

✓ NO.



Local Govt  
Rees

Prime Minister (2)

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

Mus 26/7

My ref: J/PSO/13492/83  
Your ref:

26 JUL 83

Dear Cecil,

EMPTY PROPERTY RATES

Thank you for your letter of 6 July about our proposal to stop the rating of empty industrial property.

As you know from my letter of 13 July to Peter Rees, we have found a way to stop the rating of empty industrial property altogether from 1 April 1984. The draft White Paper which I shall be circulating to colleagues shortly proposes the suspension of local authorities' powers to levy such rates.

I have considered whether we should subsequently go further and abolish local authorities' powers in this respect, which would need primary legislation. But if you and other colleagues agree, I have concluded that it would be best to leave the powers suspended. Our justification for confining the suspension to the industrial sector is based on the prevailing market conditions. There is at present a surplus of empty industrial property which cannot be sold or let, but at the same time there is still a reasonable demand for commercial property in many areas. By suspending empty property rating for industry we avoid primary legislation on this point and we leave ourselves the option of reacting to a change in economic circumstances which might eventually suggest that empty industrial property should be rerated.

Suspension will resolve the problem which most concerns us of factory owners driven to vandalise their premises to avoid rates, and does it quickly. I am sure that it will be widely welcomed by industry.

Copies go to the recipients of your letter.

Your ex  
Patrick

PATRICK JENKIN

The Rt Hon Cecil Parkinson MP

Local Govt - Future of the Rating  
System  
Pt 3

20 JUL 1963

