

From: JOHN HUNT, M.P.

Cell. BARKWAY



HOUSE OF COMMONS  
LONDON SW1A 0AA

9th July, 1982

10

PPS

Dear Prime Minister

The Leader of Bromley Council, Councillor Dennis Barkway, wrote to you on 17th June to express his concern at Bromley's loss of rate support grant this year.

The purpose of this letter is to emphasise the strength of feeling in Bromley on this matter. They really do resent the fact that, having met the Government's targets in full, they are now being penalised as a result of the over-spending of other spendthrift authorities. We really do seem to have got our rate support grant arrangements badly wrong when this can happen. I hope you will be able to help.

Yours ever

John

\_\_\_\_\_

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,  
Prime Minister,  
10 Downing Street,  
SW1.



2 MARSHAM STREET  
LONDON SW1P 3EB

My ref: H/PSO/14590/82

Your ref:

*Alan*  
*Have you 'X'pl?*

*Kay*  
*13/7.*

*6/29* July 1982  
*Lu Pmsomaker*  
*pte*

*Jean Yui,*

Thank you for your letter of 21 June enclosing this one from Councillor Barkway. I attach a draft reply. The question of close-ending grant claim to the cash limit in 1982-83 is now down for discussion in E Committee; David Edmonds sent a letter to Michael Scholar on 22 June about this.

~~\_\_\_\_\_~~ A+12

*yours*

*Helen Ghosh*

MRS H F GHOSH  
Private Secretary

Tim Flesher Esq



DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO  
COUNCILLOR DENNIS BARKWAY

Thank you for your letter dated 21 June about Rate Support Grant.

I understand that the adjustment to which you refer is not designed as a penalty, but is necessary to ensure that individual claims equal, in aggregate, the cash-limited amount available for grants. At present, and until any Supplementary Rate Support Grant Report is approved by Parliament the Government is obliged to make this adjustment by means of a uniform percentage reduction in all grant claims.

The adjustment is necessary because grant claims exceed the cash limit, not because of authorities overspend their targets. I know that you appreciate that under the new grant system there is no longer a simple relationship between grant claim and expenditure: in some cases - for example that of the GLC - the more authorities spend, the less grant they receive. The grant 'lost' by means of this mechanism is redistributed to other authorities; and so the necessary adjustment to Bromley's claim would be greater, not smaller, if some authorities did not plan to overspend.

It is nevertheless possible, by means of a supplementary report which would have to be approved by Parliament to close-end grant claims to the cash limit in ~~other~~ <sup>other</sup> ways than by means of a uniform percentage adjustment. We are currently looking at different ways in which this might be done for 1982/83 and we shall certainly bear what you say in mind when doing so.



62 HEATHFIELD ROAD  
KESTON  
KENT BR2 6BA  
TEL. FARNBOROUGH 51733

17th June, 1982

The Rt. Hon. Mrs. Margaret Thatcher,  
10 Downing Street,  
LONDON SW1

R 18.

Dear Prime Minister,

I apologise for worrying you with domestic matters at this time but you will understand that we are not always masters of timing on particular issues.

I have had occasion to write to the Secretary of State for the Environment, Mr. Heseltine and have received a reply from Lord Bellwin regarding the close ending of the rate support grant. I felt that you would wish to be acquainted with the very serious reaction to the close ending action taken by your Government which has resulted in Bromley losing £450,000 of grant this year.

You will know that Mr. Heseltine's department set two targets for each local authority. Only ten authorities, of which Bromley and Croydon were two, managed to comply with both targets. They are now faced, in spite of having met those targets, with sharing in the penalty as a result of the overspending by all the local authorities who did not meet both targets.

My colleagues on Bromley Council have felt it necessary to address this inequitable treatment as forcefully as possible and we have the support of the four Bromley Members of Parliament and matters are now proceeding where the Constituency Associations feel equally strongly that the system of penalties on conforming authorities is simply not good enough. I know that if I set out all the pros and cons I run the risk of being extremely boring but the simple principle of fair treatment to those who comply as opposed to those who do not, can be enacted by straightforward legislation exempting compliant authorities from penalty.

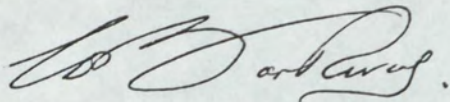
Your cabinet colleague Patrick Jenkin in his address to the CBI dinner referred to the dangers of rate increases on the level of employment and then went on to address the question of incentives to industry. I am confident the point would not be lost on you, that local authorities such as Bromley to whom you may reasonably have looked to set an example, equally require incentive but under the present system we in Bromley and the other complying authorities have the worst of both worlds.

2/...



It is now likely that short of your intervention in the matter, Bromley will find precious little reason to meet targets next year because to do so means to suffer a penalty and not to do so means also suffering a penalty but at least enjoying the benefits of overspending. This inequitable treatment between the good and the bad was intended to be overcome by the amendment of the rate support grant system and we now feel that as Councillors and through the Constituency Associations the need to invoke your support to prevent the circumstances arising where these Associations and the Council find it necessary to express their disappointment publicly.

Yours sincerely,

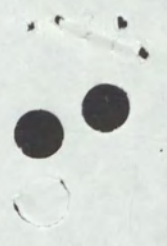


E.D. Barkway  
Leader of the Council  
London Borough of Bromley





12. JUL 1982



Mr. BARKWAY 5/7

Chased - missing back 9/7  
 Reply  
 Despatched last  
 Friday so should  
 get a copy today - 12/7.  
 (SW)

21 June 1982

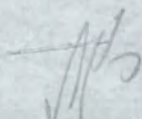
I attach a copy of a letter the Prime Minister has received from Councillor E.D. Barkway of Bromley Council.

I should be grateful if you could provide a draft reply for the Prime Minister's signature, and if this could reach me by Monday 5 July.

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T F

Mrs Helen Ghosh  
 Department of the Environment



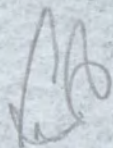


21 June 1982

I am writing on behalf of the Prime Minister to acknowledge your letter to her of 17 June. This is receiving attention and a reply will be sent to you as soon as possible.

T F

Councillor E.D. Barkway





62 HEATHFIELD ROAD  
KESTON  
KENT BR2 6BA  
TEL. FARNBOROUGH 51733

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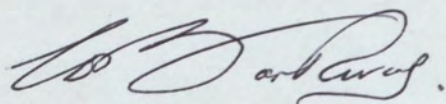
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Yours sincerely,

A handwritten signature in cursive script, appearing to read 'E.D. Barkway'.

E.D. Barkway  
Leader of the Council  
London Borough of Bromley