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Exemptions from the Community Charge

DECISIONS

1. The issue is whether in the Scottish Bill the mentally handicapped should be exempt from paying the Community Charge.

BACKGROUND

2. Under existing rating law a number of groups enjoy full or partial exemption either according to the type of property occupied or on account of some personal attribute. The disabled, clergymen, and Scottish crofters are examples. There will be pressure in Parliament to extend exemptions from the Community Charge to similar categories.

3. The Scottish Secretary therefore brought proposals before the Committee in September to prepare on a contingent basis a Government amendment which could be introduced if necessary during the passage of the Bill to enable a scheme of reliefs to be introduced by Order. The Committee, however, decided that, apart from the categories in paragraph 3 below, it was important that the Community Charge should be a universal obligation, and that there was accordingly no case for carrying over the existing pattern of exemptions. They recognised that once any hint of concessions was given, the pressure to extend these to wider groups would become irresistible. Authority to prepare a scheme was therefore refused, although it was recognised that during the passage of the Bill it might be necessary to review this decision. (E(LF)(86) 3rd Meeting).

3. There will therefore be very few exemptions from the Community Charge on the face of the Bill as drafted. The three categories so far agreed are:-



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- those over 18 but in full time education and eligible for Child Benefit;
- persons living in properties for which a collective charge is payable;
- and - persons whose residence is still subject to non-domestic rates (eg prisoners and long-stay hospital patients).

#### THE MENTALLY HANDICAPPED

4. In his minute to you of 19 November the Scottish Secretary now seeks authority to introduce an exemption for the mentally handicapped, on the basis that they are a particularly vulnerable group and that they have little or no perception of the principle of accountability.

5. Most other Ministers, including the Social Services Secretary, are against this. While they accept that it may be necessary to consider it further sympathetically if there is acute pressure during the passage of the Bill, they are concerned at the risk that once one concession is made, other groups will press hard to follow. What, for example, of the mentally ill or disabled? If the emphasis of policy is caring for the mentally handicapped in the Community, it hardly seems sensible to propose their exemption from the Community Charge. Moreover, as the Social Services Secretary has pointed out, there could be considerable technical difficulties in defining eligibility.

6. You may therefore be able to conclude that, although the options should be kept open, so that the Committee can consider the matter further if severe pressures arise, no further exemptions should be written into the Scottish Bill as published and no hints of a possible concession should be given.



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HANDLING

7. You will wish to invite the Scottish Secretary to introduce the discussion. The Environment and Social Services Secretaries will wish to respond.

J B UNWIN

Cabinet Office  
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