

BUDGET CONFIDENTIAL



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*Dear Paul***PRIME MINISTER'S MEETING WITH SIR JEFFREY STERLING, CBE**

Sir Jeffrey Sterling rang me this afternoon to say that he would be meeting the Prime Minister later this week.

The Prime Minister may wish to know that Sir Jeffrey, in his capacity as one of the founders of the charity Motability, recently came to see the Economic Secretary to propose that vehicles intended for leasing to disabled people should be relieved from car tax. (I attach the minutes of that meeting, and the briefing prepared for it).

Similar proposals have been put forward in earlier years but rejected, principally because of the difficulty of ensuring that the benefit of car tax relief would be confined to disabled people. The Chancellor has decided not to include Sir Jeffrey's proposals in this year's Budget either.

The Prime Minister will wish to say only that she is aware of Sir Jeffrey's meeting with the Economic Secretary, and that Sir Jeffrey's proposals are being considered in the normal way in the run up to the Budget. But that Sir Jeffrey's proposals are a matter for the Budget judgement of the Chancellor, and Sir Jeffrey would not expect her to comment further at this stage.

Yours sincerely
P D P Barnes

P D P BARNES
Private Secretary

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