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From The Secretary of State for Wales

The Rt Hon Peter Walker MBE MP

28 February 1989

Dear Secretary of State

STANDARD COMMUNITY CHARGE

off flat
You copied to me your letter of 22 February to Nicholas Ridley proposing an amendment to the ADRES Act to reduce the standard community charge to the equivalent of one unit of personal community charge.

If you made such a change I am sure that Nicholas and I would be obliged to follow suit for England and Wales; I do not think that it would be feasible to halve the potential local tax burden on second homes in Scotland only.

I would be very reluctant indeed to make such a change in Wales, particularly at this late stage of our proposals. It will be seen as giving encouragement to the spread of second homes here - something that I am anxious to avoid - and there would be vociferous criticism which would be fuelled in particular by the shift away from the present position which we have held to in substance since publication of the Green Paper "Paying for Local Government", that second homes should be subject to a maximum of two units of community charge.

The Rt Hon Malcolm Rifkind MP
Secretary of State for Scotland
Scottish Office
Whitehall
LONDON SW1

/I appreciate



I appreciate the difficulty you have with representations from second home owners. But the solution does lie in the hands of local authorities - if they wish to aid the second home owners then they can set a lower multiplier and, as you say, the consequent effect upon their community charges would not be great. This is a particularly sensitive issue in Wales and I think we should maintain the position for the three countries which we previous decided to adopt.

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

Yours sincerely

F. Clement

Approved by the Secretary of State
and signed in his absence.

LOCAL GOVT : Ralts PT 12