

CONFIDENTIAL

PRIME MINISTER

Lady Porter is coming to discuss her ideas on Westminster's role in the post-abolition world. Mr. Baker will also attend. The briefing is arranged as follows:

Flag A (i) Westminster post-abolition. There are a number of ideas for Westminster to act as a co-ordinator, though rest are either unwelcome to Government or unlikely to be acceptable to the other boroughs.

Flag B (ii) Westminster's efforts in the courts to stop rate financed propaganda.

Flag C (iii) Planning matters affecting Westminster.

Flag D (iv) Miscellaneous local government questions.

AT

ANDREW TURNBULL

PS. You might also want to be aware of Kenneth Baker's note about planning - in South East - papers enclosed

AT 5/13

5 March 1985

(A)

BRIEFING FOR THE PRIME MINISTER'S VISIT TO WESTMINSTER

ABOLITION OF THE GLC

1. Financial Consequences

The Leader of Westminster (Lady Porter) has been discussing this subject with DOE Ministers.

Westminster gets no Government block grant because of its extremely high rateable resources. Instead it contributes to a pool for redistribution to other, "poorer" London Boroughs. Its contribution will be about £26m in 1985/86. The cost falls on non-domestic ratepayers in the contributor authorities - at present Westminster and the City.

On abolition the uniform GLC precept will disappear but more of the services it now finances will pass down to the boroughs. Another mechanism is therefore needed to require a contribution from ratepayers in the central authorities if they are not to benefit from 'windfall' gains at the expense of disproportionate extra burdens on ratepayers in other boroughs. The Government have therefore proposed an extension to the existing pool (the London Rate Equalisation Scheme) under which Westminster's contribution might rise to £40m or more.

Westminster, led by Lady Porter, and with some support from the City Corporation, is pressing for an alternative under which it might run some ex-GLC services on a London-wide basis instead of part, or all, of its "equalisation" payments. The range of services acceptable to Westminster is limited, but it is possible that a solution on these lines may be found. (It would have to be acceptable to other Conservative Borough leaders, who are keen to retain equal treatment for their own ratepayers). Detailed work is continuing.

Lady Porter would ideally like to take Westminster entirely outside the present grant arrangements. That is not legally possible, and could not readily be accommodated in the Local Government Bill. It would also breach the "general principles" on which local government finance presently rests and could have major implications, eg for rate-capping. It would be resented by the rest of local government, including Conservative authorities, whose ratepayers would be made worse off.

2. Planning consequences

The GLC is responsible for the Greater London Development Plan, which governs the use and development of land in the Greater London Area. This serves as a framework for the boroughs, who draw up detailed Local Plans for their individual areas.

After abolition, each borough council will be required to prepare a Unitary Development Plan, which will continue the features of both a structure plan and local plan. The Secretary of State for the Environment will issue strategic guidance to the boroughs to help them in drawing up their plans. A London Planning Commission is to be established to advise the Secretary of State in the preparation of

that guidance and on other matters relating to planning and development in London.

In its response to the Government's White Paper "Streamlining the Cities", Westminster welcomes the opportunity of taking over 'complete responsibility' for planning and for adopting its own structure plan. It does not however support the proposals for the establishment of the London Planning Commission seeing no need for a new 'quango' where there are already well established means of consultation (ie the Standing Conference of South East Regional Planning) on wider planning issues. This organisation, known as SERPLAN, will continue after abolition of the GLC.

3. "Lead Borough"

Westminster is very ready to act as lead borough for ex-GLC functions - eg superannuation, debt management etc, which will pass initially to the London Residuary Body. However this would be subject to agreement on details (especially finance) and is not yet acceptable to most of the other boroughs. Westminster's offer to stage the London Marathon is under discussion with the private sector promoters.

4. Counter-obstruction Controls in the Local Government (Interim Provisions) Act

Under these controls, the GLC and MCCs are required to seek consent for:

- (i) expenditure after 1 April 1985 under section 137 of the Local Government Act 1972 (the 'twopenny rate')
- (ii) disposal of any land
- (iii) major contracts

To date some 4,450 applications have been received. None has been formally refused but in a number of cases we have declined to consider giving consent to activities which would have proved either obstructive to abolition or prejudicial to successor authorities' interests. These controls are kept under review and the Government has made it clear that it will not hesitate to take any further steps necessary. Lady Porter may wish to know that we have now received the long-heralded application from the GLC to sell the Lyric and Garrick Theatres and the Lyceum Ballroom to the Theatres Trust for £1 each. Any views that Westminster might like to offer would be welcome.

5. New Counter-Obstruction Controls on Financial Assistance to Other Local Authorities

These new controls, announced on 24 July 1984, are included in clause 86 of the Abolition Bill. Consent will be required retrospective to 24 July for any financial assistance by the GLC or MCCs to any other local authority. This was a response to reports that the GLC was intending to hand over some £50 millions to selected London Boroughs on a partisan basis.

There is evidence that the GLC has chosen to ignore the controls in respect of payments to authorities under their 'Stress Boroughs' programme, under which they fund schemes for whom a 'special' need is perceived. (The programme budget for 1984/5 is £32 millions).

Avoidance of the requirement to seek consent seems to have been prompted by the fact that the only sanction for a failure to obtain consent is for the Secretary of State at his discretion, to require payment by the receiving authority to the Residuary Body as a civil debt. Consideration will be given to whether and when recovery should be initiated.



VOLUNTARY ORGANISATIONS

London Boroughs Association proposals for a collective scheme to grant aid London-wide voluntary bodies are well under way, and the Prime Minister might express pleasure at the efforts by the LBA. Richmond volunteered to provide a location for a grants unit, and to act as lead borough. Westminster also offered to do this, but LBA members decided on Richmond. They felt that the Labour boroughs would be more likely to join in if Richmond^(Liberal) was lead borough. We believe there was also some feeling that Westminster might try to dominate the scheme in a way which Richmond would not.

Lady Porter continues to press the case for Westminster, and John Wheeler MP has sought Ministers' support. If raised, the line to take is that this is for the boroughs to decide. Ministers would not want to interfere.

The DOE has offered assistance with grant and staff to get this scheme off the ground in time for grant-giving to be under way for 1986/87. This week the LBA have fallen out with the Department over the level of support. Lady Porter may not know of this, but if raised the line is that Sir George Young is discussing this issue urgently with Members of LBA's grants steering group, and that the Prime Minister is confident that any differences will be swiftly and amicably resolved.

(B)

PROPAGANDA ON THE RATES - LEGAL ACTIONS BROUGHT BY WESTMINSTER COUNCIL

1. The legality of publicity campaigns conducted by the ILEA and the GLC has been challenged in the High Court by Westminster City Council.
2. The judgement of Mr Justice Glidewell on 19 December was to declare invalid the ILEA resolution authorising expenditure of £650,000 on anti-rate capping publicity. ILEA have decided not to appeal.
3. In the case against the GLC's anti-abolition "Awareness Campaign", a temporary injunction was granted by Mr Justice Nolan on 18 January (replacing an earlier, wider one) banning the GLC from putting out any material which is not "pre-dominantly informative". The injunction will remain in force until the court has decided whether the GLC's expenditure in the "Awareness Campaign" is lawful. A date for the final hearing has still to be fixed.
4. For the time being the judgements have effectively halted further development of the more extreme forms of anti-abolition propaganda. Westminster are to be applauded for their initiative.

ABUSES INQUIRY

5. Lady Porter wrote to the Secretary of State recently expressing her concern not only about propaganda on the rates but also about the politicisation of officer appointments, the employment of councillors by neighbouring councils and the role of full time councillors. The Secretary of state has invited the Committee of Inquiry into the Conduct of Local Authority Business, recently established under the chairmanship of Mr David Widdicombe QC, to pay particular attention to these issues.
6. The Secretary of State has also written to Lady Porter drawing to her attention his request to the Inquiry to produce an urgent interim report on local authorities' discretionary spending on politically-motivated publicity; and suggesting that she might wish to consider submitting evidence. Ministers have made it clear that, subject to the outcome of the Inquiry. they do not preclude legislation to deal with publicity abuses.

(c)

PLANNING MATTERS

1. The National Gallery Extension

In September 1984, following a public inquiry, the Secretary of State refused planning permission for an extension to the gallery on the grounds that the tower element of the design was altogether inappropriate for this nationally important site. This view was fully supported by Westminster City Council. Since then discussions involving the Property Services Agency, the Trustees of the Gallery and Trafalgar House (the potential developers) have continued but it is not yet certain whether revised proposals, on the lines indicated by the Secretary of State in his decision letter, will be submitted in a fresh application.

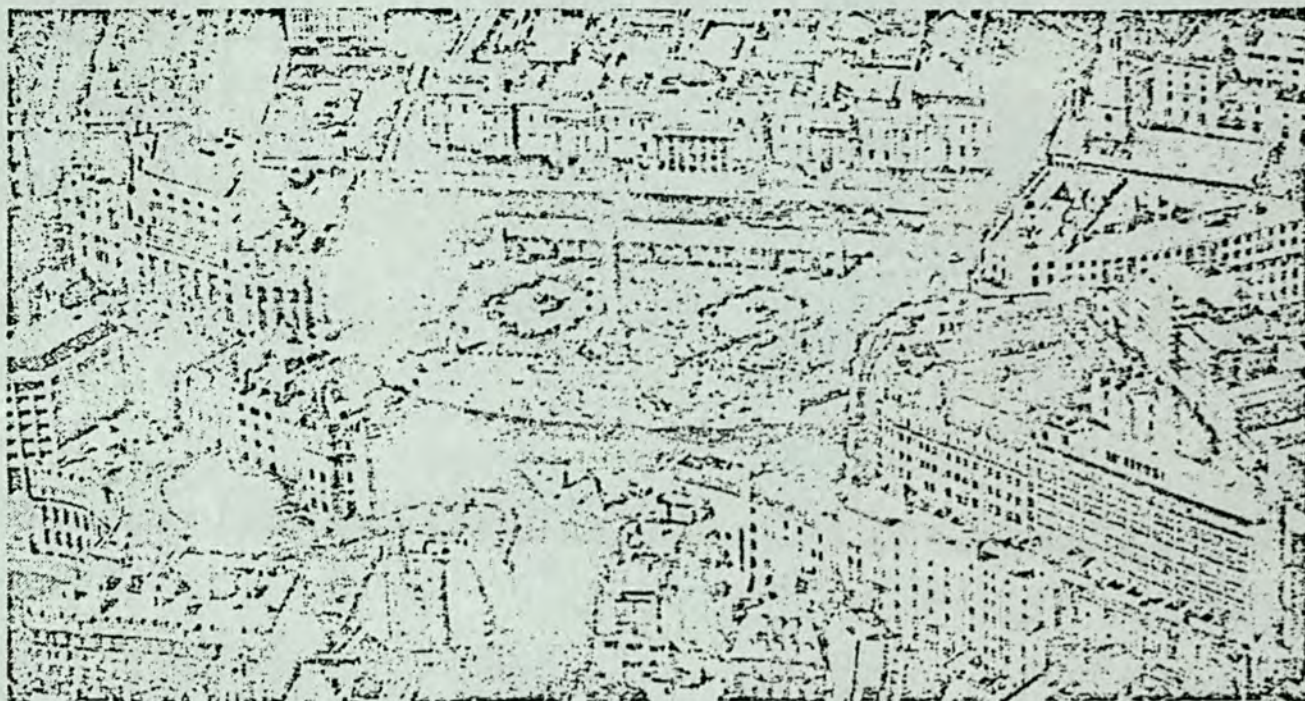
2. Bruce House, Kemble Street WC2

Bruce House is a listed building in Covent Garden run by Westminster Council as a hostel for homeless men. The building's poor condition makes it unsuitable for its present use and the Council are attempting to work up a scheme for its refurbishment. Lady Porter wrote to the Secretary of State recently asking for the building to be de-listed in order to remove what she regards as a barrier to formulating workable proposals. Officials from the Department and the Council are now discussing what can be done to find a solution to the problem.

3. Grand Buildings Trafalgar Square

In June 1983 the Secretary of State allowed an appeal by Land Securities Investment Trust Limited against the refusal by Westminster City Council to grant listed building consent for the demolition of the building. One of the conditions attached to the granting of consent was that no demolition should take place before planning permission has been granted for the redevelopment of the site. Land Securities' proposed competition for a design for the replacement building announced on Friday 25 January will be of great interest to Westminster (see attached cutting from Sunday Telegraph 27 January).

SUNDAY TELEGRAPH :



GRAND CHANCE: Trafalgar Square from the air, with dotted lines showing Grand Buildings and the National Gallery extension site

New corner for Trafalgar Sq

THE world's top architects are to be invited to produce designs for a £50 million office development in Trafalgar Square — the first major change to one of London's most famous landmarks for 50 years.

The site is on the corner of the Strand and Northumberland Avenue and is occupied by Grand Buildings. Built in 1889 as the Grand Hotel, the oval-fronted structure was converted to office use in 1927.

The other building on the site, Standard House, is an undistinguished 1920s office block. Land Securities, the company which bought the site in 1964, want a new development to replace the two.

Details of the competition which will be launched next week indicate Land Securities' desire to rehabilitate the image of architectural competitions tarnished by controversies such as those still surrounding the National Gallery extension.

The winning entry of the competition there was described

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by Prince Charles last year as "a monstrous caruncle on the face of a much-loved friend," and the Prince added his concern for the Grand Buildings site as well.

Land securities have been trying to develop the site for 15 years, but Westminster City Council opposed the demolition of Grand Buildings although they are not listed.

After many failed planning attempts, a public inquiry was held in 1983, at the end of which the Environment Secretary allowed the demolition.

Land Securities hope to attract at least 150 entries to the competition, which is open to all British registered architects and those qualified from overseas. All applicants will receive the promoters' requirements and the views of the planning authorities, Westminster and the Greater London Council.

While designers are offered a great deal of freedom in their ideas, the new building will have to follow the existing oval

outline. At ground level, an arcade four metres wide must be provided along the Strand frontage.

The height of the new building must be related to that of the National Gallery and South Africa House — so high-rise towers are out.

Apart from requirements relating to services, parking and office space, the promoters also remind the competitors of the site's importance: "Among the best-known landmarks in London . . . with a wider significance in forming an important focus on the Royal processional ways from Buckingham Palace to St Paul's Cathedral and the Houses of Parliament, visible to millions of television viewers throughout the world."

The competition is to have several stages, and the winner should be chosen by the end of the year. The panel of assessors will be chaired by Sir Hugh Wilson.

Trafalgar Square did not exist until 1826, when John

Nash got a scheme approved by Parliament. Formerly the site was the Royal Mews. By 1830 the square had been formed and the houses cleared from the front of St Martin-in-the-Fields. The fine church designed by James Gibbs is a century earlier. The west side was formed by the Union Club and the Royal College of Physicians (now Canada House).

The first building to be erected in the newly-named Trafalgar Square was William Wilkin's National Gallery (1832-33), with additions by Charles Barry in 1840.

Nelson's Column was begun in 1859, and the statue was hoisted on top in 1843; Landseer's lions were added in 1867, while the fountains were remodelled by Sir Edwin Lutyens in 1939.

Other 20th century landmarks in the square are Admiralty Arch (1911) and South Africa House (1935). In spite of the piecemeal development, most of the buildings facing the square are in the classical style (Portland, sandstone and Bath).

D

MISCELLANEOUS MATTERS

1. Westminster's 400th Anniversary

This year Westminster celebrates its 400th anniversary and in support of the programme of special events planned to mark the occasion, the Prime Minister is to host a reception at No.10, at the City Council's expense, on 25 March. This will provide an opportunity for recognising the support which Westminster are giving to Government policies, especially on the abolition of the GLC.

2. Rates on Crown Property

The Deputy Leader of Westminster City Council, Councillor Weeks, wrote to Patrick Jenkin in December complaining about the new payment dates adopted by the Rating of Government Property Department for its twice yearly ex-gratia contributions to local authorities in lieu of rates on Crown property (which is exempt from rates). From 1 April 1984 the twice yearly payments were each delayed one month on the recommendation of an Exchequer and Audit scrutiny, to bring the payment dates in line with those of ordinary ratepayers. All ratepayers will be entitled to pay in 10 monthly instalments from 1 April 1985.

Westminster claim that this delay will cost them £½ million in lost interest because of its relatively large proportion of Crown buildings. However Councillor Weeks was told by Mr Waldegrave that the Treasury do not consider that they could justify any exceptions.

3. Legislative and other burdens on local authorities

The Prime Minister has made clear her wish to reduce such burdens wherever possible in order to increase the efficiency and effectiveness of local authorities. Following a paper prepared by the Policy Unit and correspondence with the leader of Norfolk County Council the Department has been asked to examine ways of tackling the problem and Ministers are now examining specific proposals.

4. Competition in the provision of local authority services

The Secretary of State has already announced the Government's intention to introduce legislation to require authorities to put more service to the test of competition. Examples given by Ministers are refuse collection and street cleansing, cleaning of buildings and vehicle maintenance. A consultation paper is now being considered by Ministers and will issue shortly. Legislation will not be until next session at the earliest.

5. Inquiry into the conduct of local authority business

Lady Porter wrote to the Secretary of State recently expressing her concern about 'propaganda on the rates', the politicisation of officer appointments, the employment of councillors by neighbouring Councils and the role of full time councillors.

It is the Secretary of State's intention to ask the Committee of Inquiry into local government abuses, which should be established

shortly, to pay particular attention to these issues. In the first case the court found in Westminster's favour. In the second an injunction was granted precluding any further expenditure by the GLC pending a hearing. We can expect a hearing on this case within four weeks thus overtaking the appeal lodged by ILEA in the first case. The Prime Minister may like to applaud Westminster for their actions.