

CCP/0.



Seen by Prime Minister  
i faced version

~~Quentin~~ *Q*

PRIME MINISTER

I thought that it might be useful if before Question Time today you have my views on the latest information which we have about the level of community charge implied by local authorities' budgetting decisions. You saw the figures last night with the background briefing for today's questions but I enclose a further copy.

There is no doubt that the position looks as though it will turn out to be worse than was predicted in January on the basis of surveys of local authorities' intentions before the debate on the RSG reports. We feared then that the average community charge might be as high as £340. Latest indications are that it could be £20 or more higher than that. A number of factors account for this difference, including the rebuilding of balances by counties following a year in which they were drawn down before the local elections last May (there were increases of 15% and 18% in expenditure in 1981 and 1985 respectively following the previous two county elections). It is also the case that the assumptions underlying the settlement were pretty tight in relation to the cost increases actually facing authorities.

The fact, remains, however that the increase in spending implied by the average charge which now seems possible is some 15% - 16%, and a significant share of this increase would be new spending by authorities in a year in which they hope to blame the government for the level of the charge. If domestic rates were playing the role of the community charge, they would have to increase by some 35% over last year to finance the increase of spending which authorities have in mind. (I should stress the importance of the condition in relation to this point: the figure assumes that we had made all the other changes to the local government finance system, including the removal from authorities of the freedom to fix the business rate. If authorities were free as now to spread their proposed spending increases across non-domestic rates as well as domestic rates in a manner similar to this year, the increase in the latter would be smaller than 35% but still a substantial figure - about 22%.)



We must continue to deploy vigorously the line that the proposed increase in spending is indefensible, and to highlight the factors which account for it. I did this on yesterday's World at One, which was quite well reported in this morning's press. I shall continue the process at First Order Questions tomorrow. It is important that we should all try to pin the blame for the level of community charge in this first year where it really lies; we have managed to persuade some of our Parliamentary colleagues to do this in relation to their own counties - though not yet with any discernible effect on spending plans.

I enclose bull points for questions this afternoon, in addition to the material provided last night and the extra material for which your office asked this morning.

I am sending a copy of this minute to John Major.

CP

20 February 1990

(approved by the Secretary of State  
and signed in his absence).

# List of high spenders includes Tory councils

By Robin Oakley, Political Editor

The Labour Party is today exploiting the Government's growing difficulties over the community charge by publishing a list of projected poll tax levels around the country and comparing them to the current rates.

Ministers are planning a comprehensive review of the poll tax after this year's local elections, when the lessons of its introduction have been digested.

Alarmed Tory MPs, for whom the tax has become the dominant political topic, are keeping up the pressure for much more generous Treasury contributions to local government finance.

They want education spending taken from local authority to central government budgets, to help lessen the impact of the tax before the next general election. But this would require a prime ministerial U-turn since Mrs Thatcher has publicly rejected the idea.

In the list published today Mr Bryan Gould, Labour's environment spokesman, says that in 18 out of 65 authorities the average local tax bill per adult is due to rise by more than 50 per cent. In 38 of the 64 the average rise would be more than 25 per cent.

What has alarmed ministers and increased the political fall-

out from the introduction of the poll tax is that many Conservative authorities, as well as the traditional high-spending Labour authorities which were the targets of the legislation, are charging far more than the Government predicted.

Ministers say some Conservative authorities are making increases because they face increased costs from county authorities.

But Mr Gould said yesterday that most of the authorities listed were Conservative-controlled districts in Conservative-controlled counties.

"These figures expose the Government's poll tax for what it is — unfair, unworkable and guaranteed to make many much worse off. The figures also expose the Tories' lie that only people living in Labour local authorities will pay higher poll taxes."

The first column of figures in Labour's list show the rate bill average as announced by the Secretary of State for the Environment last November. The second column shows those fixed by authorities, notified to councillors or reported in local papers.

In only one authority, Elmbridge in Surrey, is the average total tax bill per adult going down. In only four

## LABOUR'S PROJECTED POLL TAX LEVELS

	Avg rate bill per adult 89/90 £	Est poll tax 90/91 £	poll tax as % inc on rate per adult		Avg rate bill per adult 89/90 £	Est poll tax 90/91 £	poll tax as % inc on rate per adult
<b>East Sussex</b>				Runnymede	310	330	6.5
Brighton	340	372	9.4	Spelthorne	312	380	21.8
Eastbourne	359	384	7.0	Surrey Heath	335	401	19.7
Hastings	274	383	39.8	Tandridge	318	375	18.0
Hove	312	330	5.7	Waverley	379	411	8.4
Lewes	301	352	16.9	Woking	383	460	20.1
Rother	317	355	12.0	<b>Berkshire</b>			
Wealden	280	349	24.6	Bracknell	296	375	26.7
<b>West Sussex</b>				Newbury	299	402	34.4
Adur	293	350	19.5	Reading	297	450	51.5
Arun	268	310	15.7	Slough	262	374	42.7
Chichester	283	303	15.2	Windsor/Maidenhead	374	488	30.5
Crawley	273	345	26.4	Wokingham	321	454	41.4
Mid Sussex	290	317	9.3	<b>Lancashire</b>			
Worthing	251	296	17.9	Blackburn	195	347	77.9
<b>Devon</b>				Blackpool	250	387	54.8
E Devon	237	336	41.8	Burnley	184	337	83.2
Exeter	238	327	37.3	Chorley	225	357	48.9
N Devon	183	306	67.2	Fylde	278	377	35.6
Plymouth	210	328	50.5	Hyndburn	181	297	64.1
S Hants	246	334	35.8	Lancaster	224	367	63.8
Teignbridge	225	327	45.3	Pendle	173	287	65.9
Mid Devon	189	312	65.1	Preston	236	407	72.5
Torbay	263	314	19.4	Ribble Valley	234	367	56.8
Torridge	166	262	57.8	Rossendale	199	307	54.3
West Devon	210	326	55.2	South Ribble	222	357	60.8
<b>Oxfordshire</b>				West Lancashire	282	377	33.7
Oxford	381	472	23.9	Wyre	234	367	56.8
S Oxfordshire	334	443	32.6	<b>London boroughs</b>			
Vale of Whitehorse	303	409	35.0	Croydon	276	293	6.2
W Oxfordshire	266	412	54.9	<b>Metropolitan districts</b>			
<b>Surrey</b>				Birmingham	295	406	37.6
Elmbridge	470	450	-4.3	Manchester	356	425	19.4
Epsom/Ewell	426	454	6.6	Newcastle	299	392	31.0
Guildford	355	412	16.1	Solihull	316	389	23.1
Mole Valley	346	392	13.3	South Tyneside	242	309	27.6
Reigate/Banstead	380	460	21.1	Wolverhampton	315	430	36.0

authorities (Hove, Epsom and Ewell, Runnymede and Croydon) is the average increase below inflation.

● Community charge bills in Lambeth, south London, will

be increased to take account of non-payment by up to 10 per cent of residents if the council adopts the suggestions in a briefing paper circulated amongst its ruling Labour

group (Libby Jukes writes).

The 40 Labour members, opposed in principle to the tax, may be reluctant to prosecute non-payers, ask for payments to be deducted from

wages or call in bailiffs to seize property, although they could then be held personally liable by the district auditor for the lost income. As a result, the estimated £660 per head needed to maintain services at their present level could rise to £733.

Lambeth's director of finance has estimated a community charge of £400 at the minimum. But the budget for the coming financial year, to be decided on March 8, will also have to cover a £5.5 million settlement to the London Residuary Body set up with the abolition of the GLC, and a further £1 million for storm damage.

● A Conservative-controlled council, Basingstoke, Hampshire, is to cut its proposed poll tax by at least £15 a head, only a few days after announcing that it would be about £334.

Mr Stephen Reid, leader of the council, said this was because the council had found it could save by gaining interest on people paying the tax by standing order or direct debit.

● People at the top would pay more as a result of tax changes under Labour's economic policies, Mr John Smith, the shadow Chancellor of the Exchequer, said yesterday on BBC Radio's *The World This Weekend*.

## CHARGES MONITOR: REQUEST FROM NO 10

No 10 requested the following:-

- i) The latest information about charges set;
- ii) Briefing on the report in today's Times;
- iii) Information about what rate bills would be in 1990/91 given the proposed levels of charges.

### Latest Information

2. I attach a table showing proposed charges and precepts where these are known.

### The Times' Report

3. The main points which need to be made about the Times' report are:

- i) The figures in the Times' report are broadly in line with the figures in the attached table except that the Times' analysis over-estimates the average rate bill in 1989/90 and hence under-estimates the increase in the community charges because the report has used the average rate bill in 1989/90 plus 4% and using OPCS adult population (rather than register based figures) as shown in DOEs exemplifications circulated on 6 November 1989.
- ii) The proposed charges reflect the income which the charging authorities have to raise on their own behalf and on behalf of their preceptors. This in turn reflects the proposed levels of spending of the authorities. It is only if authorities are spending up and well above their standard spending levels that they will need to set charges at the high levels shown in the article.
- iii) Shire districts where Labour controls the counties precepting on them have higher increases (55%) in their charges compared with last year's rate bills per adult than districts with Tory

controlled counties (28%).

- iv) The information in the attached analysis suggests that it is possible for authorities to set charges at a reasonable level. 16 charging authorities are proposing to set charges below the levels which are implied by the SSAs for their areas and 9 areas are increasing their income by less than the level of inflation. These include authorities under Labour as well as those under other control.
- v) The Audit Commission have identified some £900 million of savings, of which £500 million have yet to be made.

#### Rate Bills in 1990/91

4. The average charge for all the areas for which we have information is running at £370. A charge at this level suggests an increase in rates of 35%. This assumes inter alia that there would still have been a unified business rate, the same overall level of grant and that the Housing Revenue Account would still have been ring fenced.

## NOTES ON THE TABLES

1. Political control of a charging authority can be different from that of its precepting authorities. This is particularly important for charging authorities which are shire districts and the table shows districts grouped within their shire county and the political control of each.

2. The recommended or proposed precept per head of relevant population is given for each shire county. The charge, which largely flows from the area's precepts but to which the charging area's own demand has to be added and the revenue support grant and the unified business rate have to be subtracted and an allowance made for loss of collection, is shown for each shire district.

3. The table compares the proposed charge or the income per head of relevant population implied by the proposed charge with

a) the SSA per head of relevant population for the area, which shows how far the proposed charge exceeds the standard level of spending for the area

b) the area income for 1989/90

and the proposed charge with the average rate bill in 1989/90 per head of relevant population.

4. For County Councils the proposed precept is compared with the SSA for the authority and with the authority's income in 1989/90. The latter shows what contribution the recommended or proposed precept contributes to the excess spending per head in the area.

5. It is important to note that the analysis will exaggerate the income from charges because we do not at this stage know the extent to which the charge allows for non-collection.

6. Charges for metropolitan districts and London Boroughs are shown on the same basis.

Status

7. The information on proposed charges and precepts shown in the attached is based largely on press reports. The status column indicates the source, as follows

- P - speculative press information
- Rec - recommended to the finance committee, generally obtained from local government press
- DOE - non press source
- DAP - as reported formally on the Demands and Precepts (DAP) form.

FLAS/DOE

19 February 1990

Authority	Polit Control	Proposed Precept Per Head or Charge £	Status	Implied Spending for County authority/ area of District		
				over SSA £/head	over 89/90 income %	charge as % of rate bill per adult
AVON	Noc	724	DoE	91	16	
Bath	Con	380	P	102	16	33
Bristol	Lab	515	P	260	28	75
Kingswood	Con	374	P	96	19	45
Northavon	Con	443	P	154	26	51
Wansdyke	Con	350	P	72	12	26
Woodspring	Con	408	P	120	20	36
BEDFORDSHIRE	Noc	778	P	74	18	
Luton	Con	403	P	64	19	21
BERKSHIRE	Con	806	P	124	37	
Bracknell	Con	375	P	53	19	24
Newbury	Con	402	P	64	30	42
Reading	Lab	450	P	147	32	71
Slough	Lab	374	P	35	31	55
Windsor and Maidenhead	Con	488	P	152	32	44
Wokingham	Con	454	P	101	31	27
BUCKINGHAMSHIRE	Con	731	Rec	39	17	
Aylesbury Vale	Con	347	P	21	21	28
Milton Keynes	Noc	398	Rec	63	23	30
Wycombe	Con	400	P	47	20	9
CAMBRIDGESHIRE	Con	687	Rec	21	14	
Cambridge	Lab	438	Rec	108	25	35
Fenland	Con	300	P	20	17	43
Huntingdonshire	Con	286	P	-27	13	14
South Cambridgeshire	Ind	321	P	-15	17	14
CESHIRE	Noc	NA	NA	NA	NA	
Halton	Lab	400	DoE	122	21	60
Warrington	Lab	403	P	125	21	56
CLEVELAND	Lab	905	P	85	12	
Middlesbrough	Lab	429	P	191	18	60
CORNWALL	Noc	713	Rec	42	19	
CUMBRIA	Noc	745	Rec	103	18	
DERBYSHIRE	Lab	785	P	157	19	



Authority	Polit Control	Proposed Precept Per Head or Charge £	Status	Implied Spending for County authority/ area of District		
				over SSA £/head	over 89/90 income %	charge as % of rate bill per adult
Amber Valley	Con	400	DoE	180	23	70
Derby	Con	440	P	162	21	52
North East Derbyshire	Lab	480	DoE	264	29	83
Derbyshire Dales	Con	432	Rec	169	21	54
DEVON	Con	685	Rec	50	19	
East Devon	Con	336	P	49	18	37
Exeter	Noc	327	P	49	17	50
North Devon	Noc	306	P	50	19	68
Plymouth	Noc	328	P	49	20	50
South Hams	Con	334	P	49	18	36
Teignbridge	Noc	327	P	49	18	42
Mid Devon	Ind	312	P	50	19	66
Torbay	Con	314	P	49	8	23
Torridge	Ind	262	P	49	19	59
West Devon	Ind	326	P	50	19	64
DORSET	Con	601	Rec	23	17	
Bournemouth	Con	316	P	30	13	21
North Dorset	Ind	295	P	8	19	39
Weymouth and Portland	Noc	340	P	62	21	65
East Dorset	Con	345	P	31	15	14
DURHAM	Lab	712	P	46	12	
Darlington	Noc	356	P	103	15	46
Sedgefield	Lab	300	P	139	14	39
EAST SUSSEX	Con	624	Rec	22	17	
Brighton	Lab	372	P	77	10	11
Eastbourne	Con	384	P	68	18	21
Hastings	Noc	383	NA	79	24	43
Hove	Con	330	P	3	13	9
Lewes	Con	352	P	30	17	15
Rother	Con	355	P	22	16	11
Wealden	Con	340	P	23	16	17
ESSEX	Con	668	P	14	11	
Braintree	Con	343	P	32	16	21
Chelmsford	SLD	392	P	41	18	10
Rochford	Con	383	P	45	15	9
GLOUCESTERSHIRE	Noc	688	Rec	56	19	
Cheltenham	Noc	330	P	43	14	24

Authority	Polit Control	Proposed Precept Per Head or Charge £	Status	Implied Spending for County authority/ area of District		
				over SSA £/head	over 89/90 income %	charge as % of rate bill per adult
Cotswold	Ind	330	P	17	15	16
Forest of Dean	Noc	330	P	53	20	66
Gloucester	Noc	330	P	52	20	49
Stroud	Noc	330	P	46	17	34
Tewkesbury	Noc	330	P	28	18	28
HAMPSHIRE	Con	657	Rec	13	23	
Basingstoke and Deane	Con	322	P	1	25	40
East Hampshire	Con	375	P	43	27	35
Eastleigh	SLD	358	P	38	24	34
Fareham	Con	347	P	22	22	29
Gosport	Con	302	P	0	17	28
Havant	Con	323	P	0	19	22
New Forest	Con	310	P	-4	17	22
Portsmouth	Con	282	P	0	14	33
Rushmoor	Con	340	P	36	25	50
HEREFORD AND WORCESTER	Con	634	Rec	5	18	
Bromsgrove	Con	232	P	-85	5	-9
Hereford	SLD	280	P	2	20	63
Leominster	Ind	250	P	-28	17	54
Wyre Forest	Noc	300	P	15	15	30
HERTFORDSHIRE	Con	696	P	40	9	
Dacorum	Con	398	P	57	15	9
North Hertfordshire	Con	397	P	59	13	7
St Albans	Con	394	P	46	13	3
HUMBERSIDE	Lab	NA	NA	NA	NA	
Great Grimsby	Lab	370	P	138	16	52
ISLE OF WIGHT	SLD	NA	NA	NA	NA	
KENT	Con	663	Rec	-8	16	
Ashford	Con	297	P	-8	16	25
Canterbury	Con	299	DoE	5	16	32
Dover	Con	295	NA	12	19	51
Gillingham	Con	285	P	-4	17	39
Rochester upon Medway	Con	270	P	-30	19	39
Sevenoaks	Con	306	P	1	16	24
Tunbridge Wells	Con	322	DoE	17	19	34

Authority	Polit Control	Proposed Precept Per Head or Charge £	Status	Implied Spending for County authority/ area of District		
				over SSA £/head	over 89/90 income %	charge as % of rate bill per adult
-----						
LANCASHIRE	Lab	790	Rec	81	20	
Blackburn	Lab	347	P	121	24	87
Blackpool	Noc	387	P	144	20	71
Burnley	Lab	337	P	160	27	111
Chorley	Con	357	P	79	20	65
Fylde	Con	377	P	90	19	41
Hyndburn	Lab	297	P	108	20	71
Lancaster	Noc	367	P	106	20	71
Pendle	Ind	287	P	115	19	74
Preston	Lab	407	P	125	28	82
Ribble Valley	Con	367	P	102	21	70
Rossendale	Lab	307	P	120	19	62
South Ribble	Con	357	P	93	20	68
West Lancashire	Con	377	P	86	20	42
Wyre	Con	367	P	89	19	57
LEICESTERSHIRE	Noc	760	Rec	56	16	
Blaby	Con	250	P	-42	4	-3
Leicester	Lab	394	P	140	20	74
Oadby and Wigston	Con	360	P	69	17	32
LINCOLNSHIRE	Con	652	Rec	0	14	
Lincoln	Lab	300	P	32	18	64
NORFOLK	Con	644	Rec	30	16	
Breckland	Con	314	P	37	19	51
Broadland	Con	320	P	31	18	33
North Norfolk	Ind	285	P	-1	13	23
King's Lynn and West Norfolk	Con	278	P	0	14	40
NORTHAMPTONSHIRE	Noc	743	Rec	40	14	
Northampton	Con	360	DoE	73	13	24
NORTHUMBERLAND	Lab	722	Rec	102	15	
NORTH YORKSHIRE	Noc	643	Rec	24	11	
Harrogate	Con	357	P	79	15	34
Richmondshire	Ind	310	P	48	17	57
Scarborough	Noc	268	P	47	11	35
NOTTINGHAMSHIRE	Lab	755	Rec	78	18	
Nottingham	Con	300	P	22	11	26

Authority	Polit Control	Proposed Precept Per Head or Charge £	Status	Implied Spending for County authority/area of District		
				over SSA £/head	over 89/90 income %	charge as % of rate bill per adult
OXFORDSHIRE	Noc	NA	NA	NA	NA	
Oxford	Lab	472	P	119	36	42
South Oxfordshire	Con	443	P	109	32	42
Vale of White Horse	Con	409	P	73	29	36
West Oxfordshire	Con	412	P	87	31	46
SHROPSHIRE	Noc	727	Rec	37	16	
Bridgnorth	Ind	315	Rec	25	18	41
SOMERSET	Con	712	Rec	72	18	
Mendip	Noc	353	P	73	21	48
Taunton Deane	Con	350	P	69	19	43
West Somerset	Ind	380	P	99	21	47
South Somerset	SLD	363	P	82	21	46
STAFFORDSHIRE	Lab	668	Rec	35	13	
Cannock Chase	Lab	356	P	78	18	53
East Staffordshire	Noc	334	P	56	19	49
Lichfield	Con	350	P	46	17	23
South Staffordshire	Con	330	P	22	14	16
Stafford	Noc	339	P	51	18	36
SUFFOLK	Con	678	Rec	49	20	
Forest Heath	Con	375	DoE	65	24	39
Ipswich	Lab	440	DoE	162	27	66
Mid Suffolk	Con	332	DAP	46	20	42
Suffolk Coastal	Con	390	DAP	75	21	30
Waveney	Noc	326	P	48	18	45
SURREY	Con	634	Rec	50	16	
Elmbridge	Con	449	P	98	16	6
Epsom and Ewell	Ind	447	P	118	16	13
Guildford	Con	401	P	63	25	25
Mole Valley	Noc	387	P	74	19	21
Reigate and Banstead	Con	440	P	129	26	38
Runnymede	Con	324	P	12	15	15
Spelthorne	Con	375	P	72	22	36
Surrey Heath	Con	396	P	52	20	14
Tandridge	Con	382	P	93	18	30
Waverley	Con	410	P	71	22	19
Woking	Noc	360	P	39	8	0

Authority	Polit Control	Proposed Precept Per Head or Charge £	Status	Implied Spending for County authority/ area of District		
				over SSA £/head	over 89/90 income %	charge as % of rate bill per adult
WARWICKSHIRE	Con	NA	NA	NA	NA	
WEST SUSSEX	Con	572	Rec	-20	15	
Adur	SLD	350	P	53	18	27
Arun	Con	310	P	-5	14	13
Chichester	Con	303	Rec	-19	14	10
Crawley	Lab	345	P	67	16	37
Mid Sussex	Con	317	P	4	16	16
Worthing	Con	296	P	1	16	25
WILTSHIRE	Noc	662	Rec	22	11	
Kennet	Noc	335	P	56	20	48
North Wiltshire	Con	300	P	22	12	35
Salisbury	Noc	315	P	21	16	28
Thamesdown	Lab	360	P	84	17	51

Authority	Polit Control	Proposed Precept Per Head or Charge £	Status	Implied Spending for County authority/ area of District		
				over SSA £/head	over 89/90 income %	charge incr. over rate bill per adult 1989/90 %
-----						
Metropolitan districts						
Barnsley	Lab	330	P	202	18	55
Birmingham	Lab	406	P	59	20	37
Bolton	Lab	350	P	72	14	48
Bradford	Con	NA	NA	NA	NA	NA
Bury	Lab	376	P	104	11	30
Calderdale	Noc	NA	NA	NA	NA	NA
Coventry	Lab	397	P	115	12	24
Doncaster	Lab	330	P	157	12	36
Dudley	Lab	420	P	128	24	47
Gateshead	Lab	NA	NA	NA	NA	NA
Kirklees	Noc	298	P	152	13	41
Knowsley	Lab	NA	NA	NA	NA	NA
Leeds	Lab	NA	NA	NA	NA	NA
Liverpool	Lab	450	P	138	18	41
Manchester	Lab	425	DoE	76	14	18
Newcastle upon Tyne	Lab	392	Rec	135	11	34
North Tyneside	Lab	NA	NA	NA	NA	NA
Oldham	Lab	359	P	97	14	51
Rochdale	Lab	380	P	174	17	56
Rotherham	Lab	330	P	165	16	47
Salford	Lab	400	P	122	15	37
Sandwell	Lab	425	Rec	121	23	55
Sefton	Noc	380	P	99	15	32
Sheffield	Lab	370	P	199	15	40
Solihull	Con	392	P	62	20	24
South Tyneside	Lab	309	Rec	104	10	34
St Helens	Lab	425	P	169	19	63
Stockport	Noc	414	P	122	19	35
Sunderland	Lab	NA	NA	NA	NA	NA
Tameside	Lab	360	P	136	16	53
Trafford	Con	300	P	-8	9	6
Wakefield	Lab	NA	NA	NA	NA	NA
Walsall	Lab	425	P	126	19	40
Wigan	Lab	400	P	191	17	55
Wirral	Noc	383	P	87	5	0
Wolverhampton	Lab	420	Rec	95	21	41

Authority	Polit Control	Proposed Precept Per Head or Charge f	Status	Implied Spending for County authority/ area of District		
				over SSA f/head	over 89/90 income %	charge incr. over rate bill per adult 1989/90 %
-----						
London boroughs						
Barking and Dagenham	Lab	275	P	104	4	13
Barnet	Con	NA	NA	NA	NA	NA
Bexley	Con	290	P	19	6	18
Brent	Lab	600	DoE	304	13	26
Bromley	Con	335	P	57	14	36
Camden	Lab	580	P	279	23	18
Croydon	Con	293	Rec	-47	14	11
Ealing	Lab	NA	NA	NA	NA	NA
Enfield	Con	NA	NA	NA	NA	NA
Greenwich	Lab	NA	NA	NA	NA	NA
Hackney	Lab	370	DoE	105	9	2
Hammersmith and Fulham	Lab	NA	NA	NA	NA	NA
Haringey	Lab	NA	NA	NA	NA	NA
Harrow	Con	NA	NA	NA	NA	NA
Havering	Noc	345	P	72	11	35
Hillingdon	Noc	NA	NA	NA	NA	NA
Hounslow	Lab	392	P	110	9	15
Islington	Lab	585	P	329	18	27
Kensington and Chelsea	Con	400	P	92	16	-19
Kingston-upon-Thames	Con	320	P	34	4	0
Lambeth	Lab	660	P	464	27	103
Lewisham	Lab	360	P	291	13	31
Merton	Noc	NA	NA	NA	NA	NA
Newham	Lab	504	P	207	18	53
Redbridge	Con	290	P	11	11	26
Richmond-upon-Thames	SLD	380	P	58	10	4
Southwark	Lab	390	P	329	14	42
Sutton	SLD	385	P	93	14	26
Tower Hamlets	Noc	NA	NA	NA	NA	NA
Waltham Forest	Lab	475	P	155	21	48
Wandsworth	Con	200	P	92	7	4
Westminster	Con	195	Rec	-105	0	-67

**LINE TO TAKE**

\* The evidence is that local authorities are proposing very sharp increases in spending compared with last year. The picture is not yet clear, but if the levels of charge being suggested were being financed from the rates it would imply something like a 35% increase in rates over last year. That is the measure of extra spending which authorities are proposing.

\* It is not yet too late for authorities to have regard for the interests of their chargepayers: Counties have until 1 March to decide their precepts; and districts have until 11 March to decide the income they need next year. As [Mr Patten] said yesterday, what we want to see is local authorities delivering a high quality of services at a reasonable charge to their chargepayers.

\* Quite a few authorities are setting their expenditure and charges at perfectly reasonable levels. They are showing that the spending increases being proposed by others are not necessary.

\* A number of factors account for the high levels of charge being proposed by some authorities. They include

- rebuilding or increasing balances which were used last year to keep rate increases down before the county elections (and funding spending financed from balances last year);
- spending up while taking the chance to blame the Government for the level of the charge this year;
- positioning themselves to permit lower increases in subsequent years when the enhanced accountability of the charge will begin to bite.

\* Charge-capping: if authorities indulge in excessive spending, we shall not hesitate to use our powers to cap them. The criteria for any capping that may be appropriate will be decided once full information on authorities' budgets is available.