

JOY ROBILLIARD

MEETING WITH BARNET COUNCILLORS

I gather the Prime Minister is seeing Barnet Councillors on Friday about the Community Charge. You may like to let her have the attached copy of the DoE briefing which she used when she saw John Marshall MP yesterday and which she has marked up. I also enclose in the folder a separate sheet, headed 'Impact of the new system in Barnet', which David Hunt handed round at that meeting and which I think the Prime Minister found quite striking.

Paul

PAUL GRAY

17 January 1990

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me MJ

SUBJECT cc Mather

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

16 January 1990

Dear Trevor,

PRIME MINISTER'S MEETING WITH JOHN MARSHALL, MP

The Prime Minister saw John Marshall, MP, this afternoon to discuss the implications of the local authority grant settlement for Barnet. She was grateful for the briefing provided with your letter of 15 January. Your Minister was also present. (Sydney Chapman, MP, who was originally due to attend the meeting, was unable to come.)

Mr Marshall said he had had meetings with his own local councillors, and he thought it would be helpful to explain their concerns to the Prime Minister before she met other Barnet councillors later this week. Their main worries focused on the substantial Barnet contribution to the safety net and the likelihood that there would be substantially more individual losers than gainers in the area even if efforts to hold down total spending were successful.

Your Minister handed to Mr Marshall a summary note headed "Impact of the new system in Barnet", together with some extracts from the briefing material provided for the meeting. The Prime Minister and your Minister took Mr Marshall through this emphasising the following main points:

- Barnet has done extremely well from the increase in total external finance between 1989-90 and 1990-91.
- There was significant scope for Barnet to trim back on its spending plans. There was also scope for running down balances.
- Although Barnet was a substantial contributor to the safety net in 1990-91 this would last only for that year and there should be a substantial reduction in community charges in the following year. Even in 1990-

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91 Barnet was better off than under the existing system: and it was very much better off than it would have been had there been a rating revaluation.

- In assessing the number of losers and gainers it was unreasonable to compare 1990-91 community charges with 1989-90 rate levels; a fair comparison had to allow for what levels rates would have been in 1990-91.

*Van.
Paul*

Paul Gray

Trevor Beattie Esq
Department of the Environment

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IMPACT OF THE NEW SYSTEM IN BARNET

At present, through their rates, Barnet residents meet Barnet's spending and a share of Metropolitan Police spending and London Fire and Civil Defence Authority spending. The police and fire spending are allocated between London boroughs according to share of London's rateable value. In future they will be allocated according to shares of London's adult population. The Grant due to these authorities is distributed in the same way. The effect on spending and external support in 1989/90 and 1990/91 is summarised below. The 1990/91 expenditure levels are at the DOE assumption, allowing a 4.6% increase.

	1989/90 £m	1990/91 £m	CHANGE %
BARNET SPENDING	145.4	152.1	4.6%
BARNET SHARE OF PRECEPTORS SPENDING	22.5	34.7	54.2%
TOTAL TO BE MET IN BARNET	167.9	186.8	11.3%
CONTRIBUTION FROM BUSINESS RATES	43.3	66.2	53.8%
CONTRIBUTION FROM GOVERNMENT GRANT	43.0	49.5	15.0%
TOTAL EXTERNAL FINANCE	86.3	115.6	34.0%
NET AMOUNT PAYABLE BY BARNET RESIDENTS (BEFORE REBATES)	81.6	71.2	-12.7%