

Strangling democracy and equality at the same time

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George Osborne has to be one of the least opaque men on earth. The past master of delivering what looks to be a cunning plan, we all know by now that that when George announces a plan there is more to it than meets the eye. What is always designed to grab a headline is rarely what it seems to be. Yesterday's [announcement on devolving business rates](#) to local authorities is one such move. We already know there are strings attached.

Grants offered to local authorities will, it has already been reported, reduce by more in many cases than the revenues they will be given in exchange. So this is cutting by any other name.

The power to change the rate will be downward only, meaning no real autonomy is given. And cuts are necessarily implicit in this process.

Where there is a local elected mayor increases in rate will be permitted, but subject to local business veto: the mandate has now been extended to companies. Double voting will now be allowed by those in the business community. The threat to democracy is obvious.

No one knows how the redistribution of revenues will be permitted, but it is essential within the existing system. [Westminster collects more business rates](#), apparently, than Birmingham, Manchester, Sheffield, Liverpool and Bristol combined. That's despite the fact that the population of Westminster is 227,000, compared with 3 million for the five other authorities. Without such an announcement we can presume that the plan is for inequality to increase.

And through all this is the logic of a man who believes in tax competition - the process where business taxes are competed downwards with the aim of either closing down government services that it is claimed can no longer be afforded or of shifting the obligation to pay for them onto ordinary people.

My suspicion is that this is a '[pasty tax](#)' in the making. Those Tory council who cheered this yesterday may within weeks to come be wishing to hand their new powers back to

Whitehall. And we should hope they do. This is a move intended to damage local democracy and increase inequality at the same time. For both reasons it needs to be opposed.