



PRIME MINISTER

1989 GRANT SETTLEMENT

*attached*

At our meeting of E(LF) on ~~22~~ June it was agreed that I should look for an alternative to the term 'needs grant', in the same way as I had done for the other key terms in the grant settlement. I am writing now to let you know my preferred alternative.

The statutory name will remain Revenue Support Grant. That name will, therefore, appear on the annual report and on any other statutory document. What we are looking for is a more colloquial alternative that I can use in speeches etc, that is easily remembered and will convey something to the man in the street. I have concluded that the best term is 'Standard Spending Grant'.

This will fit in with the other terms we have agreed. We will have Total Standard Spending for authorities in aggregate, Standard Spending Assessments for each individual authority, the Community Charge for Standard Spending (CCSN) and Standard Spending Grant. Moreover it is an accurate description of what the grant does: it supports spending at the standard level but spending above that level is not supported by grant at all. It makes it very clear that grant is linked only to our assessment, not to authorities own budget decisions.

I am copying this to other members of E(LF). I should be glad of a quick response on this point, as I shall need to include these new terms in my July announcement about the Settlement.

*PP* *NR*

NR

5 July 1989

(Approved by the Secretary of State and signed in his absence)