## CONFIDENTIAL





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ROYAL COURTS OF JUSTICE LONDON, WC2A 2LL

The Rt Hon Sir Geoffrey Howe QC MP Lord President of the Council Privy Council Office Whitehall London SWIA 2AT

NBAM RACE 2/1

28 March 1990

Dear Enstruy.

HOLIDAY CARAVANS: STANDARD COMMUNITY CHARGE AND BUSINESS RATES

Chris Patten has copied to me his letter of 27 March on the treatment of holiday caravans for the purposes of community charge. Given that there are no available powers to make subordinate legislation to remove the liability to standard community charge of owners of holiday caravans, the only satisfactory solution is to amend the Local Government Finance Act 1988 by primary legislation.

I have considered the element of retrospectivity which is inevitable if the legislation is to have effect from the beginning of the first financial year in which community charge is payable. In my view, it would be justifiable for the amending legislation to have retrospective effect. Indeed, if the legislation were not to have this effect, the expectations of caravan owners could not be fully met.

I am copying this letter to the Prime Minister, to others members of QL, to Chris Patten, Norman Lamont, Michael Howard, Malcolm Rifkind, Peter Walker and to Sir Robin Butler.

Yn em . Nick.

