

CONFIDENTIAL



## DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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*From the Secretary of State for Social Services*

The Rt Hon Nicholas Ridley MP  
Secretary of State for the  
Environment  
Department of the Environment  
2 Marsham Street  
LONDON  
SW1P 3EB

9 June 1988

## COMMUNITY CHARGE EXEMPTIONS

*at 11.45*

I have seen your minute to the Prime Minister of 2 June in which you propose a number of amendments to the Local Government Finance Bill.

I support your proposal to exempt people who sleep rough from community charge liability; local authorities would have had as much difficulty in arranging rebates for them as they would in collecting their charge.

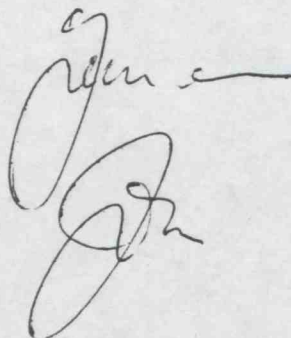
I also support the proposal for automatic 80 per cent reductions in the amount that people staying in certain collective community charge premises will have to pay. Our officials are already discussing the way in which this might best be achieved. When Nicholas Scott wrote to you on this issue on 17 May, he proposed that the reductions be achieved by means of an automatic rebate, and the cost of this concession would therefore be met mainly by central Government through the subsidy arrangements. We shall need to ensure that local authorities do not have a financial incentive to grant automatic rebates in inappropriate cases.

I see no special reason for exempting volunteers, but have no objection to granting a concession if colleagues consider it desirable. However I cannot agree that the exemption should be limited to younger volunteers, since pressure from charities that rely on the services of older people would be inevitable. In my

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view the criterion should be that the volunteer is not receiving income support and is therefore not receiving any compensation towards his minimum community charge payment. Our estimate is that this will not result in any increase in numbers above the 5000 that you have suggested. I agree that there should be an income limit, but in my view there should be a capital limit as well. There would be clear advantages in the alignment of these tests with those used at present for assessing entitlement to income related benefits, and I suggest that your officials discuss with mine how this might be achieved.

I am copying this to the Prime Minister, members of E(LF), the Lord Privy Seal, Chief Whips in the Commons and the Lords, and to Sir Robin Butler.

A handwritten signature in dark ink, appearing to read 'John Moore', with a long horizontal stroke extending to the right.

JOHN MOORE



LOCAL GOV'T: Rates  
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