



Tax targets: residents of Glasgow's Red Road flats

## Blueprint For A Poll Tax

**By spring 1992, if the government has its way, virtually all Scots over 18 will be paying 'community charge', a thinly disguised poll tax. A few years later, ministers hope, it will have been extended across the rest of Britain.**

The central motive behind the new system, which will completely replace domestic rates, is to make it impossible for left-wing local authorities to spend heavily on services without taxing all electors - not just householders or businesses.

Councils' spending would be made up of a direct government grant, as now, with the remainder coming from the community charge, a flat-rate tax on almost all adults which would rise or fall depending on the level of spending.

Opposition MPs have argued that the community charge is simply a cynical attempt by the government to rescue itself from the prospect of electoral annihilation in Scotland and the constitutional problems that would raise for a third Thatcher administration.

It is true that, despite a recent recovery, the situation of the Scottish Tories is grim

and that the community charge would result in an immediate cash saving for large numbers of wavering middle-class voters in key constituencies in Edinburgh and Glasgow.

The government's own figures suggest that the number of Scots who will directly contribute to local government when the charge is fully introduced (there will be a three-year transitional period, from 1989) will double from around 2m to 3.85m. About half of adult Scots would benefit and half lose. Very few of the losers, since it is a regressive tax, are Tory voters. QED.

There is certainly something in this; Tory ministers have made little attempt to hide their relief that middle-class Scots will no longer be faced with the kind of swinging rate revaluation increases which recently caused widespread disaffection.

But the central motive has little to do with Scotland, and is a matter of long-term political strategy rather than short-term electoral gain. The electoral bonus explains why the scheme is to be introduced in Scotland first, but

not why it emerged in the first place.

It is the prospect of directly linking council spending to the community charge, so electors would be faced with a payment of - say - an extra 20p a week for a particular project or policy, which so appeals to ministers.

This stems from the belief that many voters will elect 'irresponsible, high-spending' authorities because they themselves do not have to contribute to the rates bill. (It is certainly the case that the rates base of many inner urban areas has declined dramatically due to the movement of the wealthier populations out to suburban developments and the decline of traditional city centre manufacturing.)

So under the new system, even the poorest adults will have to pay something - probably a minimum of 20% - of their community charge, the rest being covered by a complex system of tapered rebates administered through the (post-Fowler reforms) social security system.

Even students will be required to contribute, with their rebates coming

through the grant system. Most adults will be registered through a 'responsible person' at their home, though students will register at their colleges and there will be a collective community charge for hostels, paid by the landlord.

Beneficiaries will include many single parents, and single elderly people living in relatively large houses. Nonetheless, it is clear that vast numbers of people - not far short of half the adult population if the Scottish figures are repeated elsewhere - will pay at least some of the tax, who did not pay rates before.

And a tough capping system will be introduced to stop local authorities from imposing rate increases above inflation on local businesses to compensate. Once business valuations have been brought into line north and south of the border, the Tories intend to introduce a new national business rate. It is not however, expected to be severe.

Apart from the clearly regressive nature of the tax and the highly complex and expensive system needed to administer it, what worries some Labour MPs most are the implications for civil liberties, rather than the likely impact on local voting.

Community charge is to be based on a register, compiled by the electoral registrar, with fines and surcharges for those who fail to notify their local official within a month of moving to a new area. Unlike the electoral roll, the community charge register will be an up-to-date record of where everybody lives at any time. Civil liberty groups are already protesting about the use which could be made of such a list by the police, and government officials.

The opposition parties will put up a fierce fight in the Commons and may force concessions, but their basic case is hampered by the long Labour record of accepting the inadequacies of the domestic rate system in principle and offering nothing better in practice. •

*Andrew Marr*