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ccfu

Paul Gray Esq
Private Secretary
10 Downing Street
LONDON
SW1

18 July 1988

Dear Paul,

COMMUNITY CHARGE: STUDENT NURSES

Following your letter of 13 July you asked me to write explaining why we need a decision on this matter fairly soon.

Under our statutory timetable Community Charges Registration Officers in Scotland are required to start issuing individual notifications of register entries on 1 October. The form of the notice of entry was prescribed in regulations which came into force in February, and the Registration Officers' preparations on the basis of that are now well advanced. Four million copies of the notices are needed. The bulk of these have already been printed and registration officers will shortly be embarking on the task of adding in individual detail as the registers are finalised, and preparing the notices for enveloping and posting.

As soon as the Local Government Finance Bill is enacted we will need to make further regulations prescribing a supplementary notice which will draw the attention of all those on the register to the changes which have been made to exemptions and reliefs, and to the new right of anonymous registration. That notice would be the vehicle for details of the concession for student nurses, if it is agreed. If it did not contain such details, but nevertheless Ministers agreed to announce a concession for student nurses at a later stage, considerable disruption of the registration process would ensue since all student nurses benefiting from the concession would have to be identified separately later.

We know that registration officers can cope with the insertion of a supplementary notice when they send out the register entries in October, but we have to give them as much preparation time as possible. We think that a period of two months to complete the design, tendering and printing processes is scarcely long enough, particularly over the holiday period and to give even that time means that we must have a decision by the end of July.

The formal processes of prescribing the supplementary regulation also point to the need for an early decision. If we are to have even the briefest period for consultation before the regulations are made, then bearing in mind that 3 weeks has to elapse before they can come into

force and that they must be in force before 1 October, we are again thrown back on the requirement for a decision by the end of this month.

In the light of this explanation my Secretary of State hopes that the Prime Minister will agree that officials of the relevant departments should be instructed to put forward recommendations urgently, as a basis for a Ministerial decision to be taken no later than Friday 29 July.

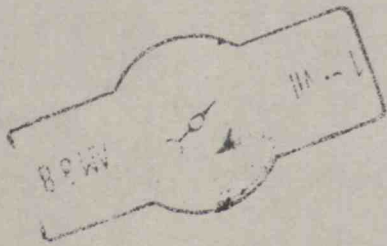
Yours sincerely,

David

DAVID CRAWLEY
Private Secretary

P.S. This letter is being copied to the Private Secretaries of members of L(R), Murdo Maclean, Rhodri Watters and Trevor Woolley.

LOCAL GOVT : Kabang Pno





10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

13 July 1988

Dear Rose,

LOCAL GOVERNMENT FINANCE BILL: LORDS AMENDMENTS

The Prime Minister has seen your Secretary of State's further minute of 12 July concerning charities and the Secretary of State for Scotland's further minute of 8 July concerning student nurses.

On charities the Prime Minister is extremely reluctant to increase the level of mandatory relief above 75%. She has noted that any further concession will impose additional burdens on small businesses under the NNDR arrangements. She understands, however, that the view of the business managers in the Lords is that there is a serious risk of the amendment for 100% relief being passed by the Lords; and that it is not now open procedurally for the Government to undertake to introduce in the Commons an amendment for 75% relief if the 100% and 80% amendments currently before the Lords are withdrawn.

Against that background, the Prime Minister considers that the Government's spokesmen in the Lords should make clear that any vote in favour of 100% relief for charities would oblige the Government to return to the issue in the Commons; but could, very reluctantly, accept the 80% amendment.

On student nurses, the Prime Minister holds to the view in my letter of 7 July that no immediate statement should be made on the use of the enabling power. She has suggested that this issue might be considered further between officials of the Departments concerned, with a view to a Ministerial decision being reached and announced in September.

I am copying this letter to the Private Secretaries to members of E(LF) and to Mike Eland (Lord Privy Seal's Office), Greg Shepherd (Chief Whip's Office, Commons), Rhodri Walters (Chief Whip's Office, Lords) and Trevor Woolley (Cabinet Office).

Yours,
Paul

PAUL GRAY

Roger Bright, Esq.,
Department of the Environment.

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

21 July 1988

Dear David,

COMMUNITY CHARGE: STUDENT NURSES

Thank you for your letter of 18 July, which the Prime Minister has seen along with Roger Bright's letter of 20 July.

The Prime Minister recognises that it is desirable to reach a decision as soon as practicable but equally that it is important to ensure that all aspects are carefully considered. She has noted that the registration of all student nurses will have to proceed in any event and that, although this may be less than ideal, it would be possible for them to be notified on their precise liability later in the autumn. She has therefore concluded that urgent discussion should now proceed designed to ensure that a decision is reached by Friday 9 September.

I am copying this letter to the Private Secretaries to members of E(LF), Murdo Maclean (Chief Whip's Office), Rhodri Walters (Chief Whip's Office, Lords) and Trevor Woolley (Cabinet Office).

*Yours,
Paul*

(PAUL GRAY)

David Crawley, Esq.,
Scottish Office.

WTS

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PRIME MINISTER

COMMUNITY CHARGE: STUDENT NURSES

You will recall that the Lords amendment provides an enabling power allowing an exemption for student nurses for up to 80 per cent of the community charge. The outstanding issue is how to use this power during the period prior to the introduction of Project 2000, after which student nurses will be treated on all fours with other students.

Mr. Rifkind has been keen to make an early announcement that student nurses would be given an 80 per cent exemption as soon as the community charge comes into effect (i.e. April 1989 in Scotland). Messrs. Ridley, Moore and Major have resisted this. And you have held to the view that no immediate statement should be made on the use of the enabling power. My letter of 13 July recorded your suggestion that further discussions should be carried out with a view to a Ministerial decision and announcement in September.

Mr. Rifkind refuses to let this rest. His office's letter to me of 18 July argues that a decision by the end of July is essential. Although in a perfect world this might be desirable, I find the arguments for urgency less than compelling. The DoE letter of 20 July makes the counter-case, arguing for delaying an announcement till September and ensuring a decision is reached in an orderly way.

Content that I should minute out saying:

(i) it is clearly desirable to reach a decision as soon as practicable. But it is important to ensure that all aspects are carefully considered;

(ii) that the registration of all student nurses has to proceed in any event and that it would be possible for them to be notified of their precise liability during the course of the Autumn;

(iii) urging that discussion should now proceed to ensure that a decision is reached by Friday 9 September (i.e. a tighter timetable than just September)?

Yes

Recg.

(PAUL GRAY)
20 July 1988



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

Paul Gray Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON
SW1A 2AA

20 July 1988

Dear Paul

COMMUNITY CHARGE: STUDENT NURSES

David Crawley copied to me his letter to you of 18 July on this subject.

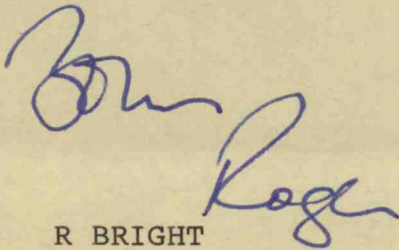
We recognise that implementation of the community charge in Scotland is a year ahead of England. There are, however, some extremely difficult issues bound up in the decision whether, or which, student nurses should be treated as students for the purposes of the community charge. On the one hand, to give the reduction to Project 2000 student nurses, but not to others would mean nurses at different hospitals - or even the same hospital - paying different amounts. On the other hand, saying that student nurses should pay only 20% raises the question of qualified nurses who then undertake further, specialist training, and would inevitably lead to renewed pressure from other trainees - both within the health service and outside - arguing for similar treatment. It is a very tall order to suppose that all these issues could be resolved by officials and Ministers in the next ten days.

Also, although it would obviously be desirable if printed information about the extent of any concession were to be ready to go out in October, it does seem to us that other arrangements, though less satisfactory, would be possible. All student nurses will still have to be registered for the community charge. Were the Government to decide to treat them as students, it would surely be possible to publicise the fact in other ways - via the hospitals concerned, for example - so that the nurses came forward in good time before community charge bills go out.

Moreover, I understand that decisions remain to be taken on other issues affecting liability - for example, on the precise definition of the exemption for volunteers - and that these will not be taken this month.

In the circumstances, while recognising the legitimate concerns of colleagues in Scotland, my Secretary of State believes that it would be much better for officials to discuss over the summer the technical and presentational issues that arise, and to prepare a paper on the basis of which Ministers could reach a considered final decision in September.

I am copying this letter to the Private Secretaries to members of E(LF), and to Murdo MacLean, Rhodri Walters and Trevor Woolley.

A handwritten signature in blue ink, appearing to read 'R Bright', is written over the typed name and title.

R BRIGHT
Private Secretary