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BK

Subject

FILE

Econ Pol.



10 DOWNING STREET

THE PRIME MINISTER

Personal Minute

No. M12/79T

HOME SECRETARY

8/F24-10-79.
for Cabinet on 29/10.

- cc DCE ✓
- SO ✓
- WO ✓
- DES ✓
- DHSS ✓
- DTP ✓
- DT ✓
- CST ✓
- DI ✓
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Rate Support Grant, 1980-81

As you know from our discussions, both about public expenditure and about pay and cash limits, the Rate Support Grant negotiations for 1980-81 are likely to be very important and very difficult. Whatever we decide about the unitary grant in later years (which you are considering in H at the moment) this year's negotiations have to take place within the present ground rules. I understand that work is already well advanced in the Department of the Environment and in the Treasury. But there are a lot of difficult political decisions still to be taken. I think these need careful preparation before they come to Cabinet. I should therefore be grateful if you would take the chair of a small group of the Ministers concerned, to produce agreed recommendations. I should like the other members of the group to be the Secretary of State for the Environment, the Secretary of State for Scotland and the Secretary of State for Wales, as the 'local authority' Ministers; the Secretary of State for Education, the Secretary of State for Social Services, the Secretary of State for Transport and the Secretary of State for Trade (each of whom is responsible for one or more of the services provided by local authorities); the Chief Secretary, Treasury; and the Secretary of State for Industry. The Cabinet Office will provide the Secretariat. Your aim might be to produce a report for Cabinet on 25 October, starting work immediately after the Party Conference. No doubt the Department of the Environment could produce factual papers for a meeting very early in the week beginning 15 October.

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I am sending copies of this minute to those Ministers named above and to Sir John Hunt.

A. T.

19 September 1979

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