



MBM

REC6

2/11

cc pu

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

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

Dear Nickey,

24 NOV 1988

THE COMMUNITY CHARGE BILL

Thank you for sending me a copy of your letter of 11 November to John Major about the Community Charge Bill. I am content for you to consult the local authority associations on the general basis you outline.

In the detail of what you propose, however, there is a difficulty, which I should perhaps draw to your attention now. The arithmetic will not work if capital grants are simply included in the "grants" total in the table. Your table deals with revenue expenditure, including the financing costs of capital; but not capital costs themselves, to which capital grants are applied. I suggest our officials should discuss this and report back on how this technical difficulty might be overcome without unduly complicating the table.

I am copying this letter to the Prime Minister, members of E(LF) and to Sir Robin Butler.

ms,
Pal

PAUL CHANNON

LOCAL GOVT Rates pr 4

