

PRIME MINISTER

PARISH COUNCILS

You asked the DOE to consider whether the extensive powers of parish councils might not be open to misuse, including for political purposes, and sought their advice on the seriousness of the loophole and on means of closing it.

The DOE response is attached at Flag A and Oliver Letwin's advice is at Flag B.

Oliver recommends that you welcome the reassurance that legislation to prevent excessive discriminatory spending will cover parish councils. But he thinks you should also ask whether there should not be some general limit on parish council taxing power.

Content that I should put these points to DOE on your behalf?

*Agreed mt*

*Mark Addison*

MARK ADDISON

26 September 1985