



Prime Minister
 Scottish Office had sought to use the
 'Lambeth Bill' on chargecapping to extend
 the capping powers. Mr Paterson's arguments
 against opening up the Bill are persuasive.

copy

2 MARSHAM STREET
 LONDON SW1P 3EB
 071-276 3000

My ref:
 Your ref:

POLICY IN CONFIDENCE

BHP
 13/11

The Rt Hon Malcolm Rifkind QC, MP
 Secretary of State for Scotland
 Scottish Office
 Whitehall
 LONDON
 SW1A 2AU

12 November 1990

Dear Secretary of State

Thank you for your letter of 6 November suggesting that we might
 tack onto the 'Lambeth Bill' new legislation on capping in
 Scotland.

I too am concerned to encourage effective collection of the
 community charge, in view of its possible impact on charges next
 year and I was interested to learn of your current assessment of
 the position in Scotland. I have been looking carefully at
 progress in England and discussed the matter recently with the
 Prime Minister and the Chancellor. There are uncertainties, but
 I remain hopeful that performance will not be too far short of
 authorities' estimates earlier in the year and certainly not as
 far short as in Scotland at the end of the first year - though I
 am encouraged by the success of your authorities in getting in
 arrears over the last few months. We looked at a number of
 legislative options but concluded that they were not desirable or
 practicable in the time available as they would have required
 fundamental changes to the system we implemented last April. We
 shall be seeking instead to ensure that in particular authorities
 understand their room for manoeuvre in the treatment of arrears
 when they set charges for 1991/92.

In the light of this, I cannot agree that the Capping Bill should
 be used as the vehicle for new legislation on these matters for
 Scotland. It is essential that the Bill receives Royal Assent in
 the shortest possible time allowed by the Parliamentary
 timetable: the provisions must be in place by 1 April. Our
 analysis in the community charge review earlier in the year
 showed how difficult it would be to get a bill through in the
 period between November and March if the policy and drafting had
 not been fully sorted out by the end of October.



We have already used my capping powers in England and cannot afford a repeat of this year's Lambeth problem. My Bill has been drafted in the tightest terms possible to limit its scope to the setting of substitute charges. This should ensure the swiftest possible Parliamentary passage and greatly reduce the risk of being put off the road by amendments about capping and the community charge in general. It was on this basis that colleagues agreed to the Bill. I believe that your proposal would make it impossible to have the legislation in place before we use capping in England for 1991/92.

I have resisted proposals to add other desirable legislative changes to our Bill so as not to slow or jeopardise its passage, and hence put at risk my established capping policy. It is principally on this basis that I must resist your own proposal.

I am copying this letter to those who received copies of yours.

Yours sincerely

Chris Patten

CHRIS PATTEN

*Approved by the Secretary of State
and signed in his absence.*



LOCAL COURT. Lotus Pt 21

