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DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

The Rt Hon Viscount Whitelaw
Lord President of the Council
68 Whitehall SW1A 2AT

25. September 1984

Dear Willie

NEW BURDENS ON LOCAL GOVERNMENT

I understand the concerns expressed by Patrick Jenkin in his letter to you of 12 September. I agree that we must not exacerbate the difficulties local government faces in reducing expenditure and that we ought to discuss carefully with the appropriate local authority associations the costs and savings of changes in policy.

In order to ensure efficient and effective local services we must direct our attention to improving value for money and encouraging the best possible standards within what the country can afford. These aims require new initiatives. For example, my recent decision to rationalise examinations at 16+ is directed to enabling authorities to rationalise provision more effectively for the 14-16 age group as well as to improving the effectiveness of secondary education. Similarly, the curriculum policy developments which have flowed from the initiatives that I announced earlier this year in Sheffield are directed at the same crucial objectives. The in-service training grant scheme (item 26 of Patrick's list) is aimed at redeploying at the margin expenditure on teachers so that a slightly greater proportion of teachers receive in-service training within our plans for a reducing overall number of teachers with consequential benefits for the quality of teaching in our schools. The limited additional expenditure arising from improving the arrangements for initial teacher training (item 25) will be promoting change at the heart of our educational policies and will be a crucial part of the process of ensuring better teaching. I do not regard these proposals as representing a new burden on local government: they are concerned with developing ways in which local education authorities can do their present job better.

I agree with Patrick Jenkin that proposals affecting local government have to be judged on their merits. We need to think carefully about policy changes which though directed to long-term improvements in efficiency and effectiveness may imply some limited short-term additional expenditure. H Committee already provides the forum

for the consideration of important policy issues affecting local government. For example, it was H Committee which approved the issue of the Green Paper 'Parental Influence at School' (item 24 of Patrick's list) and the decision to rationalise the 16+ examination system mentioned in paragraph 2 above. When the consultation is complete and I have considered what the local authority associations say about the likely level of expenditure involved it will be for H Committee to consider whether we change the arrangements for school government.

We are also concerned to improve efficiency in central government. In my view the arrangements for departmental consultation now proposed by Patrick are unnecessarily rigid and prescriptive and would hinder the efficient transaction of business. We already discuss collectively all substantial policy proposals affecting local government and there are long-standing arrangements under which the Department of the Environment is kept informed of circulars to local government which may involve new burdens. I already ensure that the Treasury is kept fully informed of the potential financial implications of policy developments. In addition I have regular meetings with the local education authority associations at which I am both able to explore with elected members their concerns and to discuss with them developments in policy. Taken together I believe that these arrangements provide an adequate and flexible framework within which we can develop policies which recognise both the need to restrain overall public expenditure, and to promote greater efficiency and effectiveness in local government.

This letter is copied to the Prime Minister, members of E(LA) and Sir Robert Armstrong.

Yours ever,

Ken

Local Govt

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2 MARSHAM STREET
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

12 September 1984

Dear Willie,

NEW BURDENS ON LOCAL GOVERNMENT

In recent months I have received a growing number of complaints about the proliferation of central government initiatives which make it more difficult for local authorities to make the economies required by our spending targets. This is of course a familiar complaint, but one which I think we must take seriously.

Our plans for 1985/86 make it all the more important that we keep such new initiatives to a minimum now. First, the current expenditure provision which we have agreed for 1985/86 is only about 1% more than budgeted current expenditure for 1984/85; so we are asking for significant real terms cuts. Second, we are implementing rate-capping for the first time; and in the Rates White Paper we undertook, in operating rate limitation to take account of any new obligations that may be placed on local authorities, by statute or otherwise.

I have asked my officials to draw up a list of the new burdens on local authorities which have been imposed or proposed since the beginning of the year. I attach the list. I recognise that colleagues in Service departments will not put forward proposals implying new burdens without strong policy reasons; and those listed under my own Department show that I am no exception to that. Individually, too, many appear unexceptionable on de minimis grounds. But the existence of 36 new proposals in only 7 months does, I believe, show that local government at least have a case we must answer.

All proposals affecting local government must clearly be judged on their merits. I hope, though, that colleagues will agree that there should be a strong predisposition against proposals which are likely to reduce, even in a small way, authorities' ability to make the manpower and spending cuts which are necessary if the Government's aggregate plans are to be delivered. I should like to make the following specific proposals:

- a. that colleagues in spending departments should comment on their items in the list, and suggest any deletions or additions; the list is doubtless not exhaustive;
- b. that we should all try to improve the quantification of the manpower and financial implications of proposals; local government are justifiably suspicious of phrases such as

"unlikely to be significant", "difficult to quantify", or "small": I think it is only reasonable for us to offer estimated figures, to give a better order of magnitude; if Departments do not know what a proposal is likely to cost, they should perhaps seek an estimate from local government before proceeding, so that it is at least clear whether a proposal should cost more, say, than £½ million in aggregate;

- c. that we should improve the prior consultation arrangements both within Government and with the local authority associations. As a general rule, I propose that Departments should always consult my Department and the Treasury before any public consultation on proposals affecting local government; they should give us sufficient time to consider the proposals at that stage; and if we agree, they should then consult the local authority associations before announcing any decision.

If colleagues think it would be useful, I propose to circulate an up-dated list of new burdens on a 6-monthly basis.

/ I am copying this to the Prime Minister, members of E(LA) and to Sir Robert Armstrong.

Your cue
Pat

PATRICK JENKIN

NEW BURDENS ON LOCAL GOVERNMENT SINCE 1st JANUARY 1984
 POSSIBLE EXPENDITURE AND MANPOWER IMPLICATIONS

PROPOSAL	ORIGINATING DEPT	FINANCIAL AND MANPOWER IMPLICATIONS	CURRENT STATUS WHERE KNOWN
1. Consultation paper on child abuse	DHSS	Not quantified	Consultation at official level.
2. Children in care	DHSS	Not quantified expected to be insignificant	Part of SSI report on children in care: consultation at Ministerial level.
3. Sale of spectacles other than by optician	DHSS	+£0.2m to +£0.4m	Part of Health and Social Security Bill
4. Treatment and rehabilitation of drug misusers	DHSS	Not quantified indirect pressure on LAs to spend more	Circular issued to Regional Health Authorities
5. New PSS Inspectorate	DHSS	More effective use of existing resources; in due course pressure for additional resources	Announcement made after Ministerial discussion
6. Ethnic minorities under Fives report	DHSS/Inter-Departmental	Not quantified implied pressure for additional spending by LAs	About to be promulgated by DHSS circular subject to clearance by Ministers
7. Draft circular on notification procedure for listed building consent	DoE	Not quantified expected to be insignificant	Circular issued to LAAs for their comments
8. Draft circular on Homes Insulation Scheme	DoE	— " —	Draft circular in preparation
9. Implementation of Reservoirs Act 1975	DoE	Mainly capital but £0.1m current expenditure 1985/86 and 1986/87	Local Authority representatives to meet DoE Ministers
10. Admission of part-time employees into LG Superannuation Scheme	DoE	+£10m per annum	Discussion in Ministerial correspondence
11. Regulations on gratuities for LG employees	DoE	Savings of up to £50m	Ministerial correspondence. Implementation dependant on No 10 above.
12. Access facilities for disabled people	DoE	Not quantified: small additional demands on local authorities	Local Authority Associations consulted and content

1. 2000	ORIGINATING DEPT	FINANCIAL AND MANPOWER IMPLICATIONS	CURRENT STATUS WHERE KNOWN
13. Draft order on Fire Escapes in Houses in Multiple Occupation	DoE	+£1.6m per annum	Under discussion with Treasury
14. Computer Software in Schools	DTI	Not quantified Small administrative costs for some authorities.	Meeting amongst officials. Proposals accepted by local authority associations
15. Proposed legislation on false and misleading price information	DTI	Not quantified Possible savings	Ministerial correspondence
16. Charging LAs for employment data	D.Emp	Not quantified; possibly considerable extra costs	Discussion at official level
17. Implementing S48 of the Criminal Law Act 1977 to allow advance disclosure of the prosecution case to defendants	HO	+£1m per annum	Consultations to take place with LAAs and police bodies
18. Police and Criminal Evidence Bill: legal representation for police at disciplinary hearings	HO	+£0.18m per annum	DoE Ministers consulted. LAs consulted.
19. Voting abroad in local elections	HO	Not quantified minor additional burden on registration officers	Discussion at official level
20. Broadcasting in schools: charge for taping programmes	HO	Not quantified	Discussed at official level. Consultation paper sent to associations for comment
21. Allowing all drivers a blood test after positive intoximeter test	HO	+£0.75m for 6 months	DoE Ministers consulted; implemented
22. Expansion of prison education	HO	Not quantified	Draft response to Select Committee report. Ministerial correspondence.

PROPOSAL	ORIGINATING DEPT	FINANCIAL AND MANPOWER IMPLICATIONS	CURRENT STATUS WHERE KNOWN
23. Civil defence and emergency planning	HO	Mainly consolidation of present arrangements	Under consideration by officials
24. More parental influence over schools	DES	+£3m per annum	Green paper issued after Ministerial discussion
25. Improvements to initial teacher training	DES	+£3m per annum	Official level discussion
26. In-service training scheme	DES	Not quantified	Circular issued after Ministerial discussion.
27. Bus Policy	DTP	+£4m to £5m per annum +300 extra staff	White Paper issued after Ministerial discussion
28. Extension of fixed penalties on parking offences	DTP	Not quantified Thought to be reduction after initial setting up costs	Discussed by Ministers as part of Transport Bill
29. EC Directive on major industrial accident hazards (Seveso Directive)	HSC	+£1.5m per annum	LAs to recover the costs from industry
30. Zoo licensing	HSC	Costs to be fully recovered through fees	Implemented
31. Consultation document on resale of electricity by landlords	OFT	Not quantified	Consultation at official level
32. Review of the Food and Drugs Act	MAFF	Not quantified Various proposals some small additional expenditure some offsetting savings - some scope for charging to recover costs	Draft being discussed at official level
33. Licensing of poultry slaughterhouse operations	MAFF	Not quantified but small scope for recharging	Implemented

PROPOSAL	ORIGINATING DEPT	FINANCIAL AND MANPOWER IMPLICATIONS	CURRENT STATUS WHERE KNOWN
34. Treatment of poultry at slaughter	MAFF	Minor	Implemented
35. Amendments to Animal Health and Welfare Bill	MAFF	Unquantified	Official proposal
36. Charging for Valuation Office Services	Inland Revenue	+£4m to £8m per annum	Ministerial correspondence

Prime Minister (2)

This illustrates the point you made at yesterday's meeting that government is still extending its powers

AT 14/19

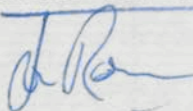
14 September 1984

MR TURNBULL

Patrick's letter to Willie underlines the problem of the growing burden of regulation as it affects local authorities.

He is correct that it weakens our argument against LA budgets.

It reinforces Norman Tebbit's argument that deregulation should begin by abstinence from too much new regulation, or the repeal of old rules when better new ones are needed.



JOHN REDWOOD

