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CC BC

Treasury Chambers, Parliament Street, SWIP 3AG

The Rt Hon Viscount Whitelaw PC CH MC
Lord President of the Council
Privy Council Office
Whitehall
London
SW1A 2AT

Dear Willie,

23 November 1987

NEW BURDENS ON LOCAL GOVERNMENT

Nicholas Ridley wrote to you on 19 October with the latest list of initiatives by central government that affect local authorities. I note that once again we have continued to add new burdens to local authorities over the last six months.

I very much support his view that we should continue the new burdens procedures. I think we are all aware of the pressure new policy initiatives can place upon local government expenditure. Despite all our efforts, local authority spending has risen by 10 per cent in real terms over the past two years. Recent pay rises will keep the pressure up. Devolving responsibilities to local government cannot help and may indeed fuel increased spending.

We must accept that for the present our controls over local government spending are very much less effective than our powers over central government programmes. I therefore take the view it is essential for departments to follow the agreed rules for new burdens in full. In particular, we must stick to the requirement that offsetting savings be identified on central government programmes where the cost of a new burden on local authorities exceeds £100,000.

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

Yours Ever,
John

JOHN MAJOR

LOCAL GOVT

RELATIONS

PT 33

cc BG

SECRETARY OF STATE FOR THE ENVIRONMENT

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My ref:

Your ref:

The Rt Hon The Viscount Whitelaw CH MC
Lord President of the Council
Privy Council Office
Whitehall
LONDON
SW1

19 October 1987

N BRN.

Dear Willie

As is customary, I am attaching the latest lists of central government initiatives, having financial and manpower implications for local government, which has been notified to my Department during the last six months. The first list contains details of proposals which are likely to result in increases in demands on local government and the second list identifies measures which are expected to lead to some reduction.

This first list shows a slight decrease over that for the preceding period (26 compared with 28). However some major policy initiatives, often with potentially substantial implications for local government, are now coming on stream. It is important that the local government implications of these major new items should be considered from the outset, at the formative stage when these new initiatives are being planned. I have therefore asked my officials to contact their colleagues in Departments sponsoring some major items of legislation to confirm that local government resource costs are considered from the outset, that their totality of these is assessed and that acceptable consultations are arranged with the local authority associations.

I am a little dissappointed that we have logged only 2 proposals leading to savings for local government, compared with 4 and 8 in the two preceding periods. I hope that colleagues will carefully investigate the scope for reducing burdens on local authorities and hence on local taxpayers particularly where their new initiatives are likely to impose additional demands.

The new burdens procedure continues to be a useful means of monitoring and where appropriate influencing, the impact of new policy initiatives on local government. I propose to continue with the procedure while placing particular emphasis on some of the major new initiatives with implications for local authorities. My officials appreciate the continued co-operation and help which

they have received from their colleagues in other Government Departments and I am confident that this co-operation - which has helped produce a system which is effective without being unnecessarily irritating - will continue.

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

Yours ever

Nicholas

NICHOLAS RIDLEY

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NEW INITIATIVES AFFECTING LOCAL GOVERNMENT - 13 MARCH - 12 SEPTEMBER 1987 :

POSSIBLE EXPENDITURE AND MANPOWER IMPLICATIONS

A. POTENTIAL INCREASES

	PROPOSAL	ORIGINATING DEPARTMENT	FINANCIAL & MANPOWER IMPLICATIONS	CURRENT STATUS WHERE KNOWN AND OVERALL COMMENTS
1.	Use of waste material for road fill: circular	DOE/DTp	De minimis ; longer term resource savings expected	Issued 7/8/87
2.	Control of Pollution (Anti Fouling Paints & Treatments) Regulations 1987.	DOE	De minimis	Effective from May 1987
3.	Redundant hospital sites in green belts : planning guidelines.	DOE	De minimis	Circular issue on 29/4/87
4.	Countryside Policy Review Panel report	DOE	Not yet quantified	Government response not yet establishe
5.	Draft response to Environment Committee report an Historic Buildings and Ancient Monuments	DOE	Not quantified	Recommendation affecting loca government un- likely to be adopted.
6.	Disposal of colliery spoil: assessment of alternative colliery spoil disposal options.	DOE	De minimis; longer term savings expected.	Circular issue 27/7/87
7.	Control of transfer of local authority mortgages	DOE	Not yet quantified; will only arise if an LA chooses to transfer mortgages to the private sector.	Introduced by Section 7 of the Local Government Act 1986.
8.	Requirement for consent for local authority assistance to privately - let housing.	DOE	Not yet quantified; likely to be small	Introduced retrospectively by the Local Government Bill.
9.	Circular on child abuse	DES	Expected to be de minimis	

	PROPOSAL	ORIGINATING DEPARTMENT	FINANCIAL & MANPOWER IMPLICATIONS	CURRENT STATUS WHERE KNOWN AND OVERALL COMMENTS
10.	The National Curriculum.	DES	To be quantified; consultations in progress. Additionality not accepted.	Education Bill
11.	Access to pupil records.	DES	Not yet quantified; expected to be small.	
12.	Bogus Degrees	DES	Less than £50,000 in the first year reducing to a few thousand pounds after 2 years.	
13.	Transfer of polytechnics and colleges from local authority control.	DES	Reduction in local authority expenditure provision and AEG; to be quantified but about £800M	Education Bill
14.	Grant maintained schools	DES	Reduction in local authority expenditure provision and AEG; extent dependent on numbers of schools gaining GM status. Consultations in progress.	Education Bill
15.	Opting out of ILEA	DES	Financially neutral; consultations in progress.	Education Bill
16.	Financial delegation to schools	DES	To be quantified; consultations and consultants' study in progress.	Education Bill
17.	Open enrolment	DES	To be quantified; consultations in progress.	Education Bill
18.	Financial delegation, reform of governing bodies and new legal basis for NAFE.	DES	To be quantified; consultations in progress.	Education Bill
19.	Police capital buildings: additional form on annual circular.	HO	De minimis	

	PROPOSAL	ORIGINATING DEPARTMENT	FINANCIAL & MANPOWER IMPLICATIONS	CURRENT STATUS WHERE KNOWN AND OVERALL COMMENTS
20.	Protection of Animals (Amendment) Bill	HO	De minimis	Private Member's Bill.
21.	Review of the effectiveness of parking enforcement.	HO	Not yet quantified	
22.	Visual standards for the Fire Service : new ophthalmological examinations	HO	£40,000-£60,000; long-term savings of £2M p.a. anticipated.	
23.	Stott report on level crossing safety.	DTP	Not yet quantified	LAAs consulted
24.	Safety standards of small boats ; new enforcement role for TSOs	DTP	Not yet quantified	New regulation proposed.
25.	"Look after your heart" campaign	DHSS	De minimis	Campaign launched on 22/4/87.
26.	1991 Census : questionnaire to LAs	DHSS/OPCS	Expected to be de minimis.	

B. DECREASES

	PROPOSAL	ORIGINATING DEPARTMENT	FINANCIAL & MANPOWER IMPLICATIONS	CURRENT STATUS WHERE KNOWN AND AND OVERALL COMMENTS
1.	Use Classes Order and accompanying circular.	DOE	Modest reduction in administrative costs and manpower requirements.	Effective from 1/6/87.
2.	Development involving agricultural land.	DOE	Minor savings as need to consult MAFF is reduced.	Circular issued on 8/5/87. Revised consultation requirement to be in new GDO early in 1988.