

cc backup

PRIME MINISTER

COMMUNITY CHARGE SAFETY NET - MEETING WITH BACKBENCHERS

Tony Favell and a number of other of your backbench colleagues have been pressing for a meeting to air their concerns about the community charge safety net. Mark has arranged for them to see you at the House next Tuesday after Questions and your NATO statement.

Their worry is that the operation of the safety net will adversely affect their position in marginal seats. The note from Tony Favell at Flag A attaches an analysis prepared by the House of Commons library showing the more general impact on the Conservative-held marginals of the safety net exemplifications.

Nick Ridley has provided some briefing for the meeting at Flag B below. This comprises a short background note together with individual notes on the constituency positions for the four colleagues coming to see you. He recommends that you respond at Tuesday's meeting by saying:

- you sympathise with their points and will carefully consider them
- decisions on the safety net have to be considered within the general context of the 1990-91 local authority grant settlement
- some other Conservative Members with marginal seats benefit from the safety net.

Nick Ridley also suggests that he and John Gummer might attend the meeting. ✓

I am sure it is right that you should do little more at this stage than note the concerns expressed and say that you will

consider them. We are not yet far enough into the local authority grant discussions to assess whether the safety net arrangements should be reconsidered. But this is obviously an issue you will want to look at in the meetings of E(LF) later this month. It may be that a further look at this is desirable - as you concluded last year with the second round decision to do away with dual running in London - but it is too soon to give any hint of that to backbench colleagues now.

The one issue that needs to be settled before Tuesday's meeting is who should attend:

i) Do you want Nick Ridley and John Gummer to come?

or

*Yes not*

ii) Prefer to see the backbench group alone?

*PCG*

Paul Gray

2 June 1989