

RANAGO

Line to Take

RATES

Chequers Seminar

I and my colleagues welcome the progress made with the work of the Review of Local Government Finance and the rating system announced last October by My Rt Hon Friend the Secretary of State for the Environment. There is a great deal of further work to be done over the next few months and there will be opportunities for wider public discussion before final decisions are made.

1974 Commitment to Abolish the Rates?

This commitment was made before an election which was lost. Neither of the manifestos on which this Government was elected contained a commitment to abolish the rates. Do the Opposition regard themselves as being bound by all the commitments in their 1983 manifesto?

Rates: Bull Points

- i. Growth in council spending dramatically slowed; over the last five years it has increased by no more than it did in an average single year in the 'seventies'.
- ii. If council spending had continued at its previous rate of increase it would be £4 billion higher now.
- iii. The effect of Government policy is that the burden on the national taxpayer is cut by £2 billion a year, equivalent to 2p off income tax.
- iv. Manpower cut by 4% after increasing for over 20 years at 3% a year.
- v. The average precept for 1985/86 is 30p higher under Labour county councils than under Conservative county councils (178p - Labour/148p - Conservative).

- vi. The same applies in the cities. In Lambeth rates are 122p; in Wandsworth they are 26p. Lambeth employs nearly twice as many people as Wandsworth.

Ratecapping

- i. I remind the House that the 18 ratecapped authorities are responsible for 75% of this year's overspend by local authorities. Ratecapping these 18 councils will save more than £550 million of public expenditure during the coming year.

- ii. The real saving for ratepayers is to compare what their rates will be next year with what they would otherwise have been in the absence of ratecapping. For example, in Greenwich ratepayers would be facing a 40% increase instead of a 19% cut; in Lambeth a 49% increase instead of a 12% cut.

FOREIGN VISITS RATHER THAN SEEING THIS COUNTRY?

Points to make

- i. Last year I spent 30 days out of the country on official business. The equivalent figure for 1978, the last full year of the Labour Government, was 37 days.
- ii. If the Party opposite do not think that maintaining close links with friendly foreign governments is not important, why do they not say so.
- iii. It is an important part of my visit to help British firms win contracts. More contracts mean more jobs for Britain.
- iv. Perhaps the Right Honourable Gentleman might explain how his visit to Nicaragua helped the cause of more jobs for Britain.