SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

16 February 1984

Dear Willie,

I thought that I should write to let you know that during the Rates Bill Committee meeting on Tuesday night we had extensive discussion of the criteria which might be used to select authorities for the selective rate limitation scheme. In order to make progress, I gave to the Committee some exemplifications of the way different possible criteria would have operated on the basis of authorities budgets for 1983/84. I undertook to send to the Committee the table from which I was reading.

The letter which I am sending to the members of the Committee is attached. You will see that it stresses the illustrative nature of the information in it and the fact that it is based upon information about 1983/84 while it will be the budgets for 1984/85 which will be the principal point of reference when we come to do the exercise in earnest. Collective consideration of the principles on which selections will be made will, of course, be necessary when we have the budgets and is not prejudiced by my discussions with the Standing Committee.

Nevertheless, the table may well excite interest more widely and I thought it right that you and colleagues in E(LA) should be aware that this information is now in circulation.

Yours ever

Patrick

PATRICK JENKIN

The Lord Whitelaw CH MC

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

16 February 1984

Dear Jack,

I am writing to you as I promised about the table I referred to yesterday morning in the Committee on the Rates Bill when we were discussing criteria for the selection of authorities for rate limitation.

I attach now a copy of the table together with a short note of technical explanation.

In making this table available I wish to repeat the specific warnings which I gave to the Committee about the uses to which it could reasonably be put.

First I have to stress that the criteria exemplified in the table cannot be taken to indicate decisions about the criteria which I should use in making selections this summer for 1985/86. They only illustrate what I have been saying - on second reading and elsewhere - about the approach I shall be adopting by looking at high spending authorities, by reference to their GRE and combining that measure with some indication of the extent to which authorities have tried to restrain their spending.

Secondly the table is based on figures drawn from authorities' 1983/84 budgets. I have said that I shall be looking principally at the evidence of 1984/85 budgets in designating authorities. Authorities may well come into the lists or drop out of them depending on the decisions which they are now taking on expenditure for next year.

Thirdly, some of the combinations of criteria identify more than the upper number of 20 authorities which I have indicated I expect to be designated in the first instance. This does not indicate any change in the position I have taken on the numbers likely to be selected. The criteria are illustrative only of the way in which a selection might be arrived at.

You will see from the table that I have amended one of the entries against ILEA which was incorrectly recorded as having had an increase in its precept of more than 10% since 1982/83. In fact the increase was 8.5%. This lower figure reflects no credit on the ILEA whose precept increases more slowly in relation

to its spending than other authorities because of its enormous rateable value and the fact that it has spent itself out of entitlement to the equalising block grant.

As I promised, I am copying the table, together with this letter to the other members of Standing Committee G.

Yours ever

Patrick

PATRICK JENKIN

Dr John Cunningham MP

Authorities 'selected' in 1983/84 on different criteria	'Total' 20% over GRE 2% over target (1)	'Total' 15% over GRE 1% over target (2)	'Total' expenditure 20% above GRE: and 70% 'current' increase since 78/79 (3)	and 80% 'current' increase since 78/79 (4)	and 10% 'total' increase since 81/82 (5)	and 15% 'total' increase since 81/82 (6)	and 20% on rates since 81/82 (7)	and 10% on rates since 82/83 (8)	and 8% on rates since 82/83 (9)	8% on rates since 82/83 and 'total' 1% over target (10)	8% on rates since 81/82 and 'total' 1% over target (11)
Bristol			/	/							
Langbaurgh			/								
Reading		/	/	/	/	/					
Middlesboro'			/								
Basildon 11	/	/	/	/	/	/	/	/	/	/	/
Leicester	/	/	/	/	/	/	/				/
Norwich		/	/	/	/	/	/				/
Thamesdown	/	/			/		/				/
Manchester		/							/	/	/
Sheffield 9	/	/	/	/	/		/		/	/	/
Newcastle	/	/	/				/		/	/	/
N Tyneside 10	/	/	/		/	/	/	/	/	/	/
City of London		/	/	/							
Camden	/	/	/	/	/	/					
Greenwich 11	/	/	/	/	/	/	/	/	/	/	/
Hackney 9	/	/	/	/	/	/		/	/	/	
Hammersmith			/	/	/	/					
Islington 11	/	/	/	/	/	/	/	/	/	/	/
Lambeth 9	/	/	/	/	/	/		/	/	/	
Lewisham 9	/	/	/	/	/			/	/	/	/
Southwark 10	/	/	/	/	/		/	/	/	/	/
Tower Hamlets	/	/	/	/	/	/					
Brent 9	/	/	/	/	/			/	/	/	/
Haringey 10	/	/	/	/	/	/		/	/	/	/
Newham		/									
Grt Manchester		/									
Merseyside 11	/	/	/	/	/	/	/	/	/	/	/
S Yorks 10	/	/	/	/	/	/	/		/	/	/
Tyne & Wear	/	/	/	/	/						/
W Yorks	/	/	/	/			/				/
GLC 11	/	/	/	/	/	/	/	/	/	/	/
ILEA 11	/	/	/	/	/	/	/		/	/	/
Blackburn	22	28	28	24	/ 24	17	15	12	17	17	20

EXPLANATORY NOTES

1. The attached table should be read in conjunction with the following notes.

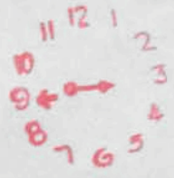
Note 1. The GRE's used are those from the 1983/84 First Supplementary Report throughout.

2. Total expenditure for 1983/84 is taken from Budget returns (RER84) from local authorities.

3. Expenditure excess over target is net of disregards claimed on RER returns.

4. Increases in total expenditure between 1981/82 and 1983/84 have not been adjusted for the change in definition of total expenditure in respect of interest receipts on revenue balances, which was made in 1982/83.

5. Increases in rates are in the portion of the general rate attributable to the named authority.



cc 2 NO

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434
My ref:

Your ref:

16 February 1984

Dear Andrew

Rates Bill

I think that you should also be aware of the development on the Rates Bill described in the attached correspondence.

I am also sending a copy to David Heyhoe.

Yours sincerely

Alan Davis

Andrew Turnbull Esq