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Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Leon Brittan QC MP
Secretary of State
Home Office
50 Queen Anne's Gate
London SW1H 9AT

29 October 1984

John Leon

MINERS' DISPUTE: POLICING COSTS

Thank you for your letter of 18 October about the "knock - on" costs incurred by aiding forces.

I think it is important that the aiding force should certify in all cases at a senior level that the sums claimed represent additional expenditures which have been necessarily incurred as a direct consequence of the dispute. Provided that is done, I am content that officials should consider the level at which checks will apply. I also agree that the aided force should meet claims in full, subject to any such checks, and that they should rank for special grant.

I am, however, unhappy about the proposal in your seventh paragraph that a formula might be worked out to deal with items such as interest and payments to prosecuting lawyers. It suffers from the disadvantages of the flat rate payment system which you have rejected for the major items and there are in any event grounds for arguing about the admissibility of interest. Even if it can be correctly assessed in the narrow context of policing costs, there is the wider context of the range of payments between local and central government to be considered. In cases where payments have been delayed through industrial action, the precedents are against payment of interest and it seems doubtful whether any losses would begin to match the gains made over the years from the system of payment of specific grant in advance of the relevant expenditure.

I would suggest that the answer is to cover the auditable items such as the payments to prosecuting lawyers by the certification procedure and to reject interest claims for the reasons I have indicated. If an aiding force incurs significant expenditure which falls outside the certification arrangements, I would of course be willing to reconsider the position.

I am copying this letter to the Prime Minister, the other members of MISC 101, George Younger, Patrick Jenkin and Sir Robert Armstrong.

*Yours truly
Peter*

PETER REES

Not Ind: Cool Pt 14.