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The Rt Hon Nicholas Ridley, MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
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cc/g
1
NBRM
Recd
29/6

29 June 1988

In Min,

DUAL RUNNING OF DOMESTIC RATES AND THE COMMUNITY CHARGE IN LONDON

Thank you for sending me a copy of your minute of ~~24~~ ^{attached} June to the Prime Minister proposing that we abandon dual running.

2. I am content to go along with your proposal. However, even with the safety net, the first year community charge will be higher for the two-payer household than the average rate bill per household in each area. And those paying the community charge for the first time will have to find over £400 from the start in some of the Boroughs. There will undoubtedly be criticism particularly from poorer households who do not qualify for community charge rebate. I am uneasy about being able to rebuff this entirely by saying that it is a consequence of profligate spending by councils, especially at a time when they will be assuming responsibility for the first time for education.

3. The key factor in all this will be the precise level of the safety net, and in reaching a decision on this I think we shall need to consider very carefully the implications for community charge levels in inner London.

4. I am sending copies of this letter to the Prime Minister and members of E(LF) and to Sir Robin Butler.

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