



Permanent Secretary
Terry Heiser CB

Department of the Environment
2 Marsham Street London SW1P 3EB
01-212 8051

3rd April 1985

Sir Robert Armstrong GCB CVO
Cabinet Office
WHITEHALL
London SW1

Dear Sir Robert

LOCAL GOVERNMENT FINANCE STUDIES

At the end of last Sunday's seminar at Chequers, The Prime Minister asked Mr Waldegrave to work up his recommendations in-house, in time to be reconsidered by Ministers in mid-May.

The Prime Minister stressed that the key aspect of this development work would be the pattern of gainers and losers - local authorities, individuals and business.

Time is very short and we are going to have to move very fast indeed. To be able to produce more fully worked up pictures of gainers and losers by mid-May we shall need to draw on expertise in other Government Departments.

The key areas are as follows:

- (i) Community charge
Registration/enforcement (Home Office, Lord
Chancellor's Department)
Rebates (DHSS)
Taxation and Rebate aspects (Treasury)
- (ii) incidence analysis of gainers and losers at household
level
FES data (CSO, Department of Employment)
Income data (Inland Revenue)

- (iii) Consumption Taxes as Supplement to community Charge
(Customs and Excise, Treasury)
- (iv) Public Expenditure aspects (Treasury)
- (v) Annual Elections (Home Office)

We will need to work very closely indeed with the Departments listed at (i) to (v) above. I would be grateful if colleagues in these Departments could nominate someone in their Department who will be able to liaise with the studies team in the coming weeks.

We are pursuing separately the best way of involving Scottish and Welsh Office colleagues in this exercise.

I am copying this letter to Robin Butler, Kerr Fraser, Trevor Hughes, Alan Bailey, Brian Cubbon, Derek Oulton, Ken Stowe, John Boreham, Michael Quinlan, Lawrence Airey, and Angus Fraser.

Yours sincerely

Richard Gruneyford

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(approved by Mr Heiser
and signed on his behalf)

18 APR 1985

