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PRIME MINISTER

COMMUNITY CHARGE REBATES

The attached DOE letter of 13 April reports on the further discussions following your meeting on Monday about a concession on Community Charge rebates.

Mr. Ridley has now reached agreement with the Chief Secretary involving a new taper of 15p in the Pound rather than 20p. The agreement is consistent with the terms of Monday's discussion. The other Departments mainly affected have also been consulted and accept the proposal; in particular it has been agreed with the Scottish Office that the reduced taper should come into effect in Scotland in 1989-90.

Mr. Ridley now proposes to report the position to Cabinet tomorrow (a procedure I suggested to his office). If you are content he will raise it under Parliamentary Business. The key points to sort out are:

- (i) agreement to the substance of the change proposed;
- (ii) what exactly will be said to Backbenchers tomorrow evening about the Government's intentions;

Content for Mr. Ridley to proceed as proposed?

Recg.

Paul Gray  
13 April 1988