



Prime Minister

MS MS 13/9

PRIME MINISTER

We are having a word tomorrow about general DOE issues. I thought you might like notice of one suggestion I will make.

The DOE area is going to cause the Government lots of trouble over the next few years. We need to go on relentlessly pressing councils - including many of our own friends - for savings; we look like having the great majority of the local authority world (including again many of our friends) against us on rate capping on 'constitutional' grounds - and this is bound to find some echoes on our benches in both Commons and Lords; and the abolition of the GLC and Met Counties will be a technical and complex business which, though generally popular, will offer plenty of room for obstruction by our opponents. Both policies provide ample opportunities for challenges in the courts by Left wing Councils who have become increasingly litigious.

The legislation, which will involve at least three highly controversial and technically difficult Bills, will take two years; after that the rows outside Parliament will increase as we take action to cap certain rates and to impose initial controls over the new joint boards. As things look at present we seem almost certain to find ourselves forced to take over some recalcitrant councils via commissioners.

CONFIDENTIAL



I am not sure that senior colleagues yet appreciate the rows which, starting this autumn, are going to continue right up to the next election and beyond. I am certain the policy is reasonable and can be brought to a successful conclusion. But I would very much welcome a meeting of reasonable length with you and senior colleagues, including the Chairman of the Party and the Chief Whips in the Lords and the Commons to give early warning of the sort of sequence of events we foresee. I would let colleagues have a confidential paper in advance spelling out what I see as the key events and possible crisis points, and suggesting steps aimed at keeping most of our people on our side.

Once launched, it would be very damaging to draw back from such a controversial set of policies: but it is surely fair to let colleagues know what we are landing them in.

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SUBJECT LOCAL GOVT. Relations 1416

10 DOWNING STREET

From the Principal Private Secretary

14 September 1983

Your Secretary of State discussed with the Prime Minister this evening his minute of 13 September in which he suggested that there might be a meeting taken by the Prime Minister about the problems of maintaining support for the Government's policy towards local authorities over the period of this Parliament. The Prime Minister agreed with this proposal and suggested that the meeting should take the form of a lunch on a Monday, probably just before Parliament reassembles. I will arrange for Mrs. Goodchild to be in touch with you about the date and the list of those who should attend.

The Prime Minister commented that if your Secretary of State wanted to provide a note as a basis for the discussion, it would be best for those attending the lunch to read the note on arrival at 10 Downing Street, immediately before the lunch.

EMERGENCY

John Ballard, Esq.,  
Department of the Environment.