

10 December 1986

PAYING FOR LOCAL GOVERNMENT - RESPONSE TO CONSULTATION

Nicholas Ridley has asked you to reconsider your reservations about publishing a response to the consultation on 'Paying for Local Government'.

His Private Secretary's latest letter does not challenge your view that the proposed statement was incomplete and not fully worked through. Indeed, it acknowledges that the proposed paper deliberately says virtually nothing at this stage on non-domestic rates and on needs and standard grant but says that this is not necessary at present. Similarly, it acknowledges that the document would not be the 'last word' on the Community Charge .

However, the letter says that DoE Ministers are being pressed to say what the result of consultation has been in England and Wales and that the Government cannot justifiably refuse to give this information. It argues that this needs to spell out how the Government intends the Community Charge to work in practice since many of the responses to the Green Paper raise doubts about the practicality of the Charge.

✓ We stick to our earlier view that the proposed document is incomplete and not fully worked through. A partial response now would highlight the lack of a response on other aspects of the Green Paper about which doubts were raised in consultation (eg the Uniform Business Rate). If there is a political need for the Government to say something about its response to the consultation period there might be a brief statement indicating that the Government intended to pursue the main features of the Green Paper proposals. A detailed and complete statement could be promised for the New Year.

*This would be an unsatisfactory compromise.*

*Peter Stredder*

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