SECRET



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Hear lan,

THE COMMUNITY CHARGE

As agreed at this morning's meeting here, I enclose a revised description of the new option. This takes account of the main points made at the meeting, and sets out the alternative ("the Summerton option") based on requiring local authorities to set initial bills at the Secretary of State's level, and hold a referendum for an increase if they so decide.

I am sending copies of this letter and the enclosure to Andrew Hudson at the Treasury and Michael Carpenter in the Legal Secretariat to the Law Officers.

Tom. Alen

ANDREW WELLS
Economic Secretariat

From: P F Owen 6 June 1990

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MR POTTER

cc Sir Robin Butler Mr Wilson Mr Wells

COMMUNITY CHARGE: FORUM FOR DISCUSSION

- 1. Mr Wells has researched the membership of E(A) and E(LG).
- 2. There is <u>core membership</u> of both groups which comprises the Prime Minister, the Lord President, the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Trade and Industry, Scotland, Transport, Energy, Environment, Employment and Wales, and the Chief Secretary.
- 3. Additional members of E(A) are the Secretary of State for Northern Ireland and the Minister of Agriculture, Fisheries and Food.
- 4. Additional members of E(LG) are the Secretaries of State for the Home Department, Health, Education and Science, and Social Security, the Lord Privy Seal and the Minister for Local Government.
- 5. A meeting of E(LG), with Mr Gummer invited by virtue of his responsibility for local authority expenditure, would cover all members of both groups with the exception of the Secretary of State for Northern Ireland. This looks the best bet.

P F OWEN