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FROM THE PRIVATE SECRETARY  
TO THE SECRETARY OF STATE  
FOR WALES

24 November 1986

*for Mr Norgrove.*

You copied to me your letter of 19 November to Robin Young about the Prime Minister's meeting on Tuesday, 25 November with the local authority association to discuss reform of local government finance.

The main proposals in the Green Paper will apply more or less uniformly in Wales and England; the only difference of substance is that it is envisaged that rates will be phased out over six years in Wales rather than the ten years proposed for England.

However, the Prime Minister might wish to be aware that in Wales there has by no means been the total opposition to the Green Paper which is implied by the associations in their letter. While the Welsh branches of the ADC and ACC have indeed been very critical, the largest District Council in Wales (Cardiff) has written in specifically to dissent from the ADC (Wales) response and to say that "there is a need to abolish that most hated tax, rates, based on property values, and the City Council, therefore, supports the Green Paper proposals in principle, but would wish to see further studies of the section dealing with equalisation of non-domestic rates". The Prime Minister might also wish to know that although the Welsh Counties Committee have rejected the Green paper proposals, they clearly do not see the technical problems of the community charge as insuperable; in fact, they are sufficiently impressed by the idea to propose that if the new system is introduced then county councils should be responsible for operating the community charge rather than the district councils, which run the present rating system. Councillor Allison, the Chairman of the ACC, is also a member of West Glamorgan County Council. In the business community the CBI (Wales) has come out firmly in favour of both the unified non-domestic rates and the community charge proposals.

/What has come ...

David Norgrove Esq  
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What has come across in many of the 120 responses received in Wales is that the present system is widely regarded as unfair and too complex. The Prime Minister may also wish to make the point that a majority of private individuals in Wales who commented on the community charge were in favour of it; and, despite the very legitimate and important interests of local government itself, it is the local taxpayer who is most affected by the proposals, and who has perhaps the most important voice in all these discussions.

/ I am copying this letter to Robin Young (DOE) and Robert Gordon (Scottish Office).

Your sincerely

R C Williams

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*From the Private Secretary*

19 November, 1986.

**MEETING WITH LOCAL AUTHORITY ASSOCIATIONS**

BS /

The Prime Minister is, as you know, to meet the local authority associations on Tuesday, 25 November, to discuss reform of local authority finance. I should be grateful for briefing from you and the Scottish Office, as appropriate, to reach here by close on Friday this week.

I am sending copies of this letter to Robert Gordon (Scottish Office) and Colin Williams (Welsh Office).

(David Norgrove)

Robin Young, Esq.,  
Department of the Environment.