



CEP
n. b. P.M.

BHP

27/4

Treasury Chambers, Parliament Street, SW1P 3AG

David Hunt Esq MBE MP
Minister for Local Government
and Inner Cities
Department of the Environment
2 Marsham Street
London
SW1P 3EB

26 April 1990

Dear David

COMMUNITY CHARGE AND US SERVICEMEN

Thank you for your letter of 5 April.

2. I appreciate the strength of feeling in Suffolk about this particular issue. But I am very reluctant to accept that special help should be given to deal with this particular and localised problem. As you recognise, to pay extra grant for this purpose would be double compensation for the fall in the local tax base. The extra £2 per head being charged in Sutton parish, in Suffolk Coastal, is not a large sum. If the extra burden were spread across the district as a whole - which is the intention of the SSA system - the addition to the community charge would be very small indeed. It is difficult to defend making special provision for a problem like this.

3. Nonetheless, I recognise the acute political problem in this area. I can therefore reluctantly agree to this limited support, on the basis set in your letter: that it is for one year only, ring-fenced as tightly as possible, and administered by MOD, with officials to discuss the appropriate basis for calculating payments. The extra grant would, of course, be found from within existing resources. I should also be grateful for your assurance that you would resist attempts by other authorities in a different position to press claims for help on the back of a concession here.

I am copying this letter to the Prime Minister, Peter Walker, Malcolm Rifkind, Tommy Arran, and to Sir Robin Butler.

[Signature]

NORMAN LAMONT

LOCAL GOVT: Rates Pt 18

