



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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

cc pte

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

MBM & mi show.

RMG
23/11

23 November 1988

Nicholas Ridley

THE COMMUNITY CHARGE BILL

FILE WITH PG

Thank you for copying to me your letter of 11 November to John Major. I have two particular concerns about the draft of the bill. Firstly, it seems to me that most people's immediate reaction will be to go straight to the amount of the charge shown at the bottom of the page, and to assume it to be the amount they have to pay. I accept that you say that "introductory details of the amount of the charge, how to pay, details of any rebate, information on how to get rebate etc" will also appear in the actual bill, but for the avoidance of doubt I would like to see it made clear at this point that it is a gross figure and not necessarily the amount that is payable. This could be done quite simply by adding a few words in parenthesis, for example "(This does not take into account any community charge benefit to which you may be entitled.)"

In line 4 of "How your bill is made up", you are proposing to show what the community charge would be, including any "rebate". As you know, the Local Government Finance Act does not use this word, and it was at your Department's insistence that help with meeting the community charge is to be known as community charge benefit. The regulations which will be laid in the spring must follow the LGFA terminology. Members of the public are of course familiar with the word "rebate" because it is used in the housing benefit scheme. However, if we are to call the new benefit "community charge benefit", I think it would be better from the start of the scheme to refer to it as such.

My major concern is about the inclusion of a hypothetical "rebated" figure. As I understand it, this would mean that, in every case where benefit is in payment at the date the bill is issued, the benefit section would have to carry out a second calculation using the claimant's actual circumstances and the hypothetical charge to arrive at a net figure. This would have considerable manpower cost implications for benefit sections and I would be most concerned if providing a second figure in any way

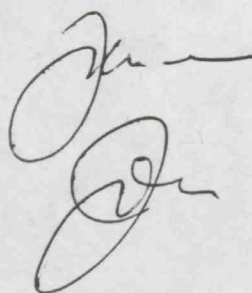
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caused delays in assessing claims to benefit. Certainly, my Department would not be prepared to finance any additional administrative costs through the housing benefit or community charge benefit administration subsidy arrangements. Moreover, it is not clear that authorities are yet aware that they may be required to prepare a second calculation solely for the purpose of the bill. It has not been raised in the extensive discussions which have taken place between local authority association representatives and officials of my Department. And finally, the inclusion of details of benefit which is not being awarded is likely to prove confusing for many claimants, especially since the actual benefit awarded will be shown in a different section of the bill.

These seem to me to be major considerations, and I would therefore ask you to look again at your proposals.

My officials have already spoken to yours about the way in which benefit awarded is to be shown on the bill, making clear the net amount that the chargepayer has to pay.

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

A handwritten signature in dark ink, appearing to be 'John Moore', written in a cursive style with a long horizontal stroke at the end of the first line.

JOHN MOORE

LOCAL GOVT: Rating PT11

