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My ref:

Your ref:

The Rt Hon John Moore MP
Department of Health and Social Security
Richmond House
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Prime Minister

X select is the key point -

26 May 1988

which is clearly not what the nurses
are expecting. Their pleasure at our community charge
discount will rapidly evaporate if they are told their "perk"
Dear John is being cut from £2000 to, say, £1000.
Content to await John Moore's response before
considering any intervention? Recd 27/5

PROJECT 2000: STUDENT NURSES AND THE COMMUNITY CHARGE

We met on Monday afternoon, following your announcement the same morning that trainee nurses would in future have the status of full-time students. That announcement has important implications for the treatment of student nurses for community charge purposes. Up to now we have argued that, as salaried employees who receive on-the-job training, student nurses would not qualify for the 80% student discount.

As I explained, I was somewhat concerned that we were not told about the announcement until all the arrangements for your speech had been made and its contents had been trailed. The timing was particularly awkward for us, since Monday was the first day of the Lords Committee stage of the Local Government Finance Bill.

On reflection, I can see no option but to concede that student nurses will be eligible for the 80% discount when Project 2000 is implemented, on the assumption that they will meet the qualifying conditions concerning supervised study, etc. This is the line Lord Caithness will take in the Lords when the issue is debated after Whitsun. We will simply not get away with a prevaricating line that, although trainee nurses will become full-time students, we cannot say conclusively whether they will be treated as such for community charge purposes.

It is clear that this has important implications for the level of bursaries paid to student nurses when they acquire their new status. In justifying the exclusion of student nurses from the 80% discount before now, we have made great play of the fact that the average student nurse's salary is typically 2½ to 3 times the full student grant. We would find it hard to resist widening the scope of the 80% discount still further, to include trainees and apprentices of all kinds, if student nurses' bursaries were set at a level significantly higher than the student grant.

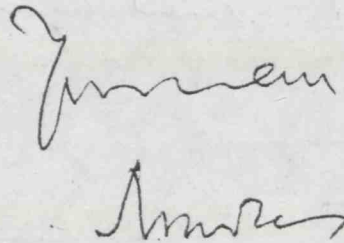
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X | It is therefore essential in my view that the bursaries should be comparable to support for other full-time students (taking into account differences in the length of vacations) and that they should be set at a lower level than they otherwise would have been, as a consequence of allowing student nurses to qualify for the 80% discount.

I am sure that you and other colleagues will agree with me that - in the light of your announcement - it is important to ensure consistency in the treatment of student nurses and other full-time students, both for community charge purposes and in their support arrangements.

I am sending copies of this letter to the Prime Minister, Members of E(LF), the Chief Whips in the Lords and Commons and Sir Robin Butler.



NICHOLAS RIDLEY