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Minister for Local Government



Department of the Environment
2 Marsham Street
London SW1P 3EB

Telephone 01-212 3434

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Ken Keith

Following our meeting with John Selwyn Gummer
/ last week I have prepared a note which sets
out my view of how the politics of the cities
are developing. Both Patrick and I have put
our assessment of the situation to a group of
Ministers headed by the Prime Minister, and
in particular the consequences this year which
will flow from rate-capping, so colleagues
are aware of these serious matters. This note
summarises and updates this assessment.

/ I am copying this only to the Prime Minister
and the Chairman of the Party.

KENNETH BAKER

The Rt Hon Sir Keith Joseph Bt MP

THE DEVELOPING POLITICAL CRISIS IN OUR CITIES

Over the last three years, several councils have fallen under the control of hard left militant groups and I think we should appreciate where this is leading us. The councils are the City of Liverpool, Lambeth, Hackney, Islington, Southwark, Greenwich and the City of Manchester. Militant groups are also moving into control in other towns.

The Characteristics of Militant Control

- i. The local council is the vehicle for promoting radical socialism. Municipal housing and low rents, municipal public transport and low fares and municipal control of all activities are the bedrock of their policies. Only the council can provide the answer to the appalling problems of inner city deprivation.
- ii. They concentrate on groups of people with social problems - the old, the unemployed, the single parent, the disabled, ethnic minorities, social security claimants, the lonely, the isolated and the desperate. They have given to these people a political interest in ensuring that they remain in power. They have fashioned a strong body of grass roots support which looks to them and the council services for help. The slogan is "no cuts in services".
- iii. They replace local authority officials with their political supporters. Reg Race has a job in the GLC at £21,000 a year. Joan Lester is head of Lambeth Council's

Police Monitoring Unit at £15,000 a year. A Labour Councillor in Hackney and Chairman of their Social Services Committee has been appointed as the Director of Social Services in Camden at £25,000 a year. The Chief Executive of the Greater London Enterprise Board was the Deputy Labour Group Leader on Wandsworth Council. Derek Prentice, the former Deputy Leader of Lambeth is now the Secretary of the ALA and he's tipped to become the new Chief Executive of Southwark Council at £30,000 a year. All over London the Left are appointing their men to key council posts. Newham is trying to sack its Director of Education and is offering him a golden handshake of £250,000 because he will not allow the schools to be used to distribute political propaganda to parents. The Housing Manager for Liverpool City Council has been suspended because of his refusal to accept political extremists in his department. These practices undermine and will eventually destroy the integrity, independence and the professionalism of local government service and they also amount to a huge abuse of political patronage.

iv. Public sector unions are locked in to the militant policy. The council promises them "no jobs cut". In Liverpool in January 1985 the General Municipal Boiler-Makers and Allied Trade Unions (GMBATU) has been given the 100% nomination rights to all vacancies in the City's security staff.

Public sector employees now form a significant payroll vote. In the May 1984 election in Liverpool City NOP did a post elections survey which found that 4 out of 5 City Council employees had voted in a turnout of 51%.

v. Militants use the words of democracy but show scant regard when in power. Both Ken Livingstone and Ted Knight came to power through coups d'état on the day after someone else had led their parties to victory. John McDonnell, the Deputy Leader of the GLC, has demanded that soft Left GLC members should resign to be replaced by safe militants who will follow a caucus direction. It is now well documented that the Liverpool City Councillors have to take their instructions on voting from the Liverpool District Labour Party. In Lambeth Ted Knight has just cancelled the Council committee meetings for February and March to allow Councillors more time for public "consultation", in other words, campaigning at ratepayers' expense. Camden also agreed to do this but changed its mind on the grounds that some people might think that it was undemocratic.

vi. Using discretionary powers the councils indulge in huge publicity campaigns. The GLC has spent over £10m, the Metropolitan Counties £2m, the ALA £350,000 and Lambeth £280,000. Their propaganda machines pour out leaflets, banners, badges, plastic bags, posters, and newspaper advertisements. And now they hire the finest advertising and public relations organisations.

vii. They demand more and more money as the answer to their problems. They attack the Government for reducing their grants and they refer to this grant loss as "stolen" money. In opposing ratecapping, they've been joined in their campaign by other high spending Labour authorities

because they want to broaden the basis of dissent. They refuse to budget anywhere near their resources and the normal contacts between central and local government simply don't exist. They are creating financial expectations which no government could possibly meet. But the inability to meet them will be placed at the door of the Government and not the local council.

Summary

The politics of the inner city have changed significantly. Our own support has never been high and is probably falling as more responsible people leave the cities to stew in their own juice. The hard Left who are in charge regard the Parliamentary Labour Party as ineffective and it is the hard Left who are controlling the power bases where Labour is in office. This embarrasses the Labour leadership just as much as Scargill but they can do little about it.

In the past there have been some subtle self-correcting mechanisms within our system and in the Labour Party which have won back the balance. It seems most unlikely that these mechanisms will operate in places where the militants have taken over. In some areas, Wakefield and Sandwell, the traditional Labour Party has fought back; the hard Left have not yet taken over in Leeds, Birmingham or Newcastle. But in all of these places the old guard of the Labour Party is fighting a rearguard action. It is not in the interests of good government to see the disappearance of the moderate Labour control of local authorities. The

new Left are organised, determined and have found that they can manipulate a huge rate revenue through controlling local councils.

The hard Left thrive on the rhetoric of conflict. They really do hope that the Government can be brought down by widespread action in the inner cities. They see ratecapping as the opportunity for conflict. Ken Livingstone, in January 1985 said: "We will effectively operate within the State in defiance of the State. That will prove the most dramatic challenge, apart from the challenge of the miners, that this Government has faced since 1979." Councillor Carney, Manchester, January 1985: "I think there will be serious riots in the City this Summer." Ted Knight, Lambeth, January 1985: "We have chosen to defend the communities we represent and the urgent needs of people who put us into office. And if that requires us to step outside of Tory laws, then we believe it will be understood and supported by thousands of Labour voters who have already shown support for the miners."

Undermining the police is part of the strategy of the hard Left. The GLC has given £1m to police monitoring groups in this financial year. Attached is an advertisement from the Guardian of 30 January for a £10,000 researcher into "police activity in schools".

Government Action

- i. We must ensure that ratecapping succeeds. The campaign against this will be very emotional, featuring Meals on Wheels, Home Helps, old people and nursery classes. We must concentrate on the positive help we are giving to hard-pressed ratepayers. We are their only protection in the inner cities. The Left's tactics are to force us onto the defensive and to recognise their needs by making larger grants. This would be a major victory for militancy.

- ii. We must find a way to stop them spending ratepayers' money on propaganda. We are circulating a note on this separately to colleagues. We must, within the conventions, counter this propaganda and consider a political campaign, but this will be expensive.

- iii. We must exploit the differences between the Kinnock line of not being drawn into illegality and the militants who are planning for it.

- iv. We must make the most of what we are doing to help the inner cities through the Urban Programme and the MSC training. We are working on this but we must not let ourselves be accused of cosmetic exercises - the new Urban Programme strategy will help us to demonstrate the achievements for which UP can take credit.

v. We must make the most of the follies which our opponents fortunately still engage in. The activities of the loony Left give us good cases for popular ridicule. In Liverpool the militants are so dedicated to municipal socialism that they have stopped supporting housing co-operatives and voluntary activities because they represent alternative power bases. They have now lined up against what is left of the middle class Left, Shelter, the black caucus and the bishops.

vi. We must do everything we can to break their grip on local authority housing. "Right to Buy" only helps in a small way in these areas and we are looking at further extensions. Housing co-operatives, currently small, are an effective way of creating homes which people want and which are not in the thralldom of the local authority.

vii. We must make quite sure that we take full account of the tendencies described in this minute in the recommendations which flow out of the Local Government Finance Studies. It is very likely that any new régime that is recommended for local government generally will not be in itself sufficient as regards the proper local government of the inner cities, which might call for special consideration.

viii. We are about to set up the abuses inquiry and this together with the local government finance studies and the proposals we are putting together on housing will all bear on the problems of the inner city and are very much addressed to dealing with them.

CHIEF EXECUTIVE'S DEPARTMENT

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Newham's Police Sub-Committee, requires a Researcher for one year to undertake a review of Police activity in Newham Schools and to make approved recommendations to the Council.

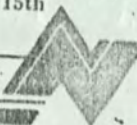
It is anticipated that the successful candidate will be familiar with the relevant clauses of the Police and Criminal Evidence and Data Protection Acts. She/He will be expected to conduct surveys of teachers and pupils and will have research experience into policing matters and/or teaching experience.

This post is funded by the GLC.

For further information, please contact 01-472 1430. Ext. 3461.

For an application form and further details please write to the Chief Executive's Department, Town Hall, East Ham, London E6 2RP or telephone 01-472 1439. Ext. 3065. Closing date: 15th February, 1985.

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