

Prime Minister



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PRIME MINISTER

MB

LOCAL AUTHORITY CURRENT EXPENDITURE 1980-81

I have seen a copy of Michael Heseltine's minute to you of today's date. The Chancellor and I entirely support his determination to persuade local authorities to bring their current spending down to the White Paper level. The draft circular spells out very clearly exactly what Government is asking of local authorities. I agree that it should be issued this week so as to ensure maximum compliance.

2. I shall be interested to consider Michael's other options for further action should the revised budgets still prove unsatisfactory. I believe that we shall have to give very careful consideration to the level of central government support for local authorities, both this year and next.

3. I am sending copies of this minute to the other members of Cabinet, the Minister of Transport and Sir Robert Armstrong.

WJB

JOHN BIFFEN
 12 June 1980



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