

~~CC PL~~

n.b. M.

EHH

23/10

PRIME MINISTER

LOCAL AUTHORITY FINANCE 1991/92

WITH EP


I have seen Chris Patten's minute to you of 16 October.

Clearly it is essential that we convince local authorities that we are determined to bring excessive expenditure under control. At the same time we must not set local government impossible targets. I believe that Chris's proposals will achieve these two goals.

If we are to implement the third stage of our community care reforms in 1993 it is vital that, by then, local authorities have stopped spending excessively so that they can be allowed the increases in budgets which will undoubtedly be needed. Chris's proposals go a long way towards achieving that objective.

I am copying this minute to E(LG) colleagues, to Nick Lyell and to Sir Robin Butler.

22 October 1990



approved by the Secretary of
State for Health and signed
in his absence.