



Prime Minister

TRANSITION TO THE COMMUNITY CHARGE

We are meeting on Tuesday to discuss transitional arrangements for the community charge again. I would like to alert you to two points in advance.

1. I have attended two meetings of the backbench Committee and a conference of Tory Councillors, and Ministers have had numerous meetings in the country. I have to emphasise that there has been near unanimity that there should be no dual-running (except in London). All the letters we have had from local authorities outside London have been against dual-running. You heard the view of the Party Conference. I do not myself believe it would be possible to get our supporters in the House to accept dual-running, (except in London). Having consulted them twice, it would be provocative in the extreme if we did the reverse of what they so clearly want.
2. In any area where "dual-running" is in place, it is necessary to add £5 extra to the community charge, which represents the extra cost of keeping the rates going as well as bringing in the community charge. The community charge figures for 1 person households should be increased by £5, 2 person households by £10, and 3 person households by £15. The total cost of dual-running throughout England over 4 years would be £7-800 million.

I am copying this to Willie Whitelaw, Nigel Lawson, John Wakeham, John Major, Michael Howard, David Waddington and Sir Robert Armstrong.

N R

16 November 1987

