

Minister of State for the Environment,
Countryside and Local Government



Department of the Environment
2 Marsham Street London SW1P 3EB

Telephone 01-212 3434

pls - TF knowled

29 January 1986

130/1

to David,

UNDERGROUND FIRE AT OAKTHORPE, LEICESTERSHIRE

Thank you for your letter of 16 January with which you enclosed copies of your correspondence with Mr Jones of Leicestershire County Council. You asked me to write direct to the Council on matters of local authority finance.

My officials have now looked at whether we might assist in this case and have kept in close touch with yours. It may be possible with the approval of Treasury colleagues, to treat the fire as an emergency. In this case, there is an agreed formula under which we can grant-aid emergency related expenditure over a certain threshold. We should, however, first need to decide that the fire does constitute an emergency and then establish that the threshold has been reached. To do that, we need considerably more information on the extent of the problem and likely expenditure.

As you say, there is a question of liability here which must, ultimately, be for the courts to decide. It is arguable, that this is a route that should be taken before the Government considers stepping in with special assistance. In addition, there is an issue over the extent to which private insurance covers damage caused to buildings in this situation and it would certainly be right for that possibility to be full explored before we decide whether we can assist.

I therefore propose to write to Leicestershire County Council in terms of the attached draft (which your officials have seen). I think we must establish the facts more fully before we can make a judgement about this. I thought you might like to see this before it goes.

In view of her exchange with David Ashby MP in the House on 16 January, I am copying this to the Prime Minister in case she has comments. A copy also goes to John MacGregor, as advance warning of a possible emergency.

wh 1207

W

WILLIAM WALDEGRAVE

David Hunt Esq MBE MP



DEPARTMENT OF ENERGY
 THAMES HOUSE SOUTH
 MILLBANK
 LONDON SW1P 4QJ

Direct Line 01-211 3932
 Switchboard 01-211 3000

PARLIAMENTARY UNDER
 SECRETARY OF STATE

The Hon William Waldegrave MP
 Minister of State for the
 Environment
 Department of the Environment
 2 Marsham Street
 LONDON
 SW1P 3EB

GR
 Eolepp?
 MGA 30/1

29/1 January 1986

Zeal William

Tim Fisher
Will persuade
Waldegrave letter attached.
 MGA 30/1

THE OAKTHORPE FIRE

Thank you for your letter of 29 January covering a draft reply which you intend to send to the Leicestershire County Council. I am grateful that you are replying to the points of concern to the local authorities and I have no objections to your writing in the terms which you suggest.

I am copying this letter to the **Prime Minister** and to John MacGregor, as you did yours.

Yours ever

DAVID HUNT

David

