

PRIME MINISTER

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The Lord President has reported the outcome of the discussion in E(LA) on the Rate Support Grant. It is very much a compromise between the two conflicting considerations

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- (a) exert a discipline
  - (b) not push up rates of responsible councils, ahead of rates legislation.
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With AEG of £11.9 billion, up £0.1 billion on last year, councils in general will be able to spend over the target without huge increases in rates, and are likely to do so. But it is difficult to see how this could have been prevented without large increases in some councils.

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Agree therefore that proposals be accepted?  
(See also Policy Unit advice.)

Yes mt.

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18 October 1983