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Self U. Presso



*Prime Minister
For use after Mr. Patten's
statement tomorrow.*

REC 6 2/4

PRIME MINISTER

When I announce my capping proposals on 3 April we can expect capped authorities and their MPs to make wild assertions that capping will disrupt services and even lead to financial collapse. I think it is important that we take a consistent line in refuting such assertions. I therefore attach a line to take, agreed with the Solicitor General, which I should be grateful if colleagues would use when the occasion demands.

I am copying this minute to the other members of E(LG), to the Solicitor General and to Sir Robin Butler.

mt

RB

PP CP

2 April 1990

(Approved by the Secretary of State and signed in his absence).

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RESPONSE TO ACCUSATIONS THAT CAPPING WILL CAUSE SERVICE
DISRUPTION/FINANCIAL COLLAPSE

This is a wild assertion. The proposed caps are in my view, on the basis of the information before me, reasonable and appropriate in all the circumstances of the authorities concerned, and are achievable without disruption to services. But a capped authority has the opportunity to suggest to me an alternative cap together with the reasons why they think that this alternative is appropriate. Should an authority do this we shall of course consider very carefully what they say. If I am persuaded by their case I can set my final cap at some higher level than my original proposal.

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