

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

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cc BGG
N BMM
 9th March 1987

Dee Willie

E(LF): SPECIFIC GRANTS TO LOCAL AUTHORITIES

In your summing up of the E(LF) discussion on 22 January, you invited me to consider how the issues raised by the review of specific grants should be taken forward.

I suggest that I should examine individually with colleagues the scope for applying the report's recommendations on maximum grant rates and on setting cash limits. I will in any case be discussing the cash limiting of police specific grant with Douglas Hurd and Malcolm Rifkind. In other cases more preparatory work by officials may be needed. I hope it will be possible to make progress on a number of grants which will show that some general guidelines for specific grants would be useful.

Until I have looked further into the practical application of the principles recommended in the report, I do not propose a further collective discussion. Nor do I wish to press to a decision any of the report's recommendations on individual grants and I suggest that any proposals for new specific grants should await the outcome of this further work.

I am copying this letter to colleagues on E(LF) and Sir Robert Armstrong.

Yours ever,

John MacGregor

JOHN MacGREGOR