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DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
 Alexander Fleming House, Elephant & Castle, London SE1 6BY  
 Telephone 01-407 5522

*From the Secretary of State for Social Services*

The Rt Hon Nicholas Ridley MP  
 Secretary of State for the Environment  
 Department of the Environment  
 2 Marsham Street  
 LONDON  
 SW1P 3EB

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*Nov 23.87*

*Dear Nicholas,*

COMMUNITY CHARGE : DISCLOSURE OF INFORMATION AND DIRECT DEDUCTIONS FROM BENEFIT.

I was suprised to receive your Memorandum of 18 November to E(LF) on two community charge issues which affect my Department. Neither Ministers here nor officials had any proper warning that you intended to raise the matter in this way. Nick Scott has previously written to Michael Howard on both matters setting out our position. Whilst I would not expect you necessarily to agree our view, I am not at all happy that the matter has been handled in this way without further consultation and, in particular, that you did not seek our comments on the paper before it was circulated to colleagues.

On the question of disclosure, I understand the argument that income support will include a contribution towards the minimum community charge. We had hoped to achieve some credit for it. In my view, it would be dissipated if it appeared that receipt of income support was conditional on claimants passing on their details to local authorities for community charge purposes.

The Memorandum gives the impression that we routinely disclose details of all supplementary benefit beneficiaries to local authorities. This is not the case. We do this for housing benefit claimants only. What is more, this disclosure is expressly provided for in our legislation to enable local authorities to administer housing benefit. We have in fact agreed that if an income support beneficiary claims a community charge rebate, at the same time, we

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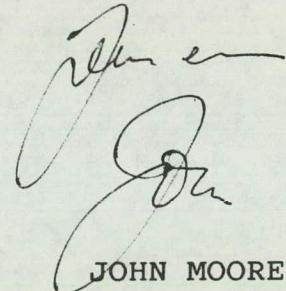
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will pass on those details which will ensure that the local authority can issue a net bill. This should go a very long way towards meeting your needs. But, because confidentiality of social security records is such an extremely sensitive issue, I do not believe it would be right to disclose details of income support beneficiaries generally.

Turning to the issue of deductions from benefit, as you recognise we already make deductions for rent and fuel arrears but these are, of course, essential to protect the well-being of the claimant. In addition, we make deductions for overpayments of benefit and most significantly, from next April social fund loans, will be repayable from benefits. (I should point out though that deductions are made only from beneficiaries in receipt of income support.)

This has always been an acutely sensitive matter taking, as it does, money from a benefit on which people rely to exist from day to day. Moreover, as you say, our aim is that people should manage their own budget. Making payments on their behalf to others in addition to being administratively expensive, runs directly counter to that aim. At the moment, we are currently looking with the Home Office at the feasibility of making fine enforcement by deductions from benefit. Taken together with the unknown impact that social fund loans will have on claimants incomes, we cannot contemplate scope for any other deductions.

I am copying this letter to other members of E(LF).



JOHN MOORE