

SW
FILE

MR. MILLS
POLICY UNIT

Thank you for your note on the community charge and its impact on the RPI next year.

I can of course put this into the Prime Minister if you wish. But I am a little concerned that the message might make more impact if it were timed a little later. There are no immediate community charge issues for decision at this point.

However, my understanding is that Ministers will soon need to decide what the capping criteria should be next year. As your note points out the severity of the criteria will have an impact on the size of the RPI increase from next April. I wonder whether the very useful table at the top of page 2 - which is at the heart of your minute - is better brought to the Prime Minister's attention in that context.

Grateful for your view.

(BARRY H. POTTER)

11 October 1990

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