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MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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28th October 1987

NBSM

Dear Nicholas,

RATE REFORM: CROWN PROPERTY

Thank you for your letter of 22<sup>nd</sup> September. I have also seen Malcolm Rifkind's of 5th October. I am sorry that there appear to be misunderstandings both about the basis of my objections to your proposals for the application of the Community charge to Service personnel residing in Crown property and about what our officials agreed.

As I said in my letter of 14th September, I fully agree that such Service personnel should be liable to pay, in one form or another, a personal Community charge, as other adults will be. My objections are to the difficulties and anomalies that would arise from arrangements which link the rate at which the personal charge is paid by the Serviceman with the local authority area in which he is serving. Service personnel do not generally reside in the constituencies where their votes are cast and cannot therefore influence local policy through the democratic process. Furthermore, Servicemen are highly mobile, they have little or no influence over their postings and may be required to move with little or no notice. I do not, therefore, agree that their circumstances are, in almost all respects, no different from those of civilians who live in job-related accommodation or whose jobs require them to be mobile.

The Rt Hon Nicholas Ridley MP



All these points were explained in discussions between our officials earlier this summer when it was made clear to your officials that further representations about the position of service personnel could be expected.

I can, however, understand your concern about the difficulty of including in the legislation a power to provide for the exemption of Crown-accommodated Service personnel and their dependants which could be taken by other occupational groups and the public at large to mean that the armed forces do not have to pay. A better way might be for the legislation to provide special arrangements for registration of Service personnel and their dependants who reside in Crown property, thus making it clear that they were not exempt from liability to register and to pay the personal Community charge. Some form of registration, maintained by my Department, for Service personnel and their dependants residing in Crown property would preserve the principle that the Community charge should be a universal liability whilst avoiding some of the difficulties and anomalies arising from local registration about which I am concerned. Under these arrangements Servicemen, wherever they are serving, would pay a uniform rate to be determined by central government. If this arrangement causes difficulty for you, it might be helpful for E(LF) to meet to discuss it and the terms in which the legislation might be framed.

You were also concerned that the RGPD would not be able to administer a scheme of the nature we are proposing. I believe that RGPD will be heavily involved in separating out the non-residential element of the Defence estate for the purposes of the non-domestic rate; but if you feel that they could not handle the community charge element on our behalf, I would be prepared to accept that the Ministry of Defence would deal direct with local authorities for that element, with an appropriate PES adjustment.



I am sending copies of this letter to the Prime Minister, the Lord President, Geoffrey Howe, members of E(LF) and to Sir Robert Armstrong.

*Yours truly,*  
*George*

George Younger

LOCAL GOV: Rabel PR8

