



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

CCPA

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

Rt Hon Malcolm Rifkind MP
Secretary of State for Scotland
Scottish Office
Whitehall
London SW1

NBRM

REC 13

March 2. 89

Don Malcolm

STANDARD COMMUNITY CHARGE

Community Charge?

Thank you for copying to me your letter to Nicholas Ridley of 22 February, in which you propose legislating to reduce the standard community charge multiplier from April 1990.

I have no objection to the proposal in itself though I must draw attention to the consequences for this Department of the increases in the levels of personal community charge that would be needed to compensate for it. Any increase in personal community charge levels will result directly in an increase in the benefit costs of the Community Charge Rebate Scheme.

If the £1 increase that you quote for Strathclyde were uniform throughout Scotland, the increase in benefit costs would be in the region of £1 million, and virtually all of this would be met by this Department through Community Charge Benefit Subsidy. Subsidy would also be payable on a proportion of the increased administrative costs to local authorities resulting from additional people being brought within the scope of the scheme. No PES provision has been made for either amount.

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

John Moore
John

JOHN MOORE

LOCAL GOVT: Rates ph 12



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