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The Rt Hon Sir Geoffrey Howe QC MP  
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My ref  
Your ref

*10* July 1990

*Geoffrey*

**LOCAL AUTHORITY GRANT SETTLEMENT 1991/92**

*File with BP*

Now that E(LG) has reached conclusions about next year's grant settlement for England and about the community charge review, we need to consider the timing of the statement in the House to announce them.

The earliest date by which I could be ready to make an announcement is Wednesday 18 July since the statement and the consultation paper will take time to agree with all concerned, after taking legal advice. I also need time to ensure that satisfactory arrangements are made for the presentation of the statement and to physically produce sufficient quantities of documentation to meet the needs of both House and local authorities.

I am conscious that Kenneth Clarke will also need to make a statement about our proposals for Care in the Community. I understand that Kenneth would prefer to make his statement after I have made mine, but I do not see how I can sensibly present our proposals for next year's grant settlement without our intentions on Community Care already having been made clear. In effect I should inevitably have to anticipate the central point of his statement in making mine. I therefore think it is essential that Kenneth's statement should precede mine.

In practice, I think that the choice for the AEF statement falls between 18 and 19 July. There is arguably an advantage in making my statement on the 18th the day before the Prime Minister addresses the 1922 Committee. This would allow me to deal with any immediate reaction at a meeting of the Environment Back Bench Committee on the Wednesday. If I were to make my statement on the Thursday, I would have to follow the Business Statement and it would inevitably be late before I was able to conclude it. That would leave the Prime

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Minister to meet the 1922 Committee while they were still trying to digest the implications of my announcement. I think we should also bear in mind the possible need for Malcolm Rifkind and David Hunt to make statements in respect of Scotland and Wales. That too would point towards my making a statement on the 18th.

On the other hand, I know that John Major and Norman Lamont would much prefer the statement to be made on the 19th, so that it can be presented in the context of the Cabinet's discussion that morning on the Public Expenditure Survey. And there is, of course, the formal necessity to secure Cabinet endorsement of the E(LG) conclusions.

As between the two dates, I am fairly relaxed - I would marginally prefer the Wednesday, but am content to do what is most convenient for others. On the other hand, there seems to me a powerful argument for delivering the Care in the Community Statement before my statement on the grant settlement whenever that comes.

I am sending copies of this to the Prime Minister, John Major, Kenneth Clarke, Malcolm Rifkind, Norman Lamont, David Hunt and to Sir Robin Butler.

*Chris Patten*

CHRIS PATTEN



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