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1. MR GRAY *File 9/2*
2. PRIME MINISTER

COMMUNITY CHARGE

I had dinner last night with Lady Porter, leader of Westminster City Council, who was accompanied by her Council PR Adviser who is one of your former press officers, Liz Drummond.

The main purpose was to examine the differences between the operations of the Government Information Service, subject to Ministerial accountability to Parliament, and, for want of a better term, the Local Government Information Service. The consequences of Widdecombe are quite remarkable; the pendulum has swung to the opposite extreme.

However, what rapidly became the key issue was the community charge.

Lady Porter give me to understand the following in absolute confidence.

- Westminster would announce at a press conference next Wednesday a community charge below £200
- This was likely to be the lowest in London and they proposed to make a lot of this
- More important in presentational terms, Westminster claim to have saved cumulatively £25million over the last few years; the effect of this is to save the Westminster ratepayer £200 - ie £1million saving in Westminster is worth £8 on the community charge and to halve the community charge.

- This highly impressive result is notwithstanding the losses through the unified business rate and the transfer of funds from South to North.

We agreed the arrangements for handling the media. But what is at least as important is the way the CCO handles matters.

You may wish to take on board with Kenneth Baker the following considerations:

- What is CCO going to do to highlight the contrasts between Conservative and Labour-controlled boroughs in London?
- What is the exercise planned next Wednesday to get over the political advantages in the (successive) declarations (Conservative and Labour) of a community charge in London; and in the wider country?
- What, as part of the overall exercise, is going to be done to put over the central messages:
  - (i) the community charge is designed to put power into the hands of the voter?;
  - (ii) already, without the voter having moved, some councils are cutting their expenditure and their community charges?;
  - (iii) whether Conservative controlled councils are generally more economical than others;
  - (iv) what is the reply to allegations of miscalculation, perfidy etc by Conservative Councils and the Government in setting the average?;
  - (v) the extent to which imprudent finance, creative accounting and raiding of reserves have caused individual councils community charge problems - and therefore their ratepayers' higher community charges;

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- (vi) the extent to which Conservative operational principles - eg privatising services - have reduced the community charge - eg in Westminster and elsewhere?

THIS COMING WEEK IS CRUCIAL, PARTICULARLY IN THE PRESENTATION OF THE COMMUNITY CHARGE. YOU NEED TO RAISE THIS AND MAKE IT THE MAIN TOPIC OF THE WEEK AHEAD MEETING ON MONDAY.

BUT DON'T BETRAY THE WESTMINSTER SUCCESS WITH THE COMMUNITY CHARGE.



BERNARD INGHAM  
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