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17 June 1986

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MINISTERIAL STEERING COMMITTEE ON ECONOMIC STRATEGY

SUB-COMMITTEE ON LOCAL GOVERNMENT FINANCE

Social Security and the Community Charge

Memorandum from the Secretary of State for Social Services

Introduction

1. The report of the inter-departmental working group, chaired by my Department, has examined in detail different options for providing assistance with the cost of the proposed community charge. This follows up the remit left to us in the Green Paper 'Paying for Local Government' of considering how people on low income might be assisted with the charge (Cmd 9714) paragraph 3.46.

2. The report deals with complicated issues. Moreover, the detailed discussion of the options considered in the report has to be seen in the context of the overall timetable for reforming social security and local government finance and related wider political considerations on our future approach to means-tested benefits. I summarise the relevant points below and suggest the main strategic issues we need to consider.

The Timetable for Change

Social Security Reform

3. As colleagues are aware, the implementation date for the main social security reforms, including help with domestic rates through housing benefit, is 1 April 1988. The Social Security Bill is in Committee Stage in the Lords this month. We expect it to come out of the Lords by the middle of next month by Royal Assent by the end of July.

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The detailed regulations for housing benefit will need to be in place by March 1987 to allow local authorities sufficient time to plan the implementation of the reformed scheme. The draft regulations, including the revised method of assessing entitlement to help with domestic rates and the new requirement of everyone to pay at least 20 per cent of their rates bill, will have to be issued for consultation in December 1986. The rates of benefit, including the income support rates from which householders will be required to find 20 per cent of their domestic rates bill, will be announced in the general updating statement in September 1987 to take effect on 1 April 1988.

Local Government Finance Reform: Scotland

5. The date proposed for the reform of local government finance reform in Scotland, including the introduction of a community charge, is 1 April 1989. This requires a Bill to be introduced this Autumn with provisions to enable regulations to be made on the liability to pay a community charge and, depending on decisions to be taken, for housing benefit to be extended to give assistance with the charge. We assume that draft regulations setting out the details of the community charge administration and any consequent changes needed to housing benefit would have to be issued towards the end of 1987 to allow local authorities to plan implementation on 1 April 1989.

6. The proposed period of transition from domestic rates to full community charge in Scotland is the three years 1989-90 to 1991-92. The Green Paper envisages that for this period a maximum rebate of 80 per cent will be available through housing benefit for both domestic rates and the community charge. Rent rebates will also continue to be payable to low-income families paying rents.

Local Government Finance Reform: England and Wales

7. The date proposed for the similar reforms in England and Wales is 1 April 1990. This suggests a Bill to be introduced in the Autumn of 1987, and draft regulations to be issued towards the end of 1988 to allow local authorities to plan for implementation in 1990.

8. The proposed period of transition in England is up to ten years. Again under the Green Paper proposals, both domestic rates and the community charge would be eligible for rebates of up to 80 per cent over this period.

Issues arising from the Timetable of Change

9. The first issue which arises from the timetable for change is the concentration of activity in the period September 1987 to April 1988. This is illustrated in the Annex. Domestic rates will be the subject of detailed announcements on social security benefit rates, primary legislation for England and Wales and subordinate legislation for Scotland. We will be pressed to explain in detail what the combination of changes will mean to the individual ratepayer and how the cumulative burdens will be met against the background of the 20 per cent minimum contributions to begin in April 1988. It is not clear that sufficient thought has been given to the overall effect of the different signals which will be generated by these different but related developments or how they will be interpreted by our supporters.

10. The second issue is the complexity of administrative change to be faced by local authorities and their ratepayers which we will have to explain and justify. Various combinations of domestic rates and community charges with different impact and different levels of assistance through social security will exist for several years. Again I am concerned that we have paid insufficient attention to how we will present and explain these developments.

Accountability and the Community Charge

11. Apart from the issues which arise on the timetable for change, there are major questions which arise on our long-term objectives for means-tested benefits in relation to accountability and the community charge. In order to address these, it is important to understand the characteristics of the housing benefit system and its development from the former system of rates rebates.

12. Whilst the current formulae for assessing entitlement to housing benefit are very complicated and the detailed rules cumbersome to administer, the basic effects are quite simple. All households receiving housing benefit have help related to their actual rates and/or rents. Most households on supplementary benefit receive total reimbursement of their actual rent and rates. This distinguishes housing benefit from other means-tested benefits where the main rates are related to general living costs and usually increased in line with a general price index.

13. In terms of help with domestic rates, this structure of housing benefit is well constructed to meet the original objective of rates rebates - the mismatch that can occur between the rateable value of property occupied and the income of the occupier. But it also has the effect of protecting many households from the impact of their local authority spending policies. This led of course to the proposal that everyone should pay at least twenty per cent of their rates. A further inevitable consequence of basing housing benefit entitlement on actual rates is that the numbers of households receiving benefit have risen as rates have increased, so that one-third of ratepayers now receive rebates, and rebates themselves account for approaching twenty-five per cent of the income from domestic rates.

14. There is a limit to how far we can recover a plainly unsatisfactory position in terms of domestic rates. The proposal to increase accountability by requiring everyone to pay at least 20 per cent of their rates has generated a good deal of criticism. But the introduction of a new charge, related not to the value of property but to the cost of the services provided and supported more widely and less heavily per individual, offers a unique opportunity to move away altogether from direct help through means-tested benefits with the individual's actual charge.

15. The arrangements envisaged in the Green Paper would commit us to extending housing benefit to a million and a half more people, mostly non-householders. Local authorities will be able to set their community charges in the knowledge that housing benefit will take much of the strain. The housing benefit caseload will increase

as charges increase and assistance will be pushed higher up the income scale. It may be that there is no alternative way of meeting the objectives of local government finance reform but our discussion of the paper from officials should take account of these important issues of principle.

The Working Group Report

16. The main findings of the group are summarised at the beginning of the report. Two particular issues arise from the report. The first is whether we should accept from the outset that the local government finance reforms, including the introduction of the community charge, will be no more effective in making local authorities accountable for their spending policies and thus keeping down the levels of local taxation, so that a rebating system will be essential. The second is whether, by providing for separate means tested assistance, we would in effect be giving wrong signals and helping to create the means of sustaining or encouraging rising levels of community charges.

Issues for Discussion

17. The main issues for discussion therefore are:

17.1 Whether in principle we should accept that the rate rebate system in its present form is broadly applicable to the new community charge. The charge itself if intended to overcome the inequities of a property tax - originally the main purpose of the rate rebate system. The aim of our social security reforms is to reduce the number of people who are wholly or substantially insulated from local authority spending decisions, and also to reduce the numbers who are dependent on housing benefit. We should consider whether the present rebate arrangement should end with the introduction of the community charge so that in future assistance could be limited to general social security benefits such as income support.

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17.2 Subject to colleagues' views on the issue in principle, of continuing rebates on the introduction of the community charge, the overlapping timetables of Parliamentary activity and changes in administration appear to require further study to establish how they can best be presented, justified and managed.

17.3 Whatever our final decisions it would seem sensible to avoid any further announcements on the arrangements for introducing the community charge including the question of rebates, which might jeopardise the progress of the Social Security Bill through the House of Lords.

NF

Department of Health and Social Security

17 June 1986

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16 June 1986

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MINISTERIAL STEERING COMMITTEE ON ECONOMIC STRATEGY

SUB-COMMITTEE ON LOCAL GOVERNMENT FINANCE

—
LOCAL GOVERNMENT FINANCE REFORM: SOCIAL SECURITY AND
THE COMMUNITY CHARGE REPORT OF INTER-DEPARTMENTAL WORKING GROUP
—

The attached report forms the annex to the memorandum by the Secretary of State for Social Services.

Signed J ROBERTS

Cabinet Office

16 June 1986

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MINISTERIAL STEERING COMMITTEE ON ECONOMIC STRATEGY

SUB-COMMITTEE ON LOCAL GOVERNMENT FINANCE

ADDENDUM TO E(LF) (86) 2

The Annex referred to in paragraph 9 is attached

Department of Health and Social Security
17 June 1986

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LOCAL GOVERNMENT FINANCE REFORM: SOCIAL SECURITY AND THE COMMUNITY CHARGE
REPORT OF INTER-DEPARTMENTAL WORKING GROUP

Introduction and Summary

1. This paper reports the findings of an inter-departmental working group chaired by DMSO which sought to identify and exemplify the main options available to provide, through the social security system, assistance to those with low income who are liable to pay the proposed community charge.

2. The establishment of the group stemmed from the concern expressed by Social Security Ministers that the proposal to use housing benefit to graduate the impact of the community charge would conflict with the Government's stated aim of restraining the growth in housing benefit expenditure and enabling, locally, Local Government Ministers to exercise greater control over housing revenue, comparable to the current rate rebate arrangements. The introduction of a community charge as part of wider reform of local government finance would be much more controversial.

**LOCAL GOVERNMENT FINANCE REFORM: SOCIAL SECURITY AND THE COMMUNITY CHARGE
REPORT OF INTER-DEPARTMENTAL WORKING GROUP**

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3.1 The scope and cost of the proposals with domestic rates provided in the current system of housing benefit.

3.2 The effects of the changes set out in the White Paper on Social Security (Cmd 9081).

3.3 The effects of extending housing benefit on the basis of the reduced system set out in Cmd 9081 to all those liable to a community charge which fully replaces domestic rates.

3.4 The effects of a range of options designed to limit the assistance available with the community charge through housing benefit.

LOCAL GOVERNMENT FINANCE REFORM: SOCIAL SECURITY AND THE COMMUNITY CHARGE
REPORT OF INTER-DEPARTMENTAL WORKING GROUP

Introduction and Summary

1. This paper reports the findings of an inter-departmental working group chaired by DHSS which sought to identify and exemplify the main options available to provide, through the social security system, assistance to those with low income who are liable to pay the proposed community charge.

2. The establishment of the group stemmed from the concern expressed by Social Security Ministers that the proposal to use housing benefit to graduate the impact of the community charge would conflict with the Government's stated aim of restraining the growth in housing benefit expenditure and caseload. Equally, Local Government Ministers were concerned that without a system of rebates, comparable to the current rate rebate arrangements, the introduction of a community charge as part of wider reform of local government finance would be much more controversial.

3. The paper covers:

3.1 The scope and cost of the assistance with domestic rates provided in the current system of housing benefit.

3.2 The effects of the changes set out in the White Paper on Social Security (Cmnd 9691).

3.3 The effects of extending housing benefit on the basis of the reformed system set out in Cmnd 9691 to all those liable to a community charge which fully replaces domestic rates.

3.4 The effects of a range of options designed to limit the assistance available with the community charge through housing benefit.

The Analysis of the Options

4. Computer models developed in both DHSS and the Department of the Environment have been used to estimate and compare the effects of these options on overall costs and caseload. They have also been used to produce an analysis of their impact on individuals in relation to their net income.

5. Whilst the results of this work have been set out in some detail they are best regarded as a guide to the broad direction of different approaches rather than as a precise analysis. The main uncertainties are:

5.1 The rates of benefit currently assumed in exemplifying the effect of social security reforms are only illustrative. The final rates will be decided in the Autumn of 1987 taking account of factors such as the movement in prices in the intervening period.

5.2 Overall expenditure and caseload will depend also on other changes in the economy affecting levels of income and the numbers of unemployed.

5.3 The timetable proposed for introducing the community charge in England and Wales, 1990, and the assumed transition period of up to 10 years in London means that even broad estimates of expenditure and caseload must be treated with caution.

5.4 It is impossible to predict what the longer-term effects of the reform of local government finance may be on local authorities' expenditure and the corresponding levels of community charge.

6. A further technical complication in presenting the results is that DHSS and DOE used different models with different assumptions about entitlement and take-up to illustrate the effects of social security reforms and the local government finance reforms. Moreover, the Social Security White Paper illustrates the effects of changes on the 'social security population' whereas

the Green Paper illustrates the effects on all tax units. However, the pattern of results are broadly the same and the report includes tables on both bases.

Summary of Findings

7. The Social Security White Paper reforms were designed to simplify the existing housing benefit scheme, make it more equitable for low-income families whether in work or not, and increase local accountability by requiring all ratepayers to pay at least 20% of their rates bill themselves. But they were also designed to reduce the numbers in receipt of housing benefit, and its cost, from the present 6.8 million and £1.45 billion (rate rebates only). The present estimate of the reforms when implemented in 1988 is that those figures would fall to 5.6 million and £1.1 billion respectively. It was recognised that the changes would lead to reductions in entitlement for many households.

8. The Local Government Finance reforms were primarily concerned with extending local accountability by bringing into the local tax net all adults and by ensuring that the cost of marginal changes in spending are met by local electors - subject only to the assistance given to those on low incomes. It was assumed in the Green Paper that rebates based on the reformed housing benefit scheme would be used (Option 1). The estimated effect on housing benefit would be to increase the caseload and cost after the social security reforms from 5.6 million and £1.1 billion to 7.1 million and £1.24 billion respectively.

9. It is clear from the different starting points of the two sets of reforms that no option can be expected to extend local liability to tax and decrease the numbers of people in receipt of rebates unless:

- people on low income are assumed to bear a larger burden of local taxation than is currently planned; or

- the range of community charges payable is considerably narrower than is the case with domestic rates.

10. The report examines six options for assisting those with low incomes assuming in each case that the range of community charge payable is modified by the operation of the 'safety-net' proposed in the Green Paper. At these levels of community charge no option can reconcile the different objectives. Two options have been exemplified in detail to bring out the social, political and economic considerations involved. They are:

Option 3 which offers flat-rate assistance only to the poorest households by building 80 per cent of the average community charge into the main income support rates. Assuming no other changes this would reduce housing benefit caseload (compared to the 1988 position following the reforms) by one and a half million but increase the income support caseload by up to three-quarters of a million. The consequent reduction in rebate expenditure of £1.1 billion would be matched by an increase in public expenditure of up to £1.2 billion. At the same time many households above income support levels would face heavy losses in disposable income in meeting their liability for the community charge.

Option 7 seeks to reduce the housing benefit expenditure and caseload effects of the introduction of the community charge by tightening the criteria for entitlement to rebates. This would reduce the projected increase in caseload compared with the 1988 reforms to one million (instead of one and a half million as in the Green Paper proposals) and would keep expenditure broadly within the 1988 target. There would be more losers and fewer gainers than assumed in the Green Paper.

Current Support for Domestic Rates through Housing Benefit

11. Housing benefit is currently available to householders liable to pay domestic rates on two grounds:

11.1 A full rebate for those on supplementary benefit as the scale rates are not intended to take account of housing costs. The exception is where the household contains "non-dependants", in which case flat-rate deductions are made.

11.2 A sliding scale based on 60% of the actual domestic rate for others with comparatively low incomes in relation to the level of their rates. This help was first introduced nationally in 1966 when all local authorities were required to introduce rate rebates after an enquiry into the impact of rates on households following the revaluation of rating in 1963.

12. Table 1, Column A, summarises current expenditure and caseload, and the contribution made by rate rebates to total income from domestic rates. In 1985-86 about one in three of all households in Great Britain were receiving some assistance with their rates, of whom about half were paying no rates. Expenditure on rate rebates accounts for just over a fifth of total income from domestic rates.

TABLE 1

Rate Rebate Caseload and Expenditure

	(A) 1985-86	(B)	(C)
Caseload (millions)	6.8		
Expenditure (£billions)	£1.45		
Expenditure as a % of all income from domestic rates (including rebates)	22%		

Table 2 sets out the current ranges of average domestic rate bills payable across local authorities in England, and the number of adults living in the authorities shown in each band.

TABLE 2

Numbers of Adults Living in LAs by Range of Average Domestic Rate Bills per Hereditament(1984/85 Figures; Poundages Calculated Before Holdback)

	Range of Average Rate Bills (£s)														Total	
	150- 175	175- 200	200- 225	250- 250	225- 275	250- 300	275- 325	300- 350	350- 400	400- 450	450- 500	500- 600	600- 700	700- 800		800
No of LAs	6	21	39	57	54	53	27	34	32	20	10	7	1	4	1	366
% of LAs	1.6	5.7	10.7	15.6	14.6	14.5	7.4	9.3	8.7	5.4	2.7	1.9	0.3	1.1	0.3	100.0%
No of Adults (m)	0.5	1.6	2.8	5.0	4.6	5.3	3.1	3.3	3.3	2.6	1.1	1.2	0.2	0.4	0.10	35.1m
% of adult population	1.5	4.5	7.9	14.2	13.0	15.0	8.8	9.5	9.5	7.5	3.1	3.4	0.5	1.2	0.3	100%

Housing Benefit Reform: Objectives

13. The main objectives in reforming housing benefit within the wider reforms proposed for social security were:

13.1 Greater equity, in particular in the comparative treatment of households in work and those not in work.

13.2 A simpler and more comprehensible system for both administrators and claimants.

13.3 A reduction in expenditure and caseload on a benefit which has increased rapidly and is available to more people further up the income scale than other means-tested benefits.

An additional objective, improved local accountability, was introduced in advance of the wider review of local government finance to meet the point that rate rebates, particularly full rebates, had weakened the links between payment for and use of local services.

Housing Benefit Reform: The Main Proposals

14. The White Paper and the Social Security Bill provide a new framework for support with housing costs. Its essential features are:

14.1 The scale rates and premiums used in income support will determine entitlement to housing benefit.

14.2 All householders in receipt of income support or with equivalent net income will be eligible for 100% assistance with actual rents and 80% assistance with their actual rates. There will be no separate assistance with water rates because the income support rates will include an amount based on the average charge met under supplementary benefit.

14.3 Those with low income but above income support levels will have their housing benefit for rent reduced by 60p for every £1 by which their net income exceeds the appropriate income support rate and their housing benefit for rates reduced by 20p for every £1.

14.4 A capital cut-off operate at £6,000 and income will be assumed on capital between £3,000 and £6,000.

Housing Benefit Reform: The Effects

15. Table 1, Column B, shows the effects on expenditure and caseload expected as a result of the White Paper changes. Overall expenditure on assistance with rates is expected to reduce by £350 million (over 20 per cent). This is a saving to PSBR, not public expenditure: expenditure on rate rebates is classified as "revenue foregone" and therefore not treated as public expenditure for survey purposes. The total caseload is expected to decrease by over one million (just under 20 per cent).

TABLE 1 (Continued)
Rate Rebate Caseload and Expenditure

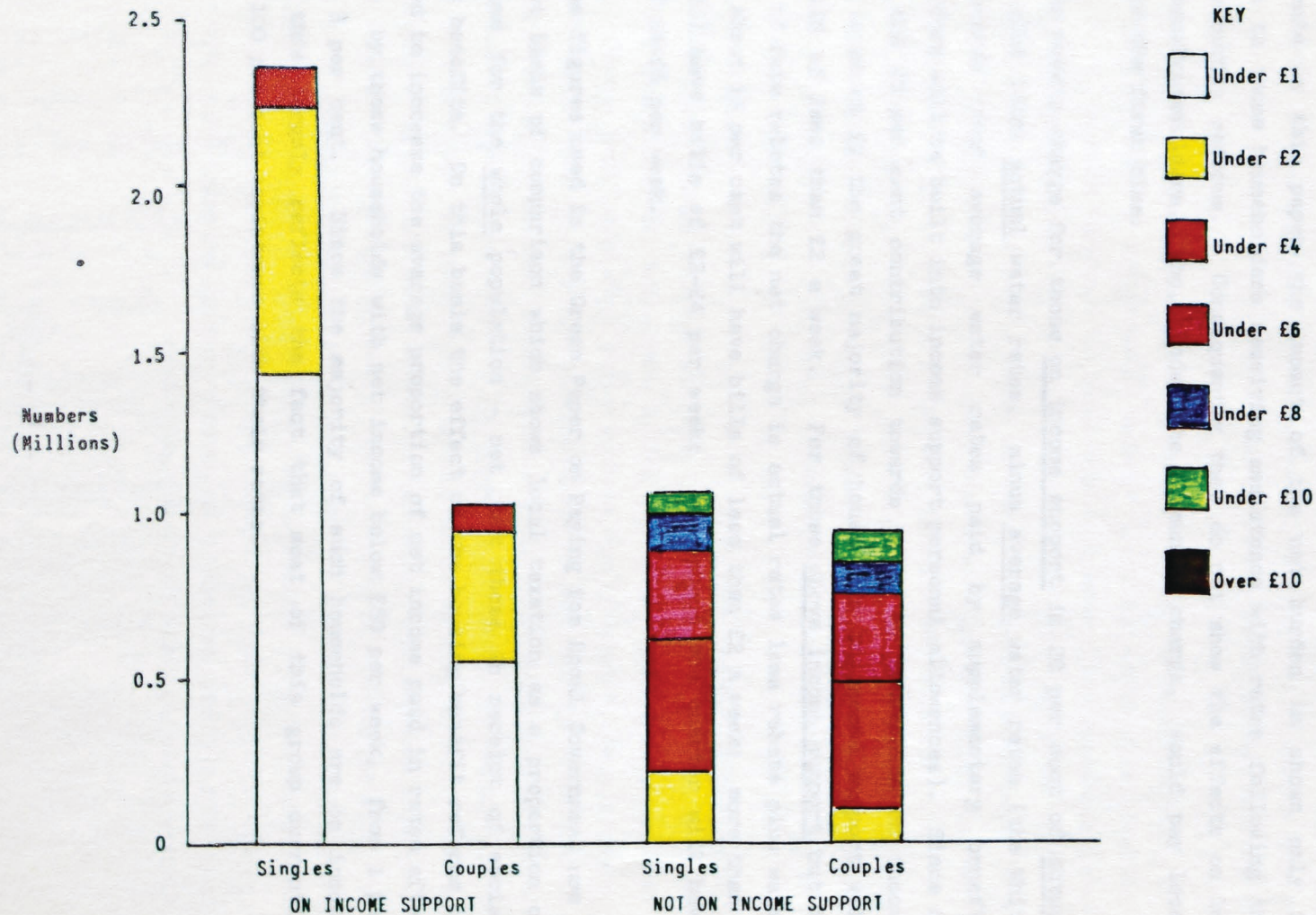
	(A) 1985-86	(B) with social security reforms	(C)
Caseload (million)	6.8	5.6	
Expenditure (£ billions)	£1.45	£1.1	
Expenditure as a % of all income from domestic rates (including rebates)	22%	16%*	

Note: *assumes total income remains constant

16. The effects in terms of increases and decreases in the disposable income of individual households were illustrated in the technical Annex published with the White Paper on Social Security together with the effects of all the other changes in income-related benefits. In order to establish a "base line", which can then be compared with the effects of the introduction of a community charge, Figure 1 re-presents this analysis to show the level of

FIGURE 1

Net burden on householders with low incomes: before rates reform (Great Britain)



housing charges expected to be met by low income households following the social security reforms. The distribution of charges, expressed as fs per week, is shown separately for householders on income support and for householders receiving rate rebates. In figure 1 and in all subsequent assessments in this paper the impact of the net burden is shown only in relation to those householders receiving assistance with rates following the social security reforms. Consequently they do not show the effects on low income non-householders, who, under the community charge, would pay local taxes for the first time.

17. The weekly charge for those on income support is 20 per cent of actual rates, plus total actual water rates, minus average water rates (the White Paper states that average water rates paid by supplementary benefit householders will be built into income support personal allowances). Since on average the 20 per cent contribution towards rates by households on income support is about £1 the great majority of households on income support will have bills of less than £2 a week. For those above income support but in receipt of rate rebates the net charge is actual rates less rebate plus water rates. About 13 per cent will have bills of less than £2 a week; more than a third will have bills of £2-£4 per week; and about one quarter will have bills of £4-£6 per week.

18. The figures used in the Green Paper on Paying for Local Government use a different basis of comparison which shows local taxation as a proportion of net income for the whole population - not just those in receipt of social security benefits. On this basis the effect of the housing benefit reforms is estimated to increase the average proportion of net income paid in rates after rebates, by those households with net income below £50 per week, from 1 per cent to 3 per cent. Since the majority of such households are on income support this largely reflects the fact that most of this group currently receive 100 per cent assistance with their rates.

The Community Charge: Objectives and Proposals

19. The effect of the community charge will be to increase the number of adults directly liable for local taxes from 18 million to 35 million in England. Unlike rates the community charge will reflect the number of people in the household rather than the value of the property and will thus be better related to use of local authority services.

20. The proposal is that a flat-rate charge will be payable by all the adult residents of a local authority whether householders or non-householders. Each local authority will determine the level of its own community charge. There would be a transitional period during which the community charge would be paid together with reduced domestic rates. In England and Wales the Green Paper envisages that in the first year, 1990, the community charge could be set at a standard cash amount - with a corresponding reduction in domestic rates. In some areas it would then take up to ten years before rates were phased out completely. In Scotland it is planned to introduce the community charge in 1989 and phase out domestic rates entirely within three years.

The Community Charge: Effects

21. A flat rate charge on all resident adults shares the burden of local taxation more widely than rates and in particular reduces the burden on single households who currently pay similar rates to householders containing greater numbers of people. But in modelling the effects of the community charge the Green Paper assumes that there will still be similar variations in the level of charge levied between authorities as there are currently with domestic rates. Accordingly in illustrating the effects of the community charge on household income, the Green Paper assumed that the charge would be eligible for housing benefit within the new framework set out in the White Paper on Social Security Reforms. This would mean that all those liable for the community charge, including non-householders, could qualify for housing benefit if they were on income support or had low net incomes. As in Cmnd 9691 it was assumed that everyone would be responsible for meeting a minimum of 20 per cent of the actual charge.

TABLE 3

Numbers of adults by ranges of community charge paid in year 10 of the new system
(England figures only: 1984/85 prices)

Community Charge (£s pa)	< 100	100	120	140	160	180	200	220	250	300	400	500+
		-120	-140	-160	-180	-200	-220	-250	-300	-400	-500	
(i) <u>with full safety net grant - zero inflation</u> (Note: these were the full community charges used in the Green Paper exemplificatoins)												
No. of authority areas	10	78	102	60	43	27	19	10	6	11	-	-
No. of adults (ms)	1.140	5.645	8.664	6.830	4.073	2.628	2.084	1.569	1.016	1.497	-	-
% of adult population	3.2	16.1	24.7	19.4	11.6	7.5	5.9	4.5	2.9	4.2	-	-
(ii) <u>with no safety net grant</u>												
No. of authority areas	118	101	58	31	9	9	11	7	6	3	4	9
No. of adults (ms)	8.826	7.293	6.403	3.324	1.051	1.332	1.966	1.206	1.410	0.515	0.596	1.234
% of adult population	25.1	20.8	18.2	9.5	3.0	3.8	5.6	3.4	4.0	1.5	1.7	3.5

NB Total adult population in England = 35.145m

(mid-1982 OPCS estimate)

22. Table 3 sets out the range of community charges assumed by the end of the transitional period when the new charge will have replaced domestic rates entirely. A comparison with table 2 shows that while average charges per adult will obviously be much lower than average rates per householder, there is still a wide range. The levels of community charge are based on 1984/85 spending levels, and assume safety-netting arrangements to prevent changes in local authority income as a result of the new grant and non-domestic rate arrangements. In practice, relative spending levels are likely to change over a period of years and the real value of safety-net entitlements - which the Green Paper proposed will be fixed in cash terms - will be eroded by inflation. The effect of the latter would be to increase the range of community charges still further. On the basis of 1984/85 spending levels, a quarter of all authorities would, in the absence of safety nets, have community charges of less than £100 per adult while at the other extreme a number of authorities - mostly in Inner London - would have charges in the range £400-£755 per adult, between 2½ and 5 times the national average.

23. Column C of Table 1 shows the effect of full introduction of the community charge on housing benefit expenditure and caseload assuming that social security legislation is widened to make the community charge eligible for rebates. This shows an increase in caseload of 1.5 million compared with Column B - the position after the 1988 reforms. The equivalent increase in expenditure is estimated to be £140 million. These are estimates produced from the DHSS model; DOE modelling suggests slightly smaller but comparable increases of 1.2 million and £100 million respectively. The large increase in caseload is mainly the consequence of widening the tax base in particular to include non-householders. More people would therefore be eligible for rebates although the average size of rebates would be reduced. The estimates may overstate the increase in caseload as no fall is assumed in the take-up rate although the average size of rebate will be reduced. And in practice the increases would build up gradually during the transitional period when domestic rates are being phased out and the community charge being phased in in their place. But there would be a sharp jump in caseload in the first year.

TABLE 4

All Tax Units: Changes in Disposable Income After Meeting Community Charge: By Family Status
Effect of Option 1 Compared to Rates

Thousands

Family Status	Increases					Total Increased	No Change	Total Decreased		Decreases			
	£5+	£4-5	£3-4	£2-3	£1-2			<£1	<£1	£1-2	£2-3	£3-4	£4-5
Pensioners													
Single	100		400		290	1,880	2,670	-	1,200	1,020	110	70	*
Couples	40		180		140	430	780	-	1,520	1,020	280	210	20
Non-pensioners with children													
Lone Parents	40		210		110	400	760	*	130	110	10	10	*
Couples	280		940		810	1,540	3,560	-	3,330	1,720	840	720	40
Non-pensioners without children													
Single	140		650		410	740	1,930	870**	4,670	1,610	940	2,050	70
Couples	150		540		480	1,020	2,190	*	2,820	1,220	770	760	80
Total	750		2,910		2,240	6,000	11,910	870	13,670	6,700	2,940	3,830	210

** This figure is low in relation to the illustrative figures published in the Technical Annex to the White Paper on Social Security where less than 50p change in disposable income is treated as no change.

TABLE 1 (Continued)
Rate Rebate Caseload and Expenditure

	(A) 1985-86	(B) with social security reforms	(C) with full community charge
Caseload (millions)	6.8	5.6	7.1
Expenditure (£billions)	£1.45	£1.1	1.24
Expenditure as a % of all income from domestic rates (including rebates)	22%	16%*	19%*

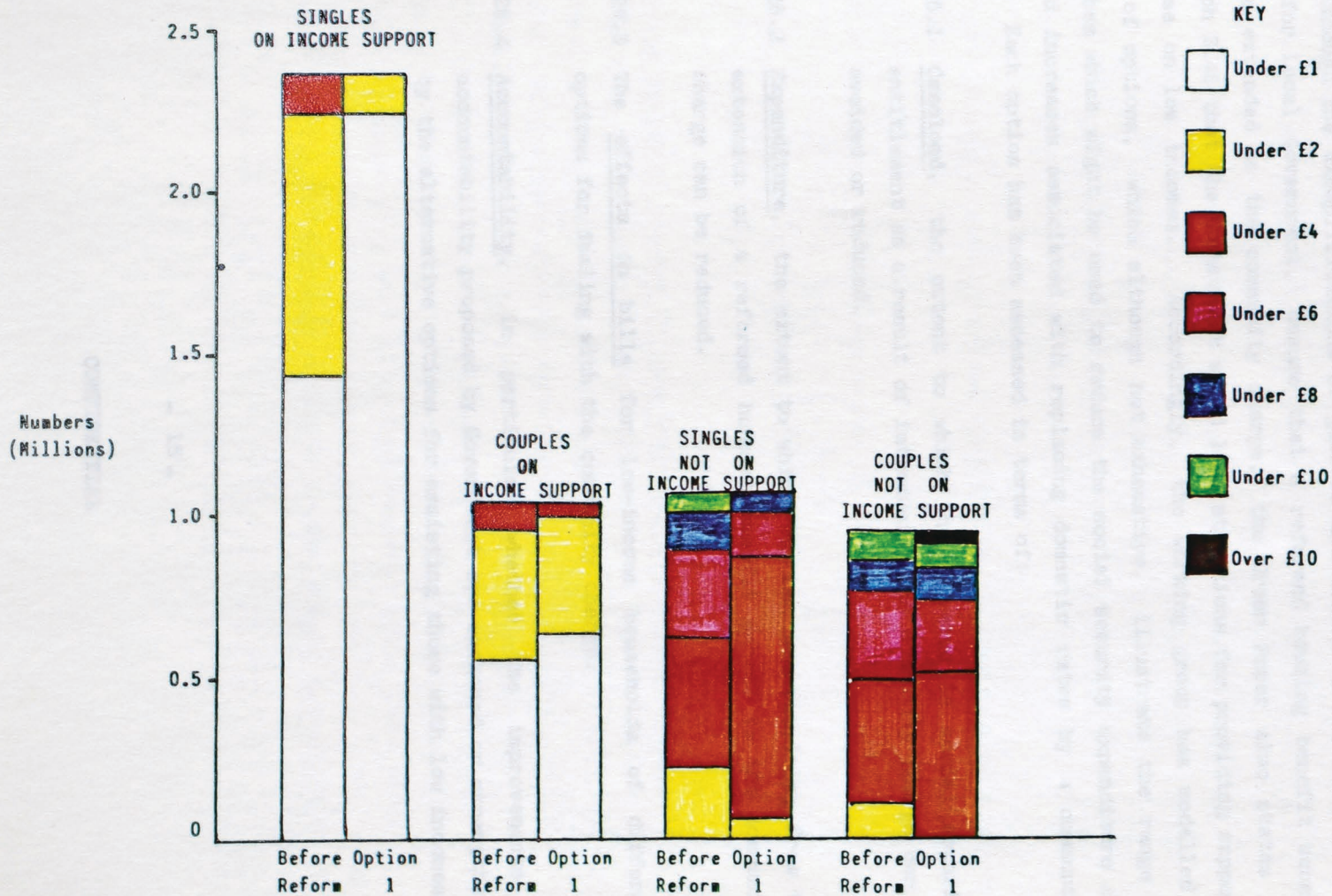
Notes: *assumes total income remains constant

24. The exemplifications produced for the Green Paper showed that, if the community charge were fully implemented and rebates widened in this way (hereafter referred to as "Option 1"), 48 per cent of all tax units (13 million) - couples and single people - would be better off and 52 per cent (14 million) worse off. Fifteen per cent of all tax units (4 million) would lose more than £2 per week. Half of these would be young single adults who previously did not pay rates. Table 4 shows the effects in the form in a similar form to that used in the Technical Annex to the Social Security White Paper.

25. Figure 2 shows the impact of fully rebating the community charge on a comparable basis as for the proposed social security reforms shown in Figure 1. The great majority of those on income support would continue to have a net bill of less than £2 a week. But for a single householder the community charge contribution is usually lower than the domestic rates contribution so that most single households have a net bill of less than £1 a

FIGURE 2

Net burden on those on low incomes: before rates reform and with full community charge (Option 1) (Great Britain)



majority of couples on income support would have a bill between £1 and £2 a week. For those not on income support but eligible for a rebate there is a similar pattern with the majority of single householders paying £2-£4 per week and about half of the couples paying £4-£8 per week.

Other Options for Assistance with the Community Charge

26. Although the exemplifications of gainers and losers in the Green Paper, Paying for Local Government, assume that a reformed housing benefit scheme would be extended to the community charge, the Green Paper also states in paragraph 3.46 that the Government would look at options for providing support for those on low incomes. Accordingly, the working group has modelled a number of options, which although not exhaustive, illustrate the range of approaches which might be used to reduce the social security expenditure and caseload increases associated with replacing domestic rates by a community charge. Each option has been assessed in terms of:

- 26.1 Caseload, the extent to which the increase in social security entitlement as a result of introducing the community charge can be avoided or reduced.
- 26.2 Expenditure, the extent to which the increase resulting from the extension of a reformed housing benefit scheme to the community charge can be reduced.
- 26.3 The effects on bills for low-income households of different options for dealing with the community charge.
- 26.4 Accountability, in particular whether the improvements in accountability proposed by Government are weakened or strengthened by the alternative options for assisting those with low incomes.

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TABLE 5

Social Security and the Community Charge (CC): Summary of Exploratory Options

OPTION	1	2	3	4	5	6	7
DESCRIPTION of system for community charge rebate (CCR)	DHSS White Paper	DHSS White Paper with additional deduction of £1 per adult	Build national average charge into Income Support rates, no help above IS level	DHSS White Paper with limit on maximum eligible CC equal to national average CC	DHSS White Paper with much steeper taper and rent rebate adjusted	DHSS White Paper with 50p instead of 20% contribu- tion where contribution lower	DHSS White Paper with 25% withdrawal rate; 1½ national CC upper limit for eligible charge; 60p minimum contri- bution; 50p minimum payment of rebate
FORMULA for rebate calculation	a) 80% CC	a) 80% CC -£1 per adult	a) 80% average CC	a) 80% CC or 80% average CC	a) 80% CC	a) 80% CC or CC -50p	a) (CC - 60p) or 80% CC or 80% 1½ average CC
a) at or below White Paper IS level	b) 80% CC -20% excess income	b) 80% CC -£1 per adult -20% excess income	b) 80% average CC -100% excess income	b) 80% CC or 80% average CC -20% excess income	b) 80% CC -50% excess with rent adjustment of: 100% R -60% (excess income +CCR -80% CC)	b) 80% CC or CC -50p - 20% excess income	b) as for (a) less 25% excess income
b) above White Paper IS level							
CASELOAD increase/decrease over pre-CC levels (post DHSS reform)	+ 1.5 million for all HB and CCR	+ 0.75 million for CCR (minimum figure) + 1 million for all HB	+ 0.75 million for IS - 5.6 million for CCR - 1.5 million for HB	+ 1.3 million all HB and CCR	+ 0.3 million for CCR + 0.2 million for rent rebate + 0.4 million for all HB	+ 1.5 million for all HB and CCR	+ 1 million for all HB and CCR
EXPENDITURE effect on same basis as above	+ £140m non-PE	- £350m non-PE	- £1100m non-PE + £1160m PE + £60m overall	- £30m non-PE	- £30m non-PE + £140m PE + £110m overall	+ £125m non-PE	+ £10m non-PE
MAIN EFFECTS on INDIVIDUALS (compared to) (Option 1)	a) - b) -	a) -£1 per adult b) -£1 per adult	a) little change b) -80p for each £1 net income exceeds White Paper IS level Loss of all benefit for most	a) and b) At or below average CC no change Above average CC lose 80% excess over average	a) no change b) -30p CCR for each £1 net income exceeds IS level, but tenants fully compensated + some tenants gain equiva- lent of 48% CC	a) and b) small loss for those with CC below £2.50 loss (50p -20% CC) rest, no change	a) for those above 1½ average CC, loss is 80% (CC - 1½ average CC) Those below £3 loss = 60p -20% CC b) as for (a) plus loss of further 5p for each £1 net income exceeds needs allowance
a) at or below IS level							
b) above IS level							
ACCOUNTABILITY main effects compared to Option 1	a) - b) -	a) and b) No change for those remain- ing on CCR; increase for those taken off CCR because have to meet full effects of changes	a) and b) Full accounta- bility because have to meet full effects of changes	a) and b) No change below average CC Full accounta- bility at or above average CC because have to meet full effects of changes and excess over average.	a) no change b) More account- ability for all those taken off CCR. Less accountability for some renters. No change for others.	a) and b) little change, reduced for those on lowest CC	a) and b) Full accountability for those above 1½ average CC as meet full effects of changes. Full accountability for (b) for those additionally floated off CCR. Less accountability for those with CC below £3 (ie below average).
a) at or below IS level							
b) above IS level							

Summary of Options

27. Table 5 opposite lists 7 options identified by the group and summarises their effects in terms of expenditure, caseload, effects on household expenditure and accountability As mentioned earlier, Option 1 is the full extension of the reformed housing benefit scheme to allow rebates to the community charge as illustrated in the Green Paper and Figure 2 above. The other six options seek to reduce potential entitlement to housing benefit through one or more of the following measures:

27.1 Providing flat-rate assistance with charges through income support - Option 3.

27.2 Putting a ceiling on the amount of community charge eligible for assistance - Options 4 and 7.

27.3 Setting a higher minimum contribution to the community charge - Options 2, 6 and 7.

27.4 Increasing the minimum amount of rebate payable - Option 7.

27.5 Steepening the rate of withdrawal of benefit as income rises - Options 5 and 7.

No Separate System of Rebates for the Community Charge: Option 3

28. The Green Paper envisaged that for the first year in England and Wales the community charge could be set at a standard cash amount - £50 per person per annum - with a corresponding reduction in domestic rates. At this level it is arguable that there should be no specific arrangements to rebate the community charge. The personal allowances in income support could be adjusted to reflect the additional cost to households with several adults. But clearly as community charges increased to replace domestic rates there would be very much bigger bills to households in areas with high charges. This would be felt most quickly in Scotland where a 3-year phased introduction of the

community charge is planned. In 1989/90 community charges will represent some 40 per cent of local taxation in Scotland (varying from about £55-£100 in 1985/86 terms) with the full community charge in place in 1992-3.

29. Nevertheless it is possible to envisage arrangements which, even in the longer term, did not involve any separate system of rebates for local taxation. Option 3 explores the longer-term implications of this using the following assumptions.

29.1 The range of community charges illustrated in Table 3 are in place.

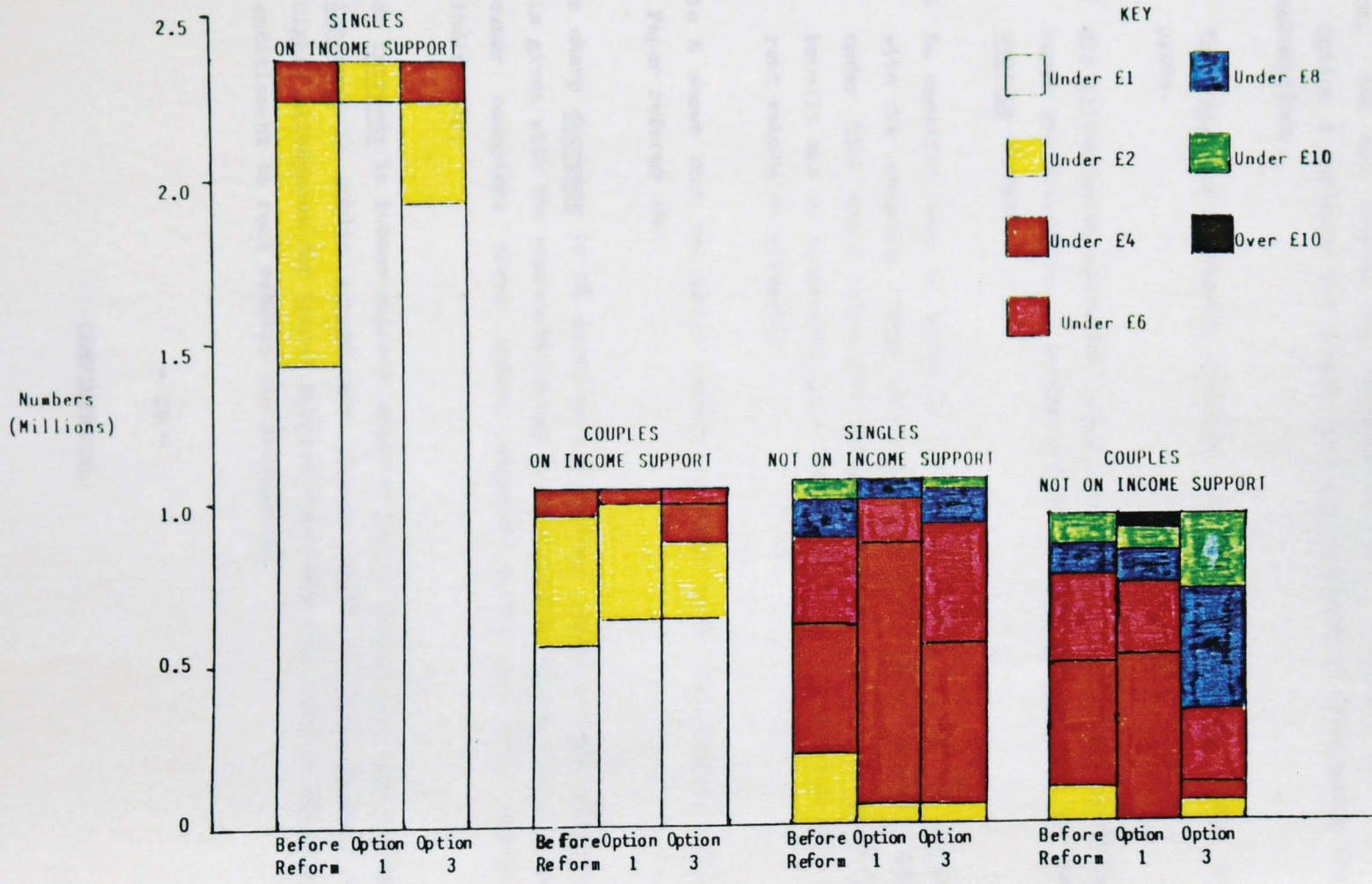
29.2 The illustrative rates for income support published with the White Paper are increased to compensate adults for 80 per cent of the average charge.

29.3 No specific help is given to other low income groups to assist with the community charge although the higher income support rates under 22.2 would raise the threshold of entitlement to housing benefit and so indirectly give some extra help to everyone with a rent rebate or allowance.

30. Table 5 shows that the broad effects compared with the position after the White Paper reforms are:

- a sharp decrease in HB caseload (1½ million) since no specific help is given with the community charge to those above income support, and owner occupiers above income support would not even benefit indirectly;
- an increase in income support caseload (up to ¾ million) and a large increase in public expenditure (up to £1160 million) because of higher allowances for income support which are also used to determine entitlement to rent rebates and allowances;

FIGURE 3
Net burden on those on low incomes: before rates reform and with full community charge (Options 1 and 3). (Great Britain)



- a similarly large reduction in rebate expenditure (£1100 million non-public expenditure).

31. The effects on individuals are summarised in Figure 3 opposite, Table 6 opposite and Tables 9(a) and 9(b) in the Appendix. (For simplicity of presentation figure 3 does not show windfall gains from higher rent rebates and Family credit but the gainer/loser figures in Tables 6, 9(a) and 9(b) include these effects). The main points are:

31.1 For low-income households

- * The great majority of those on income support would continue to have to meet bills of less than £2 a week.
- * The majority of single householders above income support currently receiving rebates would have to meet bills of over £4 a week and couples over £6 per week. This compares with Option 1, where the majority of single householders in this position would pay £2-£4, and about half of the couples would also pay under £4.
- * A number of low-income households will face very high bills, mainly in Inner London where very high levels of community charge are assumed.

31.2 For all tax units

- * Compared to the exemplifications in the Green Paper, fewer tax units would be worse off - 49% as opposed to 52%.
- * The number of tax units losing more than £2 per week is increased from 4 million to 5 million; representing almost 1 in 5 tax units. This is due to the removal of direct assistance from those above income support levels, and the limit in the increase on the actual rates of income support to 80% of the average charge.

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TABLE 6

All Tax Units: Changes in Disposable Income After Meeting Community Charge: By Family Status
Effect of Option 3 Compared to Rates

Thousands

Family Status	Increases						Total Increased	No Change	Total Decreased	Decreases				
	£5+	£4-5	£3-4	£2-3	£1-2	<£1				<£1	£1-2	£2-3	£3-4	£4-5
Pensioners														
Single	100	450		560	1490	2600	-	1280	800	280	190	*		
Couples	40	220		280	450	1000	-	1310	440	370	440	60		
Non-pensioners with children														
Lone Parents	130	200		160	260	750	-	150	90	40	20	-		
Couples	300	1260		1000	1380	3940	*	2950	1270	790	780	100		
Non-pensioners without children														
Single	140	910		450	910	2410	640	4420	1120	900	2320	80		
Couples	150	550		540	990	2230	-	2780	1010	790	870	110		
Total	860	3590		2990	5480	12930	640	12890	4730	3170	4620	350		

- * Big losses among pensioner couples are increased, even though the overall number of losers is reduced. This is because of pensioner couples receiving rebates, the majority have incomes above income support levels and so qualify for "standard" rather than "certificated" rebates.

- * The higher income support rates over-compensate those in low tax bill areas thus increasing the number of large gains as a percentage of income, particularly among young single adults. The proportion of tax units gaining more than 2% of net income increases from 9% to 15%.

32. This option would mean that everyone (including those on low incomes) was exposed to the full effects of the relative level of local spending and taxation in his authority. Those in areas of high spending and high community charges would have to pay more, and those in areas with low community charges would gain. Everyone would have to face the full costs of extra spending in his authority (or would receive the full benefit from lower spending).

33. Clearly there are ways of refining the option to better achieve some objectives but often at the expense of other objectives. The public expenditure costs could be reduced - either by reducing the extra help given with rent (for example by steepening the rate of withdrawal as income rises) - or by lowering the proportion of the average community charge built into the personal allowances in income support. But this would increase the numbers of households with low incomes facing larger bills. Similarly, giving more help in income support would increase expenditure and accentuate gains to households in areas with below average charges. The different objectives cannot be reconciled with the assumption that over a period community charges would vary at least to the extent illustrated in Table 3. In particular, the option involves significant over-compensation of low income households living in low spending areas and under-compensation of those living in high spending areas. There would therefore be large gains and losses arising from the introduction of the community charge.

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TABLE 7

All Tax Units: Changes in Disposable Income After Meeting Community Charge: by Family Status
Effect of Option 7 Compared to Rates

Thousands

Family Status	Increases					Total Increased	No Change	Total Decreased		Decreases				
	£5+	£4-5	£3-4	£2-3	£1-2			<£1	<£1	£1-2	£2-3	£3-4	£4-5	£5+
Pensioners														
Single	100		400		270	1,410	2,180	-	1,700	1,420	160		120	*
Couples	40		180		130	270	620	-	1,680	990	390		260	40
Non-pensioners with children														
Lone Parents	40		200		100	360	700	*	190	150	20		20	*
Couples	280		930		800	1,420	3,430	-	3,460	1,783	860		760	60
Non-pensioners without children														
Single	140		650		400	650	1,830	870	4,770	1,640	870		2,190	70
Couples	150		530		470	970	2,120	*	2,890	1,240	790		780	90
Total	750		2,890		2,170	5,080	10,880	870	14,700	7,230	3,080		4,130	250

Limiting the Effects of Extending Rebates to the Community Charge - Option 7

34. All of the other options seek to limit the effect of extending rebates to the community charge but option 7 has been modelled in detail because it incorporates all the main measures which are available:

- * The link between very high charges and high rebates is removed by setting an upper limit to the charge eligible for rebate at $1\frac{1}{2}$ times the average charge.
- * Everyone must pay at least 60p towards the charge.
- * No rebate payments less than 50p are made.
- * A steeper rate of withdrawal (25 per cent) is applied as income rises.

35. This option would mean that those in areas of very high spending would have to pay more towards their community charge (and would have to contribute fully towards any additional spending). Those in areas of very low spending would pay slightly more (because of the 60p minimum contribution), but would then be fully insulated from changes in the level of the community charge until the level rose above £3 per week.

36. Under this option the caseload would still be 1 million more than currently estimated following the 1988 reforms but there would be virtually no increase in expenditure. Figure 4 below, Table 7 opposite and Tables 10(a) and 10(b) in the Appendix illustrate the effects of this option on individual households. There are no substantial changes in income for the great majority of households compared with full rebate of the community charge although there will be larger bills for households in areas where exceptionally high charges are assumed. This would be particularly so in inner London. Consequently whilst there are useful reductions in expenditure and caseload this option

FIGURE 4

Net burden on those low incomes: before rates reform and with full community charge (Options 1, 3 and 7)

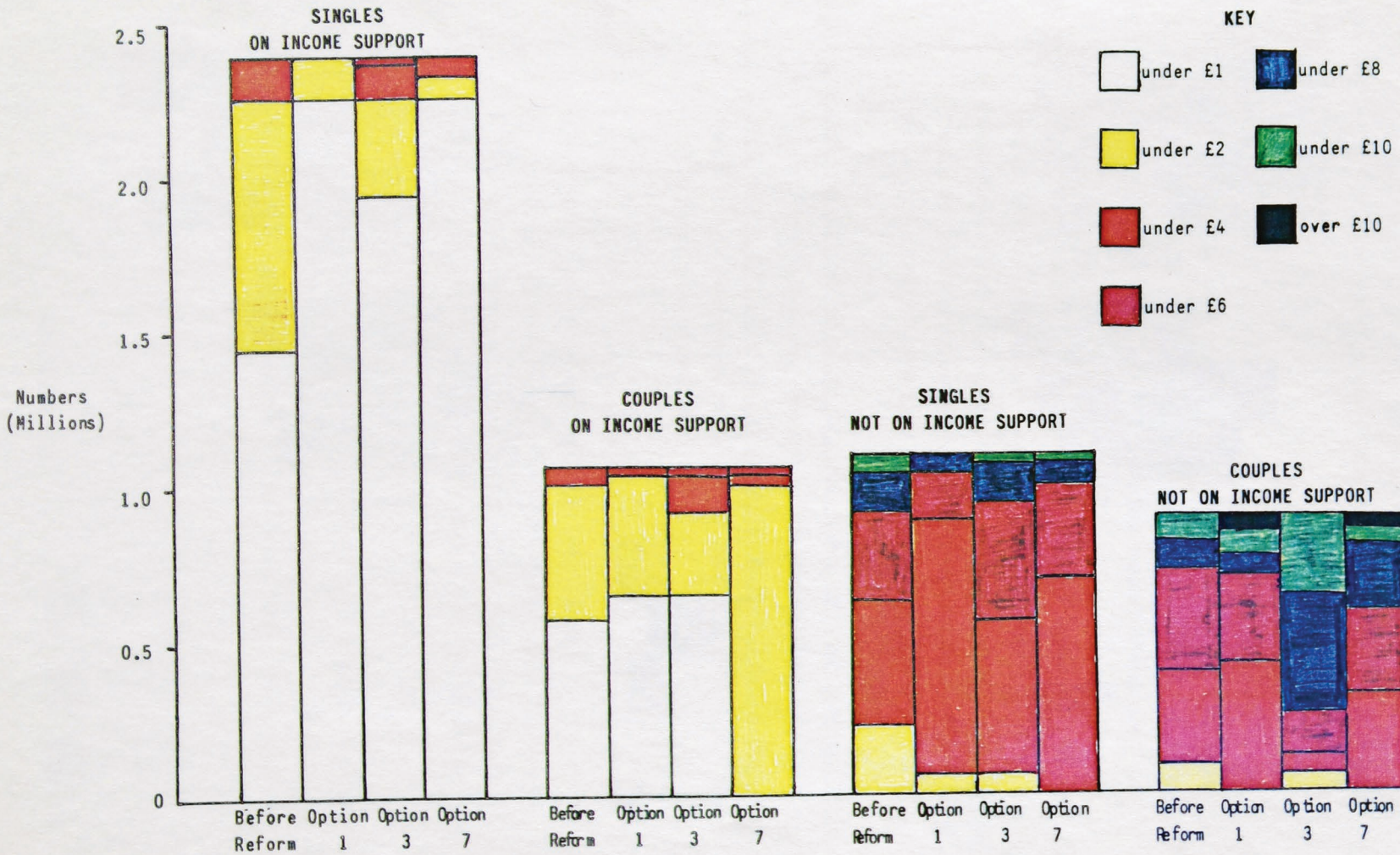
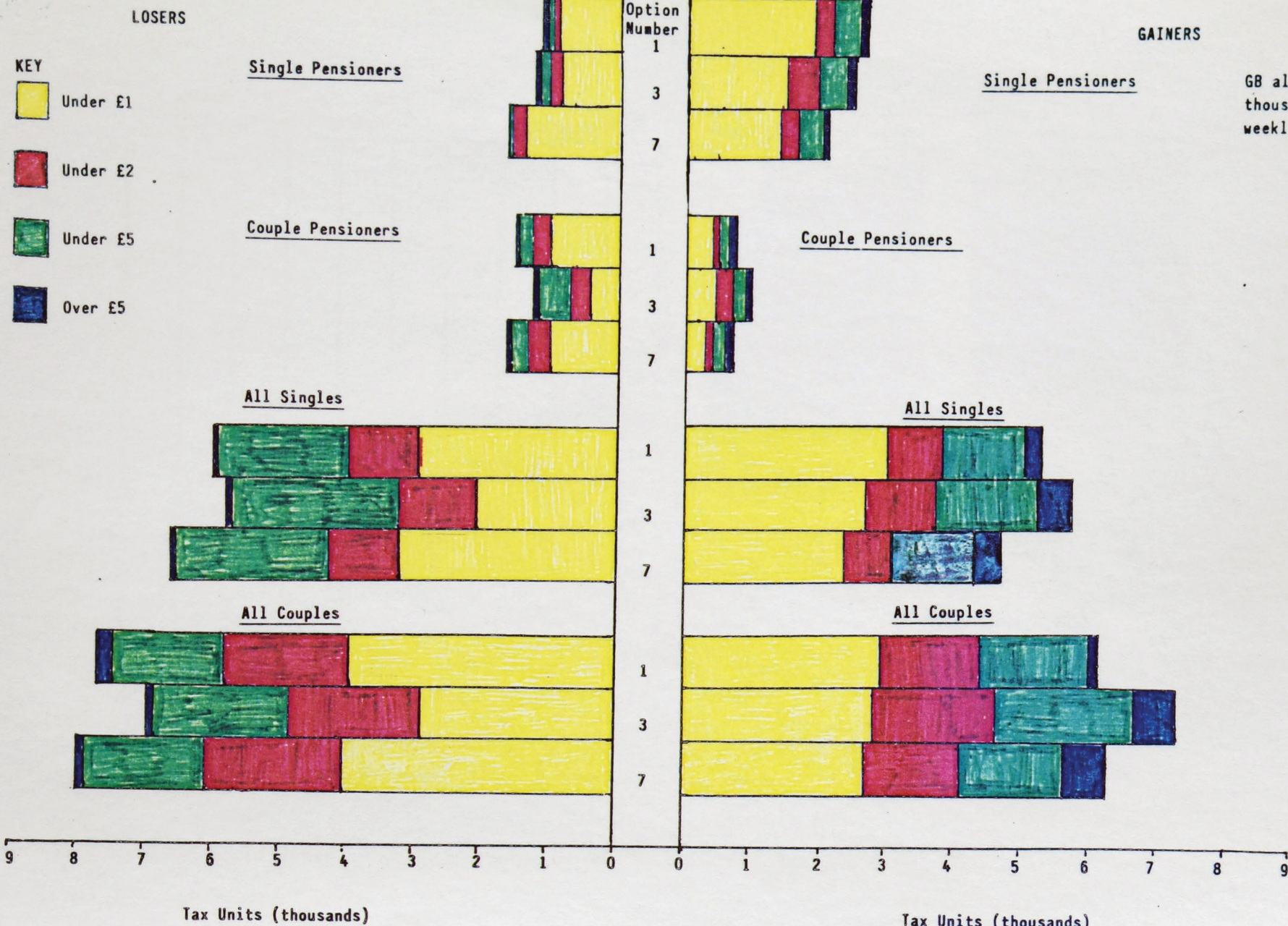


FIGURE 5: Comparison of Effects of Options 1, 3 and 7



GB all tax units thousands, pounds weekly

Note: In addition, there are around $\frac{3}{4}$ million single non-pensioner adults who would experience no change under any of the options

would still allow the increased number of rebates through the community charge largely to negate the reduction in caseload brought about by the housing benefit reforms.

37. An illustration of the comparative effects of options 1, 3 and 7 is provided opposite in **Figure 5**.

Other Options Illustrated

38. The other options have not been fully exemplified as the summary in Table 4 indicates that overall they are less successful in seeking to meet the objectives set out in the remit of this group. The main points are:

Option 2 - sets a high minimum contribution and is effective in reducing expenditure. But this is at the expense of the poorest households and in areas where charges were below average there would be no improvement in local accountability. There is only a modest reduction in caseload overall.

Option 4 - limits all rebates to 80 per cent of the average charge. This gives a modest reduction in expenditure by giving no help above the level of average charges and would be expected therefore to increase pressure to keep charges down. There is little impact on caseload.

Option 5 - allows a full system of rebates with a steep rate of withdrawal as income rises (50 per cent). There is an offsetting adjustment applied to those also in receipt of rent assistance to prevent punitive marginal 'tax' rates. This option is effective in reducing overall caseload but is both complex and more expensive overall.

Option 6 - provides for a full rebate scheme but with a minimum 50p contribution towards the community charge. This does not materially affect either the increase in caseload or expenditure.

Table 8. (Continued) by State and Locality

The following tables (8, 9 and 10) match those shown earlier in the text (4, 6 and 7) but have been produced in a different format which may be more familiar to DOE Ministers. In addition, they each show separately the gains and losses expressed as a percentage of net income.

	Single Locality			Multiple Locality			Other Locality		
	Number	Value	% of Net Income	Number	Value	% of Net Income	Number	Value	% of Net Income
Total Gains	1,015	101	1,015	1,381	2,178	1,177	730	70	70
Total Losses	202	131	131	1,187	2,819	1,349	1,349	1,349	1,349
Net Change	1,813	880	880	2,194	1,359	828	108	108	108
Change as % of Net Income	242	111	111	138	66	57	12	12	12
Total Gains	404	208	208	177	243	117	140	140	140
Total Losses	87	54	54	88	118	57	118	118	118
Net Change	317	154	154	89	125	60	22	22	22
Change as % of Net Income	41	4	4	11	5	2	1	1	1
Total Gains	1,235	123	1,235	1,572	2,835	1,349	1,349	1,349	1,349
Total Losses	242	131	131	1,187	2,819	1,349	1,349	1,349	1,349
Net Change	993	100	100	385	1,016	215	0	0	0
Change as % of Net Income	131	23	23	51	47	18	0	0	0
Total Gains	780	52	1,082	891	1,838	827	827	827	827
Total Losses	1,235	123	1,235	1,572	2,835	1,349	1,349	1,349	1,349
Net Change	1,425	301	301	319	1,003	478	1,003	1,003	1,003
Change as % of Net Income	181	17	17	117	107	18	130	130	130
Total Gains	448	413	413	117	117	117	117	117	117
Total Losses	121	37	148	7	37	37	37	37	37
Net Change	327	4	4	110	80	80	80	80	80
Total Gains	2,448	250	1,011	294	1,188	1,207	1,207	1,207	1,207
Total Losses	1	1	89	1	1	1	1	1	1

TABLE 8 (Parallel to Table 4)

Full community charge compared to rates (with Cmd 9691 reforms assumed throughout)
 Numbers of Gainers and Losers ('000): Tax Unit Types

	Single Adults			Pensioner Couple	No Children	Other Couples			All Tax Units
	Single Pensioner	One Parent Family	Other Single Adult			1 Child	2 Children	3+ Children	
(a) POUNDS PER WEEK									
LOSERS									
10+	-	-	-	1	3	-	-	-	5
5 - 10	2	1	67	17	73	24	12	7	204
2 - 5	74	14	2,050	205	761	338	273	112	3,827
1 - 2	108	12	937	276	766	360	334	145	2,939
0 - 1	1,019	106	1,612	1,002	1,216	627	730	367	6,700
Total Losers	1,203	133	4,667	1,521	2,819	1,349	1,349	631	13,674
GAINERS									
0 - 1	1,876	401	737	429	1,018	532	708	298	6,001
1 - 2	292	111	412	138	480	277	402	132	2,243
2 - 5	404	206	648	177	543	317	462	156	2,912
5 - 10	87	34	123	34	128	73	116	49	645
- 10+	14	4	14	5	25	12	16	12	103
Total Gainers	2,674	756	1,934	783	2,194	1,212	1,704	647	11,905
No Change	-	3	868	-	1	-	-	-	873
(b) PERCENTAGE OF NET INCOME									
LOSERS									
10+	2	-	13	-	4	-	1	-	21
5 - 10	27	1	689	15	18	3	1	1	754
2 - 5	138	14	2,096	193	356	155	95	37	3,092
1 - 2	249	27	789	321	766	342	300	114	2,907
0 - 1	786	92	1,082	992	1,666	849	953	479	6,898
Total Losers	1,203	133	4,669	1,522	2,820	1,349	1,349	631	13,672
GAINERS									
0 - 1	1,426	362	641	484	1,447	801	1,090	438	6,689
1 - 2	571	172	498	176	482	278	430	150	2,759
2 - 5	498	193	613	117	227	117	170	56	1,992
5 - 10	161	27	146	7	31	14	13	2	402
10+	17	1	34	-	7	2	1	1	63
Total Gainers	2,674	756	1,932	784	2,194	1,212	1,704	647	11,905
No Change	-	3	868	-	1	-	-	-	873

TABLE 9 (Parallel to Table 6)

Effect of introducing full community charge with no rebates but increasing income support by 80% of average charge (ie DHSS option 3) compared to present rating system with Cmnd 9691 rebate scheme
Numbers of Gainers and Losers ('000s): Tax Unit Types

	Single Adults			Pensioner Couple	Other Couples				All Tax Units
	Single Pensioner	One Parent Family	Other Single Adult		No Children	1 Child	2 Children	3+ Children	
(a) POUNDS PER WEEK									
LOSERS									
10+	-	-	-	6	4	1	1	-	11
5 - 10	4	-	78	59	101	49	29	21	341
2 - 5	193	18	2,319	436	874	371	302	111	4,626
1 - 2	282	35	904	367	790	344	320	125	3,166
0 - 1	798	92	1,120	439	1,014	499	556	218	4,737
Total Losers	1,278	145	4,421	1,306	2,782	1,264	1,208	476	12,881
GAINERS									
0 - 1	1,486	257	914	454	992	506	638	240	5,488
1 - 2	561	159	446	282	540	321	478	199	2,986
2 - 5	449	204	910	222	552	382	583	292	3,594
5 - 10	87	122	122	36	125	75	129	60	759
10+	14	5	14	5	24	12	15	11	101
Total Gainers	2,598	748	2,407	999	2,233	1,297	1,844	803	12,929
No Change	-	-	642	-	-	-	1	-	643
(b) PERCENTAGE OF NET INCOME									
LOSERS									
10+	8	-	171	15	26	13	16	4	254
5 - 10	112	6	722	119	68	43	36	16	1,121
2 - 5	356	30	1,976	440	453	172	106	54	3,587
1 - 2	306	36	726	314	767	318	285	89	2,843
0 - 1	495	73	825	418	1,464	719	765	312	5,070
Total Losers	1,278	145	4,420	1,306	2,778	1,264	1,208	476	12,876
GAINERS									
0 - 1	731	186	613	413	1,367	740	1,002	376	5,427
1 - 2	779	210	572	334	518	316	494	251	3,473
2 - 5	855	241	751	240	297	218	323	169	3,095
5 - 10	202	109	178	12	44	23	26	6	598
10+	31	1	291	-	7	1	-	1	333
Total Gainers	2,598	748	2,406	999	2,233	1,297	1,844	803	12,926
No Change	-	-	644	-	3	-	1	-	648

TABLE 10 (Parallel to Table 7)

Effect of introduction of full community charge with proposed DHSS rebate scheme (Option 7)
compared to present rating system with Cmd 9691 rebate scheme
 Numbers of Gainers and Losers ('000s): Tax Unit Types

	Single Adults			Pensioner Couple	Other Couples				All Tax Units
	Single Pensioner	One Parent Family	Other Single Adult		No Children	1 Child	2 Children	3+ Children	
(a) POUNDS PER WEEK									
LOSERS									
10+	-	-	-	1	3	-	-	-	5
5 - 10	3	1	69	34	84	29	16	10	246
2 - 5	118	20	2,188	261	783	356	287	121	4,131
1 - 2	157	19	867	394	786	366	344	152	3,084
0 - 1	1,424	151	1,643	992	1,238	638	759	386	7,231
Total Losers	1,702	191	4,767	1,684	2,893	1,389	1,406	668	14,698
GAINERS									
0 - 1	1,409	358	651	273	965	503	655	266	5,081
1 - 2	265	99	401	134	473	269	399	128	2,169
2 - 5	401	203	645	175	531	314	462	155	2,886
5 - 10	87	34	122	34	128	73	114	49	643
10+	14	4	14	5	25	12	16	12	103
Total Gainers	2,176	699	1,834	622	2,121	1,171	1,647	610	10,881
No Change	-	3	868	-	1	-	-	-	873
(b) PERCENTAGE OF NET INCOME									
LOSERS									
10+	3	-	39	3	7	1	2	-	53
5 - 10	51	3	704	45	32	15	4	4	860
2 - 5	201	23	2,191	250	397	167	112	42	3,383
1 - 2	391	50	799	582	805	363	317	120	3,428
0 - 1	1,056	115	1,035	804	1,652	843	972	502	6,980
Total Losers	1,702	191	4,768	1,684	2,893	1,389	1,406	669	14,703
GAINERS									
0 - 1	1,113	327	578	334	1,396	773	1,041	403	5,964
1 - 2	416	163	477	167	470	271	425	150	2,539
2 - 5	469	181	603	114	223	113	169	54	1,926
5 - 10	160	27	143	7	25	12	12	2	389
10+	17	1	32	-	7	2	-	1	61
Total Gainers	2,175	699	1,833	622	2,120	1,171	1,647	610	10,879
No Change	-	3	868	-	1	-	-	-	873

ANNEX TO E(LF)(86)2

	1986	1987	1988	1989	1990
SOCIAL SECURITY	<p>Mid-July Completion of consideration of Bill by Lords</p> <p>End July Royal Assent</p> <p>December Issue draft Regulations for consultation</p>	<p>March Regulations in place</p> <p>September Announcement of benefit rates for following April</p>	<p>April Commencement of new housing benefit scheme</p>	<p>→</p> <p>→</p>	
LOCAL GOVERNMENT FINANCE REFORM: SCOTLAND	<p>Autumn Introduction of Bill</p>	<p>December Issue of draft Regulations for consultation</p>	<p>March Regulations in place</p>	<p>April Introduction of community charge</p>	<p>→</p>
LOCAL GOVERNMENT FINANCE REFORM: ENGLAND		<p>Autumn Introduction of Bill</p>	<p>December Issue of draft Regulations for consultation</p>	<p>March Regulations in place</p>	<p>April Introduction of community charge</p>