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From the Secretary of State for Social Security

Prime Minister²

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*To note. The point is that if
 life level budgeted lower and set moderate
 community charges, the increase in income
 support would have been more than enough to compensate for
 paying 20% of the community charge.*

3 May 1990

Barry Potter

*Thank you very much
 BT*

*BHP
 S/S*

**ALLOWANCE IN INCOME SUPPORT FOR MINIMUM CONTRIBUTION
 TO THE COMMUNITY CHARGE**

My Secretary of State has asked me to let you know the up-to-date position, in case it is helpful for briefing the Prime Minister in relation to her 1987 undertaking, in an answer in the House, that:

"For the less well off, there will be an up to 80 per cent rebate of the community charge. For the worst off who are on supplementary benefit and income support, there will be an amount added to that income support or supplementary benefit equal to the average of the 20 per cent they would have to pay. So they will not be adversely affected."

As the attached table shows, taking the average for Great Britain as a whole across all types of Income Support claimant, this commitment has been precisely met in respect of the level of charges after allowing for transitional relief (i.e., even without taking account of the effect of any capping in reducing average charges still further).

E.R.

It is however important to note, in considering any reference which may be made to this, that these averages embrace some significant differences between the various types of claimant and the various parts of Great Britain (as well as, obviously, individual local authority areas).

In Scotland and Wales, the amount included in the Income Support rate is more than sufficient to cover the 20 per cent of average charges after transitional relief for all categories of claimant. This is also the case in England for single people over 25, but not for younger single people or for couples. For Great Britain as a whole, the position is that the amount included in the Income Support rate is 6p a week more than 20 per cent of average charges after transitional relief for single people over 25, and 10p a week less than average charges after transitional relief for younger single people and for each member of a couple.

I am copying this to the private secretaries to Chris Patten and Kenneth Baker.

Yours
Helen

HELEN DUDLEY
Private Secretary

AMOUNTS INCLUDED IN INCOME SUPPORT

	Amounts originally included in April 1989	Uprated value from April 1990	Equivalent to 20% of a Community Charge of
Single under 25 (or each member of a couple)	£1.15	£1.21	£315
Single 25 or over	£1.30	£1.37	£356
Weighted average for all IS claimants	£1.24	£1.31	£340

**ESTIMATED AVERAGE COMMUNITY CHARGE LEVELS FOR
INCOME SUPPORT RECIPIENTS**

	Average Charge	Weekly 20% contribution
Before effects of transitional relief and capping	£351	£1.35
After transitional relief but before capping	£340	£1.31
After transitional relief and capping	£333	£1.28