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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

30 March 1988

Dear Roger,

THE COMMUNITY CHARGE: MEMBERS OF RELIGIOUS ORDERS

The Prime Minister was grateful for your Secretary of State's minute of 28 March. She is pleased to note that a mechanism has been found whereby the exemption does not extend to salaried monks and nuns who covenant their income to their Order. She is content for your Secretary of State to issue the Written Answer and to write to Cardinal Hume before the Easter Recess.

I am copying this letter to the Private Secretaries to members of E(LF) and to Sir Robin Butler.

Yours,

Paul

—
PAUL GRAY

Roger Bright, Esq.,
Department of the Environment



Prime Minister
X needs you
concern. Contact with
the proposed amendment?
PR 6
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at flap

Prime Minister

THE COMMUNITY CHARGE: MEMBERS OF RELIGIOUS ORDERS

I am grateful for colleagues' responses to my minute of 7 March.

X
I accept that the exemption should not extend to salaried monks and nuns who covenant their income to their order. I now understand that there are ways in which such covenants could be made net of community charge liability, and that the Churches themselves have indicated that they would not press for such an exemption.

I am happy, as Peter Walker suggests, to include education in the list of activities which would qualify members of a religious community for exemption, provided, of course, that salaried teachers were excluded.

Malcolm Rifkind has suggested that it would be better if the "principal occupation" test applied to the community rather than the individual. I accept that this would greatly reduce the practical problems for community charge registration officers, who would almost certainly have adopted this approach in any event. I do not think, however, that we can link the poverty test to the rules of the order. We have received representations from members of Buddhist communities who objected to references to "rules" on the grounds that poverty for Buddhists was more a matter of fact than of rule. Where the community in question does have a rule of poverty it should not, in practice, be difficult for CCROs to establish which members of the community are bound by it. Other cases may provide some difficulties, but they will be few and far between.

I now propose to arrange for amendments to the Bill to be drafted in line with my proposals, subject to the changes mentioned above. The amendments would be introduced in the Lords. I propose



also to write to the Cardinal Archbishop of Westminster, which I undertook to do when the Government had come to a decision, explaining the effect of our proposed exemption in general terms. In order to minimise the likelihood of non-Government amendments on the subject at Commons Report stage, I also propose to announce the decision by way of a written answer, in terms of the attached draft.

Since this now meets colleagues' concerns, and in view of the need to move quickly with Report Stage approaching, I propose to issue the written answer and write to Cardinal Hume before the House rises for the Easter Recess.

I am copying this minute to Members of E(LF) and to Sir Robin Butler.

N R

28 March 1988

DRAFT INSPIRED PQ

To ask the Secretary of State for the Environment whether he proposes to exempt members of religious orders from the community charge.

DRAFT ANSWER

The Government proposes to table amendments to the Local Government Finance Bill which will have the effect of exempting from the community charge members of religious orders the principal occupation of which is devoted to prayer, contemplation, the relief of suffering, ^{education,} or such other activities as may be prescribed. The exemption will be limited to those who are dependent on their communities for their material needs, and who have no income or capital of their own.

LOCAL GOV'T: Rating System
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