CONFIDENTIAL

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

27 March 1990

Dear Charles

COMMUNITY CHARGE CAPPING

Although the Lord President cannot attend the ad hoc meeting of Ministers at 4.30 pm today because of the debate on the Motion for the Adjournment in the House, he has carefully considered the draft paper E(LG) (90)1 circulated with Roger Bright's letter of 26 March.

His single main concern is that Ministers should be completely sure that the course they adopt minimises the number of awkward anomalies which will be difficult, presentationally, to defend.

His initial reaction was to look for ways of avoiding anomalies by capping fewer authorities. But he has noted from table C (which sets out how the caps on the 12.5 % / £75 option are distributed), that Hackney and Liverpool are excluded. On balance he sees a strong case for going further to enable them also to be caught, provided that by so doing Berkshire authorities are not also drawn into the net. If this can be achieved, he would be content with a conclusion from the meeting on these lines.

From the possible anomalies noted in annex C to the paper, he had noted in particular (e) where Haringey is the only authority concerned. As their Community Charge is the second highest in England, he thinks that it will be right to agree on criteria for capping which include Haringey even though they have set a charge below the level assumed for transitional relief. He considers it very important, however, to be sure that this is just a presentational difficulty, and that the course proposed is free from risk of legal challenge.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, the Chief Secretary, the Home Secretary, the Secretaries of State for Environment, Education and Science, Social Security, Health and Transport, the Chancellor of the Duchy of Lancaster, the Solicitor General, the Chief Whip and to Sir Robin Butler.

Yours sincerely

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