

Prime Minister (1) Agree Mr Jenkin be asked to look again at this in 6 months time when future course of local government finance is a bit clearer?

AT 2+14

Yes not

PRIME MINISTER

23 April 1985

LARGE SCALE HOUSEHOLD SURVEY

The message of Patrick Jenkin's minute and appendices is that:

1. If no new survey is conducted, all the measures of local authority needs will remain up-to-date except those that are covered by the 10-yearly census. The idea of the household survey is to plug the 10 year gap between one census and the next, as was done by a similar survey between the 1971 and 1981 censuses.
2. The next census will not be conducted until 1991, and will not affect grant settlements until 1993-4; whereas, if a survey is conducted, it will have produced results by Spring 1987 - in time to affect the 1988-9 grant settlement.
4. The survey might mean that, in each of the five years between 1988-9 and 1993-4, a total of roughly £150 million extra is given to some authorities, and £150 million less to other authorities, than would otherwise be the case; (£150 million = about 2% of block grant).

We continue to believe that the survey is unnecessary, and indeed unwise, because:

- a. the present assessment of needs is a complicated farce: a new survey will merely serve to legitimise it;
- b. by 1987, the government should be on the eve of the new, reformed system of local finance; this should involve a far simpler needs assessment, eliminating the demand for sophisticated analysis of minutiae: the data in question should therefore be unnecessary within one or two years of the survey's completion;
- c. conducting an 'accurate' survey will reinforce DoE's tendency to keep any new system as complicated as possible -- a sure route to disaster.

but it will be legal basis of Minister's actions and cannot therefore be totally neglected.

We therefore recommend that the survey should be quietly postponed, at least until the shape of the new finance system and its data requirements are clear.

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