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DEPARTMENT OF SOCIAL SECURITY
Richmond House, 79 Whitehall, London SW1A 2NS
Telephone 01-210 3000

From the Secretary of State for Social Security

CONFIDENTIAL

The Rt Hon Sir Geoffrey Howe QC MP
Lord President of the Council and
Leader of the House of Commons
Privy Council Office
Whitehall
LONDON
SW1A 2AT

MBM to Mr. Howe

AR 6

27/10

26 October 1989



J. Goffey

COMMUNITY CARE: LEGISLATION

will require... required

David Mellor wrote to you on 19 October seeking clearance for the legislative package for the Community Care changes. I am generally content with his proposals.

As David acknowledges, there is one outstanding issue between us. This is the question of the extent of local authorities' topping up powers. David is suggesting that local authorities should not be able to top up cases which have an entitlement to the preserved system of Income Support. I understand that this would be achieved either by taking a power to define these exclusions in regulations or by issuing guidance. I have made it clear to David that the exclusion of preserved cases will leave us politically very exposed as there will inevitably be a number of hard cases and anomalies which we cannot deal with through the Social Security system. I suspect that the proposal will attract considerable controversy during the Bill's passage. We also think that the necessary exclusions will be both difficult to frame and difficult for local authorities to operate, mainly because the criteria governing entitlement to Income Support are so complex.

I do recognise that Health colleagues are under time constraints to get their legislation introduced. I have no wish to hold it up. However, the topping up problem is a serious one. I can therefore agree to the package proceeding as a whole, but only on the understanding that the use of any exclusion (however framed) should be the subject of further collective discussion and agreement.

I am copying this letter to the members of H and E(A) Committees, to Sir Robin Butler and to the First Parliamentary Counsel.

TONY NEWTON

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