

HA

PRIME MINISTER

COMMUNITY CHARGE CAPPING

You may like to be aware before Cabinet tomorrow of the latest position on the handling of decisions on community charge capping. (As far as I am aware Mr. Patten does not intend to raise the subject tomorrow, but you will recall that Mr. Ridley did raise it at Tuesday's Cabinet).

We had already made provision for two meetings of E(LG) next week, on Tuesday and Thursday. But from what I have seen of DOE's initial work it is clear that this is going to be a very difficult issue to resolve; the technicalities of any particular capping system are considerable, and the balance to be struck on the political considerations will be delicate.

Against that background I do not think it would be wise for the first chance you have to consider the DOE propositions to be in a full meeting of E(LG). It is far too big a committee.

So I suggest the following handling, which I have established that Chris Patten would be content with:

- you should have a first informal meeting just with Chris Patten and Norman Lamont (plus Cabinet Office and Policy Unit) next Monday. That meeting would consider some initial papers and material put together by DOE which will come in in time for the weekend Box.
- at the end of that Monday meeting you can decide whether or not you want a paper to be put that evening to E(LG) for a meeting of that Committee on Tuesday. The alternative would be to cancel E(LG) on Tuesday and to use that meeting slot for a further small ministerial group; either the same cast as on Monday or a slightly expanded group.

I doubt whether this timing could be achieved.

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- then go on to a full meeting of E(LG) on Thursday to seek endorsement of whatever package you have sorted out in the small ministerial group. We could reorganise Thursday morning's timings so that the E(LG) meeting came before Cabinet; if you wanted you could then have a formal report of the E(LG) outcome to Cabinet.

Content to handle in this way?

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me

Rec6.

PAUL GRAY

21 March 1990

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SECRET

PRIME MINISTER

cc: Mark Lennox-Boyd

MEETING WITH RALPH HOWELL MP: 22 MARCH

Mark has arranged for you to see Ralph Howell after Questions tomorrow.

It would seem that he wants to talk mainly about the Community Charge, and to put the ideas set out in the material at Flag A for a totally different alternative based on a local VAT charge.

You may want to respond mainly with the fundamental political points. But on merits Mr. Howell's scheme is rather batty and you could also draw on the objections set out in the short DoE note at Flag B.

By way of light relief you may be amused to note that the constituent who has written to Ralph Howell has a wonderful address - "Dream of Delight", Great Snoring!

PAUL GRAY

21 MARCH 1990

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