

PAUL GRAY

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HOLIDAY CARAVANS & STANDARD COMMUNITY CHARGE

I have no comment on Chris Patten's proposal for a short Bill on caravans. This is obviously necessary to meet the need identified.

There is one other particular standard charge issue which perhaps ought also to be dealt with in this Bill, if at all possible. See the note attached. I suggest this simply because, as the Prime Minister may have heard, it was raised on this morning's 'Today' programme, and was clearly indefensible. If it could be changed alongside caravans, it may save much difficulty later on.

*John Mills*

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STANDARD CHARGE: LONG-STAY HOSPITAL PATIENTS

On the 'Today' programme this morning, the case was reported of an old man in a mental hospital who had just got a 'double' community charge bill. This was presented as incredulous.

Long-stay patients are exempt from the personal charge. If they leave their home empty, it is exempt for 12 months from the standard charge. After that, whether it remains exempt is at the local authority's discretion.

The 12-month period runs not from 1 April 1990, but from entry into hospital (or a care home, or the home of a relative to be looked after). Thus someone who went in on 2 April 1989 could be liable for standard charge from April 1990, and so on through the year, at up to two times the personal charge. This is presumably what catches the old man referred to.

The rule is that local authorities must have decided upon their "discretions" by 1 April, and thereafter cannot change them for the year. Nor can the Secretary of State make a change by regulation, as with caravans. Primary legislation is the only answer, to enable there to be a permanent exemption.

If action is not taken there is clearly much potential for embarrassing and emotive cases where authorities have not set a zero multiplier. For example, someone going into an old people's home but unable to sell their house because of the downturn in the market. Or accident victims forced to be in hospital long-term. Because of the 12-month rule such cases would continue to emerge right through the year.