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Stamp: RECEIVED
16 OCT 1989
Handwritten: at first

Prime Minister

COMMUNITY CHARGES, STANDARD SPENDING ASSESSMENTS

1. I have seen a copy of Christopher Patten's minute to you of 10 October.
2. As Christopher said, there was, as far as I was concerned, one residual disagreement, relating to the treatment of interest receipts. I was worried that the assessment was biased against certain classes of authority; John MacGregor had recorded a similar concern.
3. During last week, however, officials from Christopher's, John's and my Departments met to discuss this difficulty. The outcome is a small adjustment to the proposed methodology, which essentially recognises the characteristics of the different classes, while preserving an incentive to generate receipts. I am satisfied that with this adjustment, there will be no undue bias between classes of authority.
4. On that basis I am happy to agree to the proposed package.
5. I am sending copies of this minute to members of E(LG) and Sir Robin Butler.

C.P.

CECIL PARKINSON

16 October 1989

NOVA SORT: REST

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