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PRIME MINISTER

THE STANDARD COMMUNITY CHARGE

Ref A

I ^{prof.} have received copies of Chris Patten's minute to you of 16 March and Malcolm Rifkind's of 20 March. As yet I have no detailed information about the decisions taken on standard charge multipliers by charging authorities in Wales but it seems likely that some authorities will be setting the maximum multiplier of 2 for all standard charge properties in their area, outside the classes we have already prescribed. It is disappointing that such authorities will not have taken the opportunity we have given them to use their discretionary powers to help groups such as those mentioned by Chris.

The only effective way to assist these groups would be to use our prescriptive powers to limit the standard charge to a maximum of one times the personal charge, or lower. I support Chris's view that we should consider this possibility, once full information about local authorities' own arrangements is available to us. And I agree that the best time to announce our decisions would be towards the end of this year.

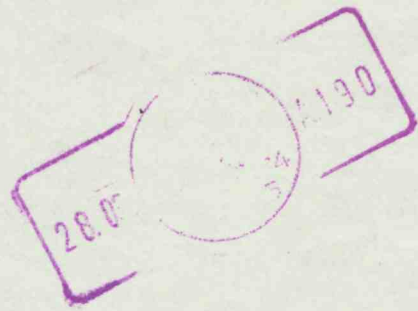
I could not, however, give my support to a general lowering of the maximum multiplier to 1 for all standard charge properties. You will be well aware of the particular difficulties we face in Wales from the anti-second homes lobby. To be seen to be giving what would be regarded by some as an undue concession to the absentee owners of holiday homes could cause me considerable difficulties.

... I am sending copies of this minute to John Major, Norman Lamont, Chris Patten, Malcolm Rifkind and Sir Robin Butler.

28 March 1990

PW

LOCAL GOVT: Katus PT 17



COMMUNICATIONS