

CONFIDENTIAL



10 DOWNING STREET

L03A0E

file Lb

cc Prof Griffiths

*From the Private Secretary*

5 November 1985

LOCAL AUTHORITY EXPENDITURE: SCOTLAND: AGGREGATE EXCHEQUER  
GRANT 1986-87

The Prime Minister has seen your Secretary of State's undated minute of last month reporting the outcome of his discussions with the Chief Secretary about the appropriate level of Aggregate Exchequer Grant for Scotland for 1986-87. Her own view is that it would be better to transfer money from the block grant to AEG and face political criticism for that, than to face criticism about rate increases. However, she regards this as a decision for your Secretary of State's judgement.

DAVID NORGROVE

John Graham, Esq.,  
Scottish Office.

CONFIDENTIAL

A handwritten signature, possibly 'JG', in the bottom right corner of the page.