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PRIME MINISTER

30 SEPTEMBER 1988

COMMUNITY CHARGE: STUDENT NURSES

It is agreed that Student Nurses following the new Project 2000 courses will be entitled to 80% community charge relief because they will meet the criteria for eligibility for relief as full-time students. A Lords amendment to the Local Government Finance Bill allows the Secretary of State to give relief to Student Nurses on salaries following the existing training course and we have to decide whether to use this power. Nicholas Ridley, John Major and Kenneth Clarke all argue that we should not give any relief; Malcolm Rifkind disagrees.

We recommend that you support the majority view.

The issue is essentially one of equity. Student nurses earn a salary of at least £4,825 a year - over £92 a week. At this level of income no other 18-24 year old would receive any housing benefit unless his local authority's community charge exceeded about £480 a year. Even in those very few authorities where that figure will be exceeded, the relief given to 18-24 year olds on that level of income will be very much less than 80%. Conceding relief to Student Nurses would be grossly unfair to other young people on similar and lower salaries, and would be bound to lead to calls for them to be given similar treatment.

CONCLUSION

Support the majority view that Student Nurses on salaries following traditional courses should not be relieved of 80% of the Community Charge.

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