



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Secretary of State for Social Services

*cc BB*

CONFIDENTIAL

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

*NBRM*

*REC 6  
23/6*

*22* June 1988

*N. Ridley*

COMPENSATION WITHIN INCOME SUPPORT FOR MINIMUM CONTRIBUTION TO  
COMMUNITY CHARGE

*off*

Thank you for your letter of 14 June. I am grateful for your support for my proposals on compensation for couples, and for single people over 25.

I take your point that we may come under pressure over the less favourable treatment agreed by E(LF) for the under 25s. But this flows directly from our decision to make the change to the benefit rates on a once and for all basis, so that the compensation has to be appropriate both for the community charge liability in Scotland and for the continuing liability to domestic rates in England and Wales. I would have thought we could mount a robust defence by stressing first that most of those receiving higher compensation next year will face a higher liability on average, and second that everyone actually paying the community charge will receive compensation at least in line with his or her average liability. The differential does, after all, represent over compensation for the over 25s rather than under compensation for the younger group.

So far as PES is concerned, I can reassure you that I have entered bids sufficient to cover the proposals in my letter, subject to recosting in the light of later estimates of the actual level of the charge.

Copies of this letter go to the Prime Minister, Malcolm Rifkind, Peter Walker, Tom King, John Major and Sir Robin Butler.

*John Moore*

JOHN MOORE

22.11  
PM 8.8