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CONFIDENTIAL

The Rt Hon John Major MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON
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WPM

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rlb

21 June 1988

Dear John,

PROJECT 2000: STUDENT NURSES AND THE COMMUNITY CHARGE

I refer to your letter of 10 June to John Moore, and in particular to your final comments about the position of students in general (as distinct from student nurses) who are on salaries. You suggest that they should not be eligible for the 80% student discount. I am writing to clarify this point.

The concession we agreed last year, and which was incorporated in the Abolition of Domestic Rates Etc (Scotland) Act 1987, did not involve such an income test. The rules we have made in Regulations define eligible students by reference to educational establishment, course and period of attendance. These are matters which can be handled within the Community Charges registration system: income tests cannot. There would be a serious outcry if we were to attempt to introduce some sort of means test for the student discount at this late stage. I accept that a few students on salaries will benefit from the discount but these are very much in the minority of students and, for the reasons I have given, I do not think that an attempt to exclude them would be worth the trouble it would cause.

I understand that, when the regulations are made defining those eligible for the discount south of the Border, they will be on an essentially similar basis to our own.

I am sending copies of this letter to the Prime Minister, Members of E(LF), Bertie Denham, David Waddington and to Sir Robin Butler.

Yours ever,
Malcolm Rifkind

MALCOLM RIFKIND

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LOCAL Gov't: Rates, etc