

[MS The Safety Net is a Pol. RM, but an
is a pol. RM. Do CC is.]

CONFIDENTIAL

CHANCELLOR

FROM : A J C EDWARDS (LG)
x4480
1 September 1989

[MS also lack of
Symmetry of USR]

Return
for
my
file

Ch/ Absolutely no need to look
at this over weekend unless
you wish to give some early
thought to the Safety Net.
Otherwise send it back + we'll
show it to you again on Tues evening
with any indications received of

cc Chief Secretary
Sir P Middleton
Mr Anson
Mr Monck
Mr Phillips o/r
Mrs Lomax
Mr McIntyre o/r
Mr Potter o/r
Mr Hudson o/r
Mr Rutnam
Mrs Chaplin

ACJE
TO
CHEX
1/9

COMMUNITY CHARGE SAFETY NET : DOE's likely position.

ANNOTATED AGENDA FOR BRIEFING MEETING ON 6 SEPTEMBER

015

At Sir Peter Middleton's suggestion, you are holding a briefing meeting on 6 September with most recipients of this note in preparation for the meeting between you, the Chief Secretary and Mr Patten on 7 September.

2. We do not yet know what Mr Patten will propose. DOE officials are due to see him on Tuesday morning and have promised to brief us thereafter. We will send you a supplementary note on Tuesday afternoon.

3. In the meantime, you may find it helpful to have the attached annotated agenda for your briefing meeting. In preparing this I have been much helped by Mr Rutnam and by some notes bequeathed by Mr Hudson. Also relevant are Mr Potter's note of 4 August and Mr Sparkes' of 7 August.

4. Since the earlier notes by Mr Potter and Mr Sparkes, we have as you requested examined some of the options further. The results are reflected in the attached annotated agenda.

5. DOE have also told us, rather pointedly, that their Minister has received a quite abnormal number of representations this year about the proposed grant settlement, especially from Conservative Party sources, to the effect that the whole principle that gainers should contribute to the safety net is unacceptable, not just the amounts. There is considerable concern about the London borough elections of May 1990.

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6. We have the impression that DOE officials may press Mr Patten to argue for a substantial extra injection of funds and for a new approach whereby, formally at least, gainer authorities would no longer be required to contribute to the safety net (though in this zero-sum-game world the reality might not be so different). What Mr Patten will make of all this, I do not know. We have made some guesses in the attached annotated agenda. We will, as I say, report further on Tuesday afternoon.

7. I have suggested separately that you might take the opportunity to talk to Mr Patten about two local authority issues on which Mr Ridley was so intransigent during the earlier months of this year - holdings of financial assets and the massive overspend on capital this year. If you are content, we will brief you separately on these matters early next week.

AJCE

A J C EDWARDS

Logan M

Bayson model assumes costs divided as 2, good districts & bad districts. districts are proportional to good districts 'helpy' law. What this leads to is that this = taxpayers, who live in good districts & bad. Support transfer £100, cost of good for good districts & bad. Then this is £50 transfer for 'good' 'bad' no difference in principle, just smaller amount. Only way of making districts proportional but or to have no separate 'support'.

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Wink/Sark
D. M. M.COMMUNITY CHARGE SAFETY NET:ANNOTATED AGENDA FOR CHANCELLOR'S MEETING, 6 SEPTEMBER1. What are the problems?

1.1 Important to consider where main problems lie and how serious they are.

i. Gainer authorities. Government backbenchers vociferously dislike contributing to safety net (that is, not receiving all gains at once). Mr Patten has promised to look carefully at points made.

ii. Loser authorities. Former Chief Secretary saw this as main problem. Hence special grant for low rateable value areas (especially in North and including many marginals). Announced grant proposal gives complete protection to these areas in first year.

iii. Individuals who lose. Some reference to this in debates. With demise of dual running, safety net will operate at level of LA, not individual chargepayer. Hard cases at individual level (eg people living in modest council housing, and paying little rates, in LAs which are contributors to safety net). But too late to change.

iv. Timing. All attention so far on 1990-91. But 1991-92 will likewise be politically sensitive year. Legislation requires that Government publish provision for safety net in each transitional year. What desiderata for April 1991?

v. Obtaining Parliament's approval. Sir R Boyson has said he will vote against settlement unless the Treasury finances the safety net. How serious is this problem?

Problem i. has attracted all the attention so far. Related problem at v. How serious are these pressures on the Government? Problems ii. to iv. are arguably more important in substance. Problem ii. argues against swift phasing out of safety net. Too late to solve problem iii., though may be pressures on community charge benefit. Need to consider problem iv.

Year 2: special grant for low rateable value areas. No other safety net cases.

CONFIDENTIAL*but spent by legislators, specify in annex***2. Government and Treasury objectives**

2.1 Government will need to formulate viable policy for whole of transitional period (legislation requires that Government make safety net, though not specific grant, provision for each transitional year) and obtain Parliament's approval for grant settlement (timetable at Annex 1).

2.2 Main Treasury objectives:

- i. no increase in grant;
- ii. firm signal for local authority and teacher pay settlements.

2.3 General constraint: difficult to make particular groups (eg losers) significantly worse off than under Mr Ridley's 19 July proposals.

3. Broad strategy

3.1 Government has any way to reach view on later years of transitional period. For year 1, three broad choices:

- i. no change: stand fast by Ridley announcement but present it better;
- ii. minimum change: some tinkering adjustments;
- iii. major changes, with or without extra money.

3.2 Treasury Ministers were broadly happy with outcome of grant settlement and form of safety net. Major change must increase risk of additional expenditure. No change or minimum change look therefore to be in Treasury's interest. Is this agreed?

3.3 Better presentation essential anyway. Basic problem has been language of 'contributing to safety net' rather than 'phasing-in of gains'.

4. Tinkering

4.1 One change with merit in its own right: adapt treatment of ILEA successor authorities so as to avoid making some of them better off than with continuation of existing system. Would save

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£70 million if losses limited to £25 and £40 million if losses limited to zero. These proceeds could be used to increase percentage of gains available generally to gainers. Highly desirable but not essential?

gains

4.2 Other possibilities look more difficult:

- i. Raise limit on losses to more than £25 so as to accommodate gainers.
- ii. Restructure gains on self-financing basis eg
 - reduce maximum contribution below £75, or
 - allow gains in full up to £20, with compensating increase in percentage of gains contributed to safety net.

Such changes leave many authorities worse off than under Ridley proposals. Would anything be gained?

5. Major structural changes (grant-neutral)

5.1 Some possibilities:

- i. Top slicing. Within existing AEF total, part of RSG would be earmarked (or a further special grant added) to reduce contribution required from gainers. Problem is that, however this was done, many LAs would lose compared with Ridley proposals. Zero sum game. Would be criticised as disingenuous. [Chancellor has noted that Mr Ridley's rather similar £26 across the board levy can be dropped.]
- ii. Link safety net to spending needs as against actual spending. Have looked into this as Chancellor asked. Exemplifications show that it would lead to impossibly high community charges in Inner London, more than offsetting benefits from ILEA specific grant. Would anyway fail to address the problem, which consists in abruptness of transition from one set of actual (not imaginary) tax bills to another.

A great shame

"grr" another subsidy to the rich, new principle of same or 80% tax - don't

That is what Blyden is for. If that's it

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- iii. Abandon safety net. Looks impossible unless replaced by something which dealt with problem of big losers. Big losses for loser authorities would all be concentrated on next year. Very high community charges. Inconsistent with repeated Government assurances about smoothing the transition. Would stoke demands for extra help generally.
- iv. Specific grant to finance losers, offset by reduced NNDR. New specific grant of some £600 million would replace gainers' contributions to safety net. NNDR distributable amount would be reduced correspondingly, to keep same AEF. NNDR poundage would not be changed but higher percentage of NNDR gains would be allowed to come through. Same practical consequences as top-slicing, while temporarily reducing NNDR yield. Ingenious synthetic solution to several problems. But would mean that smaller gainers and smaller losers would be worse off than under Ridley proposals.

How much lost in yr (2)?

5.2 Agreed that grant-neutral changes on these lines have little promise (though better than extra money options)?

6. More money options

6.1 Mr Patten may well argue for more money to buy off the backbenchers (see covering minute). He may see attraction in getting rid of the whole concept of a contributory safety net. Possible approaches:

- Do this in yr (2)?*
- i. Replace safety net and gainers' contributions to it by special grant to losers (equivalent to their reliefs under present safety net). Would cost some £600 million.
- ii. Special grant for losers, as in i., partly financed by 'top-slicing' RSG (or one of other devices in section 5) as well as by new money.
- iii. Retain safety net as now but partially compensate either losers or contributors through special grant.

The extra grant of £600 million (or such lesser amounts as were decided under ii. and iii.) would go partly (perhaps largely) into additional public expenditure, partly into reduced community charges.

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6.2 This looks a bad use of money when public expenditure position is so tight and given delicate state of LA/teacher pay negotiations (arguments at Annex 3).

6.3 Extra £600 million clearly out of question. More limited additions might arguably do more harm than good in political terms?

7. Later years

7.1 1991-92, and changes to take effect in April 1991, will be no less critical than 1990-91. Legislation commits Government to stating its intentions for all four years of safety net.

7.2 Would be considerable gesture to Boyson backbenchers to shorten transitional period from present four years to three or two years. Gainers would then receive gains sooner, though losers would bear losses sooner. Latter would involve considerable difficulties, especially as Ridley announcement gives low rateable value authorities and most Inner London authorities complete protection next year. Would probably be necessary to extend and re-shape specific grants to accompany accelerated phasing out of safety net.

7.3 Where does balance of advantage lie between faster and slower phasing out? Agreed that officials should report on options, for Ministers to consider?

8. Possible conclusions

8.1 Some conclusions which might be drawn:

- i. best way ahead is to stand up to Boyson faction and stick to existing proposals for year 1;
- ii. tinkering and restructuring existing proposals generally unattractive: however meritorious in themselves, such changes would leave some authorities worse off than under Ridley announcement, with added pressures for more money;
- iii. within tinkering possibilities, ILEA adjustment would seem desirable in its own right, though DOE will resist;

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- iv. top-slicing and specific grant/reduced NNDR options look difficult to sell within existing grant total. Rebasings safety net on needs probably a non-starter;
- v. any of these tinkering/restructuring options better from Treasury point of view, however, than extra money;
- vi. extra money/re-opening AEF settlement highly undesirable. If Ministers felt obliged to inject something extra, best method might be a small additional specific grant payable to losers. But small injection may be politically worse than no change. Mr Patten may go for restructuring along with some extra money.
- vii. Need anyway to reach (and announce) a view on later years, in particular rate at which safety net is phased out and what can be contemplated for April 1991.

9. Handling

9.1 Ministers need to resolve the issues discussed in this note well before the end of this month in order that DOE may prepare the necessary reports and other documentation for the autumn.

9.2 We understand that all decisions on local authority current this autumn will be taken in a new committee, E(LG), chaired by the Prime Minister. This is similar to the old E(LF), with a rather wider remit and some change of personnel. E(LA) is still in being, with Sir Geoffrey Howe as chairman, but will have no role this autumn.

9.3 As in June/July, it will doubtless be useful for the Prime Minister, Treasury Ministers and Mr Patten to reach agreement if possible before options are put to the new E(LG). Before the trilateral meeting, it will clearly be helpful if there can be as much agreement as possible between Treasury Ministers and Mr Patten at least on the options worth considering.

9.4 Hence suggested objectives for your meeting with Mr Patten:

- a. to bring home the real difficulty in putting in any extra money, given the public expenditure and pay contexts;

? Mr Patten pays?

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- b. to commend the case for sticking to the Ridley package for next year, with change for ILEA authorities discussed above; and
- c. to agree on the options to be exhibited for the Prime Minister, which must clearly include nil-cost options;
- d. to discuss options for the later years and commission work as necessary.

CONFIDENTIALANNEX 1LOCAL AUTHORITY CURRENT TIMETABLE, 1989

September/Early October	Discussions with local authority associations
28 September	Consultative Council
10-13 October	Party Conference: Mr Patten will come under pressure to say something about the settlement
9 October	House of Lords resumes: Government tables amendments to LG and Housing Bill, eg for ILEA and low-RV grants
17 October	House of Commons resumes
31 October	Draft RSG report and safety net exemplifications published, probably with Statement by Mr Patten, followed by formal consultation period with local authorities
?10 November	Royal assent for LG & Housing Bill
Mid-November	Autumn Statement
Week beginning 3 December	Decision on NNDR multiplier
21 December	Final drafts of RSG and safety net reports signed
9 January	Final reports laid Then Debates

ANNEX
1

CONFIDENTIALANNEX 2COMMUNITY CHARGE SAFETY NET:BRIEF HISTORY, INCLUDING MR RIDLEY'S JULY ANNOUNCEMENT

The January 1986 Green Paper "Paying for Local Government" envisaged transitional arrangements comprising two complementary elements -

- i. 'dual running' of the community charge and domestic rates, on the basis that the rates element would be gradually phased out over ten years and additions to expenditure at the margin would be financed from extra community charge, and
- ii. a safety-net designed to keep the total take from the community charge in each local authority to the same level as the total domestic rate bill in the first year of the new system.

The safety net would have totally overridden in the first year the distributional effects between authorities of the community charge system. It was due to wither away or be phased out gradually over an unspecified period.

2. In July 1987, the Government confirmed this approach but added that the safety net would be phased out over four years, 1994-95 being the first year without any safety net.
3. In November 1987, the Government announced that local authorities contributing to the safety net would have to pay no more than £75 per head. That is, gainer authorities would retain all but £75 of their gains in the first year. This was to be financed by a small adjustment of £3 per head on the part of losers.
4. In the spring of 1988, during passage of the Local Government Finance Bill, the Government announced that dual running would be dropped except for the Inner London authorities: this was later extended to Inner London, too. Dual running was described as perpetuating an unfair rating system and as creating major

ANNEX
2

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administrative problems. The safety net at local authority level, was retained without any accompanying provisions at the level of the individual.

5. The grant settlement proposals announced by Mr Ridley at the end of July 1989 provided for less protection for loser authorities and earlier receipt of gains by gainer authorities than previously envisaged. Loser authorities are (mostly) to bear up to £25 of losses in the first year of the new system, thus enabling gainers to obtain between 40 and 50 per cent of their gains straight away and the whole of any gain in excess of £75 per chargepayer. Mr Ridley also announced two specific grants, of £100 million each -

- i. a grant for the Inner London boroughs to help with the transition from ILEA, which will actually make most boroughs better off next year than they would have been under the present system, and
- ii. a special grant for areas of low rateable values, mostly in the North, which will mean that many authorities in these areas will have complete protection against losses in the first year.

6. Apart from the safety net, the main elements in Mr Ridley's announced settlement were:

- i. aggregate exchequer finance of £23.1 billion next (a cash increase of £1.8 billion, or 8½ per cent, on the current year);
- ii. total standard spending of £32.8 billion (a cash increase of 10½ per cent on the current year); and
- iii. a community charge for standard spending of £275.

ARGUMENTS AGAINST PUTTING IN EXTRA GRANT

1. Settlement already a generous one. AEF up £1.8 billion, or 8.5 per cent, on 1989-90. No criticism at all from Tory side of level of grant settlement.
2. Public expenditure position extremely tight. Cabinet agreed vital to keep tight control. No secret that bids will need to be severely cut back in all areas including DoE programme, with offsetting savings to pay for unavoidable increases.
3. Against this background, extremely hard to persuade colleagues of case for priority for more grant, some of it to the richest local authorities in the country. Simply means less money for hospitals and roads. (£600 million buys 12 hospitals).
4. Moreover, Government gets direct credit for extra money for the NHS. Whereas, no control over extra for LAs: no guarantee that even Tory LAs will use extra grant to reduce Community Charge - a lot of it will simply add to spending.
5. NALGO pay award makes it very difficult to put in any extra money. As David Hunt said at the time, consequences will have to be met by chargepayer. If Community Charge cannot bear this, would be seen to fall at first hurdle. And would seriously undermine general line on wage increases: consistently made clear will not bail out private sector employers through eg exchange rate depreciation; cannot be seen to act differently in public sector.
6. The Scots get no extra help for their safety net.
7. Bad practice to announce a decision in July, and change it in October. Bad for public expenditure control, wrong signal to markets about Survey; not how this Government does business.
8. And politics not all one way. Opposition ready to criticise any concession as Government running scared and bailing out Community Charge.

ANNEX
3

TENTATIVE EXEMPLIFICATION OF PACKAGE

DATE: 5-JUL-89

ANNOUNCED BY MR RILEY.

ANNEX 4

ILLUSTRATIVE 1990/91 COMMUNITY CHARGES WITH SPENDING AT £32.8bn

AEF £23.1bn. of which £200m for specific grants. Gross Total Standard Spending £32.8bn
 DOE E(LF) Standard Spending Assessment Package
 Inner London charges reduced by £100m ILEA specific grant
 1990/91 charges reduced by £100m specific grant in losing areas with low domestic RV per hereditament

	COL 1 1989/90 Av rate bill per adult + 6%	COL 2 Long run charge	COL 3 Up to £25 loss, 47% of gains allowed	COL 4 Effect on change of 1% rise in spending	Safety net contribution (+)/ entitlement (-) (Col 3 - Col 2) *
GREATER LONDON					
City of London	541	325	421	2	+75 *
Camden	446	442	425	12	-17
Greenwich	285	579	246	13	-333
Hackney	351	239	263	15	+24
Hammersmith and Fulham	373	563	348	14	-215
Islington	446	425	416	14	-9
Kensington and Chelsea	393	205	282	9	+75 *
Lambeth	309	334	277	14	-57
Lewisham	275	423	241	12	-182
Southwark	281	439	247	15	-192
Tower Hamlets	282	397	240	16	-157
Wandsworth	202	350	175	11	-175
(a) Westminster	587	341	449	13	+75 *
<hr/>					
Barking and Dagenham	244	365	269	9	-96
(a) Barnet	361	246	307	7	+61
Bexley	247	294	272	7	-22
Brent	491	461	477	13	+16
Bromley	255	260	260	6	0
Croydon	267	164	219	7	+55
Ealing	321	312	317	10	+5
Enfield	316	274	296	8	+22
Haringey	532	566	557	14	-9
Harrow	327	264	298	8	+34
Havering	257	298	282	7	-16
Hillingdon	328	402	353	9	-49
Hounslow	373	351	362	10	+11
Kingston-upon-Thames	324	328	328	8	0
Merton	285	304	304	8	0
Newham	356	319	339	14	+20
Redbridge	231	242	242	7	0
Richmond-upon-Thames	357	305	332	6	+27
Sutton	309	307	308	7	+1
Waltham Forest	325	275	302	10	+27

ANNEX 4

* adjusted for decision to cap contributions at £75

(a) Shown as £75 contribution in DoE 1988-89 exemplifications

TE: 5-JUL-89

ILLUSTRATIVE 1990/91 COMMUNITY CHARGES WITH SPENDING AT £32.8bn

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 Inner London charges reduced by £100m ILEA specific grant
 1990/91 charges reduced by £100m specific grant in losing areas with low domestic RV per hereditament

	COL 1 1989/90 Av rate bill per adult + 4%	COL 2 Long run charge	COL 3 Up to £25 loss, 47% of gains allowed	COL 4 Effect on charge of % rise in spending	SN contribution (+)/ entitlement (-)
GREATER MANCHESTER					
Bolton	242	243	243	9	0
Bury	308	308	308	8	0
Manchester	322	288	306	11	+18
Oldham	237	259	255	10	-4
Rochdale	262	343	277	10	-66
Salford	286	283	283	9	+2
Stockport	313	269	292	8	+23
Tameside	253	304	274	9	-30
Trafford	287	235	263	8	+28
Wigan	269	343	294	9	-49
MERSEYSIDE					
Knowsley	300	247	275	11	+28
Liverpool	302	276	290	11	+14
St Helens	262	313	287	9	-26
Selton	288	270	279	8	+9
Wirral	381	350	366	10	+16
SOUTH YORKSHIRE					
Barnsley	221	367	221	8	-166
Doncaster	258	372	270	9	-102
Rotherham	249	349	255	9	-94
Sheffield	278	384	287	9	-97
TYNE AND WEAR					
Gateshead	248	324	255	9	-69
Newcastle upon Tyne	279	335	304	10	-31
North Tyneside	313	345	338	9	-7
South Tyneside	236	301	251	9	-50
Sunderland	217	275	225	9	-50
WEST MIDLANDS					
Birmingham	281	193	240	10	+47
Coventry	311	281	297	10	+16
Dudley	302	250	277	8	+27
Sandwell	279	211	247	9	+76
(a) Solihull	318	208	257	7	+59
Walsall	305	255	282	9	+27
Wolverhampton	306	196	255	10	+59
WEST YORKSHIRE					
Bradford	218	277	218	10	5 -59
Calderdale	236	379	236	10	-143
Kirklees	217	327	217	9	-110
Leeds	223	254	244	8	-10
Wakefield	237	345	242	8	-103

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	COL 1 1989/90 Av rate bill per adult + 4%	COL 2 Long run charge	COL 3 Up to £25 loss, 47% of gains allowed	COL 4 Effect on charge of 1% rise in spending	SN contribution (+)/ entitlement (-)
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AVON

Bath	255	298	280	7	-18
Bristol	298	345	323	8	-22
Kingswood	263	264	264	7	0
Northavon	299	276	288	7	+12
Wansdyke	278	288	288	7	0
Woodspring	305	285	296	7	+11

BEDFORDSHIRE

North Bedfordshire	310	238	276	8	+38
Luton	361	233	301	8	+68
Mid Bedfordshire	316	245	282	8	+77
South Bedfordshire	364	273	322	8	+49

BERKSHIRE

(a) Bracknell	305	239	274	7	+35
(a) Newbury	299	178	242	7	+64
Reading	274	225	251	8	+26
Slough	265	150	211	7	+61
(a) Windsor and Maidenhead	349	241	298	7	+57
(a) Wokingham	340	202	276	7	+74

BUCKINGHAMSHIRE

Aylesbury Vale	288	186	240	7	+54
(a) South Bucks	458	213	344	7	+75*
(a) Chiltern	463	231	354	7	+75*
Milton Keynes	331	217	278	8	+61
(a) Wycombe	386	223	310	7	+75*

CAMBRIDGESHIRE

(a) Cambridge	323	249	288	7	+39
East Cambridgeshire	235	212	224	7	+12
Fenland	223	230	230	7	0
Huntingdonshire	250	208	230	7	+22
Peterborough	274	256	265	7	+9
(a) South Cambridgeshire	297	192	248	6	+56

CHESHIRE

Chester	303	258	282	7	+24
Congleton	280	256	269	7	+13
Crewe and Nantwich	308	276	293	3	+17
Ellesmere Port and Neston	292	267	281	8	+14
Malton	259	267	267	8	0
(a) Macclesfield	357	252	308	7	+56
Vale Royal	267	253	260	7	+7
Warrington	266	270	270	8	0

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Inner London charges reduced by £100m ILEA specific grant

1990/91 charges reduced by £100m specific grant in losing areas with low domestic RV per hereditament

	COL 1 1989/90 Av rate bill per adult + 4%	COL 2 Long run charge	COL 3 Up to £25 loss, +7% of gains allowed	COL 4 Effect on change of 1% rise in spending	SN contribution(+) entitlement(-)
CLEVELAND					
Hartlepool	247	301	263	10	-38
Langbaungh-on-Tees	308	337	333	10	-4
Middlesbrough	275	330	300	10	-30
Stockton-on-Tees	298	302	302	10	0
CORNWALL					
Caradon	220	218	219	7	+1
Carrick	229	228	229	7	+1
Kennier	194	219	215	7	-4
North Cornwall	220	215	218	7	+3
Penwith	205	219	217	7	-2
Restormel	205	217	217	7	0
CUMBRIA					
Allerdale	197	282	197	8	-85
Barrow in Furness	198	321	198	8	-123
Carlisle	227	282	238	8	-42
Copeland	191	293	191	8	-102
Eden	208	256	208	7	-68
South Lakeland	249	280	274	8	-6
DERBYSHIRE					
Amber Valley	249	316	274	8	-42
Bolsover	225	342	226	8	-116
Chesterfield	257	342	282	8	-60
Derby	311	311	311	8	0
Erewash	265	325	290	8	-35
High Peak	254	328	279	8	-49
North East Derbyshire	277	347	302	8	-45
South Derbyshire	281	309	306	8	-3
Derbyshire Dales	297	315	315	8	0
DEVON					
East Devon	241	224	233	7	+9
Exeter	216	238	238	7	0
North Devon	185	220	205	7	-15
Plymouth	217	223	223	7	0
South Hams	257	229	244	7	+15
Tenburyidge	225	229	229	7	0
Mid Devon	193	220	218	7	-2
Torbay	258	293	283	7	-10
Torridge	169	216	169	7	-47
West Devon	205	212	212	7	0

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DORSET						
	Bournemouth	254	251	253	7	+2
(A)	Christchurch	305	248	278	6	+30
	North Dorset	216	193	205	6	+12
(A)	Poole	292	235	265	6	+30
	Purbeck	227	197	213	6	+26
	West Dorset	222	203	214	6	+11
	Weymouth and Portland	203	233	228	6	-5
(A)	East Dorset	317	235	279	6	+44
DURHAM						
	Chester-Le-Street	237	281	261	8	-20
	Darlington	248	285	273	8	-12
	Derwentside	209	301	209	8	-92
	Durham	227	280	252	8	-28
	Easington	200	288	200	8	-88
	Sedgefield	225	325	225	8	-100
	Teesdale	183	224	183	7	-41
	Wear Valley	205	313	205	8	-108
EAST SUSSEX						
	Brighton	335	348	348	8	0
(A)	Eastbourne	343	269	308	7	+34
	Hastings	269	238	255	7	+17
	Hove	290	223	259	7	+36
	Lewes	309	228	271	6	+43
(A)	Rother	325	221	276	6	+55
	Wealden	289	224	259	6	+35
ESSEX						
(A)	Basildon	434	353	396	8	+43
	Braintree	302	229	268	7	+34
	Brentwood	408	386	397	8	+11
(A)	Castle Point	339	234	290	7	+56
(A)	Chelmsford	371	229	304	7	+75
	Colchester	291	230	263	7	+33
(A)	Epping Forest	414	267	346	7	+75
	Harlow	425	417	422	9	+5
(A)	Maldon	327	224	279	7	+55
(A)	Rochford	363	242	307	7	+65
(A)	Southend-on-Sea	357	254	309	7	+55
	Tenning	310	246	280	7	+34
	Thurrock	365	313	341	3	+28
(A)	Uttlesford	363	226	299	7	+73

DATE: 5-JUL-89

ILLUSTRATIVE 1990/91 COMMUNITY CHARGES WITH SPENDING AT £2.8bn

AEF £23.1bn, of which £200m for specific grants. Gross Total Standard Spending £32.8bn

DOE E(LF) Standard Spending Assessment Package

Inner London charges reduced by £100m ILEA specific grant

1990/91 charges reduced by £100m specific grant in losing areas with low domestic RV per head:caesent

	COL 1 1989/90 Av rate bill per adult + 4%	COL 2 Long run charge	COL 3 Up to £25 loss. 67% of gains allowed	COL 4 Effect on charge of 1% rise in spending	SN contribution (+)/ entitlement (-)
GLOUCESTERSHIRE					
Cheltenham	280	255	268	7	+13
Cotswold	282	223	254	7	+33
Forest of Dean	201	228	226	7	-2
Gloucester	231	232	232	7	0
Stroud	251	241	246	7	+5
Tewkesbury	270	215	244	6	+29
HAMPSHIRE					
Basingstoke and Deane	249	162	208	6	+46
East Hampshire	287	173	234	6	+61
Eastleigh	282	187	238	6	+51
Fareham	287	182	238	6	+56
Gosport	245	189	219	7	+30
(a) Hart	314	191	256	6	+65
Havant	280	175	231	7	+56
New Forest	264	190	229	6	+39
Portsmouth	205	219	219	7	0
Rushmoor	231	174	205	7	+21
Southampton	221	190	206	7	+16
Test Valley	262	164	216	6	+52
Winchester	293	176	239	6	+63
HEREFORD AND WORCESTER					
(a) Bromsgrove	264	175	222	6	+47
Hereford	185	173	179	6	+6
Leominster	176	147	163	6	+16
Malvern Hills	258	185	224	6	+39
Redditch	270	214	244	7	+30
South Herefordshire	189	148	170	6	+22
Worcester	259	216	239	7	+23
(a) Wychevon	280	191	238	6	+47
Wyre Forest	262	215	229	7	+14
HERTFORDSHIRE					
Broxbourne	326	264	297	7	+33
(a) Dacorum	375	253	318	-	+65
East Hertfordshire	336	274	307	-	+33
(a) Hertsmere	405	298	355	-	+57
(a) North Hertfordshire	374	265	323	7	+58
(a) St Albans	389	259	328	7	+69
Stevenage	386	332	361	8	+29
(a) Three Rivers	406	277	345	7	+68
Watford	340	283	313	8	+30
(a) Welwyn Hatfield	417	337	380	8	+43

ILLUSTRATIVE 1990/91 COMMUNITY CHARGES WITH SPENDING AT £32 Bn

AEF £23.1bn. of which £200m for specific grants. Gross Total Standard Spending £32 Bn

DOE E(LF) Standard Spending Assessment Package

Inner London charges reduced by £100m ILEA specific grant

1990/91 charges reduced by £100m specific grant in losing areas with low domestic RV per hereditament

	COL 1 1989/90 Av rate bill per adult + 6%	COL 2 Long run charge	COL 3 up to £25 loss. 47% of gains allowed	COL 4 Effect on charge of 1% rise in spending	<i>SW contribution (+)/ entitlement (-)</i>
NUMBERSIDE					
Beverley	317	302	310	8	+8
Boothferry	220	309	226	9	-83
Cleethorpes	264	332	289	9	-63
Glanford	259	286	284	8	-2
Great Grimby	251	322	276	9	-46
Holderness	262	288	287	8	-1
Kingston upon Hull	233	330	233	9	-97
East Yorkshire	242	318	255	9	+63
Scunthorpe	284	372	309	9	+63
ISLE OF WIGHT					
Medina	245	250	250	7	0
South Wight	269	265	267	7	+2
KENT					
Ashford	239	198	220	7	+22
Canterbury	224	199	212	7	+13
Dartford	218	235	235	7	0
Dover	198	188	193	7	+5
Gillingham	211	187	199	7	+12
Gravesham	232	193	214	7	+21
Maidstone	231	180	207	7	+27
Rochester upon Medway	205	163	186	7	+23
Sevenoaks	257	192	227	7	+35
Shepway	278	229	255	7	+26
Swale	198	203	203	7	0
Thanet	234	209	222	7	+13
Tonbridge and Malling	229	224	227	7	+3
Tunbridge Wells	245	190	219	7	+29
LANCASHIRE					
Blackburn	183	235	183	8	-52
Blackpool	239	290	264	8	-26
Burnley	176	260	176	8	-84
Chorley	228	239	239	8	0
Fylde	272	250	262	8	+12
Hyndburn	176	257	176	8	-81
Lancaster	211	254	236	8	-18
Pendle	169	270	169	8	-101
Preston	233	221	227	8	+6
Ribble Valley	215	246	240	8	-6
Rosendale	199	277	199	8	-78
South Ribble	228	249	249	8	0
West Lancashire	275	239	258	8	+21
Wyre	239	249	249	8	0

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Inner London charges reduced by £100m ILEA specific grant

1990/91 charges reduced by £100m specific grant in losing areas with low domestic RV per hereditament

	COL 1 1989/90 Av rate bill per adult + 4%	COL 2 Long run charge	COL 3 Up to £25 Loss, 47% of gains allowed	COL 4 Effect on change of 1% rise in spending	SN contributions/ entitlement (-)
LEICESTERSHIRE					
Blaby	266	226	247	7	+21
Charnwood	265	213	241	7	+28
Harborough	307	244	278	7	+34
Kinckley and Bosworth	257	233	245	7	+12
Leicester	232	289	257	9	-32
Melton	258	231	246	7	+15
Northern West Leicestershire	258	249	254	8	+5
Oadby and Wigston	281	244	263	7	+19
Rutland	243	212	229	7	+17
LINCOLNSHIRE					
Boston	208	225	225	7	0
East Lindsey	204	207	207	7	0
Lincoln	199	225	222	7	-3
North Kesteven	205	203	204	7	+1
South Holland	204	224	224	7	0
South Kesteven	222	211	217	7	+6
West Lindsey	200	203	203	7	0
NORFOLK					
Breckland	223	214	219	7	+5
Broadland	253	218	237	6	+19
Great Yarmouth	222	243	243	7	0
North Norfolk	228	215	222	7	+7
Norwich	256	261	261	7	0
South Norfolk	251	233	243	7	+10
King's Lynn and West Norfolk	203	220	220	7	0
NORTHAMPTONSHIRE					
Corby	274	248	262	8	+14
Deventry	303	248	277	8	+29
East Northamptonshire	233	215	224	7	+9
Kettering	246	244	245	8	+1
Northampton	296	282	290	8	+8
South Northamptonshire	293	209	254	7	+45
Wellingborough	242	231	237	8	+6
NORTHUMBERLAND					
Alnwick	242	296	267	8	-21
Berwick-upon-Tweed	231	295	238	8	-57
Blyth Valley	271	345	296	8	-49
Castle Morpeth	303	288	296	8	+8
Tynedale	257	288	282	8	-6
Wansbeck	238	348	240	8	-108

DATE: 5-JUL-89

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NORTH YORKSHIRE					
Craven	197	239	211	7	-28
Hambleton	226	236	236	7	0
Harrrogate	260	273	273	7	0
Richmondshire	187	231	212	7	-19
Ryedale	211	248	236	7	-12
Scarborough	204	269	221	7	-48
Selby	205	263	230	7	-33
York	187	248	193	7	-55
NOTTINGHAMSHIRE					
Ashfield	206	257	215	7	-42
Bassetlaw	228	260	253	8	-7
Broxtowe	258	260	260	7	0
Gedling	274	254	265	7	+9
Mansfield	225	279	248	8	-29
Newark and Sherwood	249	250	250	7	0
Nottingham	234	250	250	8	0
Rushcliffe	289	249	270	7	+21
OXFORDSHIRE					
Cherwell	269	232	252	6	+20
Oxford	294	220	259	6	+39
South Oxfordshire	321	230	278	6	+48
Vale of White Horse	302	220	264	6	+44
West Oxfordshire	272	220	248	6	+28
SHROPSHIRE					
Bridgnorth	228	187	209	7	+22
North Shropshire	200	201	201	7	0
Oswestry	202	222	222	7	0
Shrewsbury and Atcham	251	223	238	7	+15
South Shropshire	208	188	199	7	+11
Wrekin	267	256	262	8	+6
SOMERSET					
Mendip	250	249	250	7	+1
Sedgemoor	259	268	268	7	0
Taunton Deane	255	264	264	7	0
West Somerset	271	264	268	7	+4
South Somerset	259	264	264	7	0

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STAFFORDSHIRE					
Cannock Chase	244	255	255	7	0
East Staffordshire	230	229	229	7	0
Lichfield	294	230	264	7	+34
Newcastle-under-Lyme	238	254	254	7	0
South Staffordshire	291	224	260	7	+36
Stafford	252	226	240	7	+14
Staffordshire Moorlands	233	242	242	7	0
Stoke-on-Trent	210	255	235	7	-20
Tamworth	264	244	255	7	-11
SUFFOLK					
Babergh	253	249	251	7	+2
Forest Heath	226	229	229	6	0
Ipswich	283	287	287	7	0
Mid Suffolk	241	228	235	7	+7
St Edmundsbury	230	214	222	6	+8
Suffolk Coastal	287	238	264	7	+26
Waveney	231	244	244	7	0
SURREY					
(a) Epsom and Ewell	398	323	363	7	+60
(a) Guildford	334	224	282	6	+58
(a) Mole Valley	336	262	301	7	+39
(a) Reigate and Banstead	358	276	319	6	+42
(a) Runnymede	294	247	272	6	+25
(a) Spelthorne	293	234	266	6	+32
(a) Surrey Heath	352	241	300	6	+59
(a) Tandridge	302	280	292	7	+12
(a) Waverley	362	240	305	6	+65
(a) Woking	368	288	331	7	+43
WARWICKSHIRE					
North Warwickshire	307	306	307	7	+1
Nuneaton and Bedworth	308	317	317	8	0
Rugby	313	281	298	7	+17
(a) Stratford on Avon	369	268	322	7	+54
(a) Warwick	361	283	325	7	+42

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WEST SUSSEX					
Adur	281	238	261	6	+23
Arun	270	209	241	6	+32
Chichester	262	192	229	6	+37
Crawley	269	270	270	7	0
Horsham	261	179	223	6	+44
Mid Sussex	287	209	251	6	+42
Worthing	248	217	234	6	+17
WILTSHIRE					
Kennet	241	227	235	7	+8
North Wiltshire	226	256	251	7	-5
Salisbury	262	224	244	7	+20
Thamesdown	253	302	278	7	-24
West Wiltshire	232	260	257	7	-3
ALL PURPOSE AUTHORITY					
Isles of Scilly	214	505	239	11	-266

DATE: 5-JUL-89

ANNEX B

AREAS BENEFITTING FROM SPECIFIC GRANT

Burnley
Pendle
Wear Valley
Hyndburn
Barrow in Furness
Calderdale
Teesdale
Easington
Kirklees
Barnsley
Copeland
Blackburn
Rossendale
Derwentside
Kingston upon Hull
Bradford
Torridge
Sedgefield
Allerdale
Eden
Bolsover
Wansbeck
Wakefield
York
Boothferry
Rotherham
Berwick-upon-Tweed
Gateshead
Sunderland
Ashfield
Sheffield
Carlisle
Doncaster
East Yorkshire
Craven
Rochdale
South Tyneside
Hartlepool
Scarborough
North Devon
Oldham
Tameside
Penwith
Leeds
Kerrier
Lincoln
Mansfield
High Peak
Chester-le-Street
Bassetlaw

Press Association

UK File

on 01-09-89 at 04:33

Chavelly
CST

Ansion
A. Edwards

P. St. v

AT O'D

POLITICS Tax Lawson

(Overnight rewrite)

LAWSON EXPECTED TO CUSHION POLL TAX'S IMPACT

By Chris Moncrieff, Press Association
Chief Political Correspondent

Tory backbenchers now believe
Chancellor Nigel Lawson is ready to
provide more cash to cushion the
impact of the community charge.

Some believe that unless he does act,
the so-called poll tax will have
disastrous effects on the Tories at
the next local authority and general
elections.

7+ More 4 Headlines 6+ 00+ < >

*WF spoke
source is
RB.
John*

Press Association

UK File

on 01-09-89 at 04:33

Sir Rhodes Boyson, MP for Brent North
and a former local government
minister, has been sounding warnings to
the Treasury since the House rose for
the summer recess.

He believes that the so-called
"safety net" arrangements, providing
for a transfer of resources from
richer to poorer local authorities,
will alarmingly increase the community
charge bills of voters in many
Conservative areas.

Sir Rhodes and his colleagues have
bluntly told the Treasury in a series

7+ More 4 Headlines 6+ 00+ < 7 >

Press Association

UK File

on 01-09-89 at 04:33

of speeches that the Tories will face
heavy losses in next year's local
council elections and that the
parliamentary majorities of at least
25 Conservative MPs could be at risk
unless action is taken.

Many Tory MPs now believe that the
Chancellor will look sympathetically
at their fears and more money will be
made available to reduce the impact on
Conservative voters.

end jp