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10 DOWNING STREET  
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From the Principal Private Secretary

10 October 1989

Dear Roger

COMMUNITY CHARGE: TRANSITIONAL PROVISIONS

The Prime Minister has seen the drafts of Mr Hunt's speech, Lord Hesketh's statement in the House of Lords, the document to be circulated to local authorities, and your letter of 10 October to Paul Gray. She was content:

- i. with the proposal to extend exemption for Community Charge to sufferers of Alzheimer's disease;
- ii. that the area safety net and the low rateable value grant should be phased out together over four years, and the ILEA grant over five years;
- iii. that for the area safety net tomorrow's statements should provide figures for the estimated cost in each year.

For transitional relief for individuals, she was content that its phasing over a three year period should be announced and that a figure for the estimated cost of £300 million in 1990-91 should be provided. She felt that more work was needed on the inter-action between transitional relief for housing benefit and transitional community charge relief before a decision could be taken between the different profiles suggested. She therefore felt that no figures should be given for the costs in the years after 1990-91. This will require amendment to paragraph 19 of the paper for local authorities. We would welcome a fuller paper on the inter-action between the different schemes as soon as possible.

I am copying this letter to Stephen Catling (Lord President's Office), John Glave (Treasury), Cairys Evans (Chief Secretary's Office), Robert Canniff (Chancellor of the Duchy of Lancaster's Office), Jim Gallagher (Scottish Office), Stephen Williams (Welsh Office), Gillian Kirton (Lord Patten's Office), Murdo Maclean (Chief Whip's Office), Douglas Slater (Government Whips, House of Lords), Stuart Lord (Department of Social Security) and to Trevor Woolley (Cabinet Office).

*Andrew Turnbull*  
ANDREW TURNBULL

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