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CONFIDENTIAL

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LONDON SW1P 3EB
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My ref:

Your ref:

27 March 1985

Dear Robin

LOCAL GOVERNMENT FINANCE STUDIES: CHEQUERS PRESENTATION

I attach a proposed agenda for the Chequers presentation on 31 March.

My Secretary of State will make a short introduction. Mr Baker will cover items 1,2, and 3 and will try to do so before lunch. Mr Waldegrave will cover item 4. Their presentation will be accompanied by slides and flip charts. There will be no other papers.

I am copying this letter to Lord Rothschild and to the Private Secretaries to Lord Whitelaw, Lord Young, Mr Edwards, Mr Younger, Mr Gummer, Mr Ancram, Sir Robert Armstrong and Mr Heiser.

Yours sincerely

John Ballard

JOHN BALLARD
Private Secretary

Robin Butler Esq

LOCAL GOVERNMENT FINANCE STUDIES

CHEQUERS PRESENTATION: 31 MARCH

AGENDA

1. Why present policies have a limited future as constrainers of local authority spending
 - a. Grant pressure
 - b. Targets
 - c. Selective Rate Limitation

2. Why reliance on the accountability of local authorities to local people has been misplaced
 - a. Not enough people pay rates
 - b. The non domestic milch cow
 - c. The absence of any logical or discernible relationship between spending and rates
 - d. The complexity of the two tier system

3. The objections to centralist approaches as long term constrainers of local authority spending
 - a. 100% specific grants for the major services
 - b. Education Block Grant
 - c. General Rate Limitation

4. A Way Forward
 - a. Limit ability of local authorities to tap their non domestic ratepayers
 - b. A new grant system
 - c. More people to pay rates
 - d. A new local tax
 - e. Tighter control of local authority borrowing
 - f. Extra fees and charges
 - g. New arrangements for financing inner cities
 - h. A tighter framework for local authority budgets
 - i. Revised electoral arrangements