



CONFIDENTIAL

→ cc BI views?

cf no

Prime Minister <sup>①</sup>  
Agree with suggested addition?

2 MARSHAM STREET  
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

AT 14/12

12 December 1983

Dear Andrew.  
LOCAL GOVERNMENT POLICIES

Yes mb

My Secretary of State was grateful for the Prime Minister's agreement, recorded in your letter of 1 December, to the establishment of a small team of civil servants to work on the task of explaining and co-ordinating the presentation of the Government's policies on local government.

Bearing in mind the article which appeared in the Guardian last week (copy attached), Mr Jenkin has been considering the line that should be taken in response to any future questions from the press. He proposes that the Information Directorate might respond to questions on the lines set out in the attached question and answer brief, which covers the reasons for setting up a team of officials and the proprieties of doing so, and which also comments on the campaigns which are being waged against the Government's policies. I should be grateful to know if the Prime Minister would be content with this.

I am copying this letter to Murdo MacLean (Chief Whip's Office) and to Richard Hatfield (Cabinet Office).

Yours sincerely  
John Ballard  
J F BALLARD  
Private Secretary

Is the Secretary of State deploying civil servants in his Department on the production of propaganda concerning his local government policies?

The Government has a duty to ensure that its policies are properly <sup>and actually</sup> explained to the public. Its policies towards local government are attracting much interest in the media. But the issues are both complex and important, and so it is vital that the debate is properly and fully informed. The Secretary of State has therefore increased the capacity within the Department's local government command, (within the Department's overall manpower resources,) to ensure that the general public are properly informed about the reasons for and nature of the Government's policies. The civil servants engaged on this work are operating in the usual way under the normal civil service guidelines which safeguard their political impartiality.

Did the Prime Minister rebut a proposal by the Secretary of State to set up a special unit to counter local government lobbying on these policies, as reported in the Guardian?

The Department cannot of course comment on the Guardian article which purported to report the contents of a confidential document. There is, however, no disagreement at all within the Government as to the arrangements which the Secretary of State has decided to make within his Department.

What is the Secretary of State's reaction to the organised campaigns which are being mounted against his local government policies?

The Secretary of State fully recognises the right of all interest groups to make their voices heard, but he deplores the way in which certain vested interests are pouring ratepayers' money into propaganda for their own interests against policies which were clearly set out in the Manifesto on which the General Election was fought and won. (For example a recent report in the Financial Times (15 November) (copy attached) referred to a special

as distinct from factual information

unit of 8 staff with a budget of £150,000 set up by certain Labour authorities to oppose these policies). He is concerned that the public should have a proper understanding of these issues and should not be misled by one-sided arguments.

Local Govt  
Relections,  
pt 18

15 DEC 1983



COUNCIL

# Premier rejects plan to counter council lobbying

By Richard Norton-Taylor

A plan by Mr Patrick Jenkin, the Environment Secretary, to set up a special information unit to counter the campaign mounted by local authorities against Government policies has been rejected by Mrs Thatcher.

The proposal is referred to in a confidential memo from Mr Andrew Turnbull, one of the Prime Minister's private secretaries, to Mr John Ballard, a civil servant in Mr Jenkin's private office.

The initiative reflected the concern among ministers in the environment department about the effect of the aggressive lobbying tactics adopted by the GLC and other councils.

Mrs Thatcher's determination to quash it equally reflects her concern that the plan might have provoked another row similar to the one which broke out over the decision by Mr Heseltine, the Defence Secretary, earlier this year to create a special propaganda unit to attack the Campaign for Nuclear Disarmament.

In his note, dated November

21 and headed "Local governments policies: information unit," Mr Turnbull says Mrs Thatcher agrees that more resources should be devoted to getting across the Government's case on local government — by implication its plans to control local authority spending as well as to abolish the metropolitan councils.

But he adds: "She feels it is important to avoid any suspicion of using government money for party political purposes." This means, Mr Turnbull adds, that the Department of the Environment should not provide a service "directly to Conservative MPs, peers or local authority leaders." That task, he says, is the responsibility of the Conservative Party itself and not the Civil Service.

According to the memo, Mr Jenkin earlier this month wrote a minute to the Prime Minister proposing "the establishment of a temporary unit of some five or six people comprising administrators, information officers, and possibly people from the journalism and public relations world outside."

---

## Union told | Aid system

# Campaign unit to fight rate limitation moves

BY DAVID BRINDLE, LABOUR STAFF

LOCAL AUTHORITIES which expect to be affected by the Government plan to limit rate rises are setting up a campaign unit to co-ordinate opposition.

The unit, with a staff of eight and an annual budget of £150,000, will concentrate particularly on lobbying members of the House of Lords, where it believes the legislation can be defeated.

Local government trade unions are being asked through the TUC to help finance the unit. The National and Local Government Officers' Association has pledged an initial contribution of £10,000, and agreed to second a member of its staff to act as the unit's trade union liaison officer.

Though there is all-party opposition in local government to the plan to "cap" the rates of high-spending authorities, the initiative for setting up the unit has come from a group of

Labour-controlled councils most likely to be affected.

The unit, which will have the status of a local authority association, will also co-ordinate opposition to the parallel Government plan to abolish metropolitan county councils and Greater London Council.

The rate-limitation powers are the chief target.

Mr David Blunkett, leader of Sheffield City Council and one of the prime movers behind establishment of the unit, said yesterday: "Given those powers, the abolition proposals are an irrelevance."

"They would already have effectively abolished local government in virtually all the metropolitan areas."

The local authorities and unions involved have been anxious not to publicise the campaign unit and its role. They envisage it as a low-profile but highly-professional

behind-the-scenes operation, drawing together and supplementing the fragmented opposition to rate limitation.

Mr Blunkett did say that the unit would be working by the end of this month, that offices had been found for it in London, and that "10 or 12" unions had already been approached informally and had agreed at least to pool their research facilities.

The newly-established TUC Local Government Campaign Co-ordinating Committee has agreed to work with the unit and commend its request for financial support from the unions.

Representatives of more than 30 academic institutions specialising in local government studies are expected to attend a conference at University College London on Friday to express concerted opposition to the Government plan to limit rate rises.

## Offices and rates in London

From the Greater London Council Member for Hendon North

Sir.—In Robin Pauley's account (November 9) of the Labour Greater London Council's so-called "Job creation campaign" reference was made to a long, closely-argued report submitted to the last GLC meeting.

The report was certainly long. Its argument, though close, was fallacious. For example, it ignored evidence from the GLC's own economic policy group which showed that business rates in inner London can be equivalent to 80 per cent or more of the total rent plus rates office occupation cost. Inner London boroughs cited by economic policy group are Lambeth, Southwark, Tower Hamlets and Islington. In outer London boroughs such as Croydon, Barnet or Ealing, the rate percentage falls to 30 per cent.

The rent/rates ratio is undoubtedly a factor in the decision made by many companies to move their offices from inner to outer London. Rates to that extent are a voluntary tax. So should rents be. Companies who rent office accommodation

should have the choice of a free market. The present GLC, however, is determined to reduce the amount of office building in greater London. Thereby, it will of course create a situation of rationing which can only have the effect of pushing up office rentals. That in its turn will mean more job losses in greater London as companies seek both lower rates and lower rents elsewhere.

The Conservatives on the GLC welcome a surplus of office accommodation because that will have the effect of driving down office rents in the capital.

The Labour GLC is blinded by its prejudices against business ratepayers so that it is unable to see the impact on employment of its own policies.

As for the claim that the GLC through the Greater London Enterprise Board has created or preserved 1,200 jobs, I with my colleagues have been pressing for an itemised list of where these 1,200 jobs come from. So far, such a list has not been provided, either by the GLC or by the Greater London Enterprise Board.

Bryan Cassidy  
(Opposition Spokesman on Industry and Employment),  
County Hall, SE1

25

CONFIDENTIAL



39

10 DOWNING STREET

*From the Private Secretary*

16 December 1983

LOCAL GOVERNMENT POLICIES

The Prime Minister has seen your letter of 12 December to me and the briefing attached to it. She is content with it, but suggests the following drafting amendments. In the first answer, add "and factually" at the end of the first line. In the third answer, after ".....propaganda" add "as distinct from factual information".

I am copying this letter to Murdo Maclean (Chief Whip's Office) and Richard Hatfield (Cabinet Office).

MR. A. TURNBULL

John Ballard, Esq.,  
Department of the Environment.

CT