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

4 July 1988

*Dear Secretary of State,*

COMMUNITY CHARGE: STUDENT NURSES

I refer to the amendment which was accepted on Thursday 30 June during the Report Stage of the Local Government Finance Bill in the House of Lords, the purpose of which is to reduce the amount of community charge payable by student nurses, on a similar basis to the relief already provided for students.

What the Lords have done will, of course, create some potential anomalies within the community charge system. The introduction of a further relief reduces yet again the tax base of the community charge system, throwing a burden onto other community charge payers: and, as we have all along argued, student nurses are in many respects indistinguishable at present from other trainees who are in full-time employment and earn a reasonable salary. We can therefore expect pressure over the next few months for yet further concessions in this area.

Having said that, however, I do not think that it would be realistic for us to seek to overturn the amendment in the Commons or to try to frustrate its intention by not using the order-making power it contains. I think we would draw increasing criticism, in the face of the vote in the Lords, for trying to maintain the distinction, which we have been unable to present convincingly, between the justification for giving nurses no special treatment now and treating them as students after Project 2000. Accordingly, I think that we should make the best of it by accepting straightaway that we will not try to reverse the amendment, though making it clear that some technical modifications may be needed, and by indicating that we will use the order-making power to put student nurses on all fours with students - that is to say giving them the full 20% concession. Any attempt to come up with another figure would, I think, be arbitrary and risk criticism that we were being petty.

The matter will undoubtedly be raised on Tuesday evening, when the corresponding Scottish provisions are under consideration in the final day of the Report Stage. I hope that you and colleagues will be able to agree by then a clear line accepting the amendment in principle, so that Russell Sanderson can put our position firmly on the record.

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I am sending a copy of this to the Prime Minister, John Moore, Members of E(LF) and to Sir Robin Butler.

*Yours Sincerely*

*M/S Jones*

*(Private Secretary)*

MALCOLM RIFKIND

*Approved by the  
Secretary of State  
and signed in his absence.*

