



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Secretary of State for Social Services

cc/B

CONFIDENTIAL

The Rt Hon Nicholas Ridley MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

NBM

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2/6

29 June 1988

Dear Nicholas,

File with P.S

DUAL RUNNING OF DOMESTIC RATES AND THE COMMUNITY CHARGE IN LONDON

I have seen a copy of your minute of 24 June to the Prime Minister on this subject.

I strongly favour your proposal that we should delete the provisions for dual running from the Local Government Finance Bill and make a clean break with domestic rates on 1 April 1990. In addition to the arguments which you raise in your minute there is also the problem of devising a satisfactory rebate scheme to cover dual running. It has always been clear that devising a rebate scheme for residual rates and the community charge would be highly complex and that it would inevitably be confusing for claimants, and difficult and expensive for local authorities to administer.

Abolishing dual running will obviously expose inner London chargepayers to realistic levels of community charge. It will as you argue ensure that the principle of accountability on which the community charge is based will apply to inner London authorities from the outset of the new system. However although I support the removal of dual running it is vital that we keep adequate protection for authorities themselves through the provisions of the safety net and that the transitional process does not lead to a detrimental effect on service provision.

I am copying this letter to the Prime Minister, to members of E(LF), to the Lord Privy Seal, to the Chief Whips in the Commons and the Lords and to Sir Robin Butler.

John Moore
JOHN MOORE

Local Cost
Rates P10

