



ccpt

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The Rt Hon Malcolm Rifkind MP
Scottish Office
Dover House
Whitehall
LONDON
SW1

My ref

Your ref

2 June 1989

Dear Secretary of State,

STANDARD COMMUNITY CHARGE

Reap.

Thank you for your letter of 8 June. I have also seen the letters from Peter Walker and John Moore dated 20 June.

I understand the difficulties which the operation of the standard community charge is causing, but I do not believe that the solutions you propose are necessarily the best way of tackling them. I think that the way forward lies in allowing charging and levying authorities in all three countries more discretion than is currently available to them to allow a reduction or remission in the standard charge in cases where its effects appear unduly hard. (There would need to be some general criteria here to ensure that local authorities exercised their discretion fairly as between different individuals in similar circumstances.)

This approach would not involve a radical restructuring of the standard charge, with the concomitant danger of our being seen to be over-generous to second home owners, and would enable us to say quite genuinely that local authorities have it in their power to provide relief in the sorts of cases you mention. It would also, by targeting the relief on the cases where it is needed, minimise the effect on rebates expenditure, about which John Moore is concerned.

Any such provision would require an amendment both to our community charge legislation and yours, in the Local Government and Housing Bill which enters Lords Committee in mid-July. We will therefore need to agree the details quickly if you and colleagues are content with the approach I am suggesting.

We should need to handle any announcement carefully: I think that a PQ answer in advance of Lords Committee would be best, with simultaneous press releases in the three countries. If you are content, my officials can prepare drafts in consultation with your officials and Peter Walker's.

I am sending a copy of this letter to members of E(LF).

Yours sincerely,
[Signature]

PP NICHOLAS RIDLEY

(Approved by the Secretary of State & signed in his absence)