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Treasury Chambers, Parliament Street SW1P 3AG

Michael Portillo Esq MP
Minister for Local Government and Inner Cities
Department of the Environment
2 Marsham Street
London
SW1P 3EB

10 September 1990

Dear Michael

RATE SUPPORT GRANT SUPPLEMENTARY REPORT FOR 1989-90

*will request
if required*

Thank you for sending me a copy of your letter of 24 August to Cecil Parkinson.

2. I strongly agree that we should aim to minimise the number of changes in the supplementary grant distribution report for 1989-90.

3. It was the Government's intention that there should be no supplementary report giving effect to retrospective adjustments under the old system. I acknowledge, however, that given the nature of the error which has been discovered, we will need to take account of this. However, I am against making any further adjustments to take into account later data on capital financing (or for that matter on anything else), for all the reasons outlined in your letter.

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

A handwritten signature in dark ink, appearing to be 'N. Lamont', written in a cursive style.

NORMAN LAMONT