



MBM

ARC
wb

Treasury Chambers, Parliament Street, SW1P 3AG

Roger Bright Esq
Private Secretary
Department of the Environment
2 Marsham Street
London
SW1P 3EB

26 July 1988

Dear Roger,

**LOCAL GOVERNMENT FINANCE BILL: LORDS CONSIDERATION OF
COMMONS REASONS**

I have already told one of your colleagues of the Treasury comments on the attachment to your letter of 26 July to the Secretary of State for Social Security. *with R?*

We have a few changes to propose.

On page 4 of the statement we wish to see the sentence "I have every reason to believe that the figure will continue to fall" deleted. Unless you include some reference to your Secretary of State's proposed use of Community Charge capping there is no reason to expect that the Camden Community Charge will fall. We would like a consequential amendment for the next sentence to bring out that Camden's Community Charge should be below £639 if they bring down their spending. We propose that you redraft as follows: "There is absolutely no reason why, by the time the new system is fully in force in 1994, the Camden Community Charge should be anything like the £639 that present spending would imply."

On the next page we think the reference to "The amounts involved are small: a few pence per week" is dangerously misleading. The amounts involved could be as much as £1.50. We certainly want the reference to "a few pence per week" deleted. We leave it to your Ministers to decide whether they can justifiably say that the amounts involved are "small".

We cannot accept the reference at the foot of that page to "looking carefully at amounts likely to be paid by various groups and making sure we include an amount which is at least 20 per cent of the likely average Community Charge level we then foresee." The E(LF) commitment is to across the board compensation of 20 per cent, ~~Not~~ to variation between groups nor of compensation of more than 20 per cent. We cannot accept that this statement should go further than that.

On the final page we want the last sentence of the penultimate paragraph about disability premia and earnings disregards deleted.

I am copying this letter to Paul Gray at No. 10, Private Secretaries to members of E(LF), and Private Secretary to Lord Belstead and to Murdo MacLean and Rhodri Walters and to Trevor Woolley (Cabinet Office)

Yours,

Jill

JILL RUTTER

Private Secretary

22.1
A
M.H.P.

