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3 pps

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
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②

18 July 1983

Prime Minister

P. Patrick

MS

Mr King argues for direct control of the joint boards' expenditure

RATE LIMITATION LEGISLATION

MUS 19/7

Thank you for sending me a copy of your minute of 29 June to the Prime Minister.

*The wider
MCS*

I agree with your general approach and in particular with your preference for Option B and model 2. While we shall need to specify general criteria, the limitation will affect the GLC and the metropolitan county councils for one year only before they are abolished. In the case of the GLC the criteria will have to take account of the fact that the GLC should no longer have responsibility for London Transport by the time the rating legislation takes effect. For the metropolitan counties we shall have to watch out for the problem that a major part of their expenditure is on public transport and police which cannot easily be reconciled with a general formula.

I have a good deal of sympathy with Leon Brittan's minute to you of 5 July and his reluctance to subject the budgets of the new joint boards to direct control. But I

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see considerable difficulties in trying to control the expenditure of joint boards indirectly through limitation on the constituent districts. Individual districts would have a different approach to the budgets of the joint boards depending on their political control and how their own budgets stood in relation to their limits. If an individual district were subject to limitation it could seek a derogation on the ground that it could not reduce its contribution to the joint board. There would therefore be no effective control over a joint board unless all the constituent authorities were subject to limitation. In practice I do not see any alternative to taking direct control over the budgets of joint boards.

I am copying this to the other recipients of your minute.

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TOM KING

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