

cc BG



**DEPARTMENT OF HEALTH AND SOCIAL SECURITY**  
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*From the Secretary of State for Social Services*

NGM

The Rt Hon The Viscount Whitelaw CHMC  
 Lord President of the Council  
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*November 17*

*Dear Willie.*

**PAYING FOR LOCAL GOVERNMENT: SUGGESTED EXEMPTIONS FROM THE COMMUNITY CHARGE FOR RESIDENTS OF HOMES AND HOSTELS**

*file with DRN.*

Malcolm Rifkind's letter of 7 November asked for urgent comment on two proposals relating to relief or exemption from charge

I sympathise with what he says about those people with very small disposable incomes at the level of pocket money for whom liability to pay a proportion of the community charge will give rise to significant political pressures. It was partly because of this that we were attracted to the suggestion of leaving residential and nursing accommodation in the rating system. This would avoid the problems which concern you, in the most straightforward and acceptable way. I should also point out that the suggestion of increases in the level of pocket money to offset new community charge liability would cause difficulties in itself. Quite apart from some difficult benefit restructuring problems inherent in the proposal, such increases could not be properly targetted in a national scheme, thereby resulting in losses for some and gains for others. Furthermore, there would simply be a bureaucratic churning of funds.

I also sympathise with his wish to exempt mentally handicapped people from the charge. However it seems to me very difficult to provide a definition that could easily be applied, and no doubt local authorities would have to set up medical assessment systems to advise them. I imagine it will also be difficult to confine this exemption to one group. There are others - confused elderly people

E.R.

for example - for whom accountability would mean little. I suggest that the exemption ought not to be included on the Bill at the outset, but the practicalities could be explored further against the possibility that this might arise during debate.

I am copying this letter to Malcolm Rifkind, Nicholas Ridley, the other members of E(LF) and Sir Robert Armstrong.

*Yours* *Norman*  
NORMAN FOWLER



LOCAL GOVT: Rating reevaluation: A-12

