

00P
Lord Bellwin



I. I
Woodside Lodge
Ling Lane
Scarcroft
Leeds LS14 3HX

House of Lords

24th September 1984

Dear Margaret,

Following my recent conversation with Keith, I enclose a few thoughts on some aspects of the current local government scene. I hope they are helpful. Do please try to read the Time Out enclosure and as much of the Labour briefing document as you can - they are salutary and really tell us with what we are dealing. The policy objective and statement of the legal position, which I have yellowed, is most important.

I hope this is helpful. Any time you wish to talk or have me do anything to help, I am at your service.

All good wishes.

As ever,
Gavin

(1)



There is now no doubt but that as the extreme left gains control of ever more local authorities, a whole new change is taking place in local government. Much of this has been catalogued by the Goodson-Wicks paper, which I understand is currently at Central Office, for consideration as to the best means of publication. Patrick Jenkin has copies and it is well worth reading - it is a frightening story in its implications.

The Labour Party's proposals, as expounded by Jack Cunningham at last weeks AMA conference, to pay councillors similar rates to MP's, only confirms the changing attitudes towards future local government. For the moment however, perhaps I may make a few observations on two pressing aspects of the current scene - although I ~~now~~ must stress that we must not ignore the many other abuses which are now going on.

May I first touch on the abuse of sections 142 and 111 of the 1972 Local Government Act, which covers spending by authorities on publicity. We were warned long ago by our GLC colleagues, that Livingstone was planning to spend literally millions on anti-Government campaigns. £12 million has been spent or is earmarked so far. The effect on public opinion in London has been considerable, the opinion polls, the unhelpful stance of the media in London (recipients of much of the money) this and more is directly attributable to this spending. The enclosed article from Time Out (2/8/84) tells the whole story - it is essential reading to understand the achievement and the ongoing strategy.

Throughout the country, Labour councils are setting up blatantly political Campaign Units financed out of the Rates. I enclose the document which sets out, clearly and in detail, precisely how this is being organised nationally by the Socialists. I am obliged to Peter Davis, our leader in Lambeth, for this material, copies of which are with Ministers at DOE.

Here we have chapter and verse concerning the spending; the legal position, which these people have researched in depth and the extent of the organisation being set up.

My major concern is that unless steps can be taken to control such spending, and legislation, with all that that involves as I know only too well, yet that seems to be the only way, otherwise there is a real likelihood that it will become an accepted part of local government activity, it will continue in the future, the amounts being spent will grow and it will have a significant impact on the thinking of the electorate. I sincerely believe it is not a distortion to say that the long term brainwashing effect has major implications for the next General Election. It is a prospect which I find extremely worrying and which I feel we must face up to politically.



The second observation I would like to make, concerns the possibility of some kind of a review of the rating system, the grant system and local government finance. If it is decided to accept the need for this, I would like to make the following points.

1. A review of rate reform ought to cover both domestic and industrial sectors. It must be broader than we at one time contemplated. The whole system needs to be reviewed.
2. In the first instance, such a review should be ministerially controlled, rather in the way that Norman Fowler is doing at DHSS.
3. We failed to come up with answers in the past, as we were trying to find them in one alternative tax. I believe that, as in America and other countries, we might get an acceptable alternative situation by a combination of taxes. Eg. Part sales tax, part poll tax, part assigned revenue on some aspects of education costs, such as school meals, possibly tertiary education, or the like. Of course, the simpler the better, but we have not found one answer hitherto and this could well be explored within DOE, where there is now much knowledge of the subject and much expertise - a great deal has been learnt these last 5 years.
4. Such a review would be bound to be known and we must decide beforehand how to handle that.
5. The timing of conclusions and Government reactions to them are critical, in the context of the next General election. I would not have thought legislation in this Parliament would be possible, desirable, or even necessary. But a detailed commitment in the manifesto to abolish rates, with the alternatives spelt out, could be a big electoral plus.
6. My other concern is for the longer term. How far all the above could be contemplated in isolation from the general structure of local government. The whole picture has changed so much in the last 10 or so years, that there must be a major review, one which cannot be carried out on an ad hoc basis.

What local government does, or should no longer be doing; the number of councillors needed (Los Angeles is run very effectively by 13 full time elected members and a full time elected mayor); the loss of accountability which now prevails, with its impact on the nexus between voting and paying rates - Subsidies and supplementary benefits have changed the electoral consequences of rating out of all resemblance to what prevailed in the past. (N.B. Birmingham and countless other such instances). All this and very much more.



cont/

A major change must be contemplated in the future. Local Government expects such a review. I believe that once we have all the currently proposed legislation in place and working, we should consider the timing and how best to embark upon it.

SELLING THE GLC

The GLC has already spent £7 million in a highly successful campaign to sell itself to Londoners, and this week it voted itself another £3.5 million to persuade the public that it should not be destroyed. *Caris Davis reports on how County Hall left-wingers are beating the Tory media-manipulators at their own game.*

Hype, observed *Interview* columnist Steven Aronson in his recently published book on the subject, is a crucial '80s word. It's shrilly onomatopoeic. It's intelligently omnipresent. It's the merchandising of a produce in an artificially engendered atmosphere of hysteria. During the last four months, nobody's been merchandising themselves harder than the GLC, who in February hired Paddington-based advertising agency Boase Massimi Pollit to help create the fabulously successful (and, at £2 million plus, fabulously expensive) 'Say No to No Say' campaign.

Summer 1983: barely three out of ten Londoners believe the GLC is a desirable institution. Summer 1984: more than six out of ten believe it is. This is a major shift in public opinion. It shows the GLC are winning. It must hearten the council's supporters that for the first time in a long time a radical socialist group may get the result against the Thatcher government.

But already there are divisive mutterings from what may be termed Labour's *puritan tendency*. Their general implication is that the council's involvement with the media boys is not ideologically sound. 'It could be said to be manipulation of people's minds,' admits Labour's head of publicity Nick Grant, who goes on to argue that it's important to keep pollsters, marketing consultants, direct mail houses and ad agencies under 'proper political control'.

Senior leadership in the Labour Party is however enthusiastic about the GLC campaign because it shows increasing awareness and realism about adver-

tising's political potential. Yet reservations remain among some about the appropriateness of diverting vast amounts of scarce cash into a hype targeted at winning the hearts and minds of Londoners for the GLC when so many of them have rather more basic and pressing problems.

'You can't hype the House of Lords' sniped Ken Livingstone's trendily-bespattered press aide Nita Clarke rather crossly. 'No, no. Symbols, images... it's all there in Gramsci — read it up,' advised GLC deputy leader John McDonnell, the man who masterminds the anti-abolition campaign at County Hall. The Italian Marxist commentator Gramsci's complex theory can be summarised as arguing that any group of people holding power will assert it not only through the medium of government but also in all related social and cultural areas too — therefore socialists must establish a viable counter-culture to challenge prevailing capitalist structures. Which is why, like other Gramsci groupies, McDonnell is always empha-

sising 'broad-based coalitions' and 'extra-parliamentary activity' — revolution as a cultural as well as a political process. This may explain to non-Labour readers that party's traditional deep hostility to political theorists.

It also helps explain another point about the anti-abolition campaign: advertising is just one part of a three-pronged thrust. Another group under the leadership of MP Tony Banks is responsible for parliamentary lobbying to get the numbers out. And the 'outreach' group operates with workers covering one or two London boroughs each in which they are responsible for mobilising popular support for the council among ethnics, women, OAPs and other identifiable groups who stand to lose the most if the GLC is abolished.

But it's the ad campaign that has made the biggest waves. It's generally acknowledged as a key factor in creating conditions in which the *Daily Mail* runs a full-page profile of Ken Livingstone headlined 'The man who's running rings round Maggie'. The revolution will be advertised?

Two years ago County Hall was pushing a smorgasbord of programmes and policies ranging from now-redundant flood-drills to still-relevant nuclear no-noing. Its agency was Norman Craig and Kummel, an American-owned corporation best known here for its improbable attempts to associate André Previn with a dull consumer electronics range. But NCK's work for the council was generally considered good. So it was unfortunate that the firm, as often happens in adland, was taken over by a yet larger US conglomerate with politically unacceptable South African links and had to be fired. A six-person all-party committee chose Boase Massimi Pollit to replace it.

The new agency is today one of the ten largest in the country according to the industry's trade paper *Campaign*. Its last published records (1982) reveal it handled £40-million worth of ad book-

ings of every year from which it made a profit of £918,000.

Founded 16 years ago by armchair socialist Martin Boase, BMP rapidly developed a reputation during the '70s for quality 'creative' ads. Cynics have observed that this talent usually uses the formula of cutely personalising otherwise ordinary mass-market products. Over the past ten years, the agency has metamorphosed St Ivel yoghurts into 'The Prize Guys', invented a dreadful giant soft toy tagged 'The Honey Monster' which ferociously wolfs Sugar Puffs, and arranged for the dubious virtues of packet spuds to be projected into the nation's sitting rooms by wise-

WHO ARE YOU VOTING FOR... SAATCHI AND SAATCHI OR BOASE MASSIMI POLLIT?



cracking Martians. Yet with all these brands the agency's success is undoubted — all have resulted in the manufacturers selling more product.

But it was none of these campaigns that captured the GLC's attention. Nor was it the 'Rabbit, rabbit, rabbit' spots for Courage beer (which must've gone down well with Valerie Wise and her rather sensitive women's group) or the discreetly loud press ads recruiting bodies for the Metropolitan Police. According to McDonnell, the agency won the GLC appointment (worth around £300,000 in fees) because of a small, poster-only campaign that they ran during the last general election for NALGO. 'We don't have that level of professionalism in-house — no council



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as. It would've taken us six months to a year to recruit those staff ourselves. People said it couldn't be done. They said local government's boring, it's just one big yawn and people don't care about it. But now it's the major political talking point of the day. The traditional approach was just too wordy.'

In 1969 New York-based advertising writer Jerry Della Femina published 'From Those Wonderful People Who Brought You Pearl Harbour'. The title apparently refers to the first headline Della Femina suggested after his new agency had just won a Japanese consumer electronics account, while the book recounts how its author created 'memorable' campaigns for products as diverse as soap powder, vaginal deodorants and dog food.

But the book's real popularity among the newly self-consciously 'creative' people of adland (and the way they tell it, that includes everybody who's ever set foot in their agency) stemmed from its underlying message that 'advertising is the most fun you can have with your clothes on'. It was OK to produce socially 'relevant' messages for 'cool' clients and make vast profits in the process.

But in its involvement with the GLC wasn't BMP falling into precisely this sloppy '60s quagmire? I put the question to Alan Pallant, the agency copywriter who works on the GLC's business. 'It's no different from working on a consumer campaign,' Pallant, 28, asserted firmly. 'It's exactly the same problem — finding the best way to put across your message. The difference is that this is something you can get more emotive with — you really can get worked up about it.'

Like any other product, the GLC first went into research. 'We did loads and loads,' Pallant admitted. The

FRONTLINES



objective? To discover what consumers know, believe and feel about the product. The agency's account group analyse the results and prepare a marketing brief which answers the question 'What effect are we trying to produce on whom?'. From it, media buyers and the 'creative team', usually an art director and copywriter, devise and schedule the campaign. (None of the agency's 150 staff are coerced into working on the GLC's business, according to the agency's managing director Chris Powell — a situation similar, ironically, to that of employees in most agencies that handle cigarette accounts.)

So what are the differences between selling the council's policies and selling FMCG? (Fast Moving Consumer Goods sounds so much more attractive to the adperson's ear than soap powder, vaginal deodorants and dog food.) Surprisingly, both Pallant and another art director who worked on the 'Fares Fair' campaign at the council's previous agency agree that the GLC is much easier to work with than many other supposedly more switched-on marketing professionals.

'Consumer accounts may go through nine months to a year's research testing four or five concepts that'll never see the light of day,' the art director, a heavyweight with more than 20 years' experience in the industry, explains. 'But down there (at County Hall) it's much more of a gut feeling. Of course you're still answering a brief, and even though the brief changes it's much less of a problem than working on Toyota, for instance. They're almost over-eager to buy things I thought were obscure and off-the-point. Like the anti-nuclear



campaign. The GLC can't accommodate everyone in shelters, it's beyond their competence, but they can't be seen to be saying that.'

Although Pallant describes the council as 'much more adventurous' in advertising terms than he's imagined it would be, the art director slammed the current series of ads as 'terrible'. 'They're a throwback to Russian revolutionary publicity... really nasty, like something that's been dug out of a coal hole. You've got to grab people — not set it up like a political campaign.'

Which is of course exactly how the GLC perceive it — a political campaign.

We're back to the million-pound question that underlies the puritan tendency's deep-seated misgivings about manipulating the manipulators. Who pulls the strings? The ad people argue that there's no point in having great policies if no one knows about them. Those less impressed with Ken's adventures in adland warn of the dangers of diluting policies to meet marketing requirements.

Yet one can see the council's point — the GLC is now no longer allowed to say it's 'working for London' on radio spots publicising its services because of restrictions imposed by the Independent Broadcasting Authority on paid-for political commercials. Consequently, the anti-abolition campaign is compelled to use press ads, posters and bus plus tube slots.

The ads are designed to run in four distinct phases, says McDonnell, who claims the agency just 'helps out with the creative artwork'. Stage One rolled out in March and majored on raising awareness of the democratic issue. 'Research had shown that Londoners simply didn't know what was going to happen,' account director Mike Heard noted. The second phase continues the 'Say No to No Say' copyline and confronts the spectre of London run by bungling bureaucratic Whitehall quangoes. In October the campaign will expand on this, and remind Londoners of the Government's failure actually to detail any savings that abolition is supposed to accomplish. A last-ditch series of ads will graphically depict the misery ordinary Londoners will suffer as services are cut and amenities disappear.

Despite recently announced proposals to strangle the GLC's financial autonomy, McDonnell believes that the anti-abolition campaign will continue to splash, spend, break and burst across the pages of the press and hoardings of the capital.



But is it enough? The Big Apple beat back the worrying worm of bankruptcy in the '70s after Mayor Koch hired designer Milton Glaser and ad entrepreneur Stan Dragotti to create the much copied 'I Love New York' package. I put it to McDonnell that the council's campaign needed more verve, more flair, more hype if it was to have a fighting chance of achieving its objective.

'That loyalty is already there as a by-product of the campaign, the whole "I'm proud to be a Londoner" thing. Jingles and a harder sell would' McDonnell felt 'trivialise a serious issue. After all, we're not selling soap powder.'

At Labour HQ Nick Grant echoes the same refrain, avowing that the party shouldn't stoop to going head-to-head with the Tories on a national basis by 'conducting the sort of campaign Saatchis did for Thatcher'. The party shouldn't allow policies 'to be sold like soap powder', he argued. 'The GLC haven't done anything new. What's new is the amount of money they've spent — and the success they seem to be having with it.'

At the last general election Labour used Wright and Partners — the first time it has appointed a full-time agency to handle its election advertising. Next year, Grant says, the party will probably appoint a new agency. 'We'll be looking firstly for commitment... and for people who are aware of the danger of knowing all the answers.'

But isn't that exactly what Labour needs? Politics is after all something considerably more important than soap powder, and like it or not Labour must come to terms with advertising. 'They've got to,' says Pallant. 'The Conservatives are doing it, and it's the only way we can compete.'

BRIEFING DOCUMENT

BRIEFING - Local Government Campaign Unit, 5-7 Tavistock Place, W2

The above organisation was established in early 1984, in response to an initiative by Labour controlled Sheffield council who believe that after the publication of the white paper on rate limitation, and abolition of the GLC, that a more highly co-ordinated local authority campaign was needed, in order to unite opposition to the Government's proposals.

1. Objectives

The Campaign Unit has defined its aims and objectives as follows:

- i) To organise and co-ordinate the lobby on the ratecapping proposals, primarily in the Houses of Parliament, but elsewhere as necessary.
- ii) To draw together aspects of the individual campaigns of the following: Greater London Council, Metropolitan Counties, Inner London Education Authority, Association of London Authorities, High Spending "Metropolitan Districts".
- iii) To organise the joint planning of rallies lobbying publicity and co-ordinate overall aspects of the campaigns so that individual authorities are not competing with one another but are drawn into an umbrella campaign in defence of local government.
- iv) To deal systematically with the press and media, organise press briefings and conferences, monitor press and media coverage, and organise a coherent media "image" for the campaign.

2. Premises

The organisation has third floor premises inside the above address, which are the offices for the National Institute for Social Work. The same building also has using it: The Council for Dance Education and Training, The National Council for Drama Training, CES Limited and British Aid.

3. Staff

The staff consists of a director, and nine staff, two of whom are secondees. The offices are very well equipped, with three word processors and a telex. The unit is currently advertising for a director.

4. Finance

Total staffing costs - £86,000; Employers costs - £20,000; Administrative costs, telephone, stationery, postage, etc - £10,000; Travel expenses - £9,000; Office overheads, heat light- £9,000; Printing and publicity - £16,000

Total draft budget - £150,000

Finance (cont)

The contributions to their funding are detailed in appendix 1. It can be seen that the organisation has been set up by some of the most left-wing authorities in the country (excluding Brent), and NALGO.

Sheffield receives the contributions and takes care of the finance. But the staff are paid by arrangement with one of the London Borough Treasurers - we do not know which one.

5. Publications

The unit have few of their own publications, but these are a regular information bulletin which follows without any variance or any questioning the left-wing government line. They publish a special leaflet for the Sheffield conference where a decision was taken to defy the government on ratecapping, and they have recently produced a leaflet entitled "Ratecapping - Economic Nonsense", shortly to be updated.

But they do, in fact, have a wealth of campaign material on file, collected from local authorities all over the country. If you say you are from the Labour party and want information, an extra special effort is made to make sure you get what you require. On my visit there, I came away with armfuls of propganda material from Labour authorities all over the United Kingdom and have put my name on their mailing list.

6. Organisational Structure

There is a two tier system for member level co-ordination of the campaign:

i) Campaign Co-ordinating Committee

All authorities contributing to the funds are entitled to have a representative on this body which has appointed a campaign management group.

ii) Campaign Management Group

This comprises one representative, or deputy, each from, Greater London Council, the ILEA, Metropolitan Counties, London Boroughs and Metropolitan Districts, i.e. five representatives in all. The ALA has appointed Councillor Knight of Lambeth as the representative for the London Boroughs. The group meets fortnightly to supervise the work of the unit and the campaign.

An examination of the minutes of the group meeting held in March show that they consist of Labour authority leaders, union representatives, and members of the campaign unit.



Attached please find full details on the unit via a paper presented to Lambeth council in March. Also attached is an up-to-date list of the local authorities and trade unions which are supporting the campaign unit.

LOCAL GOVERNMENT CAMPAIGN UNIT FUNDING

The following contributions have been raised:-

NALGO		10,000
Greater London Council		20,000
<u>Met Counties</u>	Merseyside	10,000
	South Yorkshire	10,000
	West Yorkshire	9,000
<u>Met Districts</u>	Sheffield	20,000
	Newcastle	7,000
<u>London Boroughs</u>	Lambeth	5,000
	Southwark	5,000
	Lewisham	5,000
	Brent	5,000
	Newham	5,000

111,000

The following Local Authorities/Trade Unions have now agreed to support the Campaign Unit:

Manchester City Council
Liverpool City Council
Leeds City Council
Avon County Council
Greater London Council
London Borough of Hackney
Bristol City
Crawley Borough Council
I.L.E.A
Sedgefield District Council
Thamesdown
Harlow
Norwich
Basildon
Leicester
Sheffield City Council
Newcastle City Council
South Yorkshire County Council
London Borough of Lewisham
London Borough of Islington
London Borough of Brent
London Borough of Newham
London Borough of Southwark
London Borough of Haringey
London Borough of Greenwich
West Yorkshire County Council
Stevenage Borough Council
N.A.T.F.H.E
N.A.L.G.O.
N.U.P.E.
London Borough of Lambeth
London Borough of Camden
Nottingham City Council

The following are considering:- but haven't got a formal committee consideration:

Glasgow City Council
Slough Borough Council
St Helens District Council
Oxford City Council
Wansbeck District
C.O.S.L.A.
Merseyside County Council
Nottingham County Council
Durham County Council
Derbyshire County Council

LOCAL GOVERNMENT CAMPAIGN UNIT

Report by DAL, in consultation with the CE, DP and DMS

RECOMMENDATIONS

Policy and Resources Committee

(1) That consideration be given to whether to support in principle the establishment of a Local Government Campaign Unit on the lines set out in this report and, in particular whether or not to :-

(i) agree in principle to this Council delegating their function under Section 142 of the Local Government Act 1972 with regard to the provision of information upon the matters which are the subject of paragraph 7 of this report, to Sheffield City Council subject to formal confirmation that Sheffield agree to this delegation and without prejudice to the Council's power to exercise its Section 142 functions;

(ii) make a subscription of £5,000 (or such other amount as the Committee may determine) should be made by the Council to the Fund set up for this purpose from the 1983/84 Revenue Estimates page 705, line 8; and, if so,

(iii) make such subscription conditional upon the Unit using this sum in accordance with the provisions of Section 142, in conjunction with Section 111, of the Local Government Act 1972;

(2) That, subject to the decision in respect of recommendation (1), the subscription to the Local Government Campaign Fund be made pursuant to Section 142 of the Local Government Act 1972 in conjunction with the other powers set out in paragraphs 17-21 of the report and for the purpose of the costs to be incurred in respect of the Local Government Campaign Unit; and

(3) That consideration be given whether to approve for inclusion in the Finance and Performance Review Sub-Committee's draft revenue estimates 1984/85 a growth item of £5,000 in respect of a possible further contribution by the Council in 1984/85 to the Local Government Campaign Unit; (see paragraph 27) and

(4) That, subject to the decision in respect of recommendation (1), the Committee appoints members to serve as the Council's representative and deputy representative respectively on the Campaign Co-ordination Committee.

(5) That the Urgency Sub-Committee of the Community Affairs Committee (7.3.84) be recommended to concur in the Committee's decisions .

For decision

Community Affairs Urgency Sub-Committee

That the Urgency Sub-Committee concurs in the decisions of the Policy and Resources Committee.

For decision

Policy considerations

1. On 20th July (Council minutes, pages 156/7), the Council gave approval to action being taken by all appropriate means to inform all concerned within the area of the Borough about the extent and importance of Lambeth's needs and services, and the Council's current policies and intentions for maintaining, developing and extending them. The Council, under the provisions of Section 142 of the Local Government Act 1972, agreed that an information programme be authorised.

2. On 29th September (Report CA 52/83-84) the Community Affairs Committee decided to make a contribution of £6,666 to the Association of London Authorities (ALA) towards their "Defend London" media publicity campaign, Autumn 1983-84. The Committee agreed to the making of this grant conditional upon the ALA using this sum in accordance with the provisions of Section 142, in conjunction with Section 111, of the Local Government Act 1972. The concurrence of the Policy & Resources Committee in this decision was sought because of its responsibility for strategic policy matters, and it was authorised under the urgency procedure (Standing Order 69(1)) on 11.10.83.

3. Town planning, staffing and accommodation and race relations and equal opportunities considerations

No new specific considerations arise for the Council from this report.

Detailed considerations

4. In considering a report from their Policy Committee on the setting up of their Media Campaign, Autumn 1983-84, the ALA (25.10.83) were informed that an initiative was being taken by Sheffield Metropolitan District Council to establish a Local Government Campaign Unit. The ALA have submitted a report to their member authorities informing them that they strongly recommend individual boroughs to support the operation of the Unit and, in view of the need to have the Unit working as soon as possible, they have recommended boroughs to

give early approval to this, under their urgency procedures; such approval to include agreement to the making of a contribution of £5,000 (per London borough).

5. The Leader of Sheffield Council has sent details of the National Campaign Unit stating that, with the publication of the White Papers on Rate Limitation and Metropolitan Counties Abolition, it has become clearer that a highly co-ordinated campaign from local authorities is needed, particularly on the Rate-capping issue which potentially unites authorities of all political persuasion, in opposition to it.

6. A report received from the Chief Executive of Sheffield states that the purpose of the Campaign Unit, which is to be nationally based, is to co-ordinate the responses of local authorities and local authority associations and of campaigns mounted by them concerning the recent White Papers affecting local government, and particularly that on rate capping. The report also states that there are a number of factors supporting the need for such a Unit to be set up as soon as possible:-

- (i) Firstly, the body of opposition to the Rate Capping proposals, is growing rapidly. The Conservative controlled Association of District Councils and Association of County Councils have come out firmly against the proposals, as have the Labour controlled Association of Metropolitan Authorities and the Association of London Authorities. There is a body of academic opinion which is now becoming organised into a coherent opposition to the proposals, led by the main academic local government institutions of INLOGOV in Birmingham, and SAUS, Bristol. Such views have been given greater validity by the two "Times" editorial pieces, critical of the Government's proposed measures. The commercial sector has voiced its concern through statements issued by the National Chamber of Commerce, and within local government itself, both from the employers and trade unions there is considerable unity of response to the proposals.
- (ii) Secondly, within the context of this widespread opposition, no mechanism exists for drawing together the diverse strands of opposition and using it more coherently to exert pressure on the Government. There have, as yet, been few signs of back-bench M.P.s or Peers stating public opposition to the proposals, and little systematic lobbying either in Parliament or in the Press and media. Since the 1981 Local Government Finance Bill was defeated largely due to pressure from these sources, it is essential that opportunities are not lost to encourage a similar response to the rate capping proposals.
- (iii) Thirdly, whilst many of the authorities most vulnerable to the effects of the legislation i.e. "high-spending" metropolitan counties and districts and London boroughs, are actively engaged in campaigning, there is no immediate means of co-ordinating the campaigns. Moreover, since the Greater London Council and Metropolitan Counties are simultaneously engaged in an anti-abolition campaign, there is a tendency

for the rate capping issue, which is less easy to explain or promote to the general public, to become submerged by the abolition issue."

The Local Government Campaign Unit

7. The aims and objectives of the Campaign Unit are :-

- (i) To organise and co-ordinate the lobby on the rate capping proposals; primarily in the Houses of Parliament, but elsewhere as necessary.
- (ii) To draw together aspects of the individual campaigns of the following:

Greater London Council
Metropolitan Counties
Inner London Education Authority
Association of London Authorities
'High-Spending' Metropolitan Districts.

To organise joint planning of rallies, lobbying, publicity, and co-ordinate overall aspects of the campaigns so that the individual authorities are not competing with one another but are drawn into an umbrella campaign in defence of local government.

- (iii) To deal systematically with the press and media, organise press briefings and conferences, monitor press and media coverage, and organise a coherent media 'image' for the campaign.

8. The intention is that the Unit will operate initially for one year, to be reviewed at the end of this period (i.e. in November, 1984). The review will take into account the progress of the legislation, funding, national accountability and the structure of the Unit itself.

9. In order to cover the three aspects of the aims and objectives (paragraph 7 above), the Unit has been set up to comprise 8 staff plus two secondees.

- 1 x Director (part-time)
- 2 x Parliamentary Liaison Officers (part-time)
- 1 x Trade Union Liaison Officer (seconded)
- 1 x Charities Liaison Officer
- 2 x Information Officers (1 seconded) *London Reson.?*
- 1 x Press Officer (part-time)
- 1 x Administrative Assistant
- 1 x Clerk/typist

10. The Unit is based in London in order to deal effectively with the Parliamentary lobbying and press/media aspects of the work. The Director, whilst based in London, is seen as having special responsibilities to regional authorities and therefore there is a second base outside of London. Sheffield City Council is providing this facility.

Comments of the Chief Public Relations Officer

11. On the operational aspects of this proposal and its implications for Lambeth, the Chief Public Relations Officer comments that there are a number of related public relations concerns which Lambeth and all authorities with similar policies can benefit from appropriate co-ordination. These include Rates consultation and the impact of penalties, the defence of services, and opposition to the rate capping proposals. In the first two areas Public Relations Division activity has focussed on Council led awareness publicity, through the Public Information Programme. This has drawn attention to the value of nature of services, the Borough's needs and the "robbery" of grant through the penalty system. The Public Relations Division is also supporting a Community Campaign in defence of services. In furtherance of these activities the Public Relations Division has benefited from liaison with other bodies, in particular the Association of London Authorities.

12. The Rate Capping proposals, however, are of far wider concern and affect authorities in all tiers and throughout local government. There is no established simple local government structure which can assist the Public Relations staff in linking with, and benefiting from, the wide variety of individual initiatives which can be anticipated over the coming period.

13. Without a co-ordinating unit each authority is in danger of mounting activities in isolation, of missing initiatives, developments and ideas, and of duplicating or conflicting with the work of other local authority PR programmes. A co-ordinating unit with a central information point, a central lobbying facility and "feedback" to and from all the participants would therefore provide a major aid to our locally based programmes. The Public Relations significance lies in lobbying, exchange of information and co-ordination of relevant activities.

Member-level arrangements

14. There is a two-tier system for member-level co-ordination of the Campaign:-

(i) Campaign Co-ordinating Committee

All authorities contributing to the funding of the Unit are entitled to have a representative on a Campaign Co-ordination Committee, which has appointed a Campaign Management Group. This Committee has power to co-opt from associations, etc. supporting the aims and objectives of the Campaign Unit.

(ii) Campaign Management Group

This Group comprises one representative (or deputy) each from, the Greater London Council, the Inner London Education Authority, Metropolitan Counties, London Boroughs and Metropolitan Districts (i.e. 5 representatives in all). The Association of London Authorities has appointed Councillor Knight as the representative for the London Boroughs. The Group meets fortnightly and its functions are:-

- (a) To report to the Campaign Co-ordinating Committee on the work of the Unit and the Campaign generally.
- (b) To be responsible for the management and control of the Campaign Unit.
- (c) To supervise the organisation of the Campaign Co-ordination Fund.
- (d) To be responsible for accommodation for the Unit.
- (e) To make appointments of staff.

Comments of Sheffield City Council

(a) The Legal background

15. Sheffield Council have stated that they have given consideration to the legal powers available to local authorities to create the Unit and, after their consultations with Leading Counsel, they feel beyond doubt that Section 142 of the Local Government Act 1972 is the appropriate power. Sheffield state that, basically, the view is taken that with increasing public interest in cuts in overall expenditure by the Government and the results thereof in any particular locality it has become clear both to the City Council's Officers, and the Officers of other Authorities in a similar position, that there is a need for fuller information to be available to the public in their area on relevant aspects.

16. Further, by Section 142(1) of the Local Government Act 1972 a local authority may make or assist in making arrangements for the public readily to obtain fuller information. The information to which this applies would be any "concerning the services available within the area" of the local authority "whether those services are provided by the local authority or by other authorities or Government Departments or by charities or other voluntary organisations", and "other information as to Local Government matters affecting the area".

17. Sheffield state that it follows from the foregoing that although action under Section 142 must be confined to such information as is set out in the previous paragraph this would nevertheless cover all the proposals set out in this report. Moreover, whilst Section 142(2) sets out various ways of providing information, these are not the only methods which may be employed, merely being examples for sub-section 2 is additional to the general power in sub-section 1.

18. Sheffield state that the provision of information under Section 142 of the 1972 Act and Section 2 of the 1980 Act is clearly a function of a local authority so that Section 111(1) of the 1972 Act permits the subsidiary powers in that Section to be exercised in conjunction with such a function; it follows from the foregoing that Section 142 in association with the other Sections mentioned herein offers a thoroughly useful method of proceeding and one in which no great delay through formalities and no risk from adverse litigation would appear to be likely.

(b) Delegation of Function

19. Sheffield state that Section 101(5) of the Local Government Act 1972 enables joint discharge of a function by "two or more" Authorities, including utilising a Joint Committee, or an officer (or of course officers) of any one (or of course more) of any of them.

20. Sheffield also state that Section 136 of the same Act allows arrangements for defraying expenditure incurred by one authority in exercising any function exercised by both or all of the authorities involved. Moreover, Section 113 of the 1972 Act allows the placing of staff at the disposal of another local authority if a function is concerned.

21. A Management Group has been set up, the decisions of which are to be taken into account by Sheffield in the management of the campaign and no liability on the delegating Authorities to pay any of the quarterly instalments of their contributions towards the costs incurred by Sheffield on the Unit would arise following notification being given of a major disagreement between the Managing Group and Sheffield until such disagreement was resolved to the satisfaction of the majority.

22. It follows from the foregoing that all contributions would be paid to Sheffield as the Authority exercising the power on behalf of delegating Authorities and that Sheffield would therefore, in consultation with the Managing Committee above mentioned, actually appoint the necessary staff.

23. The staff would be located in London and agency arrangements would be made between the Sheffield City Treasurer and the Treasurer of one of the London Boroughs to pay the salary and expenses of such staff.

24. Sheffield City Council have themselves agreed that:-

"(a) a Campaign Unit be established and based in London, with a second base in Sheffield, on the terms and in accordance with the details as to the aims, structure, budget and accountability of the Unit as set out in the report now submitted and the Council accepts the delegation of the functions of the participating local authorities under Section 142 of the Local Government Act 1972 in connection therewith;

(b) (i) a Campaign Fund be established under the provisions of Section 28 of the Local Government (Miscellaneous Provisions) Act 1976, (ii) the City Treasurer be authorised to administer the Fund on behalf of the contributing local authorities and (iii) the Council contribute the sum of £20,000 to the Fund;

(c) approval be given to (i) the action of the Chairman of the Policy Committee (Councillor Blunkett) in authorising the appointment of the staff of the Unit and (ii) the draft budget for the Unit;

- (d) the participating authorities be supplied with copies of this resolution and the report now submitted and be asked to resolve as a matter of urgency to delegate their functions pursuant to Section 142 of the Local Government Act 1972 relating to the aims of the Unit and to make appropriate financial contributions to the Fund;
- (e) the Council agrees to exercise the delegated powers and incur expenditure under the Fund in accordance with the wishes of the Unit's Management Group; and
- (f) Councillor Blunkett (or his nominee) be appointed to serve as the Council's representative on the Management Group and the proposed Campaign Co-ordination Committee.

25. The Association of London Authorities has strongly recommended individual Boroughs to support the establishment of the Campaign Unit.

Legal considerations

26. The Chief Solicitor has considered the advice offered by Sheffield and has had sight of the opinion of Leading Counsel obtained by them in this connection. The Chief Solicitor concurs with the analysis of legal powers given at paragraphs 15-20 above. In addition, under Section 111 of the Local Government Act 1972 "a local authority shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money...) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions". However, in view of the importance of ensuring that the subscription is used for the purposes of Section 142, he recommends that, if the Council wish to subscribe, the Council's agreement to do so is made conditional upon the subscription being used for those purposes.

Financial considerations

27. In order to finance the Unit, a Campaign Co-ordination Fund is being established at the earliest opportunity (see paragraph 22(b) above). The Fund is being established through Sheffield City Council who have seconded one of their senior officers to co-ordinate all aspects of the Campaign. With the agreement of the City Treasurer at Sheffield, as an interim measure, subscriptions to the Fund are being co-ordinated by Sheffield City Council, and the finance controlled from there with approval for spending obtained from the Management Group.

28. Guideline subscriptions were suggested initially but the Management Group of the Unit has reviewed the scale of contributions sought, and has proposed instead the scale based on population figures as submitted from Sheffield (see Appendix A to this report). So far as this concerns Lambeth, a contribution of £5,000 is envisaged.

29. The subscription by this Council of a sum such as £5,000 to the Unit would have to be met from page 705, line 8 of the Finance and Performance Review Sub-Committee's 1983/84 Revenue estimates (although no specific provision exists). Should such a payment prove to be an annual commitment it would have to be approved as a growth item for inclusion in future years' Revenue estimates.

30. The draft budget, for the Campaigns Unit, as notified from Sheffield is as follows, in respect of one full year:-

(12 months funding from November, 1983)

	£
Staffing:	
9 x principal officers	72,000
1 x administrative officer	8,000
1 x clerk/typist	<u>6,000</u>
	86,000
Employers costs; National Insurance and Superannuation (approx)	20,000
Administrative costs, telephone, stationary, postage, etc.	10,000
Travel, expenses	9,000
Office overheads; heat, light.	9,000
Printing, publicity	<u>16,000</u>
	<u>150,000</u>

Notes (1) Office accommodation is not included and would have to be added to costs if privately rented space is used. Use of local authority accommodation will be investigated.

(2) All costs are approximate.

(3) Salary levels and employers costs will vary according to the age and experience of the Unit staff appointed, as will employers' costs.

LOCAL GOVERNMENT CAMPAIGN UNITREPORT TO THE MANAGEMENT GROUP - FUNDING

1. The following contributions have been promised : -

NALGO		10,000
Greater London Council		20,000
<u>Met Counties</u>	Merseyside	10,000
	South Yorkshire	10,000
	West Yorkshire	9,000
<u>Met Districts</u>	Sheffield	20,000
	Newcastle	7,000
<u>London Boroughs</u>	Lambeth	5,000
	Southwark	5,000
	Lewisham	5,000
	Brent	5,000
	Newham	5,000
		<hr/>
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2. The following agree in principal to contribute; amount not yet specified:-

<u>London Boroughs</u>	Barking and Dagenham
	Camden
	Greenwich
	Haringey
	Hackney
	Islington

The ILEA

<u>Non Met Districts</u>	Middlesboroughs
	Wansbeck
	Chester-le-Street
<u>Met Districts</u>	• Sedgefield

Both Leeds City Council and Liverpool City Council are considering contributing to the unit.

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Prime Minister ②
 Lord Bellwin will be sending
 in his personal thoughts
 in the next few days.

AT
 21/9

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Prime Minister
 10 Downing Street
 London SW1

20 September 1984

Dear Margaret.

LOCAL GOVERNMENT POLICIES

As you know Irwin Bellwin is a constituent of mine and I saw him last weekend.

He is convinced that many Labour Councils' have followed the GLC in using or preparing to use rate payers' money for party political purposes - item iv in the letter of 11 September from your secretary to Patrick Jenkin's secretary.

He believes that if this nettle is not grasped very soon, we and other parties will face unprecedented difficulties in future elections as the money concerned is skillfully used for purposes that were never intended.

He also believes that any re-examination of alternatives to rates should consider also the structure of rates in which - I quote from vii of the same letter - "those who pay most rates have no votes and many who vote don't pay".

The letter of September 11 reached me of course after my talk with Irwin. I was going anyway to write to you, with his agreement, to tell you that should you at any time so wish he would be delighted to prepare thoughts for you on either or both of the above subjects or on any other you wish connected with local government.

I thought that you would like to have this in mind prior to and in connection with the meeting on September 27.

I am copying this to no one.

He also told me that in his
 view there are 2 Tory Councillors - Spurgin & Nottinghamshire
 and Cyril Taylor of the GLC - who are very bright and
 could make a contribution to any policy review.

CONFIDENTIAL

Yours ever
 Keith

LOCAL Gov: Relations: P22

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20 SEP 1984



10 DOWNING STREET

Prime Minister

Joy drew this to my attention. I can let Mr Jehkin know that you have received information of transactions of this kind (there is no need to refer to the specific deal as it was not proceeded with)

Agree?

AT
21/9

Yes
no