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My ref:

Your ref:

The Rt Hon Malcolm Rifkind MP  
Secretary of State  
Scottish Office  
Dover House  
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LONDON  
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25 January 1988

Dear Malcolm

COMMUNITY CHARGE: SAFETY NETS

file with PG.

Thank you for copying to me your letter of 13 January to John Wakeham about safety nets in Scotland under the new system.

As you recognise, the system you propose is quite different from that agreed by E(LF) for England and Wales; though not unlike that I discussed with colleagues last July. In the first instance, it is for you to suggest the system which meets the political needs of Scotland. But your proposals have the unfortunate effect that some areas will face charges well above the level of either their domestic rate bills per adult at present, or the long-term community charge figure. Before agreeing to your proposals, I therefore hope colleagues will bear in mind the substantial criticism that I am facing about the safety netting arrangements in England.

It is true as much in England as in Scotland that, with a full (or nearly full) safety net, the beneficiaries are mainly urban authorities - the traditional overspenders - and the cost is met largely by Conservative-controlled rural and suburban authorities. This argument, which is the one used in the latter part of the second paragraph of your letter, cannot be put forward, therefore, as a conclusive one for less than full safety netting, without risking further criticism of the arrangements agreed for England and Wales.

If colleagues agree to your proposals, I would therefore be grateful if you could concentrate on arguments stemming from the rather narrower range of community charges that will exist in Scotland than the figures we shall face in England. It would be helpful, too, if your officials could keep mine in touch with progress, given that DOE and Welsh Office Ministers are bound to face a bumpy ride in the Local Government Finance Bill Committee on this topic within the next few weeks.

I am copying this letter to the Prime Minister, members of E(LF) and to Sir Robin Butler.

Nicholas Ridley

NICHOLAS RIDLEY



LOCAL GOVT : Rating PTA

