

ecp4



Minister for Local Government

Department of the Environment
2 Marsham Street
London SW1P 3EB

Telephone 01-276 3190

18 AUG 1989

NBPM
CRB 2/18

Dear Geoffrey

MPs AND THE COMMUNITY CHARGE

Par PT13

John Wakeham wrote to colleagues on 5 July about the Additional Costs Allowance and the standard Community Charge. This is a somewhat troubling matter from which the press and our opponents could conceivably make a considerable amount of mischief.

I accept John's advice that the House is unlikely to support any amendment of the ACA resolution and that an attempt to amend it would draw unwelcome attention to the position. I conclude that we must leave things as they are and allow the Fees Office to reimburse these claims.

We must take care, however, about the arguments we use to defend the arrangement and I do not think that some of the arguments suggested by John should be used. We have maintained consistently that the Community Charge - the standard charge as well as the personal charge - is not a property tax, but a charge for the local authority services from which the charge-payer benefits. Nor do I think that we should argue that because a few Ministers accommodated in Crown property will not pay the standard charge, that would justify reimbursement of the standard charge to MPs generally. Our main argument must be that we are maintaining the position that MPs from constituencies outside London are able to claim towards the cost and expense of having to maintain a second home and that there is no reason why the standard community charge should not be included among those expenses.

I am sending copies of this letter to the Prime Minister, Malcolm Rifkind, Peter Walker and other members of the Cabinet.

Yours ever

DAVID HUNT



The Lord President



LOCAL GOVT: Galena P114

