

cc/G

K01364

LORD PRESIDENT

Prime Minister 2
 To be aware of
 these developments.
 DLS
 19'

pa

cc Mr Unwin
 Mr Norgrove ✓
 Mr Roberts

E(LF)

see E(LF)(86)5

1. I reported in my minute of 5 September that Mr Ridley was having further thoughts about some basic issues on the introduction of the community charge. In essence, he was hoping that it would be possible to abolish rates on a much faster timescale than the 10-12 years suggested in the Green Paper. He has now decided after seeing exemplifications produced by his officials that it would not be appropriate at this time to re-open the decisions which E(LF) took last year.
2. The key remaining decision now is whether the community charge should be rebated for those on low incomes. DOE and DHSS were commissioned to produce exemplifications showing the effect of rebating or not. DOE are now hoping to finalise work on this over the next week.
3. We had been trying to arrange a meeting of E(LF) under the Prime Minister's chairmanship for 2 October to consider the basic questions Mr Ridley seemed likely to raise. But even the question of rebating raises major issues on which Mr Ridley and Mr Fowler will be diametrically opposed. We need to make progress soon so that policy can be settled before the Scottish Bill is unveiled. In ideal circumstances it might have been preferable for you to take a preliminary meeting before the issue went to the Prime Minister. But given the constraints of the timetable during October, I think it would be preferable to go ahead with the meeting on 2 October under the Prime Minister's Chairmanship. We can also take at that meeting the issue of whether students should pay the community charge.

A J L

A J LANGDON

17 September 1986

