



SCOTTISH OFFICE

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Private Secretary
10 Downing Street
LONDON
SW1A 2AA

11 November 1987

Handwritten mark

4 (cc B1 letter only)

Prime Minister

*DCS
12/11.*

Dear Andy,

PUBLICITY FOR THE COMMUNITY CHARGE IN SCOTLAND

I understand the Prime Minister asked during a recent visit to Conservative Central Office, to see some of the Scottish publicity material on the Community Charge.

Ministers are approaching this in two ways. Firstly, opportunities are sought to obtain coverage in Scottish national and local newspapers and on television and radio, mainly by Mr Lang who has ministerial responsibility. He also gives interviews regularly to specialist local government press correspondents and on the broadcasting media, on various aspects of the community charge; makes regular speeches on it at party functions and recently recorded an hour-long television programme on the subject for Scottish Television. I enclose copies of some examples of recent publicity. Of course, the Secretary of State and other Ministers also take every opportunity to put the case across and I understand that Scottish Conservative Central Office is also active.

Mr Lang will be moving a series of regulations in the House of Commons in the coming weeks for which we shall seek to obtain full publicity and he is also planning a series of speeches coordinated with the setting up of the community charge register during 1988.

Secondly, a Government Information Campaign is now about to start, aimed at informing the electorate about the community charge and conveying its inevitability and the orderly progress now underway towards implementation. This will centre around national and local press advertisements, backed up as necessary with short television commercials and linked to a widely available Question and Answer leaflet. Copies of the first of these are attached. In addition, Ministers intend to have a booklet delivered to every household in Scotland (not yet drafted) containing as much relevant information as possible and appropriate graphics, charts etc. The exact timing of this operation is still under consideration, since the run-in period until the community charge starts is almost 18 months and it is important to time

ach initiative to optimum effect, but the initial press campaign will take place later this month.

We shall of course keep in close touch with developments in England and Wales and will adapt our publicity campaign as necessary in the light of what happens there.

*Yours
Ian*

IAN JARDINE
Private Secretary





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SCOTTISH OFFICE

NEWS RELEASE

FOR LOCAL PRESS

1157/87

NOTE TO EDITORS

"PREPARING FOR THE COMMUNITY CHARGE:
THE NEXT STEPS"

Mr Ian Lang MP, Minister of State at the Scottish Office, has written an article to mark the Commencement Order of the Abolition of Domestic Rates Etc (Scotland) Act 1987.

A copy of the text is attached. You are invited to use it on or after September 14, when the Commencement Order comes into force.

Jim Denholm: 031 244 4957

September 7, 1987

NOT FOR PUBLICATION BEFORE MONDAY, SEPTEMBER 14, 1987

PREPARING FOR THE COMMUNITY CHARGE: THE NEXT STEPS

by Ian Lang MP, Minister of State at the Scottish Office

Everyone will now be aware that domestic rates are to be abolished in Scotland and the new community charge system will begin on 1 April 1989. Many people are now asking how the new system will be set up and what exactly it will mean for local authorities and others responsible for running it. In this article I would like to answer these questions and describe what we in central government will be doing, and what we expect local authorities to do, between now and the start of the new system.

The legislation which heralds the changes is the Abolition of Domestic Rates Etc (Scotland) Act 1987 which was given the Royal Assent on 15 May - just before the General Election. We took our next step on 18 August when the Commencement Order was signed; this was to enable the various parts of the Act to go "live". The main parts of the Act, setting up the new system, all came into force this month, on 14 September to be exact. From that date local authorities are under a duty to set up the new system and to prepare for the various responsibilities they have under it.

Our proposal to abolish domestic rates is a simple - and much needed - reform, but the details of how it is to be done are quite complex, partly because of the absurd character of the present rating system.

First, all types of property will be divided up between those which provide accommodation, mainly housing, and other types such as factories, offices, etc. The former will largely come out of rating and their occupants will be liable for community charge. The latter will retain a rateable value.

There will be no problem about taking ordinary dwelling houses out of rating, they are easily identified from the present valuation roll. But other types of accommodation where people live but are liable to rates - for example, students' halls of residence - will also have to be identified and removed from the roll.

Buildings which are only used partly as ordinary living accommodation will also have to be extracted. For example, an hotel may contain the permanent home for a manager or the proprietor and his family. While they will pay the community charge, rates will no longer be payable on their accommodation. That means the proportion of the building taken up by their "living area" will be taken off the rateable value of the property.

We will be consulting the Convention of Scottish Local Authorities and other interested bodies very soon on the specific details needed in this area and these will be the subjects of Regulations we will publish over the next six months. But, as I have already said, the relevant parts of the Act are now in force and work on the valuation roll will be starting shortly.

The main work to be undertaken to prepare for the community charge system will be the making up of the Community Charges Register. The person responsible for this is the local Assessor who from 14 September has new powers and duties as the Community Charges Registration Officer. Also from that date regional and islands councils have a statutory duty to provide that officer with sufficient staff, accommodation and other resources to enable him to carry out his work.

There will be no excuse for any local authority to fail to provide resources for the new system. That is the law of the land, and we in central government have played our part by providing for expenditure of £9 million for the setting up costs for the new system in the Rate Support Grant settlement for 1988/89.

As from now I would expect that Registration Officers will wish to start setting up the necessary computer systems for making up the register. This will list all those liable to pay the community charge. The next stage will be in the spring or early summer of next year when they will undertake a canvass of individual houses. There they will ask the "head of the household" - the responsible person in the terms of the Act - exactly who is living at that particular address. This information will be used to make up the first register which is expected to be published and come into force on 1 October 1988.

While I am confident that everyone will comply with the Act and provide the necessary details, the legislation does provide for penalties against wrong information. These amount to £50 in the first instance and £200 for a subsequent infringement.

From next autumn the "rolling" registration system will start to operate, when the onus will be on individuals to advise the Registration Officer when they move home or whether there is any other change to their liability. At that time everyone will be informed of their registration. They will of course be able to inspect the register and will have the right of appeal if they consider their entry is wrong, first of all to the Registration Officer himself then to a Sheriff if they remain dissatisfied.

There will then follow a period of six months - from October 1988 to March 1989 - during which the register will be kept up to date. There will of course be no charges payable during this period. This "trial run" is necessary so that the new system can get into its stride well before it is actually used the following April. There will therefore be no question - something else our critics have got wrong - of the new charges being imposed on the basis of an imperfect or untested register.

Although the charges will not come into effect for 18 months or so from now it is not too early for local authorities to start to prepare their own billing and collection systems. The main responsibility for collection of the new charges lies with regional and islands councils - as it presently is for rates. However the Act does provide for flexible arrangements to be made between them and "housing bodies" - a term which covers district councils, new towns and the SSHA - for the issue of bills and the collection of charges.

The thinking behind this is that it should be possible for local authorities to work out the best system for their particular area, it is certainly not for central government to dictate local arrangements. We are however anxious that preparations should go smoothly, therefore we have asked councils to let us know how their preparations are coming on in the next month or so. We have also asked them to give us an estimate of their needs for capital outlays so that we can help them financially.

Once the arrangements have been set up in each area, local residents will be advised how they are required to pay their charges. The standard arrangement will be for twelve monthly instalments but people will have the right to reach agreement with their local authority to vary that to suit their circumstances. They may wish to pay by lump sum or by some other form of instalment. Those paying a weekly rent may wish to pay their community charge at the same time. However it is important that everyone should be fully aware of the level of community charge in each area. The charges will be separately identified rather than simply become part of the rent figure.

Those on low incomes, who may qualify for a rebate, will be able to apply for one well before the new system starts. This is only fair so that no one will have to pay any more than he or she needs to at the outset. The broad framework of the rebate scheme will be based on the scheme of housing benefits for rates which will operate as from April 1988. The amount of rebate will depend on income, on a sliding scale up to a maximum rebate of 80 per cent of the community charge.

It would be wrong for me to pretend that the setting up of the new system will not mean a lot of hard work for all concerned. But I am sure that the effort will be worth it - for taxpayers and local authorities alike.

We are pushing ahead with our part and I am confident that local authorities will now get down to their task of preparing for their own system. In order to help them we have recently made available copies of a report prepared by a firm of independent financial consultants which lays down the procedures needed to implement the new charge. The report confirms that the new system can be made to work under the timetable set out in the Act. But it is first and foremost a very valuable tool to assist local authorities in creating their own system.

Personally I look forward to fruitful co-operation with all concerned in the preparation for and transition to the new system. Then we will thankfully be able to say goodbye to the archaic domestic rating system and welcome the enormous improvement which the community charge system will represent.

TEXT OF QUESTION AND ANSWER LEAFLET

In 1989 the COMMUNITY CHARGE will replace domestic rates in Scotland. This leaflet explains the main features of the change.

1. What is the community charge?

It is a contribution payable by each adult to his or her local authority to help pay for the cost of the services provided by the local authority in its area. Each authority will set its charge depending on the cost of the services provided.

2. How will the community charge differ from domestic rates?

Domestic rates are paid by householders, less than half the adult population, and what they pay often bears little relation to the local authority services they receive. With the community charge the cost will be spread more widely over those who may benefit from local authority services in each area.

3. When will domestic rates end?

The last domestic rate bills will be those for 1988-89. Rent bills which now include rates will no longer do so after March 1989.

4. Who will have to pay the community charge?

With only a few exceptions which are explained below, all those aged 18 and over will have to pay something.

5. How and how often will the community charge be payable?

The community charge will be payable to the local authority, usually in monthly instalments. (See also Question 2).

6. Who will be exempt?

- 18 year olds for whom child benefit is payable
- the severely mentally handicapped
- long-stay hospital patients
- residents in nursing homes, residential care homes and hostels providing similar care
- prisoners in custody

7. Will those on low incomes have to pay, such as the unemployed and other benefit recipients?

Yes, but the rebate scheme will take account of their ability to pay.
(See Question //).

8. Will students have to pay?

Yes, but they will pay only 20%. They will be charged throughout the year at their term-time address.

9. Will there be a single bill for each household?

No. Each person will receive their own bill. This means, for example, that parents will not be liable to pay on behalf of their children aged 18 or over still living at home.

10. Is each partner of a couple responsible for paying their own bill?

Yes. But household finances are often organised on a joint basis so if one partner of a couple neglects to pay the community charge the other partner will be held responsible for any sum due. This applies both when the couple are married and when they are living together as man and wife.

When the community charge is introduced there will be a comprehensive REBATE SCHEME which will take account of ability to pay.

11. What will be the coverage of the rebate scheme?

Everyone liable to pay the full personal community charge will be able to apply. Application forms will be available from Autumn 1988 onwards, and this will be widely advertised at the time.

12. How will the rebate be worked out?

It will be based on income according to a sliding scale, just like rates rebates at present. For couples a joint income will be used, but everyone else liable to pay will be assessed separately.

13. Will account be taken of special needs?

Yes. The amount of income at which the maximum rebate is paid will be higher for some groups such as pensioners, lone parents, families with children, and the disabled.

14. Is there an upper limit on the rebate?

Yes. The maximum rebate will be 80% of the community charge. So everyone liable to pay will get a bill for at least 20% of the charge.

15. What about those who cannot afford the 20%?

The maximum rebate will be awarded to those receiving income support (which will replace supplementary benefit in April 1988) but in addition the level of income support as from April 1989 will be increased to help meet the 20% contribution. So many on low incomes will have their full bill met.

16. How will the local authority go about collecting the community charge?

There will be a register of all those liable to pay. It will be kept by a local authority official called the Community Charges Registration Officer.

17. How will the Registration Officer make up the register?

A 'responsible person' at each address, usually the owner or tenant, will be asked at least once each year to complete a form giving details of all those who live there. These enquiries will begin in April 1988. Being a 'responsible person' does not mean you will be liable to pay the community charge on behalf of anyone else.

18. Can I challenge what appears in the register?

Yes. There are several safeguards.

- When the register comes into force, in October 1988, each individual will be sent a personal copy of his or her entry.
- Each individual can inspect his or her entry at any time after that.
- An appeal can be made to the Registration Officer and, if his decision is disputed, there can be an appeal to the Sheriff.

19. Do I have to tell the Registration Officer when I move to another address?

Yes. Once the register is in force (October 1988) each individual will be required to notify changes which affect his or her liability for the community charge.

20. Will I be given an identity card, or a number to remember?

No.

21. What will the payment arrangements be?

Each local authority will decide the level of its community charge and issue bills in the spring of each year. If you are entitled to a rebate the bill will normally be for only the net sum due by you. Payment will normally be required in 12 monthly instalments, though for some people who rent houses from public authorities the instalments may coincide with rent payments. Some local authorities may offer alternative payment arrangements in certain cases.

22. What about those who fall into arrears?

The procedure will be the same as for those who fail to pay their rates. If you fall behind on the instalments of the community charge the local authority can apply to Court for power to arrest your earnings or to arrange for the sale of your goods to recover the amount due. Before taking these steps local authorities normally try to work out ways for people to pay off amounts they owe, by rearranging instalments over a period of time.

Notes: 1. Most people will be liable to pay the Personal Community Charge which this leaflet describes. A small number of people, who move very frequently, may be liable to contribute through the Collective Community Charge. People with two homes will be liable to the Personal Community Charge at their main home and an additional Standard Community Charge at their second home.

2. If you have further queries about the Community Charge please write to:

Community Charges Enquiries

New St Andrew's House

Edinburgh

EH1 3TD

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THE NEW COMMUNITY CHARGE?

HOW WILL IT WORK FOR YOU?

ON 1st APRIL 1989, the Domestic Rates System will be replaced by a Community Charge. This will mean everyone in Scotland, aged 18 or over, will contribute towards the cost of the services provided by your Local Authority e.g. roads, police, education.

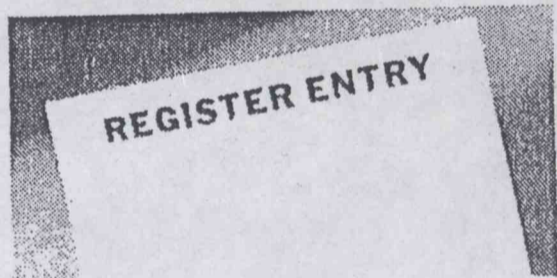
The Community Charge will apply to all individuals aged 18 and over who usually live in Scotland.

HOW WILL YOU BE CHARGED?

There will be various methods of payment, but everyone will have the option of paying in instalments. Each Local Authority will set its own charge, and everyone, aged 18 or over in that area will be charged the same amount.

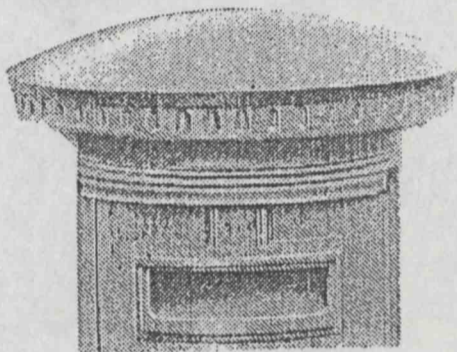
BUT IF YOU ARE ON A LOW INCOME AND UNABLE TO PAY, REBATES OF UP TO 80% MAY BE MADE AVAILABLE.

YOUR STEP-BY-STEP GUIDE TO THE NEW SYSTEM.



1. The registration form.

Before 1st October 1988, each householder will receive this from the local Community Charge Registration Officer requesting details of everyone, aged 18 or over, who lives in the house.



2. Returning the form.

The completed form goes to your local Registration Officer. You'll find the address on the form.

3. The Registration.

Your local Registration Officer will compile a register of everyone in the area who will be liable to pay the Community Charge.



4. Who contributes what?

Each person over the age of 18 at your address will receive their own bill before 1st April 1989, and each will be responsible for its payment. Parents will not be liable to pay on behalf of children, aged 18 or over, still living at home.

5. Your right to appeal.

If you feel you are being charged when you should not be (e.g. if your main residence is not in Scotland) you can appeal to your Registration Officer.*

6. Applying for a rebate.

If you have a low income and feel you cannot afford to pay your Community Charge in full, you should apply to your Local Authority* for a rebate.

ARE THERE ANY EXCEPTIONS?

People in residential care homes, the severely mentally handicapped, long term hospital patients, and prisoners in custody will be exempt. Full time students will pay 20% of the Community Charge.

Those who provide accommodation (e.g. hostels) for people who have no permanent residence will pay a Collective Charge, and those who stay there will pay a contribution on a daily basis to the landlord.

A Standard Charge will be payable on second homes, such as holiday homes.

WANT TO KNOW MORE?

For a free explanatory leaflet return the coupon.

To: Community Charge Enquiries,
New St Andrew's House,
Edinburgh EH1 3TD.

Please send me a copy of your leaflet.

Name _____

Address _____

Postcode _____

*Addresses and telephone numbers will appear on the Registration Forms you receive from your Local Authority.



AS Minister responsible for local government finance in Scotland, I am bound to respond to the article by your Municipal Correspondent headed "A poll tax prescription for chaos." It reports uncritically a number of quite unfounded allegations by opponents of our community charge proposals. When examined, they consist of nothing more than misrepresentation and aremongering.

None of the points made even has the virtue of being a new criticism: they were all dealt with — and refuted — during the very extensive discussion of the community charge proposals contained in the Abolition of Domestic Rates Etc (Scotland) Bill in the last session of Parliament. It is a measure of the intellectual bankruptcy of the critics that, having lost the arguments, they continue to parade groundless assertions as the basis for their opposition to the proposals and as a smoke-screen for their continued allegiance to the totally discredited domestic rating system.

The article claims that the system will not be capable of registering and collecting the community charge from large numbers of people, particularly young people. The survey, which is quoted as showing that a high proportion of 18 to 24-year-olds moved very frequently, was prepared by the Scottish Consumer Council. It was deliberately not based on a random sample but on one chosen to target the groups which were likely to pose particular problems for collection of the community charge. In particular, the 18-24 age group comprised 200 individuals, 20% of whom were living in some form of special housing, such as hostels, while the other 80% included groups identified as posing particular problems in terms of income and mobility.

While it is useful — though not surprising — to establish that particular sectors of the population may pose particular problems for registration and collection, it is misleading to quote the resulting figures as if they were in any way representative of the whole of the population in the relevant age group. Nor is it "widely accepted" that 80% is a reasonable figure for the proportion of the personal community charges due which will actually be collected. On the contrary, that figure has been quoted — though not on the basis of any systematic research evidence — as a "worst case."

I am sure that the systems we propose will allow a very much more efficient registration and collection rate. As a rough guide, a survey by the

G. Hepple 13/8/87
The general policy committee of Cosla meets tomorrow to consider further its attitude to the community charge. IAN LANG, Minister of State at the Scottish Office, explains the Government thinking.



Why I believe the community charge system will succeed

Surveys has found that the electoral register in Scotland is about 95% accurate at the time it is made up. Our proposals, allowing for the continuous updating of the community charge register rather than for liability depending on residence on a particular date, should achieve considerably better overall coverage than that.

I should also take this opportunity to refute the charge that the new arrangements will lead people to keep their names off the electoral register, or that people will deliberately move their address frequently in order to avoid registration. The canvasses for community charge registration will be quite separate from electoral canvasses. There will therefore be no point in people attempting to avoid registration by depriving themselves of the vote.

Nor is it likely that people will move house any more frequently than they otherwise would do in order to attempt to avoid a liability of, on average, about £250 a year in 1987/88 terms. Especially when the rebate system we propose will mean that many will pay only a minimum contribution of about £1 per week. Besides, the levels of income

supplementary benefit under the social security reforms due to come into effect on April 1, 1988, will take even that level of minimum contribution into account.

Our opponents must be very hard pressed for arguments if they feel obliged to raise this kind of spectre. Nor is it the case that serious difficulties will be involved in the recovery of arrears. For the poorest, the sums involved will in any case be very small and the instalment arrangements we propose will mean that no-one need be faced with a bill which he or she cannot reasonably be expected to meet.

A large part of the article dealt with the division of responsibility for collection of the charge between regions, which — as with rates at present — will have the primary responsibility for levying it, and housing bodies (district councils, the Scottish Special Housing Association and New Town Development Corporations). The arrangements we propose are entirely flexible. It will be for regions and districts in each area to reach sensible and workable arrangements best suited to the needs

There is provision for the Secretary of State to intervene — though I hope it will not come to that — where a region wishes to make an arrangement with a housing body but the housing body has not agreed to do so. In that case, as the article recognises, arrangements can in effect be imposed by the Secretary of State. This of itself will preclude districts "walking away" from their reasonable responsibilities — another of the article's unfounded allegations.

Much play is also made about the alleged administrative difficulty of collection. This is entirely unjustified. The register will be computerised and continually updated, and the collecting authorities will have continuous access to the register. There is therefore no need for the physical transfer of returns between local authority departments, or for there to be any difficulty over who in a household is liable for one charge rather than another.

Nor can I believe that local authorities in general operate such haphazard systems that they cannot clearly identify which payments relate to which liabilities. Under the new system people will know what they are paying. Community charge bills will be quite separate from rent bills — putting an end to the present confusion which often arises between rent and rates.

This response is longer than it need have been because of the sheer volume of unsubstantiated allegations contained in your Municipal Correspondent's article. It really is disappointing that some local authority interests should still be concentrating their energies on the production of these kind of red herrings. They would have been better engaged discussing sensibly with us — as they have had the opportunity to do throughout the past year, had they wished to take it — whether there are any real difficulties in the system we propose which could be remedied without the loss of the basic principles of fairness, simplicity and accountability on which it is based.

The order commencing the Abolition of Domestic Rates Etc (Scotland) Act 1987 will shortly be made. From that date, local authorities will be under a statutory duty to prepare for the new system. I very much hope that they will be willing to enter into constructive discussions with my officials about the process of the preparation, instead of simply repeating time-worn and palpably inaccurate criticisms in this negative way.

Far from being a prescription for chaos, the new system provides a cure for the ills and injustices caused by the

Glasgow Herald Lang one of Thatcher's leading men

By FRANCES HORSBURGH
Local Government Correspondent

I HAD always thought Mr Ian Lang, now Minister of State at the Scottish Office, looked a bit like an actor. One of those slim, square shouldered, impeccable leading men who used to woo matinee audiences in Noel Coward plays before the war. So imagine my delight the other day on discovering that he had indeed had an early brush with showbusiness. Albeit of a much more modern genre.

A large number of Ministers were savagely lampooned on the famous BBC television programme that Was The Week That Was, but Mr Lang is, I suspect, the only Minister currently striding the corridors of power who can claim actually to have written one of the satirical sketches performed on the show.

He wasn't a Minister then, of course, but a student contemporary of John Cleese and Tim Brooke-Taylor, and a member of the famous Cambridge Footlights Club. He had "the time of his life" he says as a performer in concerts and cabarets, and ran a night club during one Edinburgh Festival.

"I think if I had been up at Cambridge a year later and been in the revue that went to America and New Zealand with the others, then I might well have lapsed into the same sort of career as them," he says now with a smile. But he insists *a la* Piaf that he has no regrets and finds politics much more fulfilling.

After 17 years in the insurance business in Glasgow and just eight in the House of Commons, representing Galloway and latterly Upper Nithsdale as well, Mr Lang finds himself with a second-top political billing in Scotland. As Minister of State he is in effect deputy Secretary of State and is

the Minister responsible for the vital portfolios of industry and local government finance.

Despite all their recent electoral reverses in Scotland the Tories have persisted with their tough policies to try to restrict council spending. Recently they lopped £200m off Scottish councils' rates support grant as a punishment for authorities judged to have overspent, and they have retrospectively rate-capped Edinburgh District Council and Lothian Region.

As we talked in his room at the Scottish Office I got the strong feeling that Scotland's largely Labour-controlled councils who come here regularly seeking increased funding and an end to penalties are facing another tough nut (under the elegant exterior) who thinks some of them have got much too big for their boots.

"I believe that economic policy is the responsibility of Government not of local authorities," he says flatly. "I believe that when local authorities have sought to embark on policies which they justify on economic grounds they tend to be policies which are more likely to undermine our economic strategy and to destroy jobs than to help.

"I have a fairly clear belief as to what the responsibilities and duties of local government are and what they are not, and where I see local government fulfilling its proper role I am very anxious to be as helpful to it as I can — its proper role being essentially the provision of services in local regions and districts and the fulfilment of statutory obligations and duties placed upon it by central government."

Local government spending accounts for 43% of the expendi-



Ian Lang . . . image of the impeccable leading man.

ture for which the Secretary of State is responsible, he emphasises, so that if councils breach economic targets they can fundamentally undermine the success of the Government's strategy of careful controls over public spending. Mr Lang argues: "We have to ask of them the same disciplines we are imposing on ourselves, of managing their finances prudently."

It was the new Minister of State himself the other day who outlined to the House of Commons, the Government's timetable for the changeover from domestic rates to a community charge, or poll tax, in Scotland to help support council finances. And this was seen as the latest proof of the determination of Ministers to press ahead with implementation here in April 1989.

Despite all the current hulla-balloo, Mr Lang seems sure the new charge will come to pass throughout the UK. Meanwhile, he accuses the scheme's opponents in Scotland of continuing to spread fear and alarm about its impact.

He also believes the opposition of English Tory MPs to the new flat rate charge being imposed south of the Border, beginning in 1990, has been exaggerated. There is a wish among English MPs to find out more about the impact and effects of the scheme, he says, but not the level of all-out opposition which has been suggested recently in some quarters.

Also he states there is near unanimity that the existing domestic rates system is "totally discredited and no longer tolerable."

While Mr Lang insists he isn't anti-local government, he is certainly anti-Labour Party, and believes in a robust brand of pretty Thatcherite conservatism.

He came into politics in the 1960s, he says, because of "a profound distrust of socialism and an awareness of the deep damage it was doing to Scotland." And his conviction remains that socialism is potentially the most debilitating and enervating force that any country can suffer from. He is committed to capitalism and the spirit of enterprise, he says.

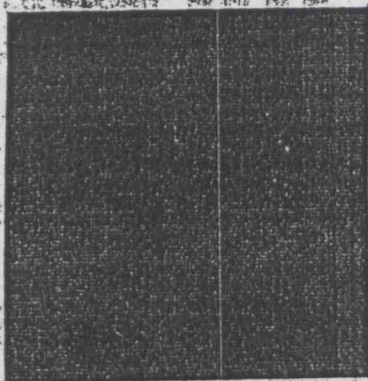
Ian Lang is also anxious to point out to me that it is the present Tory approach which appeals most to him. "I mean that in the 1960s and 1970s the search for consensus actually blurred the outlook of Conservatives and denied the country the full benefit of the implementation of Conservative policies.

"I think one of Mrs Thatcher's many achievements has been to avoid being deflected from a commitment to Conservative principles by the passing winds of events," he explains, but he rejects labels and my tentative attempt to place him on the right of the party.

If Labour-controlled local authorities can take little comfort from Ian Lang's presence at the Scottish Office, neither can those in his own party who believe that a dose of devolution might cure some of the Tories' ills in Scotland.

Mr Lang is highly sceptical, and in fact subscribes to the old slippery slope theory that such a move could end in the break-up of the United Kingdom. "I can't see how a worthwhile measure of devolution can be achieved which would not bring greater dangers with it than any conceivable benefits," he says. "Maintenance of the union is fundamental in social, economic, and historical terms."

IT'S A FAIR SHARE-OUT



MONDAY'S 'Evening Times' carried a double-page spread showing the effects of the community charge on local authority areas in Strathclyde.

The article was written by the Director of the Scottish Local Government Information Unit, a body generally hostile to the Government.

It is not surprising that many local politicians are critical of the Government's plans for the community charge, because they have a vested interest in the retention of the rating system.

As the 'Voice of the Times' said in that same issue, Labour politicians didn't have the guts to change the old system - and high-spending councils went too often to the same well.

They expected businesses and private householders to continually pick up the tab for their excesses, while up to a third of the community lived wholly or partially rates free.

That is a pretty savage condemnation of the system which the Unit takes as the starting point for comparisons with the Government's new system.

BILL

Let us look at that starting point in a little more detail.

At the moment, rates bills per head vary very widely within Strathclyde. At the top of the league, we find the average domestic rates bill per adult in Bearsden and Milngavie is £427 in the current year, and £396 in Eastwood. For

Glasgow the figure is £275.

What this means, in simple terms, is that under the domestic rating system people in Bearsden and Milngavie are paying one and a half times as much as those in Glasgow for the same local authority services.

The reason, they are doing so is because their bills are based on a system of property taxation which is discredited and unfair.

It is a system which takes no account of the use of services made by individuals, where a household with several

working adults can pay the same as the widow living next door.

FLAT

That is why the emphasis of the Government's proposals is on the position of the individual.

The basis of the community charge will be more fair, in that it will be a flat rate payable by each adult.

This reflects the fact that the bulk of local authority services are personal, rather than being related to property.

Your use of roads, public transport, educa-

tion or social services bears no relation to where you live.

When comparisons are made on an individual basis they reveal a much less extreme position than Monday's figures suggest. In Glasgow the average additional payment per adult quoted in the article is £19.72 a year, which is less than 40p a week.

Also, Mr. Fairley's figures fail to take any account of the Government's commitment to the introduction of a community charge rebate scheme.

This will provide re-

bates of up to 80% of the community charge for those on low incomes.

On top of that, for those on income support, which will replace supplementary benefit in April 1988, the benefit level will be increased to take account of the average minimum contribution.

It is quite clear, therefore, that the community charge will not cause hardship.

SAVINGS

The big advantage of the new system will be that those in control of local authority spending will have to take greater account than they do at present, of the impact of their decisions on the individuals who have to pay.

Extra spending will go straight onto the community charge and savings will benefit community charge payers.

Those who pick up the tab for excesses to use the Evening Times' own words, will now be the whole electorate - and that surely will be a very clear discipline on high spending authorities.

I am confident that this will inject a dose of realism into the way local authorities run their affairs and that the net result will be better value for local government spending in Scotland.

A better deal for the people who pay for it.

IAN LANG, Scottish Office Minister for local authority finance puts Government's case for the community charge

WINNERS AND LOSERS ACROSS THE WHOLE OF STRATHCLYDE FOR THE POLL TAX?

WHO PAYS

FLASHBACK to Monday's Evening Times and the local government attack on the effects of the community charge in Strathclyde

IN 1989 the COMMUNITY CHARGE will replace domestic rates in Scotland. This leaflet provides answers to some of the questions you may be asking about the new system.



1. What is the Community Charge?

It is a contribution payable by each adult to their local authority to help pay for the cost of the services provided by that local authority.

2. How much will I have to pay?

Each authority will set its charge depending on the cost of the services provided. Amounts won't be known until around February 1989.

3. How will the Community Charge differ from domestic rates?

Domestic rates are paid by householders, less than half the adult population. What they pay often bears little relation to the local authority services they receive. The Community Charge will spread the cost more widely across everyone aged 18 or over, who may benefit from those local authority services.

4. When will domestic rates end?

The last domestic rate bills will be those for April 1988 to March 1989. Rent bills which now include rates will no longer do so after March 1989.

5. How and how often will the Community Charge be payable?

The Community Charge will be payable to the local authority, usually in monthly instalments from April 1989. (See Question 22.)

6. Who will have to pay the Community Charge?

With only a few exceptions which are explained

below, all those aged 18 and over will have to pay something.

7. Who will be exempt?

- 18 year olds for whom child benefit is payable
- the severely mentally handicapped
- long-stay hospital patients
- residents in nursing homes, residential care homes and hostels providing similar care
- prisoners in custody.

8. Will those on low incomes have to pay, such as the unemployed and other benefit recipients?

Yes, but the rebate scheme will take account of their ability to pay. (See also Question 12.)

9. Will students have to pay?

Yes, but they will pay only 20%. They will be charged throughout the year at their term-time address.

10. Will there be a single bill for each household?

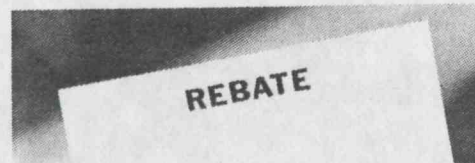
No. Each person will receive their own bill. This means, for example, that parents will not be liable to pay on behalf of their children aged 18 or over still living at home.

11. Is each partner of a couple responsible for paying their own bill?

Yes. But household finances are often organised on a joint basis so if one partner of a couple neglects to pay the Community Charge the other partner will

be held responsible for any sum due. This applies both when the couple are married and when they are living together as man and wife.

When the Community Charge is introduced there will be a comprehensive REBATE SCHEME which will take account of ability to pay.



12. Who will be able to apply for a rebate?

Everyone liable to pay the full personal Community Charge will be able to apply for a rebate of up to 80% of their charge. Application forms will be available from Autumn 1988 onwards, and this will be widely advertised at the time.

13. How will the rebate be worked out?

It will be based on income, just like rates rebates at present. In general, the lower your income, the higher your rebate. For couples a joint income will be used, but everyone else liable to pay will be assessed separately.

14. Will account be taken of special needs?

Yes. Some groups such as pensioners, lone parents,

families with children, and the disabled can have a higher income and still be able to receive the maximum rebate.

15. Is there an upper limit on the rebate?

Yes. The maximum rebate will be 80% of the Community Charge. So everyone liable will get a bill for at least 20% of the charge.

16. What about those who cannot afford the 20%?

The maximum rebate will be awarded to those receiving income support (which will replace supplementary benefit in April 1988). In addition, from April 1989 the level of income support will be increased to help meet the 20% contribution. So many on low incomes will have their full bill met.

17. How will the local authority go about collecting the Community Charge?

There will be a register of all those liable to pay. It will be kept by a local authority official called the Community Charges Registration Officer.

18. How will the Registration Officer make up the register?

Starting in April 1988 a 'responsible person' at each address, usually the owner or tenant, will be asked at least once each year to complete a form giving details of all those who live there. Being a 'responsible person' does not mean you will be liable to pay the



- Community Charge on behalf of anyone else.
- 19.** *Can I challenge what appears in the register?*
Yes. There are several safeguards.
- When the register comes into force, in October 1988, each individual will be sent a personal copy of his or her entry.
 - Each individual can inspect his or her entry at any time after that.
 - An appeal can be made to the Registration Officer and, if his decision is disputed, there can be an appeal to the Sheriff.
- 20.** *Do I have to tell the Registration Officer when I move to another address?*
Yes. Once the register is in force (October 1988) each individual will be required to notify changes which affect his or her liability for the Community Charge.
- 21.** *Will I be given an identity card?*
No. The only number you will be given is an account number (like a bank account number) which you should use when making payments. This will ensure you are not charged for anyone else's Community Charge.
- 22.** *What will the payment arrangements be?*
Each local authority will decide the level of its Community Charge and issue bills in the spring of each year. If you receive a rebate you will normally

only be asked to pay the reduced amount. Payment will normally be required in 12 monthly instalments, though for some people, who rent houses from public authorities the instalments may coincide with rent payments. Some local authorities may offer alternative payment arrangements in certain cases.

- 23.** *What about those who fall into arrears?*
The procedure will be the same as for those who fail to pay their rates. If you fall behind on the instalments of the Community Charge the local authority can apply to Court for power to arrest your earnings or to arrange for the sale of your goods to recover the amount due. Before taking these steps local authorities normally try to work out ways for people to pay off amounts they owe, by rearranging instalments over a period of time.

Notes: 1. Most people will be liable to pay the Personal Community Charge which this leaflet describes. A small number of people, who move very frequently, may be liable to contribute through the Collective Community Charge. People with two homes will be liable to the Personal Community Charge at their main home and an additional Standard Community Charge at their second home.

2. If you have further queries about the Community Charge please write to:
Community Charges Enquiries
New St Andrew's House
Edinburgh EH1 3TD.
3. Before the Community Charge comes into operation, further information will be provided by both the Scottish Office and your local authority.



THE NEW COMMUNITY CHARGE.

HOW WILL IT WORK FOR YOU?



A

YOU, YOUR COMMUNITY AND THE COMMUNITY CHARGE.

IN APRIL 1989 the Community Charge will replace the current Domestic Rates System in Scotland.

At present, Local Authorities receive money from four sources.

1. Government grants funded by national taxation (55%).
2. Payments for services like industrial refuse collection, recreational facilities and rents (about 4%).
3. Business rates (28%).
4. Domestic Rates (13%).

The Community Charge will replace only the income raised by Domestic rates, i.e. 13% of its total. The other contributions to the cost of local services will continue to be made.

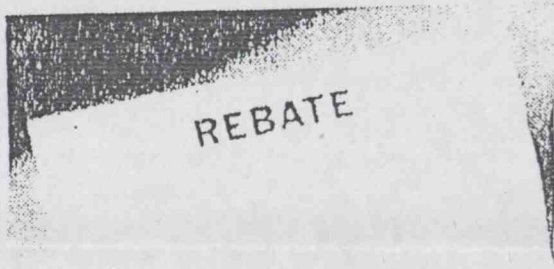
HOW WILL YOUR MONEY BE SPENT?



The Community Charge, you pay will contribute towards the cost of the services your Local Authority provides. For example, you'll be helping to fund schools, the police, street lighting, roads, libraries, the fire brigade, cleansing and other services from which everyone benefits.

However, the needs of one area are not necessarily those of another. So, each local authority will decide on the range of services to be provided. They will also determine the level of Community Charge to be paid by everyone aged 18 years and over, towards the costs of those services.

HELP FOR THOSE ON A LOW INCOME



There are several ways the Government will continue to protect people on low incomes.

1. For example students, who will be registered at their term time address, will be responsible for paying only 20% of the Local Authorities Community Charge.
2. Rebates of up to 80% of the Community Charge will be available to people on low incomes.
3. People on Income Support will get extra help. In addition to an 80% rebate, their income support grant will be increased to help cover the remaining 20% of their Community Charge.
4. When a rebate is given it will be taken off the Community Charge sum before you

pay. So you will only be responsible for paying the reduced amount.

Information on how to apply for a Community Charge rebate will be issued by each Local Authority next year.

If you are on a low income and wish to apply for a rebate, you should do so as soon as this information reaches you.

ARE THERE ANY EXCEPTIONS?

Some people will not have to pay a Community Charge at all. For example, people in residential care homes, the severely mentally handicapped, long term hospital patients, and prisoners in custody will be exempt.

HOW CAN YOU FIND OUT MORE?

Easily. Your Local Authority will be issuing further information on a regular basis from early in the new year. And if you'd like to receive a leaflet containing further details of the Community Charge and what it means to you, please return the coupon.

To: Community Charge Enquiries,
New St Andrew's House,
Edinburgh EH1 3TD.

Please send me a copy of your leaflet.

Name _____

Address _____

Postcode _____



David Scott, Local Government Correspondent, on the Minister with the responsibility of introducing the community charge

Lang prepares to take up a taxing burden

THE Minister responsible for local government finance, Mr Ian Lang, readily acknowledges that he is faced with handling one of the hottest political potatoes of recent times because of the growing controversy about the planned community charge, or poll tax as it is now most commonly described.

As the Labour-led campaign of opposition intensifies and as doubt begin to be voiced from inside his own party, Mr Lang will increasingly be put in the position of having to defend the poll tax which is already on the Statute Book in Scotland but is yet to be the subject of legislation in England and Wales. A Bill paving the way for the abolition of domestic rates south of the Border is expected to be introduced later this month.

Mr Lang, MP for Galloway, was thrust into the forefront of the community charge controversy when he was allocated the local government finance portfolio, in addition to that of industry, after the June General Election. He found himself having to take over the reins from Mr Michael Ancram, who had piloted the radical abolition of domestic rates Act through the Commons but lost his Edinburgh South seat when he became a victim of Labour's Scottish election rout.

In the ensuing redistribution of Scottish Office

‘I believe it will be recognised that the community charge system is fairer and less disruptive than the domestic rating system with its quinquennial revaluations’

responsibilities, Mr Lang, who was previously responsible for industry and home affairs, was promoted to the second-top Scottish Ministerial position. As Minister of State, he is officially deputy to the Scottish Secretary, Mr Malcolm Rifkind. His local government finance duties meant that Mr Lang had to immediately acquaint himself with an intensely complex and controversial subject which has resulted in increasingly strained relations between Tory Ministers and the Labour-dominated Convention of Scottish Local Authorities.

While issues like rate support grant and local authority spending targets have become slightly less controversial in recent times because of an easing of the brakes on public expenditure, the community charge, or poll tax, has ensured that there will be no lessening of the pressure on the local government finance Minister. Scottish Labour MPs and councillors, while agreeing to undertake their legal duties to implement the community charge, are determined to continue their campaign of opposition by joining with their English colleagues in resisting the planned changes which are due to take effect in Scotland in 1989 and a year later in England and Wales.

In an interview with *The Scotsman* Mr Lang said an increasing number of outrageous stories about the effects of the community charge were being put about by opposition parties. "They failed to win the arguments in the Commons committee and are now having to fall back on scares and alarms. I believe that once the system is in operation and settled in, most people will wonder what all the fuss was about."

But when respected Conservative MPs like Mr John Biffen, the former leader of the Commons suggest that the poll tax is unjust and is resented by many Conservatives, can it not be said that the criticisms are much more widespread?

"John Biffen was leader of the House when we brought in the Abolition of Domestic Rates (Scotland) Bill. In any party there are differing views on degrees of what is proposed", Mr Lang replies, adding that the tremendous pressure for change was one of the reasons why the reforms were being made. "I believe it will be recognised that the community charge system is fairer and less disruptive than the domestic rating system with its quinquennial revaluations."

Mr Lang underlines his belief about fairness when confronted with some of the recent accusations including those voiced at the recent launch of "Stop It — the Scottish Campaign Against the Poll Tax." Leaders of that campaign, which is chaired by the Labour MP for Cunningham North, Mr Brian Wilson, condemned the community charge as morally wicked, as a heinous sin and as a tax which will result in the shameless transfer of wealth away from those who have least to those who have most.

Describing some of those comments as a gross oversimplification of the situation, Mr Lang stressed that the community charge system would raise the same amount of

‘If any substantive changes develop during the passage of the English Bill it would clearly be right that we should refine our proposals to stay broadly in line’

money as the domestic rating system but from twice as many people.

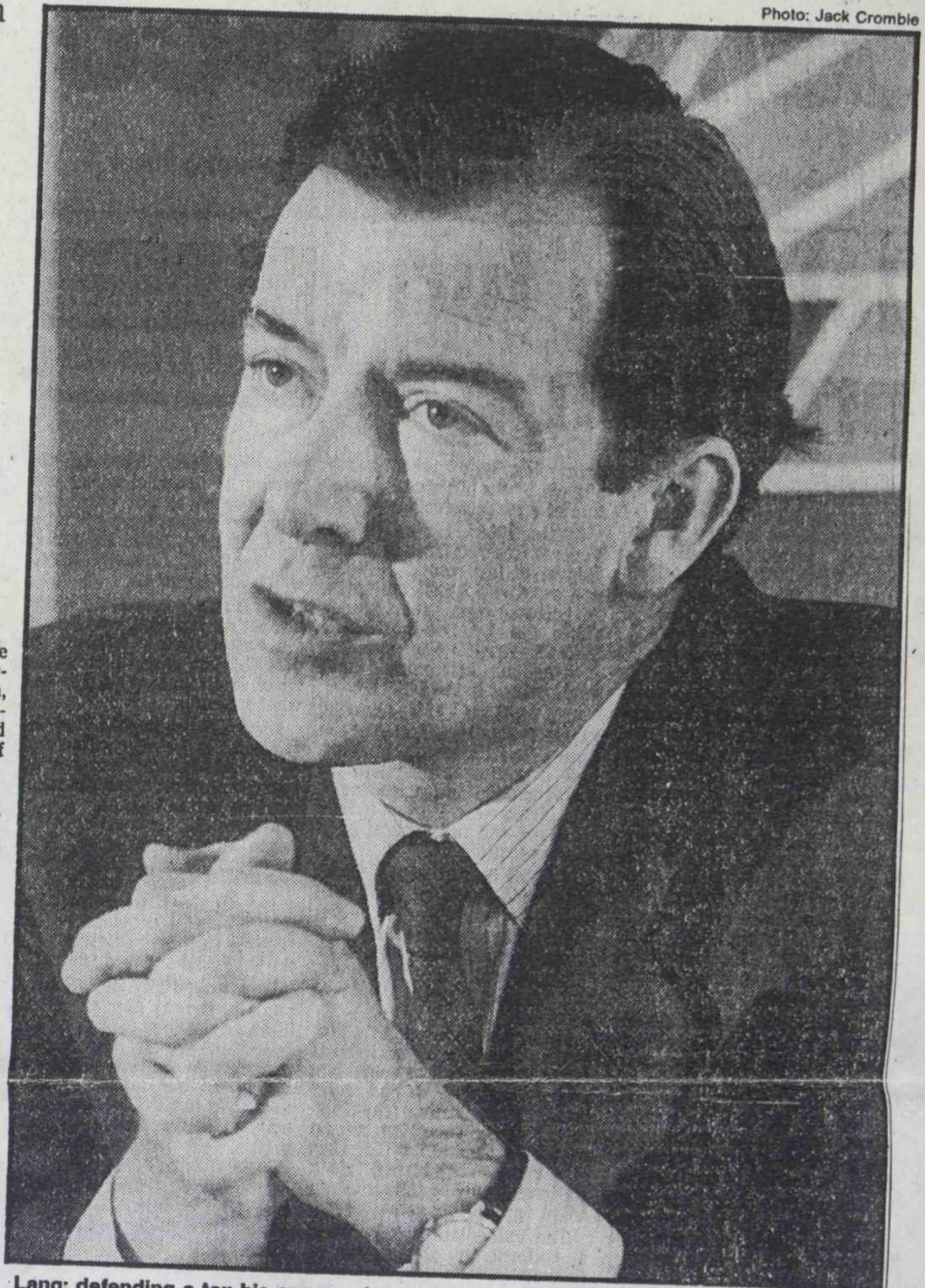
The burden, he said, would therefore be more evenly shared. "It will be a tax on people, taking account of their ability to pay, rather than a tax on property. The rebate system of up to 80 per cent means that those on low incomes will be protected. Even for the remaining 20 per cent an adjustment will be made to income support arrangements to help them."

When asked if he does not accept that, in spite of the rebate system, the community charge, is still a "regressive" system, Mr Lang replied: "So are domestic rates. Don't forget that something like 60 per cent of the cost of local government will still come from the general taxpayer through the revenue support grant and rebates."

"Therefore, those in the highest income brackets will still be contributing very much more — around 20 times more — than those in the lowest income brackets to the cost of local services. But it will, at the same time, bring a justified measure of relief to those who have borne an unfair share of the burden in the past. Justice cuts both ways."

Opponents of the community charge in Scotland are hoping that the pressure on the Government to amend, if not abandon, its proposals for south of the Border would mean that similar concessions would have to be made for Scotland even though the Act is now in force. Mr Lang confirmed that Scottish Office Ministers would be prepared to consider similar changes if any were made to the English legislation.

"If any change in the substance of our proposals develops in the course of the passage of the English Bill it would clearly



Lang: defending a tax his opponents condemn as morally wicked.

be right that we should have the opportunity to refine our proposals in order to stay broadly in line," Mr Lang said. But he added that he did not envisage any major changes at this stage. Nor did he think there was any danger of the English Bill being abandoned. "At our party conference it was quite clear that support in the Conservative Party in England and Wales is overwhelming."

The councils claim that the new system will be expensive to operate (they estimate that an extra £15 million will be needed in the remainder of the current financial year and that the full impact will not be felt until 1988-89).

A further attack on the new poll tax plans can also be expected on the grounds of the additional expenditure necessary for items like computerisation, the recruitment of extra staff and additional accommodation. There will also be continuing accusations about the invasion of privacy as community charge registers are prepared.

He fields questions about the costs by emphasising that those, when considered on a per capita basis, will be broadly the same as the cost of operating the rating system as more people will be paying the charge which will be levied on all adults of 18 and over. The Government, he said,

had already estimated running costs at between £17 million and £22 million and had allowed £9 million for the extra expenditure in next year's rate support grant. The running costs, he argues, become much less dramatic when they are viewed on the basis that they represent only half of one per cent of the total spending powers of local authorities.

Similarly, he feels there is no justification for the claims that privacy will be invaded as he regards the registration officer's powers as being very limited. While stating that it is right that the officer should

‘There is no justification for the claims that privacy will be invaded and there will be no access to social work records, police files, nor would there be a right to obtain information from private sources’

have the right to approach the "responsible person" in each household, Mr Lang says there

will be no access to social work records, police files nor would there be a right to obtain information from private sources or to "ask the neighbours".

Mr Lang's dual responsibilities of local government finance and industry come into play when he speaks about the proposals for non-domestic ratepayers. He confirmed that it is still the Government's intention to introduce a unified business rate for the whole of Britain once valuation anomalies have been resolved.

Interim proposals limiting rates increases to the inflation level will, he believes, "prevent local authorities from milking business and commerce as they have done in the past, sometimes with damaging results to jobs." Mr Lang said he was conscious of the power of local authorities either to harm industry through extravagance or to help development programmes through co-operation. "I am glad to say that the latter predominates in my experience."

Many other problems confront the Minister like unemployment levels and another big issue looming for the near future: the privatisation of the electricity industry. But the defence of the community charge in the face of mounting criticism is his most immediate priority.

Photo: Jack Crombie