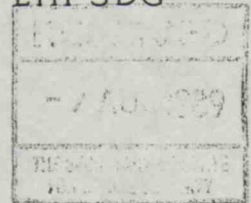




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CONFIDENTIAL
Mrs Gillian Shephard MA JP MP
Parliamentary Under Secretary of State
for Social Security
Department of Social Security
Richmond House
Whitehall
LONDON



31 July 1989

Dear Gillian

COMMUNITY CHARGE REBATES

I have been reviewing a number of aspects of the community charge arrangements in Scotland and one of the areas which is continuing to cause problems is the rule whereby the capital limit of £8,000, about which people are not eligible for a rebate is the same for single people and for couples.

We have received a considerable amount of correspondence about this and it undoubtedly bears hard upon couples who, for example, have set aside some savings for their retirement to supplement their state pension. I appreciate of course that any change would have public expenditure implications particularly since the same arrangement applies in respect of housing benefit. Nevertheless, it is a rule which it is hard to justify in terms of fairness or common sense and I would be grateful for your views as to whether there is any scope for change.

James
James

JAMES DOUGLAS-HAMILTON

cc Mr Ward
Mr Rogers
Miss Dempster
Mrs Bowtell
Mr Whippman - to consider in context of ongoing work for No 10 please and to provide draft reply
Mrs Richards
Mr Hughes
Mrs Brennan
Mrs Butler.

JR 7/8