



The Rt Hon John Major MP
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My ref:

Your ref:

14 October 1988

Dear John

THE COMMUNITY CHARGE: PUBLICITY

As you know, my Department publishes a booklet called 'Paying for Local Government: the Need for Change' as a means of explaining the reasons behind our proposals for the community charge. We have made it available on request since last year.

Now that the Local Government Finance Bill is an Act, I propose to issue a new booklet containing up-to-date information and answering questions about the practicalities of the new system. This will be of increasing interest to people as implementation draws near.

I appreciate that this does not require your clearance, but I thought you would be interested to see a copy of the enclosed text, since this publicity has proved controversial in the past. We expect the booklet to be available from mid-November and will use modest poster advertising to draw it to people's attention.

The text has, of course, been cleared with the Central Office of Information who are also producing the booklet for us and I am satisfied that it fulfils the conventions on Government publicity. We will be producing 10,000 copies at a cost of some £30,000.

We also intend to produce a series of short factual supplementary leaflets on different aspects of the charge (listed on the last page). If you would like to see these when the texts are ready please let me know.

I am copying this letter to the Prime Minister, Peter Walker, Malcolm Rifkind and Robin Butler.

Nicholas Ridley

NICHOLAS RIDLEY

Time to adjust

All this is a major change, and people will need time to adjust. The Government will therefore provide a safety net for all councils to help the change from the old to the new system. At the moment funds are transferred between areas, mostly from areas with high rateable values to areas with low rateable values. These transfers will continue on a reducing scale between 1990 and 1994 while people adjust to the new system.

SEPARATE PANEL

WHEN WILL IT HAPPEN?

Spring 1989

The Community Charge Registration Officers send out inquiry forms to each address in their areas (see pages), and start to compile registers of the people who must pay the community charge.

December 1989

Community Charge Registers are ready. Registration Officers send out to each person on the register a copy of their entry (see pages). Invitations are sent out for applications for rebates (see pages).

Early 1990

Community charges set by local authorities (see pages).

March 1990

Community charge bills issued to charge payers (see pages)

1 April 1990

Payment of community charges starts (see pages).

YOU AND THE COMMUNITY CHARGE

YOUR STEP BY STEP GUIDE

You will almost certainly have read about the new community charge in the papers, or heard about it on television. You will probably have seen it called the poll tax, but the community charge is its real name. Domestic rates are being abolished and the community charge is part of a new system of paying for the services that local councils provide. As it will affect almost every one you need to know about it. So this booklet explains why the community charge is being introduced, and how it will work. Since the new system will not start until 1 April 1990, you may wish to keep the booklet by you for reference.

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(To be completed when the final order of the booklet is established.)

Paying for local services

We all benefit from the many services that local authorities provide. These include schools, libraries, local social services, the police, the fire brigade, housing, roads, refuse collection, parks and leisure centres.

Some of these services benefit all of us, all of the time. We all need our rubbish taken away. Almost all of us use roads. *(all of us need roads)*

Sometimes the benefits are indirect but are still very real. We may never need to call out the fire brigade - but we are glad they are there!

And sometimes we may not need services personally - but people we care about do. Our children need schools and our elderly relatives may need sheltered housing.

So wherever we live - in a city, a small town, or a village-we all need local councils' services.

[Illustration of Teachers, Policeman Etc)

And all these services have to be paid for. Councils are responsible for one quarter of all public spending. In 1987/88, English councils spent about £45 thousand million. That's £1,250 for every adult. But of course local people do not have to pay all of this.

Some £15 thousand million comes from receipts and from the charges people pay - for example, receipts from the sale of council houses or land, council house rents and charges paid by the user of council services such as swimming pools, evening classes and the like. That leaves nearly £30 thousand million (£800 for every adult in England) to be found from national or local taxes.

[Picture of coin split into three]

About half of this £30 thousand million is provided by the national taxpayer by way of grants from central government - (about £400 for every adult). Just over a quarter comes from business ratepayers - (about £225 for every adult).

Something under a quarter comes from domestic ratepayers - about £175 for every adult. As only about half the adults in England pay rates this amounts to about £350 for every ratepayer.

It is only the domestic ratepayers' share which, from 1 April 1990, is going to be met from the community charge. But in future this amount will be shared between nearly all our 36 million adults instead of only 18 million ratepayers.

[Picture of Homes]