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PRIME MINISTER

LOCAL GOVERNMENT FINANCE - BRIEFING WITH RICHARD WILSON

On Thursday next week you have the first of the full E(LF) discussions about the 1990/91 local government finance statement. But as preparation for that you have a half hour briefing session with Richard Wilson on Monday morning.

The papers below are:

Flag A briefing note from Richard Wilson setting out the key issues that you may like to go through on Monday.

Flag B letter from Nicholas Ridley's office, attaching a draft paper for Thursday's E(LF) meeting, and seeking your agreement to circulate that paper on Monday.

Flag C the earlier briefing note Richard Wilson prepared. (You only need to refer back to this if you want to refresh your memory on the mechanics and terminology of the new system.)

As you will see from the papers there has been a lot of activity over the last couple of days, with meetings between Nicholas Ridley and John Major. Richard Wilson and I have been kept closely in touch with these discussions, and I agree with Richard that the points set out in his note at Flag A are the key ones to work through.

The only immediate decision you need to take is whether to agree that the draft E(LF) paper should be circulated on Monday:

(i) would you prefer to wait until Monday's 1130 talk with Richard Wilson before agreeing to its circulation?

OR

(ii) content now to agree its circulation?

PP ^{LB}
(PAUL GRAY)

16 June 1989

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