



Association of Metropolitan Authorities  
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*Copied to Home Affairs  
Civil Services*

From the Chairman Councillor Jack Smart CBE JP

The Rt Hon Margaret Thatcher MP  
Prime Minister  
10 Downing Street  
LONDON SW1

22 July 1981

*Dear Prime Minister*

In my letter to you of 7 July I wrote to ask you to receive a deputation from my Association about the plight of England's inner cities, especially in the light of recent events at Brixton, Liverpool and elsewhere. My Association looks forward to a positive response to the request I made on its behalf. While we note the Government's decision to send the Secretary of State for the Environment to Merseyside, the issues he is discussing there are ones which affect other metropolitan authorities. Indeed I think there is a risk that the concentration on one area, when the problems are widespread, could make the situation worse for the other areas. It is therefore vital that my Association, which represents all of them, should be fully involved in the discussions.

When I wrote on 7 July, I concentrated on the causes which underlie the problems of inner cities. I must now add that, unless the Government takes urgent action to deal with the financial situation, the cost of dealing with the symptoms will reduce still further the resources of local authorities to deal with the underlying causes. The Association fully accepts, as does the Government, the overall need to preserve law and order. Yet the extra cost of policing, especially the cost of overtime and of the protective equipment which we all agree our policemen must have, will only be partly met by the specific police grant. The remaining 50% is borne by police authorities and their expenditure is a precept upon district councils and London boroughs and has to be met by all the ratepayers in the area of each police authority. Moreover, this additional expenditure will inevitably increase the total of all expenditure by local authorities so that many of them will actually lose rate support grant as a penalty, it would mean that the priority given to law and order can only be at the expense of other equally if not more vital services.

It is this impossible situation which has put my Association's representatives on the Police Negotiating Board in a difficult position regarding police pay. My Association firmly adheres to the principle of keeping to all agreements made between employer and employee. Our representatives have therefore said that they are anxious to keep to the Edmund-Davies principle and pay to the police the 13.2% which is due to them in September. But they were willing

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to do this only with adequate assurances on finance from the Government. While for his part the Home Secretary has made it clear that the pay increase will be reflected in that part of the settlement which is grant aided, he has given us no assurance that local authorities will not be penalised when they pay their share of the increase.

In the light of this background my Association is nevertheless reassured, at least on one aspect, by your own statement in the House of Commons on 14 July that compensation paid by local authorities above a penny rate is reimbursed by the Government. My Association wishes to pursue with you how this will operate and what compensation provisions you have in mind. In particular, my Association is seriously concerned by the cost of compensation which will have to be paid under the Riot (Damages) Act 1886. While accepting that this is properly a local matter to determine, the responsibility is a national as well as a local one. At the moment, it is not just that the cost will not attract the 50% specific police grant and therefore fall wholly on the ratepayers. The extra expenditure will mean the authorities losing grant. Already, under the Government's proposals Merseyside County are having a grant penalty of £8m imposed on them. Every pound they pay on police costs in compensation for riot damages or any other expenditure will mean this penalty being increased. Clearly this is an impossible burden for these ratepayers and exactly the same situation applies elsewhere.

Will you please take these points into account when responding to the request I made on 7 July. I can only repeat that my colleagues and I seek an urgent discussion with you on what should be done.

*Yours sincerely*

*Jack Smart*