



Seen in
E

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Local
Govt

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Prime Minister

LOCAL GOVERNMENT FINANCE BILL: INTERIM RATING LEGISLATION

E(81)110 which we are to discuss tomorrow mentions that I have given instructions to strengthen the provision relating to giving directions in respect of passenger transport executives and the London Transport Executive. It suggests that an amendment can be taken in Committee.

The provision in Clause 3(4) of the Bill which was circulated to L Committee would not be an effective or appropriate way of dealing with the passenger transport executives and London Transport, which are separate statutory bodies. I should be unhappy to see Bill published with the provision in this form.

Counsel has now drafted a suitable alternative provision. A copy is attached.

If E Committee does decide to proceed with the Bill with powers of direction, I should be grateful for agreement that the new provision should be included in the Bill on introduction.

I am copying this to colleagues on E, the Secretaries of State for Scotland, Wales and the Social Services, and to Sir Robert Armstrong and Parliamentary Counsel.

JH.

DAVID HOWELL
4 November 1981

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LOCAL GOVERNMENT FINANCE BILL: SUGGESTED REPLACEMENT CLAUSE 3(4)

(4) In the case of the council of a metropolitan county or the Greater London Council an order under subsection (3) above may contain

(a) ^{contain} directions, applying for the remainder of the current year and the next financial year -

(i) requiring the council to exercise ^{in accordance} with the directions any of its powers to make grants or loans to a Passenger Transport Executive or the London Transport Executive;

(ii) requiring the council to obtain the consent of the Secretary of State before exercising all or any of its other powers in relation to a Passenger Transport Executive or the London Transport Executive;

(b) enabling the Secretary of State, in the remainder of the current year and in the next financial year, to exercise instead of the council all or any of the powers referred to in paragraph (a)(ii) above.

(5) A Passenger Transport Executive and the London Transport Executive shall not without the consent of the Secretary of State exercise any power to borrow at a time when an order under subsection (3) above is in force in relation to the council which is its Passenger Transport Authority or, as the case may be, in relation to the Greater London Council.