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PRIME MINISTER

THE STANDARD COMMUNITY CHARGE

① We must get questions down about cases.

unoccupied property
intended property,

and
② ask the Falklands to publish the info. prominently, not

Following discussion in Cabinet yesterday you asked Chris Patten to prepare a paper covering the main problem areas for standard community charges and what action would be appropriate.

The attached minute meets that remit. At this stage it has only been sent to you and those colleagues most directly concerned.

The key points it brings out are:

- straightforward second home cases present no major problem. The difficulty is with special categories of other standard charge cases.
- the statutory ability for the Government to take action affecting 1990-91 is severely limited; the 1988 Act requires the use of powers to prescribe and amend standard charge classes by 1 January in the preceding year;
- so any mandatory changes for 1990-91 would have to be done by legislation; but any such move could open up enormous parliamentary opportunities for changes to the community charge regime;
- in practice some of the hard cases identified in Cabinet are not quite as difficult as suggested. In particular John Major's example of a carer who temporarily moves house is eased because there is a freedom from liability for twelve months;
- there is limited evidence that some authorities are using their discretion to set standard charges in the special cases at less than the maximum permitted;

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- the Government could announce at an early stage that it was considering making changes in relation to 1991-92, possibly focussing on the difficulties for people required to live in tied accommodation.

Chris Patten therefore proposes:

- i) no further statutory action for 1990-91, but focussing attention on the measures already taken and the flexibilities available for local authorities;
- ii) to obtain fuller information on what practices authorities are following and, if judged appropriate, announce in the summer or autumn that changes will be made for 1991-92;
- iii) to circulate internally a note to other Cabinet colleagues on the position reached.

Content for Mr. Patten to proceed on these lines?

Paul

PAUL GRAY
16 MARCH 1990