

CCB/9



Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switsfwrdd)
01-233 6106 (Llinell Union)

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switchboard)
01-2336106 (Direct Line)

Oddi wrth Ysgrifennydd Gwladol Cymru

The Rt Hon Nicholas Edwards MP

From The Secretary of State for Wales

John White

6 November 1986

NBM

**ABOLITION OF DOMESTIC RATES ETC (SCOTLAND) BILL
COLLECTIVE COMMUNITY CHARGE**

Malcolm Rifkind copied to me his letter to you of 29 October about the provisions to go in his Bill on the operation of the collective charge.

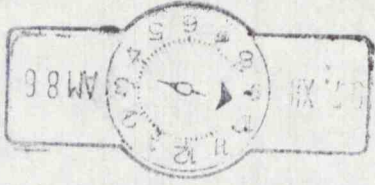
I am content with what Malcolm proposes for Scotland. I would also wish to see similar arrangements for the operation of the collective charge adopted for Wales. I have considered the alternative option which officials have been discussing whereby the landlord's responsibility is calculated on the basis of actual occupancy through the year, rather than estimated occupancy set at the start of the year with a provision for review. But giving the landlord responsibility to declare how many tenants liable for the charge he has in his property, and to collect and pass over the appropriate amounts, seems to me to be inviting abuse. Local authorities could only check the accuracy of the responses they receive by being given firm powers of entry and I would not wish to go down that road, which would be certain to draw strong criticisms from landlords. Even with such powers, it would be a laborious and costly task for local authorities to police the system properly. They would also have extra administrative costs arising from uneven amounts of money coming in from landlords during the year.

The system proposed in Malcolm's letter does perhaps have an element of rough justice in it, but this should be minimised by the two safeguards built in to protect landlords and tenants respectively - that landlords can have the collective charge multiplier reviewed at least once every three months, and that tenants cannot be charged more than their fair share of the individual charge. The system is not open to manipulation in the same way as one based on the landlord's declaration of actual occupancy, and district councils which would probably be responsible for collecting the charge also have responsibility for housing and so would have their experience of dealing with landlords in the private rented sector to draw upon. I am sure that they would be able to operate in Wales the system proposed for Scotland far better than the alternative which has been suggested.

/I appreciate ...

The Rt Hon Viscount Whitelaw CH MC
Lord President of the Council

LOCAL GOVT.: Rating revaluation: PLS



I appreciate that Nicholas Ridley may not share this view for England, however, where the private rented sector forms a higher proportion of the total stock and where there are greater concentrations of rented accommodation - frequently in areas where the community charges are likely to be above average. When we come to consider the form of our Bill we could perhaps allow the arrangements for the operation of the collective charge to be set by regulations, and to make separate and different regulations for Wales and England.

/ I am copying this letter to the other members of E(LF) and to Sir Robert Armstrong.

for *con*
Nick