

CONFIDENTIAL

Prime Minister

cfu



Lambeth's revised budget is still too high and it ~~cannot~~ falls to be capped. Content?

PRIME MINISTER

Yes not

BHP 6/4

-map

In my minute of 3 April on charge capping I indicated that if Lambeth's revised budget met my capping criteria it would be capped and I would consult colleagues on the cap I proposed. I also made clear in my Statement that I would take my capping decisions on Lambeth once I had received their new budget.

Yesterday I received from Lambeth formal notification of its revised budget figure. It is £293.9 million which (net of Inner London education grant) is 18.4% and £256 per adult above SSA. Lambeth will therefore be capped. Taking account of the new budget I suggest that my proposed cap should be £285.1 million. This represents a reduction of £8.8 million or £51 per adult. This compares with the cap of £290.1 million I originally proposed (on the basis of Lambeth's original budget of £305.1 million) in the table attached to my minute of 30 March.

from £548 to £497

I should be grateful for any comments on the cap I propose for Lambeth by midday on Monday 9 April please. I plan to take my statutory decisions on Lambeth on Tuesday 10 April. As Parliament will be in recess I plan to write to Bryan Gould and to issue a press notice on that day supplemented by a written Answer when Parliament returns.

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

RB Gould

PP CP

6 April 1990

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

LOCAL COST: Rates. Pt 18

