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Private Secretary
Department of the Environment
2 Marsham Street
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18 July 1990

Dear Philly,

LOCAL GOVERNMENT FINANCE: ENGLAND JULY ANNOUNCEMENT

Thank you for copying to me your letter of 15 July with a draft of the oral statement. The Solicitor General has considered this with the help of Treasury Counsel and agrees with it subject to the following points.

Paragraph 10 4th sentence onwards to read "This year I considered it inappropriate to use the latter power. Next year, I shall not hesitate, where authorities budget above their Standard Spending Assessment, to use either or both powers to protect charge payers."

Paragraph 11 last sentence to read "As it would be the first time that authorities were capped on the basis of excessive budget increases, I have decided specifically for this year to give an advance indication of designation criteria so that local authorities may take them into account in reaching their budgeting decisions."

In both cases, I have underlined the amended or new material.

I am copying this letter to the Private Secretaries to members of E(LG), to Barry Potter at No. 10 and to Sonia Phippard.

*Yours sincerely,
Michael Carpenter*

MICHAEL CARPENTER

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