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The Rt Hon John Major MP
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ADBM at this stage.

RCC

14/4

14 April 1988

John P. M.

Aggr p. 38.

THE NEW PLANNING TOTAL AND FINANCIAL REPORTING TO PARLIAMENT

Thank you for sending me copies of your minutes of 23 and 29 March to the Prime Minister.

I understand why the introduction of the new financial arrangements for local authorities leads you to suggest a different treatment for self-financed expenditure by local authorities and I am content for officials to consider the implications further. There is however one point which I would like to stress at this stage. The new arrangements will give the Government control over a higher proportion of the financing of local authorities. This is illustrated by the table accompanying your minute and is a point on which we laid some emphasis in the consultative paper about arrangements for negotiating teachers' pay. In view of this, I think that we should, if anything, seek to reinforce and certainly not diminish our ability to relate the Government's expenditure plans to the needs of local authorities and the services they provide - while recognising, of course, the discretion available to local authorities. From my point of view, I shall need to continue to be able to demonstrate that we are making adequate provision to support our education reforms. I hope that this can be covered by officials in their further examination of the proposal and that their report will illustrate what would be practicable for the expenditure tables and the text in presenting the Government's plans for individual local authority services.

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There is a link here with the proposed new departmental reports in your second minute. In principle, I am in favour of your proposal but would want the new reports to have at least as much significance in terms of the provision for individual services as the present chapters in the Expenditure White Paper.

I am sending copies of this minute to the Prime Minister, to Cabinet colleagues, and to Sir Robin Butler.

Tom in

Hammett

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ELON POC : pub exp pt 39