



PRIME MINISTER

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

~~BIF 22/11~~

20 November 1985

POLICE RESOURCES

1. On my return from Japan I read with interest Douglas Hurd's minute of 22 October about Metropolitan Police manpower. I agree with the general line he proposes: indeed I have been applying it for some time in Scotland. I have also seen Douglas's letters of 4 and 11 November to Kenneth Baker, and that of 13 November from your Private Office, and I am glad to know that you have agreed to the proposal that officials should be asked to consider and report on how our policies on local government expenditure and on police resources can be reconciled more effectively. I think that the need for this exercise - which I would certainly wish my officials to be involved - is urgent because of a number of factors.

2. First, there is the question of resources available to the police as against the demands already made, and in prospect, on the service. Indeed, we have increased resources substantially. But, in a service where over 80 per cent of expenditure goes on staff costs, much of this increase, following our adherence to the Edmund-Davies recommendations, has been swallowed up in the cost of salaries and other improvements in conditions. So it costs much more to maintain the same level of activity as formerly.

3. Against this it is plain that the demands made on the police, both by events and by ourselves as a Government, have increased enormously. So too have public expectations. For our part, against the background of the continued rise in reported crime, we have pressed chief constables hard to increase the visible police presence on the streets. But we have also asked them to do other things. We want them to increase their efforts against drugs misuse; we ask for greater involvement with the community in various ways; we stress the need for consultations with the

community; and we lay great importance on crime prevention measures. In addition, precautions against terrorism involve greatly increased effort, at Party conferences and otherwise; and the policing of football has assumed greater importance.

4. All of these requirements involve time and manpower, and there are more to come. Implementing the outcome of the World Administrative Radio Conference over the next few years will be a heavy commitment on police funds; tape-recording of police interviews will be costly; in Scotland the policing of the Commonwealth Games in Edinburgh next year will be a major police task; we have in mind to extend the provision of police information about criminal convictions of persons seeking to work with children; and it is possible that the police may have to be involved to a greater extent than at present in vehicle insurance matters.

5. Each development, taken by itself, has a good case for it. But the police service, certainly in Scotland, is beginning to give notice that it is no longer able to absorb additional tasks unless its resources are extended to match. Chief Constables here have represented vigorously that, despite all the efforts they are making to produce additional value for money and to operate more efficiently and effectively, genuine new money is needed for new commitments. To some extent, though not entirely, this is due to the pressures we are exerting on local government spending. This is my second main point.

6. In Scotland the local police authorities are the regional councils. The resources made available for the police service depend basically on their guidelines (the Scottish equivalent of targets) and on the judgements they make about their priorities for spending. There is no doubt that our overriding policy of reducing local authority spending influences the amounts that the regional councils feel able to allocate for policing. And of course police expenditure, like that on other services, is taken into the reckoning when heavy penalties are imposed for over-spending.

7. As a result, local authorities are having to consider the levels of their expenditure on the police very carefully indeed, given the pressure on their other services. So far, apart from Strathclyde, they have striven to support their forces at approved establishment levels though they have had to make economies in equipment and accommodation. In

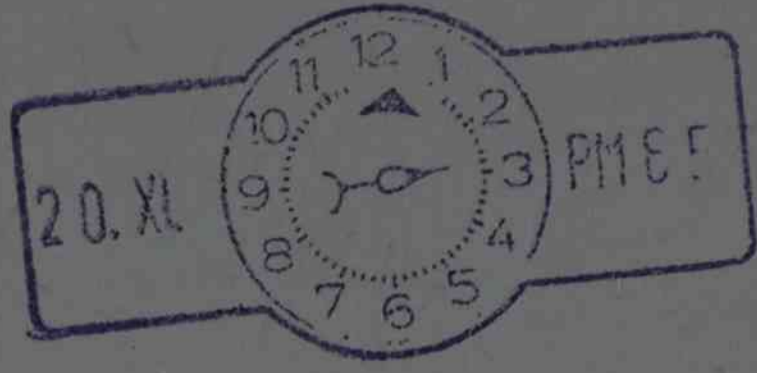
Strathclyde, at a time when recruitment prospects are good, the force is having to operate some 200 below establishment and to make other economies because the Regional Council requires the police budget to take a share of the reductions needed to bring the Council's expenditure down towards the guideline we have set. Elsewhere, the Northern Constabulary is likely to have to close police offices, against public wishes, in order to keep within budget. More generally, forces see substantial problems in meeting new commitments within the resources available to them, even when they do their utmost to achieve value for money.

8. This illustrates the basic problem of reconciling our general policy of reducing local government expenditure with our specific policy of increasing support for the police. The two policies are in conflict. There is, of course, scope for local decision on spending priorities within overall guidelines; but this very fact in itself means that we cannot guarantee, even with 50 per cent specific grant based on full establishment, that extra resources deservedly made available for the police will necessarily be taken up locally and used on this service. In short, no matter how pressing the police need, we cannot ensure, with our present arrangements for funding, that police authorities will make adequate resources available.

9. I am copying this minute to Willie Whitelaw, Nigel Lawson, John MacGregor, Douglas Hurd, Tom King, John Biffen, Kenneth Baker, David Young, Norman Tebbit and Sir Robert Armstrong.

C.Y.

Force; Policy;



PRIME MINISTER

JOINT BOARDS: POLICE PAY

As John MacGregor has pointed out, the issue is not about the amount spent by the new joint boards on police pay; this will be governed by the precept limits. The problem is about the financing of the expenditure: should it come from central government grant or should it be financed out of rates?

It is now clear that, within the present law, the government cannot distinguish between the new joint boards and other police authorities in its grant distribution. As a result, Douglas Hurd's request would lead to a large increase in aggregate police grant (£100 million or so).

One cannot decide whether such an increase in grant would be justified until the rest of the 1986/7 Rate Support Grant negotiations have been completed in E(LA). Only then will it become clear whether a rate increase or a grant increase is the lesser of the two evils.

We recommend that you should await the outcome of E(LA) before taking any action.

Prime Minister

OL

OLIVER LETWIN

20.11.85.

(i) Officials will be studying how to make sure the police actually get the extra resources they need.

(ii) Mr Baker's unhelpful letter is below. (I mentioned this at the bilateral with the Chancellor.)

(iii) You will have an interim report on RSG distribution at the weekend.

DLW
20/11



File DA.

10 DOWNING STREET

From the Private Secretary

21 November 1985

Dear Robert;

The Prime Minister was grateful for your Secretary of State's minute of 20 November about police resources. She has noted that officials are to look urgently at the issues he discusses.

I am copying this letter to Joan MacNaughton (Lord President's Office), Rachel Lomax (HM Treasury), Richard Broadbent (Chief Secretary's Office), Stephen Boys Smith (Home Office), Jim Daniell (Northern Ireland Office), David Morris (Lord Privy Seal's Office), Robin Young (Department of the Environment), Leigh Lewis (Department of Employment), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office) and Michael Stark (Cabinet Office).

Yours sincerely,
David Norgrove.
(David Norgrove)

Robert Gordon, Esq.,
Scottish Office



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Douglas Hurd MP
Home Secretary
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9AT

4 December 1985

Dear Douglas,

LOCAL AUTHORITY EXPENDITURE AND THE POLICE

with DRN

I have seen a copy of your letter of 28 November to Kenneth Baker. You will have seen my minute of 20 November to the Prime Minister on this question.

While I appreciate the problems which we are facing on police expenditure, I wonder whether it would be right for you to make the kind of statements which you propose in answer to possible supplementary questions in the House on 5 December. The statements raise complicated issues which are to be looked at urgently in the review which has been endorsed by E(LA). To make statements such as you propose now would anticipate that review and raise immediately questions about local authority finance and the police which we are not yet in a position to answer.

I would therefore be grateful if you were able to deal with any questions which may be put to you on 5 December in terms that you are aware of the problem on police resources and are looking into the issues urgently.

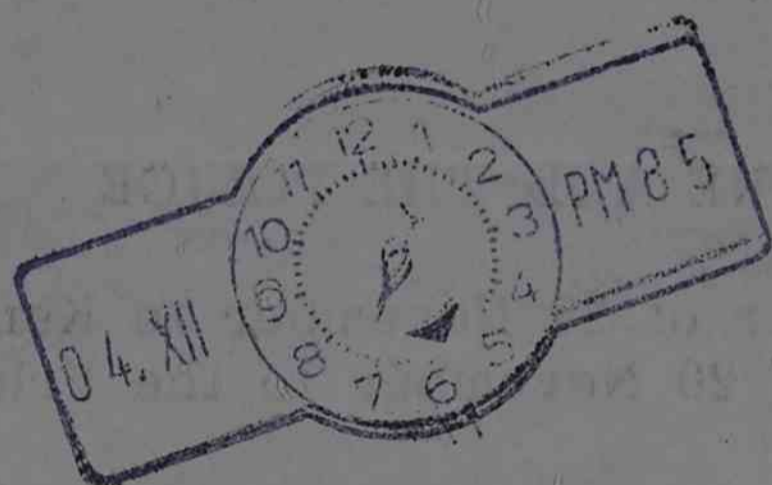
I am sending a copy of this letter to the Prime Minister, other members of E(LA) and to Sir Robert Armstrong.

Yours ever,
George

POLICE Policy: Jan 83

COMMUNICATIONS SECTION
METROPOLITAN POLICE

14 December 1982



I have seen a copy of your letter and will have my staff of 20 read the document.

While I appreciate the problems which we are facing in police operations, I wonder whether it would be right for you to make the kind of statements which you propose to make in your supplementary questions to the House on 5 December. The statements were composed in haste which is to be expected at a time when the review which has been commenced by Sir John. In such statements such as you propose now would indicate that review and raise immediately questions about local authority finances and the extent to which we are not yet in a position to

I would be glad to be consulted if you wish to deal with any questions which may be put to you on 5 December in terms that we are aware of the position on police resources and the need to deal with the issues openly.

I am sending a copy of this letter to the Home Secretary and other members of the Home Office.

[Handwritten signature]