

Prime Minister

Given the relatively small amounts

involved + low degree of concern  
about the problem of 18/19 year old  
school-leavers, contents not  
to pursue further the  
idea of a simple Bill?

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My ref:

Your ref:

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Barry Potter Esq  
Private Secretary to  
The Prime Minister  
10 Downing Street  
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BHP  
16/10

A simple Bill  
Bill which we can  
draft?

Dear Barry

Thank you for your letter of 3 October on the prospects of exempting all 18 and 19-year old school leavers from the personal community charge until a date towards the end of the summer in which they complete their secondary education.

The Prime Minister is quite right that such a change could be achieved by a relatively simple Bill. The Prime Minister will recall however that we have already undertaken to introduce a short bill to deal with caravans and the standard community charge; and my Secretary of State is minuting separately about the need for a further clause or clauses, possibly in a separate bill, to deal with the loophole exposed by the Lambeth charge capping litigation. My Secretary of State is reluctant to ask for more than two separate bills to deal with these matters in present circumstances. If however we combine these clauses into a single short bill this inevitably opens up, for debate and amendment, virtually the whole of the Local Government Finance Act 1988. My Secretary of State assumes colleagues would wish to avoid that just now.

The "student gap" has not so far been a particularly prominent issue with MPs, local authorities or members of the public. Out of 77,000 letters on different aspects of local government finance which we have seen so far in the Department this year only three have mentioned this anomaly. Most young adults leaving school in the summer continue to be exempt from the community charge until the first Monday in September. There is then a short gap of around 5 weeks before they take up their places at university in October during which they would be liable to the full community charge (£20-£30) less any rebates to which they were entitled if they were out of work and were to claim benefit. The gap is likely to be even shorter for those entering other higher education institutions such as polytechnics. We

should not be entirely surprised if many local authorities, particularly in the first year, concentrated on collecting charges from their permanent residents rather than pursuing students for £20 or £30. My Secretary of State suggests we address the administrative issues on some later occasion.

I am copying this letter to the Private Secretaries to other members of E(LG).

Yours

Phillip

PHILLIP WARD  
Private Secretary