



CONFIDENTIAL

31

Comments by Tuesday, please

2 MARSHAM STREET
LONDON SW1P 3EB
01-276 3000

Paul Gray

My ref:

Your ref:

The Rt Hon John Major MP
Chief Secretary
HM Treasury
Parliament Street
LONDON
SW1

~~J. S. Gray~~

*As discussed and agreed
this is a matter for Chris Patten.
I would add that I think we
shall have to spend a lot
of money on pulling out
(especially) the community charge*

21 July 1989

*Note discussed with
Roger Blyth (Dor). Post as
waiting for a Treasury response and
N. Patten will be sending the
position.*

*Dear John Major
18/7*

John 25/7

You will have seen my minute of 22 March, responding to the Prime Minister's interest in our proposals for publicity on the community charge. In that, I outlined what we had achieved so far and our current proposals. I also mentioned that further publicity might be needed next winter and that it was already clear that the £1m originally allocated to publicity on local government matters, primarily in order to carry out our household leaflet drop, would not be adequate to do a thorough job.

We agreed this figure last year, on the understanding that we might in the event need to do more to reach certain groups of community charge payers. I have now considered the matter further and have had the benefit of some preliminary research by Gallup into current levels of awareness of the community charge. I am convinced that the public still needs information on important areas of the new system, especially the key area of rebates. It is on that basis that I am now writing to you. (I recognise that, following my announcement yesterday, we may need to ensure that the safety net is better understood. I shall be considering this separately.)

The research shows that our short leaflet sent to all households was effective in raising people's awareness of the community charge and that a majority of its readers found it helpful. The leaflet was, however, short and could by its very nature only cover main points. The research showed that there is still uncertainty about some important details of the system, such as the factors deciding entitlement to rebates. As about half of those interviewed were concerned about whether they could afford the community charge, it is clearly important that people should be fully aware of the rebate system. We have repeatedly said that we expect up to 1 in 4 people to be helped by rebates and income support - some 9 million charge payers.

In addition, some important groups are less aware of the community charge than others, including council tenants and young people (who as first time payers in many instances are a key group), unskilled workers, people on low incomes and members of larger households.

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I therefore propose to undertake a further information campaign around the turn of the year, to make key groups of people better informed about their rights and duties. It will have three major aims: ensuring that poorer people are aware of the availability of rebates: stimulating registration among those still unregistered; and maximising awareness among non-rate payers that they will have to pay a bill for the first time. These are all highly important for achieving successful implementation, and the last two aims will help achieve maximum revenue for the local authorities. The key aim is the need to achieve maximum awareness of rebates: if people's concerns about cost are met they are more likely to register, and if they receive a rebate they are of course more likely to be able to pay.

The main campaign would centre around television advertising making clear that all adults will pay the community charge and focused primarily on rebates. At least £3m would be needed to carry through an effective television campaign. I am convinced this would be justified, because of the importance of the messages and the difficulty of reaching much of the target audience by other means. It is notoriously difficult for example to target with precision those people who may be eligible for rebates but not for other sorts of benefit. The young will be another key group. For both, television is likely to be the most effective means of communication.

We should not rely on television advertising alone. Television is suited to short, sharp messages well calculated to heighten awareness of the existence of rebates. The scheme's details however will need to be publicised in other ways. The advertisements should therefore encourage people to send for a short leaflet on rebates. They would be supported by newspaper advertising, biased towards the popular, youth and ethnic press containing a coupon which could be sent off for the leaflet. This might cost £400k.

To further the aim of raising awareness among first-time payers, we can target key groups through radio and cinema advertising (especially effective for housewives and the young respectively). A campaign of three weeks in both media would cost in the order of £450k. Advertisements in specialist publications would also be desirable. These might cost £150k. We shall also stimulate further take-up of our existing publications.

I also intend to commission some research on the need for, and effectiveness of, a Departmental telephone hotline, to enable us to deal with urgent personal queries and concerns. It is difficult to estimate a precise cost because of the demand-led nature of the service, but £300k would be a realistic provisional figure, if we were to proceed.

Finally, we propose to write to all business rate payers late this year, once the multiplier is announced and the new rating lists are deposited. There is still ignorance among businesses and some alarmist comment being circulated.

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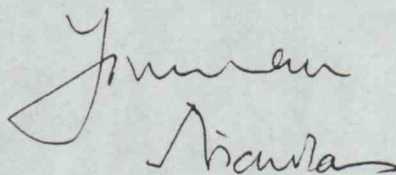
The revaluation and our business rate proposals are important reforms, affecting every business in the land. It is highly desirable to ensure that individual businessmen and women have the changes and our reasons for them explained to them directly. This will cost approximately £400k.

In addition to these longer-term plans, there are some smaller initiatives which I wish to pursue in the near future, including a new leaflet on rent and rates, the provision of general information for the blind and the deaf and dumb, and information in minority languages, costing in total about £0.63m.

I am satisfied that these proposals fully respect the conventions on Government publicity, on grounds of both cost-effectiveness and propriety. I am clear that this is the most effective way of reaching large numbers of people who need to know about an important right in a new system. I believe that many people, far from criticising a campaign intended to help our poorest citizens, will welcome it. Local authorities too are likely to favour an effective Government campaign which will assist implementation. As to timing, the bulk of the campaign should take place next December and January, with television advertising in the cheaper, January period. This will be when claims for rebates can first be entertained, when people will receive their personal register entries, and will give time for late registration.

The total cost is some £5.6m, itemised in the attached table. As I have mentioned, we agreed during PES discussions last year that I would need to come back to you on the question of funding the overall publicity campaign if it was agreed that more than £1m was required. At present, I have no funds for this increased programme. I suggest, however, that we review the position later in the year when we are better able to look across the whole of my Department's programmes. In the meantime it would be helpful to have your agreement to the proposals set out in this letter so that we can put arrangements in hand.

I am copying this letter to the Prime Minister, and to Peter Walker, Malcolm Rifkind, John Moore and Sir Robin Butler.

A handwritten signature in dark ink, appearing to read 'Nicholas Ridley', written in a cursive style.

NICHOLAS RIDLEY

ANNEX

	£k
a) newspaper advertisements in December to publicise rebates;	400
b) TV advertisements in January 1990;	3,000
c) leaflet to accompany advertisements plus response fulfilment;	100
d) simultaneous radio and cinema advertisements, aimed at key groups;	450
e) specialist advertisements for key groups in other media;	150
f) Post Office display units, and QTV, for rebate and exemption leaflets;	95
g) mail drop to all business rate-payers;	400
h) possible telephone hotline	300
i) v.f.m. research into the above and preliminary research into concepts for TV advertisements	70
j) miscellaneous small items needed now (including translated publications, material for the deaf and blind, reprints of existing leaflets, new leaflet on rent and rates)	630
	<hr/>
Total	5,525



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My ref:

Your ref:

The Rt Hon John Major MP
Chief Secretary
HM Treasury
Parliament Street
LONDON
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MBM

*REC
179*

21 July 1989

Dear Tom

Ref Pt 12

You will have seen my minute of 22 March, responding to the Prime Minister's interest in our proposals for publicity on the community charge. In that, I outlined what we had achieved so far and our current proposals. I also mentioned that further publicity might be needed next winter and that it was already clear that the £1m originally allocated to publicity on local government matters, primarily in order to carry out our household leaflet drop, would not be adequate to do a thorough job.

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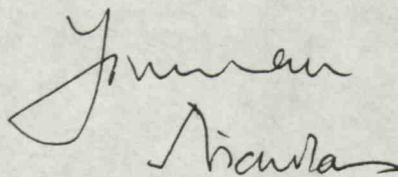
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LOCAL GOVT: Rater Pt 13.

