

PRIME MINISTER

TRANSITION TO THE COMMUNITY CHARGE

Mr. Ridley argues that there should be no overlap between rates and the community charge, safety nets should be put in place but phased out over three years, there should be no surcharge on non-domestic ratepayers in London, and no use of non-domestic rate income in London to help London community charge payers.

Mr. Ridley has throughout argued strongly that the levels of community charge expected in London would be intolerable and that a phased transition towards them would postpone the problems but not remove them. His latest proposals do nothing to help the London problem, yet he now seems prepared to accept a transition to the full community charge over three years. In effect, he is relying on the pressures of the community charge to reduce expenditure in high spending London Boroughs to the point where their charges in the third year will be tolerable.

If you decide that approach is not acceptable, to use some of the London non-domestic rate income to help domestic community charge payers (paragraph 17 of the paper) may still be worth running.

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DAVID NORGROVE

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SLHAKY

As the amounts are very much higher in London than elsewhere this may be worth considering but what is the position in other London?