



Chancellor of the Duchy of Lancaster

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

12 May 1981

Work out

Mr

Dear Prime Minister,

I shall not be able to attend tomorrow afternoon's meeting of the Ministerial Committee on Economic Strategy, but I want to voice my disquiet about the way in which it is proposed we should handle the two items on local government finance. In both cases, it is being suggested that we should commit ourselves publicly to courses of action which will inevitably arouse expectations of early implementation before all the implications of what is proposed have been fully explored. The Secretary of State for the Environment in E(81)53 and E(81)54 seems to envisage that both the reform of the rating system and the creation of an Accounts Commission for local government will be dealt with in a Bill next Session, but QL have not included such a Bill in their recommendations to the Cabinet. I am very dubious whether properly thought out legislation on this subject can be ready in time for the 1981-82 Session. Statements on either of these issues in early June, as suggested by the Secretary of State, would in my view be premature, but if E Committee conclude that some kind of statement is essential, there can be no commitment at this stage to legislation next Session. This is, of course, something we can consider further in the context of the legislative programme as a whole at Cabinet next Thursday.

I am copying this minute to the other members of E Committee, to the Chief Whip, and to Sir Robert Armstrong.

Francis Pym

Francis Pym

FRANCIS PYM

The Rt Hon Margaret Thatcher MP
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