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CH/EXCHEQUER	
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ACTION	CST
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COMMUNITY CHARGE: DEDUCTIONS FROM BENEFIT

Thank you for copying to me your letter of 8 November to Nicholas Ridley.

As I indicated in my letter of 9 September, my main concern on the detail of this matter is that the amounts we provide for the upper limit on deductions are sufficient to eliminate arrears within a reasonable period. The figure you have in mind for singles - £1.70 per week - seems sufficient, but I cannot understand why you reckon that the same cash sum should also apply to couples. They have twice the community charge liability of singles, which is significantly different from the situation which arises in relation to rent, water charges or fuel costs which you mention - and, correspondingly, the amounts we are building into their income support are twice what singles will get. In the circumstances it seems to me that there must be a higher deduction for couples, and that the most appropriate solution would be to set this at 5%, as you are doing for singles, which will produce a figure around £2.70.

More generally, may I repeat what I said in the first paragraph of my letter of 9 September: these provisions need to be in place in good time before the introduction of the community charge in Scotland next April, so that local authorities can work out their procedures in liaison with your offices. I therefore hope that it will now be possible to make swift progress in resolving the remaining outstanding points.

I am copying this letter to Nicholas Ridley, other Members of E(LF) and to Sir Robin Butler.

Malcolm Rifkind

MALCOLM RIFKIND