

PRIME MINISTER

CHARGE CAPPING AND LAMBETH BOROUGH COUNCIL

As you are aware, Lambeth Borough Council is continuing to challenge the Government's charge capping order.

The basis of the challenge is about the level of community charge after the capping order. Lambeth Council wish to set a higher charge than proposed by the Environment Secretary, based on their assessment of likely rates of non-payment.

The Environment Secretary has discussed the situation further with his legal advisers this morning. Their advice is that, despite the victory in the courts in the similar case at Haringey, the Lambeth case is more evenly balanced. Lambeth Borough has some grounds for the view that rates of payment within Lambeth may be fairly low - because of the nature of the housing stock and the rapid turnover in residents.

Nonetheless, the Environment Secretary proposes to go forward with the court case.

You might like to be aware that, despite the record of success in the courts on charge capping matters, there is a risk that the courts will find in favour of Lambeth Borough.

BHP



BARRY H POTTER

6 September 1990