



me slw

SUBJECT cc MASTER

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

4 September 1989

Dear Roger,

PRIME MINISTER'S MEETING WITH MR. PATTEN

Your Secretary of State came to see the Prime Minister this morning. Discussion was mainly focussed on the issues raised in his minute dated 18 August.

I should be grateful if you would ensure that this letter is given a strictly limited circulation.

Community Charge

Your Secretary of State said that he felt the Government still faced major difficulties with a wide range of its own supporters over the introduction of the community charge, in particular in relation to the safety net. He had concluded that very little could or should be done about the possibility of a safety net for individuals. But he wished to consider whether some further changes should be made to the present safety net proposals at the local authority level. He felt it was essential to get the community charge package right in the year of its introduction in England and Wales rather than deferring any possible changes until 1991-92. As indicated in his minute he therefore proposed to put a paper to the Prime Minister on this subject at the end of this week, following discussions he would be having with Treasury Ministers.

The Prime Minister agreed on the importance of getting the community charge package right at the time of its introduction in 1990-91; and decisions on whether or not any amendments were appropriate should be taken before the start of the forthcoming Parliamentary session. Proposals for extra public spending would clearly be difficult, particularly in the

context of a tough public spending round. It would therefore be for consideration whether, if your Secretary of State proposed amendments to the safety net, some of the funding might be found by a transfer from the basic local authority settlement; this would however involve higher community charges. The general problem to be faced with any package involving more expenditure was to avoid this encouraging local authorities simply to spend more; your Secretary of State agreed that it was crucial to avoid spending more public money for no effect.

Continuing, the Prime Minister said she hoped your Secretary of State would bring forward proposals for community charge capping as part of any revised package. This could play an important part in discouraging local authorities from adding to their spending plans. Your Secretary of State agreed to consider this, but commented that for administrative reasons it would be difficult to have capping for more than say 15-20 authorities.

It was agreed that your Secretary of State would prepare a paper by the end of this week, which would then be discussed in a small group under the Prime Minister's chairmanship.

Litter

The Prime Minister said it was essential to ensure effective action to counter the litter problem. Your Secretary of State agreed, but felt that the ideas already proposed would ensure good progress. The Prime Minister said that the idea of community corps to clear up litter had been put to her; she saw difficulties with any compulsory scheme of this sort, but thought there might be scope for purely voluntary activity on these lines. The key element in any package, however, was to ensure that sufficient duties and sanctions were imposed on the relevant bodies and commercial organisations to require that litter was cleared up. Market mechanisms would then come into play to ensure that the work of litter clearance was done; your Secretary of State agreed.

Pollution

The Prime Minister expressed concern about the hysteria generated by some pressure groups last month about the import of toxic chemicals for specialist treatment. She felt it was essential that such products must go to specialist companies who had the necessary scientific expertise to carry out the treatment; to oppose all shipments of such products was effectively to connive at their being dumped, with serious environmental implications. Your Secretary of State felt that presentational progress had been made during the controversy over PCBs last month, but that another important point to get over was the possibility of the UK helping other OECD countries to establish the necessary high quality treatment plants themselves. The Prime Minister agreed this was one possibility, but thought that there were likely to be different specialities in different countries so that there would be some degree of trans-shipment trade. An important feature of such

arrangements was to ensure that the products, once treated, were returned to the country of origin.

The Prime Minister also commented that, in various visits during the last week she had formed the impression that the NERC might not be getting a fair deal in the allocation of Research Councils funding.

Environment

The Prime Minister and your Secretary of State agreed on the political importance of focussing on the need to ensure handing on a good environment to future generations. Your Secretary of State commented that the need now was to generate a similar cultural change on environmental issues to the change brought about by the Government during the 1980s on economic management; there was a close analogy to be drawn here, with similar emphasis being placed on the importance of market forces.

Continuing, your Secretary of State said he wanted the Government to set out an overview on environmental policy. As indicated in his minute he therefore planned to produce a major White Paper on the Environment in about a year's time. A secondary advantage of this would also be to help with the handling of next session's Bill. The Prime Minister said she thought this was an excellent idea ; a White Paper would need to have a strong scientific base and be eminently readable. She also suggested that, in conjunction with the White Paper, the various current environmental booklets should be up-dated.

Your Secretary of State also mentioned his idea of announcing a "green audit" of his department. The Prime Minister wondered what this would involve, and your Secretary of State mentioned covering issues such as energy efficiency and recycling. He also indicated that he wished to include more provisions on recycling in next session's Bill.

Planning

It was noted that your Secretary of State would be dealing with the Foxley Wood issue in the normal way. On the more general issue of planning policy your Secretary of State said he felt presentational aspects were important and it would be important to send out slightly different signals from Government. One misconception that had to be corrected was the view that the Government was allowing green land in the south-east to be swallowed up by development. He also felt it was important to ensure that Chief Planning Officers' views on likely housing demand should not go unchallenged and be allowed automatically to determine government policy.

The Prime Minister said this was a difficult area on which to strike the right balance. There undoubtedly would be some demand for additional housing for young people that had to be met, and it was not possible to stop all development. But it was important to get away from the current position where,

presentationally, the Government seemed to get the worst of all worlds.

Water

Your Secretary of State said that he felt the press reception for the water privatisation proposals had improved in recent weeks. His impression was that the financial press had now concluded that the water companies would be a good buy for investors.

The Prime Minister said it was important to continue to get over key messages about water, in particular the fact that improved water quality had to be paid for, and that the UK's relative record within Europe was a good one. She also said that she continued to favour the maximum acceleration possible in the use of water metering.

Homelessness

Your Secretary of State said he thought that homelessness could be a substantial political problem over the coming year. His main concern was to take action to tackle the "cardboard city" problem of people sleeping rough. This issue, which could probably only be tackled by taking some action in relation to the vagrancy laws, had to be distinguished from genuine problems arising from housing pressure.

The Prime Minister said that E(LF) had had several discussions on the homelessness issue, and various aspects had now been settled. She agreed, however, with your Secretary of State's concern about the extent of people sleeping rough, which was for the most part unnecessary; for some people this activity seemed to have become a form of inverted snobbery. She continued to believe that the provision of hostels by church and other voluntary agencies had a key role to play in easing homelessness problems; such organisations, unlike public bodies who were seen to represent "authority", were well placed to help people not only in providing a place to sleep but also to assist with other adjustment problems. She did not believe that large scale extra housing building in the south-east was the answer; this would simply act as a magnet for people to come to London. Rather the approach might be increasingly to point out to people the availability of surplus housing in other areas.

Yan.
Paul
(PAUL GRAY)

Roger Bright, Esq.,
Department of the Environment.

SIR

~~Amanda -~~

① Be / I've fixed up 9.30-10.30
on 4 Sept. Chris Patten
will be at the IPU Conference
with the pm in the evening
after and they might go
over together

PRIME MINISTER

MEETING WITH CHRIS PATTEN

You asked to see Mr Chris Patten before you go on holiday

CAS 10/8

I am afraid he is in the USA at the moment and although he will
be back between 14 - 18 August he will then be away again until 4
September.

Do you want me to fix up a time for you to see him then?

CAS

Caroline Slocock
7 August 1989

Yes ms