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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nicholas Ridley AMICE MP
 Secretary of State for the Environment
 Department of the Environment
 2 Marsham Street
 London
 SW1P 3EB

18th March 1988

Dear Secretary of State,

NATIONAL NON-DOMESTIC RATES: OPERATION OF THE POOL

Thank you for your letter of 11 March.

I still doubt whether the detailed accounting arrangements covering these NNDR receipts by central government, and the corresponding payments to local authorities, will make a great deal of difference to the perception of either local authorities or business when they consider the National Non-Domestic Rate. In view of the disadvantages of a separate fund, I therefore agree with the Prime Minister (the No.10 letter of 16 March) and continue to believe that the Consolidated Fund provides a better option.

My officials will be in touch with yours to agree the detailed provisions needed for the Local Government Finance Bill, which I understand will need to be available for the Commons Report stage in April. They would also be very willing to help provide any defensive material, which you feel may be needed in view of your presentational concerns about this approach.

I mentioned the example of the BBC licence fee in my earlier letter, and my officials have previously mentioned to yours a number of other examples of monies which are collected on behalf of, and paid to, other bodies or individuals through the Consolidated Fund without any difficulty arising.

I am copying this letter to the Prime Minister, to other members of E(LF) and to Sir Robin Butler.

Yours sincerely,

PP JOHN MAJOR

(Approved by the Chief Secretary and
 signed in his absence)

LOCAL GOVT : Kacu PA9

