



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Secretary of State for Social ~~Services~~ Security

SEP 19
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The Rt Hon John Major MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1P 3AG

19 September 1988

Dear John,

COMMUNITY CHARGE: SPECIFIC GRANT FOR PREPARATION COSTS

file with PG
I have seen Nick Ridley's letter of 8 September to you about a specific grant to local authorities for their community charge preparation costs.

My interest is primarily in the implications for the community charge benefit scheme. The costs of preparing for the introduction of the benefit scheme are of course very closely tied up with those of preparing for the community charge generally and we had not proposed to make separate provision for them: the benefit scheme preparation costs are reflected in the provision of £110m.

I support Nick's argument for a specific grant, which would help ensure that support is properly targeted and is manifestly fairer to the shire districts. At the same time, your proposal to distribute it on the basis of population, rather than actual expenditure, would give authorities a firm incentive to economy.

I am copying this letter to the Prime Minister, to Nick Ridley, other members of E(LF) and to Sir Robin Butler.

John Moore

JOHN MOORE