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P. 01479

PRIME MINISTER

MISC 101(85)4th Meeting: Coal

1. At the time of writing it was not known whether the Secretary of State for the Environment would be prevented, by developments in connection with rate capping, from attending this meeting, to participate in discussion of the report on local authority financial assistance to the NUM, (Misc 101(85)1). The issue is covered in the second part of this brief which can, if necessary, be left over to a future meeting.

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2. You will wish to invite reports from:

i. the Secretary of State for Energy on

- the number of pits and miners working

(there will be particular interest in whether this day's back to work figures appear to have been affected by the possibility of new negotiations.)

- coal movements last week;

- prospects for negotiations - particularly the NCB's intentions for handling any negotiations and the allied public relations aspects;

- the likely attitude of other unions in the power supply industry

(there have been suggestions that power station workers might consider changing their attitude towards supportive industrial action)

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ii. The Home Secretary on:

- law and order - particularly the current level of police reinforcement in mining areas;

iii. The Secretary of State for Employment on:

- TUC attitudes towards renewed negotiations;

iv. The Attorney General on:

- any further developments in gaining control of Luxembourg and Dublin based NUM funds.

Next Meeting

3. Further discussion will be possible under the Industrial Affairs item at Cabinet on 31 January. The next meeting of Misc 101 will be at 11.15am on Monday 4 February.

LOCAL AUTHORITY ASSISTANCE TO THE NUM - Misc 101(85)1

4. This report, prepared by officials of the Department of Energy in consultation with officials of the Scottish and Welsh Offices and the Department of the Environment, is based mainly on unverified press reports. It reveals that:

- are estimated to*
- i. Some 50 local authorities in England and Wales and 9 in Scotland have contributed over £3.5m and about £1.5m respectively to striking miners and their families or to funds set up on their behalf. In addition assistance 'in kind' (eg. free use of transport, free school meals during school holidays) has also been provided. (Details are contained in separate Annexes for England, Wales and Scotland)

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- ii. There was no evidence of financial assistance direct to the NUM.
- iii. There appear to be legal bases for payments made under Section 137 of the Local Government Act 1972 (England and Wales) and Section 83 of the Local Government (Scotland) Act 1973 which permit expenditure up to the product of a 2p rate on activities for which no specific power already exists and which, in the local authorities' opinion, benefit their area or their inhabitants (in whole or in part).
- iv. Payment to individuals could well prove unlawful under current legislation, but the position is less clear regarding provision of assistance in kind. Local authorities usually proceed with care on these matters.
- v. Any legal challenge would be for the local authorities' auditors in the first instance. Reports are awaited on the result of investigations undertaken by the Controller of Audit in Scotland where Sections 10 and 12 of the Social Work (Scotland) Act 1968 have also been used to justify payments.
- vi. The whole question of discretionary powers available under the Local Government Act 1972 and the 1973 Act in Scotland is under consideration by Ministers - (the Chairman and Secretary of an independent review have already been appointed by the Secretary of State for the Environment).

5. You will wish to invite comments from the Secretaries of State for the Environment, Wales and Scotland.

6. The local authority Ministers will probably argue that, apart from any action which local authority auditors may think appropriate, the best approach is to tackle this matter as part of the general review of

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discretionary powers under the Local Government Act 1972 and the equivalent Scottish legislation which is already in hand. You will wish to establish whether the Group is content with that approach.

*PLG*

P L GREGSON

25 January 1985

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