

PRIME MINISTER

COMMUNITY CHARGE: ORAL STATEMENT BY MR. PATTEN

I attach a draft of Mr. Patten's proposed statement on Thursday, setting out the outcome of the community charge review and the proposed revenue support grant (RSG) settlement for England for 1991-92.

Comments are sought by close of play tomorrow. You will want to read the whole proposed statement.

Comment

The statement is very long, even allowing for its necessary wide content. It is not particularly crisp. And its three key messages - extra transitional relief for the C1 and C2 groups; more capping to prevent local authorities overspending; and extra grant to keep down community charges are not highlighted until the very end. The section on capping is somewhat obscurely drafted.

The suggested order is to announce the proposed RSG settlement first; then to mention enhanced capping; and then to describe all the detailed conclusions of the community charge review.

I understand Mr. Portillo has put considerable effort into the statement. He would defend the proposed order and style on the basis that:

- i) it deliberately down-plays the review itself, which DoE Ministers believe will be received as a damp squib;
- ii) it nonetheless maximises the review's outcome by listing all the contents;
- iii) it gets out the relatively high Community Charges for Standard Spending (CCSS) fairly early;

- iv) it ends on the good news about additional transitional relief.

This proposed order means is that the statement opens on the generous increase in TSS (+ 19%) and in Exchequer Support (+ 13%). This might be an unfortunate message to the financial markets. You may consider that, given the importance of this presentation, the messages have to be in the right order, and with crispness give more weight than a comprehensive list of all the conclusions.

DoE will resist any changes strongly. But an alternative presentation might be as follows.

- a) Start with the outcome of the community charge review. This would open with a re-statement of the fundamental principle of the community charge, as in para 13, and make it clear that this was not being changed.
- b) Rather than leading on the review proposals on the standard community charge (paras 15-18) and non-domestic rates (para 19), why not start with the major extra expenditure on extending transitional relief? This will be popular on the back benches.
- c) The remaining main proposals in the community charge review would be listed but in a much pithier style.
- d) Then lead in - perhaps with a reference to your Cheltenham Speech - to the thought that the improvements listed in the review would not be sensible without measures to control local authority spending. Then would come a section on capping, building on the existing paras 10, 11 and 12. Para 11 needs to be revised so that the last point about setting criteria in advance is made first.

- e) Finally, the settlement itself would be announced. The extra grant was affordable because the tougher use of capping powers prevent leakage into higher spending.

Conclusion

This is a difficult presentation to get right. There are arguments in favour of the DoE approach as well as that outlined above.

- i) Content with Mr. Patten's proposed statement?
- ii) Or content with order of Mr. Patten's statement subject to making the presentation clearer and crisper (c.f. Mr. Clarke's statement on community care), particularly on community charge capping?
- iii) Or propose a revised order for the statement, as above.

BHP

BARRY H. POTTER
16 JULY 1990

The statement is
 very wordy and not in
 logical order. But it would
 be possible to try to make them change this.
 I have merely made a copy of comments
 in the margin. We could ask them to
 make it much clearer to her but
 not

PRIME MINISTER

COMMUNITY CHARGE STATEMENT

As you know, Mr. Patten will be announcing the outcome of the review and RSG Statement on Thursday afternoon Business Questions. Because of the subject's importance, and because it is known that you chaired the meetings of the Review Group, there is an argument for your sitting in on that Statement. Against that, you already have engagements in that slot which would be difficult to move (diary extract attached), and you will want time to finalise what you want to say to the 1922 Committee at 1800 hours. Although the Statement will not satisfy all the Back Benchers, my own view is that there is enough good news in it that, coupled with Chris Patten's good presentational skills in the House, there is no need for you to be there to give him moral support.

Content to stick with the diary for Thursday as it is?

Or

Do you wish to sit in on this Statement?

DM

DM

*No - not
with him
not*

16 July 1990

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- 2 -

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COPY NO: 15

1830 John McGregor + BG and BP
1930-2230 ?ROYAL SOCIETY OF CHEMISTRY EVENING PARTY
? VOTE

Thursday 19 July

0800 Hair
0900 Questions Briefing Team
0930 Misc 66
1000 Cabinet
1200 DEPART NO.10
1220 QUEEN MOTHER'S LOYAL ADDRESS: CLARENCE HOUSE
1300 Questions Briefing and lunch
1515 QUESTIONS
1540 MICHAEL ALISON
1600 SUFFOLK AND SURREY MPs + MLB
KEEP FREE
1800 ADDRESS 1922 COMMITTEE + MLB
1830 MPs' Reception + DT?

Friday 20 July

0915 Keep free for BP
1000 Sir Robin Butler + AT
1100-1430 Keep free for CDP
1430-1515 Prince Bandar + CDP
1515 Keep free for CDP
TO CHEQUERS

Saturday 21 July

1230 KEEP FREE
1400 KEEP FREE + DT

Sunday 22 July

1300 for 1315 LUNCH WITH LORD COLNBROOK + DT
1930 for 2000 SUPPER AT LORD ROTHSCHILD'S + DT

Monday 23 July

0800 Hair
1000 Week Ahead Meeting
Keep free
1830-2000 MPs Reception + DT

Tuesday 24 July

0800 Hair
0900 Questions Briefing Team
0945 Keep free for CDP/BP
1045-1300 Keep free for CDP
1300 Lunch and Questions Briefing
1515 QUESTIONS
1540 RETURN TO NO.10
Keep free
?1700 ATTEND GARDEN PARTY + MLB AND AT, BUCKINGHAM
PALACE
1830 AUDIENCE
RETURN TO NO.10

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