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CABINET

LOCAL GOVERNMENT FINANCE

Note by the Secretary of the Cabinet

At a meeting of Ministers under the Prime Minister's Chairmanship on 27 September 1984, it was agreed that there should be further studies within Government of local government finance and related matters, and I was instructed to make proposals on arrangements for carrying this work forward.

2. The issues are of such constitutional and political significance that decisions are likely to have to be taken by the Cabinet itself. It will, however, be convenient for the material for the Cabinet to be prepared under the direction of a smaller group of the Ministers most closely concerned. I propose that this group should be a reconstituted sub-committee on local government finance of the Ministerial Steering Committee on Economic Strategy (ELF) under the Chairmanship of the Prime Minister. Members should be the Lord President of the Council, the Secretary of State for the Home Department, the Secretary of State for Education and Science, the Secretary of State for Scotland, the Secretary of State for Wales, the Secretary of State for the Environment, the Secretary of State for Social Services, the Secretary of State for Trade and Industry, the Chief Secretary, Treasury, the Secretary of State for Transport, the Chancellor of the Duchy of Lancaster, and the Minister for Local Government. The terms of reference would be unchanged: "To consider future policy relating to local government finance".

3. I suggest that the Minister for Local Government should be invited to prepare a programme of work and to submit it to this committee for approval. The work would then be undertaken by the Department of the Environment, consulting as necessary with other Departments, under the close supervision of the Minister for Local Government, with a view to consideration by the Ministerial Committee by the spring of next year.

4. I have consulted the Secretary of State for the Environment who is in agreement with these proposals.

Signed ROBERT ARMSTRONG

Cabinet Office

2 October 1984

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