



NBPN 1715

CONFIDENTIAL

PRIME MINISTER

LOCAL GOVERNMENT FINANCE AND EDUCATION

Keith Joseph sent me a copy of his paper for the E(LF) discussions on 20 May. I realise that the issues here about local government reform go much wider than education or value for money. In particular, I am not in a position to comment on what form of link between central funding and local education would be most appropriate. But I agree with him that the present situation obstructs progress and puts inadequate pressure behind clear objectives and unit costs. The nature and timing of any move must be a political judgement but I believe that a move in this direction at some stage is important if you are to improve the effectiveness of the very large sums of public money involved.

I am copying this to Keith Joseph and to Sir Robert Armstrong.

*Robin Ibbs*

pp ROBIN IBBS  
17 May 1985

(approved by Sir Robin Ibbs and  
signed in his absence)

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Mr. Turnbull  
for file

### Local Tax As A Proportion Of Income (average for income band)

