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From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

NBRN.

5 December 1986

SECRET

from Secretary of State

I mentioned at our meeting on 1 December when we discussed the Total Expenditure Bill that I was coming under increasing pressure to announce the 1987/88 RSG Settlement for Wales. That pressure has now increased significantly following your announcement that there is to be a further round of consultation on the 1987/88 RSG Settlement for England.

Since I do not need to consult further I cannot offer that as an excuse for delaying the Welsh RSG settlement for 1987/88 and I am unable to refer to the fact that the Bill on total expenditure is the only factor causing me to delay making an announcement. I am therefore glad to learn that you are proposing to inform the House very shortly that there is a problem with total expenditure and that we propose to introduce a Bill to put matters right. We would be open to criticism if we were not to make this known to the House, particularly if the Bill is delayed until the New Year.

This would explain the delay in formal presentation of the RSG Reports for both countries. However, it does not in itself excuse me from announcing my conclusions on the RSG Wales 1987/88 settlement since consultation has been concluded. Therefore I hope that you and colleagues will agree that immediately following your statement I should make a statement making my position clear. This would set out my intentions on the RSG package for Wales for 1987/88, which would enable councils to proceed with budgetting and planning for the coming year. I realise that you will not be able to

/make a ...

The Rt Hon Nicholas Ridley MP
Secretary of State for the Environment



make a similar statement until the New Year when you have considered responses to your latest proposals, but our positions are different and I hope you will not find difficulty in what I propose.

/ I am sending a copy of this to the Prime Minister, the Lord President, the Lord Privy Seal, the Chief Secretary, Treasury, the Secretary of State for Scotland and the Chief Whips of both Houses.

Tom King

[Signature]

Approved by the Secretary of State
and signed in his absence

