



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

8 June 1988

Dear Nick,

COMMUNITY CHARGE: EXEMPTIONS

You minuted the Prime Minister on 2 June about our response to pressure brought during Committee Stage of the Local Government Finance Bill in the Lords in favour of exemptions from personal community charge liability for three classes of people. There are issues on which the community charge systems north and south of the Border should be the same. I have the following comments on the line you propose.

People who sleep rough

We had been content to rest on the position for Scotland that people who sleep rough, while in theory covered by the community charge system, could not in practice be registered for, or required to pay, the personal community charge. Since however it seems necessary for the position to be explicitly clarified, I agree that it would be politically impracticable to insist on the line that such people were, even theoretically, liable. I therefore agree with your proposal that a specific exemption should be provided. I would however be grateful if my officials could be kept closely in touch with yours about the development of policy on this and the drafting of the proposed amendment: we are likely to have to face difficult questions, for instance, on the procedure by which registration officers will identify people who are thus exempt, and how they are to prove their exemption. While these points are unlikely to give rise to any real difficulty in practice once the system is up and running, they will nevertheless provide an opportunity for our opponents to embarrass the Government during discussion of the amendments unless the handling and presentation of the amendments are very carefully prepared.

People who stay in hostels

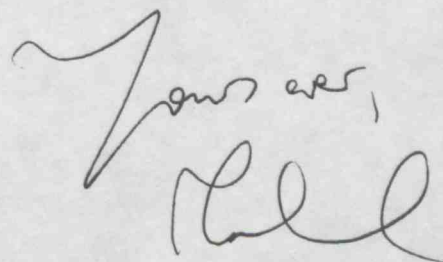
I am content that we should hold the line on liability of people who stay in hostels, subject to the separate consideration of the mechanics for collective community charge contribution rebates to which you refer.

## Volunteers

I have serious reservations about your proposals in this area, on grounds both of principle and of practice. While I fully appreciate the pressure to which Malcolm Caithness was subject, the arguments in favour of an exemption for these people, alone among groups of people on low incomes who are eligible for maximum rebates, are very weak - as indeed you yourself recognise. As a matter of principle, I could not accept that the position of volunteers justifies an exemption: if that were granted, we would come under considerable pressure to accept exemptions for other groups of people who were neither removed from participation in the local democratic process nor excluded from entitlement to rebates. In my view the dangers of granting that precedent far outweigh the relatively minor consideration that it would encourage young people to become volunteers. In addition, it seems to me that the position of many volunteers of this kind - who may, for instance, be undertaking voluntary work in preparation for further education which will qualify them for well paid jobs - is quite different from, and no more deserving of exemption than, for example, participants in MSC schemes for the long-term unemployed. In addition, the proposal as you outline it would require registration officers to make an assessment of income in the case of all volunteers, which would represent a considerable administrative burden for the registration process, and would cause particular problems in Scotland where preparatory work is already well advanced.

I cannot therefore agree to the announcement of a concession along the lines you propose. I accept, of course, that should we lose a vote in the House of Lords we would have to reconsider the position.

I am copying this to the Prime Minister, to Members of E(LF), the Lord Privy Seal, Chief Whips in the Commons and the Lords, and to Sir Robin Butler.

A handwritten signature in black ink, appearing to read 'Yours ever, Malcolm Rifkind'. The signature is fluid and cursive, with a large initial 'M' and 'R'.

MALCOLM RIFKIND



Local Government - Rates PV 10.

