

CONFIDENTIAL

PRIME MINISTER

COMMUNITY CHARGE: HELP FOR THOSE ON LOW INCOMES

As you know, the Government has made a commitment to introducing rebates for the community charge in Scotland, but has left open the position in England and Wales. In England and Wales it is said only that those on low incomes will continue to get help through the social security system.

It has always seemed inevitable that there would be a rebate scheme in England and Wales. However Mr. Fowler, perhaps alone among your colleagues, argued in favour of giving help through basic social security payments (supplementary benefit, etc.) rather than through ~~the~~ rebates.

Councillor Layden of the Association of Metropolitan Authorities, lighted on this disagreement as a result of the meeting you had with leaders of Local Authority Associations in November and he wrote to you on 23 December. Mr. Ridley, Mr. Fowler and others have been arguing about the response ever since. (I sent Councillor Layden an interim reply).

Mr. Fowler has now agreed with Mr. Ridley and other interested Ministers that there should be a rebate scheme, and your reply to Councillor Layden will be the announcement that the English and Welsh legislation will provide for community charge rebates to be extended throughout Great Britain.

A letter for your signature is below.

DH

David Norgrove

27 February 1987

DG2BTH

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*PL. warn Press
Office if you have not
already
done so
NRW*