



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Secretary of State for Social Services Security

CONFIDENTIAL

The Rt Hon Malcolm Rifkind MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
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20 June 1989

Dear Malcolm,

THE STANDARD COMMUNITY CHARGE

I have seen a copy of your letter of 8 June to Nicholas Ridley about problems being caused by the standard community charge in Scotland and proposing action to tackle them.

I mentioned in my letter of 2 March that if any reduction in authorities' revenue from the standard community charge were to be compensated for by increases in the level of personal community charge, this would have an impact on community charge rebate expenditure. About a quarter of any additional revenue raised through increased personal community charges would effectively be raised through additional benefit expenditure, and this has not been budgeted for. Furthermore, as 20% of the national average community charge has been added to the Income Support benefit rates on a "once-off" basis, any increase in the level of community charges would almost certainly lend to pressure for similar increases to Income Support rates.

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

Yours ever

JOHN MOORE

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