

ore

CONFIDENTIAL



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

*cc B/S
return
please*

24 January 1986

Dear David,

GREEN PAPER: PAYING FOR LOCAL GOVERNMENT

I enclose a first draft of the statement which my Secretary of State proposes to make on Tuesday 28 January. He will be working on it over the weekend, but I thought it would be helpful to circulate this draft today.

I should be grateful for any comments on it as soon as possible on Monday. I am sending a copy of this letter and enclosure to the private secretaries of members of E(LF) and of the Chief Whips in both Houses, and to Michael Stark in Sir Robert Armstrong's office.

*Yours sincerely,
Robin.*

R U YOUNG
Private Secretary

David Norgrove Esq

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DRAFT STATEMENT BY THE SECRETARY OF STATE

PAYING FOR LOCAL GOVERNMENT

Introduction

1. With permission, I should like to make a statement. Together with my rt hon. friends the Secretary of State for Wales and the Secretary of State for Scotland I have today presented to Parliament a Green Paper which makes major proposals for the future financing of local government in Great Britain.

2. We have called our Green Paper "Paying for Local Government". It is a substantial document - the outcome of 15 months of intensive consideration. The central theme is the need to bolster local democratic accountability. To do so, we need a way of paying for local government which narrows the gaps which exist between those who use, those who vote for, and those who pay for local government services.

3. Our studies over the past year have revealed three major sources of weakness in our present arrangements:

- the effect of non-domestic rate payments;
- the way in which central government grants are paid;
and
- the inadequacies of local domestic taxes - domestic rates.

Non-Domestic Rates

4. Non-domestic ratepayers foot 60% of the local tax bill but have no vote to influence local decisions.

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5. For businesses, rates are an uncontrollable overhead cost. They undermine competitiveness and confidence.

6. Business rates are passed on to consumers as higher costs; to workers as lower pay or job prospects; or to shareholders as lower profits. Those who ultimately pay them are quite unaware of how these extra burdens arise.

7. For all these reasons, non-domestic rates should not be a local tax. We propose therefore that uniform non-domestic rate poundages should be set centrally by the Secretaries of State.

8. Both business and local government will require assurances about the operation of these proposals.

- First, all of the yield of the non-domestic rate will continue to be used to support local government expenditure.
- Second, we will provide in legislation for the real burden of non-domestic rates to be frozen by linking them to an appropriate measure of inflation.
- Third, we are setting in hand a revaluation of all non-domestic properties.
- Finally, transitional arrangements will be required in each of the three countries to allow for an orderly move to the new system.

9. We also propose that the yield of the non-domestic rate should be pooled in each of the three countries and redistributed in such a way that the local tax bill is reduced by a common amount per adult in all authorities. This will preserve the

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equalisation of non-domestic rateable resources, but get rid of the present non-domestic resources equalisation through block grant which obscures the link between increased local spending and increased local taxes.

10. These proposals will reduce non-domestic rate burdens in the inner cities and the older industrial areas of the North and North West of England. Those are the areas where unemployment is highest. I hope those who have been concerned about the impact of high rates on business and about the need to stimulate the economy of the inner cities will recognise this important aspect of our proposals.

Government grants

11. The present grant arrangements are unstable and complex. They obscure the link between what people pay for local services and what they get for their money. But the clarity of that link is essential to local accountability.

12. We therefore propose a new two-part grant structure. First, a needs grant to compensate authorities for differences in the cost of providing services. Secondly, a standard grant - to reduce local tax bills in each area by a common amount per adult. Both grants would be fixed in cash, in advance, for the year in question. They will not change thereafter. We would remove the whole paraphernalia of schedules, tapers, multipliers and close ending.

13. Taken together with our proposals on the non-domestic rate, these grant arrangements will produce the clearest possible relationship between changes in spending and changes in tax bills. Every extra pound spent will be met in full by local taxpayers. Every pound saved would benefit them in full. And that would be true in every authority in the country.

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14. But there is no point having clear signals if they are not given to the right people.

Domestic Taxes

15. At present, in England, around 35m adults are eligible to vote in local elections. Only 18m are directly liable as ratepayers. And of those, 3m have their bill met in full by housing benefit.

16. Under the new Social Security arrangements, everyone will have to pay at least 20% of the rate bill. But that will still leave 17m adults without any liability to pay for the local services they use. And it will still mean that the single pensioner will face the same bill for local services as the multi-adult family next door.

17. We therefore propose that domestic rates should be replaced by a flat-rate charge set by each authority to be paid by all the adult residents in its area. That will spread the burden more fairly and more widely among local electors. The new charge would be known as the "Community Charge". There would continue to be assistance for those on low incomes.

18. All adults would need to be registered in the local authority where they live. The registers would be local and separate from the electoral register. Entitlement to vote would be completely unaffected by these proposals.

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Transition

19. Our proposals would lead to the same local tax bill for the same standard of service in all areas. That would cause significant changes in the distribution of local tax burdens between authorities. But it is not our intention to produce large and sudden shifts in the relative burdens of local taxation.

20. We therefore propose to use special safety net arrangements to protect authorities against sudden changes in their income arising from the introduction of the new arrangements for grants and non-domestic rates.

21. We also propose to phase in the new community charge starting at a low initial level. All of the burden of any increased spending will however fall on the community charge so that the benefit of the clear link between changes in spending and changes in the tax bill can begin to take effect from the outset.

22. Arrangements will be made to phase out the remaining element of rates. They will disappear in some areas within 3 years of the introduction of the new proposals will have been completely eliminated within ten years. Separate transitional arrangements are proposed for England, Scotland and Wales.

Results

23. Under our proposals some people would be paying local taxes who presently pay nothing. They will lose. The main gainers will be those living on their own who presently pay more than their fair share - that includes a very large proportion of the poorest households. They will be better off.

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24. The Green Paper illustrates the effects of the proposals had they been in force in 1984/85. For most people the changes would have been modest. In the first year of the gentle transition 90% of households would gain or lose less than £1 per week. Even with the full community charge, changes in local tax bills would be less than £2 per week for 70% of households.

Capital Expenditure

25. The Green Paper also makes proposals for reform of the local authority capital control system. Everyone agrees that change is needed, but there are several possible approaches. We are putting forward two options in the Green Paper for comment.

26. The first would involve controlling all external borrowing by local authorities. But they would be free to finance additional capital expenditure in other ways. The other option is a control of gross expenditure. At present the expenditure option looks far more practical. But the borrowing option has attractions if it can be made to work.

Consultation

27. These proposals amount to the most thorough reform of local government finance this century. It is right that there should be a substantial period of consultation.

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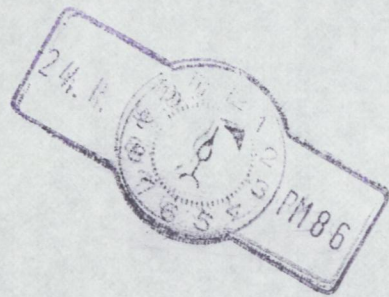
28. We are inviting comments by the 31st July. In the light of consultation, the Government will be seeking to introduce legislation on these matters with respect to Scotland during the next session of Parliament. The pace of further developments in England and Wales will depend on the outcome of the consultation process. The wide range of rateable values in England will make the changeover more complex there and it may be necessary to extend consultations with representatives of local government beyond 31 July.

29. Since it may be possible to legislate more quickly on capital expenditure. We wish to keep this option open. We are therefore asking for comments by 14 April.

Summary

30. The message from our studies is clear; the way we now pay for local government now undermines local accountability. This is no basis on which to run democratic local government. It has drawn central government deeper into conflict with local government. The alternatives are clear. We can continue down the present path. That is the road to closer central involvement in local affairs and increased central control. Or we can face up to the weaknesses in our present arrangements and provide local government with a financial system to bolster local democracy. The Government prefers that course and I commend it to the House.

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C/S



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

R U Young Esq
Private Secretary
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

28 January 1986

N BGM

Dear Robson

GREEN PAPER: PAYING FOR LOCAL GOVERNMENT

Thank you for sending me a copy of your letter of 27 January with the revised draft of your Secretary of State's Parliamentary Statement.

As you will have seen from my Secretary of State's letter of 27 January commenting on the earlier draft we take exception to the explicit reference to a uniform non-domestic rate poundage being set centrally in each country. We consider that paragraph 7 of the revised statement still goes beyond the wording in the Green Paper which was agreed after painstaking consideration by Ministers.

We would prefer to see paragraphs 7 and 8 of the statement amalgamated as follows:

"7 For all these reasons, non-domestic rates are an unsatisfactory local tax. While therefore all of the yield of non-domestic rates will continue to support local government expenditure it will be pooled and redistributed as an equal amount per adult in all authorities. Businesses will be protected by indexing the poundages to inflation. Transitional arrangements will be required in each of the three countries to allow for an orderly move to the new system. We are setting in hand a revaluation of all non-domestic properties so that new rateable values will be available."

I am copying this to David Norgrove, to the Private Secretaries of members of E(LF) and of the Chief Whips in both Houses and to Michael Stark in Sir Robert Armstrong's office.

Yours ever
Robert Gordon
Private Secretary

LOCAL GOVT APG

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POST OFFICE
LONDON
E1 1AA

GENERAL PAPER: PAYING FOR LOCAL GOVERNMENT

Thank you for sending me a copy of your letter of 21 January with the
revised draft of your proposal of a new Parliamentary arrangement.
As you will be aware, it is a very important one for the country.
I am sure that the arrangements which you have proposed are
desirable and will be of great benefit to the country.
I am sure that the arrangements which you have proposed are
desirable and will be of great benefit to the country.

The following are the main points of the proposal:
1. The number of members of the House of Commons will be reduced
to 600.
2. The number of members of the House of Lords will be reduced
to 100.
3. The number of members of the House of Representatives will be
reduced to 100.
4. The number of members of the House of Deputies will be
reduced to 100.
5. The number of members of the House of Senators will be
reduced to 100.

WSP



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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

28 January 1986

CONFIDENTIAL

Dear Robin,

NBPM

GREEN PAPER - PAYING FOR LOCAL GOVERNMENT

You asked for comments by noon today on your Secretary of State's draft Parliamentary Statement on the Green Paper. My Secretary of State mentioned to Mr Baker last evening the need to associate, in the Statement, the consultation exercise which will be carried out in Wales with that undertaken in England and to have available a form of words lest Mr Baker is asked why no separate Statement is intended for Wales. I enclose a ... revise of para 20-21 which covers these points.

/ I am copying this letter to David Norgrove, the Private Secretaries of members of E(LF) and of the Chief Whips in both Houses and to Michael Stark in Sir Robert Armstrong's office.

*Yours sincerely
Colin Williams*

R C WILLIAMS

Robin Young Esq
Private Secretary
Department of the Environment
2 Marsham Street
London
SW1P 3EB



20. These proposals amount to the most thorough reform of local government finance this century. It is right that there should be a substantial period of consultation throughout Great Britain. We are asking that comments should be received by myself or my Rt Hon Friend the Secretary of State for Wales by 31 July: consultation with the local authority associations will continue beyond that date. The pace of further developments in England and Wales will depend on the outcome of the consultation process. My Rt Hon Friend the Secretary of State for Scotland will make a statement tomorrow.

[IF PRESSED ON WHY NO WALES STATEMENT:

While there are important differences in the proposals for Scotland, the proposals for England and for Wales are substantially the same, which makes a separate Welsh Statement unnecessary.]

LOCAL ADT PM

Ray



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CC BG
✓

Treasury Chambers, Parliament Street, SW1P 3AG

R U Young Esq
 Private Secretary to the Secretary of State
 Department of the Environment
 2 Marsham Street
 London
 SW1

NRSPN

27 January 1986

Dear Rob

GREEN PAPER: PAYING FOR LOCAL GOVERNMENT

FILE WITH DRD

Thank you for sending me a copy of your letter of 24 January to David Norgrove, with the draft of a statement by your Secretary of State.

The Chief Secretary is generally content with the draft subject to the following points which I gave you earlier on the telephone.

In paragraph 2, some reference to the Government's expenditure control objectives is necessary. He suggests adding:-

"while containing local government spending at levels which the country can afford."

In paragraph 5, it is important not to condemn business rates altogether, since they will remain in much modified form. This could be avoided by inserting:-

"with their present large local variations"

before the second sentence, and replacing "undermine" with "affect" in the last sentence.

In paragraph 7, the reference to "Secretaries of State" should be deleted and replaced by "government".

LOCAL GOVT
RATES
PT 4

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After paragraph 18, insert a new paragraph to read:

"To ensure that local authorities do not increase their expenditure excessively the government will retain a power similar to the rate-capping power to prevent irresponsible authorities from imposing excessive burdens on their taxpayers."

In paragraph 26, the order of the last two sentences should be revised to read:-

"The borrowing option has attractions if it can be made to work. But at present the expenditure option looks far more practical."

Paragraph 29 should be revised to read:

"Since we hope it will be possible to legislate more quickly on capital expenditure, we wish to keep this option open. We are therefore asking for comments on that section of the Green Paper by 14 April."

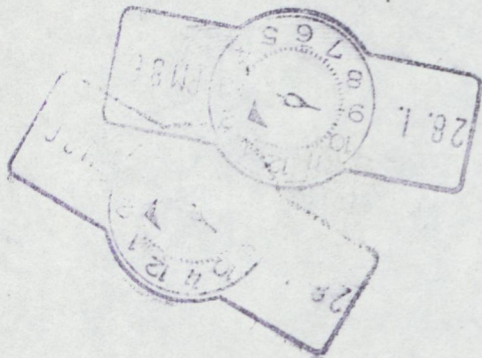
You agreed to let me know if your Secretary of State saw any problems with these suggestions.

I am copying this letter to David Norgrove, the Private Secretaries of members of E(LF) and of the Chief Whips in both Houses and to Michael Stark in Sir Robert Armstrong's office.

Yours sincerely
Richard Broadbent

R J BROADBENT

Private Secretary



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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

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The Rt Hon Kenneth Baker MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

NBRN

27 January 1986

Dear Ken,

Last Friday your Private Secretary sent mine a draft of your statement on our Green Paper on Local Government, due to be made on Tuesday 28 January.

I have two comments on this. I do not think I can accept as it stands the first sentence in paragraph 9 for the reasons we have already discussed which led to the redrafting of the Scottish paragraphs about the non-domestic rate. I hope you will agree to omit "in each of the three countries" from this sentence; I do not think the description of the Government's proposals in principle is thereby changed, but if this phrase is left in it will cause me some embarrassment.

The second point is factual. Chapter 6 does not relate at all to Scotland, where the existing local authority capital control system works well. I should like to see the words "in England [and Wales]" added at the end of the first sentence of paragraph 25.

I am copying this letter to the Prime Minister, other members of E(LF), John Wakeham, Bertie Denham and Sir Robert Armstrong.

Yours ever,
Malcolm

MALCOLM RIFKIND

STATEMENT BY THE SECRETARY OF STATE

PAYING FOR LOCAL GOVERNMENT

Introduction

1. With permission, I should like to make a statement. Together with my rt hon friends the Secretaries of State for Wales and Scotland I have today presented to Parliament a Green Paper entitled "Paying for Local Government". It makes major proposals for the future financing of local government in Great Britain.
2. The central theme is the need to bolster local democratic accountability. To do so, we need a way of paying for local government which narrows the gap which exists between those who use, those who vote for and those who pay for local government services.
3. The three fundamental weaknesses in our present arrangements are:
 - the complex and uncertain effect of Government grants to local authorities;
 - the way in which businesses can be heavily taxed to pay for excessive local spending;
 - the unfair burden on householders of the domestic rates.

Non-Domestic Rates

4. Business and commercial ratepayers foot 60% of the local tax bill but have no vote to influence local decisions.

5. For businesses, rates are uncontrollable overhead costs which can and do vary from year to year very significantly.

6. Increased business rates lead to higher costs; to lower pay or job prospects; or to reduced investment. Those who are ultimately affected are quite unaware of how these extra burdens arise.

7. For all these reasons, non-domestic rates should not be a local tax. We propose therefore that a uniform non-domestic rate poundage should be set centrally. Businesses will be protected by indexing the poundages to inflation, so that they can predict their liability with confidence.

8. All of the yield of non domestic rates will continue to support local government expenditure but it will be pooled and redistributed as an equal amount per adult in all authorities. Transitional arrangements will be required in each of the three countries to allow for an orderly move to the new system. We are setting in hand a revaluation of all non-domestic properties, so that new rateable values will be available from April 1990.

Government Grants

9. The present grant arrangements are unstable and complex. They obscure the link between what people pay for local services and what they get for their money. But the clarity of that link is essential to local accountability.

10. We therefore propose a new two-part grant structure. First, a needs grant to compensate authorities for their different needs. Second, a standard grant - to reduce local tax bills by a standard amount per adult. Both grants would be fixed in cash, in advance, for the year in question. Local authorities will know where they stand. We would remove the whole paraphernalia of schedules, tapers, multipliers and close ending.

11. Taken together with our proposals on the non-domestic rate, these grant arrangements will produce the clearest possible relationship between changes in spending and changes in tax bills. Every extra pound spent will be met in full by local domestic taxpayers. Every pound saved would benefit them in full. And that would be true in every authority in the country.

Domestic Taxes

12. At present in England, around 35 million adults are eligible to vote in local elections. Only 18 million are directly liable as ratepayers. Of these 3 million have their bill met in full by housing benefit. In many authorities well over 50% of the voters pay no local rates and therefore have little interest in restraining spending by the local authority - indeed they have a clear interest that it should spend more.

13. Under the new Social Security proposals every ratepayer will have to pay part of their rate bill. That still leaves 17 million adults with no liability to pay for the local services they use. It still means that the single pensioner or the single parent will face the same bill for local services as the house next door with four earners.

14. Rates are a tax on property. They are unpopular because the rates burden is carried on too few shoulders and needs to be spread more widely. There are broadly 3 alternatives - a sales tax, local income tax or a flat-rate community charge. The Green Paper sets out the many difficulties we see both in a sales tax and in local income tax, and the reasons why we prefer a community charge. It would be more closely linked to use of local services and would give all adults a stake in local spending decisions. As with rates, there would have to be assistance for those on low incomes.

15. Each local authority would set its own charge and there would have to be registers of all adults. The registers would be entirely separate from the electoral register.

16. This proposal would lead to the same local tax bill for the same standard of service in all areas. That would lead to significant changes in the distribution of local tax burdens between authorities. There would have to be transitional and safety net arrangements.

17. In England and Wales the community charge would start at a low level, with a corresponding cut in rates. The whole burden of any increased spending would fall on the community charge from the start, so that a clear link would exist between higher spending and higher community charges. In subsequent years there would be further transfers from rates to the community charge. In some areas rates would disappear within 3 years; and they would be eliminated in all areas within 10 years.

18. Under these proposals some people would be paying local taxes who presently pay nothing. But those living on their own who presently pay more than their fair share, including many of the poorest households, would be better off.

19. The Green Paper illustrates the effects of the proposals had they been in force in 1984/5. The illustrations show that the changes would be modest for most people, and that the shift to the new tax would be both gradual and manageable in terms of household incomes.

20. There are also proposals in the Green Paper to reform the capital control system, on which I am inviting comments.

Consultation

21. These proposals amount to the most thorough reform of local government finance this century. It is right that there should be a substantial period of consultation.

22. We have asked for comments by 31 July. My rt hon friend the Secretary of State for Scotland will make a statement tomorrow. The pace of further developments in England and Wales will depend on the outcome of the consultation process.

Summary

23. The message from our studies is clear; the way we now pay for local government undermines local accountability. This is no basis on which to run democratic local government. It has drawn central government deeper into conflict with local government. The alternatives are clear. We can continue down the present path. That is the road to closer central involvement in local affairs and increased central control. Or we can face up to the weaknesses in our present arrangements and provide local government with a financial system to bolster local democracy. The Government prefers that course and I commend it to the House.

cc/B

010



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

27 January 1986

NBRN.

Dear David,

GREEN PAPER: PAYING FOR LOCAL GOVERNMENT

Further to my letter of 24 January, I attach a revised draft of my Secretary of State's Parliamentary Statement tomorrow. It takes account of amendments made by Mr Baker over the weekend, and a number of those suggested by you and copy recipients today.

WITH DRN

I should be grateful for further comments by midday tomorrow, 28 January. I am copying this letter to those who recieved my earlier one.

Yours sincerely,

Robin.

ROBIN YOUNG
Private Secretary

David Nargrove Esq

DRAFT STATEMENT BY THE SECRETARY OF STATE

PAYING FOR LOCAL GOVERNMENT

Introduction

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3. The three major sources of weakness in our present arrangements are:

- the effect of non-domestic rate payments;
- the way in which central government grants are paid; and
- the unfairness of the local domestic tax - the rates.

Non-Domestic Rates

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10. We therefore propose a new two-part grant structure. First, a needs grant to compensate authorities for their different needs. Second, a standard grant - to reduce local tax bills by a standard amount per adult. Both grants would be fixed in cash, in advance, for the year in question. They will not change thereafter. We would remove the whole paraphernalia of schedules, tapers, multipliers and close ending.

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13. Under the new Social Security arrangements everyone will have to pay at least 20% of their rate bill. That still leaves 17 million adults with no liability to pay for the local services they use. It still means that the single pensioner or the single parent will face the same bill for local services as the family next door with several adults.

14. Rates are a tax on property and are unpopular because they have to bear too much weight. In other countries the property based tax amounts to a much smaller part of local taxation. The rates burden is carried on too few shoulders. To spread it more widely means moving to a personal basis of taxation. There are broadly 3 alternatives - a sales tax, local income tax or a flat rate community charge. The Green Paper sets out the difficulties we see in a sales tax and local income tax and the reasons why we would prefer a community charge. There would have to be assistance for those on low incomes.

15. Each local authority would levy its own charge and would need therefore a register of all the adults. The registers would be entirely separate from the electoral register, as for example foreigners living in Britain would also have to be on the register as they would be liable to the charge.

16. This proposal would lead to the same local tax bill for the same standard of service in all areas. That will lead to significant changes in the distribution of local tax burdens between authorities. There will have to be transitional and safety net arrangements.

17. The community charge would start at a low level. As soon as it is introduced, there will be a corresponding cut in rates. In some areas rates would disappear within 3 years and be completely eliminated within 10 years. The whole burden of increased spending would fall on the community charge, so a clear link would exist from the start between higher spending and higher charges.

18. Under these proposals some people would be paying local taxes who presently pay nothing. The main gainers will be those living on their own who presently pay more than their fair share - that includes a large proportion of the poorest households.

19. The Green Paper illustrates the effects of the proposals had they been in force in 1984/5. The illustrations show that the changes would be modest for most people, and that the shift to the new tax can be both gradual and manageable in terms of household incomes.

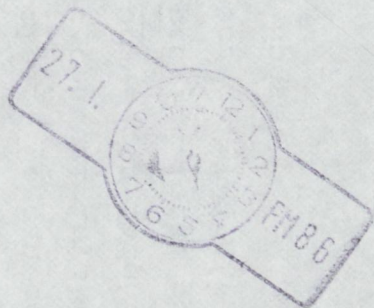
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Summary

22. The message from our studies is clear; the way we now pay for local government undermines local accountability. This is no basis on which to run democratic local government. It has drawn central government deeper into conflict with local government. The alternatives are clear. We can continue down the present path. That is the road to closer central involvement in local affairs and increased central control. Or we can face up to the weaknesses in our present arrangements and provide local government with a financial system to bolster local democracy. The Government prefers that course and I commend it to the House.



010

CCBG

pa



P 01888

CONFIDENTIAL

MR NORGEORVE

Local Government Finance Green Paper

with [unclear]

We discussed briefly on the telephone the draft statement by the Environment Secretary attached to Mr Young's letter of 24 January. There are two points that I think you might wish to take up.

2. First, the language in paragraph 23 seems to me to expose the losers and gainers in rather unfortunate terms. It seems unnecessary to volunteer the loss effects quite so openly. I would suggest:

x/

"Under our proposals some people would be paying local taxes who presently pay nothing. But those living on their own who presently pay more than their fair share, including a very large proportion of the poorest households, will be better off."

y/

3. On the period of consultation, I do not see that it is necessary to concede at the outset that consultation in England and Wales may go beyond 31 July. You may wish to say that the Prime Minister would prefer this to emerge in debate, or in separate discussion if the Secretary of State is questioned, and for the references in paragraph 28 of the draft statement to be deleted.

Note for the record,

LY accepted x & y

(y subject to agreement of others, but would come back if difficulties).

Understood to endorse the Policy Unit proposal.

J B UNWIN

DRW

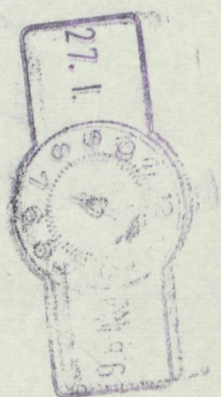
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27 January 1986
Cabinet Office

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LOCAL GOVT
RATES
PT 4

COMMISSIONER



PRIME MINISTER

24 January 1986

RATES GREEN PAPER

Kenneth Baker's statement is fine. It shows that you have been absolutely right to select him and William Waldegrave as the reform team: they understand the policy and are determined to sell it properly.

We have one minor comment. Paragraph 7 needs to be amended slightly to make clear from the start that the non-domestic rate will be automatically frozen in real terms, rather than left to the discretion of the Secretaries of State. The second sentence of the paragraph could read:

"We propose, therefore, that non-domestic rate poundages should be uniform in each county, and that they should be constrained by an automatic formula, so that businesses can predict their future burden with confidence".

We recommend that you agree to Kenneth Baker's draft, subject to:

- David Norgrove's point on the consultation period.
- Our redraft of paragraph 7.

David Willetts

DAVID WILLETTS

Oliver Letwin

OLIVER LETWIN

CONFIDENTIAL

PRIME MINISTER

GREEN PAPER: PAYING FOR LOCAL GOVERNMENT

Mr. Baker invited comments on his draft statement on the Green Paper.

I think it is admirably clear. Note the emphasis on the inner cities in paragraph 10. Paragraph 28, on the timing of consultations, seems to go outside the agreement which was reached with the Lord President. I am pursuing that separately.

Agree the draft statement subject to colleagues' comments?

Yes not

PP
R.A. [unclear] (Duty Clerk)

DN

24 January 1986

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