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10 DOWNING STREET

From the Private Secretary

MR UNWIN
CABINET OFFICE

LOCAL AUTHORITY SPENDING AND RATE SUPPORT GRANT

Local authority spending was identified this morning as the major problem in this year's public expenditure survey. The level of expenditure provision, the size of rate support grant and its distribution will of course be particularly important this year. I am sure it will be helpful if the Prime Minister could be kept closely in touch with the discussions as they go forward, and I should be grateful if you could bear this in mind.

DN

David Norgrove

9 May 1986

✓



CCBSG ✓

CONFIDENTIAL

P 02068

From; J B UNWIN
15 May 1986

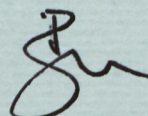
MR NORCROVE

LOCAL AUTHORITY SPENDING AND RATE SUPPORT GRANT

FILE WITH DRN

Thank you for your minute of 9 May. I will certainly ensure that you are kept in touch with progress on the forthcoming discussions, which will soon start in earnest in E(LA).

2. In the meantime, you may like to have at hand the attached timetable for the key decisions in the coming months.


J B UNWIN

Cabinet Office

LOCAL AUTHORITY EXPENDITURE: TIMING OF DECISIONS

1. E(LA)(86) 3rd Meeting of 26 February agreed that the timing of decisions and announcements on the Rate Support Grant (RSG) Settlement for 1987-88 should be on the basis of the third option of Annex A of E(LA)(86) 2.

2. This produces the following timetable for Ministerial decisions:

May/1st half of June Several meetings to settle PESC provision for local authority current expenditure, and provision for Aggregate Exchequer Grant and Block Grant

2nd half of June/
beginning of July Decisions on service blocks within local authority current expenditure; decisions on whether there should be full allocation to services of expenditure; and decisions on selection for rate capping in 1987-88. Any major RSG mechanism changes (eg to slopes) would need to be decided as well by this time.

Week beginning 14 July Announcement of global decisions on expenditure and grant questions, and of decisions on authorities to be rate-capped.

September/October Decisions on changes in Grant Related Expenditure (GRES) and (detailed) RSG mechanism changes. (E(LA)(86) 3rd Meeting) decided there should be no announcement in October - as there was last October - of provisional decisions on GRES.

Mid-November Announcement of full RSG Settlement.

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LOCAL COURT

RELATIONS

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