	£3.322m	£3.539m	£3.174m	-2.8p	-2.7
Rugby	£1.351m	£1.271m	£1.333m	£1.454m	1.0p	1.1
Stratford on Avon	£0.480m	£0.910m	£1.084m	£1.368m	1.9p	2.0
Warwick	£1.836m	£1.848m	£2.020m	£1.842m	-1.0p	-0.

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TABLE 2

1982/83 provisional block grant settlement

Authority	Estimated block grant entitlements: 1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	Poundage change from base position: For individual authority Col 5	At ratepayer level Col 6
EST SUSSEX	£61.893m	£61.124m	£62.139m	£59.910m	-2.3p	-
Adur	£1.120m	£0.895m	£1.053m	£1.028m	-0.3p	-2.6p
Arun	£3.308m	£3.297m	£3.338m	£3.022m	-2.0p	-4.3p
Chichester	£1.934m	£2.143m	£2.254m	£2.030m	-1.7p	-4.0p
Crawley	-	-	-	-	-	-2.3p
Horsham	£1.448m	£1.481m	£1.580m	£1.582m	-	-2.3p
Mid Sussex	£1.775m	£1.705m	£1.875m	£1.759m	-0.7p	-3.0p
Worthing	£2.461m	£2.691m	£2.872m	£2.849m	-0.2p	-2.5p
WILTSHIRE	£81.326m	£83.391m	£86.034m	£85.217m	-1.4p	-
Kennet	£0.895m	£1.150m	£0.956m	£1.337m	5.9p	4.5p
North Wiltshire	£1.807m	£1.716m	£1.609m	£1.765m	1.6p	0.2p
Salisbury	£1.335m	£1.416m	£1.301m	£1.600m	2.4p	1.0p
Thamesdown	£4.087m	£4.660m	£4.515m	£3.878m	-3.4p	-4.7p
West Wiltshire	£1.492m	£1.668m	£1.472m	£1.579m	1.0p	-0.4p
ISLES OF SCILLY	£0.589m	£0.685m	£0.352m	£0.703m	115.8p	115.8p

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TABLE 2

1982/83 provisional block grant settlement

Authority	Estimated block grant entitlements: 1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	Poundage change from base position: For individual authority Col 5	At ratepayer level Col 6
GREATER MANCHESTER	£102.643m	£101.084m	£112.090m	£111.520m	-0.2p	-
Bolton	£47.537m	£50.047m	£51.506m	£50.938m	-2.0p	-2.2p
Bury	£28.886m	£28.971m	£30.627m	£30.255m	-2.0p	-2.1p
Manchester	£109.999m	£108.788m	£110.081m	£104.510m	-7.6p	-7.8p
Oldham	£46.930m	£49.824m	£48.791m	£48.562m	-1.0p	-1.2p
Rochdale	£44.894m	£46.799m	£48.515m	£47.575m	-4.6p	-4.7
Salford	£52.824m	£55.015m	£55.452m	£54.067m	-4.4p	-4.6p
Stockport	£40.126m	£40.729m	£41.265m	£39.944m	-3.5p	-3.6
Tameside	£43.325m	£45.359m	£46.083m	£45.540m	-2.5p	-2.7
Trafford	£25.850m	£25.185m	£25.950m	£24.646m	-3.4p	-3.6
Wigan	£58.673m	£59.809m	£62.215m	£61.268m	-3.1p	-3.3
MERSEYSIDE	£72.392m	£69.933m	£75.661m	£72.964m	-1.4p	
Knowsley	£37.399m	£38.137m	£39.298m	£38.934m	-1.7p	-3.1
Liverpool	£115.468m	£115.937m	£122.975m	£119.855m	-4.5p	-5.
St Helens	£32.878m	£33.984m	£35.138m	£35.484m	1.5p	0.1
Sefton	£47.005m	£47.273m	£47.589m	£46.610m	-2.7p	-4.
Wirral	£54.329m	£55.397m	£57.669m	£56.133m	-3.7p	-5.
SOUTH YORKSHIRE	£64.761m	£67.785m	£72.940m	£69.007m	-2.9p	
Barnsley	£47.813m	£47.934m	£48.238m	£47.304m	-4.9p	-7.
Doncaster	£56.024m	£58.534m	£58.834m	£57.330m	-5.1p	-8.
Rotherham	£51.142m	£53.860m	£53.425m	£52.330m	-4.8p	-7.
Sheffield	£88.703m	£90.604m	£97.381m	£93.462m	-6.0p	-8
TYNE AND WEAR	£63.214m	£65.658m	£71.605m	£75.340m	3.0p	
Gateshead	£42.400m	£42.558m	£42.370m	£41.421m	-4.5p	-1
Newcastle upon Tyne	£44.468m	£45.496m	£45.754m	£42.840m	-7.0p	-4
North Tyneside	£37.884m	£38.728m	£38.412m	£37.464m	-4.6p	-1
South Tyneside	£38.099m	£39.262m	£39.556m	£38.808m	-4.8p	-1
Sunderland	£60.490m	£61.617m	£62.686m	£61.855m	-3.1p	-
WEST MIDLANDS	£79.039m	£71.139m	£82.770m	£82.318m	-0.1p	
Birmingham	£164.820m	£157.808m	£168.272m	£165.966m	-1.4p	
Coventry	£54.133m	£56.452m	£57.538m	£59.001m	3.3p	
Dudley	£29.992m	£30.650m	£31.112m	£31.925m	1.9p	
Sandwell	£40.869m	£36.962m	£41.128m	£44.754m	7.3p	
Solihull	£24.086m	£25.305m	£25.945m	£27.270m	4.5p	
Walsall	£38.212m	£37.449m	£40.247m	£40.750m	1.3p	
Wolverhampton	£39.760m	£40.724m	£45.176m	£45.016m	-0.4p	
WEST YORKSHIRE	£91.560m	£97.196m	£95.893m	£94.353m	-0.7p	
Bradford	£94.462m	£100.277m	£103.189m	£101.918m	-3.0p	
Calderdale	£40.861m	£41.056m	£41.425m	£40.742m	-4.2p	
Kirklees	£71.048m	£75.857m	£79.249m	£80.226m	3.0p	
Leeds	£110.303m	£115.832m	£116.646m	£116.362m	-0.3p	
Wakefield	£52.395m	£55.471m	£54.665m	£54.195m	-1.4p	

TABLE 2

1982/83 provisional block grant settlement

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ER LONDON						
ity of London	£-38.707m	£-38.707m	£-40.642m	£-40.642m	-	-1.4p
Camden	£11.378m	£11.378m	£11.981m	£11.981m	-	0.9p
Greenwich	£29.334m	£28.933m	£30.221m	£28.872m	-4.2p	-3.3p
Hackney	£38.381m	£41.141m	£42.510m	£45.275m	7.8p	8.7p
Hammersmith and Fulham	£32.136m	£31.227m	£31.998m	£36.831m	14.6p	15.5p
Islington	£30.099m	£24.332m	£26.413m	£32.378m	11.6p	12.5p
Kensington and Chelsea	£14.837m	£11.137m	£10.755m	£15.907m	7.4p	8.3p
Lambeth	£51.957m	£46.062m	£50.203m	£57.966m	13.5p	14.4p
Lewisham	£42.864m	£45.391m	£46.824m	£45.233m	-4.7p	-3.8p
Southwark	£40.845m	£43.059m	£45.369m	£45.339m	-0.1p	0.9p
Tower Hamlets	£24.956m	£25.314m	£28.735m	£26.443m	-5.2p	-4.3p
Wandsworth	£44.633m	£44.096m	£43.302m	£46.919m	8.6p	9.5p
Westminster	£-21.629m	£-21.629m	£-22.710m	£-22.710m	-	0.9p
UTER LONDON						
Barking and Dagenham	£24.165m	£23.760m	£25.506m	£23.726m	-6.7p	-3.6p
Barnet	£33.843m	£33.096m	£36.217m	£35.269m	-1.6p	1.5p
Bexley	£38.574m	£39.328m	£41.105m	£40.336m	-2.6p	0.6p
Brent	£49.678m	£46.195m	£56.736m	£63.658m	13.7p	16.8p
Bromley	£42.716m	£43.197m	£44.150m	£42.072m	-4.3p	-1.2p
Croydon	£45.302m	£45.794m	£47.275m	£44.368m	-4.3p	-1.2p
Ealing	£46.516m	£45.876m	£48.641m	£52.933m	7.8p	11.0p
Enfield	£36.623m	£37.027m	£38.831m	£38.856m	0.1p	3.2p
Haringey	£50.501m	£51.878m	£55.713m	£57.431m	4.9p	8.0p
Harrow	£27.387m	£27.177m	£29.209m	£29.009m	-0.6p	2.5p
Havering	£37.622m	£38.265m	£39.977m	£38.774m	-3.2p	-0.1p
Hillingdon	£24.103m	£22.773m	£24.819m	£21.386m	-6.0p	-2.9p
Hounslow	£25.735m	£19.765m	£27.739m	£24.749m	-6.2p	-3.1p
Kingston-upon-Thames	£16.229m	£16.091m	£17.277m	£15.736m	-5.5p	-2.4p
Merton	£25.740m	£26.020m	£26.975m	£25.413m	-5.2p	-2.1p
Newham	£56.513m	£56.994m	£65.228m	£68.496m	9.2p	12.4p
Redbridge	£33.855m	£34.923m	£36.977m	£36.188m	-2.2p	0.9p
Richmond-upon-Thames	£20.721m	£21.090m	£20.711m	£19.097m	-5.3p	-2.1p
Sutton	£24.505m	£24.162m	£25.241m	£23.859m	-4.9p	-1.8p
Waltham Forest	£48.922m	£47.772m	£54.170m	£54.559m	1.3p	4.4p
ILEA	£69.675m	-	£24.141m	-	-2.2p	-
GLC	£134.407m	£45.925m	£169.764m	£185.579m	0.8p	-
Metropolitan Police	£102.197m	£103.311m	£96.680m	£143.066m	2.3p	-

TABLE 2
1982/83 provisional block grant settlement

thority	Estimated block grant entitlements: 1981/82 settlement Col 1	1981/82 after holdback Col 2	1982/83 base position Col 3	1982/83 if spend at target Col 4	Poundage change from base position: For individual authority Col 5	At ratepay[illegible] level Col [illegible]
TAL England	£8,351.445m	£8,249.617m	£8,679.001m	£8,679.003m	-	
on-met districts	£583.412m	£598.583m	£587.977m	£622.174m	0.9p	0.[illegible]
on-met counties	£3,963.127m	£3,981.691m	£4,107.272m	£4,051.012m	-1.5p	-1.[illegible]
Metropolitan districts	£2,014.089m	£2,053.690m	£2,114.401m	£2,085.259m	-2.1p	-2.[illegible]
Metropolitan counties	£473.609m	£472.795m	£510.958m	£505.502m	-0.4p	-0.4
Non-met total	£4,546.539m	£4,580.274m	£4,695.249m	£4,673.186m	-0.6p	-0.[illegible]
Metropolian total	£2,487.698m	£2,526.486m	£2,625.359m	£2,590.761m	-2.5p	-2.[illegible]
City & Westminster	£-60.336m	£-60.336m	£-63.353m	£-63.353m	-	
Rest of Inner London	£361.422m	£352.071m	£368.311m	£393.144m	4.4p	4.4
Inner London inc ILEA	£370.760m	£291.734m	£329.099m	£329.791m	0.1p	0.[illegible]
Outer London	£709.255m	£701.201m	£762.498m	£755.917m	-0.8p	-0.[illegible]
GLC & Met Police	£236.604m	£149.236m	£266.444m	£328.645m	3.2p	3.[illegible]
London total	£1,316.619m	£1,142.172m	£1,358.041m	£1,414.352m	2.9p	2.[illegible]
Partnership authorities	£844.930m	£836.823m	£830.405m	£878.661m	-0.2p	-0.[illegible]
Programme authorities	£685.343m	£711.607m	£730.415m	£727.308m	-0.6p	-0.[illegible]
Partnership & programme	£1,530.273m	£1,548.435m	£1,610.820m	£1,605.969m	-0.4p	-0.[illegible]

10 DEC 1981

cc. Ireland: Situation Pt 10

cc. Canada: Relations Pt 4.

PRIME MINISTER

Parliamentary Affairs

I understand that Mr. Heseltine will want to report on progress in re-thinking the approach to controlling excessive rates rises: the Chief Whip will also wish to report on the Parliamentary prospects on this front.

The Canadian Constitution Repatriation issues now seem much easier, following a constructive meeting this morning between the Canadian Minister of Justice and Messrs. Pym and Jopling, but it might be helpful for the Lord President to mention his conclusions on handling. March-April.

The one questionmark over next week's business concerns the timing of the Northern Ireland Emergency Provisions (Continuance) Order. Mr. Prior is reported to be most unhappy about the timing proposed, Wednesday evening, but Business managers see no alternative. It would perhaps be better for this to be settled out of Cabinet, but Mr. Prior might raise it.

MAP

9 December, 1981.

CONFIDENTIAL

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

9 December 1981

Dear Lord President

LOCAL GOVERNMENT FINANCE BILL

At the meeting of E Committee on 3 December 1981 (E(81)37th meeting) I was asked to consult our Parliamentary colleagues on an alternative Local Government Finance Bill which would contain provisions to ban supplementary rates, and to report back.

We have now consulted very widely. The judgement we have reached is that there would be a wide measure of support on the back benches for a Bill designed to ban supplementary rates. Our assessment is that opposition by some colleagues is not likely to be immovable. Tom King is addressing a meeting organised by the Environment Committee tomorrow evening.

I was also asked to report on the arrangements for temporary borrowing. My Department has discussed this in detail with the Treasury. The present state of the law is that local authorities can borrow on a temporary basis without my consent only against anticipated revenues within the financial year. This will remain, as will my power to give consent to borrowing for contingencies and to impose conditions. The Bill, however, would include a new clause (on the Scottish model) giving lenders a first claim on rates and revenues. This would give security to the financial markets, and has been recommended by the Bank of England.

Counsel has already prepared draft clauses for inclusion in a Bill. These are attached, in typescript form. They are, of course, subject to change and my officials are today working with Counsel, and the Treasury, on a range of detailed points. Hopefully, these can be resolved during the next 24 hours.

I understand that Michael Jopling proposes to report orally to Cabinet during the Parliamentary Affairs item tomorrow. I would be happy at the same time to amplify any of the points made above. In particular I would welcome the views of colleagues on the handling and timing of the legislation.

I am copying this to the Prime Minister, all Cabinet colleagues, the Chief Whip, Sir Robert Armstrong, and to First Parliamentary Counsel.

Yours sincerely

For MICHAEL HESELTINE
(drafted by the Secretary of State and signed in his absence)

Rt Hon Francis Pym MP

12

RATES, PRECEPTS AND BORROWING

1∠ Abolish supplementary rates and supplementary precepts; to require rates and precepts to be made issued for complete financial years; to make further provision with respect to the borrowing powers of local authorities;

2∠ RATES, PRECEPTS AND BORROWING

Limitation of rating powers.

1.-(1) A rating authority shall not have power -

(a) to make a supplementary rate; or

(b) to make a rate for any period [less] [other] than a financial year.

(2) In this section "rating authority" means any authority having power to make a rate under section 1 of the

1967 c.9 General Rate Act 1967 and "rate" means a general rate except that -

(a) in the case of the City of London, it includes the poor rate; and

(b) in the case of the Inner Temple and the Middle Temple, it means any rate in the nature of a general rate levied on the Inner Temple or the Middle Temple, as the case may be.

(3) This section has effect in relation to any financial year beginning on or after 1st April 1982.

continued

Limitation of precepting powers.

2.-(1) A precepting authority shall not have power -

(a) to issue a supplementary precept; or

(b) to issue a precept in respect of any period [less] [other] than a financial year.

(2) In this section "precepting authority" means any authority having power to issue a precept to a rating authority as defined in section 1 above and "supplementary precept" means a precept for a period in respect of which the precepting authority in question has already issued a precept.

(3) This section has effect in relation to any financial year beginning on or after 1st April 1982.

/continued

Borrowing powers.
1972 c.70

3.-(1) After paragraph 11(2) of Schedule 13 to the Local Government Act 1972 (security for money borrowed by local authority) there shall be inserted -

"(2A) Subject to sub-paragraph (3) below, the interest for the time being payable in respect of money borrowed by a local authority, whether before or after the coming into force of this Schedule, shall be a first charge on the revenues of the authority."

(2) The Greater London Council may, with the approval of the Secretary of State and in accordance with any conditions subject to which the approval is given, borrow money for any purpose ~~periods~~ other than expenditure on capital account.

(3) Subsection (2) above is without prejudice to any borrowing powers of the Greater London Council existing apart from that subsection.

(2) The repeals in Part I of that Schedule have effect for financial years beginning on or after 1st April 1982.

PART I

Chapter	Short Title	Extent of Repeal
1967 c.9.	The General Rate Act 1967.	In section 2(4)(b) the words "or any part of the year". In section 3, in subsection (3) the words from "and ending" onwards, in subsection (4) the words "Where a rate is made for a period exceeding three months" and subsection (5). In section 12, in subsections (6) and (9), the words "or half-year, as the case may be," wherever they occur and in subsection (9)(b) the words "or half-year" in the second place where they occur. Section 48(2) In section 115(1), in the definition of "rate period" the words "or part of a year, being a year or part". In Schedule 6, ~~in paragraph 6 the words "or forming part of"~~ and in paragraph 10(b) the words "or comprising". In Schedule 7, in paragraph 14(b) the words "or comprising". In Schedule 10, in paragraph 5 the words from the beginning of sub-paragraph (a) to "in every case" in sub-paragraph (c).
1972 c.70.	The Local Government Act 1972.	In section 149(1) the words from "and may at any time" onwards.
1976 c.70.	The Land Drainage Act 1976.	Section 46(4). Section 49(4)
1980 c.65.	The Local Government, Planning and Land Act 1980.	Section 33(3).

020/

2 M's

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

8 December 1981

Dear David

ARRANGEMENTS FOR THE RATE SUPPORT GRANT: MONDAY 21 DECEMBER 1981

Arrangements have now been made for a meeting of the Consultative Council on Local Government Finance at 11.00 am on 21 December. At this meeting the full details of the settlement will be released to the local authority associations under cover of a statement which the Secretary of State will make at the outset of the meeting.

This year, we propose to revert to the procedure followed in 1977, 1978, and 1979. This means that a copy of the statement made by the Secretary of State in the morning will be incorporated into a written Parliamentary Answer given in the afternoon of the same day, with copies placed at the same time in the Library. Last year the Secretary of State made an oral statement to the House as the settlement was the first for England under the provisions of the new Act. He explained at the time that it was an exceptional move. This year, of course, the main elements of the settlement have already been announced orally to the House by the Chancellor.

Our aim thereafter would be to table the Order in the week beginning 18 January. It would obviously be helpful to us if time could be found for the debate as soon as possible thereafter.

I am copying this to the Private Secretaries to the Prime Minister, all members of Cabinet, the Chief Whip and to Sir Robert Armstrong.

Yours sincerely

David Edmonds

D A EDMONDS
Private Secretary

David Heyhoe Esq
PS/Lord President

With the Compliments
of the
Private Secretary

Scottish Office,
Dover House,
Whitehall,
London SW1A 2AU.

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

NBPM

T Mathews Esq
Private Secretary to the
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1P 3AG

2 December 1981

Dear Terry,

RATE SUPPORT GRANT STATEMENT, WEDNESDAY 2 DECEMBER

I enclose the text of the Statement which my Secretary of State proposes to make by means of a Written Answer this afternoon. It has already been agreed with your officials. It is proposed that the Statement should be made available at 4.30 pm and we will therefore assume that you are content unless any comments are received by 3 pm.

Copies go on a similar basis to Mike Pattison (No 10), David Edmonds (Environment) and John Craig (Welsh Office).

Ever
Muir.

A MUIR RUSSELL
Private Secretary

HOUSE OF COMMONS

To ask the Secretary of State for Scotland if he will make a statement about the rate support grant settlement for 1982-83.

ANSWER

Full details of the settlement will be discussed with the Convention of Scottish Local Authorities later this month. My main proposals, which are being conveyed to the Convention today, are as follows.

For 1982-83 I am proposing a cash figure of about £2,450 million for local authorities' current expenditure (excluding loan charges) in Scotland. It implies a continuing need for substantial reductions in their expenditure. With the addition of provision for loan charges the total of relevant expenditure would be some £2,900 million. Grant in 1982-83 would, subject to what I say in the following paragraph, amount to 64.2% of the total expenditure figure, a reduction of 2.5% in the corresponding percentage for 1981-82.

However I have already informed the Convention that the amount of grant to be paid through increase orders relating to 1980-81 and 1981-82 together with the aggregate amount of grant for 1982-83 will be affected by the high levels of expenditure incurred by authorities in 1980-81 (over and above the actions already intimated to them in respect of undue levels if expenditure in the current year).

To take account of this I do not propose to pay further grant amounting to £15m which would otherwise have been paid for 1980-81; grant for 1981-82 and 1982-83 will require to be £35 million less than would have been the case but for the high level of expenditure. I shall decide the balance to be struck in distributing this £35 million between the two years after further consultation with the Convention.

I shall in due course issue indicative current expenditure guidelines to help individual authorities plan for levels of expenditure consistent with the settlement. I very much hope that all authorities will recognise the need for restraint in planned expenditure, in the national economic interest and in the interests of their ratepayers, but I shall not hesitate to exercise my statutory power to reduce rate support grant (subject to the approval of the House) if that proves necessary to discourage individual authorities from incurring excessive and unreasonable levels of expenditure.

I shall also be discussing later this month with representatives of the Convention of Scottish Local Authorities the details of the 1982-83 settlement for housing support grant including the assumptions to be made about rents.

I am satisfied that these proposals will enable authorities to maintain an adequate standard of services and that if their budgets comply with the expenditure figures proposed by the Government, any average increase in rate levels should be very moderate.

Y SWYDDFA GYMREIG
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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

2nd December 1981

Dear Terry

WELSH RATE SUPPORT GRANT SETTLEMENT, WEDNESDAY 2 DECEMBER

... I enclose the terms of a Written Answer which my Secretary of State proposes to give this afternoon. It has been agreed with your officials.

I am sending copies to Mike Pattison, David Edmonds and Muir Russell.

Yours ever
John Craig

J F CRAIG
Private Secretary

T Mathews Esq
Private Secretary to
The Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1P 3AG

PROPOSED WRITTEN QUESTION AND ANSWER

QUESTION

To ask the Secretary of State for Wales whether he is able to announce his proposals for the 1982/83 Rate Support Grant Settlement for Wales.

ANSWER

I am today issuing a consultation paper to the Welsh local authority associations setting out my proposals for the 1982/83 Rate Support Grant Settlement for Wales. I will be discussing these with the Welsh Consultative Council on Local Government Finance next week.

The out-turn for local authority expenditure in Wales in 1981/82 implied by local authority budgets is significantly closer to target than in England or in Scotland. The Welsh local authority associations have expressed concern that cash figures based on the plans in Cmnd 8175 would face local authorities with a level of spending reductions in 1982/83 which they would find difficult to achieve. Taking these factors fully into account I am therefore proposing a cash provision for local authority current expenditure of £1126 million, an increase of £94 million over the 1981/82 Settlement figure. I also intend to take the factors into account in setting the level of capital allocations. Total relevant expenditure for RSG purposes is proposed to be about £1290 million, depending on final decisions on capital and on the level of council house rents. The latter are the subject of separate consultations with housing authorities, on the basis of a proposal for an average increase of £2.50 per dwelling per week.

I propose that the rate of Exchequer grant should be 72.5 per cent. Aggregate Exchequer grant for 1982/83 would then amount to about £935m.

The general effect of these proposals, if local authorities rate in accordance with the assumptions underlying the Settlement, is that there should be no increase in the average general rate poundage in Wales. Against that background I think it right to take this opportunity to alter the balance in favour of non-domestic ratepayers by reducing the domestic rate relief from 36p to 18½p, the level prevailing in England. The resources thus released will be added to block grant. The consequence should be a reduction in rates for non-domestic

/ratepayers

ratepayers next year, with a single figure increase in the average domestic rate.

In general I propose that the block grant mechanisms used in the 1981/82 Settlement should continue for 1982/83, except that further pressure will be applied to overspenders by increasing the power of the curve in the grant related poundage schedule from 1.35 to 1.45. I also propose to limit the effects of the change in GRE assessments and the residual effect of moving to the percentage basis of equalisation by applying a single stage safety net of 5p at the ratepayer level.

My final decisions on the Settlement will be taken after I have consulted the Welsh Consultative Council on Local Government Finance.

P.0602

PRIME MINISTER

Local Government Finance Bill
(E(81)125 & 126)

BACKGROUND

At the Committee's discussion on 25 November (E(81)35th Meeting, Item 1) the Secretaries of State for the Environment and for Transport were invited to consider urgently which provisions in the present Local Government Finance Bill should be preserved, and to advise what further provisions might be introduced, in place of the referendum proposal, in a new Bill or Bills.

2. In E(81)125 the Secretary of State for the Environment discusses the following options:

a. dropping Part I of the Bill altogether;

b. retention of Part I of the Bill in diminished form (ie shifting the supplementary rate burden from non-domestic to domestic ratepayers, and making supplementary rates subject to statutory consultation);

c. making supplementary rates subject to Parliamentary Order;

d. direct control of local authority expenditure on the Scottish model;

e. abolition of supplementary rates.

Options c. and d. are ruled out as unworkable in practice, and on the grounds that it is not now possible to legislate in this way in time to affect rates in 1982-83. Of the remaining options, option a. is ruled out because of the need to avoid a complete retreat on Part I and option b. because it mainly helps the non-domestic ratepayer at the expense of the domestic ratepayer; the Secretary of State therefore favours option e. despite the objections set out in paragraph 9 of the paper.

3. In E(81)126 the Secretary of State for Transport is concerned with one important area of local authority overspend - the subsidies to the London Transport Executive (LTE) and to six Passenger Transport Executives (PTEs) ie those in Greater Manchester, Merseyside, South and West Yorkshire, Tyne and Wear and the West Midlands. If present low fare policies continue, the Metropolitan counties concerned are likely to spend some £400 million more than has been assumed for this element in the agreed total for local authority current expenditure in 1982-83. The Secretary of State proposes two alternative approaches:

a. As proposed by his predecessor in E(81)86 the fixing by Order of an External Finance Limit (EFL) for the LTE and each of the six PTEs. (There would need to be back up powers to enable the Secretary of State to prevent the local authorities concerned from using their powers of direction and of appointment and dismissal of Board members, and to enable the Secretary of State to exercise these powers himself.)

b. The placing of a statutory duty on the GLC and the six Metropolitan counties to take account of guidelines set by the Secretary of State on the maximum reasonable level of subsidy. (If the local authority went beyond the guidelines it would be for the auditor or ratepayers, if they so wished, to take it to Court.)

The Secretary of State does not express a preference as between these two options. He points out that, whichever route is chosen, realism about the tolerable level of fare increases and service reductions would restrict any saving to £200-£300 million.

4. The outcome of the London Transport case now before the House of Lords has a bearing on both sets of options. Present information is that the House of Lords decision may be announced tomorrow but that the detailed judgement, which may be of crucial importance, may not emerge for some weeks. The Committee may feel that it would be unwise to introduce any new Bill until the detailed judgement is known and Ministers have had time to consider its implications. If so the main purpose of this meeting is to give guidance on the contingency work on possible options. It is therefore very unlikely that any new Bill could

be introduced until just before Christmas. This reinforces the Secretary of State for the Environment's arguments against the various options for central control of supplementary rates; it also makes it more difficult to pursue the Secretary of State for Transport's EFL option since this would need Royal Assent before Easter, and would involve a longer and more contentious Bill.

MAIN ISSUES

5. Although the general measures and transport measures interact, it may be convenient to have a separate discussion of the general measures first, then a discussion of the transport measures and finally a review of the position on both together.

General Measures

6. The first issue on the general measures is whether the Committee accepts the Secretary of State for the Environment's advice to reject the options of controlling supplementary rates by Parliamentary Order or by detailed expenditure controls on the Scottish model. The Committee may well conclude that it would be wishful thinking to assume that an approach which can work in Scotland can be made to work in England. Further examination has tended to confirm the view that central Government is simply not in a position to dictate, in a way that would be proof against challenge, the proper level of rates for even a small number of local authorities. The Committee may well conclude that there would be high risks in going against the considered advice of the Department which would be mainly concerned with exercising the controls, especially as it would also be necessary to draft the necessary legislation in considerable haste and force it quickly through Parliament.

7. In considering the remaining three options - dropping Part I, a modified Part I or the abolition of supplementary rates, the Committee will be primarily influenced by the political consideration of how far the Government is committed to doing something about rates generally in the current Session. This may in turn depend partly on the House of Lords judgement and partly on what action is feasible and desirable on transport subsidies.

8. The Secretary of State for the Environment rules out the option of a "diminished" Part I on the grounds that it gives insufficient protection to the domestic ratepayer. It is certainly the case that the Government would be unpopular if it merely ensured that domestic ratepayers carried an even greater share of an increasing rate burden than at present. If the requirement for statutory consultation of ratepayers could be made credible, this difficulty could be overcome. But it is hard to see that there is a defensible and adequate way of consulting the wishes of the ratepayers other than by some poll or referendum. Any impression that the Government was clinging to the referendum proposal in some form would no doubt be politically damaging.

9. The Secretary of State therefore prefers the option of abolishing supplementary rates. The Secretary of State for Scotland has frequently argued for this, since there has never been any provision for supplementary rates in Scotland. The arguments against this course set out in paragraph 9 of the Secretary of State for the Environment's paper are however persuasive. It is very hard to believe that the ratepayer will benefit; he will simply pay more in the initial main rate and there is indeed the danger that he will be worse off since local authorities, deprived of the flexibility of supplementary rates, may set the main rate too high. We understand that the Secretary of State is influenced by some political considerations not set out in the paper. He may argue that the abolition of the supplementary rate would help to keep down rate increases following a change of control in the local government elections next spring. But this is not a justification which can be used publicly. The Government is unlikely to be able to get away with the argument that, by abolishing the unpopular supplementary rate, it will in practice save money for the ratepayer.

10. If the Committee concludes that neither of these two courses is attractive, the only option left is to drop Part I of the Bill altogether and to rely either on special transport measures or a favourable House of Lords judgement to make this a defensible course.

Transport Measures

11. In considering the proposals relating to transport subsidies the first issue for the Committee is whether it is in fact desirable for central Government to intervene in this area. At present the main blame or credit falls to the

local authorities. If central Government intervenes, it will, as the Secretary of State's paper makes clear, need to hold a careful balance between the interests of the fare payers and the ratepayers. The probability is that the Government will become unpopular with both. It will not be realistic to put up fares so high as to shift all the extra burden from the ratepayer, but the fare increases to save even £200 million or £300 million would be substantial as Annex A of E(81)126 makes clear.

12. If the Committee feels that the balance of argument is nevertheless in favour of becoming directly involved in the transport subsidies, the issue is then to choose between the EFL option and the statutory duty/guidelines option.

13. The advantage of the EFL option is that it gives tighter control. Although it carries the disadvantages that back up powers of direction would be needed and that there would be a considerable risk of legal challenge, the area of dispute is at any rate limited to the GLC and six Metropolitan counties and to a narrow range of issues concerning the reasonable level of transport subsidy. On the other hand the legislation required is more extensive under this option.

14. The Secretary of State for the Environment is known to be concerned about one particular disadvantage of the EFL proposal. Although the EFL limits the funds which the local authorities can make available, it does not necessarily benefit the ratepayer. The local authority would be free to divert the funds to other services eg council house maintenance. We understand that Mr Heseltine is therefore proposing that there should be some additional provision which would ensure that any funds raised by the local authority which could not be passed to the PTE through operation of the EFL, would be refunded to the ratepayer. This proposal, which involves several complexities and difficulties, is being studied further.

15. The advantage of the statutory duty/guidelines option is that the task of enforcing it would fall to the auditor and ratepayers in the courts. It would also involve a much less direct challenge to the responsibilities of Metropolitan counties for passenger transport. The disadvantage is that it might not in practice be very effective in restricting transport subsidies. Moreover, even under this option, the Government would have the task of justifying its view on the right level of subsidy for passenger transport services. As the article on

page 19 of the Financial Times of 1st December pointed out the level of subsidy for urban public transport in 44 cities in Western Europe and North America is more than 50 per cent.

Overall Assessment

16. If the balance of opinion in the Committee favours a cautious and minimal approach to new legislation, the right option might be to authorise contingency work on the basis that Part I of the Bill would be dropped altogether and that the statutory duty/guidelines option should be adopted for transport. The final decision on whether to go ahead with the transport measures might be deferred until the House of Lords judgement was known. As the Secretary of State for Transport has indicated, a ruling by the House of Lords that no GLC subsidy to the LTE is permissible would in any even require some emergency measures.

HANDLING

17. You will wish to invite the Secretary of State for the Environment to open the discussion on the general rating measures. The Chief Secretary, Treasury is likely to want to comment. The Home Secretary, Lord President, Chief Whip and Paymaster General will have views on the general political and Parliamentary implications. The Solicitor General and the Lord Advocate will be available to deal with any legal points.

18. You will wish to invite the Secretary of State for Transport to open the discussion on transport measures. The Chief Secretary, Treasury will wish to comment. The Secretary of State for Employment may have views on the implications of fare increases for the pay round.

CONCLUSIONS

19. You will wish to reach conclusions on the following:

i. whether the introduction of any new Bill or Bills should be deferred until the detailed judgement of the House of Lords is available and has been considered by the Committee;

ii. whether in the meantime contingency work should proceed on any general measures (as opposed to merely dropping Part I) and, if so, which ones;

iii. whether contingency work should proceed on transport measures and if so on which of the two options outlined in E(81)126.

PLG

P L GREGSON

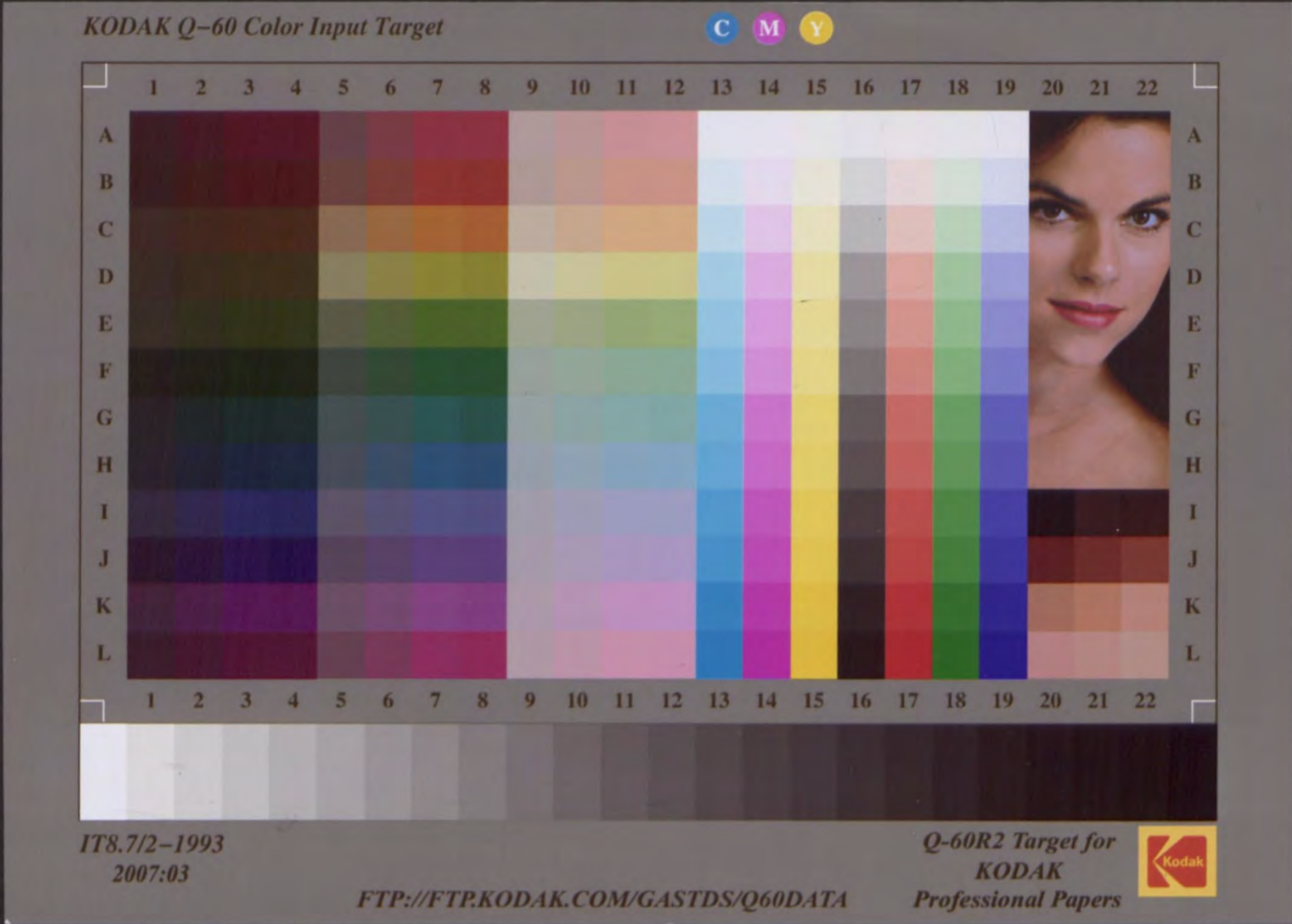
2 December 1981

PART 7 ends:-

Environment to CST's Office 1/12

PART 8 begins:-

P. Gregson (CO) Grief PO602 2/12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