



Prime Minister

Content with these arrangements?

Ref. A084/2609

MR BUTLER

Chancellor of the Exchequer
1/10

Please will you indicate whether you want any of the three Ministers mentioned in para. 8 to be members of the enlarged E(LF)?

Local Government Finance: Committee Arrangements E(LF)?

FERB
1.10.

At the Prime Minister's meeting on 27 September on local government policies I was instructed to consider appropriate arrangements for supervising the work which, subject to Cabinet, it was agreed should be put in hand on local government finance. I have discussed what follows with Mr Heiser, who is in agreement with it.

2. The proposal is that a series of papers on the main issues should be prepared by DOE officials, consulting with other Departments as necessary, under the supervision of the Minister for Local Government (Mr Baker) and the Parliamentary Under Secretary of State, DOE (Mr Waldegrave), leading to a report with recommendations from Mr Baker next spring. With this political direction and the steering arrangements I propose below, I do not think we need or should establish a formal inter-departmental official committee. I shall, however, be prepared myself to take meetings of senior officials of the Departments concerned as necessary at appropriate stages.

3. There was a clear view at the Prime Minister's meeting that the work should have effective oversight at senior Ministerial level. We already have a committee chaired by the Prime Minister (E(LF)) to consider future policy on local government finance. As at present composed this committee is too small; at least all the Departments significantly involved in local government services should be present. Some earlier groups in this area (eg MISC 79) were chaired by the Lord President of the Council who also chairs E(LA), but I recommend that the Prime Minister herself should take the chair, as with the existing E(LF).



4. I therefore propose that E(LF) should be reconstituted with the following membership:

Prime Minister (In the chair)
 Lord President of the Council
 Home Secretary
 Secretary of State for Education and Science
 Secretary of State for Scotland
 Secretary of State for Wales
 Secretary of State for the Environment
 Secretary of State for Social Services
 Secretary of State for Trade and Industry
 Chief Secretary, Treasury
 Secretary of State for Transport
 Minister for Local Government

*Chancellor
 of the
 Exchequer*

5. I do not think that anyone else is essential; but the Prime Minister might like to consider whether the Lord Privy Seal, the Chancellor of the Duchy of Lancaster or the Minister without Portfolio should be members. The terms of reference would be (as at present) "to consider future policy relating to local government finance".

6. The Committee's first task will be to approve a work programme which the Minister for Local Government should be invited to submit as soon as possible. The work will then need to be done, with a view to consideration by the Committee in the spring of 1985.

 7. If the Prime Minister is content with these arrangements, and subject to her views on the membership of the Ministerial Committee, I will circulate the attached Cabinet paper for the Cabinet to note next Thursday at the same time as they consider the paper that the Secretary of State for the Environment was asked to bring forward.

Rx
 Approved by
 ROBERT ARMSTRONG
 and signed in his absence

1 October 1984

CONFIDENTIAL

DRAFT CABINET PAPER

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1 October 1984

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 (E(LF)) 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 Lord Privy Seal], 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], [the Minister without Portfolio] 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

1 October 1984

MEMAAA



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 3340

19 September 1984

Dear Private Secretary,

PAYMASTER GENERAL: CABINET COMMITTEES

Although Mr Gummer is not a member of the Cabinet he attends Cabinet meetings and receives papers. The Prime Minister has decided that he will also receive papers for H and E(A), though he will not be a member of either Committee. I should be most grateful, therefore if you could ensure (perhaps by means of a note on the appropriate pages of your Cabinet Committee Organisation book) that the Paymaster General is included in the circulation of correspondence to members of all three. On a personal note I should count it as a great favour if Private Secretaries could remember to include me in the circulation of their valedictory letters: as PS to a lone Minister I have no other way of keeping track of changes.

I am sending copies of this letter to the Private Secretaries to Cabinet Ministers and the Attorney General; and to Richard Hatfield, Cabinet Office.

Yours sincerely,

Alex Galloway

A K GALLOWAY
Private Secretary

The Private Secretary