



2/23/90

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The Rt Hon Tony Newton OBE MP
Secretary of State
Department of Social Security
Richmond House
79 Whitehall
LONDON
SW1A 2NS

My ref:
Your ref:

22 March 1990

NBN

Rec 6

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attached

Dear Secretary of State

COMMUNITY CHARGE CAPPING AND LOCAL AUTHORITIES' PREPAREDNESS

Thank you for your letter of 28 February, which crossed with David Hunt's to Gillian Shephard of the same date.

As David says in his letter, we would very much prefer to maintain our present line of encouraging local authorities to do everything they can to send out community charge bills on time.

I appreciate, of course, that many local authorities are operating against a tight timetable. But in my Department's recent monitoring exercise most authorities indicated that they were expecting to get their bills out broadly on time, though some authorities may slip into early or mid-April. Authorities generally are keen to issue bills which are net both of transitional relief and community charge benefit. They would prefer to delay the issue of bills slightly rather than sent out gross bills, which they see as a recipe for administrative chaos.

I do not believe, therefore, that it would be right to advise authorities that if they are not in a position to issue net bills on 1 April then gross bills should be sent out. I believe that even if bills are slightly delayed there will be sufficient time for claimants to pay their minimum charge in the ten months of the year which would then remain. Local authorities do, of course, have discretion to agree to accept more frequent instalments if they wish, and this offers scope for community charge payments to match income support flows closely.

The attachment to your letter sets out a number of practical difficulties involved in recalculating bills where both transitional relief and community charge benefit are involved. In fact I think

that where an authority's software has been able to cope with both reductions-in the initial billing run, then it should be perfectly capable of dealing with a substitute billing run. But our officials will be discussing these points of detail.

I am copying this letter, and David Hunt's to Gillian Shephard, to other members of E(LG) and to Sir Robin Butler.

Yours sincerely,

Chris Patten

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(Approved by the Secretary of State and signed in his absence)