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PRIME MINISTER

COMMUNITY CHARGE

You may like to know that Mr. Ridley wishes to explore the scope for introducing the community charge more quickly than was contemplated in the Green Paper (three or four years instead of ten years). There would be no safety net arrangements to preserve the effect of the present resource equalisation machinery but apparently DOE are exploring various devices to try to limit the losers.

Without details it is impossible to know what all this means, but I have said that if the decisions taken under your Chairmanship last autumn are to be reopened you would want to take the Chair at E(LF) to discuss them. A meeting is likely to be needed around the end of the month.

Separately, Mr. Fowler continues to pursue proposals for the community charge to be introduced without rebates for those on low incomes. His colleagues are, as you know, sceptical. (There is to be an enabling provision in the Scottish Bill for the introduction of rebates. But the policy needs to be settled by the time the Scots publish their Bill).

DLW
DAVID NORGROVE
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