



CONFIDENTIAL

~~CC NO~~

2 pp's.

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

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.

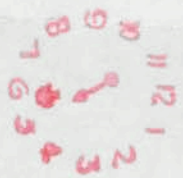
As before copies of this letter go to the Prime Minister, the Lord President, members of E(LA) and Sir Robert Armstrong.

Yours ever
Patrick Jenkin

PATRICK JENKIN

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LOCAL GOVT: relations . Pt 24.



31 DEC 1984

RECEIVED
LOCAL GOVT
DEPT OF
COMMUNITY DEVELOPMENT
AND SOCIAL SERVICES
MELBOURNE
VIC 3064



NRPM AT 4/12

CCND

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Patrick Jenkin MP
 Secretary of State for the Environment
 Department of the Environment
 2 Marsham Street
 London
 SW1P 3EB

3 December 1984

Patrick Jenkin

NEW BURDENS ON LOCAL GOVERNMENT

Thank you for your letter of 13 November.

I fully endorse your view that the current position is unsatisfactory. Although we do have the opportunity to discuss individual proposals in H Committee, we do so without looking at the wider context of the cumulative burdens we are imposing on local authorities. I support your proposals for a more systematic approach.

That said, I regret that you are unable to support the suggestions I put forward. I see two aspects to the problem. We are both rightly troubled about the inconsistency of adding to burdens on local authorities, while pressing them to reduce spending. But my major concern has to be with the effect on the total of public expenditure by central and local government. As you rightly point out, at a time when local authorities in aggregate are substantially overspending it is difficult to assume that local authorities can accommodate identifiable new burdens without adding to total spending. New burdens with additional spending implications point to an addition to the overspend. If public expenditure is to be no higher, we should look for an offsetting saving on Vote-borne expenditure.

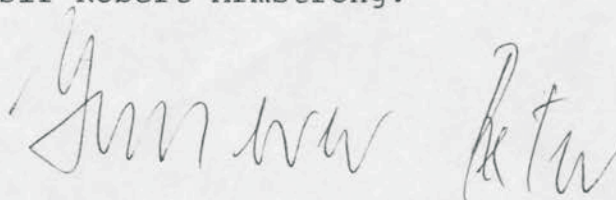
I note that you feel that the arrangement I propose, to transfer PES provision from central government to local authorities, would "not in practice ensure sufficient resource cover for the additional local authority expenditure involved." But surely some transfer into local authority relevant current provision must be preferable to none, if any additions to burdens

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with additional spending implications are to be allowed at all.

I would be prepared to drop my earlier proposal for a formal procedure. But I should warn that, unless Departments offer offsetting savings (and PES transfers into local authority relevant current expenditure), I shall continue to oppose measures which are likely to add to local authority expenditure. (You and other colleagues will be aware of some recent or current examples.) I hope you can agree that, in addition to your proposals, this is not unreasonable.

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

A handwritten signature in cursive script, appearing to read 'Peter Rees', written in dark ink. The signature is positioned above a horizontal line.

PETER REES

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Local GWR

PT 23

Relicting

3 DEC 1964

