

RATES

cc Mr Ponsford
Mr Walshe

PS/Secretary of State

PROPOSED RATE INCREASES - 1982-83

Nine non-met. counties changed control to Labour in May 1981.

These councils have before them recommendations from Finance/
Resources Committees:

Percentage Precept increases (April to April)

Humberside	61
Notts	53
Avon	40
Derby	25
Cumbria	23
Lancs	22
Cleveland	20
Northumberland	20
Staffs	19

The other council under full Labour control, Durham has a recommended increase of 17%. (April to April)

← The 20 Conservative controlled counties have average recommended precept increase of 11-12%. (April to April)

The remaining 9 counties with no overall control or Liberal control have an average recommended precept increase of 20%. (April to April).

The Annex gives a list of recommended increases in the Shires.

Four of the six Met. counties changed control to Labour in May 1981.

Greater Manchester has before it a recommendation for an increase of 27% in its precept (April to April).

Press reports suggest that W. Yorkshire's plans imply an increase of 66½% (April to April), though this is not a recommendation by the Policy and Resources Committee.

Information is not available for the other Met. counties.

GLC declared net precept increase of 91% (April to April).

J. E. Kidgell.

J E KIDGELL
FLAS

18 February 1982

ANNEX A

Shire Counties - Recommended rate increases April 1981 to April 1982

(percentages)

Conservative Controlled

Dorset	11.8
E. Sussex	13.8
Here. & Worcs	16.4
Kent	11.0
Lincs	5.2
Norfolk	11.8
N. Yorks	9.6
Oxford	12.4
Somerset	6.9
Suffolk	9.7
Surrey	9.7
W. Sussex	10.7
Wilts	13.9
Bucks	9.49
Cambs	5.22
Devon	15.78
Hants	11.84
Herts	15.32
Warwicks	10.98
Essex	14.87

Average = 11.32%

N.O.C.

Cheshire	32.5
Cornwall	9.8
Gloucs	9.6*
Northants	19.3
I.O.W.	11.9
Leics.	27.58
Berks	37.50
Salop	9.77
Beds	n.a.

Average = 19.74

Labour Controlled

Avon	39.8
Cleve	20.0
Lancs.	22.2
Staffs	19.1
Cumbria	23.29
Durham	17.08
Humbs.	61.06
Northumb.	19.59
Notts.	52.75
Derby	n.a.

Average = 30.67

* Declared

Speaking Note for Prime Minister

Mr Straw purports to show ratepayers pay more in Conservative controlled areas than in Labour controlled.

This is misleading and fallacious.

You can't look at average weekly payments in different authorities without taking account of the types of property.

Does Mr Straw really argue that someone living in a large detached suburban house ought to pay same weekly rates as someone in small terraced house, and?

if they are not, this is a tribute to the Labour Council concerned?

It is the poundage that is important - comparing houses of similar rateable values in different areas

Example: Rateable Value of £200
in Herfordshire - rate bill - £239 per annum
West Midlands - rate bill - £287 per annum
South Yorks - rate bill - £355 per annum

Labour are responsible for higher rate poundages - look what happened last May when Labour gained overall control of 9 Shire counties - 7 raised supplementary rates; gained control of 4 Met. counties - 3 raised supplementary rates.

rateable value



Briefing Notes on JACK STRAW's press release 25/1/82

1. Sources of information: CIPFA "Financial, General and Rating Statistics, 1981-82".
2. Mr Straw's figures are correct.
3. His argument fallacious. He compares tax take in each county. This is influenced by wealth of the county.
4. Should consider tax rate - i.e. the rate poundage.
5. This shows different picture: of 10 counties with lowest rate poundage, 7 are Conservative; only 2 Labour (these were won in May 1981 - Humberside - equal 7th; Notts. 10th).
Of 10 counties with highest rate poundage 7 are Labour and only 3 Conservative (8th, 9th and 10th in this list).
6. Supplementary rates: 9 Shire counties and 3 Met. counties raised supplementary rates in 1981-82. All were Labour.
Of the 9 Labour gains (shires) in May 1981, 7 raised supplementary rates.
7. Mr Straw's list shows very little - almost equivalent to listing counties by their wealth (as measure by Rateable Value).
"If you asked me to list the 9 counties with the highest domestic rateable value per hereditament, I would give you the first 9 of Mr Straw's list of rate bills'."

Domestic rate poundage and RV per domestic hereditament 1981-82

(Source: CIPFA)

<u>Shire counties</u>	Domestic Poundage (p)	(Rank)	Dom. RV per dom. hereditament (£)	(Rank)
<u>conservative</u>				
Beds +	119.7	32	228.3	6
Berks +	110.6	12	253.4	4
Bucks	112.1	16	273.9	2
Cambs.	114.5	25	201.1	14
Devon	102.6	3	175.9	24
Dorset	116.8	30	211.6	12
E. Sussex	113.6	20	223.6	9
Essex	108.5	7	240.1	5
Gloucs +	114.3	23	186.6	16
Hants	113.8	21	212.3	11
Hereford + Worcester	113.3	19	209.2	13
Herts	119.4	31	258.8	3
Kent	110.6	12	183.6	20
Leics +	99.3	1	185.3	18
Lincs	113.0	17	153.7	32
Norfolk	106.3	4	169.7	28
N. Yorks	113.2	18	152.2	33
Oxford	111.5	15	224.2	8
Somerset	108.9	9	176.2	23
Suffolk	116.7	29	183.7	19
Sussex	107.6	6	279.9	1
Warwickshire +	115.7	27	224.3	7
W. Sussex	107.2	5	216.5	10
Wilts	110.0	11	172.2	27

Ind. & Lib

Cornwall	102.3	2	152.1	34
Isle of Wight	115.2	26	172.8	26

+ No overall control; CON. largest party.

FLAS: 25/1/82

Rates analysis 'justifies Labour'

By David Walker

Rates in London and the South-east are substantially higher than those in most other parts of England, according to calculations for 1981-82 released yesterday.

Average weekly household payments in inner London are more than £8 and above £5.50 in several of the home counties, while in West Yorkshire they are just over £3. For Cornwall, the cheapest English county, the figure is £2.99 a week.

The library of the House of Commons made the calculations at the request of Mr Jack Straw, Labour MP for Blackburn. He said in a statement that the analysis destroyed the myth that all local Labour councils levied high rates.

A table of weekly payments showed that rates in the 13 shire counties controlled by Labour averaged £3.77, which was 74p a week lower than in the 24 comparable Conservative counties.

"The figures undermine the case by which the Government has sought to justify the powers which it is taking under the Local Government Finance Bill now before Parliament", he said.

Mr Straw's figures do not tell the whole story. All the counties now in Labour control, except Durham, were Conservative until May last year. The rates were set before the change of political control. But Mr Straw said that even with the supplementary rates levied by incoming Labour councillors in several areas, those shire counties looked relatively frugal.

The rates burden appears heavier in the South of England than in the North, regardless of political control. That is probably explained as much by the relative rateable values as by the collective parsimony of people in such counties as Yorkshire.

Average weekly household rates week (£)

Inner London	8.59
Outer London	6.88
Hertfordshire	5.94
Buckinghamshire	5.90
Surrey	5.79
Essex	5.01
East Sussex	4.89
Merseyside	4.86
Cheshire	4.79
Cleveland	4.73
Hampshire	4.65
Tyne & Wear	4.53
Greater Manchester	4.49
Cambridgeshire	4.43
South Yorkshire	4.43
Suffolk	4.12
Kent	3.91
Lancashire	3.50
Devon	3.47
Cumbria	3.32
West Yorkshire	3.16
Cornwall	2.99

The figures include payments for supplementary rates; no adjustment has been made to the London figures for any repayments made as a result of the Law Lords' decision in the Greater London Council fares case.

The Times 25 January 1982