Prime Minister
Content to accept Mr. Ridley's package? Yes no
Or do you want him also to help the non-established churches on the lines of X below?

PRIME MINISTER

PLCG 15/6 15 June 1988

I don't think he can not

COMMUNITY CHARGES: CHURCHES

Nicholas Ridley has minuted you about the impact of the Community Charge on the Churches.

The Churches will lose out to the tune of £6m because they at present pay only 50% rates on Vicarages and Manses but in future will have to enable their Ministers to pay the full Community Charge.

Nicholas Ridley, rightly, is not proposing to create any exemption from the Community Charge for Ministers of religion. Instead, he proposes to extend the existing rate relief for Churches and Church halls to other non-domestic church buildings (which will relieve them of £1½m rates) and is discussing with the Chief Secretary in the Public Expenditure Survey giving extra historic buildings grants amounting to £3.5m to the Churches. But this will leave the Churches about £1m worse off in total - and will mainly affect Churches other than the Church of England who are not able to benefit much from the historic buildings grants and who do not have substantial endowments of their own.

Conclusion

Nicholas Ridley's proposal for dealing with the impact of the Community Charge on the Churches are sensible as far as they go and we recommend that you support them. But they do not adequately compensate Churches other than the Church of England. You should ask Nicholas Ridley to look for a way of helping these churches meet the £1m shortfall under his present proposals.

X

Peter Stredder.

PETER STREDDER


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