

CONFIDENTIAL

n.b.p.m.
BHP
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BARRY POTTER

8 June 1990

COMMUNITY CHARGE (CARAVANS)

The attached 'L' paper deals with the Bill which it was agreed had to be introduced this session to rectify the position on standard charge for holiday caravans.

This is all along lines already agreed. But you may care to look at para 5, plus the attached letter from Malcolm Rifkind to the Lord President, on the Scottish angle, and in particular the question of retrospection in Scotland to 1989/90. Given the fracas after the Budget announcement on capital limits, this is worth careful scrutiny before the event.

The proposition is that caravan owners in Scotland who paid standard charge last year would be entitled to apply to the local authority for a refund of half that charge. The remaining half is assumed to be what non-domestic rates would, on average, have been.

I have discussed this with Andrew Dunlop, and our conclusion is that this fits the bill adequately. There are bound to be complaints from those whose rates would have been less than half standard charge, but working to averages is reasonable and defensible. The important point is that the Government will not be seen to have overlooked Scotland.

You may wish to alert the Prime Minister that the Bill will shortly be published and to inform her that Scottish retrospection has been dealt with in a reasonable manner.

John Mills
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