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

27 September 1988

Dear Secretary of State,

COMMUNITY CHARGE: STUDENT NURSES

You wrote to me on 8 September about the treatment of student nurses under the community charge system, in the light of earlier discussions and in particular of the debates on this issue during the passage of the Local Government Finance Bill. I have also seen John Major's letter of 16 September.

As you know, my view when this issue came into prominence in late June and early July was that, in the light of the clear opinion in the House of Lords, we should accept the principle that student nurses should receive, irrespective of differences between their training and courses undertaken by full-time students, the same relief conceded to these students - option iv of the paper by officials attached to your letter. In the absence of an agreed decision on this point, I have made regulations on community charge registration which make no mention of special treatment for student nurses: but in doing so I have made clear that that is without prejudice to our eventual decision.

I consider that the choice before us is between option iv and our previous policy of bringing student nurses into the field of eligibility for the concession only as and when they undertake the new-style training arrangements under the Project 2000 proposals - option i identified in the officials' paper. If we were to choose option i, we could not of course rule out some reconsideration later (as under option ii), but I see no advantage at this stage in emphasising our willingness to reconsider. Similarly, option iii would simply deny student nurses in Scotland the benefits of option iv in the first year of the community charge system in Scotland. I therefore rule out options ii and iii.

I find the choice between the remaining two options a difficult one. I accept that option iv carries with it the danger, which you point out, of comparisons being made between student nurses and other salaried trainees. If we were starting with a clean sheet it would, of course, be best to maintain the position that student nurses should not receive the same relief from the personal community charge as that given to full-time

students. But the difficulty now is that the impression has been given on a number of occasions that student nurses will receive special treatment, and the message that this is dependent on the implementation of Project 2000 has simply not got through. It would be difficult to defend ourselves against the criticism that we were being small-minded in obstinately postponing a concession which we are proposing to accept anyway in due course for student nurses and in deliberately not using powers given to us for the very purpose of removing this perceived anomaly. There seems to me to be no advantage in provoking a major row on this issue, and I therefore conclude that the sensible political course, in the circumstances in which we find ourselves, is to go for option iv emphasising that this was the view of their Lordships.

I should add that I do not think that your proposals on the coverage of the concession are right. You envisage that it will apply to nurses undertaking pre-registration courses including those doing such courses for a second time; and you accept that those doing post-registration courses in higher education will immediately qualify as students (ie before the introduction of Project 2000); but you propose to exclude midwifery trainees. It seems to me that this will produce serious criticism and run the risk of undermining the political and presentational value of the favourable treatment we will be giving to nurses in general - and for a very small saving, on the basis of the figures contained in the Officials' paper. It is an added advantage of option iv that midwives can readily be covered under it whereas this could pose considerable problems of timing and definition under option i.

If the question is raised of the position of other trainees in a similar financial position to nurses who enjoy the 80% relief, I think that a decision for option iv can be defended on the grounds that the House of Lords clearly envisaged separate treatment for trainees in nursing and related professions: and that there was no implication during the relevant debates that any argument in favour of special treatment for trainees as such was being put forward.

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

Lynn Shankland

**MALCOLM RIFKIND**

(approved by the  
Secretary of State and  
signed in his absence)

Local Govt - Rates PV 1.

