



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

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

CHIEF SECRETARY	
REC.	- 8 JAN 1988
ACTION	Mr Gibson
	Mr Ainslie, Mr Kemp
	Mr Hamilton, Miss Peterson, Mr Turnbull
	Mr Justice, Mr Potter
	Mr Felgett, Mr Call

January 1988

Dear Nicholas,

COMMUNITY CHARGE: DISCLOSURE OF INFORMATION AND DIRECT DEDUCTIONS FROM BENEFIT

John Moore wrote to you on 23 November about the issues raised in your E(LF) Memorandum of 18 November. That Memorandum has not yet been discussed and, in the hope that the matter may be settled without further delay, I am writing to emphasise the importance in my view of information about income support recipients being made available for community charge registration purposes.

The main point I want to stress is that, while I fully appreciate John's concerns about confidentiality, the clinching argument seems to me to be that income support levels will include an element for the minimum contribution towards personal community charge liability. It is a matter of simple financial prudence for us to take steps to ensure that the recipients of this contribution are properly registered and required to pay their contribution. Indeed, I think that if arrangements along these lines are not set up we could be subject to criticism for exercising insufficient care to ensure that the considerable amounts of money which will be issued as benefit are properly spent. A further argument in favour of the proposal is that routine exchange of information along these lines would allow the people concerned to be considered automatically by the local authority for eligibility for a community charge rebate, without themselves having to make a separate application.

I therefore strongly support your proposals on this point. I hope that we can reach collective agreement on it as soon as possible so that it can be built into the arrangements for the introduction of the community charge system in Scotland which will be set up in the course of 1988.

I am copying this letter to the Prime Minister, members of E(LF), and to Sir Robin Butler.

Yours ever,
Malcolm

MALCOLM RIFKIND



Ray

cc:

PS/Chancellor
 Mr Anson
 Mr Kemp
 Mr Hawtin
 Miss Peirson
 Mr Turnbull
 Mr Potter
 Mr McIntyre
 Mr Gibson
 Mr Call

Treasury Chambers, Parliament Street, SW1P 3AG

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

25th January 1988

Dear Nick,

COMMUNITY CHARGE: DISCLOSURE OF INFORMATION AND DIRECT DEDUCTIONS FROM BENEFIT

I have seen a copy of Malcolm Rifkind's letter to you of 7 January and John Moore's of 23 November. As Malcolm says, we need to reach collective agreement on these points soon.

Your memorandum and John's letter set out some of the arguments on both sides on the two issues. And E(LF) discussion has now been fixed for early February. I think it is also important that before we meet DHSS should quantify the extra administrative costs which each proposal would involve, so that they can be properly taken into account. It would be helpful if John could arrange for this to be done.

I am copying this letter to the Prime Minister, members of E(LF) and to Sir Robin Butler.

*Yours Ever,
 John*

JOHN MAJOR

BF 4/3



papers pse

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Secretary of State for Social Services

CH/EXCHEQUER	
REC.	29 FEB 1988 <i>29/2</i>
ACTION	CST
COPIES TO	

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

29 February 1988

Nicholas

COMMUNITY CHARGE: DISCLOSURE OF INCOME SUPPORT RECORDS AND ATTACHMENT OF BENEFIT

We have both now had an opportunity to consider the decisions made in Cabinet Committee E(LF) on 4 February and I thought I should write to you to confirm the way forward.

On disclosure of information from income support applications, as you know, DHSS solicitors are drafting amendments to the Social Security Act 1986 to go into the Local Government Finance Bill which will provide for an exchange of information in relation to community charge rebate similar to the current arrangements for housing benefit.

This will enable local authorities to receive information in the majority of cases. For the remainder - those who will be receiving income support but who do not claim a community charge rebate, we will provide instructions for a provision in your Bill which will enable us to pass such information to the community charge registration officer subject to safeguards on further disclosure in accordance with the Cabinet Committee decision. I understand that your officials are exploring the Data Protection aspects of any transfers which may occur within the local authority.

I turn now to the decision on deductions from benefit. We had not previously thought in terms of an order equivalent to attachment of earnings but I accept that defaulting income support recipients should be treated in the same way as persons at work who default on community charge. Orders for deductions from benefit made by a court are not without problems both for ourselves and the courts and my officials will liaise with the Lord Chancellor's Department and the Home Office to explore what will be needed.

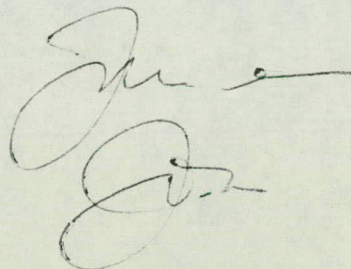
I note that the decision suggests that the deductions which can be made under our income support regulations should be increased to take account of community charge. They will in any case be increased proportionately because the community charge element will be included in the total applicable amount and deductions are a fixed percentage of that amount. Any attempt to ring-fence the community charge element so that it could be used to pay arrears would run counter to our agreement in E(LF) last year that once the benefit levels are set for April 1989, the amounts included to cover the minimum community charge payment will be uprated annually as part of the general uprating of benefits. I am sure you will agree that it would not be sensible to attempt to recalculate each year a separate element for the community charge as that would only serve to highlight the issue annually, particularly if that amount is not increased in line with actual increases in the level of community charge. It could also lead to beneficiaries paying only that element identified, even where the 20 per cent contribution is higher than the average. Further, it would move us away from the principle that under income support we expect people to budget for themselves from the amount they receive rather than have the State indicate how the money should be spent.

More generally, if the community charge element were to be ring-fenced for the payment of arrears, I think you would find that current payment might well suffer because the amount had already been used. As I have already indicated in earlier correspondence, one of our major problems with deductions is to set the deductions which can justifiably be made for essential purposes at a level which leaves claimants enough to manage current bills. This is, of course, a factor which the courts will no doubt take into account if asked to make an attachment of benefits order.

We should, of course, need primary legislation to make such orders and I will ask my officials to contact yours to establish how you wish us to carry forward the Cabinet Committee decision. In particular I would be grateful in the light of recent publicity if your officials could agree with mine any line you propose to take in standing Committee until the details are more clearly sorted out.

I will of course need additional running cost provision for all these changes. We are currently looking at our estimates in the light of these decisions and the requirements will be included in the public expenditure survey.

I am copying this letter to other members of E(LF), to the Lord Chancellor and to Sir Robin Butler.



JOHN MOORE