



WM  
18/5

LEC NO

2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

12 May 1983

Dear Home Secretary

LOCAL AUTHORITIES (EXPENDITURE POWERS) BILL

As you know, in the press of business last night, and faced with George Cunningham's personal vendetta against Islington, I had to agree we should withdraw this Bill in order to ensure the smooth passage of other legislation.

The need for it remains urgent however. Until we have cleared up this legal point many local authorities may well feel unable to continue with their Urban Deveopment Grant projects. This would mean the loss of a great deal of private investment already lined up in our inner cities. Total investment of over £150m is involved on schemes approved so far. Clearly, we must keep this hiatus in our programme to the minimum to retain credibility.

I appreciate, of course, that I cannot anticipate the content of the Queen's speech in the next Parliament. But I hope you will agree that, in view of the situation I have described, there is an urgent need to restore and maintain the confidence of private sector investors and local authorities. I would therefore be grateful for your agreement that I could make it clear now that it is our firm intention to re-introduce this short Bill just as soon as Parliamentary time permits after the Election. I might also say that it is my own personal hope that the Bill would soon be on the statute book.

I would be most grateful for a very early response, in view of the circumstances.

I am copying this letter to the Prime Minister, members of EQ(L) and to Sir Robert Armstrong.

Yours sincerely

TK

P.F. TOM KING

(approved by the Secretary  
) State and signed in  
his absence).



Wh 17/5 cc NO



QUEEN ANNE'S GATE  
LONDON SW1H 9AT

17 May 1983

Dear Tom

LOCAL AUTHORITIES (EXPENDITURE POWERS) BILL

Thank you for your letter of 12 May about the Local Authorities (Expenditure Powers) Bill, which had to be withdrawn last week.

Although, as you say, care has to be taken not to anticipate the content of The Queen's Speech, it would be very serious if private investment in the inner cities were to be lost. I agree that in the circumstances it would be right to make it clear in the terms you suggest that we intend to carry through our original purpose in introducing the Bill.

I am sending copies of this letter to the Prime Minister, to members of QL Committee and to Sir Robert Armstrong.

*Tom King*

The Rt. Hon. Tom King

19 MAY 1967

