

PA

note

Spoke Richard Wilson (Cab. Office) and told him PM did not want to interfere. He will now steer the case to resolve in E(LA).

PRIME MINISTER

COMMUNITY CHARGE: SPECIFIC GRANT FOR PREPARATION COSTS

PLCG  
20/9

Nicholas Ridley and the Chief Secretary are locked in dispute as to whether a specific grant should be made to local authorities for Community Charge preparation costs, or whether these should be covered in the normal distribution of Rate Support Grant.

Mr Ridley (Flag A) argues for a specific grant. This is a slightly odd position for DOE Ministers, given their usual opposition to specific grants. But Mr Ridley argues the case is exceptional - as it is to some extent because it would only be a one year grant - and he rests his view heavily on the political aspects of the introduction of the Community Charge.

The Chief Secretary (Flag B) puts the opposing case.

The Policy Unit (Flag C) come down on Mr Ridley's side; as does John Moore (Flag D).

*Nicholas Ridley grant*

I think the arguments are more evenly balanced than the Policy Unit suggest. But the key issue here is not the normal theology of whether specific grants are a good idea or not; it is the politics of introducing the Community Charge.

Do you want to support Mr Ridley?

or to stay out of the argument? ✓

*ms*

PLCG.

PAUL GRAY

19 September 1988