

The Government was elected and re-elected to keep public spending under control. Parliament carries the responsibility for controlling total public spending. We cannot hand over to a few local authorities - who seem to hanker after all the trappings of an independent Socialist Republic - decisions on the level of total public spending.

Our Manifesto contained a specific proposal to curb excessive and irresponsible rate increases by high spending councils, as well as a general scheme to be used if necessary. That was a pledge which was backed by the voters last June. We are honouring that pledge.

Towards the end of last year, the pundits were predicting high rate increases across the country. Figures of 20 and 30 per cent were being bandied about.

Those extravagant newspaper headlines are proving false. Rate increases next year will be the lowest since local government reorganisation ten years ago. Local authorities know the Government means business and this fall in the expected increase in rates is one result.

The Conservative Party is the only party which stands up for the ratepayer.

We will also, of course, honour our Manifesto pledge to abolish the GLC and metropolitan county councils.

Some of these councils seem more concerned about their own pet schemes and hobby horses than they do about the hard-pressed ratepayer. Labour's GLC happily dole out money to organisations such as "Babies against the Bomb", "London Region CND", and "South-East London Women for Life on Earth". It is time that the Government stood up for the biggest group of the lot: "Ratepayers against Waste".

YOUR SPEECH AT THE LOCAL GOVERNMENT CONFERENCE

Saturday, 10th March 1984

You are speaking only for 5 to 10 minutes informally to those attending the conference.

Having talked to various people, I believe that you need to strike the following notes in your speech. You need, of course, to show again that you are throwing your full weight behind rate-capping and abolition of the GLC and Metropolitan Counties. But on rate-capping you also need to show understanding of the position of those councillors who have reservations about our policy.

I hope the attached speech notes cover these points adequately.

Stephen

9.3.84

SPEECH NOTES FOR THE PRIME MINISTER

1. Pay tribute to the outstanding work of Patrick Jenkin, Irwin Bellwin and the other DOE Ministers carrying through successfully a major programme of reform in local government.
2. These reforms were specific Manifesto promises at the last election.
3. We have to recognise that some Labour councils have broken the consensus, which had previously existed between local authorities and central government, that local authorities should live within the overall expenditure policies of central government.
4. Local government is spending some £2½ billion more than the Government originally sought for this stage.
5. Three-quarters of this year's overspend of £770 million is accounted for by just 16 authorities. The selective limitation scheme will look at only the higher spenders.
6. I understand the difficulties which some of our councils have faced under the present system were they have made savings and still lost RSG. They have suffered because of high spending Labour councils. Once the Rates Bill is working this problem will not arise.
7. There has been some frank talking between our local authority leaders and the Government. That is right and proper and healthy. But now that the House of Commons has given the Bill its Second Reading by a substantial majority, in accordance with our Manifesto commitment, all of us have a responsibility to show a united Conservative Party.

8. Can I reaffirm my belief in local democracy. This Bill does not mean local administration from Whitehall. It may be the line being propagated by Ken Livingstone but we should not fall for it.

9. After lunch I will be looking at the exhibitions on display here. These are mostly firms who have tendered for local government services. There is enormous value for money to be won by contracting out where the tender is right. The more we do this, the more we give the lie to the charge that lower rates mean cuts. Birmingham and other councils have shown that you can make savings and keep or improve services, many more should follow their example.

10. Finally thank the organisers of the Conference. In particular Joan Varley and David Smith.