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Ref. A090/1041

MR TURNBULL

Functions of Local Authorities

It would be helpful if I could have a word with the Prime Minister at tomorrow's bilateral about how she would like us to organise the exercise on local authorities' functions.

At one extreme, we need to look urgently at the question of the additional responsibilities being imposed on local authorities as a result of impending changes in central Government policies (the community care proposals are just one example). The Department of the Environment maintain a running tally of "new burdens" on local authorities, and ought to be able to get a complete list relatively quickly. The Secretary of State for the Environment has a remit to produce a paper on this urgently, following the Prime Minister's meeting on 26 April.

- 3. At the other extreme, the Prime Minister may want to undertake a more fundamental review. We might look into the nature of the functions discharged by local authorities, to see whether the allocation still seems appropriate in modern circumstances; or indeed whether the different character of "upper tier" services, such as education, police and fire, which are heavily influenced by <u>national</u> standards of provision, might suggest a different approach to expenditure control from the arrangements for genuinely local services such as street lighting and refuse collection.
- 4. If the Prime Minister would like this wider topic considered, I will ask Peter Owen to prepare a preliminary note for discussion. Unless the Prime Minister wants to launch a

wider exercise now, I suggest that this should be done from his knowledge (which is extensive) without bringing in Departments more widely. We could then discuss it with the Prime Minister and consider how she wants to carry it forward. But this would carry the implication that these more far-reaching structural issues are unlikely to play a part in the preparation of the current community charge package.

FER.B.

ROBIN BUTLER

2 May 1990

