

CHIEF SECRETARY

FROM: B H POTTER
x4790
Date: 25 May 1989cc: Chancellor
Sir Peter Middleton
Mr Anson
Mr Phillips
Mr Monck
Mrs Lomax
Mr Edwards
Mr Hudson
Mrs Chaplin**LOCAL AUTHORITY CURRENT: FOLLOW UP TO MEETING WITH THE PRIME MINISTER**

I had a telephone call this afternoon from Mr Roberts (DOE). The Secretary of State for Environment held a debriefing meeting following this morning's discussion with the Prime Minister. You will be interested to know the way Mr Ridley's thinking is going.

2. He has instructed his officials to prepare a letter over the next week for him to send to you on June 5th, copied to the others who attended today's meeting. The letter will set out exemplifications for individual authorities for Options B and C. In order to do that officials will have to make assumptions about the new needs assessments and the safety net. I have asked that we should be consulted on the particular form of the safety net and needs assessment incorporated in the exemplifications.

3. It is the underlying purpose of this letter which is significant. Mr Roberts made it quite clear that Mr Ridley, sensing that matters have not gone well so far, is interested in securing a firm deal with you in advance of E(LF). He will argue that you would do better if you make such a deal now than risk the discussion going to E(LF).

4. Mr Roberts indicated that the proposed deal would be around Option C, I suspect Mr Ridley may have ambitions for just a little more on AEF. But until DOE have done further work, they are not in a position to offer any figures. We will press them to let us know as soon as possible what option they have in mind.

5. Until we see the numbers, it would of course be premature to reach a view. But a deal now at or very close to Option C, providing it can be suitably presented in terms of need to spend and CCSN numbers, is an attractive prospect.

V. Abraham
PP. BARRY H POTTER



FROM: J M G TAYLOR

DATE: 31 May 1989

PS/CHIEF SECRETARY

cc Sir P Middleton
Mr Anson
Mr Phillips
Mr Monck
Mrs Lomax
Mr A J C Edwards
Mr B H Potter
Mr A Hudson
Mrs Chaplin

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PRIME MINISTER**

The Chancellor has seen Mr Potter's note of 25 May. He has commented that this is encouraging.

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J M G TAYLOR