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NBM
AT 30/1

CONFIDENTIAL

Prime Minister (2)

WAT



To note . AT 28/1

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

MJ

28 January 1985

Dear Lord President

RATE LIMITATION: FINALISATION OF PRECEPT LIMITS FOR PRECEPTING AUTHORITIES

As colleagues are aware, I announced on 11 December proposed rate or precept limits for the 18 authorities selected for rate limitation in 1985/6. A list of the limits I then proposed is attached.

Under the Rates Act, authorities are required to inform me whether or not they agree to the limit proposed for them; in cases where they do not agree, I have to set final limits by way of Orders subject to the Affirmative Resolution procedure in the House of Commons. Of the 18 authorities only one, Portsmouth, has so far assented to its proposed limit; I shall set their limit by direction. I propose (unless I receive significant new relevant information at the last minute which requires extensive consideration) to lay the first of the two draft Affirmative Orders, covering the four designated precepting authorities (GLC, ILEA, South Yorkshire and Merseyside) on Wednesday 30 January.

Colleagues may wish to know that, having considered the further information which has become available to me since 11 December, I propose to make no change to the precept limits proposed for the GLC, South Yorkshire and Merseyside. (I do not have powers, in the absence of the authority's agreement, to reduce a proposed rate or precept limit, but only to increase it.)

I do however propose to increase the precept limit for ILEA from 74.19p to 77.25p, as a result of new information provided by ILEA about their reserves, including in particular certain technical constraints on the use of some funds which I had previously assumed would be available in support of their spending next year. Despite this increase in the limit, the precept maximum would nonetheless remain some 3.4% below the 1984/5 precept of 80p. I have sought Keith Joseph's comments on this proposal, and he is content given the technical reasons for the change.

I am sorry about the short notice given by this letter; since

the authorities have not been willing to operate the procedures of the Act and supply me with information at the appropriate time it has been necessary for legal reasons to leave my decision until the latest possible moment. I shall write as soon as I can about my decisions regarding the selected rating authorities.

I am copying this letter to the Prime Minister, members of E(LA), John Biffen, John Wakeham and Sir Robert Armstrong.

Yours sincerely

P. Jenkin
PATRICK JENKIN

*Approved by the Secretary of State and
signed in his absence.*

Rate Limits 1985/86

	Expenditure Level Col 1	Local rate 1984/85 Col 2	Rate Limit 1985/86 Col 3	rate increase implied by Rate Limit Col 4
Basildon	£ 13.662m	42.80p	50.33p	17.59%
Brent	£ 140.021m	193.42p	196.42p	1.55%
Camden	£ 117.429m	91.94p	92.02p	.09%
GLC	£ 785.233m	36.55p	36.52p	-.08%
Greenwich	£ 66.584m	118.91p	96.42p	-18.91%
Hackney	£ 82.315m	119.30p	114.09p	-4.37%
Haringey	£ 128.658m	229.16p	222.17p	-3.05%
ILEA	£ 900.366m	80.00p	74.19p	-7.26%
Islington	£ 85.564m	122.74p	111.21p	-9.39%
Lambeth	£ 113.559m	122.34p	107.57p	-12.07%
Leicester	£ 24.392m	37.50p	16.27p	-56.61%
Lewisham	£ 79.301m	115.74p	87.49p	-24.41%
Merseyside	£ 205.190m	65.00p	32.86p	27.48%
Portsmouth	£ 16.751m	27.20p	26.22p	-1.18%
Sheffield	£ 216.573m	208.24p	207.07p	-.56%
Southwark	£ 108.437m	149.74p	112.69p	-24.74%
South Yorkshire	£ 178.291m	22.30p	81.32p	-2.38%
Thamesdown	£ 14.199m	54.19p	57.22p	5.59%

Love you
Melody

25 JAN 1983