



MS

10 DOWNING STREET

Prime Minister ②

You raised the request of NCB's deficit grant earlier today. I cannot trace any Policy Unit advice on this.

Over the weekend we showed you Mr Walker's letter to the CST and the latter's reply. CST accepted inevitability of raising limit on deficit grant and of seeking a Supplementary Estimate. These are largely formal actions required by legislation and Parliamentary procedure.

The policy questions arise on the setting of the EFL which, if agreed, should be reviewed after the strike. Issues such as the sale of subsidiaries will come up then.

MS

AT

13/11