

PRIME MINISTER

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**PARLIAMENTARY**  
CABINET: ~~HOME~~ AFFAIRS: COMMUNITY CHARGE

You will wish to be aware before tomorrow's Cabinet of the latest position on the handling of the community charge.

At last week's meeting you remitted Chris Patten in conjunction with the business managers to decide on the timetable for laying and debating the various local authority grant settlement reports. They have decided to stick to the original plan, ie:

- lay the reports tomorrow, Thursday 11 January
- debate and vote on them next Thursday 18 January.

In parallel Chris Patten and David Hunt have been working on the "PR campaign". David Hunt is writing round to all backbenchers setting out the positive case for the present package. And Chris Patten will be writing round to all Cabinet colleagues in similar vein.

Meantime, DOE are doing the further private work on possible fallbacks, and I will be getting a further report on this later tonight. But I understand that the Chief Whip is now feeling a little more optimistic about voting intentions. And John Whittingdale tells me that Mr. Baker told the Chief Whip earlier today that he considers the best option of those set out in his note you saw last night is to press ahead with the present package and to make no further concessions.

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When the further work on possible fallbacks and the Chief Whip's latest assessment is complete you will probably want to convene a further meeting of a smaller group early next week to take final decisions on handling. We have got various slots in the diary that could be used for this purpose. A final decision on when to meet will be taken in a day or two.

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But there are two meetings tomorrow for which you will need to decide how to handle the community charge. These are:

- (i) your pre-Cabinet bilateral with Mr. Baker
- (ii) Cabinet itself.

Mr. Baker

John Whittingdale is letting you have a separate note on this. But it seems to me you will want to aim quickly to agree with him that the right approach is to press ahead on present plans; and to urge him to do all he can to help in the PR campaign over the next week. You will need to decide whether to say anything to him about last week's small meeting; he knows this took place and my guess is that by talking around he probably has a good idea what went on.

Cabinet

Since the debate on the reports is now scheduled for next week the issue will come up when the Lord President reports on Next Week's Business. Mr. Patten is presently minded to think he should make a comment, presumably to emphasise the importance of positive presentation over the coming week.

It seems to me right that he should comment in these terms. And you might encourage Mr. Baker to join in in support. You could then aim to sum up stressing the importance of all colleagues making maximum efforts to get the message over before the debate.

You will obviously not want to have any mention of the possibility of a concession. If anyone should ask whether it would be prudent to have a fall back in hand I suggest you say you certainly hope this will not be necessary and that the priority for the week ahead is clear.

*pcg.*  
PAUL GRAY

10 January 1990

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