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LONDON SW1A 2AA

From the Principal Private Secretary

SIR ROBIN BUTLER

CABINET OFFICE

FUNCTIONS OF LOCAL AUTHORITIES

The Prime Minister was very grateful for Mr. Owen's note which was attached to your minute of 17 May. She felt it provided some very useful insights into the way local government functions and their funding have evolved. She particularly noted the way in which SSAs are constructed and the drawbacks that flow from this.

The Prime Minister commented that the disadvantage of transferring education to central government control is that it would make it easier for a future government to impose uniform policies throughout the country. She would prefer to see greater devolution downwards in the form of grant-maintained schools rather than centralisation upwards towards central government.

The Prime Minister observed that statutory duties were currently defined very widely, making it easier for a capped authority to argue that it was unable to fulfill those duties.

Before raising the issue with colleagues the Prime Minister wishes to reflect further.

ANDREW TURNBULL

18 MAY 1990

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