

NBPN

PRIME MINISTER

19 October 1987

LOCAL GOVERNMENT BILL (COMPETITION)

Nicholas Ridley proposes to issue a consultation paper on the implementation of the competition provision in the current Local Government Bill. This would set out a timetable for local authorities to seek competitive tenders for the six services initially to be covered.

This legislation will have a major impact on local authority costs. For example, the Chief Executive of Kirklees Council told me that the going rate for cleaners in the private sector in West Yorkshire is about £1.60 to £1.70 an hour compared with around £2.50 for local authority staff.

Method of Implementation

Local authorities would be divided into six groups, with a roughly comparable geographical spread. The first group would have to seek tenders for refuse collection and street cleansing within six months, in the next six months for building cleaning and so on until within three years all services covered would have to be contracted out. The other groups would have to follow the same timetable but taking the services in a different order.

Effect of Proposal

Wandsworth's experience suggests that contracting out works best with contracts containing detailed and specific performance criteria and proper monitoring. This approach takes time to organise properly.

The proposed procedure would ensure that key local authority staff (eg finance departments) could give full attention to each service and improve procedures as the timetable progresses. It would also ensure that contractors in any one industry would only need to deal with authorities in one group at a time. We agree that it is sensible to give contractors and local authorities advance notice of this timetable.

Conclusion

We support Mr Ridley's proposal to issue a consultation document on implementing the contracting out procedures in the current Local Government Bill.

Peter Stredder.

PETER STREDDER



NBM

UBG

2 MARSHAM STREET
LONDON SW1P 3EE
01-212 3434

The Rt Hon John Major MP
Chief Secretary
HM Treasury
Parliament Street
LONDON
SW1

My ref:
Your ref:

15 October 1987

Dear John

LOCAL GOVERNMENT BILL (COMPETITION)

Part I of the Local Government Bill currently before Parliament provides, as you know, for compulsory competition for a range of local authority activities. Many of the operational details are left to be set out in secondary legislation.

Two of the most important ones - the speed with which competition is phased in, and the level of any "de minimis" threshold below which work would be exempt from competition - are the subject of constant queries from all interested parties. With a view to helping them to understand the Bill better, and to helping authorities prepare themselves for its implementation, I propose issuing a consultation paper setting out detailed proposals on both topics at an early date - if at all possible before Committee resumes on 22 October.

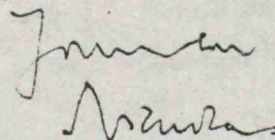
As you will see from the attached draft we propose implementation in either five or six phases at six-monthly intervals (depending on how many of the listed activities different groups of authorities are responsible for) and a de minimis level at the very low figure of £100,000-worth of expenditure per annum. This will expose the maximum amount of work to the test of the market as quickly as we believe contractors and local authorities can cope with it.

Under this scheme inner city authorities will have to implement the legislation as quickly as all other authorities. One of the recommendations of the E(UP) urban policy review was that "the phasing in of the competition requirements should favour inner cities". It is unrealistic to expect inefficient inner city authorities to be able to cope with a faster timetable than I am proposing generally. And I do not want to delay implementation elsewhere in the hope that contractors will then be more enthusiastic in bidding for contracts from inner city authorities, many of whom will be doing all they can to discourage competition.

The paper covers England only. The Bill permits different regulations to be made for different countries, and both Malcolm Rifkind and Peter Walker will wish to consider whether they too wish to consult quickly. I think that would be desirable, to avoid any difficulties in Committee, but I don't think it would cause problems if their papers were to issue a short time after mine.

I do not envisage any major complaints that issuing the consultation paper now pre-empts Parliament's consideration of the Bill, because it is local authorities as much as contractors who are pressing us for early information on implementation. But to deal with this aspect the paper emphasises that the proposals are subject to that process, and I will emphasise this when I send the paper to Jack Cunningham and other Bill Committee Members.

I would be grateful for colleagues' comments on these points and on the draft itself, if possible by 20 October. I am sending copies of this letter to the Prime Minister, Willie Whitelaw, John Wakeham, Kenneth Baker, John Moore, Paul Channon, Douglas Hurd, Norman Fowler, and David Young, as well as to Malcolm Rifkind and Peter Walker, and to Sir Robert Armstrong.



NICHOLAS RIDLEY

DRAFT CONSULTATION PAPER

COMPETITION IN THE PROVISION OF LOCAL AUTHORITY SERVICES

IMPLEMENTATION AND EXEMPTIONS

INTRODUCTION

1. This consultation paper seeks views on the Government's proposals regarding the exercise in England of two of the powers which will be provided by Part I of the Local Government Bill provided it is enacted in its present form. Clause 2(8) together with clause 15(2) and (5) allows the Secretary of State to set a "de minimis" level of activity below which work carried out by defined authorities is exempt from competition. Clause 6(3) together with clause 15(3) and (6) provides for the Secretary of State to phase in the duty to compete, with the limitation that the regulations shall not apply to work to be carried out before 1 April 1989.

2. Although the Bill is still before Parliament the Government believes it is right to set out its proposals on these two important powers now so as both to inform discussion of the Bill itself and to help authorities to plan how best to comply with the Bill's provisions assuming it does become law. There can of course be no guarantee that the proposals set out below will not be amended following Parliament's consideration of the Bill, and in the light of comments on this consultation paper and the separate consultation paper on leisure management which was issued last month.

DE MINIMIS LEVELS

3. A wide variety of views was expressed in response to the consultation paper of February 1985 on the question of de minimis levels, both as regards the level and the form of the relevant threshold. Some respondents felt that thresholds should apply to authorities' defined activities as a whole rather than to each activity individually. This would almost inevitably imply that some individual activities carried out on a fairly large scale would be exempt simply because individual authorities carried out their other activities on a very small scale. It is based essentially on the

premise that small authorities should be exempt, which is not one which the Government would in principle accept. Small authorities are in general just as capable of benefitting from competition as are large authorities.

4. As regards the level, there were those respondents who advocated amounts of expenditure which (whether expressed directly as expenditure or in manpower terms) equated to what would otherwise be regarded as quite substantial businesses. Clearly a de minimis level must be set at a low level of expenditure if it is not to cease to have any rationale.

5. The Government's view, following careful consideration of the views put forward, is that there is no good case for exempting activities currently costing more than £100,000 a year in terms of gross expenditure, and that there is no compelling case for setting different levels for different activities.

6. Such a level could be expressed directly in expenditure terms or in terms of the manpower equivalent, as with the existing DLO regime. A manpower threshold has certain attractions but in the case of at least some of the defined activities it could be difficult to use this approach with any certainty that the numbers set would in fact equate to the desired expenditure threshold.

7. The Government therefore proposes that the threshold should be expressed directly in expenditure terms. In other words defined authorities would be exempt from competition for any one defined activity if the amount they spent on the direct carrying out of the activity - including all relevant overhead costs - was less than £100,000 a year. "Client" costs such as specifying and ordering work, and any other costs which would have to be incurred whether the work was carried out by direct employees or by contractors, would of course not be included in the calculation.

8. Since the competitive tendering process takes some time, authorities will need to know whether they are exempt in any financial year well before the start of that year. The Government therefore proposes that an authority should be exempt in any year if its estimated gross expenditure in carrying out the activity in the previous year is less than £100,000. Framing the exemption in this

way should not give rise to significant problems, because authorities will have set their budgets and rates before they need to work out whether they will be required to expose any activity to competition.

PHASING IN OF COMPETITION

9. Responses to the earlier consultation paper were broadly united in the view that it would be necessary to introduce competition over a period of a few years so as to allow both authorities to cope with the work of specifying and contractors to cope with the work of tendering.

10. Any viable phasing scheme will clearly, therefore, have to avoid either requiring any one group of authorities to seek tenders for all activities at any one time, or requiring any one activity to be the subject of tenders by all authorities at any one time.

11. Some of the responses argued that the Government ~~we~~ should phase in competition by progressively increasing the proportion of work which must be competed for. For example, authorities would be required to expose a third of their school meals operation to competition in year one; a further third in year 2; and the final third in year 3. This would mean that authorities would be able to apply lessons learnt in the early years to later tendering exercises. But in order to phase in competition fully in 3 years it would mean that all authorities had to tender part of each service each year. This form of phasing may be appropriate for ground maintenance (see paragraph 12(iv) below), but it would not meet the concerns set out in the previous paragraph. It would also be difficult to police.

12. The number of possible phasing schemes is almost limitless but within these constraints any scheme chosen ought clearly to be as simple as possible. The one which is proposed has the following features:

(i) Activities (other than ground maintenance) are divided into six categories. This is done by treating refuse collection and street cleansing as a single category in view of the argument that they are often suitable for letting as single contracts. Leisure management is included as the 6th activity on an illustrative basis pending the outcome of consultation.

(ii) Local authorities (other than the Isles of Scilly) are divided into four classes - London boroughs, metropolitan districts, counties, and non-metropolitan districts. This reflects firstly the fact that some classes include a different selection of the six activity categories amongst their functions; and secondly the desirability of ensuring an even geographic spread during the phasing-in period.

(iii) Each local authority class is then divided into either five or six groups (according to how many activities are amongst its functions) based on alphabetic listings. Thus, for instance, Barnsley is in group 1, Birmingham in group 2, Bolton in group 3 and so on. Activities are then phased in one category at a time at 6-monthly intervals for each authority group in turn. For London boroughs and metropolitan districts, since both groups carry out all six activity categories, this means all six activities must have been competed for by October 1991 - 2½ years after the first activity (refuse collection plus street cleansing) in April 1989. For the other two classes of authority competition is fully phased in by April 1991.

(iv) Ground maintenance is phased in over a longer period - 5 years - in view of the particularly limited capacity of the private sector to tender for this work. But all authorities expose some ground maintenance to competition, starting with 10% in the first period and increasing by 10% at 6-monthly intervals.

(v) ILEA - which has only four of the six activity categories amongst its functions - has competition phased in in four stages.

(vi) The Isles of Scilly and all non local-authority bodies are required to subject all of their services to competition right from the start. This is not as onerous as it appears. Some activities - notably refuse collection and school and welfare catering - are not a function of any of the bodies concerned (apart from the Isles of Scilly, which has all functions though it is neither a county nor a district). And as regards the remaining activities, few of the bodies are likely to carry out many of them on a substantial scale, so most are likely to be exempted by a de minimis provision.

(vii) To deal with the possibility of counties or non-metropolitan districts carrying out work outside their main functions on an agency basis it is proposed that any such work carried out by them should be subject to competition from 1 April 1989. Although this will in principle mean some authorities dealing with up to three activities on that date, since such agency agreements are unusual it should not cause significant problems.

DETAILED IMPLICATIONS

13. The matrices at Annexes A - D summarise the proposals for local authority groups and for the other bodies separately. Annex A, for instance, shows that from 1 April 1989 the first group of non-metropolitan districts must expose refuse collection and street cleansing to competition; the second group must expose building cleaning; the third group other catering; and so on. Some ground maintenance work in each authority and body is subject to competition by 1 April 1989, and the proportion builds up so that all ground maintenance work is covered by 1 October 1993.

14. Annexes E and F list the authorities falling into each of the five or six groups as the case may be. Thus for instance group 1 authorities include Adur, Barnet, Avon, and Barnsley. The group sizes are not all exactly equal simply because the numbers in each group do not always divide exactly by five or six.

RESPONSES

15. The Government would be grateful for comments on these proposals by 31 January 1988. These should be sent to:-

Department of the Environment
Room P1/135
2 Marsham Street
London SW1P 3EB

16. Copies of this paper are being distributed to a wide range of interested parties, including individual authorities as well as their associations. Further copies are available on request from the address above, or by telephoning 01-212 8287.

NON-METROPOLITAN DISTRICTS: PHASING-IN OF COMPETITION BY DATE AND ACTIVITY

ACTIVITY	Refuse Collection and Street Cleansing	Building Cleaning	School and Welfare Catering	Other Catering	Vehicle Maintenance	Leisure Management	Ground Maintenance
DATE							
1/4/89	1	2	All groups	3	4	5	All (10%)
1/10/89	5	1		2	3	4	All (20%)
1/4/90	4	5		1	2	3	All (30%)
1/10/90	3	4		5	1	2	All (40%)
1/4/91	2	3		4	5	1	All (50%)*

Note: Numbers refer to groups of authorities.

*: The proportion of ground maintenance work to be exposed to competition by all groups will continue to increase in 10% steps on 1/10/91, 1/4/92, 1/10/92, 1/4/93 reaching 100% on 1/10/93.

COUNTIES: PHASING-IN OF COMPETITION BY DATE AND ACTIVITY

ACTIVITY	Refuse Collection and Street Cleansing	Building Cleaning	School and Welfare Catering	Other Catering	Vehicle Maintenance	Leisure Management	Ground Maintenance
DATE							
1/4/89	All groups	1	2	3	4	5	All (10%)
1/10/89		5	1	2	3	4	All (20%)
1/4/90		4	5	1	2	3	All (30%)
1/10/90		3	4	5	1	2	All (40%)
1/4/91		2	3	4	5	1	All (50%)*

Note: Numbers refer to groups of authorities.

*: The proportion of ground-maintenance work to be exposed to competition by all groups will continue to increase in 10% steps on 1/10/91, 1/4/92, 1/10/92, 1/4/93 reaching 100% on 1/10/93.

C

LONDON BOROUGHES AND METROPOLITAN DISTRICTS: PHASING-IN OF COMPETITION BY DATE AND ACTIVITY

ACTIVITY	Refuse Collection and Street Cleansing	Building Cleaning	School and Welfare Catering	Other Catering	Vehicle Maintenance	Leisure Management	Ground Maintenance
DATE							
1/4/89	1	2	3	4	5	6	All (10%)
1/10/89	6	1	2	3	4	5	All (20%)
1/4/90	5	6	1	2	3	4	All (30%)
1/10/90	4	5	6	1	2	3	All (40%)
1/4/91	3	4	5	6	1	2	All (50%)
1/10/91	2	3	4	5	6	1	All (60%)*

Note: Numbers refer to groups of authorities.

*: The proportion of ground maintenance work to be exposed to competition by all groups will continue to increase in 10% steps on 1/4/92, 1/10/92, 1/4/93 reaching 100% on 1/10/93.

A

Other Bodies: Phasing-In of Competition by Date and Activity

(1) Inner London Education Authority

Building Cleaning	1/4/89
School-Welfare Catering	1/10/89
Other Catering	1/4/90
Vehicle Maintenance	1/10/90
Ground Maintenance	10% by 1/4/89
	20% by 1/10/89
	and so on as for all other
	authorities

(2) Council of the Isles of Scilly and other bodies*

All defined activities except ground maintenance to be subject to competition by 1/4/89.

Ground maintenance to be exposed to competition on an increasing percentage basis from 1/4/89, as for all other authorities (10% by 1/4/89, 20% by 1/10/89 and so on).

* Other English bodies covered by Part I of the Bill are (see Clause 1 of the Bill):

Urban Development Corporations
New Town Development Corporations
The Commission for the New Towns
Police Authorities
Combined Fire Authorities
Metropolitan and London Fire and Civil Defence Authorities
Metropolitan County Passenger Transport Authorities
Joint Waste Disposal Authorities
Joint Committees set up under Section 101 of the Local Government Act 1972.

LOCAL AUTHORITY LISTINGS (LONDON BOROUGHES AND METROPOLITAN DISTRICTS; 6 GROUPS)

ANNEX F

London Boroughs

Met. Districts

GROUP 1

Barnet
Croydon
Haringey
Kensington and Chelsea
Redbridge
Wandsworth

Barnsley
Coventry
Leeds
Rochdale
Solihull
Trafford

London Boroughs

Bexley
Ealing
Harrow
Kingston-upon-Thames
Richmond-upon-Thames
Westminster

Met. Districts

Birmingham
Doncaster
Liverpool
Rotherham
South Tyneside
Wakefield

GROUP 2

London Boroughs

Brent
Enfield
Havering
Lambeth
Southwark

Met. Districts

Bolton
Dudley
Manchester
Salford
St Helens
Walsall

GROUP 3

London Boroughs

Broxley
Greenwich
Hillingdon
Lewisham
Sutton

Met. Districts

Bradford
Gateshead
Newcastle upon Tyne
Sandwell
Stockport
Wigan

GROUP 4

London Boroughs

Canon
Hackney
Hounslow
Merton
Tower Hamlets

Met. Districts

Bury
Kirkcloses
North Tyneside
Sefton
Sunderland
Wirral

GROUP 5

London Boroughs

Barking and Dagenham
City of London
Hammersmith and Fulham
Islington
Newham
Waltham Forest

Met. Districts

Calderdale
Knowsley
Oldham
Sheffield
Tameside
Wolverhampton

GROUP 6

LOCAL AUTHORITY LISTINGS (COUNTIES AND NON-METROPOLITANANNEX EDISTRICTS (5 GROUPS)Non-metropolitan districtsCounties

GROUP 1

Adur
Ashfield
Basildon
Beverley
Bolsover
Braintree
Bristol
Burnley
Carlisle
Chelmsford
Chesterfield
Cleethorpes
Cotswold
Darlington
Derwentside
East Devon
East Staffordshire
Ellesmere Port and Neston
Exeter
Fylde
Gosport
Halton
Hart
Hertsmere
Hove
Kerrier
Lancaster
Lichfield
Maldon
Mendip
Middlesbrough
Newbury
North Dorset
North Shropshire
Northavon
Oswestry
Plymouth
Reading
Richmondshire
Rugby
Ryedale
Sedgemoor
Slough
South Hants
South Norfolk
South Somerset
Spelthorne
Stevenage
Suffolk Coastal
Taunton Deane
Tewkesbury
Tonbridge and Malling
Uttlesford
Warrington
Wealden
West Dorset
West Wiltshire
Woking
Wrekin
York

Avon
Cheshire
Devon
Gloucestershire
Isle of Wight
Norfolk
Oxfordshire
Surrey

Non-metropolitan districts

Allerdale
Ashford
Basingstoke and Deane
Blaby
Boothferry
Breckland
Broadland
Cambridge
Carrick
Cheltenham
Chichester
Colchester
Craven
Dartford
Dover
East Hampshire
East Yorkshire
Elnbridge
Fareham
Gedling
Gravesham
Hambleton
Hartlepool
High Peck
Huntingdonshire
Kettering
Langbaugh
Lincoln
Malvern Hills
Mid Bedfordshire
Milton Keynes
Newcastle-under-Lyme
North East Derbyshire
North Warwickshire
Norwich
Oxford
Poole
Redditch
Rochester upon Medway
Runnymede
Salisbury
Selby
South Bedfordshire
South Herefordshire
South Northamptonshire
South Staffordshire
St Albans
Stockton-on-Tees
Surrey Heath
Teesdale
Thamesdown
Torbay
Vale Royal
Warwick
Wear Valley
West Lancashire
Weymouth and Portland
Wokingham
Wychavon

Counties

Bedfordshire
Cleveland
Dorset
Hampshire
Kent
Northamptonshire
Shropshire
Warwickshire

GROUP 2

Non-metropolitan districts

Counties

GROUP 3

Alnwick
Aylesbury Vale
Bassetlaw
Blackburn
Boston
Brentwood
Bromsgrove
Cannock Chase
Castle Morpeth
Cherwell
Chiltern
Congleton
Crowley
Daventry
Durham
East Hertfordshire
Eastbourne
Epping Forest
Fenland
Gillingham
Great Grimsby
Harborough
Hastings
Hinckley and Bosworth
Hynsburn
King's Lynn and West Norfolk
Leicester
Luton
Mansfield
Mid Devon
Mole Valley
North Bedfordshire
North Hertfordshire
North West Leicestershire
Nottingham
Pendle
Portsmouth
Reigate and Banstead
Rochford
Rushcliffe
Scarborough
Sevenoaks
South Bucks
South Holland
South Oxfordshire
South Wight
St Edmundsbury
Stoke-on-Trent
Swale
Teignbridge
Thanet
Torrington
Vale of White Horse
Watford
Wellingborough
West Lindsey
Wimborne
Woodspring
Wycombe

Berkshire
Cornwall
Durham
Hereford and Worcester
Lancashire
Northumberland
Somerset
West Sussex

Non-metropolitan districts

Amber Valley
Babergh
Bath
Blackpool
Bournemouth
Bridgnorth
Broxbourne
Canterbury
Castle Point
Chester
Chorley
Copeland
Crewe and Nantwich
Derby
Easington
East Lindsey
Eastleigh
Epsom and Ewell
Forest Heath
Gloucester
Great Yarmouth
Harlow
Havant
Holderness
Ipswich
Kingston upon Hull
Leominster
Macclesfield
Medina
Mid Suffolk
New Forest
North Cornwall
North Kesteven
North Wiltshire
Nuneaton and Bedworth
Penwith
Preston
Restormel
Rossendale
Rushmoor
Scunthorpe
Shepway
South Cambridgeshire
South Kesteven
South Ribble
Southampton
Stafford
Stratford on Avon
Tamworth
Tendring
Three Rivers
Tonbridge Wells
Wansbeck
Waveney
Welwyn Hatfield
West Oxfordshire
Winchester
Worcester
Wyre

Counties

Buckinghamshire
Cumbria
East Sussex
Hertfordshire
Leicestershire
North Yorkshire
Staffordshire
Wiltshire

GROUP 4

Non-metropolitan districts

Arun
Barrow in Furness
Berwick-upon-Tweed
Blyth Valley
Bracknell
Brighton
Broxtowe
Caradon
Charnwood
Chester-le-Street
Christchurch
Corby
Dacorum
Derbyshire Dales
East Cambridgeshire
East Northamptonshire
Eden
Erewash
Forest of Dean
Gloucester
Guildford
Harrogate
Hereford
Horsham
Kennet
Kingswood
Lewes
Maidstone
Melton
Mid Sussex
Newark & Sherwood
North Devon
North Norfolk
Northampton
Oadby and Wigston
Peterborough
Purbeck
Ribble Valley
Rother
Rutland
Sedgefield
Shrewsbury and Atcham
South Derbyshire
South Lakeland
South Shropshire
Southend-on-Sea
Staffordshire Moorlands
Stroud
Tandridge
Test Valley
Thurrock
Tynedale
Wansdyke
Waverley
West Devon
West Somerset
Windsor and Maidenhead
Worthing
Wyre Forest

Counties

Cambridgeshire
Derbyshire
Essex
Humberside
Lincolnshire
Nottinghamshire
Suffolk

GROUP 5

CCBS



SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
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01-270 (Llinell Union)
Oddi wrth Ysgriennnydd Gwladol Cymru

WELSH OFFICE
GWYDYR HOUSE
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Tel. 01-270 3000 (Switchboard)
01-270 (Direct Line)
From ⁰⁵³⁸ The Secretary of State for Wales

The Rt Hon Peter Walker MBE MP

3 November 1987

[Handwritten signature]

NBM

LOCAL GOVERNMENT BILL (COMPETITION)

I refer to your letter of 15 October to John Major about issuing a consultation paper in England on the de minimis threshold below which work would be exempt from competition and your proposals for phasing.

I am content with the approach you propose to adopt and I intend to issue a similar consultation paper in Wales at about the same time.

/ I am copying this to the Prime Minister, Willie Whitelaw, John Wakeham, Kenneth Baker, John Moore, Paul Channon, Douglas Hurd, Norman Fowler, David Young, Malcolm Rifkind and to Sir Robert Armstrong.

[Large handwritten signature]

The Rt Hon Nicholas Ridley MP
Secretary of State for the Environment

Local Gov't: Rols PT33.



PS/ PRIME MINISTER

CCB9



DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215
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(Switchboard) 01-215 7877

From the Parliamentary Under Secretary of State
for Corporate and Consumer Affairs

The Hon Francis Maude MP

The Rt Hon Nicholas Ridley MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

21 October 1987

NBRM

Sean Nicholas

LOCAL GOVERNMENT BILL (COMPETITION)

at top You copied to David Young, who is abroad at present, your letter of 15 October to John Major.

I am content with the proposals in your draft consultative document on implementation of the Bill, and with your intention to issue it to coincide with the resumption of the Committee on the Bill. It is clearly desirable to set as low a de minimis threshold as is realistic, to ensure that the maximum amount of work is made subject to competition. The proposals for phasing in the competition requirements should ensure that neither authorities nor contractors are overburdened, whilst preserving even-handedness.

Your proposals would entail implementing the legislation on the same timetable for the inner cities as for other authorities. This seems right, for the reasons you give, on grounds of even-handedness, and because one could not be sure that any attempt to favour the inner cities would necessarily achieve the desired result. However, this does anticipate collective discussion of the Urban Policy Review, and you will no doubt be taking account of any further points which emerge from this, as well as from the reactions to the consultative document on this point.



I am copying this letter to the Prime Minister, Willie Whitelaw, John Wakeham, Kenneth Baker, John Moore, Paul Channon, Douglas Hurd, Norman Fowler, John Major, Malcolm Rifkind and Peter Walker, and to Sir Robert Armstrong.

FRANCIS MAUDE

Local Gov't: Re: PT33

J05BZZ

ce/BG



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Nicholas Ridley MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

21 October 1987

Dear Nicholas,

NBPN

LOCAL GOVERNMENT BILL (COMPETITION)

I refer to your letter of 15 October to John Major enclosing a draft consultation paper on implementation in England which you hope to issue before Committee resumes on 22 October. I am replying on behalf of Malcolm Rifkind, who is currently abroad.

We support your proposals for implementing the competition provisions in the Bill and have in mind a separate consultation paper for Scotland setting out proposals for phasing-in competition broadly along the lines proposed for the English authorities. We also plan to propose a "de minimis" threshold of £100,000.

A copy of this letter goes to the Prime Minister, Willie Whitelaw, John Wakeham, Kenneth Baker, John Moore, Paul Channon, Douglas Hurd, Norman Fowler, David Young and Peter Walker and to Sir Robert Armstrong.

yours
James

JAMES DOUGLAS-HAMILTON

LOCAL GOVT

RELATIONS

0933