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QUEEN ANNE'S GATE LONDON SW1H 9AT

17 June 1984

Dear Peter

MINERS' DISPUTE: POLICING COSTS

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In my letter of 8 May, I put forward proposals for helping police authorities to meet the costs of the miners' dispute. These were agreed at the Cabinet on 10 May (CC(84)18th) and announced on 11 May. On the same day, Patrick Jenkin announced that these additional costs would be disregarded for grant holdback in 1984/85 as well as 1983/84. Most police authorities seem to accept that these measures were a helpful and appropriate response from the Government to the problems they were facing. A few, mainly those in the metropolitan counties, are still pressing for 100% Government funding, but I shall continue to resist this.

In my letter of 8 May, I mentioned the possibility that some additional lump sum payment to Nottinghamshire might be necessary. My officials have been told by the Nottinghamshire Treasurer's Department that the costs so far to the county are over £25m. On the basis of the special payment arrangements we agreed, Nottinghamshire's share of this would be nearly £3m. Since their normal share of police expenditure is only 50%, they will have to find savings of over £6m and it is clear to me that the implications for the police budget would be totally unacceptable: £6m represents over 12% of annual expenditure on policing in the county. The Chief Constable has already been told to stop recruitment of police officers and civilian staff, maintenance and building projects are being deferred, and some computer projects "frozen". The force is considering withdrawing from the Regional Crime Squad and the Regional Criminal Intelligence Unit which co-ordinate responses to major crime. Although I expect the force to find some savings, I cannot accept the impact of such cuts on the efficiency of the force.

I think it would be helpful if we could agree that Nottinghamshire's total contribution from the rates should not exceed the product of three quarters of a penny rate, ie £0.9m. At present, they are expecting to pay £0.6m on the first £1.2m, and £0.1m on every £1m thereafter. On my current proposal, their contribution would be limited to £0.9m which means in effect that we should pay all the costs over £4.2m. I do not propose that we should increase the rate of special grant to 100%, which might discourage financial prudence, but I suggest we should make good the difference by a lump sum payment when we settle the final claim for the special grant. Although I do not think any other county has yet had to incur such relatively high costs, I would think it right to treat other police authorities, such as Derbyshire, Leicestershire, North Wales and Warwickshire, on the same basis, if this became necessary, ie to limit their total contribution to the product of three quarters of a penny rate.

/I know that

The Rt Hon Peter Rees, QC, MP

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JUN 18 1984

