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DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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cc PL

From the Minister of State for Social Security and the Disabled

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

NBPA to this stage.

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5/10

02 OCT 1988

Dear Nicholas,

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COMMUNITY CHARGE: DEDUCTIONS FROM BENEFIT

Thank you for your letter of 9 September responding to mine of 9 August about the outstanding issues on deductions from Income Support to pay arrears of community charges. You will have seen the replies from John Major and Malcolm Rifkind on the subject.

On the question of the making of regulations for deductions, I note your arguments but I still feel strongly that we should make a single set of regulations which deal with the mechanics of deductions from benefit for arrears of community charge. They would cover Scotland as well as England and Wales since we operate a single system for Great Britain.

The issue of deductions from benefit is very different from the other methods of enforcement. Those methods are entirely a matter for the local authority to determine and act upon. However, we have already established that once a local authority has asked for deductions to be made from benefit, their part in the process ends and I think that the enforcement regulations should, logically, cease at that point. They will have no locus in deciding whether deduction can be made and if so how and, in my view, this justifies the regulations standing alone. There is no reason for them to be included in regulations which give powers to local authorities.

I think we are all agreed that deductions from benefit is a sensitive issue and whilst I appreciate your desire to contain any debate, I remain convinced that it is best if we handle the deductions regulations.

In my earlier letter I also raised the question of the regulations concerning disclosures from social security records. As I mentioned then, I think it is more appropriate for us to make them.

F R.

In view of the support which John Major and Malcolm Rifkind have given in their replies, I hope that you will reconsider the matter and that we can now resolve this question without the need to discuss it in Cabinet Committee.

Turning to the question of priority, by keeping these deductions separate from the usual maximum, we should avoid the need to apply an order of priority but, there will be some instances where the amount of Income Support is at such a low level that we cannot avoid the problem.

As I understood the debates, imprisonment is only an option when a person has the means but wilfully refuses to pay the charge. I think that where there are arrears of rent, gas, electricity and water charges or any combination of these, a court is unlikely to regard non-payment as a wilful refusal. However, even if they did, I think it is arguable whether imprisonment for failure to pay on the one hand or eviction for non-payment of rent, discontinuation of gas or electricity or having the water supply cut off on the other, would have more serious consequences for the family.

Whilst I understand your need to ensure that arrears are collected, I hope you will understand that there are other priorities which we have to consider in relation to a family as a whole and I think we must reserve our position in that respect.

With regard to current liability problems, the deductions for community charge will, in a straightforward case, include current liabilities because the whole year will fall due when only one or two payments have been missed. The comparison you make with other deductions where we deal separately with current liabilities operates in a different context. Taking rent as an example, the arrears will be only for past periods and the on-going benefit will include an amount for rent which can simply be diverted to the landlord.

In the case of community charge, not only will the amount deducted weekly be in excess of what is included in Income Support but will cover future payments as well as past arrears. Once we make deductions for arrears there is no separate element on which we could draw to direct further monies to meet community charge liabilities. I think therefore that we must confine any deductions to £1.70 a week.

I am pleased that you intend to look at the costs of liability orders. The uncertainty about the extent to which such costs would inflate the liability order for what will, on average, be about £50 for a whole year, was at the root of my concern.

I note that Malcolm Rifkind suggested that we might use a separate figure in the case of couples, but deductions are already costly in manpower and we must keep them as simple as possible, particularly as we move towards more computerisation. I hope that you and Malcolm will accept that adding a different level of deduction especially for community charge is not administratively feasible.

F R.

Finally, I am content for this Department to bid for the running costs.

I am copying this to John Major, Malcolm Rifkind, other members of E(LF) and to Sir Robin Butler.

Yours truly,

Nick.

NICHOLAS SCOTT

LOCAL GOVT

Rates pr 11

