

LOCAL GOVERNMENT

[Paper by Mr. Timothy Raison]

With the Metropolitan District Elections coming up on May 1st and our National Local Government Conference this week at Southport, I feel that we need to be sure where we stand on one or two important issues. We have the Leader's speech on Friday and my own on Saturday in which to put our own current thinking at Southport.

The main questions seem to be concerned with:-

1. Local government finance;
2. Local government organisation;
3. Housing.

1. On local government finance and the rising rate levels, we have already said that we stand by our commitment to end the domestic rates, while retaining an independent source of finance for local government, but that we will not say what we would substitute until we have seen Layfield. The question now is whether we should give any support to the pleas for additional rate relief, on last year's lines, for areas that are particularly heavily hit this year. There is some concern that if we do not ratepayers and similar associations will gain at our expense. On the other hand, in the Metropolitan district areas - thanks to the Rate Support Grant formula - rate increases seem to be fairly low - some very low. Given our commitment to holding down public expenditure, I feel that we should not back additional relief, but encourage our supporters to attack local government extravagance where they see it (especially Socialist), while stressing our commitment to reform and also our particular sympathy for business ratepayers. I also feel that, while encouraging citizens to press for economic administration, we should discourage them from not only rate strikes but also delaying tactics on payment etc.

2. There is, of course, a good deal of grumbling about local government reorganisation in the metropolitan areas; but I think that we should make it clear that further reorganisation of either boundaries or powers is not on the cards (beyond minor changes in the fullness of time). Could we go further and say we have no plans for regional devolution in England? I know that this has not been examined yet by Willie Whitelaw's team; but if we could say something on these lines I should think it would be well received.

3. On housing, we clearly retain our commitment to the private sector and to selling council houses, and will of course fight the Land Bill, but we may need to say something about mortgages. I suggest we say that (a) if you had voted Tory, mortgages would have been down to 9½ per cent; (b) but that obviously a policy of this kind depends on current circumstances, and inflationary conditions, and that 9½ per cent does not remain a standing commitment. Instead we should say that at least the Government must not allow mortgages to rise above 11 per cent.
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Conservative Research Department,  
24 Old Queen Street, London, SW1H 9HX.

18.3.75