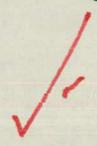




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→ Mr Tyrie

112 NOV 1987 passage  
 sidelined.  
 Interesting language

MICHAEL HOWARD QC MP

Release Time: 1900 hrs. Wednesday  
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PB  
 14/xi

Extract from a speech by Michael Howard QC MP (Folkestone and Hythe), Minister for Local Government, to Greater London Area Conservatives, Wednesday 11 November 1987.

Mr Tyrie cc PS/CX / 2  
 PS/CST  
 Mr Patten

**MICHAEL HOWARD LOOKS AT LONDON AND THE COMMUNITY CHARGE**

PS 16/4

Let me just take a look at what the Community Charge would mean for London. We published figures last June to show what the Community Charge would have been in 1987/8 in every council in the country. But let me make it quite clear that when the Community Charge is introduced in 1990 those charges will not be levied. Some of the charges will be much lower than the figures shown because there will be a safety net in place.

And some may be higher if LA spending ↑↑

That safety net will be phased out over 4 years. And it is true that if by 1994 spending levels were not changed then inevitably the Community Charge would end up at the level of those June figures. But there is no reason why that should be the case. The whole point of introducing the Community Charge is that it will bring to bear the full force of local accountability onto high spending councils. So as everyone in the borough will be voting they will have a direct interest in ensuring that spending is kept well under control.

In 1987/88  
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And let us remember that in most cases the high levels of community charge are shown in inner London boroughs. That is no surprise. It is the overspending of the ILEA that lies at the root of much of the problem. On its own the ILEA overspends by £252 per adult. If that overspending was removed the Community Charges in most of inner London would fall back to relatively acceptable levels. Of course there are some boroughs like Lambeth and Camden who overspend significantly themselves. But mainly it is ILEA which is at the heart of the difficulties which inner London experiences.

It is not as if that overspending produces good results. On the contrary, the ILEA spends 60% more per pupil than Birmingham Education Authority and 30% more per pupil than Liverpool and Manchester Education Authorities. Yet on virtually every recognised test of performance and effectiveness ILEA falls short. That is why we are now giving boroughs the opportunity to opt out of the ILEA. I am sure that Conservative-controlled boroughs will take up that opportunity but I do understand the frustration of those Conservatives living in Labour-controlled boroughs. That is why it is so vital that we win back those councils which we lost and hopefully more in the borough elections in 1990.

Of course I recognise that it will not be possible to claw back all of ILEA's overspending overnight, whether or not councils opt out. That is why the government has been looking at the

/.. possibility

! It's stated Government policy

possibility of running both rates and community charge together over a period of time, at least in some parts of the country. That is what we mean when we talk about dual running.

But whatever transitional arrangements are decided on, there will be a propaganda battle to be won. All of us in this room have the job of hanging round the necks of the ILEA and the big borough spenders the responsibility for excessive community charges. And it is their responsibility. The arrangements for government grant and business rates will ensure that every council in the country should be able to levy the same community charge for a reasonable level of services. It will be up to the voters to put an end to extravagant spending by their local authorities. And because, under our proposals, the voters will pay for this spending, I am very confident that that is precisely what they will do.

ENDS