

n.6.P.M.
BHP
19/9

coll



THE DEPARTMENT
OF TRANSPORT



FROM THE SECRETARY OF STATE

2 MARSHAM STREET LONDON SW1P 3EB
TELEPHONE 0XXXXXXXX 071-276 3000

Michael Portillo Esq MP
Minister for Local Government
and Inner Cities
Department of the Environment
2 Marsham Street
LONDON
SW1P 2EB

My Ref: P/PSO/11186/90

Your Ref:

17 SEP 1990

Dear Michael,

RATE SUPPORT GRANT SUPPLEMENTARY REPORT 1989/90

Thank you for your letter of ~~24~~ August. *WILL REQUEST IF REQUIRED*

I recognise the wider implications and accept your Department's decision, for the reasons that you provide.

The points you make do not, however, remove my concerns about the authorities who have lost out in the way the 1989/90 debt has been handled in the new system. They may well return to the charge when they know that there will be no change. There is little in your letter which we could use as an explanation to those authorities, and I think it will therefore be necessary to consider a convincing "public" explanation which could be used if the long-term effects of the handling of 1989/90 debt come under increasing criticism.

/ I am copying this letter to the other members of E(LG) and to Sir Robin Butler.

Yours
Cecil
Parkinson

CECIL PARKINSON

