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LONDON SW1A 2AA

From the Private Secretary

22 October 1990

Dear Phillip,

COMMUNITY CHARGE 1991/92

The Prime Minister was grateful for your Secretary of State's minute of 16 October setting out his proposals for next year in England for the distribution of Total Standard Spending (TSS) among services; the distribution of TSS by Standard Spending Assessments (SSAs); and the proposed capping criteria. The Prime Minister has also seen the Education Secretary's minute of 19 October commenting on your Secretary of State's proposals.

The Prime Minister is content with the proposals for the distribution of TSS by service and by SSA. She is also content with the capping criteria put forward by your Secretary of State.

The Prime Minister has noted, however, that the average community charge figure quoted in the minute is on the assumption that local authorities will budget for the same rate of collection as this year. She is concerned about the potential impact on average community charges next year if local authorities assume a lower rate of collection. The effect could be to push up the average community charge significantly; indeed your Secretary of State has drawn attention to the sensitivity of outturn community charges to any changes in assumed collection rates.

Accordingly the Prime Minister would like to discuss this issue further with your Secretary of State. I will be in touch shortly to make the necessary arrangements.

I am copying this letter to the Private Secretaries to members of E(LG), the Solicitor-General and to Sir Robin Butler.

*Yours ever,
Barry*

(BARRY H. POTTER)

Phillip Ward, Esq.,
Department of the Environment.

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