PRIME MINISTER

2 February 1988

MEETING OF E(LF) ON THURSDAY, 4 FEBRUARY

E(LF) is meeting on Thursday, 4 February to discuss three issues.

Community Charge: Treatment of Members of Religious Orders

The first issue is Nicholas Ridley's proposal that members of religious orders who have no personal income of their own and are wholly maintained by their religious houses, should be exempt from the Community Charge. This seems an entirely sensible proposal and we recommend that you support it.

Community Charge: Disclosure of Information and Direct Deductions from Benefit

Second, are two proposals from Nicholas Ridley which would help enforce collection of the Community Charge from income support recipients. First, he proposes that the DHSS should pass on to the local authority concerned the names of income support recipients living in their areas so as to ensure that they are included on the Community Charge register. This proposal is justified because income support rates will include an element specifically intended to help meet the 20% of the Community Charge that has to be met from income support. It will also ensure that local authorities make the necessary arrangements to give housing benefit to cover the remaining 80% of the charge. John Moore argues that it will breach confidentially.

We strongly support this proposal. In the absence of such arrangements either an income support recipient will comply

with the law and place him or her self on the Community Charge register in any case or will not, and the taxpayer will be financing him or her to meet a liability he or she hopes to evade. Evasion may be particularly attractive to the young, single and highly mobile because it will be difficult for local authorities to ensure they are included in the register.

Second, Nicholas Ridley proposes that there should be provision for direct deductions from benefit where income support recipients fall into arrears on the 20% of benefit for which they themselves are liable. This parallels the powers that will be available to make attachments of earnings for Community Charge payers in work who fall into arrears.

We agree that the attachment of benefits is the most practical way of recovering arrears for individuals with few personal possessions.

ILEA: Measures to Reduce Overmanning

Third is Kenneth Baker's paper recommending that the Government should not renew the power to control ILEA manpower levels when it expires on 1 April 1989. He argues that controls on ILEA's expenditure through precept limitation are more likely to be successful. We support this conclusion for the reasons set out in the paper.

Conclusion

We support the recommendations in each of the papers for next Thursday's E(LF).

Peter Stredder

PETER STREDDER