



**CONFIDENTIAL**

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2 pp's.

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My ref:

Your ref:

21 December 1984

NBSM

Dear Peter,

NEW BURDENS ON LOCAL GOVERNMENT

Thank you for your letter of 3rd December; I have now also seen Nicholas Edwards' letter of 11th December.

I see some merit in Nicholas's proposal that the list should be circulated as an E(LA) paper: this would not, of course, remove the need for early consultation at official level with this Department and yours, and I think we should see how this works out in practice before considering whether we should institute a formal E(LA) procedure.

I am less convinced by Nicholas' other suggestions. Whilst I agree that we should take into account any new burdens imposed on local government in our discussions of the planning totals, our aim is to keep to a minimum the number of new tasks that we ask local authorities to undertake. As I indicated in my letter of 13th November if we are simply to impose new burdens and increase the public expenditure provision accordingly, this would do nothing to reduce actual local authority expenditure, nor would it aid our commitment to keep public expenditure generally in check. Nor do I think we should publish the list when announcing provision for the next year: local government would simply seize on it to add to their arguments that we had not increased planning totals sufficiently.

I hope therefore that colleagues can now agree to adopt the system outlined in my letter of 12th September, accepting of course that it may be necessary to consult the local authority associations to quantify the resource implications of any proposal before consultation with officials here and at the Treasury. I agree that we should consider each proposal on its merits against the framework of overall restraint on public expenditure: the general presumption should be against new burdens, but where these are imposed there should indeed be a PES transfer into the provision for LA current. Where the resources are found is, of course, a matter for negotiation between you and sponsoring Departments.

As before copies of this letter go to the Prime Minister, the Lord President, members of E(LA) and Sir Robert Armstrong.

*Yours ever*  
*Patrick*

PATRICK JENKIN

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