



P 02912

PRIME MINISTER

COMMUNITY CHARGE: TRANSITIONAL ARRANGEMENTS[E(LF)(87)45]

## DECISIONS

The Sub-Committee needs to decide;

either a. to stick to the transitional arrangements agreed in July for the community charge which were based on dual running of rates and the community charge over a four-year period, accompanied by a safety net;

or b. to allow as many areas as possible to go straight to the community charge in 1990, with minimum arrangements to mitigate the impact on those who would be most sharply affected by the change.

2. The Environment Secretary is strongly in favour of the latter course. His paper argues that the Government cannot simply stick with the July decisions. He is no longer proposing that authorities should be given the option whether or not to have dual running, in view of reaction within the Party. Instead he is offering a basic choice on the lines above, with a strong steer towards a quick transition in 1990.

3. Before taking a decision on the basic choice, you may wish to invite the Sub-Committee to consider the merits of the options set out in Mr Ridley's paper, which all assume a quick transition in 1990.

a. No dual running, no safety net. One option would be to place a ceiling of £300 per adult on the community charge payable in 1990, wherever an individual lived. The cost of £530 million would have to be borne by community charge payers



everywhere, by an addition of £15 per head. [Paras 4 to 6]

b. No dual running, full safety net. An alternative would be to drop dual running completely, but to have the full safety net as envisaged in July. [Paras 7 to 9]

c. No dual running, £75 safety net. A variant on this would be to drop dual running and have a safety net which was limited to a maximum contribution of £75 per adult. [Paras 10 to 12]

d. Limited dual running, £75 safety net. Mr Ridley's preferred course would be to move all areas straight to the community charge, subject to a £75 safety net, except that high-spending authorities whose spending is more than £80 per head above GRE in their 1988-89 Budgets would be required to have dual running over the four-year transition period.

4. Whatever decision is taken, you will want to consider how any announcement is to be handled. Mr Ridley is still presumably hoping to announce the change of approach, if approved, <sup>or before</sup> on Second Reading of his Bill. You may want to ask the business managers for a view on this.

#### BACKGROUND

5. The Green Paper "Paying for Local Government" proposed a long transitional period, lasting for up to 10 years in some areas, involving both dual running and a full safety net to moderate the large shifts in tax burdens between areas resulting from the new system.

6. In July Mr Ridley asked E(LF) to reconsider these arrangements (E(LF)(87)11th, 14th, 17th and 19th Meetings). His initial proposal was to introduce the community charge in full in 1990/91 and to dispense with the safety net proposed in the Green Paper. This was strongly contested in E(LF), in particular by the





Chancellor of the Exchequer. The Sub-Committee finally decided to retain full transitional arrangements including dual running and a safety net, but to phase them out over four years, a much shorter period than envisaged in the Green Paper.

7. Since these decisions were announced in July, the proposal to retain dual running has attracted opposition from MPs and local authorities, particularly those representing areas in the South. At E(LF) on 27 October (E(LF)(87)22nd Meeting) Mr Ridley proposed to meet these criticisms by giving all local authorities a right to opt out of dual running. The full safety net would however have been retained.

8. E(LF) saw attractions in this new approach but was concerned about the problems which could result in areas where the community charge was high, either because of excessive spending (eg in inner London) or because of substantial contributions to the safety net (eg in South Buckinghamshire). You asked Mr Ridley to bring forward a further paper with full exemplifications, exploring the possibility of restricting the right to opt out to areas where the resulting community charge would be below a threshold figure. You also asked him to look at possible changes to the safety net arrangements. Two options were mentioned: a minor revision to the existing arrangements to mitigate the effect on those authorities who made the greatest contribution to the safety net; and a more radical change to a new type of safety net designed simply to reduce the level of community charges where they would otherwise be at excessively high levels.

9. Since E(LF) last met it has become clear that the main critics of dual running are unlikely to be satisfied with a right for local authorities to opt out. They want the Government to drop dual running altogether, at least for most authorities. This would bring the English arrangements into line with those for Scotland, where the community charge will be introduced in full in 1989/90, and Wales where the same will apply from 1990/91. Mr Ridley has not accordingly developed his opting-out proposal in the way



envisaged at the previous meeting. Instead he is now considering ways of introducing the community charge in full in 1990-91, while mitigating the worst effects in areas most sharply affected.

## MAIN ISSUES

10. The main purpose of the transitional arrangements agreed in July was to give individual local taxpayers some protection from sharp changes in their tax bills. Dual running was designed to smooth the impact on individuals; the safety net was a complementary arrangement designed to prevent too rapid a shift in the burden of taxation between areas, in particular between the North and the South. Together they were designed to produce a gradual reduction in existing rate burdens, matched by a gradual increase in community charge payments. They also met the Chancellor's worry about putting too much weight on an untried tax in 1990-91. In looking at Mr Ridley's proposals, you will probably want to judge them in the light of their crucial implications for individual taxpayers, and how far any sharp changes can readily be explained and defended.

### Retention of general dual running

11. The arguments in favour of dropping dual running are -

- a. that it is unpopular with local authorities and some MPs, who would rather go straight to the full community charge in 1990/91;
- b. that it will confuse the clear messages about spending levels which are a key element in the new community charge system, and therefore reduce accountability;
- c. that it is expensive, adding perhaps £200 million to the £400 million cost of collecting the community charge in the





transitional period. The cost is particularly difficult to justify in areas where residual rate bills would be particularly low.

12. The main argument in favour of dual running is that it softens immediate sharp shifts in the incidence of local taxation.

Generally speaking, the introduction of the community charge will mean that ratepayers will benefit from an immediate reduction in their liabilities, while non-ratepayers will have to pay a full community charge immediately. The effects may be less marked for households: on average there may be little overall change in the Bill of a two-person household, although one-person households will see gains and households with three or more people substantial losses. Dual running is the main way of limiting sharp gains and losses for individuals and households.

13. One central issue therefore is whether the disadvantages of dual running, including the strong views of some authorities and MPs, are sufficiently strong to outweigh the benefits of dual running in achieving a smooth transition to the new system.

#### Safety Net

14. There are many forms which a safety net could take: see for instance the £300 ceiling on community charge payments in one of Mr Ridley's options (para 18 below). The present safety net, as approved in July, is complementary to dual running. In 1990-91 it reproduces the effect of equalising authorities' rateable resources under the present system, and therefore prevents shifts in the average burden of taxation between areas. This makes sense if domestic rates are still supporting a substantial proportion of local authority spending. But if you dispense with dual running, the safety net makes much less sense. You noted at the previous meeting that it meant very high community charges in areas where domestic rateable values are high (eg South Buckinghamshire). It also means low charges in areas with low domestic values (eg parts



of County Durham and Lancashire). This may help to meet concerns over the North/South divide. But there is little justification for it so far as individual taxpayers are concerned. It is difficult to see how it can be right that a non-ratepayer paying the community charge for the first time should pay £397 in South Buckinghamshire but only £126 in Teesdale. You will therefore want to consider whether it is right to retain the existing safety net, which essentially perpetuates the effect of different rateable values between areas, if you dispense with dual running.

#### Other Approaches

15. If you decide to drop dual running and the safety net on the lines approved in July, it would still be possible to take steps to mitigate the sharpest shifts in taxation between areas and between individuals within areas. Mr Ridley's paper offers two broad approaches, both of which are no doubt capable of fine tuning.

#### Mr Ridley's preferred approach

16. Mr Ridley's preferred approach involves putting a ceiling of £75 per adult on the contributions from individuals to the safety net. This would have the advantage of preventing very high initial community charges in areas like South Buckinghamshire which have high domestic rateable values. But even so contributions of this size might attract criticism from local authorities, MPs and residents of these and the many other areas where the extra £75 per adult had to be paid, once they understood what the safety net meant. You will wish to consider whether the £75 safety net is likely to be explicable to and accepted by those who have to pay it.

17. In addition, Mr Ridley proposes the limited retention of dual running for areas with very high prospective community charges, particularly Inner London as indicated in Annex D to his paper. For example, Camden would have a community charge of £782 per adult without any safety net or £461 if the £75 safety net applied. Mr





Ridley proposes that dual running should be retained for all areas where spending is £80 per head or more above GRE in 1988-89. Because of the ILEA's very high spending this is likely to include all Inner London boroughs. Before deciding on this issue you may wish to explore:

a. whether the threshold might be better set at £200 per head above GRE. We understand that Mr Ridley's soundings apparently suggest that Conservative controlled boroughs - Wandsworth, Westminster and Kensington - are unlikely to oppose dual running;

b. whether it might be better to base the threshold on budgets in 1987-88 which are already set, rather than 1988-89 where there might be scope for authorities to manipulate their figures;

c. more generally, how the Government would justify improving the extra cost of dual running in these areas alone. The Government would be arguing simultaneously that rates were such an inequitable and discredited tax that it was right to move straight to the full community charge in the great majority of authorities, but that in those authorities which had the highest spending and had imposed the greatest burdens on ratepayers, those ratepayers would be expected to continue to shoulder a large proportion of the burden over a four-year transitional period, plus the costs of dual running.

Mr Ridley's other approach: a £300 ceiling

18. The other approach in Mr Ridley's paper would abandon completely dual running and the existing safety net and would instead impose a ceiling of £300 on the community charge paid by each adult in the first year. There would be a special grant to all areas where the community charge would otherwise be <sup>above</sup> £300; and the total cost of £530 million would be financed by an extra £15 per head on the community charge paid by people elsewhere. The

special grant would be phased out over a four-year period.

19. This approach would have the disadvantages noted in paragraph 5 of Mr Ridley's paper. In particular it would lead to sharp increases in taxation in 1990 in some areas of the North where properties have low rateable values (eg from £137 to £212 in Hyndburn, Acrrington); the extra £15 per head paid by people in other areas to benefit people in high-spending areas such as, say, Camden, would attract criticism; and it would possibly cause some difficulty in relation to past pledges given by the Government and/or individual MPs, a point which needs further exploration.

20. But this approach would have three major advantages:

- a. it would be certain. The Government would know that no one was going to have to pay more than £300. So would the public;
- b. it would be easy to understand and explain. The success of the community charge could be jeopardised if the scheme is so complicated that no one understands it;
- c. it would demonstrably be a transition arrangement. As local charges made themselves felt, there would be a clear and growing emphasis on local accountability.

21. This idea is similar to Mr Ridley's proposed approach at an earlier stage which E(LF) rejected. Even so, you may wish to explore with the meeting whether an approach on these - or similar - lines is perhaps worth looking at again, if there is a decision to reopen the arrangements approved in July.



## Chancellor's Views

22. The Chancellor of the Exchequer's minute of 10 November makes it clear that he is strongly opposed to reopening the decisions which were taken in July. There are important arguments on his side. In particular:

a. the arrangements approved in July were carefully designed to cushion the impact of the community charge as between areas and within areas. Reversing these arrangements would be likely greatly to increase the size of losses for some people in 1990-91, with consequent political risks;

b. the pressure for reopening the July decision is coming from local authorities, not from individuals. But it <sup>is</sup> the latter who will suffer from the sharp changes in tax payments which will accompany a quick transition;

c. there is also the point - although he does not put it that way - that any major change of policy at this stage risks mistakes being made.

## Handling of any Announcement

23. Before reaching a final view you may wish to ask the Business Managers about the handling of any announcement. Mr Ridley may argue that if the policy is changed, the news will leak and should be the subject of an early announcement. But unless the Bill can be amended to reflect the new policy, there is a risk that he will on Second Reading be arguing for an approach which is substantially different from the one which is in the Bill which he is presenting.



## VIEWS OF OTHER MINISTERS

24. The Chancellor will be opposed to Mr Ridley's new proposal: see above. The Education Secretary will probably share his views. Both may draw attention to the fact that 1990-91 could be the last full year of this Parliament so that the initial impression of the community charge will be important. The Social Services Secretary will probably welcome the proposal to drop dual running as it would considerably ease the administration of housing benefit. (The decision you took at E(LF) on 3 November (E(LF))(87)23rd Meeting) to introduce compensation in income support for the minimum contribution to the community charge at a fixed level in 1989/90 would stand whatever decisions you made about dual running). Other Ministers will have personal views about the advisability of moving straight to the full community charge in 1990/91. The Business Managers will have views about the handling of any announcement in relation to the Rates Reform Bill. They are likely to argue against any immediate announcement unless the Rates Reform Bill can be redrafted to provide for the new arrangements before it is introduced: otherwise they will want an announcement delayed until after Second Reading.

## HANDLING

25. You will want to ask the Environment Secretary to introduce his paper. The Chancellor of the Exchequer will particularly wish to comment. The Education Secretary, the Home Secretary, the Social Services Secretary and other Ministers will also wish to contribute.

R T J WILSON  
Cabinet Office  
10 November 1987



## COMMUNITY CHARGE: TRANSITION

1. The tables below show the impact - on regions and types of households - of different schemes for introducing the community charge. It is not possible to produce similar figures for individual authorities: the sample size in the model that is being used is not large enough. Annex E to E(LF)(87)45 shows illustrative figures for the effect on households of different types in sample areas.

2. The tables are as follows.

TABLE F1 shows the percentage of gainers and losers in each Region if the community charge had been introduced in full without safety nets. (This, and the other tables, relate to 1985/86 figures. These are the latest available on the model; the use of 1987/88 figures would not alter the picture significantly.)

TABLE F2 shows the same information, but in terms of numbers of households rather than percentages.

TABLE G1 shows the impact of the introduction of the full unsafety netted community charge on different household types nationally; giving the percentage of gainers and losers in each income band.

TABLE G2 shows the same information, but in terms of the number of households rather than percentages.

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TABLE H1 shows the same information as Table F1, but assuming the full introduction of a safety-netted community charge.

TABLES H2, J1 and J2 likewise parallel Tables F2, G1 and G2 respectively, in each case substituting safety netted figures.

3. As can be seen from these tables, the use of the safety net - even without dual running - greatly reduces the number of big gainers and big losers in the shift to the new system. It also means that there is a broad balance in the pattern of gainers and losers in each Region in the first year of the new system. (The figures do not take account of the proposal for a £75/adult limit on the safety net in the first year; that would not alter the picture substantially, however.)

4. The remaining tables - K1 and K2; L1 and L2 - illustrate the further effect of having dual running plus a safety net in 1990. They are the equivalent, assuming a community charge of £100 in 1990, of the earlier tables and reflect the decisions we took in July.

5. As these tables show, dual running would further reduce the size of gains and losses in the first year of the new system. Dual running applied selectively (for example, restricted to high-spending authorities, mainly in London) would mean that the pattern in London would be close to that shown in Tables K1 and E2, whilst other areas' figures would remain those in Tables H1 and H2.

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TABLE F 1

England only

Impact of the introduction of the full community charge in 1985/86 with no safety nets

## Percentage of Gainers and Losers : Households

	Northern %	Yorks & Humberside %	East Midlands %	East Anglia %	Greater London %	South East %	South Western %	West Midlands %	North Western %	England %
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POUNDS PER WEEK										
LOSERS										
10+	.9	1.0	.1	-	7.8	.0	.1	-	.3	1.3
5 - 10	8.4	8.0	1.9	.4	10.2	.4	.8	.7	3.8	3.8
2 - 5	23.2	22.2	11.4	5.0	16.5	4.1	9.0	6.3	15.0	12.0
1 - 2	12.0	12.7	10.5	4.9	10.7	5.4	7.5	5.9	9.1	8.6
0 - 1	26.7	25.8	20.3	15.9	16.9	10.4	18.9	15.7	21.5	18.1
Total losers	71.1	69.6	44.2	26.2	62.0	20.3	36.2	28.6	49.6	43.7
GAINERS										
0 - 1	17.5	17.2	25.7	30.9	16.7	24.4	27.9	29.8	24.7	23.4
1 - 2	4.5	4.5	12.3	17.0	6.8	14.4	12.8	14.5	8.4	10.5
2 - 5	5.5	6.7	14.5	20.0	10.2	27.7	18.0	20.2	12.6	16.2
5 - 10	1.1	2.0	2.8	5.6	3.3	11.1	4.5	6.0	4.2	5.3
10+	.3	.1	.6	.5	.9	2.2	.6	.9	.5	.9
Total gainers	28.9	30.4	55.9	73.8	38.0	79.7	63.8	71.4	50.4	56.3
No Change	-	-	-	-	-	-	-	-	-	-
PERCENTAGE OF NET INCOME										
LOSERS										
10+	-	-	-	-	.6	-	-	.0	.1	.1
5 - 10	1.3	1.3	-	-	7.8	-	.1	-	.2	1.3
2 - 5	18.5	17.7	4.4	1.0	15.7	1.1	2.4	1.7	8.6	7.6
1 - 2	19.8	20.6	11.6	5.2	14.5	3.7	8.9	6.1	13.3	11.0
0 - 1	31.6	30.0	28.1	20.0	23.5	15.5	24.9	20.7	27.5	23.7
Total losers	71.2	69.6	44.2	26.2	62.0	20.3	36.2	28.6	49.6	43.7
GAINERS										
0 - 1	19.8	19.5	32.0	41.2	20.4	34.9	35.6	36.0	28.8	29.5
1 - 2	5.2	6.5	15.1	18.8	8.9	23.5	15.5	19.6	11.9	14.7
2 - 5	3.0	4.0	7.7	12.2	7.1	18.2	11.0	13.0	8.3	10.3
5 - 10	.8	.4	.9	1.5	1.4	2.8	1.7	2.5	1.2	1.6
10+	.1	-	.1	.2	.2	.3	.1	.3	.2	.2
Total gainers	28.9	30.4	55.9	73.8	38.0	79.7	63.8	71.4	50.4	56.3
No Change	-	-	-	-	-	-	-	-	-	-

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Impact of the introduction of the full community charge in 1985/86 with no safety nets

## Number of Gainers and Losers : Thousands of Households

	Northern ( '000s)	Yorks & Humberside ( '000s)	East Midlands ( '000s)	East Anglia ( '000s)	Greater London ( '000s)	South East ( '000s)	South Western ( '000s)	West Midlands ( '000s)	North Western ( '000s)	England ( '000s)
POUNDS PER WEEK										
LOSERS										
10+	12	19	2	-	182	1	1	-	6	222
5 - 10	106	158	29	3	239	16	12	14	92	669
2 - 5	294	438	172	39	387	154	139	124	359	2,108
1 - 2	152	250	160	38	251	207	116	116	218	1,509
0 - 1	338	510	307	123	396	396	293	309	515	3,187
Total losers	901	1,375	669	203	1,455	773	561	563	1,190	7,695
GAINERS										
0 - 1	222	340	389	239	392	928	432	588	591	4,122
1 - 2	57	88	186	131	160	547	199	286	202	1,856
2 - 5	69	131	220	155	239	1,054	279	399	302	2,849
5 - 10	14	39	43	43	77	423	70	119	101	928
10+	4	1	9	4	21	83	9	17	12	160
Total gainers	366	600	847	572	890	3,034	989	1,409	1,208	9,915
No Change	-	-	-	-	-	-	-	-	-	-

## PERCENTAGE OF NET INCOME

LOSERS										
10+	-	-	-	-	14	-	-	1	1	16
5 - 10	16	25	-	-	183	-	1	-	4	231
2 - 5	234	350	67	8	367	41	37	33	207	1,343
1 - 2	251	407	176	40	340	141	137	121	320	1,933
0 - 1	400	593	426	155	550	591	386	409	658	4,169
Total losers	902	1,375	669	203	1,455	773	561	564	1,191	7,693
GAINERS										
0 - 1	251	385	485	319	477	1,327	552	710	691	5,198
1 - 2	66	129	229	146	208	896	240	387	285	2,587
2 - 5	38	78	117	94	167	694	171	256	199	1,814
5 - 10	10	8	14	12	32	106	26	49	29	283
10+	2	-	2	1	5	12	1	7	4	33
Total gainers	366	600	847	572	890	3,034	989	1,409	1,208	9,915
No Change	-	-	-	-	-	-	-	-	-	-



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TABLE G1

England only

Impact of the introduction of the full community charge in 1985/86 with no safety nets

## Percentages of Gainers and Losers : Household Types

	Single pensioner	Other single adult	Two Adults	Three + Adults	All Households
POUNDS PER WEEK					
LOSERS					
10+	-	-	.9	5.2	1.3
5 - 10	.1	1.2	2.4	16.2	3.8
2 - 5	.9	4.3	12.1	29.4	12.0
1 - 2	1.9	5.4	9.9	12.2	8.6
0 - 1	16.9	13.3	20.7	11.9	18.1
Total losers	19.7	24.2	46.0	74.8	43.7
GAINERS					
0 - 1	51.6	29.9	18.7	10.7	23.4
1 - 2	7.7	13.9	11.7	5.4	10.5
2 - 5	15.3	24.2	17.1	6.1	16.2
5 - 10	5.2	7.1	5.6	2.4	5.3
10+	.5	.8	1.1	.7	.9
Total gainers	80.3	75.8	54.0	25.2	56.3
No change	-	-	-	-	-
PERCENTAGE OF NET INCOME					
LOSERS					
10+	.0	.1	.1	.1	.1
5 - 10	.2	1.6	1.2	2.6	1.3
2 - 5	1.7	4.7	7.5	16.8	7.6
1 - 2	3.2	5.5	10.6	25.2	11.0
0 - 1	14.5	12.4	26.5	30.1	23.7
Total losers	19.7	24.3	46.0	74.8	43.7
GAINERS					
0 - 1	38.5	28.3	30.2	18.6	29.5
1 - 2	16.0	20.0	15.6	4.8	14.7
2 - 5	18.5	23.4	7.8	1.8	10.3
5 - 10	6.6	3.8	.4	.1	1.6
10+	.8	.3	.1	-	.2
Total gainers	80.3	75.8	54.0	25.2	56.3
No change	-	-	-	-	-

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England only

TABLE G2

Impact of the introduction of the full community charge in 1985/86 with no safety nets

## Thousands of Gainers and Losers : Household Types

	Single pensioner	Other single adult	Two Adults	Three + Adults	All Households
POUNDS PER WEEK					
LOSERS					
10+	-	-	98	123	222
5 - 10	2	25	254	387	669
2 - 5	20	91	1,291	704	2,108
1 - 2	45	115	1,056	292	1,509
0 - 1	404	283	2,217	284	3,187
Total losers	471	515	4,916	1,791	7,695
GAINERS					
0 - 1	1,233	634	1,994	257	4,122
1 - 2	185	295	1,248	128	1,856
2 - 5	365	514	1,823	146	2,849
5 - 10	125	150	597	56	928
10+	12	16	114	17	160
Total gainers	1,920	1,609	5,776	605	9,915
No change	-	-	-	-	-

## PERCENTAGE OF NET INCOME

LOSERS					
10+	1	1	12	2	16
5 - 10	6	34	128	61	231
2 - 5	40	99	803	401	1,343
1 - 2	77	117	1,136	604	1,933
0 - 1	347	263	2,838	722	4,169
Total losers	472	515	4,916	1,791	7,693
GAINERS					
0 - 1	920	601	3,228	446	5,198
1 - 2	382	424	1,665	114	2,587
2 - 5	442	497	832	43	1,814
5 - 10	157	80	45	1	283
10+	18	7	6	-	33
Total gainers	1,920	1,609	5,776	604	9,915
No change	-	-	-	-	-

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TABLE H1

England Only

Impact of the introduction of the full community charge in 1985/86 with full safety nets

## Percentage of Gainers and Losers : Households

	Northern %	Yorks & Humberside %	East Midlands %	East Anglia %	Greater London %	South East %	South Western %	West Midlands %	North Western %	England %
<hr/>										
POUNDS PER WEEK										
LOSERS										
10+	-	.1	.1	.2	1.5	.4	.1	.2	.1	.4
5 - 10	1.5	1.1	1.9	1.7	7.2	4.1	1.6	2.5	1.9	3.0
2 - 5	11.7	10.8	13.9	10.9	18.0	15.9	12.0	12.5	13.0	13.8
1 - 2	9.6	9.7	8.8	9.6	11.7	12.3	10.6	10.4	8.1	10.4
0 - 1	21.4	23.0	22.8	29.4	18.9	20.3	22.7	23.1	20.2	21.6
Total losers	44.2	44.6	47.6	51.8	57.3	52.9	47.0	48.8	43.2	49.1
GAINERS										
0 - 1	31.1	29.7	27.8	25.6	19.2	19.8	25.1	26.2	28.3	24.9
1 - 2	8.4	9.8	10.2	9.0	8.2	9.0	10.5	8.9	9.5	9.2
2 - 5	13.1	11.8	11.6	10.6	10.9	13.4	13.8	12.0	13.8	12.5
5 - 10	2.6	3.8	2.4	2.6	3.3	4.1	3.1	3.6	4.5	3.6
10+	.6	.2	.4	.4	1.1	.9	.6	.6	.6	.6
Total gainers	55.8	55.4	52.4	48.2	42.7	47.1	53.0	51.3	56.8	50.9
No Change	-	-	-	-	-	-	-	-	-	-
PERCENTAGE OF NET INCOME										
LOSERS										
10+	-	-	-	-	.1	-	-	.0	.0	.0
5 - 10	.2	.1	.1	-	.6	.2	.1	.1	.1	.2
2 - 5	4.1	3.4	4.9	5.3	12.4	7.6	4.1	5.6	5.2	6.3
1 - 2	11.5	11.1	13.2	10.6	15.7	14.8	12.2	12.8	10.7	12.9
0 - 1	28.4	30.0	29.5	36.0	28.5	30.2	30.6	30.2	27.2	29.6
Total losers	44.2	44.6	47.6	51.8	57.3	52.9	47.0	48.8	43.2	49.1
GAINERS										
0 - 1	34.5	34.4	33.4	30.5	21.4	27.0	32.4	30.2	32.2	29.9
1 - 2	13.0	11.8	10.9	9.7	11.2	11.3	11.4	11.3	13.4	11.6
2 - 5	7.2	8.1	7.3	7.3	8.1	7.5	8.0	8.2	9.5	8.0
5 - 10	1.0	1.0	.7	.6	1.8	1.2	1.1	1.5	1.5	1.2
10+	.2	.1	.1	.2	.3	.1	.1	.2	.2	.2
Total gainers	55.8	55.4	52.4	48.2	42.7	47.1	53.0	51.3	56.8	50.9
No Change	-	-	-	-	-	-	-	-	-	-

SECRET

England Only

Impact of the introduction of the full community charge in 1985/86 with full safety nets

## Number of Gainers and Losers : Thousands of Households

	Northern (('000s)	Yorks & Humberside (('000s)	East Midlands (('000s)	East Anglia (('000s)	Greater London (('000s)	South East (('000s)	South Western (('000s)	West Midlands (('000s)	North Western (('000s)	England (('000s)
POUNDS PER WEEK										
LOSERS										
10+	-	1	2	1	35	15	1	4	2	63
5 - 10	19	22	29	13	169	154	25	50	46	526
2 - 5	148	212	211	85	421	604	186	246	311	2,425
1 - 2	122	191	134	74	275	466	165	206	193	1,826
0 - 1	272	455	345	228	444	774	352	456	485	3,810
Total losers	561	881	721	401	1,343	2,013	729	962	1,037	8,651
GAINERS										
0 - 1	394	586	421	199	450	752	388	517	680	4,386
1 - 2	106	194	155	69	193	343	163	175	229	1,625
2 - 5	166	234	176	82	256	511	214	237	332	2,208
5 - 10	33	76	37	20	78	155	47	71	109	625
10+	7	4	7	3	26	33	9	12	13	113
Total gainers	707	1,094	795	374	1,002	1,793	821	1,011	1,362	8,957
No Change	-	-	-	-	-	-	-	-	-	-
PERCENTAGE OF NET INCOME										
LOSERS										
10+	-	-	-	-	2	-	-	1	1	4
5 - 10	3	1	1	-	14	9	1	1	3	33
2 - 5	52	67	74	41	291	290	64	111	124	1,115
1 - 2	146	220	200	82	369	564	190	252	258	2,280
0 - 1	360	593	447	279	667	1,150	474	596	652	5,219
Total losers	561	881	721	402	1,343	2,013	729	962	1,037	8,651
GAINERS										
0 - 1	437	680	507	237	502	1,027	503	595	772	5,259
1 - 2	164	232	166	75	261	431	177	222	322	2,050
2 - 5	91	160	110	56	191	286	123	162	227	1,407
5 - 10	12	20	11	4	42	45	18	29	36	217
10+	2	2	2	1	6	5	1	3	4	26
Total gainers	707	1,094	795	374	1,002	1,793	821	1,011	1,361	8,959
No Change	-	-	-	-	-	-	-	-	-	-



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TABLE J.1

England Only

Impact of the introduction of the full community charge in 1985/86 with full safety nets

## Percentages of Gainers and Losers : Household Types

	Single pensioner	Other single adult	Two Adults	Three + Adults	All Households
POUNDS PER WEEK					
LOSERS					
10+	-	-	.0	2.6	.4
5 - 10	-	.0	.8	18.4	3.0
2 - 5	.3	3.3	13.2	39.1	13.8
1 - 2	1.2	5.3	12.6	14.1	10.4
0 - 1	13.6	13.1	27.6	10.8	21.6
Total losers	15.0	21.7	54.2	85.0	49.1
GAINERS					
0 - 1	56.5	32.4	20.6	5.9	24.9
1 - 2	9.2	14.0	9.6	3.5	9.2
2 - 5	14.4	25.9	11.5	3.7	12.5
5 - 10	4.5	5.2	3.5	1.5	3.6
10+	.5	.8	.7	.4	.6
Total gainers	85.0	78.3	45.8	15.0	50.9
No change	-	-	-	-	-
PERCENTAGE OF NET INCOME					
LOSERS					
10+	.0	-	.0	-	.0
5 - 10	.1	.6	.2	.1	.2
2 - 5	.7	3.9	5.4	18.4	6.3
1 - 2	2.0	5.3	12.5	32.8	13.0
0 - 1	12.3	12.0	36.1	33.7	29.6
Total losers	15.0	21.7	54.2	85.0	49.1
GAINERS					
0 - 1	43.3	30.6	31.0	10.7	29.9
1 - 2	17.3	21.9	10.2	3.1	11.6
2 - 5	18.5	22.5	4.3	1.1	8.0
5 - 10	5.3	2.9	.3	.1	1.2
10+	.6	.4	.0	-	.2
Total gainers	85.0	78.3	45.8	15.0	50.9
No change	-	-	-	-	-

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TABLE J.2

England Only

Impact of the introduction of the full community charge in 1985/86 with full safety nets

## Thousands of Gainers and Losers : Household Types

	Single pensioner	Other single adult	Two Adults	Three + Adults	All Households
POUNDS PER WEEK					
LOSERS					
10+	-	-	1	61	63
5 - 10	-	1	84	442	526
2 - 5	6	71	1,411	936	2,425
1 - 2	28	112	1,347	339	1,826
0 - 1	325	277	2,949	258	3,810
Total losers	360	461	5,793	2,035	8,651
GAINERS					
0 - 1	1,350	688	2,203	142	4,386
1 - 2	220	298	1,023	85	1,625
2 - 5	343	549	1,227	88	2,208
5 - 10	107	111	370	36	625
10+	12	17	76	9	113
Total gainers	2,032	1,662	4,899	360	8,957
No change	-	-	-	-	-
PERCENTAGE OF NET INCOME					
LOSERS					
10+	1	-	3	-	4
5 - 10	1	12	17	3	33
2 - 5	16	82	576	440	1,115
1 - 2	47	113	1,335	785	2,280
0 - 1	295	255	3,862	807	5,219
Total losers	360	461	5,794	2,035	8,651
GAINERS					
0 - 1	1,034	650	3,317	256	5,259
1 - 2	415	465	1,094	75	2,050
2 - 5	442	478	459	27	1,407
5 - 10	126	61	28	1	217
10+	15	8	3	-	26
Total gainers	2,032	1,662	4,900	360	8,959
No change	-	-	-	-	-

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Impact of the introduction of £100 community charge in 1985/86 with dual running  
(Residual rate poundage set to ensure no change in average tax bill per adult)

	Northern %	Yorks & Humberside %	East Midlands %	East Anglia %	Greater London %	South East %	South Western %	West Midlands %	North Western %	England %
<hr/>										
POUNDS PER WEEK										
LOSERS										
10+	-	-	-	-	-	-	-	-	-	-
5 - 10	.1	.1	.1	.4	.3	.1	.1	.1	.1	.1
2 - 5	4.6	5.1	4.6	4.1	4.3	4.7	4.9	4.4	4.7	4.6
1 - 2	11.9	12.2	13.1	9.3	11.5	11.6	11.4	10.6	11.3	11.5
0 - 1	29.8	31.4	31.4	36.9	34.7	34.4	32.3	32.9	29.1	32.6
Total losers	46.3	48.8	49.3	50.8	50.8	50.8	48.6	48.0	45.2	48.8
GAINERS										
0 - 1	35.9	33.5	33.4	34.7	35.5	31.8	33.2	35.3	35.8	34.1
1 - 2	10.7	10.2	11.3	8.8	10.0	11.6	11.3	10.8	11.4	10.9
2 - 5	6.5	6.8	5.5	5.4	3.6	5.5	6.4	5.6	7.2	5.8
5 - 10	.5	.7	.4	.5	.2	.4	.5	.4	.5	.4
10+	-	-	-	-	-	.0	.1	.0	-	.0
Total gainers	53.7	51.2	50.6	49.3	49.2	49.2	51.4	52.0	54.8	51.2
No Change	-	-	-	-	-	-	-	-	-	-
PERCENTAGE OF NET INCOME										
LOSERS										
10+	-	-	-	-	-	-	-	.0	-	-
5 - 10	-	.0	-	-	.0	-	.1	-	-	.0
2 - 5	.8	.6	.6	.1	.2	.5	.4	.4	.3	.4
1 - 2	6.2	7.4	6.6	5.7	3.5	4.7	5.7	5.3	5.8	5.5
0 - 1	39.3	40.8	42.1	45.0	47.0	45.6	42.4	42.3	39.0	42.9
Total losers	46.3	48.8	49.4	50.8	50.8	50.8	48.6	48.0	45.2	48.8
GAINERS										
0 - 1	43.4	40.5	41.1	40.4	42.8	42.1	41.2	42.6	44.1	42.2
1 - 2	7.8	7.7	7.3	6.4	5.1	5.4	7.1	7.0	8.0	6.7
2 - 5	2.2	2.9	2.1	2.3	1.3	1.6	3.1	2.3	2.5	2.2
5 - 10	.3	.1	.1	.2	.1	.1	-	.1	.1	.1
10+	-	-	-	-	-	.0	-	-	.1	.0
Total gainers	53.7	51.2	50.7	49.3	49.3	49.3	51.4	52.0	54.8	51.1
No Change	-	-	-	-	-	-	-	-	-	-

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TABLE K2 PAGE: 1

England Only

Impact of the introduction of £100 community charge in 1985/86 with dual running  
(Residual rate poundage set to ensure no change in average tax bill per adult)

	Northern (('000s))	Yorks & Humberside (('000s))	East Midlands (('000s))	East Anglia (('000s))	Greater London (('000s))	South East (('000s))	South Western (('000s))	West Midlands (('000s))	North Western (('000s))	England (('000s))
<hr/>										
POUNDS PER WEEK										
LOSERS										
10+	-	-	-	-	-	-	-	-	-	-
5 - 10	1	2	2	3	6	4	2	2	3	25
2 - 5	58	100	70	32	102	177	76	86	112	812
1 - 2	150	242	199	72	270	441	176	209	272	2,030
0 - 1	378	620	477	286	812	1,310	500	650	699	5,733
Total losers	587	964	748	393	1,190	1,932	754	947	1,085	8,600
GAINERS										
0 - 1	455	661	507	269	833	1,211	515	696	858	6,004
1 - 2	136	201	171	68	234	440	174	212	274	1,910
2 - 5	82	135	83	42	83	207	99	109	172	1,012
5 - 10	7	14	7	4	5	14	8	7	11	77
10+	-	-	-	-	-	2	1	1	-	4
Total gainers	680	1,011	768	382	1,155	1,875	797	1,026	1,314	9,008
No Change	-	-	-	-	-	-	-	-	-	-
<hr/>										
PERCENTAGE OF NET INCOME										
LOSERS										
10+	-	-	-	-	-	-	-	1	-	-
5 - 10	-	1	-	-	1	-	1	-	-	2
2 - 5	10	11	10	1	4	18	7	8	8	76
1 - 2	79	147	100	44	83	178	89	104	140	963
0 - 1	499	806	639	349	1,103	1,736	658	834	936	7,559
Total losers	587	964	748	393	1,190	1,932	754	947	1,084	8,600
GAINERS										
0 - 1	550	800	623	313	1,002	1,602	638	840	1,059	7,429
1 - 2	99	152	110	50	119	206	110	138	192	1,174
2 - 5	28	58	32	18	31	61	48	45	59	380
5 - 10	4	1	2	1	2	4	-	2	3	19
10+	-	-	-	-	-	2	-	-	1	4
Total gainers	680	1,011	768	382	1,155	1,875	797	1,025	1,314	9,006
No Change	-	-	-	-	-	-	-	-	-	-

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TABLE L-1

England Only

Impact of the introduction of £100 community charge in 1985/86 with dual running  
(Residual rate poundage set to ensure no change in average tax bill per adult)

	Single pensioner	Other single adult	Two Adults	Three + Adults	All Households
POUNDS PER WEEK					
LOSERS					
10+	-	-	-	-	-
5 - 10	-	-	-	1.0	.1
2 - 5	-	-	1.2	28.7	4.6
1 - 2	.2	1.8	11.7	30.7	11.5
0 - 1	15.1	19.9	41.6	20.9	32.6
Total losers	15.2	21.7	54.5	81.3	48.8
GAINERS					
0 - 1	66.9	47.8	29.6	9.3	34.1
1 - 2	11.1	21.1	9.9	5.9	10.9
2 - 5	6.5	9.0	5.5	3.4	5.8
5 - 10	.3	.3	.5	.2	.4
10+	-	.1	.0	-	.0
Total gainers	84.8	78.3	45.5	18.7	51.2
No change	-	-	-	-	-
PERCENTAGE OF NET INCOME					
LOSERS					
10+	-	-	.0	-	-
5 - 10	.0	.0	.0	-	.0
2 - 5	.1	.8	.4	.4	.4
1 - 2	.7	2.3	4.9	15.6	5.5
0 - 1	14.4	18.6	49.2	65.3	42.9
Total losers	15.2	21.7	54.5	81.3	48.8
GAINERS					
0 - 1	63.6	54.8	40.8	15.9	42.2
1 - 2	12.1	18.2	4.1	2.4	6.7
2 - 5	8.6	5.0	.6	.4	2.2
5 - 10	.5	.2	.0	.0	.1
10+	.0	.1	.0	-	.0
Total gainers	84.8	78.3	45.5	18.7	51.2
No change	-	-	-	-	-

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TABLE L2

England Only

Impact of the introduction of £100 community charge in 1985/86 with dual running  
(Residual rate poundage set to ensure no change in average tax bill per adult)

	Single pensioner	Other single adult	Two Adults	Three + Adults	All Households
POUNDS PER WEEK					
LOSERS					
10+	-	-	-	-	-
5 - 10	-	-	-	25	25
2 - 5	-	-	126	686	812
1 - 2	4	38	1,254	735	2,030
0 - 1	361	423	4,449	500	5,733
Total losers	364	461	5,829	1,946	8,600
GAINERS					
0 - 1	1,600	1,015	3,164	222	6,004
1 - 2	265	447	1,056	140	1,910
2 - 5	155	192	584	81	1,012
5 - 10	6	7	58	6	77
10+	-	1	1	-	4
Total gainers	2,027	1,662	4,863	449	9,008
No change	-	-	-	-	-
PERCENTAGE OF NET INCOME					
LOSERS					
10+	-	-	1	-	-
5 - 10	1	1	1	-	2
2 - 5	3	17	46	10	76
1 - 2	17	49	524	374	963
0 - 1	343	395	5,258	1,563	7,559
Total losers	364	461	5,831	1,946	8,600
GAINERS					
0 - 1	1,522	1,164	4,358	381	7,429
1 - 2	288	387	443	58	1,174
2 - 5	204	105	60	10	380
5 - 10	12	5	2	1	19
10+	1	1	1	-	4
Total gainers	2,027	1,662	4,864	449	9,006
No change	-	-	-	-	-

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