



## CABINET OFFICE

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MR. POTTER

## THE COMMUNITY CHARGE

I attach, as promised, a short note outlining a further possible approach based on enhanced community charge capping plus referendums.

The aim would be to take new legislative powers which would drop the present "excessiveness" test for capping and give Ministers the power to bring down community charges, subject to referendums, as toughly or as mildly as they thought fit in the light of the actual budgets which local authorities had set. The note has not of course been discussed with Departments or with lawyers.

I am copying this minute to John Gieve, private secretary to the Chancellor of the Exchequer.

R. T. J. WILSON

4 June, 1990.