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The Rt Hon David Hunt MBE MP
Welsh Office
Gwydyr House
Whitehall
LONDON
SW1

My ref:

Your ref:

22 October 1990

Dear Secretary of State,

As you will be aware, the period for comments on the consultation papers issued in Wales and England on "The Standard Charge and other matters" ended on 28 September. We have now completed our consideration of the responses to the English paper and intend to combine the announcement of our conclusions with the forthcoming announcement of the Revenue Support Grant settlement.

The response we have had to the paper has been a positive one. The proposals which we have made on the standard charge have generally been welcomed, and whereas some local authorities have expressed concern at the proposed increase in central prescription and the potential loss in revenue, they have also recognised the need to provide additional protection in those areas which we identified. Relatively fewer comments were received on the other matters contained in the paper (none of which were substantive), and we would propose to proceed with regulations on these and the standard charge in the near future.

I am minded to make only one change of substance. I am particularly concerned that people who are obliged to live in tied or job-related accommodation, such as vicars or members of the armed forces, and who have quite understandably taken the precaution to acquire their own home in anticipation of their retirement, should not be burdened heavily the standard charge. For this reason, I would propose a maximum standard charge multiplier of 0.5 rather than the maximum of 1 which is currently proposed in paragraph 5a of the consultation paper. The relevant regulations on the standard charge apply, of course, to both England and Wales and it is also generally desirable to achieve consistent treatment on these matters between ourselves and the Scots. I would therefore be most grateful to know by 26 October that both you and Malcolm Rifkind, to whom I am copying this letter, are content with my proposals.

Yours sincerely
Chris Patten

CHRIS PATTEN
*Approved by the Secretary of State
and signed in his absence*



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