

PRIME MINISTER

THE STANDARD COMMUNITY CHARGE

Before Cabinet tomorrow you may like to see the latest bits of paper on the various problems about the standard Community Charge.

You agreed last week that DoE Ministers should circulate a note to all Members of Cabinet about the position and that David Hunt should send a clear public signal that the Government will need to reconsider the position for 1991-92. Separately, it has been agreed in the last 24 hours that the caravans problem needs to be corrected immediately via a short Bill.

Chris Patten has now circulated the promised minute to Cabinet colleagues (Flag A). He sets out the action which has already been taken, examples of the remaining hardship cases (Annex A), and the terms of David Hunt's statement about the position (Annex B).

I also attach a minute just in from Peter Walker (Flag B). He agrees that the position on standard charges needs to be reconsidered for 1991-92. But you will note that he would be concerned about any general lowering of the maximum multiplier to 1 for all standard charge properties; this is against the background of the anti-second homes lobby in Wales. That is a reasonable point. But I do not think DoE Ministers are envisaging going as far as that; the priority is to limit local authorities discretion in the various special hardship cases, not in "routine" second home cases.

Recd.

PAUL GRAY

28 March 1990

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